

STATE OF ILLINOIS

ILLINOIS COMMERCE COMMISSION

COMMONWEALTH EDISON COMPANY :
 :
Petition to Correct an Error in : No. 12-____
Rate DSPP on Less Than 45 Days' Notice :
Pursuant to Section 9-201 of the Act :

VERIFIED PETITION FOR SPECIAL PERMISSION

To the Illinois Commerce Commission:

Commonwealth Edison Company (“ComEd”), pursuant to Section 9-201 of the Illinois Public Utilities Act (the “Act”), 220 ILCS 5/9-201, respectfully petitions the Illinois Commerce Commission (the “Commission” or “ICC”) for permission to file, on less than 45 days’ notice, a correction of a mathematical error in the “Source” column of line 34 of 1st Revised Sheet No. 424 of ComEd’s Rate DSPP – Delivery Service Pricing and Performance (“Rate DSPP”). ComEd respectfully requests that the Commission rule on this Petition on or before August 15, 2012, and authorize the tariff correction to be effective on or before August 21, 2012. As and in support of its Petition, ComEd states as follows:

1. Rate DSPP, 1st Revised Sheet No. 424, line 34, one of the lines pertaining to the “ROE Collar” adjustment determination, contains a mathematical error in the column entitled “Source”. In substance, line 34 (which is described as “ ROE Collar Tax Gross Up”) sets forth the portion of the “ROE Collar” adjustment determination that applies the effective income tax gross-up factor to the ROE Collar Adjustment After Tax as

$$(\text{ROE Collar Adj After Tax}) \times (1 - T)$$

which is not the correct calculation of an income tax gross up. Rather, it is supposed to be

$$(\text{ROE Collar Adj After Tax}) \times \frac{T}{(1 - T)}$$

where T is the effective income tax rate.

2. More specifically, Rate DSPP, 1st Revised Sheet No. 424, line 34, Source column, states “(Ln 33) * ((1.0) – (Sch FR C-4 Ln 4))”, where, by inspecting the description columns, (Ln 33) is the “Collar Adjustment After Tax” and (Sch FR C-4 Ln 4) is the effective “Income Tax Rate (%)”, resulting in the computation on Revised Sheet No. 424, line 34, Source column, being:

$$(\text{ROE Collar Adj After Tax}) \times (1 - T)$$

However, it should state “(Ln 33) * (Sch FR C-4 Ln 5)”, where (Sch FR C-4 Ln 5) is described as “the “Incremental Tax Gross Up Factor (%)” and is determined by dividing the “Income Tax Rate (%)” by ((1.0) minus the “Income Tax Rate (%)”) as shown in the Source column (Sch FR C-4 Ln 5) as “[Sch FR C-4] (Ln 4) / ((1.0) – [Sch FR C-4] (Ln 4))”, resulting in the computation on Revised Sheet No. 424 line 34 being:

$$(\text{ROE Collar Adj After Tax}) \times \frac{T}{(1 - T)}$$

3. The correction is substantive, in the sense that it affects the calculation, but it does not address any matter that is contested, and the result is to conform to a commonly used calculation of a tax gross-up factor. While it is not explicitly shown in the revision to the subject tariff sheet, the actual calculation performed in the Amount (“Amt (\$ in 000s)”) column of line 34 in Sch FR A-1 in the working revenue requirement formula will be corrected to reflect the correction made in the Source column of that line 34. Also, while ComEd cannot speak for Staff, it is ComEd’s current understanding that Staff agrees that the correct computation in such line 34 should be “(Ln 33) * (Sch FR C-4 Ln 5)”.

4. ComEd has attached hereto as Attachments A and B versions of proposed 2nd Revised Sheet No. 424, one in clean format as it would go into the Schedule of Rates (Attachment A) and one showing the change in redline format (Attachment B).

5. ComEd also has attached hereto as Attachment C, the Sch FR A-1 spreadsheet from ComEd's working revenue requirement formula showing the corrected equation in the Amount column of line 34 which will be used in the determination of ComEd's revenue requirement in accordance with the revision made in 2nd Revised Sheet No. 424.

6. ComEd respectfully requests that the Commission rule on this Petition before or at its regularly scheduled bench session on August 15, 2012. That would permit Staff and intervenors, if they wished, to reflect the ruling, if the Petition is granted, in their rebuttal testimony due on September 11, 2012, in ComEd's 2012 formula rate proceeding, ICC Docket No. 12-0321; and ComEd could reflect it in its surrebuttal due on September 20, 2012, in that Docket. (ComEd's rebuttal in that Docket is due on August 14, 2012.)

7. This Petition also is supported by an Affidavit attached hereto as Attachment D.

THEREFORE, Commonwealth Edison Company respectfully requests that the Commission enter an order on or before August 15, 2012, allowing ComEd to file a tariff sheet as set forth in Attachment A, to become effective on August 21, 2012.

Dated: July 31, 2012

Respectfully submitted,

COMMONWEALTH EDISON COMPANY



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