

DIRECT TESTIMONY

of

BURMA C. JONES  
Accountant

Accounting Department  
Financial Analysis Division  
Illinois Commerce Commission

Commonwealth Edison Company

Annual formula rate update and revenue requirement  
reconciliation authorized by Section 16-108.5  
of the Public Utilities Act

Docket No. 12-0321

July 17, 2012

**OFFICIAL FILE**

I.C.C. DOCKET NO. 12-0321  
Staff Exhibit No. 1.0  
Witness JONES  
Date 9/25/12 Reporter \_\_\_\_\_

**TABLE OF CONTENTS**

<b>Witness Identification</b> .....	1
<b>Schedule Identification</b> .....	2
<b>Revenue Requirement Schedules</b> .....	5
<b>Reconciliation Computation</b> .....	8
<b>Return on Equity (ROE) Collar Computation</b> .....	8
<b>Cash Working Capital Adjustment</b> .....	9
<b>Conclusion</b> .....	10

1     **Witness Identification**

2     **Q.     Please state your name and business address.**

3     A.     My name is Burma C. Jones. My business address is 527 East Capitol  
4            Avenue, Springfield, Illinois 62701.

5

6     **Q.     By whom are you employed and in what capacity?**

7     A.     I am currently employed as an Accountant in the Accounting Department  
8            of the Financial Analysis Division of the Illinois Commerce Commission  
9            ("Commission").

10

11    **Q.     Please describe your professional background and affiliations.**

12    A.     I am a licensed Certified Public Accountant with a Bachelor of Arts in  
13            Accountancy from Sangamon State University, which is now known as the  
14            University of Illinois at Springfield. I joined the Staff of the Illinois  
15            Commerce Commission ("Staff") in October 1999. My prior accounting  
16            experience includes five years as the Assistant Controller for a mid-size  
17            retail business and two and one-half years on the accounting staff of the  
18            Illinois Office of the Comptroller.

19

20    **Q.     Have you previously testified before any regulatory bodies?**

21    A.     Yes, I have testified on several occasions before the Illinois Commerce  
22            Commission.

23 **Q. What is the purpose of your testimony in this proceeding?**

24 A. I have reviewed and analyzed Commonwealth Edison Company's  
25 ("ComEd" or "Company") filing and the underlying data. The purpose of  
26 my testimony is to present Staff's proposed revenue requirement as the  
27 basis for delivery service rates to be charged in 2013.

28 **Schedule Identification**

29 **Q. Are you sponsoring any schedules as part of ICC Staff Exhibit 1.0?**

30 A. Yes. I am sponsoring the following schedules:

31	Schedule 1.01	Statement of Operating Income with Adjustments
32	Schedule 1.02	Adjustments to Operating Income
33	Schedule 1.03	Rate Base
34	Schedule 1.04	Adjustments to Rate Base
35	Schedule 1.05	Revenue Effect of Adjustments
36	Schedule 1.06	Interest Synchronization Adjustment
37	Schedule 1.07	Gross Revenue Conversion Factor
38	Schedule 1.08	Reconciliation Computation (Filing Year Only)
39	Schedule 1.09	Return on Equity Collar Computation (Filing Year
40		Only)
41	Schedule 1.10	Cash Working Capital Adjustment

42  
43 **Q. Do you have any general comments regarding your presentation of**  
44 **the Staff proposed revenue requirement?**

45 A. Yes, I have two overall comments.

46 1) Staff's revenue requirement schedules start with the updated  
47 information ComEd provided in its filing on June 13, 2012. The Company  
48 filed updated Tariff Schedules, Revised Revenue Requirement Schedules,  
49 Workpapers, Part 285 Revenue Requirement Schedules and Workpapers,  
50 and various other documents that reflect the Commission's decisions  
51 presented in the Order entered on May 29, 2012.

52

53 2) The Staff proposed revenue requirement for the filing year ("FY")  
54 ending December 31, 2012 includes: a) a reconciliation amount for the  
55 2011 actual revenue requirement compared to the revenue requirement  
56 that was reflected in delivery service charges applied during 2011; and b)  
57 an amount from the Return on Equity collar calculation.

58

59 **Q. You are presenting two Staff revenue requirements. Please explain**  
60 **the differences between the two proposed revenue requirements.**

61 A. The Statement of Operating Income with Adjustments for the filing year  
62 ending December 31, 2012, Schedule 1.01, presents the revenue  
63 requirement that is the basis for delivery service charges beginning in  
64 January 2013. The schedule has an additional column (i) entitled "Staff  
65 Proposed Net Revenue Requirement." The column is necessary to show  
66 the inputs for the amount representing the Reconciliation Adjustment from

67 Schedule 1.08 and the amount representing the Return on Equity Collar  
68 Adjustment from Schedule 1.09.

69 The letters that follow the schedule numbers indicate to which revenue  
70 requirement the respective schedule pertains. The letters FY indicate the  
71 filing year revenue requirement on which delivery service rates effective  
72 January 2013 will be based. The letters RY indicate the reconciliation  
73 year revenue requirement, which is the actual revenue requirement for  
74 2011.

75

76 **Q. Explain why the Staff proposed revenue requirements are based on**  
77 **the traditional Commission revenue requirement schedules, rather**  
78 **than the formula template approved in the Company's tariffs.**

79 A. The formula rate schedules approved by the Commission in Docket No.  
80 11-0721 do not include any provision for adjustments to the inputs by  
81 Staff, intervenors, or the Commission's Final Order approving the revenue  
82 requirement on which rates will be set. While the Company has employed  
83 the formula rate to develop its proposed revenue requirement, the  
84 Company also generated its proposed revenue requirement using revenue  
85 requirement schedules that are typical of schedules utilized by the  
86 Commission in determining the revenue requirement in prior ComEd  
87 cases. The same revenue requirement was generated using the  
88 schedules under the formula rate method as the traditional schedules.

89 Therefore, Staff is basing its recommended revenue requirement for the  
90 formula rates on the traditional revenue requirement schedules, which do  
91 provide for adjustments to the inputs.

92

93 **Revenue Requirement Schedules**

94 **Q. Please describe Schedule 1.01, Statement of Operating Income with**  
95 **Adjustments.**

96 A. Schedule 1.01 derives the required revenue at the Staff proposed Rate of  
97 Return with Staff's proposed adjustments. Column (b) presents the  
98 Company's jurisdictional operating statement for 2011 as reflected on its  
99 Schedule C-1. Column (c) reflects the total of all Staff Adjustments shown  
100 on Schedule 1.02. Column (d) reflects the pro forma operating statement  
101 at present rates per Staff. Column (e) presents the Company's Effect of  
102 Proposed Rates. Column (f) adjusts revenue to reflect Staff's Gross  
103 Revenue Conversion Factor. Column (g) is Staff's jurisdictional operating  
104 statement inclusive of the Company's proposed rates. Column (h) is the  
105 necessary change to the Company's proposed revenues, adjusted for  
106 Staff's Gross Revenue Conversion Factor, to arrive at Staff's computed  
107 Revenue Requirement reflected in column (i). Line 26 is the difference  
108 between Company revenues and revenues as determined by Staff. Line  
109 27 is Staff's calculated percentage change in revenues. Net Operating

110 Income in column (i), line 23, is the product of Rate Base, line 24, and  
111 Rate of Return, line 25.

112 Column (j), which is applicable only to the revenue requirement for the  
113 filing year ending December 31, 2012, reflects the addition of the  
114 Reconciliation Adjustment and the Return on Equity Collar Adjustment to  
115 Staff's proposed pro forma Revenue Requirement reflected in column (i)  
116 to produce Staff's proposed Net Revenue Requirement on which the  
117 delivery service charges for 2013 are based.

118

119 **Q. Please describe Schedule 1.02, Adjustments to Operating Income.**

120 A. Schedule 1.02 identifies Staff's adjustments to Operating Income. The  
121 source of each adjustment is shown in the heading of each column.  
122 Column (i) is carried forward to Schedule 1.01, column (c).

123

124 **Q. Please describe Schedule 1.03, Rate Base.**

125 A. Schedule 1.03 compiles Staff's Rate Base. Column (b) reflects the  
126 Company's proposed Rate Base. Column (c) summarizes Staff's  
127 adjustments to Rate Base. Column (d) is the net of Columns (b) and (c),  
128 and reflects Staff's proposed Rate Base.

129

130 **Q. Please describe Schedule 1.04, Adjustments to Rate Base.**

131 A. Schedule 1.04 identifies Staff's adjustments to Rate Base. The source of

132 each adjustment is shown in the heading of each column. Column (i) is  
133 carried forward to Schedule 1.03, Column (c).

134

135 **Q. Please describe Schedule 1.05, Revenue Effect of Adjustments.**

136 A. Schedule 1.05 identifies the approximate effect of each Staff adjustment  
137 on the Company's revenue requirement. Schedule 1.05 is not the  
138 development of Staff's revenue requirement. Rather, it is an analysis that  
139 is intended to assist the Commission in identifying the relative monetary  
140 significance of each Staff adjustment.

141

142 **Q. Please describe Schedule 1.06, Interest Synchronization Adjustment.**

143 A. Schedule 1.06 computes the interest component of the Revenue  
144 Requirement. The interest expense (component) is computed by  
145 multiplying Staff's proposed Rate Base by Staff's proposed Weighted Cost  
146 of Debt. The calculated Interest Expense is then compared against the  
147 Interest Expense used by the Company in its computation of Income Tax  
148 Expense. The tax effect of the difference in Interest Expense is the  
149 adjustment for Interest Synchronization. The effect of this adjustment is to  
150 ensure that the Revenue Requirement reflects the tax savings generated  
151 by the interest component of the revenue requirement.

152

153 **Q. Please describe Schedule 1.07, Gross Revenue Conversion Factor.**

154 A. Schedule 1.07 presents Staff's proposed Gross Revenue Conversion  
155 Factor ("GRCF"). It is based upon the applicable federal tax rate, state  
156 income tax rate, and uncollectible rate. The GRCF is multiplied by the  
157 operating income deficiency to determine the total amount of revenue  
158 required for the income deficiency and the associated increase in income  
159 tax expense and uncollectible expense. The GRCF is used in the  
160 calculation of the Revenue Requirement in Columns (f) through (h) of  
161 each Schedule 1.01.

162

163 **Reconciliation Computation**

164 **Q. Please describe Schedule 1.08, Reconciliation Computation.**

165 A. Schedule 1.08 computes the variance between the actual revenue  
166 requirement for 2011 and the revenue requirement that was reflected in  
167 delivery service charges applied during 2011.<sup>1</sup> Interest for the period  
168 January 2011 through December 2013 is added to the variance, and the  
169 total amount is incorporated into the revenue requirement on which  
170 delivery service charges in effect in 2013 are based.

171

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

173 **Q. Please describe Schedule 1.09, Return on Equity Collar Computation.**

---

<sup>1</sup> For reconciliation purposes, the Company calculated a weighted average of the two revenue requirements on which rates were based in 2011.

174 A. Schedule 1.09 computes the adjustment when the Company's earned  
175 return on common equity falls outside of the parameters of the earnings  
176 collar established by the Energy Infrastructure Modernization Act. The  
177 calculation utilizes the actual delivery service revenues, operating  
178 expenses, rate base, and capital structure for 2011, inclusive of  
179 ratemaking adjustments and Commission disallowances. The result is  
180 incorporated into the revenue requirement on which delivery service  
181 charges in effect in 2013 are based.

182

183 **Cash Working Capital Adjustment**

184 **Q. Please describe Schedule 1.10, Cash Working Capital Adjustment.**

185 A. Schedule 1.10 presents the adjustment to Cash Working Capital ("CWC")  
186 to reflect Staff's proposed level of operating expenses. The final balance  
187 of CWC should be calculated using the revenue requirement approved by  
188 the Commission in this proceeding.

189

190 **Q. Please define the term "cash working capital."**

191 A. CWC is the amount of funds required from investors to finance the day-to-  
192 day operations of a company. In other words, CWC reflects the amount of  
193 cash a company needs to keep on hand to meet its cash operating  
194 expenses after taking into account its cash revenues. A company's CWC

195 requirement may be positive or negative, depending on whether it receives  
196 revenues, on average, slower or faster than it pays expenses.

197

198 **Conclusion**

199 **Q. Does this question end your prepared direct testimony?**

200 **A. Yes.**



Commonwealth Edison Company  
 Statement of Operating Income with Adjustments  
 For the Filing Year Ending December 31, 2012  
 (In Thousands)

Line No.	Description	Interest Synchronization (Sch. 1.06)	Charitable Contributions (Sch. 3.01)	Lobbying Costs (Sch. 3.02)	Merger Costs (Sch. 3.03)	Rate Case Expense (Sch. 3.04)	(Sch. )	(Sch. )	Total Operating Statement Adjustments
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)
1	Operating Revenues	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2	Other Revenues	-	-	-	-	-	-	-	-
3	Reconciliation Adjustment	-	-	-	-	-	-	-	-
4	Return on Equity Collar Adjustment	-	-	-	-	-	-	-	-
5	Total Operating Revenue	-	-	-	-	-	-	-	-
6	Uncollectibles Expense	-	-	-	-	-	-	-	-
7	Distribution	-	-	-	(93)	-	-	-	(93)
8	Customer Accounts	-	-	-	(47)	-	-	-	(47)
9	Customer Services and Informational Services	-	-	-	(2)	-	-	-	(2)
10	Sales	-	-	-	-	-	-	-	-
11	Administrative and General	-	(742)	(799)	(7,087)	(344)	-	-	(8,972)
12	Depreciation and Amortization	-	-	-	-	-	-	-	-
13	Taxes Other Than Income	-	-	-	-	-	-	-	-
14	Regulatory Asset Amortization	-	-	-	-	-	-	-	-
15	Pension Asset Funding Cost	-	-	-	-	-	-	-	-
16	Other Expense Adjts	-	-	-	-	-	-	-	-
17	Total Operating Expense	-	(742)	(799)	(7,229)	(344)	-	-	(9,114)
18	Before Income Taxes	-	(742)	(799)	(7,229)	(344)	-	-	(9,114)
19	State Income Tax	183	70	76	687	33	-	-	1,049
20	Federal Income Tax	610	235	253	2,290	109	-	-	3,497
21	Deferred Taxes and ITCs Net	-	-	-	-	-	-	-	-
22	Total Operating Expenses	793	(437)	(470)	(4,252)	(202)	-	-	(4,568)
23	NET OPERATING INCOME	\$ (793)	\$ 437	\$ 470	\$ 4,252	\$ 202	\$ -	\$ -	\$ 4,568

**Commonwealth Edison Company**  
**Statement of Operating Income with Adjustments**  
 For the Filing Year Ending December 31, 2012  
 (In Thousands)

Line No.	Description	Company Pro Forma Jurisdictional Rate Base (ComEd B-1 FY)	Staff Adjustments (Sch.1.04 FY)	Staff Pro Forma Rate Base (Col. b+c)
	(a)	(b)	(c)	(d)
1	Distribution Plant	\$ 14,385,604	\$ -	\$ 14,385,604
2	G & I Plant	1,526,182	-	1,526,182
3	Accumulated Depreciation on Distribution Plant	(5,595,889)	-	(5,595,889)
4	Accumulated Depreciation on G & I Plant	(744,982)	-	(744,982)
5	Net Plant	<u>9,570,915</u>	-	<u>9,570,915</u>
6	Additions to Rate Base			
7	Materials and Supplies	27,493	-	27,493
8	Construction Work in Progress	-	-	-
9	Regulatory Assets	14,515	-	14,515
10	Deferred Debits	24,482	-	24,482
11	Cash Working Capital	(26,760)	(316)	(27,076)
12	Other Deferred Charges	54,561	-	54,561
13	Deductions From Rate Base			
14	Accumulated Deferred Income Taxes	(2,654,026)	-	(2,654,026)
15		-	-	-
16		-	-	-
17		-	-	-
18	Accumulated Misc. Operating Provisions	(337,270)	-	(337,270)
19	Asset Retirement Obligation	(26,896)	-	(26,896)
20	Other Deferred Credits	(74,311)	-	(74,311)
21	Customer Advances	(52,413)	-	(52,413)
22	Customer Deposits	(133,403)	-	(133,403)
23		-	-	-
24	Rate Base	<u>\$ 6,386,887</u>	<u>\$ (316)</u>	<u>\$ 6,386,571</u>



Commonwealth Edison Company  
 Revenue Effect of Staff's Adjustments  
 For the Filing Year Ending December 31, 2012  
 (In Thousands)

Line No.	Description (a)	ComEd's Proposal (b)	Staff's Adjustments (c)	Staff's Direct (d)
1	<b>Summary</b>			
2	Current Revenues	\$ 2,061,078		\$ 2,061,078
3	Proposed Increase	<u>48,383</u>	<u>(11,065) #</u>	<u>37,318</u>
4	Proposed Revenue Requirement	\$ 2,109,461	\$ (11,065)	\$ 2,098,396
5	Percentage Increase	2.35%	-0.54%	1.81%
6	<b>Effect of Each Staff Adjustment</b>			
7	Merger Costs Adjustment		\$ (7,228)	
8	Rate of Return		(3,260)	
9	Lobbying Costs Adjustment		(799)	
10	Charitable Contributions Adjustment		(743)	
11	Rate Case Expense Adjustment		(343)	
12	Gross Revenue Conversion Factor		(1)	
13	Cash Working Capital		(33)	
14	Tax Effect of Interest (Interest Synch.)		1,341	
15				
16				
17				
18				
19				
20				
21				
22				
23				
24				
25				
26				
27				
28				
29				
30				
31				
32				
33				
34				
35				
36				
37	Rounding		1	
38	Effect of Staff's Adjustments		<u>\$ (11,065) #</u>	
39	<b>Reconciliation to Schedule 1.01FY</b>			
40	Column (c), line 5.		-	
41	Column (f), line 5.		1	
42	Column (h), line 5.		(11,066)	
43	Total Effect of Staff's Adjustments		<u>\$ (11,065) #</u>	

Docket No. 12-0321  
ICC Staff Ex. 1.0  
Schedule 1.06 FY

Commonwealth Edison Company  
Interest Synchronization Adjustment  
For the Filing Year Ending December 31, 2012  
(In Thousands)

Line No.	Description	Amount
	(a)	(b)
1	Rate Base	\$ 6,386,571 <sup>(1)</sup>
2	Weighted Cost of Debt	<u>3.41%</u> <sup>(2)</sup>
3	Synchronized Interest Per Staff (Line 1 x Line 2)	217,782
4	Company Interest Expense	<u>219,709</u> <sup>(3)</sup>
5	Increase (Decrease) in Interest Expense	<u>(1,927)</u>
6	Increase (Decrease) in State Income Tax Expense	
7	at 9.500%	\$ <u>183</u>
8	Increase (Decrease) in Federal Income Tax Expense	
9	at 35.000%	\$ <u>610</u>

(1) Source: Schedule 1.03 FY, column (d), line 24

(2) Source: ICC Staff Exhibit 4.0, Schedule 4.1

(3) Source: ComEd Ex. 10.4, Schedule C-5.4 FY, page 2, line 3

Docket No. 12-0321  
ICC Staff Ex. 1.0  
Schedule 1.07 FY

Commonwealth Edison Company  
Gross Revenue Conversion Factor  
For the Filing Year Ending December 31, 2012  
(In Thousands)

Line No.	Description	Rate	Per Staff With Bad Debts	Per Staff Without Bad Debts
	(a)	(b)	(c)	(d)
1	Revenues		1.000000	1.000000
2	Uncollectibles per Staff (1)	0.0000%	<u>0.000000</u>	
3	State Taxable Income		1.000000	
4	State Income Tax	9.5000%	<u>0.095000</u>	<u>0.095000</u>
5	Federal Taxable Income		<u>0.905000</u>	<u>0.905000</u>
6	Federal Income Tax	35.0000%	<u>0.316750</u>	<u>0.316750</u>
7	Operating Income		<u>0.588250</u>	<u>0.588250</u>
8	Gross Revenue Conversion Factor Per Staff (Line 1 / Line 7)		<u>1.699958</u>	<u>1.699958</u>

(1) Per the Order in Docket No. 11-0721, all delivery service uncollectible costs shall be recovered through Rider UF.

**Commonwealth Edison Company**  
**Reconciliation Computation for the Reconciliation Year Ending December 31, 2011**  
**For the Filing Year Ending December 31, 2012**  
 (In Thousands)

Line No.	Description	Source	Amt	(d)	(e)	(f)	(g)
	(a)	(b)	(c)				
1	Actual Revenue Requirement	Sch 1.01 RY, Ln 1	\$ 1,903,571				
2	Revenue Requirement in effect during Reconciliation Year	(1')	\$ 2,008,159				
3	Variance - Reconciliation Before Interest	(Ln 1) - (Ln 2)	\$ (104,588)				
4	Annual Interest Rate	ICC Order Dkt 11-0721	3.42%				
			<u>Variance</u>	<u>Interest Rate</u>	<u>Mons</u>	<u>Interest</u>	<u>Surcharges (Refund)</u>
			(Ln 3) / 12	Ln 4/12		(c) * (d * (e))	(c) + (f)
2011							
5	Jan		\$ (8,716)	0.2850%	11.5	\$ (286)	\$ (9,001)
6	Feb		\$ (8,716)	0.2850%	10.5	\$ (261)	\$ (8,976)
7	Mar		\$ (8,716)	0.2850%	9.5	\$ (236)	\$ (8,952)
8	Apr		\$ (8,716)	0.2850%	8.5	\$ (211)	\$ (8,927)
9	May		\$ (8,716)	0.2850%	7.5	\$ (186)	\$ (8,902)
10	Jun		\$ (8,716)	0.2850%	6.5	\$ (161)	\$ (8,877)
11	Jul		\$ (8,716)	0.2850%	5.5	\$ (137)	\$ (8,852)
12	Aug		\$ (8,716)	0.2850%	4.5	\$ (112)	\$ (8,827)
13	Sep		\$ (8,716)	0.2850%	3.5	\$ (87)	\$ (8,803)
14	Oct		\$ (8,716)	0.2850%	2.5	\$ (62)	\$ (8,778)
15	Nov		\$ (8,716)	0.2850%	1.5	\$ (37)	\$ (8,753)
16	Dec		\$ (8,716)	0.2850%	0.5	\$ (12)	\$ (8,728)
17	Total	Sum of (Ln 5) thru (Ln 16)	\$ (104,588)			\$ (1,788)	\$ (106,376)
			<u>Balance</u>	<u>Interest Rate</u>	<u>Mons</u>	<u>Interest</u>	<u>Balance</u>
				Ln 4/12		(c) * (d * (e))	(c) + (f)
2012							
18	Jan - Dec	Col G Ln 17	\$ (108,376)	0.2850%	12	\$ (3,638)	\$ (110,015)
			<u>Balance</u>	<u>Interest Rate</u>		<u>Amort</u>	<u>Balance</u>
				Ln 4/12		(2')	(c) + (c) * (d) - (f)
2013							
19	Jan	Col G Ln 18	\$ (110,015)	0.2850%		\$ (9,339)	\$ (100,989)
20	Feb	Col G Ln 19	\$ (100,989)	0.2850%		\$ (9,339)	\$ (91,939)
21	Mar	Col G Ln 20	\$ (91,939)	0.2850%		\$ (9,339)	\$ (82,862)
22	Apr	Col G Ln 21	\$ (82,862)	0.2850%		\$ (9,339)	\$ (73,760)
23	May	Col G Ln 22	\$ (73,760)	0.2850%		\$ (9,339)	\$ (64,631)
24	Jun	Col G Ln 23	\$ (64,631)	0.2850%		\$ (9,339)	\$ (55,477)
25	Jul	Col G Ln 24	\$ (55,477)	0.2850%		\$ (9,339)	\$ (46,296)
26	Aug	Col G Ln 25	\$ (46,296)	0.2850%		\$ (9,339)	\$ (37,090)
27	Sep	Col G Ln 26	\$ (37,090)	0.2850%		\$ (9,339)	\$ (27,857)
28	Oct	Col G Ln 27	\$ (27,857)	0.2850%		\$ (9,339)	\$ (18,598)
29	Nov	Col G Ln 28	\$ (18,598)	0.2850%		\$ (9,339)	\$ (9,312)
30	Dec	Col G Ln 29	\$ (9,312)	0.2850%		\$ (9,339)	\$ 0
31	Reconciliation with Interest	Sum of (Ln 19) thru (Ln 30)				\$ (112,063)	To Sch 1.01 FY

Note:

- (1') Calculated in accordance with Section 16-108 5(d)(1) of the Act. Reconciliations for calendar years 2011 and 2012 will use weighted average of revenue requirements in effect during those years. See ComEd WP 22 for weighting calculations.  
 (2')  $(-1.0) * (PMT((Ln 4), 12, (Ln 17)))$

**Commonwealth Edison Company**  
 ROE Collar Computation for the Reconciliation Year Ending December 31, 2011  
 For the Filing Year Ending December 31, 2012  
 (In Thousands)

Line No.	Description	Per Company Sch FR A-3/FR A-1	Adjustments	Per Staff
	(a)	(b)	(c)	(d)
1	DS Rate Base Capital Structure	\$ 6,077,025	\$ 276	\$ 6,077,301
2	Common Equity %	42.57%		42.54%
3	Short-Term Debt %	0.18%		0.18%
4	Long-Term Debt %	57.25%		57.28%
5	DS Equity Balance	\$ 2,586,990		\$ 2,585,284
6	DS Short-Term Debt Balance	\$ 10,939		\$ 10,939
7	DS Long-Term Debt Balance	\$ 3,479,097		\$ 3,481,078
8	Cost of Short-Term Debt (%)	0.71%		0.71%
9	Cost of Long-Term Debt (%)	5.83%		5.77%
10	DS Operating Revenue	\$ 2,045,886		\$ 2,045,886
11	LIHEAP Revenue	\$ 45,454		\$ 45,454
12	DS Collar Revenue	\$ 16,024		\$ 16,024
13	Reversal of Prior Yr Reserve (2')	\$ 108,306		\$ 108,306
14	Other Revenue	\$ 145,638		\$ 145,638
15	DS Applicable Operating Revenue	\$ 2,021,740		\$ 2,021,740
16	Total DS Operating Expenses	\$ 1,454,265	\$ (9,114)	\$ 1,445,151
17	DS Operating Income Before Interest and Taxes	\$ 567,475		\$ 576,589
18	DS Short-Term Interest Expense	\$ 78		\$ 78
19	DS Long-Term Interest Expense	\$ 202,831		\$ 200,858
20	Credit Facilities Expense	\$ 6,077		\$ 6,077
21	DS Operating Income before Taxes	\$ 358,489		\$ 369,576
22	Income Tax Rate (%)	41.175%		41.175%
23	DS Income Taxes	\$ 147,608		\$ 152,173
24	Impact of ITCs and Permanent Tax Differences	\$ (19,993)		\$ (19,993)
25	DS Net Income	\$ 230,874		\$ 237,396
26	DS ROE (%)	8.92%		9.18%
	ROE Collar			
27	Allowed ROE (%)	9.81%		9.81%
28	Maximum Allowed ROE (%)	10.31%		10.31%
29	Minimum Allowed ROE (%)	9.31%		9.31%
30	Percent Above Maximum Allowed ROE (%)	0.00%		0.00%
31	Amount Above Allowed ROE Collar	\$ -		\$ -
32	Percent Below Minimum Allowed ROE (%)	0.39%		0.13%
33	Amount Below Allowed ROE Collar	\$ 10,089		\$ 3,361
34	ROE Collar Adj After Tax	\$ 10,089		\$ 3,361
35	ROE Collar Tax Gross-up	\$ 5,935		\$ 1,977
36	ROE Collar Adj	\$ 16,024		\$ 5,338

Commonwealth Edison Company  
 Cash Working Capital Adjustment  
 For the Filing Year Ending December 31, 2012  
 (In Thousands)

Line	Description (a)	Amount (b)	Lag (Lead) (c)	CWC Factor (d) (c/365)	CWC Requirement (e) (b*d)	Column b Source (f)
1	Revenues	\$ 816,440	51.25	0.14041	\$ 114,637	Schedule 1.10 FY, Page 2, column b, line 9
	Collections of Pass-through Taxes:					
2	Energy Assistance/Renewable Energy	45,480	0.00	0.00000	-	Company Schedule C-18, Page 1, Column B, Lines 3 + 4
3	Gross Receipts/Municipal Utility Tax	243,978	0.00	0.00000	-	Company Schedule C-18, Page 1, Column B, Line 19
4	Illinois Excise Tax	258,592	36.04	0.09874	25,533	Company Schedule C-18, Page 1, Column B, Line 20
5	City of Chicago Infrastructure Maintenance Fee	89,783	36.04	0.09874	8,865	Company Schedule C-18, Page 1, Column B, Line 2
6	<b>Total Receipts</b>	<b>\$ 1,454,273</b>			<b>149,035</b>	Lines 1 through 5
7	Base Payroll and Withholdings	271,615	(15.05)	(0.04123)	(11,199)	Schedule 1.10 FY, Page 2, Column b, Line 31
8	Incentive Pay Expense	27,229	(228.50)	(0.62603)	(17,046)	ComEd Ex. 10.5 (Public), WPB-8 RY, Column B, Line 36
9	Employee Benefits - Amort. Of Sever.	111,919	0.00	0.00000	-	ComEd Ex. 10.4, Schedule B-8 RY, Column B, Line 11
10	Employee Benefits - Other	35,258	(4.95)	(0.01356)	(478)	ComEd Ex. 10.4, Schedule B-8 RY, Column B, Line 12
11	Inter-Company billings - Less Pass-throughs	113,937	(45.55)	(0.12479)	(14,219)	Schedule 1.10 FY, Page 2, Column b, Line 14
12	Inter-Company billings - Pass-throughs	38,098	(45.55)	(0.12479)	(4,754)	Schedule 1.10 FY, Page 2, Column b, Line 15
13	Property Leases	32,265	(6.33)	(0.01734)	(580)	Company Schedule B-B TB, Page 1, Column B, Line 13
14	Other Operations and Maintenance Expenses	243,728	(66.82)	(0.18307)	(44,619)	Schedule 1.10 FY, Page 2, Column b, Line 24
15	Property/Real Estate Tax	13,290	(339.12)	(0.92910)	(12,348)	Company Schedule C-18, Page 1, Column C, Line 5
16	FICA Tax	20,782	(15.05)	(0.04123)	(857)	Company Schedule C-18, Page 2, Column D, Line 9
17	Federal Unemployment Tax	177	(75.63)	(0.20721)	(37)	Company Schedule C-18, Page 2, Column D, Line 8
18	State Unemployment Tax	597	(75.63)	(0.20721)	(124)	Company Schedule C-18, Page 2, Column D, Line 10
19	Electricity Distribution Tax	106,200	(30.13)	(0.08255)	(8,767)	Company Schedule C-18, Page 2, Column D, Line 5
20	State Franchise Tax	1,560	(190.67)	(0.52238)	(815)	Company Schedule C-18, Page 1, Column C, Line 11
21	401K Match	2,009	(241.50)	(0.66164)	(1,329)	ComEd Ex. 25.1 Line 13
22	State Public Utility Fund Tax	3,783	(37.67)	(0.10321)	(390)	Company Schedule C-18, Page 1, Column C, Line 7
23	Illinois Sales and Use Tax	638	(2.66)	(0.00728)	(5)	Company Schedule C-18, Page 1, Column C, Line 9
24	Chicago Sales and Use Tax	11	(37.46)	(0.10283)	(1)	Company Schedule C-18, Page 1, Column C, Line 10
25	Interest Expense	217,782	(91.13)	(0.24997)	(54,374)	Schedule 1.06 FY, Column b, Line 3
26	State Income Tax	(105,274)	(37.88)	(0.10378)	10,925	Schedule 1.01 FY, Column i, Line 19
27	Federal Income Tax	(319,164)	(37.88)	(0.10378)	33,123	Schedule 1.01 FY, Column i, Line 20
	Payments of Pass-through Taxes					
28	Energy Assistance/Renewable Energy	45,480	(40.69)	(0.11148)	(5,070)	Company Schedule C-18, Page 1, Column B, Lines 3 + 4
29	Gross Receipts/Municipal Utility Tax	243,978	(44.22)	(0.12115)	(29,558)	Company Schedule C-18, Page 1, Column B, Line 19
30	Illinois Excise Tax	258,592	(4.12)	(0.01129)	(2,919)	Company Schedule C-18, Page 1, Column B, Line 20
31	City of Chicago Infrastructure Maintenance Fee	89,783	(43.46)	(0.11907)	(10,690)	Company Schedule C-18, Page 1, Column B, Line 2
32	<b>Total Outlays</b>	<b>\$ 1,454,273</b>			<b>\$ (176,111)</b>	Sum of Lines 7 through 31
33						
34	Cash Working Capital per Staff				\$ (27,076)	Line 6 plus line 32
35	Cash Working Capital per Company				(26,760)	ComEd Ex. 10.2, Line 40
39	Difference - Adjustment per Staff				\$ (316)	Line 34 minus Line 35

**Commonwealth Edison Company**  
**Cash Working Capital Adjustment**  
 For the Filing Year Ending December 31, 2012  
 (In Thousands)

<u>Line</u>	<u>Description</u> (a)	<u>Amount</u> (b)	<u>Source</u> (c)
1	Total Operating Revenues	\$ 2,098,396	Schedule 1.01 FY , Column i, Line 5
2	-- not used --	-	
3	Uncollectible Accounts	-	Schedule 1.01 FY , Column i, Line 6
4	Depreciation & Amortization	(434,377)	Schedule 1.01 FY , Column i, Line 12
5	City of Chicago Dark Fiber Tax	(84)	Company Schedule C-18, Page 2, Column D, Line 18
6	Return on Equity	(263,765)	Line 12 below
7	Less Deferred Taxes and ITC	(575,074)	Schedule 1.01 FY , Column i, Line 21
8	Regulatory Debits	(8,656)	Line 21 below
9	Total Revenues for CWC calculation	<u>\$ 816,440</u>	Sum of Lines 1 through 8
10	Total Rate Base	\$ 6,386,571	Schedule 1.03 FY , Column d, Line 24
11	Weighted Cost of Capital	4.13%	Schedule 4.01, p. 1
12	Return on Equity	<u>\$ 263,765</u>	Line 10 times Line 11
13	Operating Expense Before Income Taxes	\$ 1,466,213	Schedule 1.01 FY , Column i, Line 18
14	Intercompany billings - Less Pass-throughs	(113,937)	ComEd Ex. 10.3 (PUBLIC), WP 3, Column B, Line 15
15	Intercompany billings - Pass-throughs	(38,098)	ComEd Ex. 10.3 (PUBLIC), WP 3, Column B, Line 16
16	Employee Benefits Expense	(149,186)	ComEd Ex. 10.3 (PUBLIC), WP 3, Column B, Lines 17 & 18
17	Payroll Expense	(271,615)	ComEd Ex. 10.3 (PUBLIC), WP 3, Column B, Line 31
18	Uncollectible Accounts	-	FRY , Column i, Line 6
19	Depreciation & Amortization	(434,377)	Schedule 1.01 FY , Column i, Line 12
20	Property Leases	(32,265)	ComEd Ex. 10.3 (PUBLIC), WP 3, Column B, Line 24
21	Regulatory Debits	(8,656)	Schedule 1.01 FY , Column i, Line 14
22	Incentive Pay Expense	(27,229)	ComEd Ex. 10.3 (PUBLIC), WP 3, Column B, Line 36
23	Taxes Other Than Income	(147,122)	Schedule 1.01 FY , Column i, Line 13
24	Other Operations & Maintenance for CWC Calculation	<u>\$ 243,728</u>	Sum of Lines 13 through 23
25	Direct O & M Payroll per Company	\$ 329,288	Company Schedule C-11.1, Page 1, column B, Line 8
26	less: Power Production payroll	(1,565)	Company Schedule C-11.1, Page 1, column B, Line 2
27	less: Transmission payroll	(28,762)	Company Schedule C-11.1, Page 1, column B, Line 3
28	less: Perquisites and Awards	(117)	ComEd Ex. 10.2, App 7, Line 60
29	less: Incentive Pay Expense	(27,229)	ComEd Ex. 10.5 (Public), WPB-8 RY, Column B, Line 36
30	-- not used --	-	
31	Direct Payroll per Staff	<u>\$ 271,615</u>	Sum of Lines 1 through 6



Commonwealth Edison Company  
 Adjustments to Operating Income  
 For the Reconciliation Year Ending December 31, 2011  
 (In Thousands)

Line No.	Description	Interest Synchronization (Sch. 1.06 RY)	Charitable Contributions (Sch. 3.01)	Lobbying Costs (Sch. 3.02)	Merger Costs (Sch. 3.03)	Rate Case Expense (Sch. 3.04)	(Sch. )	(Sch. )	Total Operating Statement Adjustments
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)
1	Operating Revenues	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2	Other Revenues	-	-	-	-	-	-	-	-
3		-	-	-	-	-	-	-	-
4		-	-	-	-	-	-	-	-
5	Total Operating Revenue	-	-	-	-	-	-	-	-
6	Uncollectibles Expense	-	-	-	-	-	-	-	-
7	Distribution	-	-	-	(93)	-	-	-	(93)
8	Customer Accounts	-	-	-	(47)	-	-	-	(47)
9	Customer Services and Informational Services	-	-	-	(2)	-	-	-	(2)
10	Sales	-	-	-	-	-	-	-	-
11	Administrative and General	-	(742)	(799)	(7,087)	(344)	-	-	(8,972)
12	Depreciation and Amortization	-	-	-	-	-	-	-	-
13	Taxes Other Than Income	-	-	-	-	-	-	-	-
14	Regulatory Asset Amortization	-	-	-	-	-	-	-	-
15	Pension Asset Funding Cost	-	-	-	-	-	-	-	-
16	Other Expense Adjs	-	-	-	-	-	-	-	-
17	Total Operating Expense	-	(742)	(799)	(7,229)	(344)	-	-	(9,114)
18	Before Income Taxes	-	(742)	(799)	(7,229)	(344)	-	-	(9,114)
19	State Income Tax	172	70	76	687	33	-	-	1,038
20	Federal Income Tax	575	235	253	2,290	109	-	-	3,462
21	Deferred Taxes and ITCs Net	-	-	-	-	-	-	-	-
22	Total Operating Expenses	747	(437)	(470)	(4,252)	(202)	-	-	(4,614)
23	NET OPERATING INCOME	\$ (747)	\$ 437	\$ 470	\$ 4,252	\$ 202	\$ -	\$ -	\$ 4,614

**Commonwealth Edison Company**  
**Rate Base**  
 For the Reconciliation Year Ending December 31, 2011  
 (In Thousands)

Line No.	Description	Pro Forma Jurisdictional Rate Base (ComEd B-1 RY)	Staff Adjustments (Sch.1.04 RY)	Staff Proposed RY RB (Col. b+c)
	(a)	(b)	(c)	(d)
1	Distribution Plant	\$ 13,600,792	\$ -	\$ 13,600,792
2	G & I Plant	1,373,773	-	1,373,773
3	Accumulated Depreciation on Distribution Plant	(5,309,228)	-	(5,309,228)
4	Accumulated Depreciation on G & I Plant	(653,894)	-	(653,894)
5	Net Plant	9,011,443	-	9,011,443
6	Additions to Rate Base			
7	Materials and Supplies	27,493	-	27,493
8	Construction Work in Progress	8,490	-	8,490
9	Regulatory Assets	14,515	-	14,515
10	Deferred Debits	24,482	-	24,482
11	Cash Working Capital	(26,760)	572	(26,188)
12	Other Deferred Charges	54,561	-	54,561
13	Deductions From Rate Base			
14	Accumulated Deferred Income Taxes	(2,469,748)	-	(2,469,748)
15		-	-	-
16		-	-	-
17		-	-	-
18	Accumulated Misc. Operating Provisions	(337,270)	-	(337,270)
19	Asset Retirement Obligation	(26,896)	-	(26,896)
20	Other Deferred Credits	(74,311)	-	(74,311)
21	Customer Advances	(52,413)	-	(52,413)
22	Customer Deposits	(133,403)	-	(133,403)
23		-	-	-
24	Rate Base at End of Year	\$ 6,020,183	\$ 572	\$ 6,020,755
25	Rate Base at Beginning of Year	\$ 6,133,867	-	\$ 6,133,867
26	Average Rate Base ((Line 24 + Line 25)/2)	\$ 6,077,025	\$ 286	\$ 6,077,311



**Commonwealth Edison Company**  
**Revenue Effect of Staff's Adjustments**  
 For the Reconciliation Year Ending December 31, 2011  
 (In Thousands)

Line No.	Description (a)	ComEd's Proposal (b)	Staff's Adjustments (c)	Staff's Direct (d)
1	<b>Summary</b>			
2	Current Revenues	\$ 2,061,078		\$ 2,061,078
3	<b>Proposed Increase</b>	<u>72</u>	<u>(11,941) #</u>	<u>(11,869)</u>
4	Proposed Revenue Requirement	<u>\$ 2,061,150</u>	<u>\$ (11,941)</u>	<u>\$ 2,049,209</u>
5	<b>Percentage Increase</b>	<b>0.00%</b>	<b>-0.58%</b>	<b>-0.58%</b>
6	<b>Effect of Each Staff Adjustment</b>			
7	Merger Costs Adjustment		\$ (7,229)	
8	Rate of Return		(4,134)	
9	Lobbying Costs Adjustment		(799)	
10	Charitable Contributions Adjustment		(743)	
11	Rate Case Expense Adjustment		(343)	
12	Gross Revenue Conversion Factor		(1)	
13	Cash Working Capital		30	
14	Tax Effect of Interest (Interest Synch.)		1,277	
15				
16				
17				
18				
19				
20				
21				
22				
23				
24				
25				
26				
27				
28				
29				
30				
31				
32				
33				
34				
35				
36				
37	Rounding		1	
38	<b>Effect of Staff's Adjustments</b>		<u>\$ (11,941) #</u>	
39	<b>Reconciliation to Schedule 1.01 RY</b>			
40	Column (c), line 5.		-	
41	Column (f), line 5.		(1)	
42	Column (h), line 5.		(11,940)	
43	<b>Total Effect of Staff's Adjustments</b>		<u>\$ (11,941) #</u>	

Commonwealth Edison Company  
Interest Synchronization Adjustment  
For the Reconciliation Year Ending December 31, 2011  
(In Thousands)

Line No.	Description	Amount
	(a)	(b)
1	Rate Base	\$ 6,077,311 <sup>(1)</sup>
2	Weighted Cost of Debt	<u>3.41%</u> <sup>(2)</sup>
3	Synchronized Interest Per Staff (Line 1 x Line 2)	207,236
4	Company Interest Expense	<u>209,050</u> <sup>(3)</sup>
5	Increase (Decrease) in Interest Expense	<u>(1,814)</u>
6	Increase (Decrease) in State Income Tax Expense	
7	at 9.500%	<u>\$ 172</u>
8	Increase (Decrease) in Federal Income Tax Expense	
9	at 35.000%	<u>\$ 575</u>

(1) Source: Schedule 1.03 RY, column (d), line 26

(2) Source: ICC Staff Exhibit 4.0, Schedule 4.1

(3) Source: Company Schedule C-5.4 RY page 2, line 3

Docket No. 12-0321  
ICC Staff Ex. 1.0  
Schedule 1.07 RY

Commonwealth Edison Company  
Gross Revenue Conversion Factor  
For the Reconciliation Year Ending December 31, 2011  
(In Thousands)

Line No.	Description	Rate	Per Staff With Bad Debts	Per Staff Without Bad Debts
	(a)	(b)	(c)	(d)
1	Revenues		1.000000	1.000000
2	Uncollectibles per Staff (1)	0.0000%	<u>0.000000</u>	
3	State Taxable Income		1.000000	
4	State Income Tax	9.5000%	<u>0.095000</u>	<u>0.095000</u>
5	Federal Taxable Income		0.905000	0.905000
6	Federal Income Tax	35.0000%	<u>0.316800</u>	<u>0.316750</u>
7	Operating Income		<u>0.588200</u>	<u>0.588250</u>
8	Gross Revenue Conversion Factor Per Staff (Line 1 / Line 7)		<u>1.700100</u>	<u>1.699958</u>

(1) Per the Order in Docket No. 11-0721, all delivery service uncollectible costs shall be recovered through Rider UF.

Commonwealth Edison Company  
 Cash Working Capital Adjustment  
 For the Reconciliation Year Ending December 31, 2011  
 (In Thousands)

Line	Description (a)	Amount (b)	Lag (Lead) (c)	CWC Factor (d) (c/365)	CWC Requirement (e) (b*d)	Column b Source (f)
1	Revenues	\$ 798,657	51.25	0.14041	\$ 112,140	Schedule 1.10 RY, Page 2, Column b, Line 9
	Collections of Pass-through Taxes:					
2	Energy Assistance/Renewable Energy	45,480	0	0.00000	-	Company Schedule C-18, Page 1, Column B, Lines 3 + 4
3	Gross Receipts/Municipal Utility Tax	243,978	0	0.00000	-	Company Schedule C-18, Page 1, Column B, Line 20
4	Illinois Excise Tax	258,592	36.04	0.09874	25,533	Company Schedule C-18, Page 1, Column B, Line 21
5	City of Chicago Infrastructure Maintenance Fee	89,783	36.04	0.09874	8,855	Company Schedule C-18, Page 1, Column B, Line 2
6	Total Receipts	<u>\$ 1,436,490</u>			<u>146,538</u>	Lines 1 through 5
7	Base Payroll and Withholdings	271,615	(15.05)	(0.04123)	(11,189)	Schedule 1.10 RY, Page 2, Column b, Line 31
8	Incentive Pay Expense	27,229	(228.50)	(0.62603)	(17,046)	ComEd Ex. 10.5 (Public), WPB-8 RY, Column B, Line 36
9	Employee Benefits - Amort. Of Sever.	111,919	0.00	0.00000	-	ComEd Ex. 10.4, Schedule B-8 RY, Column B, Line 11
10	Employee Benefits - Other	35,258	(4.95)	(0.01356)	(478)	ComEd Ex. 10.4, Schedule B-8 RY, Column B, Line 12
11	Inter-Company billings - Less Pass-throughs	113,937	(45.55)	(0.12479)	(14,219)	Schedule 1.10 RY, Page 2, Column b, Line 14
12	Inter-Company billings - Pass-throughs	38,098	(45.55)	(0.12479)	(4,754)	Schedule 1.10 RY, Page 2, Column b, Line 15
13	Property Leases	32,265	(6.33)	(0.01734)	(560)	Company Schedule B-8 TB, Page 1, Column B, Line 13
14	Other Operations and Maintenance Expenses	243,728	(66.82)	(0.18307)	(44,619)	Schedule 1.10 RY, Page 2, Column b, Line 24
15	Property/Real Estate Tax	13,290	(339.12)	(0.92910)	(12,348)	Company Schedule C-18, Page 1, Column C, Line 5
16	FICA Tax	20,782	(15.05)	(0.04123)	(857)	Company Schedule C-18, Page 2, Column D, Line 9
17	Federal Unemployment Tax	177	(75.63)	(0.20721)	(37)	Company Schedule C-18, Page 2, Column D, Line 8
18	State Unemployment Tax	587	(75.63)	(0.20721)	(124)	Company Schedule C-18, Page 2, Column D, Line 10
19	Electricity Distribution Tax	106,200	(30.13)	(0.08255)	(8,767)	Company Schedule C-18, Page 2, Column D, Line 5
20	State Franchise Tax	1,560	(190.67)	(0.52238)	(815)	Company Schedule C-18, Page 1, Column C, Line 11
21	401K Match	2,009	(241.50)	(0.66164)	(1,329)	ComEd Ex. 25.1 Line 13
22	State Public Utility Fund Tax	3,783	(37.67)	(0.10321)	(390)	Company Schedule C-18, Page 1, Column C, Line 7
23	Illinois Sales and Use Tax	638	(2.66)	(0.00729)	(5)	Company Schedule C-18, Page 1, Column C, Line 9
24	Chicago Sales and Use Tax	11	(37.46)	(0.10263)	(1)	Company Schedule C-18, Page 1, Column C, Line 10
25	Interest Expense	207,236	(91.13)	(0.24967)	(51,741)	Schedule 1.05 RY, Column b, Line 3
26	State Income Tax	(106,944)	(37.88)	(0.10378)	11,099	Schedule 1.01 RY, Column i, Line 19
27	Federal Income Tax	(324,730)	(37.88)	(0.10378)	33,701	Schedule 1.01 RY, Column i, Line 20
	Payments of Pass-through Taxes					
28	Energy Assistance/Renewable Energy	45,480	(40.69)	(0.11148)	(5,070)	Company Schedule C-18, Page 1, Column B, Lines 3 + 4
29	Gross Receipts/Municipal Utility Tax	243,978	(44.22)	(0.12115)	(29,558)	Company Schedule C-18, Page 1, Column B, Line 20
30	Illinois Excise Tax	258,592	(4.12)	(0.01129)	(2,919)	Company Schedule C-18, Page 1, Column B, Line 21
31	City of Chicago Infrastructure Maintenance Fee	89,783	(43.48)	(0.11907)	(10,680)	Company Schedule C-18, Page 1, Column B, Line 2
32	Total Outlays	<u>\$ 1,438,491</u>			<u>\$ (172,726)</u>	Sum of Lines 7 through 31
33						
34	Cash Working Capital per Staff				\$ (26,188)	Line 6 plus line 32
35	Cash Working Capital per Company				(26,760)	ComEd Ex. 10.4, Schedule B-8 RY, Line 39
39	Difference -- Adjustment per Staff				<u>\$ 572</u>	Line 34 minus Line 35

Commonwealth Edison Company  
 Cash Working Capital Adjustment  
 For the Reconciliation Year Ending December 31, 2011  
 (In Thousands)

Line	Description (a)	Amount (b)	Source (c)
1	Total Operating Revenues	\$ 2,049,209	Schedule 1.01 RY , Column i, Line 5
2	-- not used --	-	
3	Uncollectible Accounts	-	Schedule 1.01 RY , Column i, Line 6
4	Depreciation & Amortization	(413,315)	Schedule 1.01 RY , Column i, Line 12
5	City of Chicago Dark Fiber Tax	(84)	Company Schedule C-18, Page 2, Column D, Line 8
6	Return on Equity	(253,424)	Line 12 below
7	Less Deferred Taxes and ITC	(575,073)	Schedule 1.01 RY , Column i, Line 21
8	Regulatory Debits	(8,656)	Line 21 below
9	Total Revenues for CWC calculation	<u>\$ 798,657</u>	Sum of Lines 1 through 8
10	Total Rate Base	\$ 6,077,311	Schedule 1.03 RY , Column d, Line 24
11	Weighted Cost of Capital	4.17%	Schedule 4.01, p. 2
12	Return on Equity	<u>\$ 253,424</u>	Line 10 times Line 11
13	Operating Expense Before Income Taxes	\$ 1,445,151	Schedule 1.01 RY , Column i, Line 18
14	Intercompany billings - Less Pass-throughs	(113,937)	ComEd Ex. 10.4, Schedule B-8 RY, Column B, Line 14
15	Intercompany billings - Pass-throughs	(38,098)	ComEd Ex. 10.4, Schedule B-8 RY, Column B, Line 15
16	Employee Benefits Expense	(149,186)	ComEd Ex. 10.4, Schedule B-8 RY, Column B, Lines 11 & 12
17	Payroll Expense	(271,615)	ComEd Ex. 10.4, Schedule B-8 RY, Column B, Lines 8
18	Uncollectible Accounts	-	Schedule 1.01 RY , Column i, Line 6
19	Depreciation & Amortization	(413,315)	Schedule 1.01 RY , Column i, Line 12
20	Property Leases	(32,265)	ComEd Ex. 10.4, Schedule B-8 RY, Column B, Line 16
21	Regulatory Debits	(8,656)	Schedule 1.01 RY , Column i, Line 14
22	Incentive Pay Expense	(27,229)	ComEd Ex. 10.4, Schedule B-8 RY, Column B, Line 10
23	Taxes Other Than Income	(147,122)	Schedule 1.01 RY , Column i, Line 13
24	Other Operations & Maintenance for CWC Calculation	<u>\$ 243,728</u>	Sum of Lines 13 through 23
25	Direct O & M Payroll per Company	\$ 329,288	Company Schedule C-11.1, Column B, Line 8
26	less: Power Production payroll	(1,565)	Company Schedule C-11.1, Column B, Line 2
27	less: Transmission payroll	(28,762)	Company Schedule C-11.1, Column B, Line 3
28	less: Perquisites and Awards	(117)	ComEd Ex. 10.2, App 7, Line 60
29	less: Incentive Pay Expense	(27,229)	ComEd Ex. 10.5 (Public), WPB-8 RY, Column B, Line 36
30	-- not used --	-	
31	Direct Payroll per Staff	<u>\$ 271,615</u>	Sum of Lines 1 through 6