



## ILLINOIS COMMERCE COMMISSION

August 29, 2012

Village of Melrose Park, Cook County :  
 : 12-0466  
 Request for Promulgation of :  
 Municipal Electric Use Tax Rates :  
 under Section 8-11-2 of the Illinois :  
 Municipal Code. : **SERVED ELECTRONICALLY**

Greg Karr, President  
 AmAudit  
 Village of Melrose Park  
 Electrical Consultant  
 184 Shuman Blvd.  
 Naperville, IL 60563  
 gkarr@amaudit.com

NOTICE OF CONTINUANCE OF HEARING  
AND  
NOTICE OF SCHEDULE

Dear Sir/Madam:

Notice is hereby given by the Administrative Law Judge that the hearing in the above entitled matter has been continued to September 21, 2012, at the offices of the Commission, Chicago, Illinois, Michael A. Bilandic Building, 160 North LaSalle, Suite C-800, at the hour of 10:00 A.M.

Notice is also given by the Administrative Law Judge of the following schedule:

Village of Melrose Park to file an Amended or Supplemental Pleading – due September 4, 2012;  
 Staff and ComEd to File testimony – due September 12, 2012;  
 Village of Melrose Park to file Rebuttal Testimony if any – due September 17, 2012;  
 Initial Briefs – due September 28, 2012; and  
 Reply Briefs – due October 5, 2012.

Sincerely,

Elizabeth A. Rolando  
 Chief Clerk

EAR:ikb  
 Administrative Law Judge Hilliard

cc: Anastasia M. O'Brien & Bradley R. Perkins, Exelon Business Services, 10 S. Dearborn St., 49th Fl., Chicago, IL 60603, anastasia.obrien@exeloncorp.com, bradley.perkins@exeloncorp.com  
 Angelique Palmer, John Sagone & Kimberly Swan, Office of General Counsel, Illinois Commerce Commission, 160 N. LaSalle St., Ste. C-800, Chicago, IL 60601, apalmer@icc.illinois.gov, jsagone@icc.illinois.gov, kswan@icc.illinois.gov

Ms. Harden - Rates

In compliance with the Americans with Disabilities Act and other applicable federal and state laws, the hearing will be accessible to individuals with disabilities. Persons requiring auxiliary aids and services should contact the Chief Clerk, preferably no later than five days before the hearing.

The Chief Clerk may be contacted either by letter at 527 E. Capitol Ave., Springfield, IL 62701, or by telephone at 217-782-7434. The Chief Clerk's office is equipped with a text telephone (TDD) that may also be reached by dialing 217-782-7434. In addition, persons using a text telephone have the option of calling via the Illinois Relay Center by dialing 800-526-0844.



184 Shuman Blvd.  
Suite 270  
Naperville, IL 60563  
Telephone – 888-262-8785  
Fax – 866-332-3564  
www.amaudit.com

August 30, 2012

Mr. James M. Vasselli  
Attorney at Law  
Del Galdo Law Group, LLC  
1441 S. Harlem Ave.  
Berwyn, IL 60402

Dear Mr. Vasselli:

In response to the Illinois Commerce Commission pre-hearing conference held on August 28, 2012, regarding e-Docket 12-0466, AmAudit respectfully requests withdrawal of our Petition for Confidential Treatment. We understand the Commission's desire for transparency and no longer consider the petition germane to the proceeding.

Enclosed are un-redacted copies of the Request for Promulgation of Municipal Electric Use Tax Rates and the Village of Melrose Park Ordinance 1601 for the Amended or Supplemental Pleading to be filed by September 4, 2012.

Your assistance is appreciated.

Sincerely,

A handwritten signature in black ink, appearing to read 'Greg Hart', written over a printed name and title.

Greg Hart  
President

GK:js  
Enclosures: 2

**STATE OF ILLINOIS  
ILLINOIS COMMERCE COMMISSION**

**Village of Melrose Park, Cook County**

**Request for promulgation of municipal  
electric use tax rates under Section 8-11-2  
of the Illinois Municipal Code**

**Docket No. 12 - \_\_\_\_\_**

**REQUEST**

Pursuant to Section 8-11-2 of the Illinois Municipal Code (65 ILCS 5/8-11-2), as amended by Public Act 90-561, and Article VII, Section 6, of the Illinois Constitution of 1970, and the Illinois Supreme Court ruling on February 20, 2009, in Exelon Corp. v. Illinois Department of Revenue., Docket No. 105582, 2009 Ill. LEXIS 188, the Village of Melrose Park, Cook County (hereinafter "the Municipality") requests that the Illinois Commerce Commission promulgate municipal electric use tax rates as set forth in the Municipality's Ordinance No. 1601. In support of this request, the Municipality states as follows:

1. Attached is a certified copy of the ordinance in which the corporate authorities of the Municipality authorized this request.
2. The Municipality is a home rule unit under Article VII, Section 6, of the Illinois Constitution of 1970.
3. 65 ILCS 5/8-11-2 does not limit or modify the powers of home rule communities.
4. Pursuant to the 2009 Illinois Supreme Court ruling Exelon Corp. v. Illinois Department of Revenue., Docket No. 105582, electricity is tangible personal property.
5. Tangible personal property can be assessed a use tax.
6. The statutory and declining block excise tax rates set forth in 65 ILCS 5/8-11-2 and the excise tax calculation methodology set forth in 83 Ill. Adm. Code 418.110 were put into place for the purpose as stated in 83 Ill. Adm. Code 418.10: "The Commission seeks to provide municipalities with a method of designing tax rates that will match the tax revenues that could have been derived from classes of customers, defined on the basis of the usage categories set forth in Section 8-11-2 of the Code, under the percentage of purchase price tax in place in 1997." Effective as of December 31, 2008, 65 ILCS 5/8-11-2 abolished the requirement that the blocks be set to achieve the same revenue as was generated under the gross receipts tax in effect prior to passage of 65 ILCS 5/8-11-2; Therefore the

Municipality, pursuant to its home rule authority, is requesting that use tax rates be promulgated in the ten block structure but not limited by the statutory maximum or declining block excise tax rates set forth in 65 ILCS 5/8-11-2 and 83 Ill. Adm. Code 418.110.

7. The name, address, telephone number and email address of the person to be contacted both for the municipality and for the electric utility are as follows:

Municipality

Utility

Louie Pannico, III, Comptroller  
Village of Melrose Park  
1000 N. 25<sup>th</sup> Ave.  
Melrose Park, IL 60160  
708-343-4000  
[lp3@melrosepark.org](mailto:lp3@melrosepark.org)

William Mueller  
ComEd, Retail Rate Department  
3 Lincoln Centre, 3<sup>rd</sup> Floor  
Oakbrook Terrace, IL 60181  
312-394-4321  
[william.mueller@ComEd.com](mailto:william.mueller@ComEd.com)

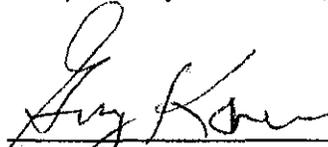
Village of Melrose Park Electrical Consultant  
Greg Karr, President  
AmAudit  
184 Shuman Blvd.  
Naperville, IL 60563  
630-615-4424  
[gkarr@amaudit.com](mailto:gkarr@amaudit.com)

Michael Kinasz  
Exelon, State Tax Manager  
10 S. Dearborn St., 51<sup>st</sup> Floor  
Chicago, IL 60603  
312-394-4547  
[michael.kinasz@exeloncorp.com](mailto:michael.kinasz@exeloncorp.com)

8. A Request for Confidential Treatment along with a public, redacted copy of the Municipality's Ordinance and a public redacted copy of this request are attached.

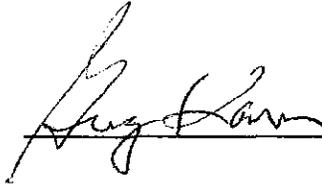
WHEREFORE, the Municipality requests that the Commission promulgate municipal electric use tax rates for it as modified by the Municipality's Ordinance No. 1601.

Respectfully submitted,

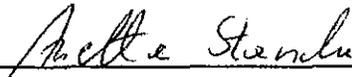
  
\_\_\_\_\_  
Greg Karr

**VERIFICATION**

I, Greg Karr, being first duly sworn upon oath depose and say that I am President of AmAudit, an American Association of Utility Auditors company, acting as a consultant for the Village of Melrose Park, County of Cook, State of Illinois, a duly organized and existing municipality and home rule unit of local government; that I have been designated by the Mayor of Melrose Park to sign the above request; that I have read the above request by me subscribed and know the contents thereof; that the contents of the request are true in substance and in fact, except as to those matters stated upon information and belief, and as to those, I believe the same to be true.

  
\_\_\_\_\_

Subscribed and sworn to before me  
this 31<sup>st</sup> day of July, 2012.

  
\_\_\_\_\_  
Notary Public



STATE OF ILLINOIS     )  
  ) SS  
COUNTY OF COOK     )

**CERTIFICATION OF ORDINANCE NO. 1601**

I, Mary Ann Paolantonio Salemi, the undersigned, do hereby certify that I am duly elected and qualified Village Clerk of the Village of Melrose Park, County of Cook, State of Illinois (the "Village"), and as such official I am the keeper of the records and files of the Village and of the President and Board of Trustees thereof (the "Village Board").

I do further certify that Ordinance No. 1601 of the meeting held on June 25, 2012 was adopted by the President and Board of Trustees of the Village of Melrose Park at a regular meeting of the Village Board held June 25, 2012 in the Village Board meeting room of the Melrose Park Police Department, One North Broadway, Melrose Park, Illinois 60160. There hereby was a quorum as declared by the Village President.

IN WITNESS WHEREOF, I hereunto affix my official signature and the seal of the Village, this 2<sup>nd</sup> day of July 2012.

*Mary Ann Paolantonio Salemi*  
Mary Ann Paolantonio Salemi, Village Clerk  
*Kathy J Kleigge*

(SEAL)

=====

**VILLAGE OF MELROSE PARK  
COOK COUNTY, ILLINOIS**

**ORDINANCE NO. 1601**

**AN ORDINANCE MODIFYING A MUNICIPAL ELECTRICITY  
USE TAX AMENDING CERTAIN SECTIONS OF ORDINANCE NO.  
364, FOR THE VILLAGE OF MELROSE PARK, COUNTY OF  
COOK, STATE OF ILLINOIS.**

**ADOPTED BY THE  
PRESIDENT AND BOARD OF TRUSTEES  
OF THE  
VILLAGE OF MELROSE PARK**

**THIS 25<sup>TH</sup> DAY OF JUNE 2012**

**RONALD M. SERPICO, Village President  
MARY ANN PAOLANTONIO SALEMI, Village Clerk**

**Board Of Trustees**

- CATHLEEN COSSIDENT ITALIA**
- ANTHONY J. PRIGNANO**
- ARTURO J. MOTA**
- MARY RAMIREZ TACONI**
- JAIME ANGUIANO**
- ANTHONY N. ABRUZZO**

=====

**Published by authority of the  
President and Board of Trustees  
Of the Village of Melrose Park,  
Cook County, Illinois on  
This 26<sup>TH</sup> day of JUNE 2012**

**ORDINANCE NO. 1601**

**AN ORDINANCE MODIFYING A MUNICIPAL ELECTRICITY  
USE TAX AMENDING CERTAIN SECTIONS OF ORDINANCE  
NO. 364, FOR THE VILLAGE OF MELROSE PARK, COUNTY OF  
COOK, STATE OF ILLINOIS.**

\* \* \* \* \*

**WHEREAS**, the Village of Melrose Park, County of Cook, State of Illinois (the “Village”) is a duly organized and existing municipality and unit of local government created under the provisions of the laws of the State of Illinois, and is operating under the provisions of the Illinois Municipal Code, and all laws amendatory thereof and supplementary thereto, with full powers to enact ordinances and adopt resolutions for the benefit of the residents of the Village; and

**WHEREAS**, the Village President (the “President”), the Honorable Ronald M. Serpico, the Village Clerk, the Honorable Mary Ann Paolantonio Salemi, having taken office on April 30, 2009, and the Board of Trustees of the Village (the “Village Board”), the Honorable Cathleen Cossident Italia, Anthony J. Prignano, Arturo J. Mota, Mary Ramirez Taconi, Jaime Anguiano and Anthony N. Abruzzo, having taken office on May 4, 2011, constitute the duly elected, qualified and acting officials of the Village; and

**WHEREAS**, in 1997 pursuant to 65 ILCS 5/8-11-2, the State of Illinois required the Village to impose a 10-tier per kWh excise tax on the privilege of using or consuming electricity acquired in a purchase at retail and used or consumed within the corporate limits of the municipality; and

**WHEREAS**, the new 10-tier taxing methodology promulgated in 65 ILCS 5-8-11-2, was adopted for purposes of stabilizing the amount of future revenues generated to closely conform to the revenue generated from the gross receipts percentage tax

methodology in effect prior to adoption of the new law in 1997; and

**WHEREAS**, on December 31, 2008, the law abolished the requirement that the tiers be set to achieve the same revenues as was generated under the gross receipts tax in effect prior to passage of 65 ILCS 5/8-11-2; and

**WHEREAS**, the 65 ILCS 5/8-11-2 did not limit or modify the powers of home rule communities; and

**WHEREAS**, the Village currently is experiencing a steady decline in revenues based on its existing electricity rate structure; and further, the current excise tax methodology cannot be modified to recover the short fall in revenues due to statutory maximums rates established for each of the 10-tiers as set forth in the per kWh methodology; and

**WHEREAS**, on February 20, 2009, in *Exelon Corp. v. Illinois Department of Revenue.*, Docket No. 105582, 2009 Ill. LEXIS 188, the Illinois Supreme Court held that electricity is a tangible personal property; and

**WHEREAS**, tangible personal property can be assessed a “use tax”; and

**WHEREAS**, the December 31, 2008, stipulation in the law nullifies the requirement that revenues generated from a municipalities 10-tier rate structure result in revenues comparable to gross receipts of 5%; and further, the 2009 Illinois Supreme Court ruling that electricity is tangible personal property, the Village is no longer subject to the statutory maximum rates as promulgated in 65 ILCS 5/8-11-2; and

**WHEREAS**, in furtherance of its home rule powers, it is necessary and desirable for the Village to amend its ordinance on taxation of electricity by repealing the current electricity excise tax rates established in Ordinance No. 364 and replacing it with a municipal electricity use tax that is more representative of the Village’s revenue needs;

and

**NOW, THEREFORE, BE IT ORDAINED** by the President and the Board of Trustees of the Village of Melrose Park, County of Cook, State of Illinois, as follows:

**ARTICLE I.  
IN GENERAL**

**Section 01. Incorporation Clause.**

All of the recitals hereinbefore stated as contained in the preambles to this Ordinance are full, true and correct, and the Corporate Authorities do hereby, by reference, incorporate and make them part of this Ordinance as legislative findings.

**Section 02. Purpose.**

The purpose of this Ordinance is to make certain amendments to Ordinance number 364, entitled "An Ordinance Amending Certain Sections Of Ordinance Number 200, An Ordinance Creating A Municipal Utility Tax, And Adding Section 9.00 Entitled "Municipal Electricity Utility Tax," For The Village Of Melrose Park, County Of Cook, State Of Illinois" adopted October 13, 1998.

**Section 03. Invocation of Authority.**

This Ordinance is enacted pursuant to the authority granted to the Village by the Constitution of the State of Illinois and the Illinois Compiled Statutes.

**Section 04. State Law Adopted.**

All applicable provisions of the Illinois Compiled Statutes, including the Illinois Municipal Code, as may be amended from time to time, relating to the purposes of this Ordinance are hereby incorporated herein by reference.

**Sections 05 - 09. Reserved.**

**ARTICLE II.  
AMENDMENT TO ORDINANCE 364**

**Section 10.00. Ordinance No. 364 Section 9.00 Paragraph B**

The tax imposed by this Section 9.00 Paragraph B No. 1 known more commonly as the Municipal Electricity Utility Tax is replaced with the following tax rates and shall be known as the Municipal Electricity Use Tax:

1. Pursuant to Section 8-11-2 of the Illinois Municipal Code (65 ILCS 5/8-11-2) and any and all other applicable authority, a tax is imposed upon the privilege of using or consuming electricity acquired in a purchase at retail and used or consumed within the corporate limits of the Village of Melrose Park at the following rates, calculated on a monthly basis for each purchaser:

- a) For the first 2,000 kilowatt-hours used or consumed in a month; \$0.00533 per kilowatt-hour.
- b) For the next 48,000 kilowatt-hours used or consumed in a month; \$0.00437 per kilowatt-hour.
- c) For the next 50,000 kilowatt-hours used or consumed in a month; \$0.00448 per kilowatt-hour.
- d) For the next 400,000 kilowatt-hours used or consumed in a month; \$0.00376 per kilowatt-hour.
- e) For the next 500,000 kilowatt-hours used or consumed in a month; \$0.00316 per kilowatt-hour.
- f) For the next 2,000,000 kilowatt-hours used or consumed in a \$0.00315 per kilowatt-hour.
- g) For the next 2,000,000 kilowatt-hours used or consumed in a month; \$0.00313 per kilowatt-hour.
- h) For the next 5,000,000 kilowatt-hours used or consumed in a month; \$0.00311 per kilowatt-hour.
- i) For the next 10,000,000 kilowatt-hours used of consumed in a month; \$0.00308 per kilowatt-hour.
- j) For all electricity used or consumed in excess of 20,000,000 kilowatt-hours in a month; \$0.00296 per kilowatt-hour.

If any Federal law, State law, or any other recognized legal or regulatory body having jurisdiction over this matter would deem the tax rates and the application of a use tax on electricity illegal, this ordinance would become void, and the rates promulgated herein would revert back to the rates in effect prior to passage of this ordinance.

**Sections 12.00 – 15.00. Reserved.**

**ARTICLE III.  
HEADINGS, SAVINGS CLAUSES,  
PUBLICATION, EFFECTIVE DATE**

**Section 16.00 Headings.**

The headings for the articles, sections, paragraphs and subparagraphs of this Ordinance are inserted solely for the convenience of reference and form no substantive part of this Ordinance nor should they be used in any interpretation or construction of any substantive provisions of this Ordinance.

**Section 17.00 Severability.**

The provisions of this Ordinance are hereby declared to be severable and should any provision, clause, sentence, paragraph, subparagraph, section or part of this Ordinance be determined to be in conflict with any law, statute or regulation by a court of competent jurisdiction, said provision, clause, sentence, paragraph, subparagraph, section or part shall be excluded and deemed inoperative, unenforceable and as though not provided for herein, and all other provisions shall remain unaffected, unimpaired, valid and in full force and effect. It is hereby declared to be the legislative intent of the Village Board that this Ordinance would have been adopted had not such unconstitutional or invalid provision, clause, sentence, paragraph, subparagraph, section or part thereof been included.

**Section 18.00 Superseder.**

All code provisions, ordinances, resolutions and orders, or parts thereof, in conflict herewith are, to the extent of such conflict, hereby superseded.

**Section 19.00 Publication.**

A full, true and complete copy of this Ordinance shall be published in pamphlet form or in a newspaper published and of general circulation within the Village as

provided by the Illinois Municipal Code, as amended.

///

///

///

///

///

///

///

///

///

///

///

///

///

///

///

///

///

///

///

///

///

///

///

**Section 20.00 Effective Date.**

This Ordinance, except as otherwise specifically set forth herein, shall be in full force and effect at the earliest available time as provided by law, following its passage, approval and publication.

On The Individual Poll And Voice Vote Of The Board Of Trustees:

AYE VOTES: Trustee Italia, Trustee Prignano, Trustee Mota,  
Trustee Taconi, Trustee Anguiano, Trustee Abruzzo

NAY VOTES:

ABSTAIN:

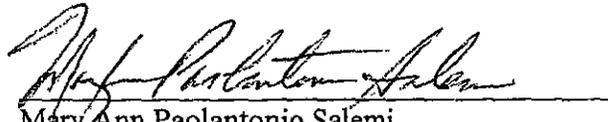
ABSENT:

SO PASSED, ADOPTED, APPROVED AND ENACTED IN AND AT THE  
VILLAGE OF MELROSE PARK, COUNTY OF COOK, STATE OF ILLINOIS, THIS  
TWENTY-FIFTH DAY OF JUNE, 2012, A.D.

APPROVED:

  
RONALD M. SERPICO  
VILLAGE PRESIDENT

ATTEST:

  
Mary Ann Paolantonio Salemi  
Village Clerk

(SEAL)

Recorded in the Municipal Records: June 25, 2012  
Published in Pamphlet Form: June 26, 2012

(Confidential)

**Municipal Taxes of Melrose Park**  
Gross Receipts Tax Data and Kwh Tax Data  
Based on Information for the Year 1997

<u>Gross Receipts Method</u>		<u>Proportional Method</u>			<u>Ten Class Method</u>		
<u>Kwh</u>	<u>Amount</u>	<u>Kwh</u>	<u>Amount</u>	<u>Rate</u>	<u>Kwh</u>	<u>Amount</u>	<u>Rate</u>
<u>(1)</u>	<u>(2)</u>	<u>(3)</u>	<u>(4)</u>	<u>(5)</u>	<u>(6)</u>	<u>(7)</u>	<u>(8)</u>
46,847,412	\$ 277,662	46,847,412	\$ 259,922	0.00555	46,847,412	\$ 277,805	0.00593
64,828,535	293,044	64,828,535	259,510	0.00364	64,828,535	294,992	0.00423
26,497,997	110,830	26,497,997	94,909	0.00327	26,497,997	113,265	0.00422
104,475,793	373,382	104,475,793	346,839	0.00318	104,475,793	382,991	0.00321
69,267,629	212,292	69,267,629	221,332	0.00309	69,267,629	215,712	0.00249
107,053,046	271,977	107,053,046	328,130	0.00291	107,053,046	289,428	0.00233
4,171,205	15,083	4,171,205	12,346	0.00287	4,171,205	10,320	0.00231
19,293,758	53,261	19,293,758	55,646	0.00282	19,293,758	45,846	0.00230
102,481,204	265,094	102,481,204	293,991	0.00277	102,481,204	242,196	0.00229
-	-	-	-	0.00273	-	-	0.00228
<u>544,916,579</u>	<u>\$ 1,872,625</u>	<u>544,916,579</u>	<u>\$ 1,872,625</u>		<u>544,916,579</u>	<u>\$ 1,872,555</u>	

**Municipal Taxes of Melrose Park**  
Index and Notes Regarding Derivation of Requested Tax Rates

**INDEX – Exhibits Requested by the Illinois Commerce Commission**  
**Based on 2010 Information**

**EXHIBIT 1** – Current Excise Tax Rates v Proposed Use Tax Rates

**EXHIBIT 2** – Melrose Park Proposed Rates as Percentage of Current Rates

**EXHIBIT 3** – Municipal Utility Tax Returns Data

**EXHIBIT 3a** – Monthly Comparison Current Rates v Proposed

**EXHIBIT 4** – 2010 Data Supplied from ComEd: Usage, Tax Amount, Number of Accounts

**EXHIBIT 5** – Statistics for ComEd Territory

**EXHIBIT 6** – Estimated Pretax Revenue for Melrose Park

**EXHIBIT 7** – Example of Recent Tax Changes in Other Municipalities

**EXHIBIT 8** – Snapshot of Calculator (working model included in Excel workbook)

**NOTES**

The attached Exhibits have been compiled in response to the Commission’s request for documents under Section 418.120 of the Administrative Code. The submissions calculated by ComEd in 1997 on behalf of the Village of Melrose Park (the Village) for the original promulgation of rates under the alternative method, contain certain data that is not available for 2010 at this time from the Utility and source, ComEd.

Section 418.120 of the Administrative Code calls for “a bill frequency calculated on the basis of the classes of purchasers reflected in the requested rates [by strata].” ComEd supplied Usage, Tax Amount, and Number of Account data by customer class for the year 2010 contained in Exhibit 4. AmAudit calculated the average usage by customer class in Exhibit 4 from the ComEd data. ComEd was not able to provide information on number and type of accounts by stratum for 2010. This data is not readily available on ComEd’s computer system, and would not be available by the filing deadline set by the Commission. Exhibit 3 contains data taken directly from the Village’s Municipal Utility Tax Returns dated 2010. Exhibit 3a contains, by stratum, a monthly comparison of taxes using the current rate vs. what the taxes would have been for the same monthly periods using the proposed rates. Since the typical residential monthly average usage is below 2,000 kWh, it is a reasonable assumption that the bulk of residential customers would be taxed in the first stratum, and therefore would receive a tax cut with the proposed new rates. Please see the response to Comment 2 on page 2.

Section 418.120 of the Administrative Code requires calculations be made “as if the tax were based on a uniform percentage of the purchase price of electricity.” Although effective December 31, 2008, 65 ILCS 5/8-11-2 abolishes the requirement that tax strata be set to achieve the same revenue as was generated under the gross receipts tax (maximum 5%) in effect prior to passage of 65 ILCS 5/8-11-2, AmAudit used 5% as a guide in calculating the

**Municipal Taxes of Melrose Park**  
Index and Notes Regarding Derivation of Requested Tax Rates

proposed new rates. The total estimated pretax revenue was calculated using statistics published by the Illinois Commerce Commission, usage and revenue data provided by ComEd, and reasonable assumptions regarding energy prices. Please see Comment 1 and Response to Comment 1 below, as well as EXHIBITS 5 and 6 for details.

**Comment 1:** Section 418.120 of the Administrative Code requires “exhibits establishing that the requested rates reflect, as closely as reasonably practical for the municipality, the distribution of the tax among classes of purchasers as if the tax were based on a uniform percentage of the purchase price of electricity.”

In 1997, before deregulation, the utility (ComEd) was the sole provider of electricity within the incorporated boundaries of the Village. As sole provider, ComEd was able to calculate gross pretax revenue. Due to deregulation, ComEd is not able to supply gross pretax revenue amounts because ComEd does not have knowledge of or access to the revenue collected by Alternative Retail Electric Suppliers (ARES).

**Response to Comment 1:** AmAudit used statistics published by the ICC, data provided by ComEd, and reasonable assumptions regarding energy prices to estimate total pretax revenue. The following steps explain the methodology used to estimate pretax revenue:

1. To arrive at our derivation of values we used the 2010 ICC statistics for revenue, usage, and revenue per kWh for each customer class in the ComEd territory. (Source: *ILLINOIS COMMERCE COMMISSION Illinois Electric Utilities Comparison of Electric Sales Statistics For Calendar Years 2010 and 2009*, dated July 15, 2011)
2. Using the above numbers, we calculated the percentage of total revenue and percentage of total usage for each customer class in the ComEd territory. See **EXHIBIT 5**.
3. We then applied the percentage of total usage to the 2010 totals for each customer class provided by ComEd. (ComEd provides total usage by revenue class, but they do not provide a customer class break down by stratum.) See **EXHIBIT 6**.
4. The next step was to multiply estimated usage for each category by the corresponding revenue per kWh as published in the Illinois Commerce Commission document. See **EXHIBIT 6**.
5. We incorporated into our revenue calculation an estimated energy cost of \$0.055 kWh to third party revenue. See **EXHIBIT 6**.

**Comment 2:** ComEd was able to supply the number of accounts by revenue class, i.e. large commercial industrial, small commercial, residential, etc. However ComEd was not able to provide information on number of accounts by strata for 2010. This data is not readily available on ComEd’s computer system, and would not be available by the filing deadline set by the Commission.

**Response to Comment 2:** Residential customers are primarily taxed by the rates in the first stratum of 2,000 kWh or less. The proposed rates for that stratum are 10.12% lower than the current rates. Therefore residential customers will receive a tax cut under the new rates.

**EXHIBIT 1** and **EXHIBIT 2** show the percentage difference of rates by stratum. In addition, **EXHIBIT 7** contains examples of recent tax changes by other municipalities for comparison.

(Source: ComEd Ratebook)

**EXHIBIT 1**

**Municipal Taxes of Melrose Park  
Current Excise Tax Rates v Proposed Use Tax Rates  
Based on Information for the Year 2010**

<u>Strata</u>	<u>2010 Usage kWh</u>	<u>Current Rates \$ kWh</u>	<u>2010 MUT Rev. (rounded) [col 1x2]</u>	<u>Proposed Use Tax Rates \$ kWh</u>	<u>Est. Use Tax Rev. [col 1x4]</u>	<u>Difference 2010 Actual vs Proposed [col 5-3]</u>	<u>% of Difference [col 5/3] minus 1</u>	<u>2010 Total Est. Revenue (1)</u>	<u>5% of 2010 Total Est. Rev. (1)</u>	<u>MUT Adj. as % of Tax Rev. (2)</u>
	[1]	[2]	[3]	[4]	[5]	[6]	[7]	[8]	[9]	[10]
K01 first 2000 kw	72,227,083	\$ 0.00593	\$ 428,307	\$ 0.00533	\$ 384,970.35	\$ (43,336.65)	-10.12%	na	na	na
K02 next 48,000 kw	97,757,042	\$ 0.00423	\$ 413,512	\$ 0.00437	\$ 427,198.27	\$ 13,686.27	3.31%	na	na	na
K03 next 50,000 kw	31,825,715	\$ 0.00421	\$ 133,986	\$ 0.00448	\$ 142,579.20	\$ 8,593.20	6.41%	na	na	na
K04 next 400,000 kw	88,510,983	\$ 0.00313	\$ 277,039	\$ 0.00376	\$ 332,801.30	\$ 55,762.30	20.13%	na	na	na
K05 next 500,000 kw	41,989,443	\$ 0.00243	\$ 102,034	\$ 0.00316	\$ 132,686.64	\$ 30,652.64	30.04%	na	na	na
K06 next 2,000,000 kw	62,587,843	\$ 0.00242	\$ 151,463	\$ 0.00315	\$ 197,151.71	\$ 45,688.71	30.16%	na	na	na
K07 next 2,000,000 kw	19,086,936	\$ 0.00241	\$ 46,000	\$ 0.00313	\$ 59,742.11	\$ 13,742.11	29.87%	na	na	na
K08 next 5,000,000 kw	1,461,908	\$ 0.00239	\$ 3,494	\$ 0.00311	\$ 4,546.53	\$ 1,052.53	30.12%	na	na	na
K09 next 10,000,000 kw	0	\$ 0.00237	\$ -	\$ 0.00308	\$ -	\$ -	30.13%	na	na	na
K10 over 20,000,000 kw	0	\$ 0.00228	\$ -	\$ 0.00296	\$ -	\$ -	29.82%	na	na	na
<b>Total</b>	<b><u>415,446,953</u></b>		<b><u>\$ 1,555,835</u></b>		<b><u>\$ 1,681,676.11</u></b>	<b><u>\$ 125,841.11</u></b>		<b><u>\$ 33,549,473</u></b>	<b><u>\$1,677,473.65</u></b>	
Percent of Total Est. Rev.			4.6%		5.0%					
			<u>2010 Adjustment</u>		<u>Est. Adjustment @ 5.38%</u>			<u>Est. Total Revenue with Adjustment @ 5.38%</u>		
Monthly Split to Adjacent Municipality			\$ (83,725.97)		\$ (90,473.17)	\$ (6,747.20)		<u>\$ 31,744,511</u>		-5.38%
Net to Melrose Park			<u>\$ 1,472,109.03</u>		<u>\$ 1,591,202.94</u>	\$ 119,093.91				
Percent of Adj. Total Est. Rev.			4.6%		5.0%					

Note (1): ComEd was not able to provide information on number of accounts by strata for 2010. This data is not readily available on ComEd's computer system, and would not be available by the filing deadline set by the Commission. The total estimated revenue was calculated using statistics published by the Illinois Commerce Commission, usage and revenue data provided by ComEd, and reasonable assumptions regarding energy prices. Please see EXHIBITS 5 and 6 for details.

Note (2): The Village's Municipal Utility Tax Returns contain a monthly adjustment related to businesses that are technically located in two municipalities and require a split of the municipal utility tax amount. Please see EXHIBIT 3, rows 16 and 17 for monthly adjustment amounts and percentages.

**EXHIBIT 2**

**Municipal Taxes of Meirose Park**  
**Meirose Park Proposed Rates as Percentage of Current Rates**  
**Based on Information for the Year 2010**

<u>Strata</u>	Current Rates \$ kWh [1]	Proposed New Rates Excluding Admin. Fee \$ kWh [2]	Increase or Decrease \$ kWh [col 2-1] [3]	% of Current Rate [col 3/1] [4]	Proportionality [col 1/3] [5]	Proposed New Rates Including Admin. Fee \$ kWh(1) [6]
K01 first 2000 kWh	\$ 0.00593	\$ 0.00533	\$ (0.00060)	-10.12%	111%	\$ 0.00549
K02 next 48,000 kWh	\$ 0.00423	\$ 0.00437	\$ 0.00014	3.31%	97%	\$ 0.00450
K03 next 50,000 kWh	\$ 0.00421	\$ 0.00448	\$ 0.00027	6.41%	94%	\$ 0.00461
K04 next 400,000 kWh	\$ 0.00313	\$ 0.00376	\$ 0.00063	20.13%	83%	\$ 0.00387
K05 next 500,000 kWh	\$ 0.00243	\$ 0.00316	\$ 0.00073	30.04%	77%	\$ 0.00325
K06 next 2,000,000 kWh	\$ 0.00242	\$ 0.00315	\$ 0.00073	30.17%	77%	\$ 0.00324
K07 next 2,000,000 kWh	\$ 0.00241	\$ 0.00313	\$ 0.00072	29.88%	77%	\$ 0.00322
K08 next 5,000,000 kWh	\$ 0.00239	\$ 0.00311	\$ 0.00072	30.13%	77%	\$ 0.00320
K09 next 10,000,000 kWh	\$ 0.00237	\$ 0.00308	\$ 0.00071	29.96%	77%	\$ 0.00317
K10 over 20,000,000 kWh	\$ 0.00228	\$ 0.00296	\$ 0.00068	29.82%	77%	\$ 0.00305

Note: (1) Includes 3% Administrative Fee

**EXHIBIT 3**

**Municipal Taxes of Melrose Park  
Municipal Utility Tax Returns  
Based on Information for the Year 2010**

Strata	Usage												Total [sum of col 1 through col 12]
	January	February	March	April	May	June	July	August	September	October	November	December	
	[1]	[2]	[3]	[4]	[5]	[6]	[7]	[8]	[9]	[10]	[11]	[12]	
1 K01 first 2,000 kWh	6,377,596	5,761,736	4,774,006	4,750,832	4,398,229	5,765,172	7,761,114	9,176,418	8,329,854	4,728,743	4,768,510	5,636,873	72,227,083
2 K02 next 48,000 kWh	8,706,877	8,361,711	8,163,177	7,550,798	6,762,563	6,976,136	8,388,510	9,656,710	9,804,594	7,204,350	7,811,673	8,389,943	97,757,042
3 K03 next 50,000 kWh	2,748,149	2,546,268	2,649,678	2,514,766	2,248,515	2,460,954	2,614,880	3,165,452	3,110,694	2,324,589	2,870,309	2,771,461	31,825,715
4 K04 next 400,000 kWh	7,326,052	6,474,775	7,706,532	6,791,980	6,403,643	7,337,156	7,005,542	9,559,340	7,673,842	6,376,856	7,869,529	7,985,736	88,510,983
5 K05 next 500,000 kWh	3,344,992	3,077,348	3,353,068	3,064,762	3,294,721	3,066,003	3,496,255	4,911,718	3,727,432	3,441,060	4,007,787	3,204,297	41,989,443
6 K06 next 2,000,000 kWh	5,149,459	4,694,669	4,966,498	4,721,991	4,914,840	5,144,144	5,574,845	6,252,716	6,060,536	7,061,302	3,034,388	5,012,455	62,587,843
7 K07 next 2,000,000 kWh	2,110,447	1,051,924	1,366,884	1,161,619	347,687	1,408,950	2,160,547	2,529,865	2,298,757	2,693,675	-352,162	2,308,743	19,086,936
8 K08 next 5,000,000 kWh	0	0	0	0	0	0	79,763	551,585	628,393	5,000,000	-5,000,000	202,167	1,461,908
9 K09 next 10,000,000 kWh	0	0	0	0	0	0	0	0	0	6,742,706	-6,742,706	0	0
10 K10 over 20,000,000 kWh	0	0	0	0	0	0	0	0	0	0	0	0	0
11 Total usage on returns	<u>35,763,572</u>	<u>31,968,431</u>	<u>32,979,843</u>	<u>30,556,748</u>	<u>28,370,198</u>	<u>32,158,515</u>	<u>37,061,456</u>	<u>45,803,804</u>	<u>41,634,102</u>	<u>45,573,281</u>	<u>18,065,328</u>	<u>35,511,675</u>	<u>415,446,953</u>

	Tax												
Total tax including adj. & uncollectibles	\$ 134,826.28	\$ 121,897.33	\$ 121,577.61	\$ 113,632.47	\$ 104,934.51	\$ 120,317.05	\$ 141,743.10	\$ 172,993.94	\$ 158,751.25	\$ 148,133.83	\$ 85,485.97	\$ 131,543.32	\$ 1,555,836.66
16 Adjustments on returns*	\$ (7,620.66)	\$ (7,106.34)	\$ (6,067.52)	\$ (6,815.04)	\$ (6,629.30)	\$ (6,959.88)	\$ (7,180.89)	\$ (8,090.65)	\$ (7,186.16)	\$ (6,681.82)	\$ (5,952.44)	\$ (7,435.27)	\$ (83,725.97)
17 Percent of adj. vs total tax [rows 16/14]	-5.65%	-5.83%	-4.99%	-6.00%	-6.32%	-5.78%	-5.07%	-4.68%	-4.53%	-4.51%	-6.96%	-5.65%	-5.38%
18 Tax received by Melrose Pk	\$ 127,034.60	\$ 114,730.90	\$ 115,281.33	\$ 106,718.93	\$ 97,871.34	\$ 113,179.75	\$ 134,842.42	\$ 164,901.05	\$ 151,354.81	\$ 141,281.73	\$ 78,536.87	\$ 120,250.49	\$ 1,465,984.22
19 Uncollectibles	\$ (171.02)	\$ (60.09)	\$ (228.76)	\$ (98.50)	\$ (433.87)	\$ (177.42)	\$ 280.21	\$ (2.24)	\$ (210.28)	\$ (170.28)	\$ (996.66)	\$ (3,857.58)	\$ (6,126.47)
20 Tax rec. by Melrose Pk less uncollectibles	<u>\$ 127,205.62</u>	<u>\$ 114,790.99</u>	<u>\$ 115,510.09</u>	<u>\$ 106,817.43</u>	<u>\$ 98,305.21</u>	<u>\$ 113,357.17</u>	<u>\$ 134,562.21</u>	<u>\$ 164,903.29</u>	<u>\$ 151,565.09</u>	<u>\$ 141,452.01</u>	<u>\$ 79,533.53</u>	<u>\$ 124,108.05</u>	<u>\$ 1,472,110.69</u>

\*The Village's Municipal Utility Tax Returns contain a monthly adjustment related to businesses that are technically located in two municipalities and require a split of the municipal utility tax amount.

**Summary of kWh and Amount**

Strata	2010 Rates		Amount (rounded)
	\$ kWh	kWh	
K01	\$ 0.00593	72,227,083	\$ 428,307
K02	\$ 0.00423	97,757,042	\$ 413,512
K03	\$ 0.00421	31,825,715	\$ 133,986
K04	\$ 0.00313	88,510,983	\$ 277,039
K05	\$ 0.00243	41,989,443	\$ 102,034
K06	\$ 0.00242	62,587,843	\$ 151,463
K07	\$ 0.00241	19,086,936	\$ 46,000
K08	\$ 0.00239	1,461,908	\$ 3,494
K09	\$ 0.00237	0	\$ -
K10	\$ 0.00228	0	\$ -
Total		<u>415,446,953</u>	<u>\$ 1,555,835</u>

Municipal Taxes of Melrose Park  
 Monthly Comparison Current Rates v Proposed Rates  
 Based on Information for the Year 2010

Strata	2010 Rates \$/kWh	Proposed Use Tax Rates \$/kWh	January				February				March			
			Jan 2010 Usage kWh	Actual Jan Tax (rounded)	Jan Tax at Proposed Rates (rounded)	Difference Current v Proposed	Feb 2010 Usage kWh	Actual Feb Tax (rounded)	Feb Tax at Proposed Rates (rounded)	Difference Current v Proposed	March 2010 Usage kWh	Actual Mar Tax (rounded)	Mar Tax at Proposed Rates (rounded)	Difference Current v Proposed
First 2,000 kWh	\$ 0.00593	\$ 0.00533	6,377,596	\$ 37,819	\$ 33,993	\$ (3,826)	5,761,736	\$ 34,167	\$ 30,710	\$ (3,457)	4,774,006	\$ 28,310	\$ 25,445	\$ (2,865)
Next 48,000 kWh	\$ 0.00423	\$ 0.00437	8,706,877	\$ 36,830	\$ 38,049	\$ 1,219	8,361,711	\$ 35,370	\$ 36,541	\$ 1,171	8,163,177	\$ 34,530	\$ 35,673	\$ 1,143
Next 50,000 kWh	\$ 0.00421	\$ 0.00448	2,748,149	\$ 11,570	\$ 12,312	\$ 742	2,546,268	\$ 10,720	\$ 11,407	\$ 687	2,649,678	\$ 11,155	\$ 11,871	\$ 716
Next 400,000 kWh	\$ 0.00313	\$ 0.00376	7,326,052	\$ 22,931	\$ 27,546	\$ 4,615	6,474,775	\$ 20,266	\$ 24,345	\$ 4,079	7,706,532	\$ 24,121	\$ 28,977	\$ 4,856
Next 500,000 kWh	\$ 0.00243	\$ 0.00316	3,344,992	\$ 8,128	\$ 10,570	\$ 2,442	3,077,348	\$ 7,478	\$ 9,724	\$ 2,246	3,353,068	\$ 8,148	\$ 10,596	\$ 2,448
Next 2,000,000 kWh	\$ 0.00242	\$ 0.00315	5,149,459	\$ 12,462	\$ 16,221	\$ 3,759	4,694,669	\$ 11,361	\$ 14,788	\$ 3,427	4,966,498	\$ 12,019	\$ 15,644	\$ 3,625
Next 2,000,000 kWh	\$ 0.00241	\$ 0.00313	2,110,447	\$ 5,086	\$ 6,606	\$ 1,520	1,051,924	\$ 2,535	\$ 3,293	\$ 758	1,366,884	\$ 3,294	\$ 4,278	\$ 984
Next 5,000,000 kWh	\$ 0.00239	\$ 0.00311	0	\$ -	\$ -	\$ -	0	\$ -	\$ -	\$ -	0	\$ -	\$ -	\$ -
Next 10,000,000 kWh	\$ 0.00237	\$ 0.00308	0	\$ -	\$ -	\$ -	0	\$ -	\$ -	\$ -	0	\$ -	\$ -	\$ -
Over 20,000,000 kWh	\$ 0.00228	\$ 0.00296	0	\$ -	\$ -	\$ -	0	\$ -	\$ -	\$ -	0	\$ -	\$ -	\$ -
Total			35,763,572	\$ 134,826	\$ 145,297	\$ 10,471	31,968,431	\$ 121,897	\$ 130,808	\$ 8,911	32,979,843	\$ 121,577	\$ 132,484	\$ 10,907

Strata	2010 Rates \$/kWh	Proposed Use Tax Rates \$/kWh	April				May				June			
			April 2010 Usage kWh	Actual Apr Tax (rounded)	Apr Tax at Proposed Rates (rounded)	Difference Current v Proposed	May 2010 Usage kWh	Actual May Tax (rounded)	May Tax at Proposed Rates (rounded)	Difference Current v Proposed	June 2010 Usage kWh	Actual Jun Tax (rounded)	Jun Tax at Proposed Rates (rounded)	Difference Current v Proposed
First 2,000 kWh	\$ 0.00593	\$ 0.00533	4,750,832	\$ 28,172	\$ 25,322	\$ (2,850)	4,398,229	\$ 26,081	\$ 23,443	\$ (2,638)	5,765,172	\$ 34,187	\$ 30,728	\$ (3,459)
Next 48,000 kWh	\$ 0.00423	\$ 0.00437	7,550,798	\$ 31,940	\$ 32,997	\$ 1,057	6,762,563	\$ 28,606	\$ 29,552	\$ 946	6,976,136	\$ 29,509	\$ 30,486	\$ 977
Next 50,000 kWh	\$ 0.00421	\$ 0.00448	2,514,766	\$ 10,587	\$ 11,266	\$ 679	2,248,515	\$ 9,466	\$ 10,073	\$ 607	2,460,954	\$ 10,361	\$ 11,025	\$ 664
Next 400,000 kWh	\$ 0.00313	\$ 0.00376	6,791,980	\$ 21,259	\$ 25,538	\$ 4,279	6,403,643	\$ 20,043	\$ 24,078	\$ 4,035	7,337,158	\$ 22,965	\$ 27,588	\$ 4,623
Next 500,000 kWh	\$ 0.00243	\$ 0.00316	3,064,762	\$ 7,447	\$ 9,685	\$ 2,238	3,294,721	\$ 8,006	\$ 10,411	\$ 2,405	3,066,003	\$ 7,450	\$ 9,689	\$ 2,239
Next 2,000,000 kWh	\$ 0.00242	\$ 0.00315	4,721,991	\$ 11,427	\$ 14,874	\$ 3,447	4,914,840	\$ 11,894	\$ 15,482	\$ 3,588	5,144,144	\$ 12,449	\$ 16,204	\$ 3,755
Next 2,000,000 kWh	\$ 0.00241	\$ 0.00313	1,161,619	\$ 2,800	\$ 3,636	\$ 836	347,687	\$ 838	\$ 1,088	\$ 250	1,408,950	\$ 3,396	\$ 4,410	\$ 1,014
Next 5,000,000 kWh	\$ 0.00239	\$ 0.00311	0	\$ -	\$ -	\$ -	0	\$ -	\$ -	\$ -	0	\$ -	\$ -	\$ -
Next 10,000,000 kWh	\$ 0.00237	\$ 0.00308	0	\$ -	\$ -	\$ -	0	\$ -	\$ -	\$ -	0	\$ -	\$ -	\$ -
Over 20,000,000 kWh	\$ 0.00228	\$ 0.00296	0	\$ -	\$ -	\$ -	0	\$ -	\$ -	\$ -	0	\$ -	\$ -	\$ -
Total			30,556,748	\$ 113,632	\$ 123,318	\$ 9,686	28,370,198	\$ 104,934	\$ 114,127	\$ 9,193	32,158,515	\$ 120,317	\$ 130,130	\$ 9,813

Strata	2010 Rates \$/kWh	Proposed Use Tax Rates \$/kWh	July				August				September			
			July 2010 Usage kWh	Actual Jul Tax (rounded)	Jul Tax at Proposed Rates (rounded)	Difference Current v Proposed	August 2010 Usage kWh	Actual Aug Tax (rounded)	Aug Tax at Proposed Rates (rounded)	Difference Current v Proposed	September 2010 Usage kWh	Actual Sep Tax (rounded)	Sep Tax at Proposed Rates (rounded)	Difference Current v Proposed
First 2,000 kWh	\$ 0.00593	\$ 0.00533	7,761,114	\$ 46,023	\$ 41,367	\$ (4,656)	9,176,418	\$ 54,416	\$ 48,910	\$ (5,506)	8,329,854	\$ 49,396	\$ 44,398	\$ (4,998)
Next 48,000 kWh	\$ 0.00423	\$ 0.00437	8,368,510	\$ 35,399	\$ 36,570	\$ 1,171	9,656,710	\$ 40,848	\$ 42,200	\$ 1,352	9,804,594	\$ 41,473	\$ 42,846	\$ 1,373
Next 50,000 kWh	\$ 0.00421	\$ 0.00448	2,614,880	\$ 11,009	\$ 11,715	\$ 706	3,165,452	\$ 13,327	\$ 14,181	\$ 854	3,110,694	\$ 13,096	\$ 13,936	\$ 840
Next 400,000 kWh	\$ 0.00313	\$ 0.00376	7,005,542	\$ 21,927	\$ 26,341	\$ 4,414	9,559,340	\$ 29,921	\$ 35,943	\$ 6,022	7,673,842	\$ 24,019	\$ 28,854	\$ 4,835
Next 500,000 kWh	\$ 0.00243	\$ 0.00316	3,496,255	\$ 8,496	\$ 11,048	\$ 2,552	4,911,718	\$ 11,935	\$ 15,521	\$ 3,586	3,727,432	\$ 9,058	\$ 11,779	\$ 2,721
Next 2,000,000 kWh	\$ 0.00242	\$ 0.00315	5,574,845	\$ 13,491	\$ 17,561	\$ 4,070	6,252,716	\$ 15,132	\$ 19,696	\$ 4,564	6,060,536	\$ 14,666	\$ 19,091	\$ 4,425
Next 2,000,000 kWh	\$ 0.00241	\$ 0.00313	2,160,547	\$ 5,207	\$ 6,763	\$ 1,556	2,529,865	\$ 6,097	\$ 7,918	\$ 1,821	2,298,577	\$ 5,540	\$ 7,195	\$ 1,655
Next 5,000,000 kWh	\$ 0.00239	\$ 0.00311	79,763	\$ 191	\$ 248	\$ 57	551,585	\$ 1,318	\$ 1,715	\$ 397	628,393	\$ 1,502	\$ 1,954	\$ 452
Next 10,000,000 kWh	\$ 0.00237	\$ 0.00308	0	\$ -	\$ -	\$ -	0	\$ -	\$ -	\$ -	0	\$ -	\$ -	\$ -
Over 20,000,000 kWh	\$ 0.00228	\$ 0.00296	0	\$ -	\$ -	\$ -	0	\$ -	\$ -	\$ -	0	\$ -	\$ -	\$ -
Total			37,061,456	\$ 141,743	\$ 151,613	\$ 9,870	45,803,804	\$ 172,994	\$ 186,084	\$ 13,090	41,634,102	\$ 158,750	\$ 170,053	\$ 11,303

Strata	2010 Rates \$/kWh	Proposed Use Tax Rates \$/kWh	October				November				December			
			October 2010 Usage kWh	Actual Oct Tax (rounded)	Oct Tax at Proposed Rates (rounded)	Difference Current v Proposed	November 2010 Usage kWh	Actual Nov Tax (rounded)	Nov Tax at Proposed Rates (rounded)	Difference Current v Proposed	December 2010 Usage kWh	Actual Dec Tax (rounded)	Dec Tax at Proposed Rates (rounded)	Difference Current v Proposed
First 2,000 kWh	\$ 0.00593	\$ 0.00533	4,728,743	\$ 28,041	\$ 25,204	\$ (2,837)	4,766,510	\$ 28,265	\$ 25,405	\$ (2,860)	5,636,873	\$ 33,427	\$ 30,045	\$ (3,382)
Next 48,000 kWh	\$ 0.00423	\$ 0.00437	7,204,350	\$ 30,474	\$ 31,483	\$ 1,009	7,811,673	\$ 33,043	\$ 34,137	\$ 1,094	8,389,943	\$ 35,489	\$ 36,664	\$ 1,175
Next 50,000 kWh	\$ 0.00421	\$ 0.00448	2,324,589	\$ 9,787	\$ 10,414	\$ 627	2,670,309	\$ 11,242	\$ 11,963	\$ 721	2,771,461	\$ 11,668	\$ 12,416	\$ 748
Next 400,000 kWh	\$ 0.00313	\$ 0.00376	6,376,856	\$ 19,960	\$ 23,977	\$ 4,017	7,869,529	\$ 24,632	\$ 29,589	\$ 4,957	7,985,738	\$ 24,995	\$ 30,026	\$ 5,031
Next 500,000 kWh	\$ 0.00243	\$ 0.00316	3,441,060	\$ 8,362	\$ 10,874	\$ 2,512	4,007,787	\$ 9,739	\$ 12,665	\$ 2,926	3,204,297	\$ 7,786	\$ 10,126	\$ 2,340
Next 2,000,000 kWh	\$ 0.00242	\$ 0.00315	7,061,302	\$ 17,088	\$ 22,243	\$ 5,155	3,034,388	\$ 7,343	\$ 9,558	\$ 2,215	5,012,455	\$ 12,130	\$ 15,789	\$ 3,659
Next 2,000,000 kWh	\$ 0.00241	\$ 0.00313	2,693,675	\$ 6,492	\$ 8,431	\$ 1,939	-352,162	\$ (849)	\$ (1,102)	\$ (253)	2,308,743	\$ 5,564	\$ 7,228	\$ 1,662
Next 5,000,000 kWh	\$ 0.00239	\$ 0.00311	5,000,000	\$ 11,950	\$ 15,550	\$ 3,600	-5,000,000	\$ (11,950)	\$ (15,550)	\$ (3,600)	202,167	\$ 483	\$ 629	\$ 146
Next 10,000,000 kWh	\$ 0.00237	\$ 0.00308	6,742,706	\$ 15,980	\$ 20,768	\$ 4,788	-6,742,706	\$ (15,980)	\$ (20,768)	\$ (4,788)	0	\$ -	\$ -	\$ -
Over 20,000,000 kWh	\$ 0.00228	\$ 0.00296	0	\$ -	\$ -	\$ -	0	\$ -	\$ -	\$ -	0	\$ -	\$ -	\$ -
Total			45,573,281	\$ 148,134	\$ 168,944	\$ 20,810	18,065,328	\$ 85,485	\$ 85,897	\$ 412	35,511,675	\$ 131,542	\$ 142,921	\$ 11,379

**EXHIBIT 4**

**Municipal Taxes of Melrose Park  
2010 Data from ComEd  
Based on Information for the Year 2010**

	Sum of Total Usage												
	2010-01	2010-02	2010-03	2010-04	2010-05	2010-06	2010-07	2010-08	2010-09	2010-10	2010-11	2010-12	Total 2010
Large Comm Indust	16,571,417	14,611,433	16,375,398	15,303,646	14,994,038	15,515,482	17,384,812	20,727,542	18,746,879	14,413,997	18,457,803	17,058,214	200,160,661
Residential	4,844,783	4,159,414	3,225,313	3,162,327	2,854,706	4,364,925	6,430,119	7,758,390	6,727,996	3,199,235	3,157,210	3,979,563	53,863,981
Small Comm Indust	14,342,837	13,193,303	13,374,762	12,087,270	10,517,999	12,274,622	13,242,892	17,314,170	16,155,540	27,950,605	(3,554,672)	14,467,080	161,366,408
Small US Government	1,099	933	1,012	314	286	352	539	578	424	6,212	1,865	3,259	16,873
Street and Highway Light	3,436	3,348	3,358	3,191	3,169	3,134	3,094	3,124	3,263	3,232	3,122	3,559	39,030
<b>Grand Total</b>	<b>35,763,572</b>	<b>31,968,431</b>	<b>32,979,843</b>	<b>30,556,748</b>	<b>28,370,198</b>	<b>32,158,515</b>	<b>37,061,456</b>	<b>45,803,804</b>	<b>41,634,102</b>	<b>45,573,281</b>	<b>18,065,328</b>	<b>35,511,675</b>	<b>415,446,953</b>

	Sum of Tax Amount												
	2010-01	2010-02	2010-03	2010-04	2010-05	2010-06	2010-07	2010-08	2010-09	2010-10	2010-11	2010-12	Total 2010
Large Comm Indust	\$ 45,832.06	\$ 40,966.46	\$ 45,971.06	\$ 43,154.21	\$ 42,470.11	\$ 43,193.23	\$ 47,867.72	\$ 56,801.06	\$ 51,106.64	\$ 40,316.63	\$ 51,625.01	\$ 47,265.85	\$ 556,570.04
Residential	\$ 28,455.67	\$ 24,457.24	\$ 19,001.38	\$ 18,756.21	\$ 16,981.49	\$ 25,845.13	\$ 37,851.89	\$ 45,433.33	\$ 39,506.20	\$ 18,964.95	\$ 18,714.44	\$ 23,549.81	\$ 317,517.74
Small Comm Indust	\$ 60,512.42	\$ 56,449.01	\$ 56,580.02	\$ 51,702.03	\$ 45,463.18	\$ 51,258.78	\$ 56,002.71	\$ 70,738.36	\$ 68,117.31	\$ 88,804.55	\$ 15,117.71	\$ 60,688.87	\$ 681,434.95
Small US Government	\$ 6.52	\$ 5.53	\$ 6.00	\$ 1.86	\$ 1.70	\$ 2.09	\$ 3.20	\$ 3.43	\$ 2.51	\$ 29.30	\$ 11.06	\$ 18.45	\$ 91.65
Street and Highway Light	\$ 19.61	\$ 19.09	\$ 19.15	\$ 18.16	\$ 18.03	\$ 17.82	\$ 17.58	\$ 17.76	\$ 18.59	\$ 18.40	\$ 17.75	\$ 20.34	\$ 222.28
<b>Grand Total</b>	<b>\$ 134,826.26</b>	<b>\$ 121,897.33</b>	<b>\$ 121,577.61</b>	<b>\$ 113,632.47</b>	<b>\$ 104,934.51</b>	<b>\$ 120,317.05</b>	<b>\$ 141,743.10</b>	<b>\$ 172,993.94</b>	<b>\$ 158,751.25</b>	<b>\$ 148,133.83</b>	<b>\$ 85,485.97</b>	<b>\$ 131,543.32</b>	<b>\$ 1,555,836.66</b>

	Sum of Number of Accts												
	2010-01	2010-02	2010-03	2010-04	2010-05	2010-06	2010-07	2010-08	2010-09	2010-10	2010-11	2010-12	Total 2010
Large Comm Indust	13	14	13	14	14	13	14	15	13	11	15	13	162
Residential	7,828	7,798	7,768	7,863	7,851	7,902	7,839	8,020	7,968	7,911	7,913	7,956	94,617
Small Comm Indust	1,230	1,241	1,215	1,216	1,182	1,138	1,110	1,276	1,338	1,215	1,261	1,241	14,663
Small US Government	1	1	1	1	1	1	1	1	1	2	2	2	15
Street and Highway Light	2	2	2	2	2	2	2	2	2	2	2	2	24
<b>Grand Total</b>	<b>9,074</b>	<b>9,056</b>	<b>8,999</b>	<b>9,096</b>	<b>9,050</b>	<b>9,056</b>	<b>8,966</b>	<b>9,314</b>	<b>9,322</b>	<b>9,141</b>	<b>9,193</b>	<b>9,214</b>	<b>109,481</b>

	AVERAGE USAGE CALCULATED BY DIVIDING TOTAL USAGE BY NUMBER OF ACCOUNTS FOR CUSTOMER TYPE												
	2010-01	2010-02	2010-03	2010-04	2010-05	2010-06	2010-07	2010-08	2010-09	2010-10	2010-11	2010-12	Total 2010
Large Comm Ind Avg Usage	1274724	1043674	1259646	1093118	1071003	1193499	1241772	1381836	1442068	1310363	1230520	1312170	1235560
Residential Average Usage	619	533	415	402	364	552	820	967	844	404	399	500	569
Small Comm Avg Usage	11661	10631	11008	9940	8896	10786	11931	13569	12074	23005	-2819	11658	11005
Other Average Usage	1512	1427	1457	1168	1152	1162	1211	1234	1229	2361	1247	1705	1433

**EXHIBIT 5**

**Municipal Taxes of Melrose Park  
Statistics for ComEd Territory  
Based on Information for the Year 2010**

	<b>2010 Residential ARES</b>	<b>2010 Residential Hrly</b>	<b>2010 Residential Fixed</b>	<b>Total Residential Sales</b>
Revenue	\$ 228,359	\$ 12,433,714	\$ 3,559,174,838	\$ 3,571,836,911
% of total rev	0.0064%	0.3481%	99.6455%	100.00%
Usage in MWhs	5,726	117,448	29,048,080	29,171,254
% of total usage	0.0196%	0.4026%	99.5778%	100%
Revenue in cents per kWh	3.99¢	10.59¢	12.25¢	
	<b>2010 Small Comm. ARES</b>	<b>2010 Small Comm. Hrly</b>	<b>2010 Small Comm. Fixed</b>	<b>Total Small Comm. Sales</b>
Revenue	\$ 358,830,586	\$ 294,596,062	\$ 996,079,018	\$ 1,649,505,666
% of total rev	21.7538%	17.8597%	60.3865%	100.00%
Usage in MWhs	20,126,542	3,365,132	9,412,536	32,904,210
% of total usage	61.1671%	10.2271%	28.6059%	100%
Revenue in cents per kWh	1.78¢	8.75¢	10.58¢	
	<b>2010 Large Industrial ARES</b>	<b>2010 Large Industrial Hrly</b>	<b>2010 Large Industrial Fixed</b>	<b>Total Large Industrial Sales</b>
Revenue	\$ 320,848,318	\$ 78,978,095	\$ (425,423)	\$ 399,400,990
% of total rev	80.3324%	19.7741%	-0.1065%	100.00%
Usage in MWhs	26,558,659	1,147,204	10,489	27,716,352
% of total usage	95.8231%	4.1391%	0.0378%	100%
Revenue in cents per kWh	1.21¢	6.88¢	-4.06¢	
	<b>2010 Pub.St. Ltg. ARES</b>	<b>2010 Pub.St. Ltg. Hrly</b>	<b>2010 Pub.St. Ltg. Fixed</b>	<b>Total Pub. Street Ltg. Sales</b>
Revenue	-	\$ 31,195,266	\$ 15,717,245	\$ 46,912,511
% of total rev	-	66.4967%	33.5033%	100.00%
Usage in MWhs	-	342,573	165,724	508,297
% of total usage	-	67.3962%	32.6038%	100%
Revenue in cents per kWh	-	9.11¢	9.48¢	
	<b>2010 Other Sales to Pub. Auth. ARES</b>	<b>2010 Other Sales to Pub. Auth. Hrly</b>	<b>2010 Other Sales to Pub. Auth. Fixed</b>	<b>Total Other Sales to Pub. Auth.</b>
Revenue	-	-	\$ 51,598	\$ 51,598
% of total rev	-	-	100%	100%
Usage in MWhs	-	-	640	640
% of total usage	-	-	100%	100%
Revenue in cents per kWh	-	-	8.06¢	

**NOTE:** Revenue, Usage in MWhs, and Revenue in cents per kWh, taken from 2010 revenue statistics by class of service for ComEd's territory, as published by the Public Utilities Bureau of the Illinois Commerce Commission (ICC) on July 15, 2011. AmAudit calculated the percentages of revenue and usage from those statistics.

**EXHIBIT 6**

**Municipal Taxes of Melrose Park  
Estimated Pretax Revenue for Melrose Park  
Based on Information for the Year 2010**

Customer Class Type of Service	% USAGE ComEd (calc. from ICC Statistics)	Usage in kWhs for Melrose Park (actual ComEd Data)	Est. Usage by Cust. Class in kWhs for Melrose Park [col 1 x Total for Cust. Class in 2]	ComEd REV ¢ kWh (ICC Statistics)	Est. Energy Cost RES Accounts	Est. Revenue [col 3 x (4+5)]
	[1]	[2]	[3]	[4]	[5]	
		<b>2010 Residential</b>	<b>2010 Residential</b>			
RES	0.0196%	na	10,572.91	3.99¢	5.5¢	\$ 1,003.37
HRLY	0.4026%	na	216,864.75	10.59¢		\$ 22,965.98
FIXED	99.5778%	na	53,636,543.33	12.25¢		\$ 6,570,476.56
<b>Total</b>	<b>100.000%</b>	<b>53,863,981</b>	<b>53,863,981</b>			<b>\$ 6,594,445.91</b>
		<b>2010 Sm. Commercial</b>	<b>2010 Sm. Commercial</b>			
RES	61.1671%	na	98,703,107.84	1.78¢	5.5¢	\$ 7,185,586.25
HRLY	10.2271%	na	16,503,032.99	8.75¢		\$ 1,444,015.39
FIXED	28.6059%	na	46,160,267.17	10.58¢		\$ 4,883,756.27
<b>Total</b>	<b>100.000%</b>	<b>161,366,408</b>	<b>161,366,408</b>			<b>\$ 13,513,357.90</b>
		<b>2010 Large Industrial</b>	<b>2010 Large Industrial</b>			
RES	95.8231%	na	191,800,087.57	1.21¢	5.5¢	\$ 12,869,785.88
HRLY	4.1391%	na	8,284,824.46	6.88¢		\$ 569,995.92
FIXED	0.0378%	na	75,748.97	-4.06¢		\$ (3,075.41)
<b>Total</b>	<b>100.000%</b>	<b>200,160,661</b>	<b>200,160,661</b>			<b>\$ 13,436,706.39</b>
		<b>2010 Street &amp; Hwy. Lt.</b>	<b>2010 Street &amp; Hwy. Lt.</b>			
RES		na				\$ -
HRLY	67.3962%	na	26,304.75	9.11¢		\$ 2,396.36
FIXED	32.6038%	na	12,725.25	9.48¢		\$ 1,206.35
<b>Total</b>	<b>100.000%</b>	<b>39,030</b>	<b>39,030</b>			<b>\$ 3,602.72</b>
		<b>2010 Small US Govt.</b>	<b>2010 Small US Govt.</b>			
RES		na				\$ -
HRLY		na				\$ -
FIXED	100%	na	16,873	8.06¢		\$ 1,359.96
<b>Total</b>	<b>100%</b>	<b>16,873</b>	<b>16,873</b>			<b>\$ 1,359.96</b>
<b>Total Usage 2010</b>		<b>415,446,953</b>	<b>415,446,953</b>	<b>Total Est. Rev.</b>		<b>\$ 33,549,472.88</b>
				5% of Total Est. Rev.		\$ 1,677,473.64
				Actual 2010 MUT Rec.		\$ 1,555,837.00
				Difference		\$ 121,636.64
						<b>4.6% of Total Est. Rev.</b>

**EXHIBIT 7**

**Municipal Taxes of Melrose Park  
Examples of Other Municipalities' Tax Changes  
Based on Rider Tax Revisions from ComEd Ratebook**

**Spring Grove revised 5/1/10**

old rates	current rates	non proportional	incr or decr	% of old rate
0.576	0.628	91.58%	0.053	9.22%
0.480	0.412	116.50%	-0.068	-14.17%
0.335	0.371	90.30%	0.036	10.75%
0.334	0.361	92.52%	0.027	8.08%
0.330	0.350	94.29%	0.020	6.06%
0.230	0.330	69.70%	0.100	43.48%
0.206	0.324	63.58%	0.118	57.28%
0.185	0.318	57.99%	0.134	72.43%
0.165	0.314	52.55%	0.149	90.30%
0.144	0.309	46.60%	0.165	114.56%

**South Elgin revised 7/1/11**

old rates	current rates	proportional	incr or decr	% of old rate
0.108	0.324	33.33%	0.216	200.00%
0.071	0.213	33.33%	0.142	200.00%
0.064	0.192	33.33%	0.128	200.00%
0.062	0.185	33.51%	0.123	198.39%
0.060	0.179	33.62%	0.119	198.33%
0.057	0.170	33.53%	0.113	198.25%
0.056	0.167	33.53%	0.111	198.21%
0.055	0.164	33.64%	0.109	198.18%
0.054	0.161	33.54%	0.107	198.15%
0.053	0.158	33.54%	0.105	198.11%

**Plainfield revised 5/1/10**

old rates	current rates	non proportional	incr or decr	% of old rate
0.457	0.628	72.77%	0.171	37.42%
0.303	0.412	73.54%	0.109	35.97%
0.286	0.371	79.78%	0.075	25.34%
0.289	0.361	80.08%	0.072	24.91%
0.278	0.350	79.43%	0.072	25.90%
0.258	0.330	78.18%	0.072	27.91%
0.216	0.324	66.67%	0.108	50.00%
0.175	0.318	54.86%	0.144	82.29%
0.129	0.314	41.08%	0.185	143.41%
0.082	0.309	26.54%	0.227	276.83%

**Evanston revised 7/1/11**

old rates	current rates	non proportional	incr or decr	% of old rate
0.588	0.610	96.56%	0.021	3.57%
0.374	0.400	93.50%	0.026	6.95%
0.330	0.360	91.67%	0.030	9.09%
0.327	0.350	93.43%	0.023	7.03%
0.288	0.340	84.71%	0.052	18.06%
0.287	0.320	89.69%	0.033	11.50%
0.196	0.316	62.22%	0.119	60.71%
0.138	0.310	44.52%	0.172	124.64%
0.084	0.305	27.54%	0.221	263.10%
0.082	0.300	27.33%	0.218	265.85%

**River Forest revised 6/1/10**

old rates	current rates	non proportional	incr or decr	% of old rate
0.563	0.628	89.65%	0.065	11.55%
0.376	0.412	91.26%	0.036	9.57%
0.371	0.371	100.00%	0.000	0.00%
0.309	0.381	85.60%	0.052	16.83%
0.289	0.350	85.43%	0.051	17.06%
0.297	0.330	90.00%	0.033	11.11%
0.291	0.324	89.81%	0.033	11.34%
0.287	0.318	89.97%	0.032	11.15%
0.282	0.314	89.81%	0.032	11.35%
0.278	0.309	88.97%	0.031	11.15%

**Crest Hill revised 10/3/11**

old rates	current rates	proportional	incr or decr	% of old rate
0.235	0.411	57.18%	0.176	74.89%
0.156	0.271	57.20%	0.116	74.84%
0.138	0.242	57.02%	0.104	75.38%
0.136	0.238	57.14%	0.102	75.00%
0.132	0.231	57.14%	0.099	75.00%
0.124	0.216	57.41%	0.092	74.19%
0.122	0.213	57.28%	0.091	74.59%
0.119	0.208	56.84%	0.090	75.63%
0.117	0.206	56.80%	0.089	76.07%
0.115	0.202	56.93%	0.087	75.65%

**Dekalb revised 7/1/10**

old rates	current rates	non proportional	incr or decr	% of old rate
0.562	0.628	89.49%	0.066	11.74%
0.385	0.412	93.45%	0.027	7.01%
0.350	0.371	94.34%	0.021	6.00%
0.341	0.381	94.46%	0.020	5.87%
0.340	0.350	97.14%	0.010	2.94%
0.319	0.330	96.87%	0.011	3.45%
0.316	0.324	97.53%	0.008	2.53%
0.288	0.318	93.42%	0.021	7.05%
0.206	0.314	65.61%	0.108	52.43%
0.103	0.309	33.33%	0.206	200.00%

**Joliet revised 11/1/11**

old rates	current rates	non proportional	incr or decr	% of old rate
0.239	0.358	66.78%	0.119	49.79%
0.158	0.237	66.87%	0.079	50.00%
0.128	0.192	66.87%	0.064	50.00%
0.127	0.191	66.40%	0.064	50.39%
0.126	0.188	67.02%	0.062	49.21%
0.102	0.153	66.87%	0.051	50.00%
0.040	0.061	65.57%	0.021	52.50%
0.033	0.049	67.35%	0.016	48.48%
0.031	0.046	67.39%	0.015	48.39%
0.026	0.039	66.87%	0.013	50.00%

**Arlington Heights revised 2/1/11**

old rates	current rates	proportional	incr or decr	% of old rate
0.377	0.628	60.03%	0.251	66.58%
0.247	0.412	59.95%	0.165	68.80%
0.222	0.371	59.84%	0.148	67.12%
0.216	0.381	59.83%	0.145	67.13%
0.210	0.350	60.00%	0.140	66.67%
0.198	0.330	60.00%	0.132	66.67%
0.195	0.324	60.19%	0.129	66.15%
0.192	0.318	60.19%	0.127	66.15%
0.188	0.314	59.87%	0.126	67.02%
0.185	0.309	59.87%	0.124	67.03%

**Dolton revised 3/1/12**

old rates	current rates	proportional	incr or decr	% of old rate
0.340	0.628	54.14%	0.288	84.71%
0.222	0.412	63.88%	0.190	85.59%
0.201	0.371	54.18%	0.170	84.58%
0.195	0.361	54.02%	0.166	85.13%
0.190	0.350	54.29%	0.160	84.21%
0.178	0.330	53.94%	0.152	85.39%
0.175	0.324	54.01%	0.149	85.14%
0.173	0.318	54.23%	0.146	84.39%
0.170	0.314	54.14%	0.144	84.71%
0.167	0.309	54.05%	0.142	85.03%

**Wauconda revised (lower) 5/1/11**

old rates	current rates	non proportional	incr or decr	% of old rate
0.589	0.295	98.66%	-0.294	-49.92%
0.386	0.194	98.97%	-0.192	-49.74%
0.348	0.174	100.00%	-0.174	-50.00%
0.338	0.169	100.00%	-0.169	-50.00%
0.329	0.165	99.39%	-0.164	-49.85%
0.309	0.155	99.36%	-0.154	-49.84%
0.304	0.152	100.00%	-0.152	-50.00%
0.300	0.150	100.00%	-0.150	-50.00%
0.295	0.147	100.68%	-0.148	-50.17%
0.289	0.145	99.31%	-0.144	-49.83%

**Maywood revised 4/1/12**

old rates	current rates	proportional	incr or decr	% of old rate
0.576	0.628	92.04%	0.050	8.65%
0.379	0.412	91.99%	0.033	8.71%
0.341	0.371	91.91%	0.030	8.80%
0.332	0.361	91.97%	0.029	8.73%
0.322	0.350	92.00%	0.028	8.70%
0.303	0.330	91.82%	0.027	8.91%
0.299	0.324	92.28%	0.025	8.36%
0.294	0.319	92.16%	0.025	8.50%
0.289	0.314	92.04%	0.025	8.65%
0.284	0.309	91.91%	0.025	8.80%

**Manhattan revised 5/1/11**

old rates	current rates	proportional	incr or decr	% of old rate
0.126	0.628	20.06%	0.502	398.41%
0.082	0.412	19.90%	0.330	402.44%
0.074	0.371	19.95%	0.297	401.35%
0.072	0.361	19.94%	0.289	401.39%
0.070	0.350	20.00%	0.280	400.00%
0.068	0.330	20.00%	0.264	400.00%
0.065	0.324	20.06%	0.259	398.48%
0.064	0.318	20.06%	0.255	398.44%
0.063	0.314	20.06%	0.251	398.41%
0.062	0.309	20.06%	0.247	398.39%

**Streator revised 6/1/12**

old rates	current rates	proportional	incr or decr	% of old rate
0.230	0.628	36.62%	0.398	173.04%
0.150	0.412	36.41%	0.262	174.67%
0.136	0.371	36.66%	0.235	172.79%
0.132	0.361	36.57%	0.229	173.48%
0.128	0.350	36.57%	0.222	173.44%
0.121	0.330	36.67%	0.209	172.73%
0.118	0.324	36.42%	0.206	174.58%
0.116	0.319	36.36%	0.203	175.00%
0.115	0.314	36.52%	0.199	173.04%
0.113	0.309	36.57%	0.196	173.45%

**EXHIBIT 8 - EXCEL CALCULATOR**

**Melrose Park 2010 Data & Statistics**

	Current			Proposed Use Tax Rates \$/kWh	Difference 2010 Actual vs Proposed			2010 Total Est. Revenue	5% of 2010 Total Est. Rev.	MUT Adj as % of Tax Rev 2010
	2010 Usage	Rates \$/kWh	2010 MUT Rev.		Est. Use Tax Rev.	% of Difference				
K01 first 2000 kWh	72,227,083	\$ 0.00593	\$ 428,306.60	\$ 0.00533	\$ 384,970.35	\$ (43,336.25)	-10.12%	na	na	na
K02 next 48,000 kWh	97,757,042	\$ 0.00423	\$ 413,512.29	\$ 0.00437	\$ 427,198.27	\$ 13,685.99	3.31%	na	na	na
K03 next 50,000 kWh	31,825,715	\$ 0.00421	\$ 133,986.26	\$ 0.00443	\$ 142,579.20	\$ 8,592.94	6.41%	na	na	na
K04 next 400,000 kWh	88,510,983	\$ 0.00313	\$ 277,039.38	\$ 0.00376	\$ 332,801.30	\$ 55,761.92	20.13%	na	na	na
K05 next 500,000 kWh	41,989,443	\$ 0.00243	\$ 102,034.35	\$ 0.00316	\$ 132,686.64	\$ 30,652.29	30.04%	na	na	na
K06 next 2,000,000 kWh	62,587,843	\$ 0.00242	\$ 151,462.58	\$ 0.00315	\$ 197,151.71	\$ 45,689.13	30.17%	na	na	na
K07 next 2,000,000 kWh	19,086,936	\$ 0.00241	\$ 45,999.52	\$ 0.00313	\$ 59,742.11	\$ 13,742.59	29.88%	na	na	na
K08 next 5,000,000 kWh	1,461,908	\$ 0.00239	\$ 3,493.96	\$ 0.00311	\$ 4,546.53	\$ 1,052.57	30.13%	na	na	na
K09 next 10,000,000 kWh	0	\$ 0.00237	\$ -	\$ 0.00308	\$ -	\$ -	30.13%	na	na	na
K10 over 20,000,000 kWh	0	\$ 0.00228	\$ -	\$ 0.00295	\$ -	\$ -	29.82%	na	na	na
<b>Total</b>	<b>415,446,953</b>		<b>\$ 1,555,834.93</b>		<b>\$ 1,681,676.11</b>	<b>\$ 125,841.18</b>		<b>\$ 33,549,472.88</b>	<b>\$1,677,473.64</b>	
Percent of Total Est. Rev.			4.6%		5.0%					
MUT monthly Adjustment			<u>2010 Adjustment</u> \$ (83,725.97)		\$ (90,474.17)	\$ (6,748.20)		<u>\$ 31,744,035.74</u>		-5.38%
Net to Melrose Pk.			<u>\$ 1,472,109.01</u>		<u>\$ 1,591,201.99</u>	\$ 119,092.98				
Percent of Adj. Total Est. Rev.			4.6%		5.0%					

**INDEX - Exhibits Requested by the Illinois Commerce Commission  
Based on 2010 Information**

- EXHIBIT 1 – Current Excise Tax Rates v Proposed Use Tax Rates
- EXHIBIT 2 – Melrose Park Proposed Rates as Percentage of Current Rates
- EXHIBIT 3 – Municipal Utility Tax Returns Data
- EXHIBIT 3a - Monthly Comparison Current Rates v Proposed Rates
- EXHIBIT 4 – 2010 Data Supplied from ComEd: Usage, Tax Amount, Number of Accounts
- EXHIBIT 5 – Statistics for ComEd Territory
- EXHIBIT 6 – Estimated Pretax Revenue for Melrose Park
- EXHIBIT 7 – Example of Recent Tax Changes in Other Municipalities
- EXHIBIT 8 – Calculator

**NOTES**

The attached Exhibits have been compiled in response to the Commission's request for documents under Section 418.120 of the Administrative Code. The submissions calculated by ComEd in 1997 on behalf of the Village of Melrose Park (the Village) for the original promulgation of rates under the alternative method, contain certain data that is not available for 2010 at this time from the Utility and source, ComEd.

Section 418.120 of the Administrative Code calls for "a bill frequency calculated on the basis of the classes of purchasers reflected in the requested rates [by strata]." ComEd supplied Usage, Tax Amount, and Number of Account data by customer class for the year 2010 contained in Exhibit 4. AmAudit calculated the average usage by customer class in Exhibit 4 from the ComEd data. ComEd was not able to provide information on number and type of accounts by stratum for 2010. This data is not readily available on ComEd's computer system, and would not be available by the filing deadline set by the Commission. Exhibit 3 contains data taken directly from the Village's Municipal Utility Tax Returns dated 2010. Exhibit 3a contains, by stratum, a monthly comparison of taxes using the current rate vs. what the taxes would have been for the same monthly periods using the proposed rates. Since the typical residential monthly average usage is below 2,000 kWh, it is a reasonable assumption that the bulk of residential customers would be taxed in the first stratum, and therefore would receive a tax cut with the proposed new rates. Please see the response to Comment 2 below.

Section 418.120 of the Administrative Code requires calculations be made "as if the tax were based on a uniform percentage of the purchase price of electricity." Although effective December 31, 2008, 65 ILCS 5/8-11-2 abolishes the requirement that tax strata be set to achieve the same revenue as was generated under the gross receipts tax (maximum 5%) in effect prior to passage of 65 ILCS 5/8-11-2, AmAudit used 5% as a guide in calculating the proposed new rates. The total estimated pretax revenue was calculated using statistics published by the Illinois Commerce Commission, usage and revenue data provided by ComEd, and reasonable assumptions regarding energy prices. Please see Comment 1 and Response to Comment 1 below, as well as EXHIBITS 5 and 6 for details.

**Comment 1:** Section 418.120 of the Administrative Code requires "exhibits establishing that the requested rates reflect, as closely as reasonably practical for the municipality, the distribution of the tax among classes of purchasers as if the tax were based on a uniform percentage of the purchase price of electricity."

In 1997, before deregulation, the utility (ComEd) was the sole provider of electricity within the incorporated boundaries of the Village. As sole provider, ComEd was able to calculate gross pretax revenue. Due to deregulation, ComEd is not able to supply gross pretax revenue amounts because ComEd does not have knowledge of or access to the revenue collected by Alternative Retail Electric Suppliers (ARES).

**Response to Comment 1:** AmAudit used statistics published by the ICC, data provided by ComEd, and reasonable assumptions regarding energy prices to estimate total pretax revenue. The following steps explain the methodology used to estimate pretax revenue:

1. To arrive at our derivation of values we used the 2010 ICC statistics for revenue, usage, and revenue per kWh for each customer class in the ComEd territory. (Source: ILLINOIS COMMERCE COMMISSION Illinois Electric Utilities Comparison of Electric Sales Statistics For Calendar Years 2010 and 2009, dated July 15, 2011)
2. Using the above numbers, we calculated the percentage of total revenue and percentage of total usage for each customer class in the ComEd territory. See EXHIBIT 5.
3. We then applied the percentage of total usage to the 2010 totals for each customer class provided by ComEd. (ComEd provides total usage by revenue class, but they do not provide a customer class break down by stratum.) See EXHIBIT 6.
4. The next step was to multiply estimated usage for each category by the corresponding revenue per kWh as published in the Illinois Commerce Commission document. See EXHIBIT 6.
5. We incorporated into our revenue calculation an estimated energy cost of \$0.055 kWh to third party revenue. See EXHIBIT 6.

**Comment 2:** ComEd was able to supply the number of accounts by revenue class, i.e. large commercial industrial, small commercial, residential, etc. However ComEd was not able to provide information on number of accounts by strata for 2010. This data is not readily available on ComEd's computer system, and would not be available by the filing deadline set by the Commission.

**Response to Comment 2:** Residential customers are primarily taxed by the rates in the first stratum of 2,000 kWh or less. The proposed rates for that stratum are 10.12% lower than the current rates. Therefore residential customers will receive a tax cut under the new rates. EXHIBIT 1 and EXHIBIT 2 show the percentage difference of rates by stratum. In addition, EXHIBIT 7 contains examples of recent tax changes by other municipalities for comparison. (Source: ComEd Ratebook)

STATE OF ILLINOIS

ILLINOIS COMMERCE COMMISSION

Village of Melrose Park, Cook County :  
: 12-0466  
Request for Promulgation of :  
Municipal Electric Use Tax Rates :  
Under Section 8-11-2 of the Illinois :  
Municipal Code. :

**AFFIDAVIT**

I, Greg Karr, state the following:

1. I am currently over the age of eighteen (18) and was for all relevant times mentioned in this Affidavit and in all ways competent to make this Affidavit.
2. I have personal knowledge of the facts set forth herein, and if called to testify, I would testify that the averments made herein are correct and truthful.
3. I am the President of AmAudit, an American Association of Utility Auditors company, acting as a consultant for the Village of Melrose Park, County of Cook, State of Illinois.
4. Except as otherwise noted in this submission, the data contained herein was derived from records the municipality, or its authorized designee, received from the electric utility providing service within its corporate limits.

FURTHER the Affiant sayeth not.

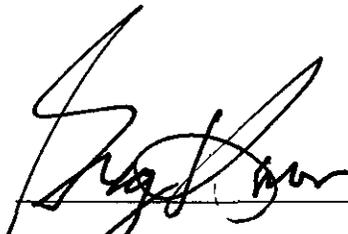


\_\_\_\_\_  
Greg Karr  
President of AmAudit, an American  
Association of Utility Auditors company

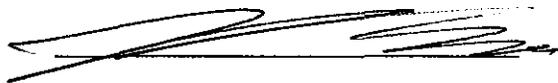
9/4/12  
\_\_\_\_\_  
Date

**VERIFICATION**

I, Greg Karr, being first duly sworn upon oath depose and say that I am President of AmAudit, an American Association of Utility Auditors company, acting as a consultant for the Village of Melrose Park, County of Cook, State of Illinois; that I have read the above affidavit by me subscribed and know the contents thereof; that the contents of the affidavit are true in substance and in fact, except as to those matters stated upon information and belief, and as to those, I believe the same to be true.

  
\_\_\_\_\_  
Greg Karr

Subscribed and sworn to me before  
this 4 day of September 2012.



Notary Public

