

STATE OF ILLINOIS
ILLINOIS COMMERCE COMMISSION

COMMONWEALTH EDISON COMPANY	:	
	:	No. 13-0318
Annual formula rate update and revenue	:	
requirement reconciliation under	:	
Section 16-108.5 of the Public Utilities Act.	:	

Revised Direct Testimony of
BRADLEY L. BJERNING
Principal Regulatory Specialist
Regulatory Strategies and Solutions
Commonwealth Edison Company

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1 **I. INTRODUCTION**

2 **A. Witness Identification**

3 **Q. What is your name and what is your business address?**

4 A. My name is Bradley L. Bjerning. My business address is 440 South LaSalle Street,
5 Chicago, Illinois 60605.

6 **Q. By what entity and in what position are you employed?**

7 A. I am employed by Commonwealth Edison Company (“ComEd”) as a Principal
8 Regulatory Specialist in the Regulatory Strategies and Solutions group.

9 **B. Purpose of Revised Direct Testimony**

10 **Q. What is the purpose of your revised direct testimony?**

11 A. My revised direct testimony presents ComEd’s revised updated delivery service charges
12 that result from populating the rate design model described in ComEd’s Rate DSPP –
13 Delivery Service Pricing and Performance (“Rate DSPP”) with applicable cost and
14 billing determinant data and also includes the changes made by Public Act 98-0015
15 (formerly known as Senate Bill 9). The rate design model is based upon the rate design
16 model used to support the filing of delivery service charges on December 21, 2012, in
17 compliance with the Illinois Commerce Commission’s (“ICC’s” or “Commission’s”)
18 Order in ICC Docket No. 12-0321 (“2012 Formula Rate Update Case”). The rate design
19 model is described in the Determination of Delivery Service Charges section of Rate
20 DSPP. This revised populated rate design model is presented in accordance with the
21 provisions of the Annual Updates section of Rate DSPP, and it provides for the recovery
22 of the revised 2014 Rate Year Net Revenue Requirement amount, \$2,367,567,000,
23 presented by Mr. Fruehe (ComEd Exhibit (“Ex.”) 3.0 Revised).

24 I also present ComEd's revised updated embedded cost of service study
25 ("ECOSS") which develops the allocated cost data used in the rate design model, as well
26 as historical weather normalized billing determinants for the year 2012 used in the rate
27 design model. The ECOSS is consistent with the ECOSS submitted to support the filing
28 made in compliance with the ICC's Order in ICC Docket No. 10-0467 ("2010 Rate
29 Case"). In addition, I present information that reflects bill impacts resulting from the
30 application of the revised updated delivery service charges and the revised class rates of
31 return under those revised updated delivery service charges as well as the delivery service
32 charges filed on May 30, 2013. Further, I present revised updates to the single bill option
33 ("SBO") credit and updates to the distribution loss factors ("DLFs"). Finally, I provide
34 the form of the public notice ComEd distributed to address the filing made on April 29,
35 2013 to initiate this proceeding.

36 **C. Background and Qualifications**

37 **Q. What are your duties and responsibilities at ComEd?**

38 A. As a Principal Regulatory Specialist, my duties include analyzing, developing, and
39 recommending business and regulatory strategies impacted by various legislative and
40 regulatory activities in Illinois. My duties also include the preparation of ComEd's cost-
41 of-service studies to determine the allocation of Illinois jurisdictional delivery service
42 related costs to support ComEd's formula rate filings.

43 **Q. What is your business experience prior to your current position?**

44 A. Prior to assuming my duties in Regulatory Strategies and Solutions in 2009, I held
45 positions as a Senior Rate Administrator, a Senior Contract Administrator, and a Senior
46 Marketing Planner since joining ComEd in 1998. Prior to my employment with ComEd,

47 I was self-employed as a consultant working with a consulting firm in the railroad
48 industry, employed for ten years with Florida Power and Light (“FPL”) as a Major
49 Accounts Manager and Construction Services Engineer, and employed with the National
50 Aeronautics and Space Administration (“NASA”) as a student engineer-trainee at the
51 Kennedy Space Center in Florida.

52 Q. **What is your educational background?**

53 A. I graduated from the Georgia Institute of Technology in Atlanta, Georgia, with a
54 Bachelors degree in Electrical Engineering. I received my Masters of Business
55 Administration degree with a concentration in Finance from DePaul University’s
56 Kellstadt Graduate School of Business in Chicago, Illinois.

57 **D. Itemized Attachments**

58 Q. **What exhibits are attached to your revised direct testimony?**

59 A. The following exhibits are attached to my revised direct testimony:

- 60 • ComEd Ex. 10.01 Revised presents ComEd’s revised updated ECOSS.
- 61 • ComEd Ex. 10.02 Revised presents revised class rates of return of (a) the delivery
62 service charges filed with the ICC on May 30, 2013, and effective with the July
63 2013 monthly billing period, as well as (b) the revised updated delivery service
64 charges presented in this revised direct testimony.
- 65 • ComEd Ex. 10.03 presents 2012 historical weather normalized billing
66 determinants.

- 67 • ComEd Ex. 10.04 Revised presents the rate design model populated with revised
68 updated cost data from ComEd Ex. 10.01 Revised and 2012 historical weather
69 normalized billing determinant data from ComEd Ex. 10.03.
- 70 • ComEd Ex. 10.05 Revised presents a summary of revised bill comparisons using
71 ComEd’s delivery service charges filed with the ICC on May 30, 2013 and
72 effective with the July 2013 monthly billing period, as well as the revised updated
73 delivery service charges presented in this revised direct testimony.
- 74 • ComEd Ex. 10.06 Revised presents the computation of the revised updated SBO
75 credit.
- 76 • ComEd Ex. 10.07 presents the determination of the updated DLFs.
- 77 • ComEd Ex. 10.08 presents the form of public notice that ComEd distributed to
78 address the filing that initiated this proceeding.

79 **II. REVISED UPDATED EMBEDDED COST OF SERVICE STUDY**

80 **Q. Did ComEd update the ECOSS it submitted to support the filing made in**
81 **compliance with the Order in the 2010 Rate Case?**

82 A. Yes. ComEd’s revised updated ECOSS, prepared under my direction and supervision, is
83 presented in ComEd Ex. 10.01 Revised. As I previously stated, it is based upon the
84 ECOSS accepted by the Commission to support ComEd’s compliance filing following
85 the entry of the 2010 Rate Case Order. The revised updated ECOSS was developed using
86 the same methodology as described in Mr. Charles S. Tenorio’s direct and rebuttal
87 testimony, ComEd Ex. 10.0 and ComEd Ex. 19.0, in ICC Docket No. 11-0721 (“2011
88 Formula Rate Case”), as well as in Mr. Tenorio’s direct testimony, ComEd Ex. 9.0, in
89 ICC Docket No. 12-0321, in which it was uncontested. It is unchanged except for

90 updated input values based upon costs and data for calendar year 2012. The cost data in
91 the revised updated ECOSS in ComEd Ex. 10.01 Revised include cost data presented in
92 ComEd's 2012 Federal Energy Regulatory Commission ("FERC") Form 1 that is also
93 used to populate the revised updated revenue requirement formula presented by Mr.
94 Fruehe (ComEd Ex. 3.0 Revised). In addition, the revised updated ECOSS reflects the
95 revised 2014 Rate Year Net Revenue Requirement of \$2,367,567,000 presented by Mr.
96 Fruehe (ComEd Ex. 3.0 Revised). Other inputs included in the revised updated ECOSS
97 reflect applicable billing determinants and delivery class load and loss data for the year
98 2012.

99 **III. UPDATED BILLING DETERMINANTS**

100 **Q. Did ComEd compile historical weather normalized billing determinants for the year**
101 **2012?**

102 **A.** Yes. ComEd Ex. 10.03 presents historical weather normalized billing determinants for
103 the year 2012. These billing determinants were determined in accordance with the
104 provisions of the Determination of Billing Determinants section of Rate DSPP using the
105 same methodology employed to develop the billing determinants for the year 2009 that
106 was accepted by the Commission in the 2010 Rate Case. Subsequent to the 2010 Rate
107 Case, that same weather normalization methodology was used to develop billing
108 determinants for 2010 and 2011 presented in the 2011 Formula Rate Case and the 2012
109 Formula Rate Update Case, respectively. These billing determinants do not include
110 adjustments to the numbers of customers because, as addressed by Ms. Brinkman
111 (ComEd Ex. 2.0 Revised), such adjustments are not warranted.

112 **IV. REVISED UPDATED DELIVERY SERVICE CHARGES**

113 **Q. Did ComEd populate the rate design model described in Rate DSPP with revised**
114 **updated data?**

115 A. Yes. ComEd Ex. 10.04 Revised presents the rate design model described in Rate DSPP
116 populated with revised updated cost data from the revised updated ECOSS presented in
117 ComEd Ex. 10.01 Revised and 2012 historical weather normalized billing determinant
118 data presented in ComEd Ex. 10.03. The rate design model is a spreadsheet work book
119 that is used to determine delivery service charges. As a point of clarification, in
120 ComEd's two previous formula rate proceedings, ICC Docket Nos. 11-0721 and 12-0321,
121 this spreadsheet work book was identified as the rate design formula. However,
122 beginning with this filing, it is being referred to as the rate design model in an effort to
123 reduce any inadvertent confusion with the revenue requirement formula presented by Mr.
124 Fruehe (ComEd Ex. 3.0 Revised). As previously addressed, the revised populated rate
125 design model provides for the recovery of exactly \$2,367,567,000, which is the Revised
126 2014 Rate Year Net Revenue Requirement presented by Mr. Fruehe (ComEd Ex. 3.0
127 Revised). The methodology used in the rate design model is consistent with the
128 methodology approved by the Commission in the 2010 Rate Case Order, as further
129 directed by the Commission in ICC Docket No. 11-0721.

130 **Q. What are the revised delivery service charges that result from populating the rate**
131 **design model with revised updated data?**

132 A. The revised updated delivery service charges that result from populating the rate design
133 model with revised updated data are shown in the following three tables: Table BLB-
134 RD1: Revised Updated Delivery Service Charges - Residential Sector, Table BLB-RD2:
135 Revised Updated Delivery Service Charges - Nonresidential Sector, and Table BLB-

136 RD3: Revised Updated Delivery Service Charges - Lighting Sector. For each delivery
137 class the revised charges include, as applicable, the Customer Charge (“CC”), Standard
138 Metering Service Charge (“SMSC”), Distribution Facilities Charge (“DFC”),
139 Transformer Charge (“TC”), and Illinois Electricity Distribution Tax Charge (“IEDT”).

Table BLB-RD1: Revised Updated Delivery Service Charges-Residential Sector

Delivery Class	CC (\$/month)	SMSC (\$/month)	DFC (\$/kWh)	IEDT (\$/kWh)
Single Family Without Electric Space Heat	15.09	3.39	0.02416	0.00116
Multi Family Without Electric Space Heat	7.76	3.39	0.03147	0.00116
Single Family With Electric Space Heat	17.21	3.39	0.01151	0.00116
Multi Family With Electric Space Heat	8.71	3.39	0.01455	0.00116

Table BLB-RD2: Revised Updated Delivery Service Charges-Nonresidential Sector

Delivery Class	CC (\$/month)	SMSC (\$/month)	DFC (\$/kWh)		IEDT (\$/kWh)
Watt-Hour	9.30	2.87	0.02962		0.00116
			DFC (\$/kW)	TC (\$/kW)	
Small Load	13.89	10.09			0.00116
Primary Voltage			2.30	0.23	
Secondary Voltage			5.73		
Medium Load	16.16	22.34			0.00116
Primary Voltage			3.33	0.19	
Secondary Voltage			5.90		
Large Load	67.07	23.76			0.00116
Primary Voltage			4.07	0.24	
Secondary Voltage			6.13		
Very Large Load	603.92	23.75			0.00116
Primary Voltage			4.78	0.25	
Secondary Voltage			6.00		
Extra Large Load	1,091.42	54.48			0.00116
Primary Voltage			3.57	0.29	
Secondary Voltage			3.63		
High Voltage (“HV”)	427.99	43.60			0.00116
Primary Voltage			3.98	0.32	
Secondary Voltage			5.95		
HV >10 Megawatts (“MW”)			0.21	0.59	
HV ≤10 MW			0.19	2.51	
Railroad	5,419.52	119.42	2.91		0.00116

Table BLB-RD3: Revised Updated Delivery Service Charges-Lighting Sector

Delivery Class		DFC (\$/Fixture)	IEDT (\$/kWh)
Fixture-Included Lighting			0.00116
Fixture-Included Lighting Public			
100 Watts (“W”) Mercury Vapor (“MV”)		1.97	
175 W MV		2.00	
250 W MV		2.11	
400 W MV		2.42	
70 W High Pressure Sodium (“HPS”)		2.20	
100 W HPS		2.26	
150 W HPS		2.26	
250 W HPS		2.53	
400 W HPS		2.79	
1,000 W HPS		7.07	
Fixture-Included Lighting Equipment			
Mounting Bracket ≤ 8 Feet		4.65	
Mounting Bracket > 8 Feet		6.24	
Post Top Luminaire		7.00	
Acorn Style Luminaire		8.04	
Fixture-Included Lighting Private			
175 W MV		6.10	
400 W MV		6.28	
100 W HPS Flood		5.18	
250 W HPS Flood		5.35	
100 W HPS		6.24	
150 W HPS		6.54	
	SMSC (\$/kWh)	DFC (\$/kWh)	IEDT (\$/kWh)
Dusk to Dawn	0.00086	0.00524	0.00116
General	0.00065	0.01209	0.00116

140

141 Q. **Did ComEd update the class rates of return under the current delivery service**
 142 **charges as well as the revised updated delivery service charges presented in this**
 143 **revised direct testimony?**

144 A. Yes, ComEd Ex. 10.02 Revised presents the class rates of return of the delivery service
 145 charges filed with the ICC on May 30, 2013 and effective with the July 2013 monthly

146 billing period as well as the revised updated delivery service charges presented in this
147 revised direct testimony.

148 **V. REVISED BILL IMPACTS**

149 **Q. Did ComEd analyze the impact that the revised updated delivery service charges**
150 **would have on customers?**

151 A. Yes, ComEd completed an analysis of the bill impacts¹ that would result from the
152 application of the revised updated delivery service charges presented in this revised direct
153 testimony compared to delivery service charges in effect beginning with the July 2013
154 monthly billing period. This analysis is presented for transparency. The bill impacts are
155 presented in ComEd Ex. 10.05 Revised.

156 **Q. What is the revised impact on total bills for residential customers?**

157 A. For the residential sector, the revised overall annual impact is an increase of
158 approximately 9.37% in the total bill for bundled electric service under Rate BES - Basic
159 Electric Service (“Rate BES”) compared to total bill amounts for residential customers
160 for charges on file with the ICC on May 30, 2013. For the four residential delivery
161 classes individually, the revised increase on an annual bill for bundled electric service
162 under Rate BES at average electricity usage is as follows:

- 163 ➤ Single Family Without Electric Space Heat 9.26%
- 164 ➤ Multi Family Without Electric Space Heat 10.98%
- 165 ➤ Single Family With Electric Space Heat 3.86%
- 166 ➤ Multi Family With Electric Space Heat 7.45%

¹ These bill impacts are the total annual bill impacts for bundled electric service under Rate BES, and, as applicable, includes fixed price supply charges on file with the ICC on May 30, 2013.

167 **VI. OTHER UPDATES**

168 **Q. What other tariff-related items is ComEd updating?**

169 A. ComEd is updating the SBO credit listed in Rate RDS - Retail Delivery Service (“Rate
170 RDS”) and Rider SBO - Single Bill Option (“Rider SBO”) and the DLFs listed in Rate
171 RDS. The computation of the revised updated SBO credit is presented in ComEd Ex.
172 10.06 Revised and the determination of the updated DLFs is presented in ComEd Ex.
173 10.07.

174 **Q. Why is it appropriate to provide a revised updated SBO credit?**

175 A. As a result of revising the updated ECOSS for use in determining revised updated
176 delivery service charges, the costs associated with the single bill option change. It is
177 therefore appropriate to correspondingly revise the updated SBO credit listed in Rate
178 RDS and Rider SBO to properly reflect the changes in the costs associated with this
179 credit that are included in the revised updated ECOSS.

180 **Q. What is the updated SBO credit?**

181 A. As shown in ComEd Ex. 10.06 Revised, the revised updated SBO credit is \$0.53 per
182 month.

183 **Q. Why is it appropriate to update the DLFs?**

184 A. As a result of the updated Distribution System Loss (“DSL”) Study, which is addressed
185 by Mr. Born (ComEd Ex. 9.0), the DLFs associated with each delivery class change.
186 Therefore, it is appropriate to update the DLFs listed in Rate RDS to properly reflect the
187 changes in the DLFs.

188 Q. **What are the updated DLFs that are reflective of the DSL Study addressed by Mr.**
189 **Born?**

190 A. The updated DLFs for the delivery classes and the updated system average DLF that are
191 reflective of the DSL Study addressed by Mr. Born (ComEd Ex. 9.0) are provided in
192 ComEd Ex. 10.07 and shown in the following Table BLB-D4: Updated Distribution
193 Loss Factors:

194 **Table BLB-D4: Updated Distribution Loss Factors**

Delivery Class	DLF
Residential Single Family Without Electric Space Heat	0.0721
Residential Multi Family Without Electric Space Heat	0.0759
Residential Single Family With Electric Space Heat	0.0854
Residential Multi Family With Electric Space Heat	0.0754
Nonresidential Watt-Hour	0.0793
Nonresidential Small Load	0.0690
Nonresidential Medium Load	0.0714
Nonresidential Large Load	0.0640
Nonresidential Very Large Load	0.0615
Nonresidential Extra Large Load	0.0553
Nonresidential High Voltage	
At or above 138 kilovolts	0.0043
Other exceeding 10 MW	0.0101
Other	0.0102
Nonresidential Railroad	0.0318

Delivery Class	DLF
Lighting Fixture-Included	0.1023
Lighting Dusk to Dawn	0.1023
Lighting General	0.0883
System Average	0.0644

195

196 **VII. PUBLIC NOTICE**

197 Q. **Did ComEd prepare a form of public notice for this update filing that is consistent**
198 **with the Commission rules for the filing of a general rate case?**

199 A. Yes. ComEd Ex. 10.08 presents the form of public notice that ComEd distributed for
200 publication to address the filing that initiated this proceeding.

201 **VIII. CONCLUSION**

202 Q. **Does this complete your revised direct testimony?**

203 A. Yes.