

Commonwealth Edison Company's Response to
Illinois Commerce Commission ("STAFF") Data Requests
REHEARING TEE 14.01 - 14.05
Date Received: July 19, 2012
Date Served: July 24, 2012

REQUEST NO. REHEARING TEE 14.01:

Referring to the Company's response to Staff data request ("DR") TEE 13.04, is it correct that prior to the consolidation reclassification, Exelon reflects a pension liability that was \$2,556,000 greater than was reflected in the consolidated financial statements as of December 31, 2010? If the response is anything other than an unqualified yes, please provide an explanation for the response.

RESPONSE:

ComEd objects to this data request on grounds that it is vague and ambiguous. Notwithstanding and subject to this objection, ComEd states as follows:

On a gross basis, prior to consolidation reclassification, Exelon's pension liability is \$2,556,000,000 greater than what was reflected in the consolidated financial statements at December 31, 2010. Similarly, Exelon's pension asset balance was \$2,556,000,000 greater than the amount reflected in the consolidated financial statements at December 31, 2010. However, Exelon reports its financial statements on a consolidated basis and thus the final pension obligation reflected is net of pension assets to present the correct consolidated obligation.

OFFICIAL FILE

I.C.C. DOCKET NO. 11-0721
Staff X Exhibit No. 1 W Attach
Witness Houtsma
Date 8/3/12 Reporter KW

ICC Docket No. 11-0721 (ON REHEARING)

**Commonwealth Edison Company's Response to
Illinois Commerce Commission ("STAFF") Data Requests
REHEARING TEE 14.01 – 14.05**

Date Received: July 19, 2012

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REQUEST NO. REHEARING TEE 14.02:

Referring to the Company's response to Staff DR TEE 13.04, the second to last sentence discusses "a regulatory asset that is directly related to and offsets ComEd's total pension obligation". Is that regulatory asset reflected in TEE 13.04 Attach 1 in the column headed "Regulatory Asset Exelon Consolidated"? If not, provide support for that regulatory asset.

RESPONSE:

Yes, the regulatory asset that offsets ComEd's total pension obligation is reflected in the attachment to ComEd's Response to Staff Data Request TEE 13.04, labeled as TEE 13.04_Attach 1, in the column headed "Regulatory Asset Exelon Consolidated" Please refer to ComEd's Responses to Staff Data Requests TEE 3.07 and TEE 10.06 for additional discussion on this regulatory asset.

ICC Docket No. 11-0721 (ON REHEARING)

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REHEARING TEE 14.01 - 14.05**

Date Received: July 19, 2012

Date Served: July 24, 2012

REQUEST NO. REHEARING TEE 14.03:

Referring to the Company's response to Staff DR TEE 13.04, Attach 1, does the amount in the column headed "Pension Obligation Exelon Consolidated" include the reclassification of ComEd's pension asset? If not, please provide an explanation of how the reclassification and netting against the pension obligation is reflected in "the total Exelon consolidated liability".

RESPONSE:

Yes. The amount in the column headed "Pension Obligation Exelon Consolidated" includes the reclassification of ComEd's pension asset. Exelon prepares a "topside" or "reclassification" entry to net the pension asset against the pension obligation to reflect the total Exelon consolidated liability. Please refer to the "topside" entry for \$131,306,688 for the reclassification of 2010 activity related to ComEd.

ICC Docket No. 11-0721 (ON REHEARING)

**Commonwealth Edison Company's Response to
Illinois Commerce Commission ("STAFF") Data Requests
REHEARING TEE 13.01 – 13.09**

Date Received: July 9, 2012

Date Served: July 16, 2012

REQUEST NO. REHEARING TEE 13.04:

Please provide all entries that were made in the consolidation process to prepare the Exelon Consolidated financial statements that eliminated the pension asset that appeared on the Exelon Generation Company, Commonwealth Edison Company, and PECO Energy Company for the year ended December 31, 2010.

RESPONSE:

ComEd objects to this data request on grounds that it seeks information that is not relevant to any issue on rehearing and is not reasonably calculated to lead to the discovery of admissible evidence. ComEd further objects to this data request on grounds that it is duplicative of other data requests that have already been responded to and does not seek any other information that was not available at the time of the proceedings in this case prior to rehearing.

Journal entries made in 2010 for the pension plan on either ComEd's or Exelon's books were provided in ComEd's Response to Staff Data Request TEE 3.02. The attachment labeled as REHEARING TEE 13.04_Attach 1 includes this detail as well as a summary of the entries. The pension asset is not "eliminated" but rather reclassified and netted against the pension obligation to reflect the total Exelon consolidated liability. ComEd also notes that, as described in its Response to Staff Data Request TEE 3.07, and in the Surrebuttal Testimony of Kathryn M. Houtsma, ComEd Ex. 21.0, 9:185-9:200, Exelon has recorded a regulatory asset that is directly related to and offsets ComEd's total pension obligation and should be considered when evaluating Exelon's total consolidated position. The table below shows Exelon's consolidated reclass to reflect the ultimate consolidated obligation position.

Amounts in millions	
ComEd Pension Asset	1,039 (1)
PECO Pension Asset	281 (1)
Exelon Generation Pension Asset	1,236 (1)
Exelon Consolidated Reclass to Obligation	(2,556)

(1) Ties to Exelon's 2010 Form 10-K, Exelon Generation page 166, ComEd page 172, and PECO page 178.

	ComEd	Enlon (other than ComEd)	Beginning Balance	Pension Asset		Pension Obligation	Regulatory Asset	OCI
				ComEd	Enlon Corporate	Enlon Consolidated	Enlon Consolidated	Enlon Consolidated
				997,476,011	(927,171,041)	(3,643,617,817)	2,133,000,000	3,819,000,000
Pension Accruals								
Debit Pension Charging	184235	124,022,000	155,052,763					
Credit Pension Asset	186156	(42,022,000)	(134,792,600)					
Credit Pension Discretion	228000		(195,052,463)			(195,052,463)		
Contributions/Disbursements								
Debit Pension Asset	186156	158,978,287	238,918,187					
Credit Intercompany Payable to Enlon	218000	(116,978,287)	(95,178,287)			506,815,079		
Debit Pension Obligation	218000		(506,925,078)					
Credit Intercompany Receivable from ComEd	118000		158,578,287					
Credit Cash	131000		(765,903,343)					
Intercompany Settlements for Cash								
Debit Intercompany Payable to Enlon	234000	258,978,187	258,978,287					
Credit Cash	234000	(258,978,187)	(258,978,287)					
Debit Cash	188000		(188,000,000)					
Credit Intercompany Payable from ComEd	214000		(214,000,000)					
Amortization of FAS 158 - OCI								
Debit Pension Obligation	224000		(87,105,714)			167,205,714		
Credit Other Comprehensive Income - OCI	224000		(87,105,714)					(167,205,714)
Debit Other Comprehensive Income - Tax	220555		(66,490,907)					66,490,907
Credit Deferred Federal Tax - OCI	284000		(1,241,531)					(24,241,531)
Credit Deferred State Tax - OCI	284200		(1,239,048)					(11,239,048)
Amortization of FAS 158 - Regulatory Asset								
Credit Pension Regulatory Asset	187340		(101,470,090)			101,410,090		
Debit Pension Obligation	188000		(101,470,090)					
Settlements/Accounting for 2007 Plans								
Debit Pension Obligation	166190		(2,649,599)			3,638,599		
Credit Pension Regulatory Asset	163110		(2,649,599)					(849,199)
Debit Pension Expense	511000		(8,651,317)					(8,651,317)
Credit Other Comprehensive Income - OCI	220550		(4,021,797)					4,021,797
Debit Other Comprehensive Income - Tax	220555		(66,529)					66,529
Credit Deferred Federal Tax - OCI	284000		(1,148,848)					(1,148,848)
Credit Deferred State Tax - OCI	284200		(1,792,716)					(1,792,716)
Debit Pension Expense	531000	3,649,599	(3,649,599)					
Credit Pension Asset	186150	(3,649,599)	(3,463,449)					
March 2010 Valuations Update								
Debit Pension Obligation	228000		(2,270,817)			2,270,817		
Credit Pension Obligation - Current Pension	242610		(14,805,251)			(14,805,251)		
Credit Pension Regulatory Asset	122310		(18,804,581)					(18,804,581)
Debit Other Comprehensive Income - OCI	220550		(71,139,500)					71,139,500
Credit Other Comprehensive Income - Tax	220555		(11,278,248)					(11,278,248)
Debit Deferred Federal Tax - OCI	284000		(20,425,229)					20,425,229
Debit Deferred State Tax - OCI	284200		(2,352,538)					(2,352,538)
FAS 158 Year-End Adjustment								
Debit Pension Obligation - Current Pension	212810		(2,309,661)			26,199,662		
Credit Pension Obligation	286000		(79,418,011)			(79,418,011)		
Debit Pension Regulatory Asset	181310		(28,500,131)					(28,500,131)
Debit Other Comprehensive Income - OCI	220550		(48,612,218)					48,612,218
Credit Other Comprehensive Income - Tax	220555		(17,573,428)					(17,573,428)
Debit Deferred Federal Tax - OCI	284000		(44,881,738)					44,881,738
Debit Deferred State Tax - OCI	284200		(2,697,090)					(2,697,090)
Topline								
Debit Pension Obligation	228000		(31,100,848)			32,125,688		
Credit Pension Asset	186150		(19,106,648)					
Ending Balance				1,038,761,796	(1,028,782,713)	(3,668,815,900)	2,290,833,321	3,178,979,657

* Amounts in million dollars unless indicated with a \$
 † Included presentation of the results in a different reporting period

ICC Docket No. 11-0721

**Commonwealth Edison Company's Response to
Illinois Commerce Commission ("STAFF") Data Requests**

TEE 10.01 – 10.07

Date Received: February 8, 2012

Date Served: February 15, 2012

REQUEST NO. TEE 10.06:

Referring to the Exelon Form 10-K for the fiscal year ended December 31, 2010 please explain how the Prepaid Pension Assets reported for Exelon Generation of \$1,236,000,000, for ComEd of \$1,039,000,000 and for PECO Energy of \$281,000,000 are reflected in Exelon Corporation's consolidated balance sheet. Provide all entries made in the consolidation process relative to the Prepaid Pension Assets.

RESPONSE:

ComEd, PECO, and Exelon Generation have made pension contributions in excess of their annual pension costs. As explained in the rebuttal testimony of Mr. Graf, under generally-accepted accounting principles pertaining to pensions, this results in properly recorded pension assets on the subsidiaries' balance sheets. At year-end 2010, ComEd's pension asset recorded on its balance sheet was \$1,039,000,000; PECO's was \$281,000,000; Exelon Generation's was \$1,236,000,000; and Exelon Business Service Company's ("Exelon BSC") was \$199,000,000. In total, these pension assets equaled \$2,755,000,000 at year-end 2010.

At the same time, Exelon Corporation's pension plans have a liability of \$6,420,000,000 for costs that have yet to be recognized through net periodic pension cost. At year-end 2010, the consolidated pension obligation reported on Exelon Corporation's balance sheet totaled \$3,665,000,000 (\$3,658,000,000 in non-current liabilities and \$7,000,000 in current liabilities). This amount represents the unrecognized plan costs net of the \$2,755,000,000 in pension assets recorded at the subsidiaries.

In addition to the net pension obligations Exelon's balance sheet also includes a regulatory asset of \$2,291,000,000 representing the portion of the \$6,420,000,000 that will be recoverable through ComEd's rates in the future as it is recognized as periodic pension costs. Additional information on this regulatory asset is provided in ComEd's Response to Staff Data Request TEE 3.07.

The attachment labeled as TEE 10.06_Attach 1 summarizes the consolidation of the pension assets and liabilities on Exelon Corporation's balance sheet.

Commonwealth Edison Company
Consolidation of Pension Asset (Liability)
As of December 31, 2010
(in millions)

Exelon Generation	\$	1,236	
ComEd		1,039	
PECO		281	
Exelon Business Services Company / Other		199	
Exelon Holding Company		<u>(6,420)</u>	(1)
Total Exelon	\$	<u>(3,665)</u>	(2)

NOTES

(1) Reflects unrecognized costs recorded in Regulatory Assets and Accumulated Other Comprehensive Income (see p. 274 of Exelon's 2010 Form 10-K).

(2) Includes \$7 million recorded in other current liabilities on Exelon's balance sheet.

ICC Docket No. 11-0721

**Commonwealth Edison Company's Response to
Illinois Commerce Commission ("STAFF") Data Requests**

TEE 3.01 – 3.11

Date Received: December 2, 2011

Date Served: December 16, 2011

REQUEST NO. TEE 3.07:

In response to discovery in the 05-0597 ComEd rate case, the Company stated that "The prepaid pension asset on ComEd's balance sheet represents ComEd's funding of additional minimum liabilities that have been recognized by Exelon but not yet recognized in ComEd's financial statements." The response further explained that the additional minimum liabilities were not pushed down to the Exelon subsidiaries and that ComEd recognized pension liabilities as it recognized annual pension expense.

- a) Have these procedures for pension accounting changed since the responses provided in 2005? If so, please explain each change to the procedure followed in 2010.
- b) If Exelon chose to push down the additional minimum liabilities to its subsidiaries, what amounts would have been pushed down to ComEd for 2010? Provide workpapers to support the amount.

RESPONSE:

- a) The aspects of pension accounting referred to in this request have not changed since 2005.
- b) The portion of unrecognized pension liabilities that have yet to be reflected in annual pension cost and that are attributable to ComEd were \$2.291 billion as of December 31, 2010. This amount is offset by a corresponding regulatory asset at Exelon. The amounts are calculated by ComEd's actuarial consultant, Towers Watson. The attachment labeled as TEE 3.07_Attach 1 shows ComEd's portion of these regulatory assets by plan. The attachment labeled as TEE 3.07_Attach 2 are the Towers Watson workpapers showing the "Amount recognized in AOCI (accumulated other comprehensive income) and Regulatory Asset."

If both the unrecognized liabilities and the regulatory assets were to have been recorded on ComEd's balance sheet, the net effect on rate base would be zero.

Commonwealth Edison Company
ComEd's Portion of Exelon Corporation's Regulatory Asset Relating to Pension
As of December 31, 2010
(in dollars)

Line No.	A Plan	B ComEd's Portion of the Pension Regulatory Asset
1	Exelon Corporation Retirement Program	2,197,013,091
2	Cash Balance Pension Plan	82,974,784
3	Pension Plan for Bargaining Unit Employees	598,593
4	Supplemental Pension Benefit Plan	320,736
5	Supplemental Management Retirement Plan	9,741,058
6	TOTAL	2,290,648,262

Exelon Corporation
 Financial Statements Disclosure Information for ECRP

	PECO Total	COMED Total	BSC Total	GENCO Total	TOTAL Total
12/31/2010					
Net Benefit Obligation at end of year		4,263,466,677			10,737,928,553
Fair Value of plan assets at end of year		<u>2,845,434,952</u>			<u>7,519,778,431</u>
Funded status at end of year		(1,418,031,725)			(3,218,150,122)
Unrecognized actuarial (gain) loss		2,190,128,785			5,516,038,519
Unrecognized prior service cost		6,884,306			24,288,782
Unrecognized net transition obligation(asset)		-			-
Amount recognized in AOCI and Regulatory Asset		<u>2,197,013,091</u>			<u>5,540,327,301</u>
	REDACTED		REDACTED	REDACTED	
Noncurrent benefit asset		-			-
Regulatory asset		2,197,013,091			2,197,013,091
Current benefit liability		-			-
Noncurrent benefit liability		(1,418,031,725)			(3,218,150,122)
AOCI (pretax)		-			3,343,314,210
Weighted-average assumptions					
Discount rate		5.26%			5.26%
Rate of compensation increase (average)		3.75%			3.75%

Exelon Corporation
 Financial Statements Disclosure Information for CBPP

	PECO	COMED	BSC	GENCO	TOTAL
	Total	Total	Total	Total	Total
12/31/2010					
Net Benefit Obligation at end of year		164,408,090			1,414,507,365
Fair Value of plan assets at end of year		<u>190,309,744</u>			<u>1,176,464,520</u>
Funded status at end of year		25,901,654			(238,042,845)
Unrecognized actuarial (gain) loss		76,830,006			861,017,403
Unrecognized prior service cost		6,144,778			74,288,396
Unrecognized net transition obligation(asset)		-			-
Amount recognized in AOCI and Regulatory Asset		<u>82,974,784</u>			<u>735,305,799</u>
	REDACTED		REDACTED	REDACTED	
Noncurrent benefit asset		25,901,654			-
Regulatory asset		82,974,784			82,974,784
Current benefit liability		-			-
Noncurrent benefit liability		-			(238,042,845)
AOCI (pretax)		-			652,331,015
Weighted-average assumptions					
Discount rate		5.26%			5.26%
Rate of compensation increase (average)		3.75%			3.75%

Exelon Corporation
 Financial Statements Disclosure Information for PPBU

	PECO	COMED	BSC	GENCO	TOTAL
	Total	Total	Total	Total	Total
12/31/2010					
Net Benefit Obligation at end of year		1,780,326			3,819,623
Fair Value of plan assets at end of year		<u>1,073,109</u>			<u>2,302,315</u>
Funded status at end of year		(707,217)			(1,517,308)
Unrecognized actuarial (gain) loss		598,593			1,284,258
Unrecognized prior service cost		-			-
Unrecognized net transition obligation(asset)		-			-
Amount recognized in AOCI and Regulatory Asset		<u>598,593</u>			<u>1,284,258</u>
	REDACTED		REDACTED	REDACTED	
Noncurrent benefit asset		-			-
Regulatory asset		598,593			598,593
Current benefit liability		-			-
Noncurrent benefit liability		(707,217)			(1,517,308)
AOCI (pretax)		-			685,665
Weighted-average assumptions					
Discount rate		5.26%			5.26%
Rate of compensation increase (average)		3.75%			3.75%

Exelon Corporation
 Financial Statements Disclosure information for SPBP

	PECO	COMED	BSC	GENCO	TOTAL
	Total	Total	Total	Total	Total
12/31/2010					
Net Benefit Obligation at end of year		480,840			24,698,161
Fair Value of plan assets at end of year		-			-
Funded status at end of year		(480,840)			(24,698,161)
Unrecognized actuarial (gain) loss		320,736			16,474,476
Unrecognized prior service cost		-			2,410,786
Unrecognized net transition obligation(asset)		-			-
Amount recognized in AOCI and Regulatory Asset		320,736			18,885,262
	REDACTED		REDACTED	REDACTED	
Noncurrent benefit asset		-			-
Regulatory asset		320,736			320,736
Current benefit liability		(34,317)			(1,762,704)
Noncurrent benefit liability		(446,523)			(22,935,457)
AOCI (pretax)		-			18,564,526
Weighted-average assumptions					
Discount rate		5.26%			5.26%
Rate of compensation increase (average)		3.75%			3.75%

Exelon Corporation
Financial Statements Disclosure Information for SMRP

	PECO Total	COMED Total	BSC Total	GENCO Total	TOTAL Total
12/31/2010					
Net Benefit Obligation at end of year		20,237,989			110,784,113
Fair Value of plan assets at end of year		-			-
Funded status at end of year		(20,237,989)			(110,784,113)
Unrecognized actuarial (gain) loss		9,856,662			53,956,031
Unrecognized prior service cost		(115,604)			(632,825)
Unrecognized net transition obligation(asset)		-			-
Amount recognized in AOCI and Regulatory Asset		9,741,058			53,323,206
	REDACTED		REDACTED	REDACTED	
Noncurrent benefit asset		-			-
Regulatory asset		9,741,058			9,741,058
Current benefit liability		(848,180)			(4,642,992)
Noncurrent benefit liability		(19,389,809)			(108,141,121)
AOCI (pretax)		-			43,582,148
Weighted-average assumptions					
Discount rate		5.26%			5.26%
Rate of compensation increase (average)		3.75%			3.75%