



## List of Issues & Major Conclusions

### *Pro Forma* Plant Additions

- ComEd knows with reasonable certainty that investments reflected in the *pro forma* adjustment will be made as scheduled. They should be included in rate base without adjustment or disallowance.
- ComEd's *pro forma* additions are not based on budgets or "checkbook" processes, as Ms. Ebrey claims, but on engineering evaluations of specific investments.
- Where changes are made to project plans, they occur because specific changes affecting ComEd's system have altered the investment priorities and ComEd has responded by investing in the higher priority work. In many cases this is driven by our customers and/or government entities. The fact that we adapt as we should is not indicative of any flaw in our work planning process, or of any uncertainty in the overall work schedule.
- Voluminous data, including status reports, designs, workplans, contracts, work orders, and the actual plant itself supports ComEd's proposed *pro forma* additions. My testimony includes much of that data. More was made available through discovery and in ComEd's data room.

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1 **I. Introduction**

2 **A. Identification of Witness**

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

4 A. My name is Terence R. Donnelly. My business address is 2 Lincoln Centre, 10<sup>th</sup> Floor,  
5 Oakbrook Terrace, Illinois 60181.

6 **Q. Are you the same Terence R. Donnelly who has previously submitted testimony on  
7 behalf of Commonwealth Edison Company (“ComEd”) in this Docket?**

8 A. Yes, my direct testimony is ComEd Exhibit (“Ex.”) 8.0, my supplemental direct  
9 testimony is ComEd Ex. 20.0 Revised, and my rebuttal testimony is ComEd Ex. 32.0.

10 **B. Purposes of Testimony and Summary of Conclusions**

11 **Q. What are the principal purposes of your surrebuttal testimony?**

12 A. My testimony addresses ComEd’s *pro forma* capital additions. I present evidence  
13 responding to claims made in rebuttal testimony. Virtually all of the specific evidence I  
14 include has been produced in discovery, made available in data requests, or attached as  
15 exhibits to testimony on specific investments. The rebuttal testimony does not come to  
16 grips with this evidence. In light of all of the hundreds (maybe thousands) of hours  
17 ComEd has spent to gather, organize, and present in an easily understandable manner all  
18 of the hard documentation that supports our *pro forma* plant additions, one is hard  
19 pressed to fathom what kind of additional showing could be made short of simply  
20 requiring that all *pro forma* additions be in service.

21 **Q. To what testimony concerning *pro forma* capital additions do you respond?**

22 A. I respond to the rebuttal testimonies of Staff witness Ms. Theresa Ebrey (Ebrey Reb.,  
23 Staff Ex. 16.0) and AG/CUB witness Mr. David Effron (Effron Reb., AG/CUB Ex. 8.0)

24 about ComEd's *pro forma* adjustment for plant to be placed in service by June 30, 2011.  
25 Ms. Ebrey recommends that except for certain discrete projects she finds reasonably  
26 certain to be placed in service by June 30, 2011, ComEd should not be allowed to include  
27 6 months of *pro forma* capital additions (i.e., between January 1 and June 30, 2011) in  
28 rate base.<sup>1</sup> Mr. Effron continues to advise the Commission to deny recovery for all *pro*  
29 *forma* investment between April 1 and June 30, 2011, although he updates his allowed  
30 adjustment for this period (i.e., between January 1 and March 31, 2011) to \$200.9 million  
31 based on ComEd's rebuttal *pro forma*.<sup>2</sup> He also advises the Commission to reduce the  
32 *pro forma* investment amount by an additional \$16.7 million for jurisdictional General  
33 Plant and \$16.1 million for jurisdictional Intangible Plant, until actual amounts as of  
34 March 31, 2011 are known.<sup>3</sup>

35 **Q. Please summarize your response to these witnesses.**

36 **A.** Contrary to claims made by these witnesses, ComEd knows with reasonable certainty that  
37 investments reflected in its *pro forma* adjustments will be made during the *pro forma*  
38 period. Those planned investments are also known and measurable, as supported by  
39 testimony and substantial documentation. ComEd's scheduled *pro forma* plant additions  
40 are based, not on mere budgets, but on engineering evaluations of investments that should  
41 be made and the priorities associated with them. Unique projects are evaluated and their  
42 workplans are developed individually, while blanket programs represent the baseline

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<sup>1</sup> Ebrey Reb., Staff Ex. 16.0, 5-6:98-102.

<sup>2</sup> Effron Reb., AG/CUB Ex. 8.0, 4:72-8.

<sup>3</sup> *Id.*, 4-5:80-102.

43 routine investment activities that ComEd must – with certainty – complete in order for  
44 ComEd to continue to provide basic service.

45 While our detailed work plans may sometimes change over time, this only occurs  
46 when specific changes affecting ComEd’s system have altered the investment priorities  
47 such as changing customer needs. Such changes are not commonplace, must be fully  
48 justified, and do not change the fact that our planned investments are reasonably certain  
49 to occur as planned. ComEd’s planned investments are not, as Ms. Ebrey continues to  
50 assert, mere “budget-projections.” Every project and every revision remains individually  
51 justified on an engineering and operational basis, and reviewed by management at a level  
52 appropriate to its size and nature. While budgets are utilized at ComEd to control costs  
53 and ensure appropriate financial controls, our work planning and management processes  
54 are project based. No one at ComEd simply spends up to a budget or has an open  
55 “checkbook” from which any investment of their choice can be made. To the contrary,  
56 projects and programs must be identified, justified and approved in the first instance.

57 ComEd has provided extensive documentation and information in support of its  
58 *pro forma* plant additions. Many documents were attached to testimony, others provided  
59 in response to data requests, and still others made available in data rooms in Springfield  
60 and Oakbrook Terrace. This documentation includes presentations explaining the need,  
61 scope, costs, and justification for projects, contract documents, approval documents such  
62 as Project Approval Requests or “PAR” forms, photos, project drawings, and labor hours.  
63 While sample documentation was provided in many instances due to the massive amount  
64 of documentation involved, other documentation such as PAR forms were provided for  
65 virtually every unique Investment Tracking Number or “ITN”. Significant details have

66 been provided for most if not all unique ITNs. Investments under blanket programs have  
67 similarly been supported. Blanket programs involve smaller routine projects such as  
68 extending service to new customers, replacing overhead wires or cable, and installing  
69 transformers. This work is equally certain to occur, and is critical to meeting our  
70 obligation to serve customers. Yet, Ms. Ebrey denies virtually all investment under  
71 blanket programs planned for the first 2 quarters of 2011.

72 While Ms. Ebrey apparently reviewed available information for certain discrete  
73 unique projects (and elected to allow those projects in each instance), her rebuttal  
74 testimony otherwise fails to discuss the extensive supporting documentation and  
75 information. Other than conclusory statements that the *pro forma* investments proposed  
76 for disallowance fail to meet the known and measurable standard, her discussion of some  
77 variability in component parts of ComEd's *pro forma* summary figures over time, and  
78 citing a relatively small number of isolated statements in my rebuttal testimony (such as a  
79 few statements in my rebuttal testimony regarding final workdown curves for 2011 not  
80 being available until the end of 2010), she fails to provide any substantive analysis or  
81 reasons for her assertion that more than 84% of ComEd's planned investments over the  
82 next six months are not known and measurable. There is no meaningful substantive  
83 discussion of the alleged deficiencies with planned investments under specific ITNs or  
84 even categories of ITNs.

85 AG/CUB witness Mr. Efron provides no indication whatsoever that he reviewed  
86 ComEd's support for its *pro forma* adjustment, and he engages in no analysis or  
87 discussion of ComEd's actual planned investments. Instead, he simply applies a cut-off  
88 of first quarter 2011 subject to his proposal for a true-up to actuals. While he accepts

89 ComEd's actual investments through October 2010, Mr. Effron further reduces ComEd's  
90 planned investments for General Plant and Intangible Plant through the end of his first  
91 quarter 2011 cut-off to the extent that those planned investments exceed ComEd's  
92 monthly rate of investment in those categories through October 2010. This simplistic  
93 mathematical exercise does not provide a legitimate basis to deny any portion of  
94 ComEd's proposed *pro forma* investments, and it completely ignores the project based  
95 support utilizing actual expected in-service dates and amounts.

96 ComEd has provided testimony and documentation demonstrating that the  
97 investments reflected in its *pro forma* adjustment are known, measurable, and reasonably  
98 certain to occur during the *pro forma* period ending June 30, 2011. Neither Ms. Ebrey  
99 nor Mr. Effron provide any substantive basis for finding ComEd's support to be  
100 inadequate or deficient, and they both rely on cut-off dates instead of substantive  
101 analysis.

102 **Q. How is your discussion of ComEd's *pro forma* additions to rate base organized?**

103 **A.** First, in **Section II.A** of my testimony, I review and respond to the position of Ms. Ebrey  
104 that a significant portion of ComEd's planned investments during the first and/or second  
105 quarters of 2011 are not known and measurable. I explain why ComEd's method of  
106 planning and managing its plant additions means that those additions are known and  
107 measurable and reasonably certain to occur during the *pro forma* period. Second, in  
108 **Section II.B**, I review Staff's allowance of certain ITNs and comment on Ms. Ebrey's  
109 discussion regarding not allowing other ITNs. In **Section II.C**, I review many of the  
110 specific ITNs disallowed by Ms. Ebrey, and delve into the detailed engineering and work  
111 management data for the *pro forma* projects, focusing on the investments not already in

112 service that Staff and the AG propose to disallow. This data not only substantiates my  
113 conclusions, including that our *pro forma* additions are known and measurable, but it also  
114 disproves the notion that our workplans are based on “budgets.” Finally, in **Section II.D**,  
115 I provide an update of ComEd’s *pro forma* investment based on actuals through  
116 November 30, 2010.

117 **C. List of Exhibits**

118 **Q. What exhibits are submitted with your rebuttal testimony?**

119 A. Attached to my testimony as ComEd Ex. 58.1 is ComEd’s response to Staff data request  
120 TEE 14.03.

121 Attached to my testimony as ComEd Ex. 58.2 is ComEd’s response to Staff data  
122 request TEE 14.04.

123 Attached to my testimony as ComEd Ex. 58.3 are copies of boards ComEd made  
124 available to assist interested parties in understanding the documentation available with  
125 respect to *pro forma* plant additions.

126 Attached to my testimony as ComEd Ex. 58.4 is ComEd’s response to Staff data  
127 request TEE 14.04.

128 Attached to my testimony as ComEd Ex. 58.5 is ComEd’s response to Staff data  
129 request ME 1.07.

130 Attached to my testimony as ComEd Ex. 58.6 is a list of ITNs at or above  
131 \$500,000 that Staff proposes to disallow.

132 Attached to my testimony as ComEd Ex. 58.7 is a list of the current construction  
133 manhours for Public Relocation Projects > \$100K scheduled to complete between  
134 January and June of 2011.

135 Attached to my testimony as ComEd Ex. 58.8 is a list of the current construction  
136 manhours for Baseline Public Relocation Work Orders scheduled to complete between  
137 January and June of 2011.

138 Attached to my testimony as ComEd Ex. 58.9 is ComEd's response to Staff data  
139 request TEE 13.03.

140 Attached to my testimony as ComEd Ex. 58.10 are copies of Purchase Orders and  
141 or Requisitions issued for all fleet purchases scheduled to be made by June 30, 2011.

142 Finally, I note that all of my conclusions are also summarized in bullet point form  
143 in the List of Issues & Major Conclusions that precedes the Table of Contents to this  
144 testimony.

145 **II. Pro Forma Additions to Rate Base**

146 **A. Staff's Proposed Disallowance of Most Pro Forma**  
147 **Investments Planned for 1<sup>st</sup> and 2<sup>nd</sup> Quarter 2011**

148 **Q. Please describe Staff witness Ms. Ebrey's position and recommendation with respect**  
149 **to ComEd's proposed *pro forma* adjustment.**

150 **A.** Ms. Ebrey presents a proposed adjustment in her Schedule 16.08.<sup>4</sup> Ms. Ebrey testifies  
151 that her adjustment "restates the net utility plant-in-service balance to December 31, 2010  
152 with pro forma adjustments to allow certain 'known and measurable' projects that will be  
153 placed in service prior to June 30, 2011."<sup>5</sup> She specifically describes her adjustment as  
154 accomplishing the following:<sup>6</sup>

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<sup>4</sup> Ebrey Reb., ICC Staff Ex. 16.0, Schedule 16.08.

<sup>5</sup> Ebrey Reb., ICC Staff Ex. 16.0, 5:83-6.

<sup>6</sup> *Id.*, 5:86-95.

- 155 1) Disallows pro forma plant additions placed into service  
156 after December 31, 2010 that are not known and  
157 measurable;
- 158 2) Adjusts the associated Accumulated Depreciation and  
159 Accumulated Deferred Income Tax (“ADIT”) balance on  
160 embedded plant at December 31, 2009 to reflect the  
161 balance as of December 31, 2010, the same date for which I  
162 have allowed pro forma plant additions; and<sup>7</sup>
- 163 3) Allows certain discrete projects that are reasonably certain  
164 to be placed in service by June 30, 2011 which have  
165 associated costs that are determinable.

166 Whereas Ms. Ebrey disallowed all *pro forma* investments after September 30, 2010 in her  
167 direct testimony, she now proposes to allow actual and planned *pro forma* investments  
168 through December 31, 2010 (\$666.06 million) plus the planned investment (\$47.0  
169 million) for 28 discrete ITNs that she finds reasonably certain to be placed in service by  
170 June 30, 2011 based upon her review of additional evidence.<sup>8</sup> Thus, she proposes to  
171 allow a total of \$713.05 million of ComEd’s proposed rebuttal testimony *pro forma*  
172 investment of \$1,030.59 million, or a proposed disallowance of \$317.54 million.<sup>9</sup>

173 **Q. How does Ms. Ebrey support her proposed disallowance?**

174 A. Under the heading “Budget Projections do not Satisfy the ‘Known and Measurable’  
175 Standard Required in a Historical Test Year,” she begins by offering her opinion that “the  
176 Company is attempting to justify its pro forma plant additions using criteria that would be  
177 used to evaluate a future test year.”<sup>10</sup> She then cites Section 287.20 of the Commission’s

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<sup>7</sup> I do not address issues regarding Accumulated Depreciation and Accumulated Deferred Income Tax (“ADIT”). Those issues are addressed by ComEd witness Ms. Houtsma (ComEd Ex. 55.0).

<sup>8</sup> Ebrey Reb., Staff Ex. 16.0, 5:99-102 and Sch. 16.08, p. 3.

<sup>9</sup> Ebrey Reb., Staff Ex. 16.0, Sch. 16.08, p. 2.

<sup>10</sup> Ebrey Reb., Staff Ex. 16.0, 6:103-8.

178 rules to indicate that it allows a utility to propose either a historical or a future test year.<sup>11</sup>  
179 Next, she indicates that under Section 287.30 of the Commission’s rules “a future test year  
180 may be updated under certain situations when ‘significant and material’ changes occur.”<sup>12</sup>  
181 She then quotes Section 285.7005 Schedule G-1, Section 285.7045 Schedule G-8, and  
182 Section 285.7070 Schedule G-13 of the Commission’s rules to describe some of schedules  
183 related to plant additions.<sup>13</sup> Finally, without any analysis or description of documentation or  
184 testimony provided by the Company, she claims that “[t]he information required by these  
185 schedules to be provided for a future test year is the type of support the Company has  
186 provided for its pro forma plant additions in this case.”<sup>14</sup>

187 **Q. How do you respond to these assertions?**

188 **A.** First, I will address Ms. Ebrey’s assertions regarding the Commission’s rules. I am not  
189 offering a legal opinion and ComEd anticipates it will further address this assertion in its  
190 briefs. Ms. Ebrey does not cite to any language limiting the evidence or material that can  
191 be provided to establish that investments to be made pursuant to our detailed work plans  
192 are known, measurable and reasonably certain to occur within the *pro forma* period. It  
193 appears Ms. Ebrey believes that a utility is not allowed to establish that the investments under  
194 its current work plans are known, measurable, and reasonably certain to occur based on  
195 evidence that prior work plans have been both accurate and highly predictive of investments  
196 actually made. This assertion is not supported by any rule Ms. Ebrey cites, and defies reason  
197 and logic. ComEd has submitted evidence that its work plans are detailed, project-driven,

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<sup>11</sup> *Id.* at 6:109-17.

<sup>12</sup> *Id.* at 6:118-19.

<sup>13</sup> *Id.* at 6-7:121-39.

<sup>14</sup> *Id.* at 7:141-3.

198 and based on bottom-up analyses of engineering and operating needs. While it is only part  
199 of the extensive support we have provided, the fact that these plans have historically been  
200 accurate and predictive of actual investments clearly provides support that investments under  
201 the current work plan are known, measurable, and reasonably certain to occur.

202 Second, Ms. Ebrey's explicit and implied characterizations of ComEd's evidence  
203 as mere budgets or forecasts is wrong, and she engages in no discussion or analysis  
204 whatsoever of the extensive documentation we have provided. I will not repeat the  
205 detailed discussion of our support throughout my rebuttal testimony, but some highlights  
206 of the documentation included in ComEd Ex. 32.2 include:

- 207 • Approved project authorization documents for each unique *pro forma* project not  
208 already in service that exceeds \$100,000 in value;
- 209 • Work orders and/or project engineering documentation for all unique projects that  
210 exceed \$1 million in value that will be placed in service between now and June  
211 30, 2011;
- 212 • Samples of additional documentation of the types maintained by ComEd for other  
213 projects; and
- 214 • Photos of the actual work.
- 215 • In addition to testimony and attachments, ComEd has provided extensive  
216 additional documentation to Staff through data request responses. For example,  
217 in response to Staff data request TEE 14.03 (ComEd Ex. 58.1), ComEd provided  
218 both a listing and the contract related documents for all unique and blanket ITNs  
219 that have contracts, as well as the contract for cable fault repairs (ITN 10623), the

220 contract and list of work planned for 2011 for proactive cable replacement (ITN  
221 4920) and the contract and list of work planned for 2011 for the mid-circuit  
222 recloser program (ITN 40100). Similarly, in response to Staff data request TEE  
223 14.04 (ComEd Ex. 58.2), ComEd provided information on material costs and  
224 labor hours by ITN. Finally, ComEd has made available extensive information at  
225 data rooms in Oakbrook Terrace and Springfield in both hard copy and  
226 electronically searchable form. For reasons that I cannot explain, Ms. Ebrey fails  
227 to acknowledge much less address or analyze the bulk of the detailed information  
228 we have provided in connection with the planned investments she would disallow.

229 **Q. You mentioned documents and information made available in the data rooms. Can**  
230 **you provide an example of such documentation and information?**

231 A. Yes. Attached to my testimony as ComEd Ex. 58.3 are boards designed to assist  
232 interested parties in understanding the documentation available with respect to *pro forma*  
233 plant additions. These are a subset of the explanatory information that has been available  
234 in the data rooms since August of 2010. The purpose of the boards is to give an  
235 interested party a user-friendly guide to the thousands of pages of available  
236 documentation supporting the *pro forma* plant additions. The boards paint a relatively  
237 simple picture of how one might bridge the most general information contained in my  
238 testimony, the entire *pro forma* plant additions (currently \$1.017 million) down to the  
239 very smallest level of detail, a single work order that represents a single task of work that  
240 might involve as little as \$100. In its data rooms, ComEd made available examples of  
241 work orders. However, as one can imagine, we did not print hard copies of all such  
242 documentation because to do so would likely take months of man hours and require a

243 large warehouse, adding considerable expense and with little added value. As an  
244 alternative, we placed computers in the data room which allowed for electronic access to  
245 all available information. We also had trained personnel available to conduct searches  
246 for interested parties. ComEd also had the capability to print any of the electronic  
247 information for an interested party.

248 As a cost-saving measure that is consistent with our Green strategy, ComEd has  
249 sought to migrate to a “paperless” work management system. By way of explanation,  
250 referring to Board 1 of ComEd Ex. 58.3, the cumulative value of the pro forma is broken  
251 down into nine major work categories. From there, data is organized by an Investment  
252 Tracking Number, or “ITN”. The ITNs are available in spreadsheet form and are  
253 searchable in the Share Point database, the latter of which was specifically created for  
254 this case. Under each ITN, there may be multiple individual projects or work tasks.  
255 These individual Project Identification Numbers or “Project ID’s” are also available in  
256 the Share Point system. Under each Project ID, one could then find work order numbers,  
257 or numbers assigned to individual tasks. Work order numbers are then searchable in  
258 ComEd’s work management system, Passport, to obtain individual work orders. Work  
259 orders are written descriptions of individual work tasks and may be printed from  
260 ComEd’s passport system.

261 Therefore, an interested party who was interested in viewing documentation/data  
262 to support a given ITN would have full ability to access the information. Various parties  
263 took advantage of this material when visiting the data room.

264 **Q. Ms. Ebrey characterizes your rebuttal testimony as essentially contending “that the**  
265 **details of the plant investment to be included in the revenue requirement of this case**

266 **are not important, as the Company will continue to make an investment in plant up**  
267 **to \$1 billion through June 2011.”<sup>15</sup> How do you respond?**

268 A. This is a highly inaccurate mischaracterization of my testimony, and it completely  
269 ignores the extensive support and documentation of specific projects and programs that  
270 ComEd has provided. The point I was making is that ComEd operates in a dynamic  
271 environment, as most utilities do, and must respond to changing customer needs and  
272 changing system priorities. While changes to work plans do occur from time to time,  
273 they are the exception and not the rule; and any changes are subject to a rigorous  
274 engineering and operational analysis and are fully justified. These dynamic operating  
275 conditions are expected and no less known than a specific unique project, and I do submit  
276 that the fact that we plan for and respond to dynamic operating conditions when  
277 warranted does not make our current work plan unknown, immeasurable, or not  
278 reasonably certain to occur during the *pro forma* period. The standard applicable to *pro*  
279 *forma* additions is “reasonably certain to occur,” not perfection.

280 Q. **Ms. Ebrey also contends that the specifics of ComEd’s “plant investment are a**  
281 **constantly moving target,” and claims that Attachment A to her testimony shows**  
282 **significant changes in the Company’s proposed pro forma adjustment during the course**  
283 **of this proceeding.”<sup>16</sup> Ms. Ebrey further provides an attachment to ComEd’s response**  
284 **to data request TEE 12.04 as Attachment B to her testimony, and claims that “the level**  
285 **of change for each specific project category is significant and indicates that the pro**

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<sup>15</sup> *Id.* at :8:157-60.

<sup>16</sup> *Id.* at 8-9:162-78.

286 **forma plant additions are not ‘known and measurable’ ... [and that] the dollars are also**  
287 **being transferred across categories as decisions are changed.’<sup>17</sup> How do you respond?**

288 A. First, this argument attempts to avoid consideration of the real issue, which ultimately is  
289 whether the investments under each particular ITN are known and measurable. Ms.  
290 Ebrey does not apply her variability analysis to any specific ITNs, but instead uses a non-  
291 granular high level analysis to support imposition of her new *pro forma* cut-off on most  
292 of ComEd’s investments planned for the first and second quarter of 2011. ComEd has  
293 provided detailed project-specific support, and Ms. Ebrey’s claims about some variability  
294 in the categories contained in a report regarding ComEd’s ITNs do not trump the detailed  
295 project-specific proof presented by ComEd. While I will explain below why Ms. Ebrey’s  
296 analysis overstates any real variability, any true variability would have been due to  
297 ComEd adapting to changing customer needs or new system requirements. As a result,  
298 the currently planned *pro forma* investments would be more rather than less “certain”  
299 because the current plan already recognizes and accounts for the root causes of any such  
300 variability. Indeed, since there are only 6 months left in the 18 month *pro forma* period,  
301 actual investments will have effectively “cured” or “remedied” any actual variability.

302 Second, Ms. Ebrey claims on several occasions that the numbers she refers to  
303 reflect changes since the filing of this case. That claim is not correct. With respect to  
304 ComEd’s planned *pro forma* investments, ComEd’s June 2010 filing represented 100%  
305 forecasted numbers. In other words, it represented ComEd’s work plans as they existed  
306 at the beginning of January 2010. ComEd’s filing did not contain any updates for actual  
307 investments.

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<sup>17</sup> *Id.* at 9-11:180-206.

308 Third, the numbers do not represent what Ms. Ebrey claims they do. Many ITNs  
309 contain ComEd's overall work plan and as work progresses specific projects are  
310 identified and the related dollars are re-assigned from the overall work plan ITN to a  
311 unique ITN and the applicable category. Such movement among and between ITNs and  
312 categories is by design, and does not indicate any true variability in ComEd's work plan.  
313 This is especially true for the Back Office and Capitalized Overheads categories, and the  
314 direct support ITNs. In some other instances the changes represent corrections to the  
315 report but do not indicate any change in the planned work, such as where a portion of a  
316 project should have been reported under a different category (such as Real Estate or  
317 Other General Plant). The new "category" Ms. Ebrey refers to<sup>18</sup> is also a report issue, as  
318 ComEd has not created any new categories relative to its work plan. Similarly, with  
319 respect to Attachment B (TEE 12.04) to Ms. Ebrey's rebuttal testimony, all of the  
320 "changes" ComEd reported were on a category by category basis, meaning that an ITN  
321 was reported as "new," "dropped," or changed if it was new, dropped, or changed for that  
322 category. It did not indicate that an ITN was necessarily "new," "dropped," or changed  
323 for the *pro forma* report as a whole. This was disclosed to Ms. Ebrey in ComEd's  
324 narrative response to TEE 12.04, which Ms. Ebrey does not include in her Attachment B:  
325 "In some situations, a new or dropped ITN is shown as dropped from one category and  
326 new for another category (e.g., ITN 42418 was originally in General Plant - Real Estate  
327 and is currently in General Plant - Other)." I attach ComEd's narrative responses to TEE  
328 12.04 as ComEd Ex. 58.4.

329 Q. **Have you been able to prepare a quantitative analysis of what has really changed?**

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<sup>18</sup> *Id.* at 9:172-5.

330 A. I have not. . It would be extremely time consuming and difficult to track down, isolate,  
331 and explain every change that occurred in the thousands of projects/work tasks  
332 represented in the *pro forma* report over time. This task is made more difficult because  
333 the data from which the *pro forma* information is derived comes from the dynamic  
334 systems through which ComEd is currently managing work. ComEd conducts its  
335 business as a whole and not on a jurisdictionalized or *pro forma* basis, so system reports  
336 that tie out to the penny in the *pro forma* report are rare to non-existent. It is not my  
337 position that no changes have occurred. New Business was down from our original work  
338 plan primarily because customer requested work was down due to economic conditions,  
339 and the funds that became available were allocated and approved for various Corrective  
340 Maintenance and System Performance projects.

341 Q. **Does this mean that ComEd's *pro forma* adjustment is not known and measurable**  
342 **and not reasonably certain to occur prior to June 30, 2011?**

343 A. Absolutely not. The intra category changes discussed above have been fully reflected in  
344 ComEd's updated *pro forma* submitted with rebuttal testimony, as well as in the  
345 documentation that has been provided in testimony and through data request responses.  
346 Moreover, as explained in my rebuttal testimony, ComEd has closely monitored its  
347 project-based work plans and the overall variability of ComEd's *pro forma* adjustment  
348 has been very small.

349 Q. **Ms. Ebrey attempts to compare ComEd's work plans to a situation involving wage**  
350 **and salary increases based on historical trends of providing annual wage increases**

351 **coupled with the assumption that an increase of some kind will be given.<sup>19</sup> Is this a**  
352 **valid comparison?**

353 A. No. ComEd's work plan is not a top down exercise. As I have explained repeatedly,  
354 ComEd's work plans are developed from the bottom up on a project-specific basis  
355 consistent with engineering and operational needs. ComEd's obligation to serve new  
356 customers is also nothing like an obligation to pay increased wages which must generally  
357 be negotiated and agreed to by the parties. ComEd's obligation to serve new customers is  
358 not discretionary or subject to negotiation. While I am not offering a legal opinion, my  
359 understanding is that Section 410.330 and Section 410.410 of the Commission's rules  
360 impose clear obligations on ComEd to serve new customers as indicated in those  
361 sections. Section 410.410 simply requires that a customer provide ComEd a written  
362 request. Similarly, it is my understanding that ComEd is generally obligated to relocate  
363 its facilities when requested by governmental bodies. Planning to meet these and other  
364 similar obligations is nothing like predicting a general increase in wages and salaries.  
365 ComEd will respond to any legal arguments in its briefs.

366 **B. Staff's Review of Discrete Projects to be In**  
367 **Service Between December 31, 2010 and June 30, 2011**

368 Q. **Ms. Ebrey reviews the 28 discrete ITNs with investment planned during the first**  
369 **two quarters of 2011 that she finds to be known and measurable.<sup>20</sup> Do you have any**  
370 **general comments?**

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<sup>19</sup> *Id.* at 12:222-9.

<sup>20</sup> *Id.* at 13-17:247-316.

371 A. Yes. ComEd appreciates Ms. Ebrey's review of documents and information supporting  
372 these specific projects, and I concur that the 28 projects she proposes to allow are known  
373 and measurable for the reasons she indicates and others.

374 Q. **While Ms. Ebrey allows most of the projects identified as "summer critical," she**  
375 **disallows all investments planned under ITN 29335 Cap Exp Baseline Work Bucket**  
376 **(2009-2014), and states as follows: "While most of the projects listed on ComEd Ex.**  
377 **32.4 have discrete ITN's, many remain listed under the "bucket" ITN 29335. Based**  
378 **on discussion with the Company, it is my understanding that when work is**  
379 **authorized, it is assigned a specific ITN. Until that time, the dollars remain on**  
380 **reserve in the bucket ITN for potential work to be identified in the future. Thus,**  
381 **projects on the Summer Critical list under the "bucket" ITN 29335 are not included**  
382 **in my recommendation for summer critical projects to be included in rate base."**<sup>21</sup>  
383 **Is Ms. Ebrey's analysis accurate?**

384 A. It is true that certain ITNs which are referred to as "bucket" ITNs have dollars allocated  
385 to unique ITNs as the planned work progresses. However, ITN 29335 is not such a  
386 "bucket" ITN; it is a blanket ITN. I understand the confusion given the inclusion of the  
387 words "Work Bucket" in the ITN's name. But unless a particular project exceeds  
388 \$100,000 or other special circumstances create a need to monitor a specific project, work  
389 performed under ITN 29335 stays in ITN 29335. The work identified in the summer  
390 critical list under ITN 29335 represents specific projects being performed under that ITN  
391 and should be allowed consistent with Ms. Ebrey's analysis of other summer critical  
392 work. Additional detail and support regarding "summer critical" projects, including

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<sup>21</sup> *Id.* at 14:264-70.

393 projects under ITN 29335, was also provided in ComEd's response to Staff data request  
394 TEE 14.03 and is attached as ComEd Ex. 58.1.

395 **Q. Ms. Ebrey allows the facility relocation projects you discuss in your rebuttal**  
396 **testimony, but does not allow any facility relocation projects that were not**  
397 **discussed.<sup>22</sup> Do you have any comment?**

398 **A.** Yes. I just want to note that the point of my rebuttal testimony was, in part, to provide  
399 exemplar or typical information and descriptions regarding a representative sample of  
400 ITNs. ComEd has provided extensive testimony and documentation on its *pro forma*  
401 investments that supports a finding that those planned investments are known and  
402 measurable. While we will certainly provide whatever detailed information is requested  
403 or needed, providing extensive details for every single project under every single ITN in  
404 the first instance would be repetitious, inefficient, and burdensome. The combination of  
405 summary data, explanations, select detailed documents, and exemplar documents  
406 demonstrates that all of our planned *pro forma* investments are known and measurable. I  
407 would also note that additional detailed information regarding facility relocation projects  
408 was provided in response to Staff data request TEE 14.03 (ComEd Ex. 58.1). The  
409 balance of the facility relocation projects are known and measurable and should be  
410 allowed.

411 **Q. With respect to planned investments in the New Business category, Ms. Ebrey**  
412 **allows ITN 22782 but denies all other New Business investments stating your**

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<sup>22</sup> *Id.* at 15:281-5.

413 **“testimony confirms that ‘it is likely that some projects will be pushed out into the**  
414 **third quarter or later, or in some cases cancelled.’”<sup>23</sup> How do you respond?**

415 A. We do know from experience that some customers change their plans for planned  
416 developments and that as a result some projects may be pushed back slightly or even  
417 cancelled, but this does not mean that our current work plans for New Business are not  
418 known and measurable or not reasonably certain to occur prior to June 30, 2011. We are  
419 equally certain that some existing projects may be moved up and that some completely  
420 new projects may develop. As noted earlier, ComEd is obligated to meet new service  
421 requests under the Commission’s rules.<sup>24</sup> When combined with the other detailed  
422 project-based support ComEd has provided for unique New Business ITNs, an existing  
423 obligation to make an investment should more than establish with reasonable certainty  
424 that the investment will be made consistent with that obligation.

425 Q. **With respect to the System Performance category Ms. Ebrey allows most of the**  
426 **planned investment under ITN 29259 - Spare Transformers >10MVA (HVD Class)**  
427 **West based on purchase orders, but disallows the balance because ComEd**  
428 **“provided no explanation for the difference between the sum of the purchase orders**  
429 **and the amount included for this ITN in the Company’s *pro forma* adjustment.”<sup>25</sup>**  
430 **How do you respond?**

431 A. Ms. Ebrey is mistaken. Attached to my testimony as ComEd Ex. 58.5 is ComEd’s  
432 response to Staff data request ME 1.07. In this response we provided information  
433 regarding ComEd’s blanket programs included in the *pro forma* adjustment to rate base,

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<sup>23</sup> *Id.* at 15:187-90.

<sup>24</sup> 83 Ill. Adm. Code 410.410.

<sup>25</sup> *Id.* at 16:299-310.

434 including information for ITN 29259 indicating that this ITN includes amounts “for  
435 labor, crane rental, heavy hauling and oil to receive the transformers and prepare them for  
436 storage until such a time the transformer is needed.” The balance of the costs for this  
437 ITN in ComEd’s *pro forma* adjustment are accordingly known and measurable and  
438 should be allowed.

439 **Q. Does Ms. Ebrey offer any other explanations for her general disallowance of all**  
440 **other investments planned during the first and second quarters of 2011?**

441 A. Yes, Ms. Ebrey makes the following statements in support of her proposed  
442 disallowances:

443 For certain programs detailed in Company rebuttal testimony, the  
444 Company admits that the projects anticipated to go into service  
445 have not received final approval (for example, ITN 4920, ITN  
446 11161, ITN 42256). For other projects, no evidence has been  
447 provided to support that they will be in service by June 2011, short  
448 of the Company’s “reasonable certainty” blanket statement (for  
449 example, ITN 4928 and Regional Reliability Improvements). Other  
450 projects are generally described as “core part of the work we do  
451 every month.” The Company also admits, however, that the “exact  
452 list of projects may change as we prioritize our work throughout  
453 the year.” Further, the Company’s discussion of “Direct Support”  
454 blankets indicates the costs for these projects are “based on  
455 historical data and trends.” Finally, the Company indicated that  
456 the calculation of AFUDC is “next to impossible to build into  
457 budgets because it is so hard to tell exactly which projects will be  
458 open for over 60 days.” All of these statements only support my  
459 contention that certain specific projects do not meet the  
460 Commission’s known and measurable standard for pro forma plant  
461 additions to an historic test year.<sup>26</sup>

462 **Q. Do your statements support Ms. Ebrey’s claim that certain specific projects do not**  
463 **meet the known and measurable standard?**

464 A. No. The statements cited by Ms. Ebrey do not support her conclusion.

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<sup>26</sup> *Id.* at 17-18:319-34 (citations omitted).

465 First, my statements regarding ITNs 4920, 11161, and 42256 were made with  
466 respect to final approval of workdown curves, work charts and work scope for 2011. The  
467 projects have approval, and work scopes, work charts, and work down curves do exist as  
468 indicated in my rebuttal testimony. As discussed latter in my testimony, the work under  
469 these ITNs are known and measurable and reasonably certain to occur by June 30, 2011.  
470 This is further confirmed by additional final approvals which are consistent with the  
471 initial approved plans.

472 Second, Ms. Ebrey's blanket statement that no evidence has been provided to  
473 support that projects will be placed in service by June 2011 is incorrect. Supporting  
474 documentation contains information regarding in-service dates, and as a general matter  
475 our in-service dates are based on information from the project managers with knowledge  
476 of the project requirements, status and other relevant information. Scheduled completion  
477 dates are determined based on and consistent with input from all parties involved  
478 including the customer, suppliers, contractors, and internal resources. If a scheduled  
479 completion date does change for some reason, that change is reviewed and documented.  
480 I will further address ITN 4928 and Regional Reliability Improvements below.

481 Third, Ms. Ebrey's reference to my statement regarding projects that are a "core  
482 part of the work we do every month" and my statement that the "exact list of projects  
483 may change as we prioritize our work throughout the year" are references to blanket  
484 projects. Ms. Ebrey also makes clear that in her opinion investments managed under all  
485 blanket projects should not be allowed.<sup>27</sup> Ms. Ebrey's assertions in this regard lack merit  
486 and reflect a misunderstanding of how work plans for utility investment are managed and

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<sup>27</sup> *Id.* at 18:335-43.

487 implemented. From an operational perspective, blanket work is very certain to be  
488 completed because it is generally consists of smaller routine work that is placed in service  
489 on a monthly basis. This was fully explained in my rebuttal testimony:

490 [B]lanket programs capture investments in routine core activities  
491 that ComEd must complete, and must complete when or shortly  
492 after the need arises. For emergent work, claiming that blankets  
493 cannot be reasonably certain to proceed at appropriate levels  
494 throughout the year is not credible. It amounts to claiming that  
495 ComEd cannot be certain that it will, for example, have to repair  
496 burned out transformers, replace fallen wire, or replace shorted-out  
497 underground cable. Likewise, for blankets where non-emergent  
498 work is accomplished on a schedule, it is equivalent to saying, for  
499 example, that ComEd will respond to a year's worth of requests for  
500 new service installations only in certain quarters or seasons. That  
501 is unrealistic, not how ComEd operates, and not how any utility  
502 should operate if it is to serve its customers. The nature of blanket  
503 work is that it is placed in service shortly after the investment is  
504 made.<sup>28</sup>

505 Further, many blanket programs represent work that ComEd is required to do, such as  
506 new business and the ICC 1% worst performing circuit program.

507 Fourth, Ms. Ebrey's contention that the costs for "Direct Support" blankets are  
508 "based on historical data and trends" is also mistaken. The costs are for engineers and  
509 other direct support personnel that directly bill both unique and blanket projects for their  
510 creation and design. These costs are primarily fixed and completely known. It is the  
511 allocation of these costs in the first instance to categories instead of specific projects that  
512 is based on historical data and trends. This in no way prevents those costs from being  
513 known and measurable or reasonably certain to occur by June 30, 2011.

514 Finally, Ms. Ebrey's conclusions regarding my statements on AFUDC are  
515 similarly erroneous. Because we know the resources that are available and the work to be

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<sup>28</sup> Donnelly Reb., ComEd Ex. 32.0, 21:420-30.

516 performed, we can determine with reasonable certainty the number of projects that will  
517 be open for more than 60 days and the resulting AFUDC costs. Thus, we can know and  
518 measure our AFUDC investment costs that will occur over a future time frame with  
519 reasonable certainty notwithstanding that we cannot, for example, predict in advance  
520 which particular projects will be open for 75 days and which particular projects will be  
521 open for 45 days.

522 Q. **Does Ms. Ebrey offer any other explanation or basis for her disallowances?**

523 A. No.

524 **C. Review of Large ITNs Disallowed by Staff**

525 Q. **Have you attempted to further identify or analyze the ITNs disallowed by Staff?**

526 A. Yes. While Ms. Ebrey did not review in testimony the bulk of the particular ITNs which  
527 she disallows per her December 31, 2010 cut-off, those ITNs with investment planned for  
528 the first and second quarter of 2011 can be identified per the information on the *pro*  
529 *forma* worksheet attached to Ms. Houtsma's rebuttal testimony as ComEd Ex. 29.2,  
530 WPB-2.1a. The 28 ITNs allowed by Ms. Ebrey can also be identified from Ms. Ebrey's  
531 Schedule 16.08. Using this information, I attempted to determine if a manageable and  
532 representative list of ITNs disallowed by Staff could be identified by excluding ITNs  
533 below a certain value. I determined that there are a total of 91 ITNs (38 blankets and 53  
534 uniques) disallowed by Ms. Ebrey with \$500,000 or more of investment planned during  
535 first and second quarter of 2011. These ITNs represent \$286.6 million (or 90.3%) of Ms.  
536 Ebrey's proposed \$317.5 million disallowance, and are therefore very representative of  
537 Staff's total disallowance. The 38 blanket ITNs account for \$180.8 million (or 63.1%) of  
538 the \$286.6 million of ITNs at or above \$500,000 that Staff proposes to disallow. These

539 numbers are all based on ComEd's rebuttal testimony *pro forma* figures. The list of  
540 ITN's described above is attached to my testimony as ComEd Ex. 58.6.

541 **Q. What have you determined regarding the Over \$500K ITNs?**

542 A. I have reviewed the list and, subject to incorporating the updated *pro forma* investment  
543 figures discussed later in my testimony, I am confident that the investments contained on  
544 ComEd Ex. 58.6 ("Over \$500K ITNs") are known, measurable, and reasonably certain to  
545 be in-service by June 30, 2011. I will discuss many of these ITNs in the balance of my  
546 testimony, and review the support for those ITNs. While I did not review the smaller  
547 projects disallowed by Staff, a review of available information and documentation for  
548 those ITNs can be expected to reveal similar support. In short, all of ComEd's proposed  
549 *pro forma* investments are known, measurable, and reasonably certain to be placed in  
550 service by June 30, 2011.

551 **1. Corrective Maintenance**

552 **Q. Can you describe the type of investments that fall in the Corrective Maintenance**  
553 **category?**

554 A. Yes. Corrective Maintenance refers to plant additions made to correct conditions that  
555 render the system or components thereof incapable of performing their designed function,  
556 including actual or incipient failure or an unsafe condition. Corrective Maintenance  
557 involves both emergent and planned work performed in order to repair and replace  
558 materials and equipment to ensure the safety and reliability of the distribution system.

559 **Q. Please identify the Over \$500K ITNs that Ms. Ebrey would disallow in the**  
560 **Corrective Maintenance category.**

561 A. This is Ms. Ebrey's largest disallowance for a single category. Ms. Ebrey proposes to  
562 disallow 7 unique and 9 blanket ITNs in the Corrective Maintenance category for a  
563 combined disallowance of \$84.1 million of investment planned for the first and second  
564 quarter of 2011. \$64.7 million of her proposed disallowance relates to the 9 blanket ITNs  
565 as shown on ComEd Ex. 58.6. The ITNs disallowed in this category include blanket ITN  
566 20543: CE-Dist Emergency Cable Fault Replacement for \$24.2 million, blanket ITN  
567 5346: CE-Distrib Transformers-Corrective Maint for \$6.99 million, blanket ITN 10622:  
568 CE-Overhead Distribution Defect Repairs for \$16.6 million, blanket ITN 10623: CE-Dist  
569 Cable Fault Repair for \$6.37 million, unique ITN 10628: CE-Storm Restoration for \$9.71  
570 million, unique ITN 29102 - COMED Substation CM - CAPITAL-D for \$6.39 million,  
571 blanket ITN 30422: CE-Overhead Non-Emergent CM's for \$9.8 million, and unique ITN  
572 45676: Aurora Secondary Cable Replacement Project - Stolp Island for \$0.67 million.

573 a. **ITN 5084: CE-Replace Reject Dist Poles**

574 Q. **Please describe ITN 5084: CE-Replace Reject Dist Poles.**

575 A. This is a programmatic ITN designed to replace distribution wood poles that have been  
576 identified to have remaining strength significantly below the NESC standards for  
577 construction. These poles are not valid candidates for the reinforcement program.  
578 ComEd's historical reject poles from January 1 through June 30 of 2008, 2009, and 2010  
579 were 318, 396, and 446, respectively. ComEd expects to place into service during the  
580 first and second quarters of 2011 approximately \$0.75 million through this ITN.

581 b. **ITN 10623: CE-Dist Cable Fault Repair and ITN 20543: CE-**  
582 **Dist Emergency Cable Fault Replacement**

583 Q. **Please describe the emergency fault repair (ITN 10623) and emergency fault**  
584 **replacement (ITN 20543) blankets programs.**

585 A. Emergency fault repair or replacement becomes necessary when a fault occurs on a  
586 primary, secondary or other service line. A repair or replacement is completed to resolve  
587 a safety concern or an interruption, or to restore the system configuration to normal.  
588 Emergency fault repair includes repair to cable as well as replacement of lengths of cable.  
589 ComEd's cable faults have been consistent year over year. ComEd's historical repaired  
590 cable faults, either through repair or replacement from January 1 through June 30 of  
591 2007, 2008, and 2009, were 6,416, 6,486 and 6,467, respectively.

592 Q. **How much does ComEd reasonably expect to place in service due to Emergency**  
593 **Cable Fault replacement and repair during the first two quarters of 2011?**

594 A. Based upon ComEd's Corrective Maintenance work plans, ComEd anticipates that during  
595 the first and second quarter of 2011 it will place into service \$24.2 million of assets  
596 relating to cable fault replacements (ITN 20543) and \$6.4 million relating to cable fault  
597 repair projects (ITN 10623).

598 Q. **Did ComEd provide any other support regarding ITN 20543 and ITN 10623?**

599 A. Yes. Some of the work performed under ITN 20543 and ITN 10623 is performed by  
600 outside contractors. In Attachment 4 to the Response to Staff data request TEE 4.03,  
601 ComEd produced a list and the work orders and contracts related to ITN 20543 and ITN  
602 10623. This data request response is attached to my testimony as ComEd Ex. 58.1.

603 c. **ITN 10622: CE-Overhead Distribution Defect Repairs**

604 Q. **Please describe the work that is performed under the blanket Overhead**  
605 **Distribution Defect Repairs program (ITN 10622).**

606 A. Generally, the blanket Overhead Distribution Defect Repairs ITN is used for emergent  
607 work when replacing overhead property units which include anchors, crossarms, guy

608 wires, poles, transformer racks, towers, arresters, switches including cutout/disconnect,  
609 pole tops and spans of overhead primary and secondary wire between property units.  
610 ComEd's historical overhead distribution defect repairs from January 1 through June 30  
611 of 2008, 2009, and 2010 were 8,649, 9,402, and 9,038, respectively.

612 **Q. How much new plant does ComEd reasonably expect to place in service during the**  
613 **the first two quarters of 2011 for Overhead Distribution Defect Repairs?**

614 A. Based upon ComEd's Corrective Maintenance Work Plan, ComEd anticipates placing  
615 into service \$16.6 million of plant relating to Overhead Distribution Defect Repairs  
616 during this period. Given the routine nature of this work and the analyses performed  
617 under my direction, ComEd has no reason to believe that it will not complete a significant  
618 number of overhead distribution defect repairs during the first two quarters of 2011.

619 **d. ITN 5346: CE-Distrib Transformers-Corrective Maint**

620 **Q. Please describe the work that is performed under blanket ITN 5346: CE-Distrib**  
621 **Transformers-Corrective Maint.**

622 A. This is a blanket ITN for ComEd Distribution transformers used to replace transformers  
623 that have failed or are overloaded or causing power quality issues on an emergent basis  
624 within the Corrective Maintenance category. We expect to place into service during the  
625 first and second quarter of 2011 approximately \$6.99 million through this ITN. In order  
626 to obtain favorable pricing, ComEd typically acquires transformers in bulk through its  
627 supply function and then assigns transformers to the various functional areas so that it  
628 may appropriately track utilization.

629 **e. ITN 10628: CE-Storm Restoration**

630 **Q. Can you describe ITN 10628: CE-Storm Restoration?**

631 A. Yes. This ITN is used for storm restoration and ComEd's last three years of actual  
632 expenditures incurred within ITN 10628: CE-Storm Restoration are \$10.2 million in  
633 2008, \$5.3 million in 2009 and \$14.2 million in 2010 (estimated, as ComEd's books have  
634 not been closed as of this testimony). I am also providing the number of storms, number  
635 of outages and the number of customer interruptions for ICC reportable storms, as  
636 reported in ComEd annual report to the ICC.

	<u>Number of Storms</u>	<u>Number of Outages</u>	<u>Customer Interruptions</u>
2008	13	10,103	1,663,201
2009	7	4,065	643,465
2010 (estimated, subject to change)	11	10,637	1,736,868

637

638 Q. **How much new plant does ComEd reasonably expect to place in service during the**  
639 **the first two quarters of 2011 under ITN 10628: CE-Storm Restoration?**

640 A. ComEd anticipates placing into service \$9.71 million of plant relating to Storm  
641 Restoration during this period.

642 f. **ITN 11607: Direct Support: Cor Maint: ComEd: Electric**

643 Q. **Can you describe ITN 11607: Direct Support: Cor Maint: ComEd: Electric?**

644 A. Yes. The costs for this ITN are for engineers and other direct support personnel that  
645 directly bill to the corrective maintenance category for both unique and blanket projects  
646 for their creation and design. There costs are primarily fixed and completely known. I  
647 also explained direct support costs in my rebuttal testimony.<sup>29</sup> Based upon ComEd's

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<sup>29</sup> Id. at 67-8:1355-64.

648 Corrective Maintenance Work Plan, ComEd anticipates placing \$0.95 million into service  
649 during the first and second quarters of 2011 for this ITN.

650 **g. ITN 29102 - COMED Substation CM - CAPITAL-D**

651 Q. **Please describe ITN 29102 - COMED Substation CM - CAPITAL-D.**

652 A. ITN 29102 is a blanket ITN to fund emergent replacement of distribution equipment  
653 within substation facilities. Emergent projects under \$100k are funded directly from this  
654 ITN. Projects over \$100,000 such as the replacement of a large power transformer are  
655 managed directly under a separate ITN, but the funding is offset by this blanket. Based  
656 upon ComEd's Corrective Maintenance Work Plan, ComEd anticipates placing \$6.39  
657 million into service during the first and second quarters of 2011 for this ITN.

658 **h. ITN 30422: CE-Overhead Non-Emergent CM's**

659 Q. **Can you describe ITN 30422: CE-Overhead Non-Emergent CM's?**

660 A. Yes, ITN 30422: CE-Overhead Non-Emergent CM's contains non-emergent distribution  
661 corrective maintenance items (CMs). Work is identified mainly through programmatic  
662 inspection programs, but can also include thermography repairs and reject pole  
663 replacements. Based upon ComEd's Corrective Maintenance Work Plan, ComEd  
664 anticipates placing \$9.80 million into service during the first and second quarters of 2011  
665 for this ITN. ComEd's historical repaired non-emergent CMs from January 1 through  
666 June 30 of 2008, 2009, and 2010 were 5,846, 4,023 and 6,336, respectively.

667 ComEd expects to place into service during the first and second quarters of 2011  
668 approximately \$9.80 million through this ITN.

669 **i. ITN 36638: Replace 12kv Joints in Substations**

670 Q. **Please describe ITN 36638: Replace 12kv Joints in Substations.**

671 A. ITN 36638 is a new ITN created to repair and replace first section cables that are leaking  
672 or damaged in substation basements. In 2010 the focus was to repair leaks at TSS 45  
673 Jefferson and TSS 114 Northwest station. During the first 6 months of 2010 9 repairs  
674 were completed at TSS 45 Jefferson, 9 at TSS 114 Northwest and 1 at TSS 38 Humboldt.  
675 ComEd expects to place into service during the first and second quarters of 2011  
676 approximately \$0.54 million through this ITN.

677 j. **ITN 45676: Aurora Secondary Cable Replacement Project -**  
678 **Stolp Island**

679 Q. **Can you describe ITN 45676: Aurora Secondary Cable Replacement Project - Stolp**  
680 **Island?**

681 A. Yes. The scope of this Secondary Cable Replacement Project will be to replace and  
682 reconfigure cable that is near its end of life within Stolp Island. The electrical scope for  
683 this ITN includes removing 8,681 lineal feet of secondary cable and 2 secondary buses,  
684 and installing 4,652 lineal feet of secondary cable and 1 secondary bus. The scope also  
685 includes approximately 2 manhole roof replacements.

686 ComEd expects to place into service during the first and second quarters of 2011  
687 approximately \$0.67 million through this ITN.

688 2. **New Business**

689 Q. **Can you describe the type of investments that fall in the New Business category?**

690 A. Yes. New Business is the work that ComEd must perform to connect a customer to the  
691 system, whether it is a residential customer, a commercial customer, or an industrial  
692 customer.

693 Q. **Please identify the Over \$500K ITNs with investments planned during the first and**  
694 **second quarter of 2011 that Ms. Ebrey would disallow in the New Business**  
695 **category?**

696 A. Ms. Ebrey would disallow 10 unique and 3 blanket ITNs with investments planned over  
697 this period in the combined amount of \$56.44 million. Ms. Ebrey did not specifically  
698 discuss these ITNs. As noted earlier, Ms. Ebrey opposes the category of investments  
699 made under blanket programs. I do not know the specific basis for her denial of the  
700 unique ITNs in this category. As indicated and established in my rebuttal testimony,  
701 ComEd has developed detailed engineering drawings, work plans and construction  
702 schedules for the unique projects under the New Business category. Where necessary,  
703 we have entered into contracts with construction contractors. ComEd has approved the  
704 funding for these projects through our formal processes and we have assigned and  
705 dedicated the labor and materials necessary to complete the work. In many cases, we  
706 have already incurred substantial costs. Many of these projects are far along in the  
707 construction process. Samples of most of that documentation is contained in ComEd Ex.  
708 32.2, including some photographs of these projects.

709 a. **Inside Chicago Baseline (ITN 5968) and Outside Chicago**  
710 **Baseline (ITN 5972)**

711 Q. **Please describe the Inside Chicago Baseline (ITN 5968) and Outside Chicago**  
712 **Baseline (ITN 5972) blanket programs.**

713 A. ComEd EX. 32.2 includes examples of work packages for projects completed under the  
714 baseline blankets. As one can see, these projects typically begin with a customer request,  
715 require ComEd (or the customer) to obtain appropriate permits and approvals and  
716 ultimately engineer, schedule, and complete the work. ComEd's historical services

717 connected Inside Chicago (ITN 5968) from January 1 through June 30 of 2009 and 2010  
718 were 2,734 and 2,232, respectively. ComEd's historical services connected Outside  
719 Chicago (ITN 5972) from January 1 through June 30 of 2009 and 2010 were 5,998 and  
720 4,950, respectively. The January 1 through June 30, 2011 work plan for the baseline  
721 ITNs was based upon an Inside Chicago (ITN 5968) projection of 2,375 services and  
722 Outside Chicago (ITN 5972) projection of 5,286 services.

723 **Q. How much does ComEd reasonably expect to place in service due to Inside Chicago**  
724 **Baseline (ITN 5968) and Outside Chicago Baseline (ITN 5972) blanket programs?**

725 A. Based upon ComEd's New Business work plans, ComEd anticipates that during the first  
726 and second quarter of 2011 it will place into service \$11.66 million of assets relating to  
727 Inside Chicago Baseline (ITN 5968) and \$30.52 million of assets relating to Outside  
728 Chicago Baseline (ITN 5972).

729 **b. ITN 13507: O'Hare Runway Realign-Phase 1**

730 **Q. Can you describe ITN 13507: IL O'Hare Runway Realign-Phase 1?**

731 A. Yes. The O'Hare Modernization Program (ComEd work) is for ComEd to perform any  
732 overhead and underground distribution work (installation and removal) required by  
733 O'Hare Airport's overall Modernization Program (OMP). ComEd work on the overall  
734 OMP was started in 2006 and is expected to complete by 2016. By one to one mapping  
735 for OMP projects, so far over 120 ComEd work orders have been created (completed or  
736 ongoing) with annual spend around \$3.5 million for direct costs. Considering OMP's  
737 upcoming major projects in 2011, \$1.02 million of distribution plant related to this  
738 Project will be placed in service during the first and second quarters of 2011.

739 **c. ITN 34034: 215 E Chicago – Children’s Memorial Hospital**

740 Q. **Can you describe ITN 34034: E Chicago – Children’s Memorial Hospital?**

741 A. Yes. On April 21, 2008 Children's Memorial broke ground on its future site in the  
742 Streeterville area of Chicago, adjacent to the McGaw Medical Center of Northwestern  
743 University. The \$1 billion project is scheduled to open in 2012, and the 1,100,000-  
744 square-foot (102,000 m2) facility will house 275 private rooms with the ability to expand  
745 to 343 by 2017. The project entails 5 feeders to a mainline vault, mid-rise mechanical  
746 vault, and penthouse vault. The project involves approximately 12,000’ of total cable  
747 installation, conduit, 10 transformers, and applicable switchgear. \$3.82 million of  
748 distribution plant related to this Project will be placed in service during the second  
749 quarter of 2011.

750 **d. ITN 34054: 2520 N Lakeview**

751 Q. **Can you describe ITN 34054: 2520 N Lakeview?**

752 A. Yes. 2520 N Lakeview is a 41 story development to be used for a residential high rise.  
753 The project requires 2 feeders into a mainline vault, totalling approximately 5000’ of  
754 cable, conduit, 4 transformers, and applicable switchgear. \$1.05 million of distribution  
755 plant related to this Project will be placed in service during the first quarter of 2011.

756 **e. ITN 41519: 188 W Randolph WO# 06006535**

757 Q. **Can you describe ITN 41519: 188 W Randolph WO# 06006535?**

758 A. Yes. Our customer is rehabbing an older building into Residential and Office Space.  
759 Due to the additional load demand, a new vault with 5 transformers, switchgear and 100’  
760 of conduit needs to be installed. This particular project is located near the Commission’s  
761 Chicago offices. \$0.62 million of distribution plant related to this project will be placed  
762 in service during the second quarter of 2011.

763                           **f.        ITN 41857: Hinsdale Hospital – South Bldg Addition**

764    **Q.        Can you describe ITN 41857: Hinsdale Hospital – South Bldg Addition?**

765    A.        Yes. This project involves a new addition to Hinsdale Hospital which requires 4,600’ of  
766            new 6” polypipe directional bored, 6,200’ of 3/c 750 AL UG cable, 3- 12 kV cable  
767            terminal poles, 1- 12 kV in-line automatic throw-over (ATO) switchgear, 1- 12 kV 4-bay  
768            pad-mounted manual switchgear, and 1- 12 kV pad mounted transformer. \$0.63 million  
769            of distribution plant related to this Project will be placed in service during the second  
770            quarter of 2011.

771                           **g.        ITN 42157: US Cellular – 115 Commerce**

772    **Q.        Can you describe ITN 42157: US Cellular – 115 Commerce?**

773    A.        Yes. This project involves adding new load, which requires extension of 3,800 feet of  
774            750AL cable, 200 feet 3/O cable, 2 switchgear and 2- 2500KVA transformers. \$0.75  
775            million of distribution plant related to this Project will be placed in service during the  
776            second quarter of 2011.

777                           **h.        ITN 43696: Anderson Shumaker 822 S Central**

778    **Q.        Can you describe ITN 43696: Anderson Shumaker 822 S Central?**

779    A.        Yes. Load was added by Anderson Shumaker for newly installed steel forging  
780            equipment. The project requires 4600’ of cable installation, conduit, 400’ of overhead  
781            wire installation with 4 poles, 250’ of cable replacement, switchgear, and a transformer.  
782            \$0.69 million of distribution plant related to this Project will be placed in service during  
783            the first quarter of 2011.

784                           **i.        ITN 45726: Rockwell Gardens**

785    **Q.        Can you describe ITN 45726: Rockwell Gardens?**

786 A. Yes. Rockwell Gardens is a new subdivision development on the south side of Chicago  
787 including 230 mixed-income rental units. The project includes 4,100' of overhead  
788 reconductoring for a 4KV-12KV conversion, 15 pole replacements, and 8 transformer  
789 installations. \$0.67 million of distribution plant related to this Project will be placed in  
790 service during the second quarter of 2011.

791 **j. ITN 24143: CE Distrib Transformers – New Business**

792 Q. **Please describe the work that is performed under blanket ITN 24143: CE Distrib**  
793 **Transformers – New Business?**

794 A. This is a blanket ITN for ComEd Distribution transformers used to serve new cusotmers.  
795 We expect to place into service during the first and second quarter of 2011 approximately  
796 \$5.61 million through this ITN. In order to obtain favorable pricing, ComEd typically  
797 acquires transformers in bulk through its supply function and then assigns transformers to  
798 the various functional areas so that it may appropriately track utilization.

799 **k. ITN 11612: AFUDC: ComEd: New Bus: Electric**

800 Q. **Please describe the work that is performed under unique ITN 11612: AFUDC:**  
801 **ComEd: New Bus: Electric?**

802 A. We begin to accrue AFUDC, which is basically capitalized interest, for projects that are  
803 open for over 60 days. Using our experience in past years and the current work plan, we  
804 expect and are reasonably certain to accrue \$0.85 million during the first two quarters of  
805 2011.

806 **3. Capacity Expansion**

807 Q. **Please describe the type of investments that fall in the Capacity Expansion category.**

808 A. Capacity Expansion refers to the addition of plant required to provide adequate delivery  
809 capability to service the customer load in ComEd's service territory.

810 Q. **Please identify the Over \$500K ITNs that Ms. Ebrey would disallow in the Capacity**  
811 **Expansion category.**

812 A. Ms. Ebrey would disallow 4 unique and 2 blanket ITNs with investments planned over  
813 this period in the combined amount of \$16.94 million. These ITNs are unique ITN  
814 11606: Direct Support: Cap Exp: ComEd: Electric for \$1.13 million, unique ITN 14235:  
815 TDC570 Elgin - Relieve conduit thermal load for \$1.72 million, ITN 16542 Projects  
816 between \$100k & \$5M (2009-2015) for \$7.40 million, blanket ITN 24142: CE Distrib  
817 Transformers-Capacity Expansion for \$0.71 million, blanket ITN 29335 Cap Exp  
818 Baseline Work Bucket (2009-2014) for \$5.45 million, and unique ITN 32111: Install  
819 Distribution Capacitors for \$0.53 million.

820 Q. **Did Ms. Ebrey indicate why she would disallow these specific ITNs?**

821 A. As discussed above, Ms. Ebrey offered a reason for her disallowance of blanket ITN  
822 29335. Other than blanket ITN 29335, Ms. Ebrey did not mention any of these ITNs in  
823 her testimony and the basis for her proposed disallowance is not known. As also  
824 discussed above, Ms. Ebrey's stated understanding of blanket ITN 29335 is mistaken.  
825 Other than projects that exceed \$100,000 or other rare and special circumstances where  
826 ComEd would need or desire to separately track a specific project, all investments under  
827 ITN 29335 remain under that ITN; costs under ITN 29335 are not generally transferred to  
828 other ITNs.

829 a. **ITN 11606: Direct Support: Cap Exp: ComEd: Electric**

830 Q. **Can you describe ITN 11606: Direct Support: Cap Exp: ComEd: Electric?**

831 A. Yes. The costs for this ITN are for engineers and other direct support personnel that  
832 directly bill to the capacity expansion category for both unique and blanket projects for

833 their creation and design. There costs are primarily fixed and completely known. I also  
834 explained direct support costs in my rebuttal testimony.<sup>30</sup> Based upon ComEd's Capacity  
835 Expansion Work Plan, ComEd anticipates placing \$1.13 million into service during the  
836 first and second quarters of 2011 for this ITN.

837 **b. ITN 14235: TDC570 Elgin - Relieve conduit thermal load**

838 Q. **Can you describe ITN 14235: TDC570 Elgin - Relieve conduit thermal load?**

839 A. Yes. For ITN 14235 ComEd will install conduit and cable to relocate feeders into new  
840 and existing conduit to eliminate thermal restrictions on feeders ratings at TDC 570  
841 Elgin. This project will be placed into service during the 2nd quarter of 2011. Based  
842 upon ComEd's Capacity Expansion Work Plan, ComEd anticipates placing \$1.72 million  
843 into service during the first and second quarters of 2011 for this ITN.

844 **c. ITN 16542 Projects between \$100k & \$5M (2009-2015)**

845 Q. **Can you describe ITN 16542 - Projects between \$100k & \$5M (2009-2015)?**

846 A. Yes. This ITN addresses overloads, voltage violations, and/or contingency issues  
847 associated with Distribution Substations, Terminals/Transformers, and/or  
848 Lines/Feeders/Circuits on the ComEd distribution system. Project Diagrams are created  
849 to identify the scope of work to resolve these issues. ITN 16542 is a unique "Bucket"  
850 ITN and provides offsets to Distribution Capacity Expansion Projects estimated to be  
851 greater than \$100,000. This ITN does not receive actual charges.

852 This information was provided to Staff and other parties in ComEd's response to  
853 Staff data request TEE 14.03, Attachment 1. In addition, that response identified a  
854 number of unique Distribution Capacity Expansion Projects estimated to be greater than

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<sup>30</sup> Id. at 67-8:1355-64.

855 \$100,000 that were created after the initial work plan; and therefore were approved  
856 through ComEd's authorization process to move money from ITN 16542 to the unique  
857 identified projects. Most of the work under ITN 16542 is typically planned for  
858 completion by June of each year.

859 Based upon ComEd's Capacity Expansion Work Plan, ComEd anticipates placing  
860 \$7.40 million into service during the first and second quarters of 2011 for this ITN.

861 **d. ITN 24142: CE Distrib Transformers-Capacity Expansion**

862 **Q. Can you describe ITN 24142: CE Distrib Transformers-Capacity Expansion?**

863 A. Yes. This is a blanket ITN for ComEd Distribution Transformers used in the relief of  
864 overload in the Capacity Expansion category. We expect to place into service during the  
865 the first and second quarters of 2011 approximately \$0.71 million through this ITN. In  
866 order to obtain favorable pricing, ComEd typically acquires transformers in bulk through  
867 its supply function and then assigns transformers to the various functional areas so that it  
868 may appropriately track utilization.

869 **e. ITN 29335 Cap Exp Baseline Work Bucket (2009-2014)**

870 **Q. What is included in ITN 29335 Cap Exp Baseline Work Bucket (2009-2014)?**

871 A. ComEd uses this ITN for baseline labor work for small projects, less than \$100,000 in  
872 direct costs, to relieve overloads on lines, feeders, circuits, and transformers as well as  
873 voltage violations.

874 **Q. What type of work is typically included in ITN 29335 Cap Exp Baseline Work**  
875 **Bucket (2009-2014)?**

876 A. ComEd uses this ITN to charge what ComEd refers to as "Switching/Switching Plus"  
877 projects. This work typically requires the installation of a switching point, transferring

878 load from one phase to another to relieve a phase overload, short line extensions, and  
879 small conductor replacements. As noted earlier, in Attachment 1 of ComEd's response to  
880 Staff data request TEE 14.03 is a listing of 32 projects that have already been identified.  
881 This work is known and measurable, and reasonably certain to be completed by June 30,  
882 2011. Also as noted earlier, Ms. Ebrey is mistaken in considering this ITN to be a  
883 "bucket" ITN.

884 Based upon ComEd's Capacity Expansion Work Plan, ComEd anticipates placing  
885 \$5.45 million into service during the first and second quarters of 2011 for this ITN.

886 **4. Facility Relocation**

887 **Q. Please describe the Facility Relocation category of plant additions.**

888 A. Facility Relocation, sometimes called Public Relocation, involves relocating distribution  
889 infrastructure when a governmental entity (municipality, county, or state agency) decides  
890 to undertake a public improvement project.

891 **Q. Please identify the Over \$500K ITNs with investments planned during the first and**  
892 **second quarters of 2011 that Ms. Ebrey would disallow in the Facility Relocation**  
893 **category.**

894 A. Ms. Ebrey would disallow 4 unique and 1 blanket ITNs with investments planned over  
895 this period in the combined amount of \$23.29 million. Ms. Ebrey did not specifically  
896 discuss these ITNs, but it appears she may have disallowed them because they were not  
897 separately discussed and explained in our rebuttal testimony. The support for these  
898 projects was provided, and I will specifically review these projects below.

899 **a. ITN 11610: Direct Support: Fac Reloc: ComEd: Electric**

900 **Q. Can you describe ITN 11610: Direct Support: Fac Reloc: ComEd: Electric?**

901 A. Yes. The costs for this ITN are for engineers and other direct support personnel that  
902 directly bill to the facility relocation category for both unique and blanket projects for  
903 their creation and design. There costs are primarily fixed and completely known. I also  
904 explained direct support costs in my rebuttal testimony.<sup>31</sup> Based upon ComEd's Facility  
905 Relocation Work Plan, ComEd anticipates placing \$2.77 million into service during the  
906 first and second quarters of 2011 for this ITN.

907 **b. ITN 19742: ComEd FR Projects >\$100K Regionally Managed**

908 **Q. Can you describe ITN 19742: ComEd FR Projects >\$100K Regionally Managed?**

909 A. Yes. Regionally managed projects greater than \$100,000 are accounted for under blanket  
910 ITN 19742. All projects under this blanket are technically unique projects in ComEd's  
911 accounting system because they cost more than \$100,000, but because of the routine and  
912 repetitive nature of this work it is not efficient to budget each of these numerous projects  
913 separately. These projects are regionally managed, or "non-centrally managed," because  
914 regional Facility Relocation Project Engineers manage them.

915 **Q. Do you have any additional information regarding the work to be performed during**  
916 **the first and second quarter of 2011 under ITN 19742?**

917 A. Yes. Attached to my testimony as ComEd Ex. 58.7 is the current construction manhours  
918 for Public Relocation Projects > \$100K scheduled to complete between January and June  
919 of 2011. This document provides the work order description, task description, and start  
920 and end dates for work to be performed under ITN 19742 during the first two quarters of  
921 2011. Based upon ComEd's Facility Relocation Work Plan, ComEd anticipates placing  
922 \$13.08 million into service during the first and second quarters of 2011 for this ITN.

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<sup>31</sup> Id. at 67-8:1355-64.

923 **c. ITN 19262: ComEd Facility Relocation Baseline Work**

924 **Q. Can you describe ITN 19262: ComEd Facility Relocation Baseline Work?**

925 A. Yes. Facility relocation projects less than \$100,000 are “baseline” projects under blanket  
926 ITN 19262, and constitute numerous, frequently-occurring but relatively inexpensive  
927 relocation projects. The actual charges for baseline projects are compiled under ITNs by  
928 Agency Type: 5048 – State, 5049 – County, 5050 – Chicago, 5051 – Municipal outside  
929 Chicago, and 5052 – Township.

930 **Q. Do you have any additional information regarding the work to be performed during**  
931 **the first and second quarter of 2011 under ITN 19262?**

932 A. Yes. Attached to my testimony as ComEd Ex. 58.8 is the current construction manhours  
933 for Baseline Public Relocation Work Orders scheduled to complete between January and  
934 June of 2011. This document provides the work order description, task description, and  
935 start and end dates for work to be performed under ITN 19262 during the first two  
936 quarters of 2011. Based upon ComEd’s Facility Relocation Work Plan, ComEd  
937 anticipates placing \$6.10 million into service during the first and second quarters of 2011  
938 for this ITN.

939 **d. ITN 45025: IL RT53 Elgin O'Hare Expy to Army Trail Rd**

940 **Q. Can you describe ITN 45025: IL RT53 Elgin O'Hare Expy to Army Trail Rd?**

941 A. Yes. The Route 53 Project is an Illinois Department of Transportation project which  
942 involves widening Route 53 from the Elgin/O’Hare Expressway to Army Trail Rd in Du  
943 Page County. This project will require ComEd to relocate approximately 42 12kV  
944 overhead poles along with approximately 4,000 feet of direct buried cable and complete  
945 cutovers. ComEd expects that \$0.59 million of distribution plant related to this Project

946 will be placed in service during the second quarter of 2011. The PAR Form and Phase 1  
947 and 2 Presentations for this project are contained in ComEd Ex. 32.2.

948 e. **ITN 45461: IDOT IL RT22 E/O I-94 to W/O US RT41**

949 Q. **Can you describe ITN 45461: IDOT IL RT22 E/O I-94 to W/O US RT41?**

950 A. Yes. This is an Illinois Dept. of Transportation project for IL RT 22 (Half Day Rd) from  
951 E/O I-94 to W/O US RT 41 within the Village limits of Bannockburn and the City of  
952 Highland Park. Project includes 2.65 miles of roadway reconstruction, widening with  
953 additional lanes, drainage improvements, and traffic signal modernization. This project  
954 will require ComEd to relocate 46 double circuited poles, wire and all related overhead  
955 equipment, 1,200 feet of 12 duct conduit system, 1 manhole, 3,600 feet of primary cable  
956 in duct, along with 9 directional bores, 150 feet each, 1,350 feet of primary cable and  
957 complete cutovers. ComEd anticipates that \$0.75 million of distribution plant related to  
958 this Project will be placed in service during the second quarter of 2011.

959 5. **Non-Operations – Distribution**

960 Q. **Can you describe the type of work and investments that fall in the Non-Operations –**  
961 **Distribution category?**

962 A. Yes. The Non-Operations – Distribution category covers all capitalized labor and  
963 materials outside of operations. For purposes of the Over \$500K ITNs, it is primarily the  
964 purchase, installation, and removal of new meters. ComEd purchases meters in order to  
965 satisfy needs for new services, regulatory requirements, exchanges, and replacements.  
966 As noted in my rebuttal testimony, ComEd assigns all work relating to meter installations  
967 to blanket programs because it involves highly repetitive, relatively inexpensive work on  
968 a per-work order basis.

969 Q. **Please identify the Over \$500K ITNs with investments planned during the first and**  
970 **second quarters of 2011 that Ms. Ebrey would disallow in the Non-Operations –**  
971 **Distribution category.**

972 A. Ms. Ebrey would disallow 5 blanket Over \$500K ITNs with investments planned over  
973 this period in the combined amount of \$6.76 million. As noted earlier, Ms. Ebrey  
974 opposes the category of investments made under blanket programs. Ms. Ebrey did not  
975 specifically discuss or analyze these ITNs in disallowing them.

976 Q. **What is the ITN 29265 – IPP/Interconnect Proj Distribution?**

977 A. ComEd is obligated to review and analyze all customer requests for interconnection of  
978 generation. The IPP/Interconnect Project Distribution is an ITN set up to allocate  
979 resources for anticipated generator interconnection projects on the distribution system.  
980 Since there are typically more proposed generator interconnection projects than what  
981 actually ends up being built, and also some projects are not proposed until the budget  
982 year is in progress, it is not practical to budget for each proposed generator  
983 interconnection project specifically. As specific generator interconnection projects move  
984 forward and make contractual and monetary commitments, an individual ITN is created  
985 for the specific generator interconnection project and the required resources for the  
986 specific project are moved from this ITN. The purpose of this ITN is to help ComEd plan  
987 the expected resource needs for these generator interconnection projects even though the  
988 specific projects that will move forward are not yet known.

989 Q. **Can you describe ITN 35994 – ComEd Cust Fld Ops F&MS Capital Purchases?**

990 A. Yes. This is the ITN used to purchase standard meters to be used for new installations  
991 and periodic exchanges. ComEd anticipates placing \$3.66 million into service during the  
992 first and second quarters of 2011 for this ITN.

993 Q. **Can you describe ITNs 35802: ComEd Cust Fld Ops F&MS New Business Sets,**  
994 **35805: ComEd Cust Fld Ops F&MS Periodic Exchanges and 36180: ComEd Cust**  
995 **Fld Ops F&MS Meter Shop?**

996 A. All of the above ITNs are the capitalized labor costs for Field and Meter Services. ITN  
997 35802 is the labor costs associated with ComEd's Field and Meter Services to execute  
998 New Business field orders from customers/contractors to install/revise meters. ITN  
999 35805 is the labor costs associated with ComEd's Field and Meter Services to execute  
1000 field orders per Illinois Commerce Commission (ICC) regulation that in-service  
1001 commercial electric meters must be exchanged or tested on a periodic basis, 8 years from  
1002 last test date. ITN 36180 is the labor costs associated with ComEd's Field and Meter  
1003 Services Meter shop to complete the testing of new and used meters and associated  
1004 equipment. ComEd anticipates placing \$2.51 million into service during the first and  
1005 second quarters of 2011 for these ITNs.

1006 **6. System Performance**

1007 Q. **What is the System Performance category of capital additions?**

1008 A. System Performance refers to projects that increase the quality or reliability of the  
1009 distribution system without necessarily increasing its capability to provide basic service  
1010 to customers.

1011 Q. **Please identify the Over \$500K ITNs with investments planned during the first and**  
1012 **second quarters of 2011 that Ms. Ebrey would disallow in the System Performance**  
1013 **category.**

1014 A. Ms. Ebrey would disallow 14 unique and 6 blanket ITNs (plus a partial disallowance of  
1015 one blanket ITN) with investments planned over this period in the combined amount of  
1016 \$54.36 million. The support for these projects was previously provided, they are known,  
1017 measurable, and reasonably certain to occur, and I will specifically review many of these  
1018 projects below.

1019 a. **ITN 4775: D-Replace Substation Capacitors PCB Banks**

1020 Q. **Can you describe 4775: D-Replace Substation Capacitors PCB Banks?**

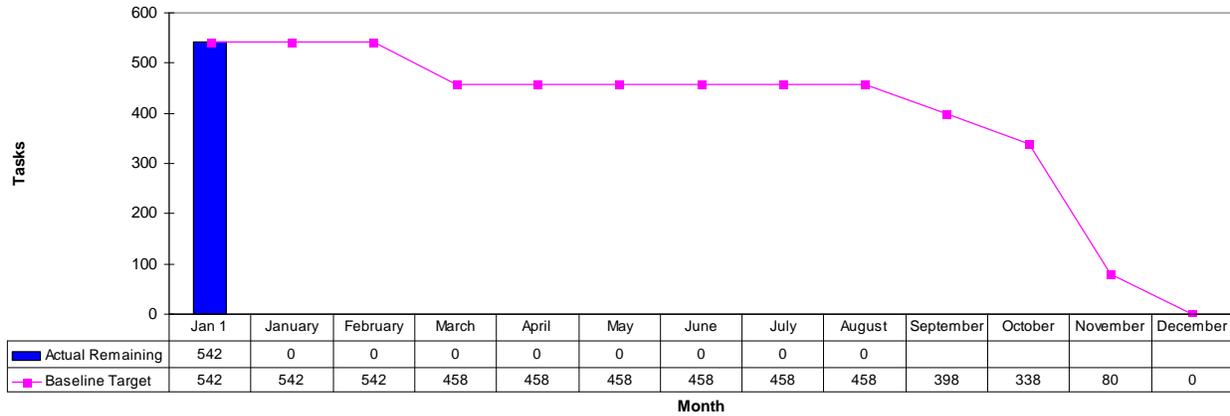
1021 A. Yes. This ITN is to replace or remove PCB capacitor cans at targeted substations. Ms.  
1022 Ebrey denied the \$1.75 million that ComEd's work plan is scheduled to place in service  
1023 during the first 2 quarters of 2011.

1024 Q. **On what basis did Ms. Ebrey deny the *pro forma* costs for ITN 4775?**

1025 A. She made no specific statement regarding this ITN.

1026 Q. **What is the current status of the work down curve for this ITN for 2011?**

1027 A. They have now received final approval. The final workdown curve for the first 2 quarters  
1028 of 2011 calls for 84 PCB cans to be replaced or removed. The 2011 graph is provided  
1029 below:



1030

1031 **Q. Are workdown curves predictive of ComEd’s actual performance?**

1032 A. Absolutely, ComEd has consistently met its workdown curves for this program as  
1033 confirmed by my review of the workdown curves for the past three years.

1034 **Q. Do you have any other information showing that ComEd can be reasonably certain**  
1035 **that it will perform this work during the first 2 quarters of 2011?**

1036 A. Yes. ComEd’s non-jurisdictionalized spend on this program was \$0.65, \$0.99, and \$0.56  
1037 million, respectively, for the first 2 quarters for 2008, 2009, and 2010.

1038 **b. ITN 4920: Replace Distribution Poor Performing URD Cable**

1039 **Q. Can you describe ITN 4920: Replace Distribution Poor Performing URD Cable?**

1040 A. Yes. This ITN addresses poor performing underground residential distribution cable.  
1041 Ms. Ebrey denied the \$13.1 million that ComEd’s work plan is scheduled to place in  
1042 service during the first 2 quarters of 2011.

1043 **Q. On what basis did Ms. Ebrey deny the *pro forma* costs for ITN 4920?**

1044 A. The only specific statement made by Ms. Ebrey is that this was part of a group of projects  
1045 that “have not received final approval.”<sup>32</sup> What I actually stated in my rebuttal testimony  
1046 was that the final work down curves had not yet received final approval. It appears she  
1047 may have disallowed this ITN due to her disapproval of all blankets.

1048 Q. **Is Ms. Ebrey’s disallowance of all costs for various blanket programs because some**  
1049 **of the final workdown curves for those programs are subject to final approval**  
1050 **reasonable?**

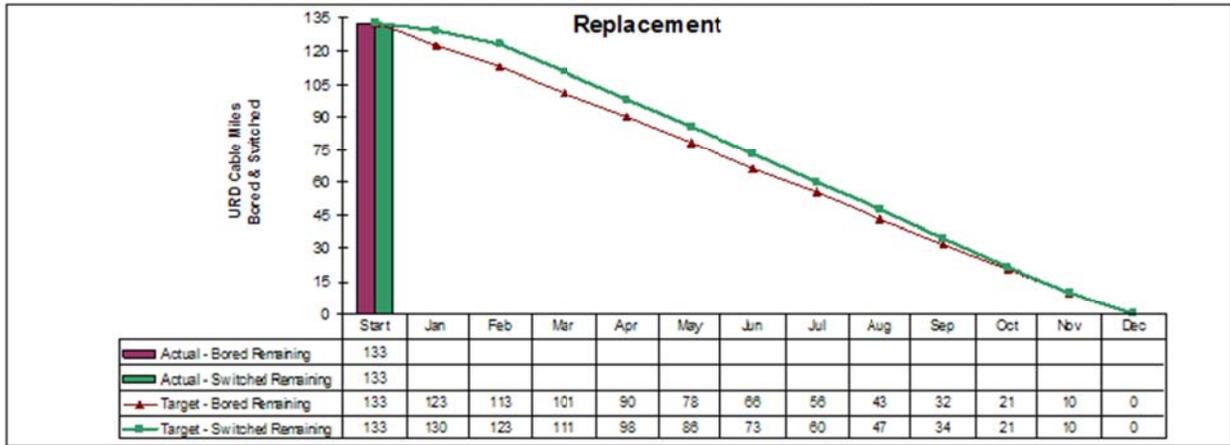
1051 A. No. While final approved workdown curves sometimes include minor adjustments to the  
1052 planned units of work reflected in current workplans, the current workplans are highly  
1053 predictive of final workdown curves and reflect operational needs.

1054 Q. **What is the current status of the work down curves for this ITN for 2011?**

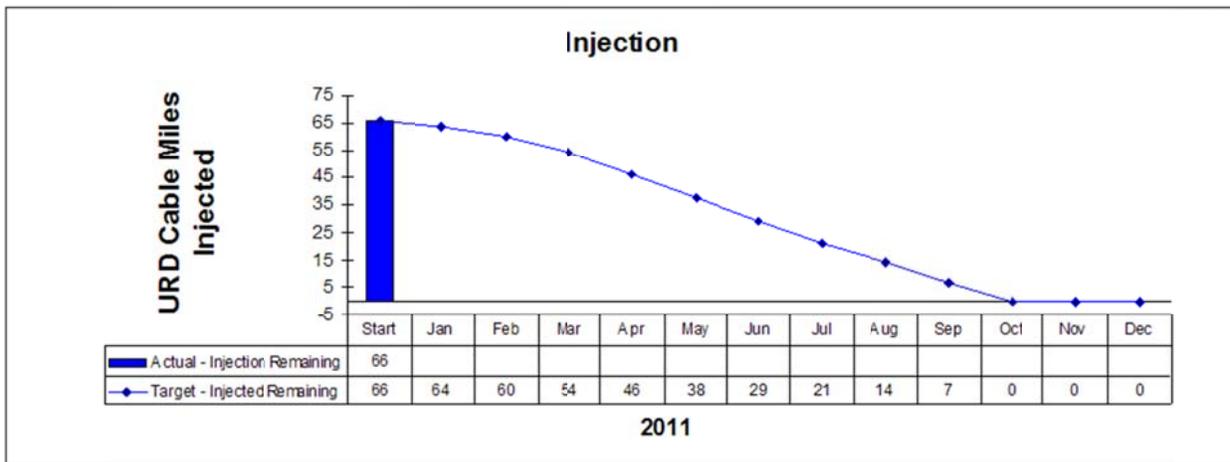
1055 A. They have now received final approval. As reasonably expected at the time of my  
1056 rebuttal testimony, the final approved workdown curves for 2011 are at or above the  
1057 levels indicated in my rebuttal testimony for the first 2 quarters of 2011. The final  
1058 workdown curves for the first 2 quarters of 2011 call for treatment or replacement of 97  
1059 miles of cable (versus the 88 in rebuttal), with 37 miles to be treated and 60 (versus 51 in  
1060 rebuttal) miles to be replaced. The 2011 graphs are provided below:

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<sup>32</sup> Ebrey Reb., Staff Ex. 16.0, 17:319-21.



1061



1062

1063 Q. Are workdown curves predictive of ComEd’s actual performance?

1064 A. Absolutely, ComEd has consistently met its workdown curves for this program as  
1065 confirmed by my review of the workdown curves for the past three years.

1066 Q. Do you have any other information showing that ComEd can be reasonably certain  
1067 that it will perform this work during the first 2 quarters of 2011?

1068 A. Yes. While the workplan for this program is specific to each year, ComEd’s actual spend  
1069 on this program for the first 2 quarters of the past three years is in line with the \$13.07  
1070 million of work scheduled to be completed during the first two quarters of 2011.

1071 ComEd's non-jurisdictionalized spend on this program was \$11.9, \$13.1, and \$12.1  
1072 million, respectively, for the first 2 quarters for 2008, 2009, and 2010.

1073 **c. ITN 4928: Install Distribution Sectionalizing Devices**

1074 **Q. Can you describe ITN 4928: Install Distribution Sectionalizing Devices?**

1075 A. Yes. This program identifies locations (34kV circuits) where the installation of a  
1076 distribution automation device (reclosing/sectionalizing), coupled with SCADA  
1077 equipment, would provide reliability benefits. This is generally known as distribution  
1078 automation, or the isolation of a fault and reconfiguration without manual switching. Ms.  
1079 Ebrey denied the \$2.37 million that ComEd's work plan is scheduled to place in service  
1080 during the first 2 quarters of 2011 for this ITN.

1081 **Q. On what basis did Ms. Ebrey deny the *pro forma* costs for ITN 4928?**

1082 A. The only specific statement made by Ms. Ebrey is that this was only generally  
1083 supported.<sup>33</sup> I note that I did provide the plan numbers for 2011.<sup>34</sup> It appears she may  
1084 have disallowed this ITN due to her disapproval of all blankets.

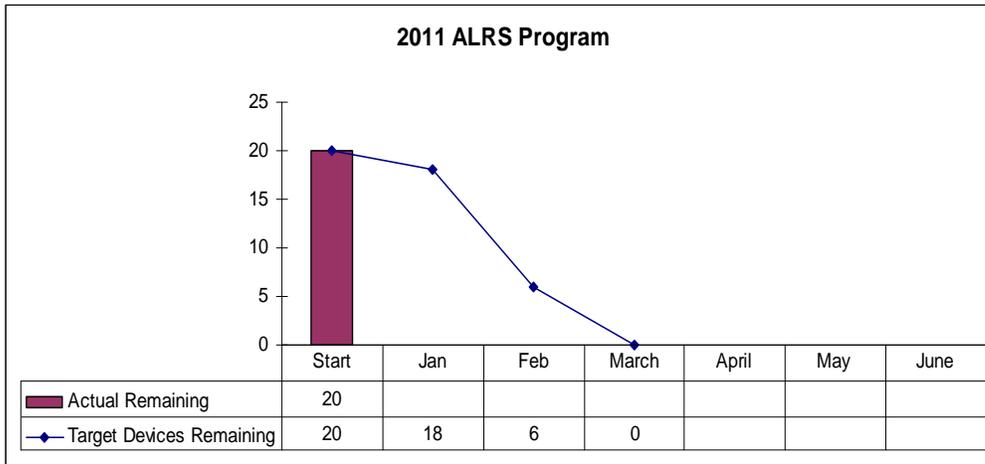
1085 **Q. What is the current status of the work down curve for this ITN for 2011?**

1086 A. It has now received final approval. The final workdown curve for the first 2 quarters of  
1087 2011 calls for the installation of 20 devices. The 2011 graph is provided below:

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<sup>33</sup> Ebrey Reb., Staff Ex. 16.0, 17:324.

<sup>34</sup> Donnelly Reb., ComEd Ex. 32.0, 55:1119.



1088

1089 **Q. Do you have any other information showing that ComEd can be reasonably certain**  
1090 **that it will perform this work during the first 2 quarters of 2011?**

1091 **A.** Yes. While the workplan for this program is specific to each year, ComEd’s actual spend  
1092 on this program for the first 2 quarters of the past two years is in line with the \$2.37  
1093 million of work scheduled to be completed during the first two quarters of 2011.  
1094 ComEd’s non-jurisdictionalized spend on this program was \$1.77 and \$3.42 million,  
1095 respectively, for the first 2 quarters for 2009, and 2010.

1096 **d. ITN 11161: ICC 1% Worst Performing Circuit Program**

1097 **Q. Can you describe ITN 11161: ICC 1% Worst Performing Circuit Program?**

1098 **A.** Yes. The 1% Worst Performing Circuit Program, ITN 11161, provides for investments to  
1099 comply with Section 411.120 of the Commission’s Rules to improve the performance of  
1100 the worst 1% of our circuits of 15 kV or less in each operating area. Information on this  
1101 blanket is included in ComEd Ex. 32.2.

1102 **Q. What does ComEd do under this program?**

1103 A. ComEd reliability engineers perform an analysis of the circuit to determine the root  
1104 cause(s) of the interruptions and design improvements to address the cause(s). Some of  
1105 the solutions to improve circuit performance are: fusing, vegetation trimming, application  
1106 of reclosers, application of arrestors, and remediation of pole conditions. As necessary,  
1107 new capital investments are made to improve reliability. Ms. Ebrey denied the \$4.10  
1108 million that ComEd's work plan is scheduled to place in service during the first 2  
1109 quarters of 2011 for this ITN.

1110 Q. **On what basis did Ms. Ebrey deny the *pro forma* costs for ITN 11161?**

1111 A. The only specific statement made by Ms. Ebrey is that this was part of a group of projects  
1112 that "have not received final approval."<sup>35</sup> It appears she may have disallowed this ITN  
1113 due to her disapproval of all blankets.

1114 Q. **Why do you reasonably expect that ComEd will complete this work in the first two**  
1115 **quarters of 2011?**

1116 A. First, as noted, we are required to do this work under the Commission's rules. Also, over  
1117 the last three years ComEd has had an excellent history of completing work under this  
1118 program in the first two quarters of each year. In 2008, 90 circuits out of 116 were  
1119 completed by June 30, 2008. In 2009, 104 circuits out of 114 were completed by June  
1120 30, 2009. In 2010, 113 circuits out of 127 were completed by June 30, 2010.

1121 Q. **Do you have any other information showing that ComEd can be reasonably certain**  
1122 **that it will perform this work during the first 2 quarters of 2011?**

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<sup>35</sup> Ebrey Reb., Staff Ex. 16.0, 17:319-21.

1123 A. Yes. While the workplan for this program is specific to each year, ComEd's actual spend  
1124 on this program for the first 2 quarters of the past three years is in line with the \$4.10  
1125 million of work scheduled to be completed during the first two quarters of 2011.  
1126 ComEd's non-jurisdictionalized spend on this program was \$3.17, \$4.03 and \$3.62  
1127 million, respectively, for the first 2 quarters for 2008, 2009, and 2010.

1128 e. **ITNs 11609: Direct Support: Sys Perf: ComEd: Electric and**  
1129 **31412: Direct Support Syst Perf - Relay & Protect**

1130 Q. **Can you describe ITNs 11609: Direct Support: Sys Perf: ComEd: Electric and**  
1131 **31412: Direct Support Syst Perf - Relay & Protect?**

1132 A. Yes. The costs for these ITNs are for engineers and other direct support personnel that  
1133 directly bill to the system performance category for both unique and blanket projects for  
1134 their creation and design. ITN 31412 is specific to direct support for relays and  
1135 protection. There costs are primarily fixed and completely known. I also explained  
1136 direct support costs in my rebuttal testimony.<sup>36</sup> Based upon ComEd's System  
1137 Performance Work Plan, ComEd anticipates placing \$2.75 million into service during the  
1138 first and second quarters of 2011 for ITN 11609 and \$1.10 million for ITN 31412.

1139 f. **ITN 30752 : Regional Reliability Imprvmnts - Chicago**

1140 Q. **Can you describe ITN 30752: Regional Reliability Imprvmnts - Chicago and the**  
1141 **Regional Reliability ITNs generally?**

1142 A. Yes. These are blanket programs. My focus is on ITN 30752, the Chicago program,  
1143 which Ms. Ebrey disallows for \$1.07 million. The other Regional Reliability ITNs are  
1144 ITN 30753 (North); ITN 30754 (South), and ITN 29238 (West). These ITNs were  
1145 disallowed in amounts under \$500,000, but are similar to ITN 30752.

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<sup>36</sup> Id. at 67-8:1355-64.

1146 Q. **What are the regional reliability improvements?**

1147 A. These programs identify improvements planned by ComEd that will help both SAIFI and  
1148 non-SAIFI customer satisfaction. In connection with municipal authorities, we develop  
1149 and track improvement plans on a municipality basis outside of Chicago and on a ward-  
1150 by-ward basis inside Chicago. Overall, the focus is on repeat device outages. These  
1151 programs target reliability issues not addressed by other programs. While we cannot  
1152 predict which specific devices will demonstrate repeated outage patterns, we know that  
1153 we will in fact experience such outage patterns and address them as they emerge  
1154 throughout the year. This program facilitates the provision of safe and reliable service to  
1155 our customers.

1156 Q. **On what basis did Ms. Ebrey deny the *pro forma* costs for ITN 30752 and the**  
1157 **Regional Reliability Programs?**

1158 A. The only statement made by Ms. Ebrey is that this program was only generally  
1159 supported.<sup>37</sup> I note that documentation regarding this program and some the work to be  
1160 performed was included in ComEd Ex. 32.2. As additional support, I note that ComEd  
1161 has generally increased the spend for this program each year, having spent \$0.61, \$0.72,  
1162 and \$0.83 million, respectively, in 2008, 2009, and 2010 for the first 2 quarters of each  
1163 year.

1164 g. **ITN 40100: 4/ 12kV Mid- Circuit Reclosers**

1165 Q. **Can you describe ITN 40100: 4/ 12kV Mid- Circuit Reclosers?**

1166 A. Yes. This program identifies locations (12kV circuits) where the installation of a  
1167 distribution automation device (reclosing/sectionalizing), coupled with SCADA

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<sup>37</sup> Ebrey Reb., Staff Ex. 16.0, 17:324.



1182 Q. **Do you have any other information showing that ComEd can be reasonably certain**  
1183 **that it will perform this work during the first 2 quarters of 2011?**

1184 A. Yes. While the workplan for this program is specific to each year, ComEd's actual spend  
1185 on this program for the first 2 quarters of the past two years is in line with the \$8.59  
1186 million of work scheduled to be completed during the first two quarters of 2011.  
1187 ComEd's non-jurisdictionalized spend on this program was \$7.14 and \$8.63 million,  
1188 respectively, for the first 2 quarters for 2009, and 2010.

1189 h. **ITNs 42256: 2010 Repl Dist Mainline Dir Bury & Conduit and**  
1190 **45997: 2011 Repl Dist Mainline Dir Bury & Conduit**

1191 Q. **Can you describe ITNs 42256: 2010 Repl Dist Mainline Dir Bury & Conduit and**  
1192 **45997: 2011 Repl Dist Mainline Dir Bury & Conduit?**

1193 A. Yes. This program focuses on circuits that have experienced two or more failures caused  
1194 by underground cable or cable accessory failures in a 36-month period. ComEd expects  
1195 to complete investments in the amount of \$3.09 for ITN 42256 and \$0.80 for ITN 45997  
1196 during the first two quarters of 2011.

1197 Q. **Why does the 2010 program have work in 2011?**

1198 A. The dates represent the date that work starts under the program, not when it scheduled to  
1199 be completed. There remains work in progress from the 2010 program that will be  
1200 completed in early 2011.

1201 Q. **On what basis did Ms. Ebrey deny the *pro forma* costs for these ITNs?**

1202 A. The only specific statement made by Ms. Ebrey is that ITN 42256 was part of a group of  
1203 projects that "have not received final approval."<sup>38</sup> What I actually stated in my rebuttal

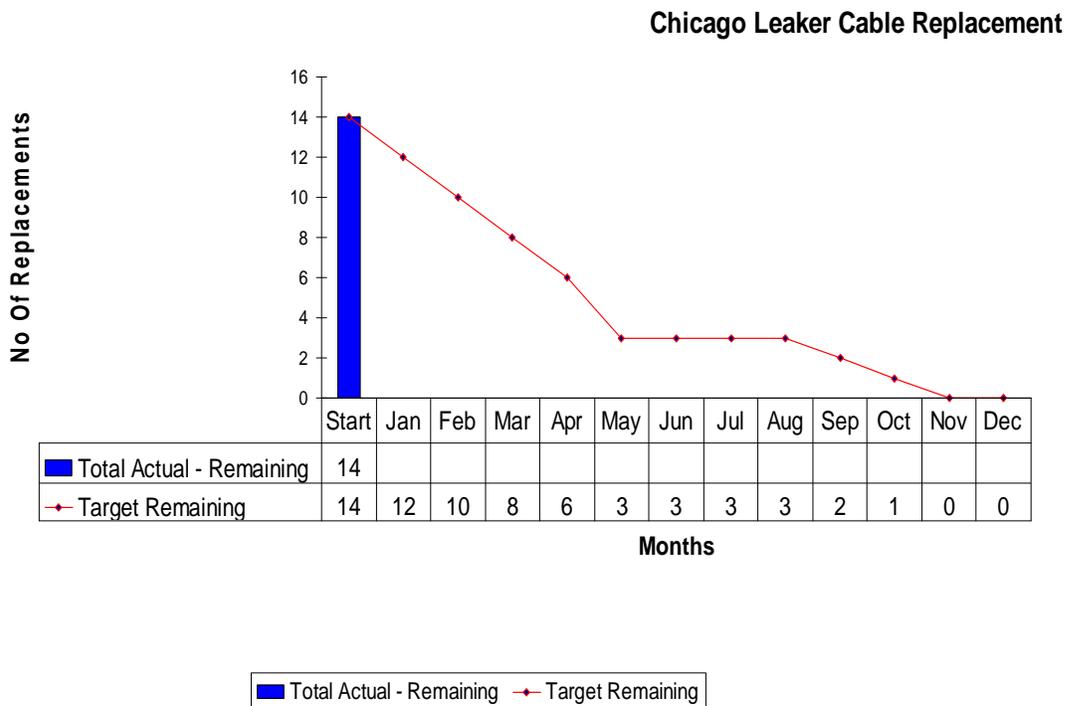
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<sup>38</sup> Ebrey Reb., Staff Ex. 16.0, 17:319-21.

1204 testimony was that the work scope for the 2011 program will receive final approval by  
1205 the end of the year.<sup>39</sup>

1206 **Q. What is the status of the final approval of the work scope for the 2011 program?**

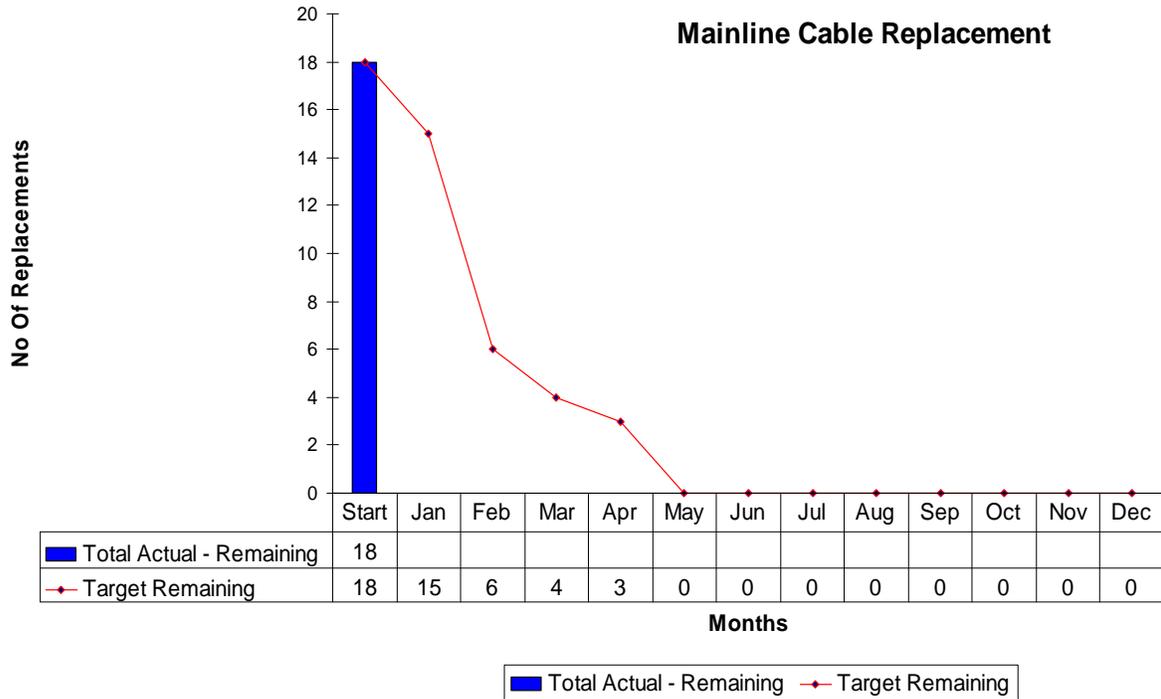
1207 **A.** It has received final approval. The workdown curves for the 2011 program call for the  
1208 completion of 29 circuits by June 30, 2011. The final approved workdown curves for the  
1209 2011 program are provided below:



1210

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<sup>39</sup> Donnelly Reb., ComEd Ex. 32.0, 58:1166.



1211

1212 Q. Are workdown curves predictive of ComEd’s actual performance?

1213 A. Absolutely, ComEd has consistently met its workdown curves for this program as  
1214 confirmed by my review of the workdown curves for the past three years.

1215 i. ITNs 45167: Midway System Improvement 3P111000 and  
1216 45170: Midway System Improvement Proj 3P111001

1217 Q. Can you describe ITNs 45167: Midway System Improvement 3P111000 and 45170:  
1218 Midway System Improvement Proj 3P111001?

1219 A. Yes. Information on this project is included in ComEd Ex. 32.2. ITN 45170 is to install  
1220 new feeder Y13082 at Crawford STA 13. This new feeder will relieve Z6346. It also  
1221 extends Circuit Z6346 south to remove overhead exposure on Z6337, which feeds  
1222 Midway Airport network centers, and extends Z6346 further south to 55th Street and  
1223 west of Cicero Ave. This will provide an additional source in the area to serve Midway

1224 airport load. It will also install 5 switchgears to increase operational flexibility of TSS 63  
1225 Sawyer feeders serving Midway Airport Network Center (Z6337) as well as some radial  
1226 load (Z6337 & Z6346).

1227 ITN 45167 will reconfigure feeders Z10443 and Z10436 at Ford City TSS 104.  
1228 This will allow us to use Z10432 and Z10436 as feeds for the CTA Midway traction  
1229 power station. It will also install 2-duct run and cable to extend Z10436 and Z10432 to  
1230 the CTA Midway traction power substation. The CTA will then be fed from Ford City  
1231 TSS 104. It will also replace relays on Z6335 and Z6339 at Sawyer TSS 63, install 2  
1232 additional switchgears on Sawyer feeders and reroute Z6335 and Z6339 to feed Midway  
1233 Airport network centers. This will provide additional ties between Ford City feeders and  
1234 Sawyer feeders, and to minimize last contingency situations at Midway Airport network  
1235 centers.

1236 ComEd expects to place into service \$3.00 million for ITN 45167 and \$3.59  
1237 million for ITN 45170 during the first two quarters of 2011. Documentation regarding  
1238 these ITNs was provided in ComEd Ex. 32.2.

1239 **j. ITN 45180 – CVR at Oak Park TDC505**

1240 **Q. Can you describe ITN 45180 – CVR at Oak Park TDC505?**

1241 **A.** Yes. ITN 45180 is for the installation of CVR, or Conservation Voltage Reduction.  
1242 CVR technology monitors and dynamically adjusts the voltage on a feeder to ensure  
1243 voltages at the beginning (near the substation), the end (furthest point from the  
1244 substation) and all points in between remain consistently within required parameters. To  
1245 accomplish this, CVR technology being installed will work in conjunction with other  
1246 technology being implemented under ITN 45181, TDC505 Oak Park Intelligent

1247 Substation Upgrade. ComEd expects to place \$1.42 million in service under this ITN by  
1248 June 30, 2011.

1249 **k. ITN 45181 – TDC505 Oak Park Intelligent Substation**  
1250 **Upgrade**

1251 Q. **Can you describe ITN 45181 – TDC505 Oak Park Intelligent Substation Upgrade?**

1252 A. Yes. ITN 45181 focuses on modernization of ComEd’s TDC505 Oak Park substation.  
1253 This is the first substation in an initiative to modernize ComEd’s transmission-fed  
1254 distribution substations, including replacement or refurbishment of circuit breakers;  
1255 replacing older electro-mechanical protective relays with solid-state microprocessor  
1256 based relays; upgrading to two-way digital communications between ComEd’s control  
1257 center and the substation; as well as adding monitoring to ComEd’s largest assets,  
1258 transformers. ComEd expects to place \$0.72 million in service under this ITN by June  
1259 30, 2011.

1260 **l. ITN 45541 – Intelligent Substation – Dist Substations**

1261 Q. **Can you describe ITN 45541 – Intelligent Substation – Dist Substations?**

1262 A. Yes. The work performed under ITN 45541 is similar to that being performed under ITN  
1263 45181, and involves the modernization of a second transmission-fed substation as part of  
1264 ComEd’s substation modernization initiative, including replacement or refurbishment of  
1265 circuit breakers; replacing older electro-mechanical protective relays with solid-state  
1266 microprocessor based relays; upgrading to two-way digital communications between  
1267 ComEd’s control center and the substation; as well as adding monitoring to ComEd’s  
1268 largest assets, transformers. ComEd expects to place \$0.86 million in service under this  
1269 ITN by June 30, 2011.

1270                   **7.     Back Office-Distribution**

1271    **Q.     Please describe the one large ITN with planned investment of \$500,000 or more**  
1272           **during the first and second quarters of 2011 that Ms. Ebrey would disallow in the**  
1273           **Back Office-Distribution category.**

1274    **A.     Ms. Ebrey would disallow \$18.34 million in cost savings planned for investments during**  
1275           **this time period under blanket ITN 22326: ComEd Capital Management Challenge. This**  
1276           **ITN represents cost savings planned during this time period pursuant to ComEd's capital**  
1277           **management challenge process. As projects are completed and savings are achieved,**  
1278           **those savings are allocated to the specific ITN and category where those savings were**  
1279           **achieved. ComEd's work management process and *pro forma* investment adjustment**  
1280           **recognizes cost savings as well as the costs incurred. Negative numbers such as this ITN**  
1281           **do not represent a change to ComEd's *pro forma*. Further, amounts in ITNs such as this**  
1282           **are expected to move to different categories over time as work is completed, and does not**  
1283           **indicate variability in the *pro forma*.**

1284                   **8.     Capitalized Overheads**

1285    **Q.     Please identify the two large ITNs with planned investment of \$500,000 or more**  
1286           **during the first and second quarters of 2011 that Ms. Ebrey would disallow in the**  
1287           **Capitalized Overheads category.**

1288    **A.     Ms. Ebrey would disallow Blanket ITN 35253-Capitalized Overheads-A&G-CapEx for**  
1289           **\$8.35 million and blanket ITN 45933-Capitalized Overheads-Distribution-CapEx for**  
1290           **\$7.54 million.**

1291    **Q.     Can you describe the capitalized overhead ITNs?**

1292 A. Yes. In accordance with the FERC Code of Federal Regulations 18 (Electric Plant  
1293 Instructions), each month ComEd capitalizes a portion of certain expenses that support  
1294 capital work (Capitalized Overheads). The capitalized costs include IT Costs (i.e. cell  
1295 phones, pagers, applications support), Administrative and General Costs (i.e. HR, Legal,  
1296 Real Estate Services, Accounts Payable) and Injuries and Damages. Each month the pool  
1297 of overhead support costs is identified and a portion allocated across all projects based on  
1298 the percentage of Capital work performed. ITNs 35253-Cap OH A&G and 45933-Cap  
1299 OH Distribution represent the forecast for the portion of costs that will be allocated to  
1300 Distribution projects. As work progresses these costs will be allocated to and will show  
1301 up in specific ITN/project costs.

1302 Q. **Is the planned investment represented by these ITNs known and measurable?**

1303 A. Yes. The costs in these ITNs represent ComEd's known capitalized overhead costs that  
1304 will be allocated to specific ITN/project costs as work progresses. These *pro forma* costs  
1305 should be allowed along with ComEd's other *pro forma* investments planned during the  
1306 first and second quarters of 2011. At a minimum, an allocation of these costs should be  
1307 allowed based on the *pro forma* investments allowed for other ITNs. Thus, for instance,  
1308 while Ms. Ebrey allowed certain investment under unique ITNs that ComEd plans to  
1309 place into service during the first and second quarters of 2011, she did not allow their  
1310 allocable share of capitalized overheads for that same period, but should have.

1311 **9. General Plant Categories**

1312 Q. **Please describe the General Plant Categories containing ITNs with investment of**  
1313 **\$500,000 or more planned during first and second quarters of 2011 that Ms. Ebrey**  
1314 **recommends not be allowed.**

1315 A. As shown in ComEd Ex. 58.6, there are 7 categories (Non-Operations, Other Operations,  
1316 Real Estate, SCADA, Tools, Vehicles, and Intangible) containing ITNs with investment  
1317 of \$500,000 or more planned during the first and second quarters of 2011 that Ms. Ebrey  
1318 recommends not be allowed. I will review some of these below.

1319 a. **Real Estate**

1320 Q. **Which ITNs in the Real Estate category with planned investment of \$500,000 or**  
1321 **more during first and second quarters of 2011 would Ms. Ebrey disallow?**

1322 A. There is 1 blanket ITN, ITN 42056 - Chicago Ordinance Work for \$0.53 million and 4  
1323 unique ITNs, ITN 35155: Paving for \$1.90 million, ITN 35158: Lighting for \$6.04  
1324 million, ITN 35172: Other Misc. Projects for \$6.26 million, and ITN 45390: RE&F  
1325 IWMS for \$0.71 million.

1326 Q. **Can you further describe ITNs 42056 and 45390?**

1327 A. ITN 42056 - Chicago Ordinance Work for \$0.53 million is a project to install Ornamental  
1328 fencing, landscaping and asphalt at three Chicago business offices (Chicago South – 7601  
1329 S. Lawndale Ave., Chicago North – 3500 N California & Chicago West Tech – 3400  
1330 Pulaski) in order to comply with city ordinance requirements.

1331 ITN 45390: RE&F IWMS for \$0.71 million is a software system to enhance  
1332 ComEd Real Estate & Facilities management transparency into its diverse and complex  
1333 real estate asset portfolio and increase operational efficiencies by implementing a  
1334 workplace management system that consolidates real estate leased and owned contract  
1335 information into a single system. Work on this project is expected to be completed by  
1336 June, 2011.

1337 Q. **What information did ComEd to show that these ITNs are reasonably certain of**  
1338 **being completed as planned?**

1339 A. In response to Staff data request TEE 13.03, attached to my testimony as ComEd Ex.  
1340 58.9, we described all of the real estate ITNs and provided support for our position that  
1341 these projects will be in service during the first and second quarters of 2011.

1342 **b. Vehicles**

1343 Q. **Please describe the one large ITN with planned investment of \$500,000 or more**  
1344 **during the first and second quarters of 2011 that Ms. Ebrey would disallow in the**  
1345 **Fleet or vehicles category.**

1346 A. Ms. Ebrey would disallow \$6.68 million during this time period for blanket ITN 21402:  
1347 ComEd Fleet. ComEd routinely purchases fleet vehicles pursuant to its work plan, and  
1348 this investment is known and measurable and reasonably certain to occur before June 30,  
1349 2011.

1350 Q. **Is there any further support available for the investment to be made under ITN**  
1351 **21402 during the first and second quarter of 2011?**

1352 A. Yes. Purchase Orders and or Requisitions consistent with ComEd's plan have now been  
1353 issued for all fleet purchases scheduled to be made by June 30, 2011. Those documents  
1354 are attached to my testimony as ComEd Ex. 58.10.

1355 **c. Intangible**

1356 Q. **Please identify the large ITNs with planned investment of \$500,000 or more during**  
1357 **the first and second quarters of 2011 that Ms. Ebrey would disallow in the**  
1358 **Intangible category.**

1359 A. The ITNs in this category are information technology projects. Ms. Ebrey would  
1360 disallow 1 blanket and 6 unique ITNs in this category with a combined planned  
1361 investment during this time period of \$9.74 million.

1362 Q. **Can you describe the Over \$500K ITNs in this category?**

1363 A. Yes. ITN 36246 Restructure ComEd Web Site -Web Redesign II for \$1.12 million: The  
1364 ComEd.COM release 2 enhancements include commercial capabilities for MyAccounts  
1365 site, vendor integration for Spanish translation, mobile enablement, FAQs, enable  
1366 customer bank account changes, improved interface between OMS and Outage text  
1367 vendor, improved Outage maps and Landlord account functionality.

1368 ITN 37477 is for Utility Consolidated Billing/Purchase of Receivables  
1369 (UCB/POR). ComEd expects to invest \$2.46 million under this project. This is a project  
1370 required to comply with Senate Bill 1299 that was passed and requires utility companies  
1371 in the state of Illinois to offer UCB for all customers that are with a RES. The bill further  
1372 defines that Illinois utilities have to offer POR to customers under 400kw.

1373 Blanket ITN 35896 - BTW Capital for \$1.20 million: The BTW Program is a  
1374 series of small initiatives designed to provide operational and strategic enhancements to  
1375 the Customer Platform of applications which support the Meter to Market business  
1376 processes. These initiatives are identified throughout the year based upon alignment to  
1377 business strategy and business benefit and are discussed and challenged during the  
1378 monthly Customer Platform Executive Meeting which is chaired by Fidel Marquez from  
1379 ComEd, and Mark Alden from PECO. Approvals are necessary to determine  
1380 requirements and generate an estimate (O&M spend), and separate approvals are  
1381 necessary to build and deliver the enhancement (capital spend provided it meets the

1382 requirements for software capitalization). Project examples include, but are not limited  
1383 to, NSF, Illegal Restore, & Transfer Debits and Credits.

1384 ITN 43324 ComEd MDT 2010 Refresh – CAP for \$0.55 million: ComEd 2010  
1385 MDT Refresh Project will replace rugged laptops and vehicle docks this year at ComEd.

1386 ITN 45242 ComEd Rate Case 2010 – CAP for \$2.06 million: The ComEd Rate  
1387 Case 2010 – CAP project will enhance both the CIMS and CET applications as required  
1388 by the rate case filings in June and August of 2010. These changes will impact customer  
1389 billing and will go into effect assuming the rate case is approved in May 2011.

1390 ITN 36266 - 19EPM Upgrade 2010-2011 SW Ph2 for \$0.61 million: EPM  
1391 (Exelon Performance Management), which is Exelon's Finance data warehouse, must be  
1392 updated to a supported hardware and software platform to maintain vendor support and  
1393 currency. The scope of the project is to migrate EPM version 8.8 to new hardware,  
1394 update the operating system to Solaris 10, upgrade the database to Oracle 10, upgrade  
1395 PeopleTools to version 8.49 and re-platform the Data Loader mappings to use  
1396 Informatica.

1397 ITN 36266 – 3PowerPlant All Other CAP for \$1.75 million: The PowerPlant  
1398 software (Project – Asset suite) must be upgraded to the most recent release, which is  
1399 version 10.2, to maintain vendor support and currency. The scope of the PowerPlant  
1400 upgrade project also includes leveraging new software functionality, such as the Charge  
1401 Repository module, support regulatory reporting, improve integration with Exelon's  
1402 EAM (PassPort) and ERP (PeopleSoft) systems, and address several audit issues.

1403 **D. ComEd's Updated *Pro forma* Plant Additions**

1404 Q. **Is ComEd updating its *pro forma* plant additions with its surrebuttal testimony?**

1405 A. Yes, as indicated in ComEd witness Ms. Houtsma's surrebuttal testimony (ComEd Ex.  
1406 55.0), ComEd's surrebuttal revenue requirement reflects an update of the *pro forma*  
1407 plant additions to reflect actual activity through November, 2010.

1408 Q. **Based on this updated data, what plant will ComEd place in service by June 30,**  
1409 **2011?**

1410 A. ComEd made \$555.8 million in plant<sup>40</sup> additions between January 1, 2010 and November  
1411 30, 2010, as shown on ComEd Ex. 55.0, Schedule 55.2 Workpaper WPB-2.1a. That  
1412 plant is already in service, used and useful now, and serving customers. There is no  
1413 question about it being known and measurable. This plant should be fully reflected in  
1414 rate base, and no party asserts that these plant additions are not known and measurable.

1415 ComEd also has work scheduled and in the pipeline. We are reasonably certain to  
1416 place an additional \$461.5 million of total jurisdictional plant – iron in the ground,  
1417 intangible plant, and general plant – in service between December 1, 2010 and June 30,  
1418 2011. These are real assets, most of which are in the process of being built. The value of  
1419 ComEd's *pro forma* investment is derived from our detailed knowledge of the specific  
1420 work and the processes for approving and managing it; and our confidence in our  
1421 workplans is supported by our history of accurate work scheduling. These investments  
1422 are also shown on ComEd Ex. ComEd Ex. 55.0, Schedule 55.2 Workpaper WPB-2.1a.

1423 The additional \$461.5 million of total jurisdictional plant that will be placed in  
1424 service as of June 30, 2011 is comprised of \$100.8 million scheduled to be placed in  
1425 service during December 2010, \$177.8 million during first quarter 2011, and \$182.8

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<sup>40</sup> By "plant," I mean plant used for the distribution function, unless I clearly say otherwise. "Rate base" and "revenue requirement" also refer to distribution-related values, unless I clearly say otherwise.

1426 million during second quarter 2011. Thus, using the latest and best data available,  
1427 ComEd's total *pro forma* investment between January 1, 2010 and June 30, 2011 is  
1428 \$1.017 billion.

1429 **Q. Using Staff witness Ms. Ebrey's rebuttal positions and the updated *pro forma***  
1430 **amounts provided with ComEd's surrebuttal testimony, have you been able to**  
1431 **determine the likely impact of this update on Staff's *pro forma* plant allowance and**  
1432 **related adjustment?**

1433 A. Yes. Ms. Ebrey's rebuttal testimony indicates she would allow a total *pro forma* plant  
1434 adjustment of \$713.1 million.<sup>41</sup> Updating her workpaper for ComEd's updated  
1435 surrebuttal amounts, I calculate that this amount would increase slightly to \$713.9  
1436 million. Staff witness Ms. Ebrey does not object to including ComEd's *pro forma*  
1437 additions through December 31, 2010, plus certain projects she finds reasonably certain  
1438 to occur by June 30, 2011.<sup>42</sup> Applying ComEd's updated *pro forma* amounts from  
1439 surrebuttal to Ms. Ebrey's rebuttal positions would result in Ms. Ebrey accepting updated  
1440 *pro forma* plant additions from January 1, 2010 through December 31, 2010 of \$656.6  
1441 million and updated *pro forma* amounts for the projects she found reasonably certain to  
1442 occur by June 30, 2011 of \$57.3 million (\$47.5 million during first quarter 2011 and \$9.8  
1443 during second quarter 2011). This would result in a Staff proposed  
1444 disallowance/adjustment to ComEd's \$1.017 billion total *pro forma* plant investment of  
1445 approximately \$303.4 million.

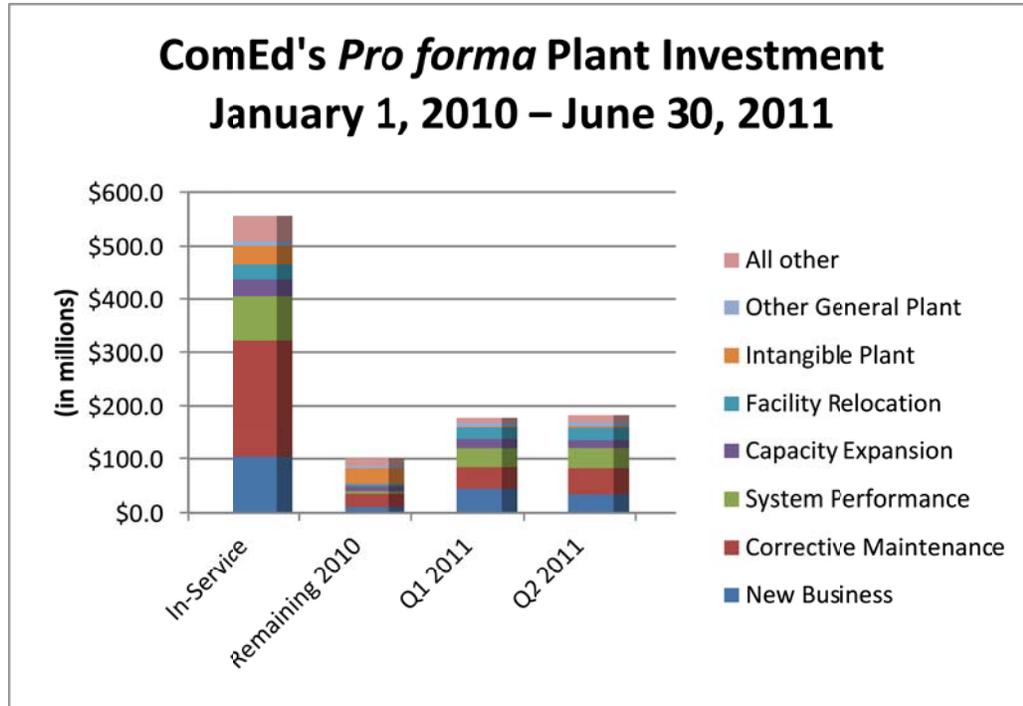
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<sup>41</sup> Ebrey Reb., Staff Ex. 16.0, Sch. 16.08, p. 1.

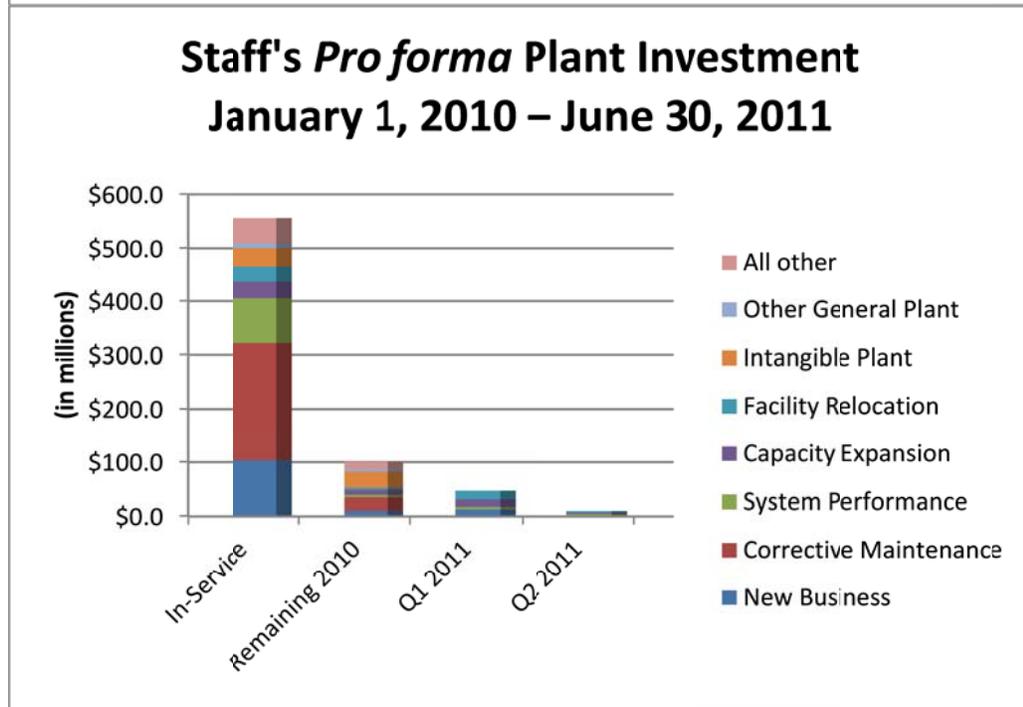
<sup>42</sup> Ebrey Reb., Staff Ex. 16.0, 5:83-6.

1446 Q. **How do ComEd's and Staff's proposed *pro forma* plant additions compare to each**  
1447 **other?**

1448 A. Although ComEd continuously and methodically invests around \$150 million each  
1449 quarter through detailed work plans to continue to provide service to our customers, Ms.  
1450 Ebrey would recognize less than 27% of ComEd's \$177.8 million of investment planned  
1451 for first quarter 2011 and less than 6% of ComEd's \$182.8 million of investment planned  
1452 for second quarter. ComEd's and Staff's proposed *pro forma* plant additions (in  
1453 thousands) are shown graphically in the bar charts below:



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These bar charts clearly demonstrate the dramatic disallowance proposed by Staff for work ComEd plans to complete during the first and second quarters of 2011. As explained previously in my testimony, ComEd's planned *pro forma* investments are known and measurable as well as reasonably certain to occur by June 30, 2011.

1460 **III. Conclusion**

1461 **Q. Does this complete your surrebuttal testimony?**

1462 **A. Yes, it does.**