

Commonwealth Edison Company

Sch FR A-3

**Return on Equity (ROE) for Collar Computation**

2011

Actual Data

**(EXCERPTED FROM COMED EX. 13.09)**

2012

Projected Additions

Ln	Description	Source	Amt (\$ in 000s) (1')
1	DS Rate Base Capital Structure	Sch FR A-1 - REC Ln 14	\$6,077,311
2	Common Equity %	Sch FR D-1 Col C Ln 5	42.54%
3	Short-Term Debt %	Sch FR D-1 Col C Ln 7	0.18%
4	Long-Term Debt %	Sch FR D-1 Col C Ln 6	57.28%
5	DS Equity Balance	(Ln 1) * (Ln 2)	\$2,585,288
6	DS Short-Term Debt Balance	(Ln 1) * (Ln 3)	\$10,939
7	DS Long-Term Debt Balance	(Ln 1) * (Ln 4)	\$3,481,084
8	Cost of Short-Term Debt (%)	Sch FR D-1 Col C Ln 13	0.71%
9	Cost of Long-Term Debt (%)	Sch FR D-1 Col C Ln 12	5.77%
10	DS Operating Revenue	FERC Fm 1 Pg 300	\$2,045,886
11	LIHEAP Revenue	FERC Fm 1 Pg 300	\$45,454
12	DS Collar Revenue	FERC Fm 1 Pg 300	\$16,424
13	Reversal of Prior Yr Reserve (2')	FERC Fm 1 Pg 300	\$119,847
14	Other Revenue	Sch FR A-1 - REC Ln 24	\$145,638
15	DS Applicable Operating Revenue	(Ln 10) - (Ln 11) - (Ln 12) - (Ln 13) + (Ln 14)	\$2,009,799
16	Total DS Operating Expenses	Sch FR A-1 - REC Ln 11	\$1,445,151
17	DS Operating Income Before Interest and Taxes	(Ln 15) - (Ln 16)	\$564,648
18	DS Short-Term Interest Expense	(Ln 6) * (Ln 8)	\$78
19	DS Long-Term Interest Expense	(Ln 7) * (Ln 9)	\$200,859
20	Credit Facilities Expense	(Ln 1) * (Sch FR D-1 Col C Ln 20)	\$6,077
21	DS Operating Income before Taxes	(Ln 17) - (Ln 18) - (Ln 19) - (Ln 20)	\$357,634
22	Income Tax Rate (%)	Sch FR C-4 Ln 4	41.175%
23	DS Income Taxes	(Ln 21) * (Ln 22)	\$147,256
24	Impact of ITCs and Permanent Tax Differences	Sch FR C-4 Ln 12	(\$19,993)
25	DS Net Income	(Ln 21) - (Ln 23) - (Ln 24)	\$230,371
26	DS ROE (%)	(Ln 25) / (Ln 5)	8.91%
	Note:		
(1)	Amounts are blank for initial filing.		
(2)	Includes any changes in accrued revenues associated with the prior year formula rate true-up so that those accrued revenues do not artificially impact the collar calculation. Additionally any reversal for the Illinois Appellate Court order related to Docket 07-0566 would also be removed.		

**Commonwealth Edison Company**  
Reversal of Prior Year Reserve for ROE Collar Calculation  
(In Thousands)

**(EXCERPTED FROM COMED EX. 13.09)**

**Revisions to Schedule FR A-3 Collar Calculation to Reflect Adjustment to Revenues for Differences between Accrued Reconciliation Revenues at Year End and Updated Reconciliation Revenues to Reflect Update Request or Disallowances**

Line No.	Description (A)	Amount (B)
1	<b><u>Line 13 - Reversal of Prior Year Reserve</u></b>	
2	Accrued Reconciliation Revenues as of 12/31/11 per FF1, page 300	\$ 29,005 (1)
3	Revised Reconciliation Revenues reflecting update or disallowance:	
4	<b>Reconciliation Revenue before interest ( Schedule FR A-4, line 3)*</b>	<b>\$ (104,588)</b>
5	<b>Collar Revenue (Schedule FR A-1 Line 35)*</b>	<b>\$16,424</b>
6	Revised Reconciliation Revenues reflecting update or disallowance (line 4 plus line 5)	<u>\$ (88,164)</u>
7		
8	Reversal of accrued Reconciliation Revenues to reflect revised reconciliation/collar values (line 2 minus line 6)	\$ 117,169
9	Reversal of prior reserves - per FF1, page 300	2,694
10	Miscellaneous adjustment - per FF1, page 300	(16)
11	Line 13 - Reversal of Prior Year Reserve - Revised to reflect update or disallowances (lines 8 thru 10)	<u>\$ 119,847</u>

To Line 13 - Schedule FR A-3

**\* Bolded items should be updated or revised to reflect formula updates or disallowances**

Note:

1) Represents Accrued Reconciliation Revenues as of 12/31/11, based on initial estimate of reconciliation revenue of \$9,152,000 and estimated collar adjustment of \$19,853,000, exclusive of accrued interest. The net impact of \$29,005,000 was included in delivery services operating revenue reported for 2011.