STATE OF ILLINOIS
ILLINOIS COMMERCE COMMISSION

COMMONWEALTH EDISON COMPANY	)	
	)	**Docket No. 10-0467**
	)	
Proposed general increase in electric rates	)	

PRE-TRIAL MEMORANDUM OF THE CITIZENS UTILITY BOARD

I. INTRODUCTION / STATEMENT OF THE CASE

The Citizens Utility Board ("CUB"), by and through their attorneys present this Pre-Trial Memorandum pursuant to the request of the Administrative Law Judges ("ALJs") in this matter. AG/CUB collectively presented the testimony of four witnesses in this case addressing various accounting issues and the appropriate return on common equity for Commonwealth Edison ("ComEd" or "the Company"): Michael Brosch, AG/CUB Exhibits 1.0 through 1.8 and AG/CUB Exhibits 7.0 through 7.5; David Effron, AG/CUB Exhibits 2.0 through 2.1 and AG/CUB Exhibits 8.0 through 8.1; Ralph Smith, AG/CUB Exhibits 3.0 through 3.2 and AG/CUB Exhibit 9.0; and Christopher Thomas, AG/CUB Exhibits 4.0 through 4.6 and AG/CUB Exhibit 10.0. A summary of the overall adjustments proposed by the AG/CUB witnesses is contained in AG/CUB Exhibit 7.1, attached to the testimony of Mr. Brosch. AG/CUB also presented the testimony of Scott J. Rubin, AG/CUB Exhibits 6.0 through 6.17 and AG/CUB Exhibits 11.0 through 11.4, and Michael Brosch, AG/CUB Exhibit 12.0, which addressed the Company's proposed rate design.

II. OVERALL REVENUE REQUIREMENT AND REVENUE DEFICIENCY

Overall, the expert review of all four witnesses presented by AG/CUB conclude that ComEd's request for an increase in its existing delivery services rates is not only not necessary, but inappropriate in that ComEd's existing rates should be decreased by $40,359,000. AG/CUB Exhibit 7.1.

IV. RATE BASE

A. Overview

Mr. Brosch discusses the importance of the "test year" in regulation utilities because it preserves the balance, or "matching," of revenues, expenses, cost of capital and rate base investments so as to avoid over- or under-stating the revenue requirement. AG/CUB Ex. 1.0 at 5-16; AG/CUB Ex. 7.0 at 11. This framework provides an incentive for utility to manage its costs to maximize its overall rate of return protects. Mr. Brosch examines ComEd's proposal to extend the test year in this case by another 18 months to recognize growth in plant in service without recognizing the concurrent growth in accumulated depreciation and other elements of the revenue requirement that would offset increasing plant costs. Failure to recognizes this growth would lead to an inflated rate base, and Mr. Brosch demonstrates how an inflated rate base will result if ComEd's proposal is accepted by comparing its total asserted jurisdictional delivery service and transmission service rate base with its cost of capital summaries in this case, which show an overstatement of invested capital by nearly a half a billion dollars.

B. Potentially Uncontested Issues

2. General and Intangible Plant

Mr. Effron recommends reducing General Plant by $16,710,000 and Intangible Plant by $16,097,000, to reflect general and intangible plant balances as of March 31, 2011. AG/CUB Ex. 2.0 at 4-5; Schedule DJE-1.1.

C. Potentially Contested Issues

1. Post-Test Year Additions

a. Pro Forma Capital Additions

Mr. Effron proposes to eliminate all plant additions after March 31, 2011 because those additions cannot reasonably be characterized as known and measurable with any reasonable degree of certainty. AG/CUB Ex. 2.0 at 4-8; AG/CUB Ex. 8.0 at 1-5. This reduces rate base by $233,693,000 on capital additions to distribution plant ($164,041,000), general plant ($45,482,000) and intangible plant ($24,170,000). AG/CUB Ex. 7.1 Schedule B-1.

b. Accumulated Provisions for Depreciation and Amortization Related Provisions for Accumulated Depreciation

In recognition of the test year matching principal and basic accounting rules, Mr. Effron proposes to properly reflect decreases to gross plant to match all depreciation accumulating through March 31, 2011 based upon his adjustments to ComEd's proposed test year plant additions. AG/CUB Ex. 2.0 at 10-13; AG/CUB Ex. 8.0 at 6-7. The adjustment increases the depreciation reserve by $490,108,000. AG/CUB Ex. 7.1, Schedule B-3.

c. Accumulated Deferred Income Taxes (ADIT)

As with the accumulated reserve for depreciation, Mr. Effron proposed to increase ADIT by $39,209,000. AG/CUB Ex. 2.0 at 13-14; AG/CUB Ex. 8.0 at 7-8; AG/CUB Ex. 7.1, Schedule B-3.

2. Construction Work in Progress

Mr. Brosch recommends removing ComEd's CWIP from rate base since these investments are not yet in service for customers, and therefore not used and useful or providing any benefit for ratepayers. AG/CUB Ex. 1.0 at 16-21; AG/CUB 7.0 at 26-28. Noting that traditionally CBIP investment is generally not included in rate base but instead given a capitalized return in the form of Allowance for Funds Used During Construction ("AFUDC"), Mr. Brosch recommends the Commission reject ComEd's proposal to include "short term CWIP[1]" in its rate base because the Company is likely to have little or no actual cash investment which requires any return from its customers. This results in a disallowance of $12,591,000. AG/CUB Ex. 7.1, Schedule B-7.

3. Specific Plant Investments

f. Underground Cable

Mr. Effron proposes to adjust ComEd's plant in service to properly remove costs in underground cable permanently disallowed by the Commission in ComEd's last rate case, ICC Docket 07-0566. AG/CUB Ex. 2.0 at 9-10; AG/CUB Ex. 8.0 at 5-6. The total adjustment reduces ComEd's rate base by $15,222,000. AG/CUB Ex. 7.1, Schedule B-2.

4. Cash Working Capital ("CWC")

Mr. Brosch recommends the Commission adopt a zero allowance for CWC. AG/CUB Ex. 1.0 at 21-35; AG/CUB Ex. 7.0 at 11-25. The analysis used by the Company is based upon proven assumptions and flawed methodologies such as substantial overstatement in the

[1] "Short term" CWIP is associated with projects having a construction timeframe of less than 30 days. AG/CUB 1.0 at 18.

Company's revenue collections lag and use of an accounts receivable aging approach. which render the results of the Company's analysis useless, and as such Mr. Brosch recommends a total disallowance of $89,703,000. AG/CUB Ex. 7.1, Schedule B-5.

5. 2009 Pension Trust Contribution

Mr. Effron proposes eliminating the 2009 pension contribution as it represents a catch-up for the difference between accruals and contributions in the years 2006 – 2008, something only necessary because the Company did not make maintain pace with its pension accruals. AG/CUB Ex. 2.0 at 14-16; AG/CUB Ex. 2.0 at 8-10. This adjustment reduces ComEd's rate base by $68,750,000. AG/CUB Ex. 7.1, Schedule B-4 and Schedule DJE 1.5.

7. Customer Deposits

Mr. Brosch addresses ComEd's calculations of the appropriate test year balance of customer deposits and advances, which represent a low-cost source of capital to the utility and, as such, are typically subtracted from rate base. AG/CUB Ex. 1.0 at 36-40; AG/CUB Ex. 7.0 at 29-31. Mr. Brosch finds problems with the Company's calculations – such as ignoring continual growth in the those accounts, attributing the majority of deposits to an un-named jurisdiction, and failing to include any annual interest payments – and concludes the ComEd's rate base should be reduced by $85,962,000. AG/CUB Ex. 7.1, Schedule B-8.

V. OPERATING EXPENSES

A. Potentially Uncontested Issues

4. Investment Tax Credit Amortization (AG)

The Company agreed to Mr. Effron's proposal to recognize amortization of its investment tax credits. AG/CUB Ex. 2.0 at 28. This amortization reduces pro forma jurisdictional income tax expense by $113,000. AG/CUB Ex. 7.1 Schedule C-9.

B. Potentially Contested Issues

1. Incentive Compensation Cost and Expenses

Mr. Smith recommends that fifty percent of annual incentive plan ("AIP") compensation expense should be removed, resulting in an adjustment of $12.060 million, because the AIP contains a "Net Income Limiter" provision that serves as a financial trigger and because the 2010 AIP payouts to be paid in February 2011 will be paid at 50 percent of target, rather than at 100 percent. AG/CUB Ex. 9.0 at 9, AG/CUB Ex. 7.1 Schedule C-10. Executive Long-Term Incentive Compensation ("LTIP") should be adjusted by $2.158 million. Shareholders should bear this expense; it is restricted to executives, is driven in part by financial and legislative objectives, there is a subjective element to payouts under the program, and is closely related to the interests of Exelon's shareholders, as measured by Exelon total shareholder return and Exelon stock price appreciation. AG/CUB Ex. 9.0 at 9-11, AG/CUB Ex. 7.1 Schedule C-10. The cost of the Restricted Stock incentive compensation program is incurred to improve ComEd and Exelon financial performance for the benefit of shareholders, not to improve customer service or meet other regulated utility service requirements. This $2.123 million expense should be removed. AG/CUB Ex. 9.0 at 11-12, AG/CUB Ex. 7.1 Schedule C-10.

2. Rate Case Expenses

a. Rate Case Expenses of the Instant Case

ComEd has accepted a Staff adjustment so that the adjustments contained in AG/CUB Ex. 3.1, Sch. C-12.1 through C-12.4 are not longer necessary. Mr. Smith recommends that the Company's request for recovery of $8.5 million in current rate case expense be reduced because ComEd has not provided justification for the ICC to consider these costs "reasonable" under the Public Utilities Act. For example, the Company includes expenses for attorneys fees related to the Company's Alternative Regulation case, fees for an unreasonable number of consultants on the same issues, and fails to provide sufficient disclosures related to many expenses. Additionally, rate case expense should be amortized over three years. by $4.701 million; normalized over a three-year period, this represents a $1,567,000 reduction. AG/CUB Ex. 7.1 Schedule C-12.

b. Alternative Regulation Case

Mr. Smith's adjustment to this item, a $250,000 disallowance, is included in his overall rate case expense adjustment listed in subsection (a) above.

3. Administrative and General (A&G) Expenses

a. Exelon Way Severance Amortization

Mr. Effron recommends eliminating the amortization of Exelon Way severance costs from pro forma test year expenses in the amount of $18,791,000.

c. Pension Costs

Mr. Smith recommends that both the 2009 amount of pension expense recorded by ComEd and the substantially increased post-test year amount requested by ComEd (based on a 2010 actuarial report) be normalized, since ComEd's costs are extremely high in comparison with all of the historical pension expense information from recent years because of the poor investment returns that occurred in the wake of the worldwide financial crisis that began in 2008.

AG/CUB Ex. 3.0 at 36-38, AG/CUB Ex. 3.0 Schedule C-11.3. This results in a reduction of $26.870 ($22.845 jurisdictionally) to bring it into line with the historical average. Moreover, Mr. Smith recommends that the cost of the Supplemental Executive Retirement Plan ("SERP") should be disallowed, an adjustment of $2.424 jurisdictionally, since provision of additional compensation to Exelon's highest paid employees in retirement benefits relative to the Company's other employees is not a reasonable expense that should be recovered in rates. AG/CUB Ex. 3.0 at 33-35, AG/CUB Ex. 3.1 Schedule C-11. This results in a total reduction of $39,478,000 to (1) correct for the company's increase from 2009 to 2010 pension expense ($14,209,000), (2) remove 2009 Supplemental Executive Retirement Plan [SERP] and SERP settlements expense ($2,424,000) and (3) to normalize abnormally high 2009 defined benefit pension expense based on prior year average ($22,845,000). AG/CUB Ex. 7.1, Schedule C-11.

d. Wages and Salaries Pro Forma Adjustment

Mr. Effron recommends an adjustment to reflect the decrease in employees through August 2010, net of the effect of overtime. AG/CUB Ex. 2.0 18-20; AG/CUB Ex. 8.0 at 11-13. This adjustment results in a reduction of $4,152,000 to pro forma test year expenses. AG/CUB Ex. 7.1, Schedule C-3.

f. Corporate Aircraft Costs

ComEd has adopted the recommendation of Mr. Brosch to adjust its corporate aircraft costs to reflect the sharing of those costs between ComEd and its parent corporation, Exelon. AG/CUB Ex. 1.0 at 48-50. No additional adjustment is necessary. AG/CUB Ex. 7.1, Schedule C-18.

g. Prerequisites and Awards

Mr. Smith recommends that other stock awards and executive perquisites in the amount of $566,000 ($501,000 jurisdictional) that were not already removed by ComEd should be removed. AG/CUB Ex. 3.0 at 54-56. Mr. Smith points out that not only does the Company include amounts allocated from affiliates and are beyond the amounts provided for in the annual incentive plans, but that the Company's expenses for "retention" in 2009, a year with a severe recession and high unemployment, exceeded the total for the preceding three years. A normalized amount, using a four-year average, is appropriate, resulting in an adjustment of $737,000 ($519,000 jurisdictional). Finally, Mr. Smith recommends that Company shareholders share the cost of performance-based recognition awards, resulting in an adjustment of $419,000 ($372,000 jurisdictional). This results in a total adjustment for perquisites and awards of $1.392 million jurisdictional. AG/CUB Ex. 3.0 at 54-56; AG/CUB Ex. 7.1 Schedule C-13.

h. Severance Expenses

Mr. Effron proposes two adjustments to the Company's severance expenses. The first recognizes that correct balance of amortized Exelon Way severance costs since the amortization of those costs should be deemed to have commenced when the cost savings were commenced. AG/CUB Ex. 2.0 at 22-23; AG/CUB Ex. 8.0 at 14-17. The second adjustment, for identical reasons, matches the projected cost savings from the 2009 severance program over a period of 7.5 years. AG/CUB Ex. 2.0at 24-25; AG/CUB Ex. 8.0 at 17-18. The total adjustment Mr. Effron makes to ComEd's projected severance expenses reduces the Company's operational and maintenance expenses by $22,942,000 to the severance expense amortization. AG/CUB Ex. 7.1 Schedule C-4.

i. Charitable Contributions

Mr. Brosch proposes a compromise adjustment to share the cost of test year charitable contributions that ComEd management elected to make between ratepayers and shareholders since these are not necessary for the provision of safe and reliable service for customers. AG/CUB Ex. 1.0 at 45-47; AG/CUB Ex. 7.0 at 31-32. The total reduction is $2,803,000 to reflect reasonable ratepayer funding of charitable contributions. AG/CUB Ex. 7.1, Schedule C-17.

j. Legal Fees – IRS Dispute

Mr. Effron recommends eliminating legal fees related to an Internal Revenue Service ("IRS") dispute associated with the tax treatment of the gain on the sale of fossil generating units in 1999since these are not jurisdictional amounts. AG/CUB Ex. 2.0 at 21-22; AG/CUB Ex. 8.0 at 13-14. This results in a reduction of jurisdictional operations and maintenance expenses by $2,187,000. AG/CUB Ex. 7.1 Schedule C-6.

k. Professional Sporting Activity Expenses

Mr. Smith addresses the Company's request for recovery of $511,000 ($467,000 on a jurisdictional basis) for costs of sporting event tickets and catering, such as well appointed skyboxes for professional sports because these expenses are not necessary for the provision of utility service. AG/CUB Ex. 3.0 at 53-54; AG/CUB Ex. 7.1 Schedule C-13.

l. Workforce Expense Reduction

Mr. Effron recommends reducing pro forma expenses by $4,152,000 to reflect the decrease in the number of employees through October 2010, net of the effect of the annualized increase to overtime (which approximates the Company's forecast of increased overtime for all of 2010). AG/CUB Ex. 7.1 Schedule C-3.

7. Depreciation of Intangible Plant

Mr. Effron recommends elimination of the amortization of 2002 intangible plant, reducing pro forma amortization expense by $4,721,000, and elimination of the amortization of 2005 intangible plant, reducing pro forma amortization expense by $908,000. AG/CUB Ex. 8.0 at 19. The total reduction to amortization expense is $5,629,000, which on a jurisdictional basis, this reduces pro forma amortization expense by $4,987,000. AG/CUB Ex. 7.1 Schedule C-7.

8. Late Repayment Charge Reclassification

Mr. Brosch proposes an adjustment to reflect the late payment charge reclassification to include all non-FERC late payment charges, for an adjustment to revenues of $13,986,000. AG/CUB Ex. 7.1 Schedule C-14.

9. Illinois Electric Distribution Taxes ("IEDT")

Mr. Brosch proposes an adjustment to account for the fact that ComEd's total receipts under this tax are capped pursuant to statute. AG/CUB Ex. 7.0 at 36-37. As such, ComEd's estimation of a weather-normalized IEDT produces a large upward adjustment. Mr. Brosch calculates a reduction of $1,387,000 to account for the statutory cap. AG/CUB Ex. 7.1 Schedule C-19.

VI. RATE OF RETURN

A. Overview

AG/CUB presented the testimony of Christopher Thomas, AG/CUB Exhibits 4.0 through 4.6, and AG/CUB Exhibit 10.0. Mr. Thomas examines the Company's testimony regarding its desired rate of return, and concluded that ComEd's requested rate was too high. AG/CUB Ex.

4.0 at 4. Mr. Thomas describes the general framework that the ICC must follow in setting a rate of return, that is, the ICC must consider what is a fair rate of return based on the relative riskiness of the regulated company using the legal standards set forth by the U.S. Supreme Court cases governing this issue. AG/CUB Ex. 4.0 at 16.

E. Cost of Common Equity

Mr. Thomas concludes the appropriate cost of common equity, also known as the "return on equity" ("ROE") for ComEd is 8.94%. He discusses how the Commission can determine what return investors would require to invest in ComEd even though ComEd's status as a wholly owned subsidiary means there is no existing stock price for the Commission to use. AG/CUB 4.0 at 5-6. Given current market conditions, which are leading investors to correctly perceive public utilities as less risky investments than other investments, companies like ComEd would have earn a lower ROE. AG/CUB 4.0 at 7-16. Specifically, Mr. Thomas notes that public utilizes are able to request increases in their rates without fears of losing customers and to take advantage of cost recovery mechanisms which increase their ability to recover expenses and stabilize cash flow (for example, an uncollectibles rider and the direct pass through of power prices through a separate rider). AG/CUB 4.0 at 14-15.

Noting that ComEd witnesses present two additional analyses historically rejected by the Commission – a risk premium and comparable earnings test - Mr. Thomas used the two models previously accepted by the Commission: the Discounted Cash Flow ("DCF") model and the Capital Asset Pricing Model ("CAPM"). AG/CUB Ex. 4.0 at 18. Mr. Thomas used a three-stage, non-constant growth, DCF model, similar to one used by ICC Staff in prior cases, and calculated an 8.94% ROE for common equity. AG/CUB Ex. 4.0 at 19-29. For the CAPM analysis, Mr. calculated a ROE in the range of 6.69% to 9.05%. AG/CUB Ex. 4.0 at 30-33. Using the CAPM results to establish the reasonableness of his DCF calculations, Mr. Thomas recommends the Commission establish a return on common equity of 8.94%. AG/CUB Ex. 10.0 at 3-4.

Finally, Mr. Thomas points out that the growth rates presented by the Company witnesses are not sustainable when compared to their historic growth and that of the overall US Gross Domestic Product. AG/CUB Ex. 4.0 at 34. Mr. Thomas explains how his growth rates not only are more in line with overall economic projections on GDP and the recognition that company growth will be varied, rather than constant, based on calculations of ComEd's internal growth. AG/CUB Ex. 1.0. at 4-7. With respect to the Company's proposed comparable earnings test, Mr. Thomas discusses how the ICC has properly rejected such tests in the past, and recommends the Commission continue to do so in this case. AG/CUB Ex. 4.0 at 35.

Mr. Thomas compares the Company's request to other ROE recommendations presented in this case, and recent ICC decisions, and concludes the Company is seeking a return 150 basis points above Staff's recommendation, and more than 100 basis points above any recently approved returns in Illinois. AG/CUB Ex. 10.0 at 10-11. Mr. Thomas reviews the Company's testimony supporting its contention that the ICC should be mindful of the "regulatory climate" it is creating in Illinois, and concludes the Commission has – quite appropriately – the testimony was not persuasive:

> The fact that this Commission does not compare favorably to some other state regulatory commissions in similar positions is merely demonstrative of this Commission's efforts on behalf of the consuming public to ensure that all costs that are passed on to the general rate-paying public are reasonable.[2]

F. Adjustments to Rate of Return

[2] ICC Docket No. 10-0138, Final Order at 49.

Mr. Thomas reviews ComEd's request to add increase the overall rate of return for the Company by .40% to compensate the Company for meeting statutorily mandated energy efficiency and demand response programs. AG/CUB Ex. 4.0 at 36. He concludes that the effects of these programs are better addressed through adjustments, if necessary, to the Company's test year billing units or use of a future test year. *Id.* Otherwise, any increase to the Company's ROE constitutes double counting. *Id.* Mr. Thomas notes that all other parties in this case, besides the Company, oppose such an adder, and recommends the Commission not give into threats by the Company that it will stop its energy efficiency and demand response programs. AG/CUB Ex. 10.0 at 13-14.

G. Overall Cost of Capital (Derivative

Using the capital structure and other information proposed by ComEd, the appropriate overall rate of return for the Company is 7.79%. AG/CUB Ex. 4.0 at 37.

VII. RATE DESIGN

C. Potentially Contested Issues

1. SFV (ComEd Proposal)

Mr. Rubin asserts that ComEd's proposal to drastically increase its customer charge and reduce distribution (per KWH) charges bears no relationship to the reasons why various facilities are sized and installed on ComEd's system. AG/CUB Ex. 6.0 at 14-41; AG/CUB Ex. 11.0. First and foremost, electric distribution rates should reflect consumer demand for electricity, and not just the number of customers. Prices should send customers an appropriate price signal that increases in their energy demand result in increases in costs to the system, and reflect the fact that increased consumption results in increased costs to the system. ComEd's proposal does not promote efficiency or social welfare and is unfair to residential customers.

Instead, Mr. Rubin proposes that ComEd's rates be structured to include (1) customer charges that vary depending on whether the customer is in a single-family or multi-family building; (2) the same meter charge for all customers; and (3) a distribution charge that reflect each residential subclass' unique costs of service. AG/CUB Ex. 6.0 at 42-47. Rubin's proposed rate design, based on the AG/CUB recommendation for a rate decrease, is as follows:

Table 3: AG/CUB Proposed Rates

	SF No Heat	SF Heat	MF No Heat	MF Heat
Customer	$7.75	$7.75	$5.96	$5.96
Meter	$2.60	$2.60	$2.60	$2.60
Distribution	2.379¢	1.528¢	2.166¢	1.291¢

2. Decoupling (NRDC Proposal)

Mr. Brosch opposes NRDC's decoupling proposal, which he states has the effect of adjusting utility rates based solely upon changes in residential per-customer sales volumes without regard to other changes in the utility's rate base, operating expenses or cost of capital. AG/CUB Ex. 12.0. NRDC's plan ignores the fact that utility expenses, rate base, and cost of capital are dynamic and shifts business risks associated with changes in sales volumes from the utility to utility customers. NRDC's request for baseline recovery on the allowed revenue requirement per customer represents single-issue ratemaking. NRDC's proposal is technically deficient as well, as it does not include a proposed tariff, contains no supportive analysis or documentation and provides no evidence that the plan would lead to increased energy efficiency investments by ComEd.

Mr. Rubin also responds to the NRDC decoupling proposal, and concludes that it would protect ComEd's revenue stream at the expense of consumers, with no indication that such an extreme measure would result in any increased investment in energy efficiency. AG/CUB Ex. 11.0. He points out that decoupling should be rejected because: (1) it is inconsistent with sound regulatory policies that have been developed over many decades; and (2) there is no evidence ComEd would increase its investment in energy efficiency programs if it decoupling was approved; and (3) there are better ways to promote energy efficiency investments.

3. Class Definitions

a. Residential Rate Design – Consolidation of Classes

Mr. Rubin opposes ComEd's proposal to eliminate any rate distinction based on space heating. The company's cost of service study demonstrates that existing rates for the residential heating classes exceed ComEd's proposed cost of serving those classes. ComEd should retain the four existing residential subclasses (single-family, multi-family, heating and non-heating) because of significant differences in the usage characteristics and cost of service each type of customer. No residential subclass should receive an increase more than 1.5 times the average increase for the residential class. Since ComEd has proposed an overall residential increase of 20.8%, there should not be any significant group of residential customers that would receive more than a 31% increase under ComEd's proposed revenue requirement.

IX. REVENUES

D. Late Payment Charge Revenues

Mr. Brosch proposes an adjustment to properly allocate revenues received by ComEd between revenues received related to distribution service and revenues received related to transmission service. AG/CUB Ex. 7.0 at 32-34. Mr. Brosch recommends an adjustment to recognize $2,009,000 of revenue credits as jurisdictional revenue credits since these revenues were collected by ComEd customers pursuant to tariffs and as such are appropriately treated as jurisdictional revenues in determining the Company's net delivery services revenue requirement. AG/CUB Ex. 7.1, Schedule C-14.

E. New Business Revenue Credit

Mr. Effron proposes an adjustment to ComEd's projected new business revenues to reflect updated sales forecasts by the Company which show higher growth in sales than the Company reflects in its pro forma adjustment for post-test year growth in sales. AG/CUB Ex. 2.0 at 16-17. This adjustment increases the Company's pro forma test year rates by $3,800,000. AG/CUB Ex. 7.1, Schedule C-1.

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Respectfully submitted,

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