

**STATE OF ILLINOIS**  
**ILLINOIS COMMERCE COMMISSION**

COMMONWEALTH EDISON COMPANY :  
 : No. 10-0527  
Petition for approval of an Alternative Rate :  
Regulation Plan pursuant to Section 9-244 :  
of the Public Utilities Act :

**VERIFIED APPLICATION FOR REHEARING  
OF COMMONWEALTH EDISON COMPANY**

Pursuant to Section 10-113 of the Illinois Public Utilities Act (220 ILCS 5/10-113(a)), Section 200.880 of the Commission’s Rules of Practice (83 Ill. Adm. Code § 200.880), and other applicable law, Commonwealth Edison Company (“ComEd”) applies for Rehearing of the May 24, 2011 final Order (the “Order”) of the Illinois Commerce Commission (the “Commission”). Rehearing should be granted on the following issues:

1. Section 9-244 of the Public Utilities Act (“PUA”) authorizes alternative regulation programs, including budget-based programs, and does not require or limit those programs to entire utility services, contrary to the Commission’s Order (at 17-21). See ComEd Init. Br. at 7-12, 34-35; Rep. Br. at 6-14, 42-46, 49-50; BOE at 35-39.
2. The Order incorrectly concludes that under Section 9-244(b)(1) of the PUA, a utility must demonstrate that rates under alternative regulation are lower than they are now, or lower than they would be if the “services covered by the program” were not provided at all. Order at 31-34. Section 9-244(b)(1) calls for a comparison between rates under a proposed alternative regulation plan and the rates “otherwise would have been in effect” under traditional regulation to recover the costs of the same “services covered by the program.” See ComEd Init. Br. 38-39; Rep. Br. at 47-51; BOE at 39-43.
3. Contrary to the Order (at 40-42), under Section 9-244(b)(2) of the PUA, both the benefits of the alternative regulatory mechanism and the benefits of the programs that alternative regulation makes possible should be considered when determining the “substantial and identifiable benefits that would be realized by customers served under the program.” See ComEd Init. Br. 39-40; Rep. Br. at 51-53; BOE at 43-46.
4. The Order’s concerns (at 42) are unsupported by the record evidence, which clearly demonstrates that under Section 9-244(b)(3), ComEd is “in compliance with applicable Commission standards for reliability and implementation of the program is not likely to adversely affect service reliability.” See ComEd Init. Br. 40-41; BOE at 51-52.

5. The Order's concern (at 44) that in violation of Section 9-244(b)(5) of the PUA, ComEd's Electrical Vehicle ("EV") Pilot might gain first mover advantage in a competitive market is unfounded. The evidence, rather, demonstrates that ComEd's Rate ACEP "is not likely to adversely affect the development of competitive markets" as required under Section 9-244(b)(5). *See* ComEd Init. Br. 41; Rep. Br. at 56; BOE at 52.
6. Contrary to the Order (at 45), the evidence demonstrates that Rate ACEP expressly calls for review and reporting on a schedule even more aggressive than required under Section 9-244(b)(7) of the PUA and provides the Commission with ample information to conduct that review. *See* ComEd Init. Br. 41-42; Rep. Br. at 55; BOE at 46-47.
7. The Order's conclusion that ComEd failed to demonstrate an equitable sharing of economic benefits under Rate ACEP and that ratepayers may be overpaying is contrary to the law and unsupported by the evidence. (Order at 50-51). The Order errs in two respects: (1) Section 9-244(b)(8) does not require economic benefits, only the equitable sharing of benefits "to the extent the program is likely to result in such benefits," and (2) Rate ACEP equably shares benefits with customers. *See* ComEd Init. Br. 40; Rep. Br. at 53-55; BOE at 48-51.
8. Contrary to the Order (at 64-65), the Low Income Assistance Program is a budget-based program that provides customer benefits. *See* ComEd Init. Br. 28-29; Rep. Br. at 34-38; BOE at 26-29.
9. Regarding ComEd's Urban Underground Facilities Reinvestment ("UUFRR") Program, the Order (at 77-79) ignores the law and record evidence demonstrating (1) UUFRR would likely result in benefits that would not be realized in the absence of the program; (2) UUFRR provides equitable sharing of benefits and (3) ComEd provided a specific and reasonable budget. *See* ComEd Init. Br. 12-22; Rep. Br. at 14-17; BOE at 9-20.
10. The Order (at 93-94) errs in both its analysis and conclusions regarding the Electric Vehicle ("EV") Pilot. The evidence demonstrates that (1) ComEd provided a specific and reasonable budget, (2) ComEd cannot switch out equipment ordered by the Commission to install with cheaper equipment; and (3) the EV Pilot provides customer benefits. *See* ComEd Init. Br. 22-27; Rep. Br. at 17-34; BOE at 20-26.
11. Contrary to the Order (at 101-102), the cost recovery mechanism for Smart Grid Investments (1) provides benefits to customers and (2) requires ComEd to meet the requirements of Section 9-244(b) once the Commission determines what, if any, Smart Grid technology is to be deployed. *See* ComEd Init. Br. 29-33; Rep. Br. at 38-42; BOE at 29-31.

**CONCLUSION**

The Illinois Commerce Commission should, for these reasons, grant rehearing as requested herein.

Dated: June 24, 2011

Respectfully submitted,

COMMONWEALTH EDISON COMPANY

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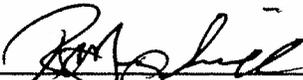
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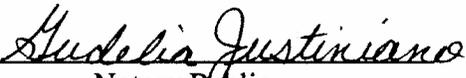
**VERIFICATION**

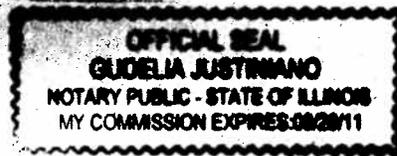
STATE OF ILLINOIS    )  
  ) SS.  
COUNTY OF COOK    )

I, Ross C. Hemphill, being first duly sworn upon oath, state: that I am a Vice President of Commonwealth Edison Company, an Illinois corporation; that I have read the foregoing Verified Application for Rehearing; that I am familiar with the facts and matters set forth therein; and that based on my personal knowledge and the business records of Commonwealth Edison Company, the statements of fact made therein are true and correct to the best of my information and belief.

  
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Ross C. Hemphill

Subscribed and Sworn to  
before me this 24<sup>th</sup> day  
of June, 2011.

  
\_\_\_\_\_  
Notary Public



My Commission Expires: 8/20/2011