

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

2 A. My name is Richard A. Baudino. My business address is J. Kennedy and Associates, Inc.
3 ("Kennedy and Associates"), 570 Colonial Park Drive, Suite 305, Roswell, Georgia
4 30075.

5 **Q. What is your occupation and by whom are you employed?**

6 A. I am a consultant to Kennedy and Associates.

7 **Q. Did you previously submit Direct Testimony in this proceeding?**

8 A. Yes. I submitted Direct Testimony on behalf of the Commercial Group.

9 **Q. What is the purpose of your Rebuttal Testimony?**

10 A. The purpose of my Rebuttal Testimony is to respond to the Rebuttal Testimonies of
11 Commonwealth Edison Company ("ComEd" or "Company") witnesses Robert Alongi,
12 Robert Garcia, and Alan Heintz.

13 **Q. Mr. Heintz presented revised embedded cost of service studies ("ECOSS") in
14 ComEd Exhibits 51.1, 51.2, and 51.3. Do you have any comments with respect to
15 ComEd Exhibit 51.2?**

16 A. Yes. ComEd Exhibit 51.2 presents the results of Mr. Heintz's revised exemplar Primary
17 ECOSS, which the Company also refers to as its preferred exemplar Primary ECOSS.
18 This ECOSS incorporated the change in the allocation of secondary distribution lines that
19 I recommended in my Direct Testimony. It also incorporated other modifications and
20 corrections, including a change recommended by Illinois Industrial Electric Consumers'
21 ("IIEC") witness David Stowe.

22 I agree with the more reasonable allocation of secondary line costs to ComEd's
23 customers that is presented in ComEd Exhibit 51.2. The initial page reference in Mr.

24 Alongi's rebuttal testimony (p.5, ln.126) to Mr. Stowe's direct testimony ("15:237")
25 appears to be a typo so I'm not certain which of Mr. Stowe's recommendations were
26 incorporated into ComEd Ex. 51.2, but overall the exhibit is a substantial improvement
27 over ComEd Ex. 22.1. If the Commission decides to establish a Primary customer class
28 in this proceeding, I recommend that it use the ECOSS in ComEd Exhibit 51.2 as the
29 guide for class revenue allocation. Consistent with my position in direct testimony, if the
30 Commission decides not to implement a Primary voltage class in this case, then I
31 recommend it base its class revenue allocation on the results of ComEd's ECOSS filed in
32 ComEd Ex. 51.1, which slightly revised ComEd Ex. 15.1. Further, I note that ComEd
33 witness Garcia (Ex. 50.0, pp.5-6) and IIEC witness Stowe (Ex. 3.0, pp.20-24) agree with
34 my recommendation to reinstitute the use of the class non-coincident peak ("NCP")
35 factor for allocating distribution substation and primary feeder line costs, which better
36 reflects how ComEd designs those facilities. Therefore, I continue to recommend that
37 whether the Commission chooses to use the ECOSS filed in ComEd Ex. 51.1 or 51.2,
38 such study should be updated to restore the allocation of distribution substation and
39 primary feeder line costs to the NCP allocation ComEd historically has used.

40 **Q. Did the Company provide the total embedded cost of service for its customer classes**
41 **based on its revised preferred exemplar study?**

42 A. Yes. ComEd Exhibit 51.4, page 2 of 3, presents a summary of the total cost of service for
43 the Company's preferred exemplar ECOSS, as well as a comparison to the total cost of
44 service for each class under its previously filed exemplar Primary ECOSS in ComEd
45 Exhibit 22.1

46 **Q. Have you calculated the cost of service-based increases for the Medium, Large, and**
47 **Very Large Load classes under ComEd’s preferred exemplar ECOSS?**

48 A. Yes. Rebuttal Table 1 below presents increases in the average cost per kWh under the
49 Company’s preferred exemplar Primary ECOSS.

50

	<u>Current Rate</u>	<u>Full ECOSS</u>	<u>Pct. Increase</u>
Medium Load	\$0.0161	\$0.0168	4.2%
Large Load	\$0.0149	\$0.0157	5.3%
Very Large Load	\$0.0131	\$0.0151	15.4%
System Average Increase			18.4%

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52 On a total cost of service basis, Rebuttal Table 1 shows that the Medium, Large, and
53 Very Large Load classes should receive increases less than the system average increase.
54 This also indicates that, similar to the results of the Company’s recommended ECOSS in
55 ComEd Exhibit 51.1, these classes are subsidizing other rate classes.

56 **Q. Did ComEd include rate mitigation for certain classes in its proposed revenue**
57 **allocation in this proceeding?**

58 A. Yes. In a similar fashion to its direct case, the Company’s mitigated cost-based revenue
59 increases for the Extra Large Load, High Voltage, and Railroad Delivery classes by
60 allocating the difference between mitigated class revenues and full class cost of service
61 revenue to the other non-residential classes. This resulted in the following increases to

62 the Medium Load, Large Load, and Very Large Load classes in the Company's preferred
63 exemplar study.

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REBUTTAL TABLE 2			
Average kWh Rate Increases			
ComEd Preferred Exemplar Proposed Class Revenues			
	<u>Current Rate</u>	<u>ComEd Proposed</u>	<u>Pct. Increase</u>
Medium Load	\$0.0161	\$0.0172	6.8%
Large Load	\$0.0149	\$0.0161	8.1%
Very Large Load	\$0.0131	\$0.0155	18.3%
System Average Increase			18.4%

65

66 In particular, the Very Large Load class, which should receive an increase less than the
67 system average, receives an increase nearly equal to the Company's overall increase.

68 **Q. Do you agree with allocating the cost of service shortfall from rate mitigation only to**
69 **the non-residential classes?**

70 A. No. As I stated in my Direct Testimony, there is no good reason to allocate the revenue
71 shortfall from the Extra Large Load, High Voltage, and Railroad Delivery classes to the
72 non-residential classes alone. This is particularly true because, as I mentioned in the
73 direct testimony, the Medium, Large, and Very Large Load classes have been
74 consistently providing subsidies to other classes over a period of years and should not
75 continue to bear all of the subsidy burden. I also point out that many of the societal and
76 system benefit reasons given in this case for subsidizing the Railroad class are broad
77 considerations and not applicable only to non-residential classes. Therefore, I continue to

78 recommend that if the Commission desires to mitigate the rate increases for these classes,
79 it should allocate this class revenue shortfall to all other classes.

80 **Q. Does this conclude your testimony?**

81 A. Yes.