

REBUTTAL TESTIMONY

of

Cheri L. Harden

Rate Analyst
Rates Department
Financial Analysis Division
Illinois Commerce Commission

Commonwealth Edison Company

Proposed General Increase in Electric Rates

Docket No. 10-0467

December 30, 2010

1 **Q. Please state your name and business address.**

2 A. My name is Cheri L. Harden. My business address is 527 East Capitol Avenue,
3 Springfield, Illinois 62701.

4
5 **Q. Are you the same Cheri Harden who filed direct testimony in this case?**

6 A. Yes, I am. I provided direct testimony in this case as ICC Staff Ex. 11.0, filed on
7 e-Docket on November 19, 2010.

8
9 **Q. Please list the schedules and attachments that are part of your rebuttal
10 testimony.**

11 A. I am sponsoring Attachment A which is the Company's response to Staff Data
12 Request ("DR") TC 1.01. I am also sponsoring Schedule 27.1, which reflects my
13 proposed fees and charges for miscellaneous revenues. Schedule 27.1 was
14 also attached to Staff witness Theresa Ebrey's rebuttal testimony filed on
15 December 23, 2010. (Staff Ex. 16.0, Attachment C)

16
17 **Q. Please state the purpose of your rebuttal testimony.**

18 A. I respond to the rebuttal testimony presented by Commonwealth Edison
19 Company ("ComEd" or "Company") witness Lawrence S. Alongi, ComEd Ex.
20 49.0.

21
22 **Q. Does the Company accept your recommendation to limit the increases to
23 certain miscellaneous charges and fees?**

24 A. Yes. ComEd stated that the Company is willing to accept my recommendation to
25 reduce the increase to the Off-Cycle Termination Fee, the Cable TV Power
26 Supply Test Fee (“CATV Fee”), the Duplicate Information Fee, the Invalid
27 Payment Fee, the Reconnection Fee, the Meter Reading Charges, the
28 Nonstandard Switching Fee, and the Split Load DASR (Direct Access Service
29 Requests) Fees by 50% and adjust ComEd’s revenue requirement accordingly.
30 (ComEd Ex. 49.0, p. 57)

31
32 **Q. Does the Company accept your recommendation to remove the incentive**
33 **compensation portion from the miscellaneous charges and fee**
34 **calculations?**

35 A. Yes. Mr. Alongi stated that the Company will accept this recommendation if the
36 Commission accepts ICC Staff witness Pearce’s position on incentive
37 compensation. (ComEd Ex. 49.0, p. 57)

38
39 **Q. Does the Company provide the corresponding information to remove**
40 **incentive compensation from the miscellaneous charges and fee**
41 **calculations?**

42 A. Yes. Company witness Alongi presents Table R2: Miscellaneous Charges
43 which lists the charges with removal of AIP (Annual Incentive Plan) costs.
44 (ComEd Ex. 49.0, p. 58)

45

46 **Q. Did the Company propose any changes in rebuttal testimony to its fees and**
47 **charges for miscellaneous revenues?**

48 A. Yes. The current tariffed rate for the Interval Data Fee is \$22 per meter. The
49 Company had proposed in the direct testimony of Company witness Alongi
50 (ComEd 16.0 REV, Table D11, p. 35) that this fee should be reduced to \$17 per
51 meter. In Mr. Alongi's rebuttal testimony he proposes a further reduction to the
52 Interval Data Fee. The Company submitted ComEd Ex. 49.11, which reflects
53 lower costs for website maintenance, file maintenance and merchant account
54 components which are used to determine the Interval Data Fee. The Company
55 proposes a change from \$17 to \$11 per meter for the Interval Data Fee.
56 (ComEd Ex. 49.0, p. 57)

57
58 **Q. Do you recommend any further adjustments to the Interval Data Fee?**

59 A. Yes. In the Company's response to Staff DR TC 1.01, Attachment A, ComEd
60 stated that the 12,461 value on ComEd Ex. 49.11 refers to the estimated number
61 of requests processed at the account level instead of the number of estimated
62 meters. Based on the Company's response to Staff DR TC 1.01, I recommend
63 adjusting the 12,461 accounts from ComEd Ex. 49.11 to the correct number of
64 39,500 meters estimated volume shown on WPC-2.16, a ComEd workpaper
65 (Staff Ex. 11.0, Attachment C).

66
67 I have taken the Interval Data Fee Cost of Processing calculation, with removal

68 of the AIP, from ComEd Ex. 49.11 of \$131,151 and divided it by the 39,500
69 meters resulting in a rate of \$3.32 per meter for the Interval Data Fee.

70
71 The Interval Data Fee will also be discussed by Staff witness Torsten Clausen in
72 ICC Staff Ex. 30.0

73
74 **Q. What is your recommendation regarding the amount of the Interval Data**
75 **Fee?**

76 A. I accept the recommendation of Mr. Clausen, who is recommending that an
77 Interval Data Fee of \$3.32 per meter be approved.

78
79 I also recommend that the net benefits of efficiencies gained by ComEd should
80 be flowed through to customers, as I stated in my direct testimony (Staff Ex.
81 11.0, p. 24), as well as the lower costs for website maintenance, file
82 maintenance and merchant account components that was discussed in ComEd's
83 rebuttal testimony. (ComEd Ex. 49.0, p. 57) These lower costs are reflected in
84 Mr. Clausen's recommended charge of \$3.32 per meter.

85 **Q. Does this change to the Interval Data Fee affect the revenue requirement?**

86 A. Yes. As I showed in my direct testimony, WPC-2.16, a ComEd workpaper (Staff
87 Ex. 11.0, Attachment C), estimated the effect of its proposed tariff changes on
88 miscellaneous revenues. The 2010 expected annual revenue (line 12) for the
89 Interval Data Fee showed a calculation of \$671,500 for an estimated number of

90 39,500 meters. This amount changes with Mr. Clausen's recommendation to
91 \$131,140 (39,500 meters x \$3.32 proposed fee) which is the total annual cost to
92 provide the Interval Data to each meter shown on ComEd Ex. 49.11.

93

94 **Q. Does Schedule 27.1 reflect your adjustments?**

95 A. Yes. Schedule 27.1 reflects the 2010 Staff Expected Annual Revenue in column
96 (H) and shows all the adjustments to the fees and charges that I recommend.

97

98 **Q. Please explain the adjustments that you show on Schedule 27.1 which**
99 **affect the revenue requirement.**

100 A. My first adjustment, that changes the revenue requirement, is shown on line 3 of
101 Schedule 27.1. Column G shows my proposed charge of \$20.50 for the Invalid
102 Payment Charge. This adjustment is based on my recommendation, in my direct
103 testimony, of reducing the Company's proposed increase by 50% and also
104 reflects the removal of the incentive compensation adjustment that is shown in
105 Table R2: Miscellaneous Charges of Company witness Alongi's rebuttal
106 testimony. (ComEd Ex. 49.0, p. 58) My adjustment for the Invalid Payment
107 Charge changes the 2010 expected revenues from the Company's initial
108 proposal in this case of \$1,328,460 to \$1,008,272 as shown in column (H), line 3
109 of Schedule 27.1.

110

111 My second adjustment, that changes the revenue requirement, is shown on line

112 4 of Schedule 27.1. Column G shows my proposed charge of \$54.50 for the
113 Reconnection Charge. This adjustment is based on my recommendation, in my
114 direct testimony, of reducing the Company's proposed increase by 50% and also
115 reflects the removal of the incentive compensation adjustment that is shown in
116 Table R2: Miscellaneous Charges of Company witness Alongi's rebuttal
117 testimony. (ComEd Ex. 49.0, p. 58) My adjustment for the Reconnection
118 Charge changes the 2010 expected revenues from the Company's initial
119 proposal in this case of \$882,680 to \$644,681 as shown in column (H), line 4 of
120 Schedule 27.1.

121
122 My final adjustment, that changes the revenue requirement, is shown on line 12
123 of Schedule 27.1. This reflects my recommendations for the Interval Data Fee
124 as I discussed earlier in my rebuttal testimony.

125
126 **Q. How do the three adjustments affect the revenue requirement?**
127 A. These three adjustments change the effect of the Proposed Changes on line 18
128 of Schedule 27.1 to (\$132,051). Staff witness Ebrey has incorporated this
129 adjustment into Staff's proposed revenue requirement that was filed on
130 December 23, 2010(Staff Exhibit 16.0, Schedules 16.01 and 16.02).

131
132 **Q. Are there other adjustments reflected on Schedule 27.1 that do not affect**
133 **the revenue requirement?**

134 A. Yes. Lines 1, 2, 5, 6, 9 – 11, 14, 15 and 16 show my proposed charges in
135 column (G) for the various fees and charges that I recommended in my direct
136 testimony. (Staff Ex. 11.0) My adjustments reflect my recommendations to
137 reduce the increases by 50% and, based on Staff witness Bonnie Pearce’s
138 testimony, to remove the incentive compensation component from the fees and
139 charges. These adjustments do not have an effect on the revenue requirement.

140

141 **Q. Has the Company accepted these adjustments?**

142 A. Yes, as I mentioned previously, the Company stated that it has accepted all of
143 my adjustments in my direct testimony for the fees and charges pending the
144 Final Order in this docket by the Commission. (ComEd Ex. 49.0, p. 57)
145 However, the revenue requirement filed with the Company’s rebuttal testimony
146 (ComEd Ex. 29.1) did not reflect the impact of agreement with my adjustment.
147 Therefore, my adjustment was reflected in Staff’s revenue requirement schedule.
148 (Staff Exhibit 16.0, Schedules 16.01 and 16.02)

149

150

151 **Q. Did the Company agree to your recommendation of direct notification of**
152 **the nine (9) affected customers from the Company’s proposal to eliminate**
153 **the Self-Generating Customer Group?**

154 A. No, the Company did not respond to my recommendation for the Self-Generating
155 Customer Group.

156

157 **Q. Do you still recommend the Company provide direct notification to the nine**
158 **(9) affected customers if the Company's proposal to eliminate the Self-**
159 **Generating Customer Group is approved by the Commission?**

160 A. Yes. In my direct testimony I stated that I do not object to the Company's
161 proposal to eliminate the Self-Generating Customer Group but the Company
162 should be ordered to send direct notice to the nine (9) affected customers that
163 explains the options the customers have available to them if the Commission
164 approves the elimination of the Self-Generating Customer Group. (Staff Ex. 11.0,
165 pp. 41 - 42)

166

167 **Q. Does this conclude your rebuttal testimony in these proceedings?**

168 A. Yes.

WPC-2.16 revised by staff
 Page 1 of 1

Commonwealth Edison Company
 Estimated Effect of Proposed Tariff Changes on Miscellaneous Revenues
Based on 2009 Data
 (In Dollars)

Line No.	Charge/Fee (A)	Source (e.g. Tariff) (B)	Current Charge (C)	Estimated Volume (D)	2009 Revenue (C * D) (E)	Original Company Proposed Charge (F)	Staff Proposed Charge (G)	2010 Staff Expected Annual Revenue (D * G) (H)
1	CATV Fee (1)	GT&C	\$97.00	0	\$ -	\$216.00	\$150.50	\$ -
2	Duplicate Information Fee	GT&C	\$6.00	0	-	\$12.00	\$8.50	-
3	Invalid Payment Charge	GT&C	\$15.00	49,184	737,760	\$27.00	\$20.50	1,008,272
4	Reconnection Charge	GT&C	\$38.00	11,829	449,502	\$75.00	\$54.50	644,681
5	First Meter Reading Charges	MSPS	\$25.97	0	-	\$42.00	\$32.99	-
6	Additional Meter Reading Charges	MSPS	\$3.43	0	-	\$6.00	\$4.22	-
7	Meter Equipment Removal	MSPS	Varies by type	0	-	Varies by type		-
8	Meter Requested Work	MSPS	Varies by type	0	-	Varies by type		-
9	DASR Fees (1st Thru)	RDS	\$58.00	0	-	\$114.00	\$83.00	-
10	DASR Fees (%)	RDS	\$58.00	0	-	\$114.00	\$83.00	-
11	DASR Fees Split by Meter	RDS	\$96.00	0	-	\$188.00	\$137.00	-
12	Interval Data Information Fee	GT&C	\$22.00	39,500	869,000	\$17.00	\$3.32	131,140
13	Meter Lease	ML	Varies by type	varies	13,158,352	Varies by type		13,298,471
14	Off Cycle Termination Fee	BESH	\$434.00	0	-	\$560.00	\$495.50	-
15	Non-Standard Switching Fees First Meter	RDS	\$25.97	0	-	\$42.00	\$32.99	-
16	Non-Standard Switching Fees Additional Meters	RDS	\$3.43	0	-	\$6.00	\$4.22	-
17	Total				<u>\$ 15,214,614</u>			<u>\$ 15,082,564</u>
18	Effect of Proposed Changes (Column G - Column E)							<u>\$ (132,051)</u>

ICC Docket No. 10-0467

**Commonwealth Edison Company's Response to
Illinois Commerce Commission ("STAFF") Data Requests
TC 1.01 – 1.13**

Date Received: December 16, 2010

Date Served: December 20, 2010

REQUEST NO. TC 1.01:

Referring to ComEd Ex. 49.11 (Determination of the Interval Data Fee), the estimated number of Interval Data Requests (M) is shown as 12,461. Based upon a conversation between Staff witness Clausen and ComEd personnel, it is Staff's understanding that this number reflects the number of estimated accounts and not the number of estimated meters. Please confirm whether that understanding is correct.

RESPONSE:

Yes. As discussed in conversation between ComEd and Staff, ComEd has recently determined that the 12,461 value refers to the estimated number of requests processed at the account level instead of the number of meters as ComEd had initially interpreted the data to represent.