

STATE OF ILLINOIS
ILLINOIS COMMERCE COMMISSION

COMMONWEALTH EDISON COMPANY

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Tariffs and charges submitted pursuant to
Section 16-108.5 of the Public Utilities Act.

DOCKET NO. 11-0721

REBUTTAL TESTIMONY OF

JAMES G. BACHMAN

ON BEHALF OF

CHICAGO TRANSIT AUTHORITY

AND

NORTHEAST ILLINOIS REGIONAL COMMUTER RAILROAD CORPORATION

D/B/A METRA

FEBRUARY 24, 2012

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I.C.C. DOCKET NO. 11-0721

CTA/metra Joint Exhibit No. 3.0

Witness Bachman

Date 3/8/12 Reporter AS

CTA/METRA JOINT EXHIBIT 3.0

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Q. PLEASE STATE YOUR NAME.

A. James G. Bachman.

Q. ARE YOU THE SAME JAMES G. BACHMAN WHO OFFERED DIRECT TESTIMONY IN THIS DOCKET ON BEHALF OF THE CHICAGO TRANSIT AUTHORITY (CTA) AND NORTHEAST ILLINOIS REGIONAL COMMUTER RAILROAD CORPORATION D/B/A METRA (METRA)?

A. Yes, I am.

Q. WHICH WITNESSES' TESTIMONY WILL YOU BE ADDRESSING IN THIS REBUTTAL TESTIMONY?

A. I will be addressing issues that pertain specifically to CTA and METRA in Ms. Michelle Blaise's Rebuttal Testimony, ComEd Ex. 17.0, Mr. Charles S. Tenorio's Rebuttal Testimony, ComEd Ex. 19.0, Mr. Greg Rockrohr's Direct Testimony, ICC Staff Ex. 11.0, and Mr. Peter Lazare's Direct Testimony, ICC Staff Ex. 9.0.

16 Q. PLEASE EXPLAIN WHICH SPECIFIC AREA YOU WILL BE ADDRESSING
17 FROM MR. ROCKROHR'S DIRECT TESTIMONY, ICC STAFF EX. 11.0 AND
18 MS. BLAISE'S REBUTTAL TESTIMONY, COMED EXHIBIT 17.0.

19 A. I will be addressing their testimony related to the ComEd Study Report #5 and the
20 concerns the Railroad Class has with Mr. Rockrohr's suggested use of the Report.

21 Q. WHAT IS COMED STUDY REPORT # 5?

22 A. In the Final Order in ComEd's last general rate case Docket No. 10-0467, the
23 Commission found that ComEd uses and depends on facilities owned by the Railroad
24 Class (Metra and CTA) to serve other ComEd customers. This usage and dependence
25 occurs because at least two separate ComEd lines feed each of the railroads' traction
26 power substations. The lines are connected in the railroads' traction power substations,
27 allowing power to flow through the substations and back onto the ComEd system.
28 Traction power is the power used by the CTA's rapid transit and Metra's electric line
29 operations. As a result of the way the multiple feeds to the traction power substations are
30 configured and operated, ComEd uses and depends upon some of the traction power
31 substations to serve other customers. In ComEd's last rate case, the Commission
32 recognized that the Railroad Class's traction power substations provide a benefit to
33 ComEd, which resulted in the Railroad Class receiving a modest credit for the use of their
34 facilities. The Commission also required that the railroads and ComEd explore whether
35 there could be modifications to each of their systems to reduce ComEd's use and
36 dependence upon the railroads' facilities. The Final Order required ComEd, working
37 with Metra and the CTA, within one year of the Final Order to file a report with the

38 Commission "which identifies and describes solutions to eliminate ComEd's dependence
39 on, and use of, each of the CTA-owned and Metra-owned railroad traction power
40 substations to supply its other customers, and include estimated costs to implement each
41 solution. The report shall separately identify necessary modifications to Railroad
42 Customer equipment, and provide an estimate of the cost that the Railroad Customer
43 would bear, if the solution were implemented. ComEd shall provide a copy of the report
44 to the Railroad Customers. At the time of its next rate case filing, ComEd shall file an
45 updated copy of the report to reflect any progress parties have made in eliminating
46 ComEd's use and dependence upon Railroad Customer facilities." Final Order at 274.

47 ComEd Study Report # 5 is ComEd's initial draft of the required report.

48 **Q. DID THE RAILROAD CLASS CUSTOMERS WORK WITH COMED IN**
49 **PREPARING STUDTY REPORT # 5?**

50 A. There were some initial discussions and exchanges of information between ComEd and
51 the Railroad Class customers. However, Study Report # 5 was prepared solely by
52 ComEd. Neither the CTA nor Metra received an advance copy of the filed report.

53 **Q. IS THE REPORT FINAL?**

54 A. I do not regard it as a final product. As I stated, the Railroad Class customers did not
55 receive a copy of the report until it was filed. The report does not include all direct and
56 indirect costs that may be incurred if some of the recommendations were ultimately
57 adopted and implemented. The report does not perform any cost/benefit analysis as to
58 whether any changes should be made in the way the ComEd, CTA, and Metra systems
59 are configured. There is no analysis of the total cost of implementation that would be

60 borne by either the CTA or Metra. It is my understanding that the report was filed solely
61 for informational purposes and not for the purpose of the Commission taking any action
62 on it. ComEd, Metra, and the CTA all agree that further discussions on the issues raised
63 in the report are necessary and that the discussions will result in refinements and
64 modifications to the study report.

65 **Q. PLEASE DISCUSS THE RAILROAD CLASS CUSTOMERS' CONCERNS**
66 **REGARDING MR. ROCKROHR'S INTERPRETATION OF THE STUDY**
67 **REPORT #5.**

68 A. Although Mr. Rockrohr does not draw any definitive conclusions in his testimony
69 regarding the Study Report #5, he does draw a distinction between ComEd's
70 "dependence on" the Railroad Class's traction substations in serving other ComEd
71 customers and the "use of" the Railroad Class' traction substation when ComEd is
72 serving its other customers. Mr. Rockrohr claims that the costs that would have to be
73 incurred by ComEd may be different when eliminating the "dependence on" versus the
74 "use of" the Railroad Class' traction substations. His observation is premature. There
75 has been no decision made, nor is one required in this docket, as to whether ComEd, the
76 CTA, and Metra should modify their systems to eliminate ComEd's use of and
77 dependence upon the traction power substation connections to deliver electricity to other
78 ComEd customers. I agree with Ms. Blaise's explanation of the costs which would have
79 to be considered further in the Study Report #5 if Mr. Rockrohr's distinction were to be
80 drawn within the Study Report #5. In addition, the Study Report #5 will have to be
81 expanded to include a description of the difference of "dependence on" and "use of" the

82 Railroad Class's traction substation from the actual ComEd system operation perspective
83 under various operational circumstances. As Ms. Blaise suggests in her rebuttal
84 testimony, discussions must be held between the Railroad Class members, ComEd and
85 the Staff regarding the implications of Mr. Rockrohr's suggestion.

86 **Q. MR. ROCKROHR IMPLIES IN HIS TESTIMONY AT PAGE 9 THAT THERE IS**
87 **A REQUIREMENT THAT COMED AND THE RAILROADS MUST TAKE**
88 **IMMEDIATE STEPS TO ELIMINATE THE USE OF THE TRACTION POWER**
89 **SUBSTATIONS TO SERVE OTHER COMED CUSTOMERS. IS HE CORRECT?**

90 A. No. The Final Order does not require any immediate action by either ComEd or the
91 Railroad Class customers to make changes to either ComEd's or the Railroad Class
92 customers' facilities. The Final Order only required that possible engineering plans and
93 costs be reviewed.

94 **Q. MR. ROCKROHR INDICATES THAT COMED'S DIRECT COSTS TO**
95 **MODIFY ITS DISTRIBUTION SYSTEM TO ELIMINATE THE USE OF THE**
96 **RAILROAD CLASS CUSTOMERS' FACILITIES IS LESS THAN THE**
97 **'ANNUAL RAILROAD CLASS SUBSIDY.' DO YOU AGREE WITH HIS**
98 **STATEMENT?**

99 A. No. First, before any total solution is implemented, the total costs must be presented.
100 Mr. Rockrohr is only picking a small subset of costs to only one party and for only a
101 partial solution. The current draft of the Study Report does not include either all direct or
102 all indirect costs that may be incurred by ComEd, the CTA, and Metra if the systems are
103 reconfigured. Any changes to the way power flows through the Railroad Class traction

104 power substations affects not only ComEd but also Metra and the CTA. The Final Order
105 in Docket 10-0467 declined to require ComEd, Metra, and the CTA "to select any
106 particular avenue, or, to impose a deadline upon them. Decisions in this regard involve
107 complicated legal questions (e.g., what party will be responsible for maintenance and
108 repair for these facilities, what role these facilities might pay in an emergency, to name a
109 few) that are beyond the scope of the evidence presented here. These issues also require
110 a thorough and well thought-out plan, which could differ on a case-by-case basis, based
111 upon such factors as the location of the facility on the CTA or Metra premises, the age of
112 the particular facility, and ComEd's level of need to use a particular facility locally."
113 Final Order at 274. Therefore, Mr Rockrohr selection of only some of the direct costs
114 that ComEd may incur to solve only part of the issue neither complies with the
115 Commission's directive nor is it a valid basis for comparison to the credit to the Railroad
116 Class for the facilities its members provides to ComEd.

117 Second, Mr. Rockrohr is wrong to call the credit to the Railroad Class for the use
118 of their traction power substations a "subsidy." It is a payment for the Railroad Class
119 providing facilities to ComEd.

120 **Q. IS ANY ACTION BY THE COMMISSION REQUIRED IN THIS DOCKET**
121 **REGARDING COMED STUDY REPORT #5?**

122 **A.** No. It is an informational filing only.

123

124 Q. IN YOUR DIRECT TESTIMONY, YOU RAISED TWO ISSUES RELATING TO
125 MR. TENORIO'S TESTIMONY. WERE THOSE ISSUES FULLY ADDRESSED
126 BY HIS REBUTTAL TESTIMONY?

127 A. Not entirely. In my direct testimony, I noted that the Railroad Class was to participate
128 with ComEd in studies relating to elimination of the 4 kV facilities from the Railroad
129 Class's costs but that to date, the Railroad Class's participation has been severely limited
130 by ComEd. I recommended that the Commission require ComEd to make quarterly
131 reports to the Commission on changes to the ECOSS.

132 Q. DID MR. TENORIO AGREE WITH THIS RECOMMENDATION IN HIS
133 REBUTTAL TESTIMONY, COMED EX.19.0?

134 A. No. He testified that such reports are not necessary. I continue to recommend that a
135 clear, straight forward reporting of the discussions that will be held by ComEd, the
136 Railroad Class and, possibly, the ICC Staff and the progress that is made in the
137 elimination of the 4kV distribution system from the costs assigned to the Railroad Class
138 be required. Such a report cannot possibly be considered burdensome.

139 Q. IN YOUR DIRECT TESTIMONY, YOU ALSO NOTED THAT COMED
140 ERRONEOUSLY INCLUDED ADVANCED METERING INFRASTRUCTURE
141 (AMI) CHARGES IN THE RAILROAD CLASS'S RATES. DID MR. TORINO
142 CORRECT THIS ERROR?

143 A. Yes, the revised ECOSS provided with Mr. Torino's testimony eliminates this erroneous
144 charge.

145 Q. STAFF WITNESS MR. LAZARE INDICATES THAT SOME RATE DESIGN
146 CHANGES ORDERED BY THE COMMISSION IN DOCKET NO. 10-0467 MAY
147 NOT BE IMPLEMENTED UNTIL 2021. DO YOU AGREE WITH HIS
148 ASSESSMENT?

149 A. I do not. As I stated in my direct testimony, a strong case could be made that the cost
150 allocation issues mandated by Docket 10-0467 should have been a part of this docket.
151 However, I believe all parties to this docket have agreed that rate design issues will be
152 postponed until ComEd files its revenue neutral rate design case within one year of the
153 implementation of the formula rate in this docket. If for some reason, ComEd fails to
154 follow the directives of Docket No. 10-0467 regarding cost allocation when it files its
155 rate design docket, the Commission has the power to mandate that the issues be
156 considered.

157 Q. DOES THIS CONCLUDE YOUR REBUTTAL TESTIMONY?

158 A. Yes.