

OFFICIAL FILE

ICC Docket No. 12-0321
ComEd Ex. 10.15

I.C.C. DOCKET NO. 12-0321

ComEd Exhibit No. 10-15

Witness Blaise

STATE OF ILLINOIS

Date 9/25/12 Reporter _____

ILLINOIS COMMERCE COMMISSION

COMMONWEALTH EDISON COMPANY	:	
	:	No. 12-0321
Annual formula rate update and revenue	:	
requirement reconciliation authorized by	:	
Section 16-108.5 of the Public Utilities Act	:	

AFFIDAVIT OF MICHELLE BLAISE

STATE OF ILLINOIS)
) ss.
 COUNTY OF COOK)

I, Michelle Blaise, being first duly sworn, declare under oath as follows:

1. I am Vice President, Engineering & Project Management, of Commonwealth Edison Company ("ComEd"). My background and experience is set forth in more detail in my pre-filed Direct Testimony (ComEd Exhibit ["Ex."] 6.0) in this Docket. I am an adult. I have personal knowledge of the facts contained in this Affidavit. If I were to be called and sworn as a witness, I could testify competently regarding said facts based on my knowledge and experience.

The 2011 Incentive Plans' Metrics

2. 2011 is the Federal Energy Regulatory Commission ("FERC") Form 1 year that is the primary basis of the rate-setting and reconciliation revenue requirements to be determined in the instant Docket.

3. ComEd had 5,765 employees as of December 2011, serving in various Departments and major offices, as set forth in ComEd's Schedule C-11.2, page 1 of 48, in ComEd's submission under 83 Ill. Admin. Code Part 285 in this Docket, and as discussed further below.

4. ComEd had two basic incentive compensation programs in effect in 2011: (1) the 2011 Annual Incentive Plan ("AIP") and the 2010-2012 Long-Term Incentive Program ("LTIP").

5. The concept and metrics of the 2011 AIP and the 2010-2012 LTIP are discussed in the Affidavit of Joseph R. Trpik, Jr., CPA, being filed simultaneously with my Affidavit. The seven metrics of the 2011 AIP also were referenced in my Direct Testimony (especially ComEd Ex. 6.0, pp. 69-70 and fns. 9 and 10) and the Direct Testimony of Martin Fruehe (especially ComEd Ex. 3.0, pp. 27-30) and are set forth in detail in ComEd Ex. 3.7, pp. 4-19. The five 2010-2012 LTIP metrics also were referenced in the Direct Testimony of Mr. Fruehe and my Direct Testimony and set forth in more detail in ComEd Ex. 3.7, pp. 20-21.

ComEd's Functions and Organizational Structure

6. ComEd is a delivery services or "wires" (electric transmission and distribution" utility. As a delivery services utility, ComEd has two basic lines of business: the transmission and distribution of electricity in an adequate, reliable, and safe manner.

7. ComEd had 5,765 employees as of December 2011, including 3,685 employees in the Operations department and 1,431 employees in the Customer Operations department. The 649 other employees served in various operational, support, management, and executive positions in the other major departments and offices.

8. My Affidavit provides further general information and addresses further the ComEd employees in the Operations department, in particular.

Achievements Under the 2011 Plans and How They Were Accomplished

9. My Direct Testimony (ComEd Ex. 6.0, p. 3), refers to ComEd's incentive compensation plans as being among the tools that are critical to efforts to manage operations and expenses to keep costs low and performance high.

10. There (ComEd Ex. 6.0, p. 70), I stated that ComEd employees performed at the target level or better on six of the seven 2011 AIP metrics, the exception being that the O&M expense control metric was above the threshold level but below the target level. I further stated (p. 70) that: "The company achieved a performance level between target and distinguished on three KPIs – Capital Expenditures, CAIDI and Customer Satisfaction – while achieving a distinguished level of performance on SAIFI, Focused Initiatives and Environmental Index, and the OSHA Recordable Rate. ComEd's 2011 SAIFI and CAIDI performance, measured using the IEEE Standard that excludes major storms, reflects the lowest outage frequency in ComEd's history at 0.84 outages per customer and the fourth-best outage duration performance on record at an average of 88 minutes. In the area of safety, ComEd's year-end 2011 OSHA Recordable Rate is 0.91, which is in the top decile of industry performance. Overall, ComEd employees and managers performed at a level reflective of a 133.2 percent payout for the AIP."

11. By performing their respective duties, ComEd employees contributed to the achievements in 2011 under the incentive plans. ComEd's employees directly provide, support, or perform other work essential to the provision of adequate, reliable, and safe customer service at reasonable cost.

12. The 3,685 ComEd employees the Operations department contributed toward achievement of the incentive plan metrics in innumerable ways, including but not limited to the following.

13. The Total O&M Expense and Total Capital Expenditures Metrics. ComEd continues to take aggressive – and successful – measures to manage our costs. We have focused on driving down the costs to "do the work" as much as is practical in all operational areas. Where outside contractors are used, the procurement process emphasizes cost control, along with consistent quality and timely completion. In addition, optimization and efficiency programs

have been put in place with the explicit aim of providing reliable service at the lowest cost. ComEd's budgeting and work management systems tie expenses to projects and activities. This permits a greater level of informed monitoring, management, and control of expenses. I discussed how the Operations department manages and controls costs, in detail, throughout my Direct Testimony.

14. The OSHA Recordable Rate Metric. In the area of safety, ComEd's year-end 2011 OSHA Recordable Rate is 0.91, which is in the top decile of industry performance. Within the Operations organization, employees perform job responsibilities – whether in the field or in an office – in a manner that reduces the frequency and severity of injuries, ensure co-workers do the same, and stop the job when unsafe behaviors are observed. Safety audits are conducted regularly to promote safe work performance. Annually each department develops a target zero plan for improving safety. This plan addresses specific risks associated with the work of that department.

15. The Focused Initiative and Environmental Index Metric. For 2011, the 13 initiatives were the Summer Critical Program, 1% Circuit Program, Underground Residential Distribution (URD) Cable Program, Distribution Automation Program, Substation Transformer Maintenance Template Program, Substation Breaker Overhauls, Vegetation Management for Distribution, Vegetation Management for Transmission, Field and Meter Services Work Plan Execution, Meter Read Rate, Customer Service Technology Improvements, Green House Gas (GHG) Net Emissions, Net MWhrs Saved, and Dollars/kWh. Operations personnel perform a significant portion of the program tied to the achievement of this KPI. Examples include the following:

- Project Diagrams are developed by the Capacity Expansion department. Reliability Programs manages the 1% program and provides technical support for Underground Residential Distribution (“URD”) Cable Replacement and Injection programs. Distribution Automation manages the DA program.
- Regional Engineering creates design packages for projects. Work management schedules work, the Operations Control Center (“OCC”) manages switching resources.
- Overhead and Underground construction builds the work per design plan.
- Mapping creates maps for the completed projects.
- Personnel from the Safety and Environmental Group within Operations serve as administrators for environmental programs to promote environmental stewardship such as reducing GHG net emissions.

16. Outage Frequency – SAIFI. Operations personnel are involved in virtually every step of the execution of Reliability programs to design and improve ComEd's SAIFI performance. Examples include the following:

- Operations develops, executes, and provides direct support to the URD and Mainline Cable programs. These programs will reduce the frequency of outages by replacing poor performing cable.

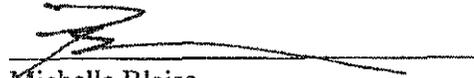
- Operations develops, executes, and provides direct support to the 1% program, Vegetation programs, Regional Reliability programs, and Corrective Maintenance programs which make significant contributions to improved SAIFI.

17. Outage Duration – CAIDI. Operations personnel are involved in virtually every step of outage restoration. Examples include dispatching appropriate crews to restore outages in the field, updating maps to support outage restoration, designing a reliable system with operation flexibility for restoration, ensuring that field forces are as efficient as possible with training, and other support such as vehicles.

18. The Customer Satisfaction Metric. Operations personnel are involved in virtually every step of the execution of Reliability programs and outage restoration to improve customer satisfaction. Examples were provided in the sections of this document discussing the Focused Initiative, SAIFI, and CAIDI goals. In addition, Operations is the key contributor to the New Business Customer Satisfaction portion accounting for one-third of the overall goal. At ComEd, the Operations personnel are predominantly responsible for the new business experience.

Affiant does not state further.

Subscribed and sworn to before me
this 19th day of June, 2012


Michelle Blaise

Cheryl R. Butcher 11/16/15
My commission expires:

