

STATE OF ILLINOIS
ILLINOIS COMMERCE COMMISSION

Illinois Commerce Commission	:	
On Its Own Motion	:	
	:	
v.	:	Docket No. 11-0498
	:	
Commonwealth Edison Company	:	
	:	
Investigation of Commonwealth	:	
Edison Company's Supply Rate	:	
Design and Related Matters	:	

COMMONWEALTH EDISON COMPANY'S BRIEF ON EXCEPTIONS

Commonwealth Edison Company (“ComEd”) hereby submits to the Illinois Commerce Commission (“Commission”) its Brief on Exceptions (“BOE”) to the Administrative Law Judge’s (“ALJ”) Proposed Order (“PO”), pursuant to the ALJ’s established procedural schedule. As stated in Reply Comments, ComEd takes no position on which methodology should be adopted to eliminate the current Rate BES – Basic Electric Service (“Rate BES”) supply charge subsidies for residential customers with electric space heat. ComEd Reply Comments at 3. Accordingly, ComEd’s BOE only suggests limited language changes to the PO for purposes of accuracy. Finally, pursuant to the ALJ’s request, this BOE also addresses the effect of the “Cap Approach” upon residential space heating customers in the 25th and 50th percentiles.

I. EXCEPTION

While ComEd provides distribution service to all customers in its service territory, not all residential customers take supply service from ComEd under Rate BES. The same is true for dusk-to-dawn lighting customers. Accordingly, ComEd suggests limited edits to pages 4 and 6

of the PO. The second paragraph under “Staff’s Position” on page 4 should be amended as follows:

While Staff has no reason to believe that overall procurement costs will increase in the coming years, it asserts that it would be wise to not pick a fixed number of years during which, the subsidy phase-out should be completed. With a “Cap Approach,” the Commission ensures that the bill impact will be no greater than the chosen cap in any given year. It also allows the subsidy phase-out period to become longer, if the overall costs to procure electricity supply increase in the future. The only scenario, in which, the total annual bill impact will be more than the chosen cap will be if ComEd’s overall costs to procure electricity supply increase dramatically in any given year. However, in such a situation, the supply charges for all customers served on Rate BES should be increased on an across-the-board basis. ~~for all of ComEd’s customers.~~

PO at 4. Meanwhile, the last paragraph on page 6 of the PO should be amended as follows:

Regarding the proper allocation of costs amongst ~~Rate~~ BES customers in general, it should be noted at the outset that a rate subsidy will remain with respect to dusk-to-dawn customers. Mr. Alongi testified that dusk-to-dawn customers served on Rate BES are smaller municipalities. (Tr. 36-37). There are no small municipalities being represented in this docket. Therefore, this docket does not address that subsidy. Additionally, the non-residential customers that are currently subsidizing the cost of residential space heat customers are watt-hour customers without electric heat and demand customers without electric heat. (Tr. 35-36). These customers also are not represented in this docket.

PO at 6.

II. The Effect of the “Cap Approach” Upon Residential Space Heating Customers in the 25th and 50th Percentiles

Pursuant to the ALJ’s request, the following Table delineates the rate impacts under the “Cap Approach” for four percentiles (25th, 50th, 75th, and 95th) within the four residential classes: single family without electric space heat, multi family without electric space heat, single family with electric space heat and multi family with electric space heat.

Year To Year Total Annual Electric Service Bill Impact (Percentage Change) (1) (2)

Residential Customers	Yr 1	Yr 2	Yr 3
	%	%	%
Single Family Without Electric Heat 25 th Percentile (3)	(0.6)	(0.5)	(0.4)
Multi Family Without Electric Heat 25 th Percentile (3)	(0.4)	(0.5)	(0.3)
Single Family Without Electric Heat 50 th Percentile (3)	(0.7)	(0.5)	(0.4)
Multi Family Without Electric Heat 50 th Percentile (3)	(0.6)	(0.5)	(0.4)
Single Family Without Electric Heat 75 th Percentile (3)	(0.7)	(0.6)	(0.4)
Multi Family Without Electric Heat 75 th Percentile (3)	(0.7)	(0.5)	(0.4)
Single Family Without Electric Heat 95 th Percentile (3)	(0.7)	(0.6)	(0.5)
Multi Family Without Electric Heat 95 th Percentile (3)	(0.7)	(0.6)	(0.4)
Single Family With Electric Heat 25 th Percentile	8.6	8.7	5.8
Multi Family With Electric Heat 25 th Percentile	7.9	8.1	5.5
Single Family With Electric Heat 50 th Percentile	9.5	9.6	6.4
Multi Family With Electric Heat 50 th Percentile	8.8	8.9	6.0
Single Family With Electric Heat 75 th Percentile	10.0	10.0	6.7
Multi Family With Electric Heat 75 th Percentile	9.4	9.5	6.3
Single Family With Electric Heat 95 th Percentile	10.5	10.5	6.9
Multi Family With Electric Heat 95 th Percentile	10.1	10.1	6.7

Notes:

- (1) Assumes ComEd’s overall costs to procure electricity supply under IPA-administered contracts do not change during the movement to cost-based supply rate design.
- (2) Assumes ComEd’s delivery service charges do not change during the movement to cost-based supply rate design.
- (3) Customers without electric heat utilize other forms of energy instead of electricity for space heating purposes. The changes in the costs for such other energy are not reflected in this table.

III. CONCLUSION

ComEd respectfully requests that the Commission modify the Proposed Order as described herein.

Dated: March 29, 2012

Respectfully submitted,

COMMONWEALTH EDISON COMPANY

By: /s/ John E. Rooney _____

One of its attorneys

Eugene Bernstein
Thomas J. Russell
COMMONWEALTH EDISON COMPANY
10 S. Dearborn Street, Suite 4900
Chicago, IL 60603
(312) 394-5400
eugene.bernstein@exeloncorp.com
thomas.russell@exeloncorp.com

John E. Rooney
John P. Ratnaswamy
ROONEY RIPPPIE & RATNASWAMY LLP
350 West Hubbard Street, Suite 430
Chicago, Illinois 60654
(312) 447-2800
john.rooney@r3law.com
john.ratnaswamy@r3law.com

G. Darryl Reed
David M. Baron
SIDLEY AUSTIN LLP
One South Dearborn
Chicago, Illinois
(312)853-7000
greed@sidley.com
dbaron@sidley.com

Attorneys for Commonwealth Edison Company