



2012 ComEd Energy Efficiency and Demand Response Adjustment Review

June 26, 2012

INTERNAL AUDIT SERVICES

OFFICIAL FILE

I.C.C. DOCKET NO. 11-0646

ComEd Exhibit No. 3.2

Witness _____

Date 6/12/13 Reporter KW

Executive Overview

Background

Rider Energy Efficiency & Demand Response Adjustment (Rider EDA) permits ComEd to recover costs incurred in the administration of Energy Efficiency and Demand Response programs. ComEd applies three separate EDA's: EDA-R, EDA-NS and EDA-NL. EDA-R applies to residential customers, EDA-NS applies to small commercial and lighting customers and EDA-NL applies to large commercial, industrial and railroad customers. The EDA calculation considers incremental projected costs, costs reimbursed through other programs, reconciliation factors (including the Automatic Reconciliation Factor (ARF) equal to the cumulative over collection or under collection from applicable retail customers), projected energy in kilowatt hours, and an uncollectible factor.

Under the provisions of Rider EDA, ComEd must conduct an internal audit of costs and recoveries annually. The results of this audit must be filed with the Illinois Commerce Commission (ICC) by August 31, 2012.

Objective and Scope

The objective of this review was to assure compliance with the requirements of Rider EDA. Specifically, the scope included assuring:

- Costs recovered through Rider EDA were associated with the Energy Efficiency and Demand Response programs and were not recovered through other tariffs,
- Rider EDA adjustments were appropriately applied to customers' bills,
- Revenues collected through Rider EDA were appropriately recorded in the general ledger, and
- Funds from any source other than those collected through the Rider were identified and reflected in the computation of the EDA adjustment and ARF.

The scope of this review included costs incurred and recovered during Plan Year 4, which is the timeframe June 1, 2011 through May 31, 2012.

Results

In our opinion, based on testing performed over costs incurred June 2011 through May 2012, the cost recovery process performed by ComEd Accounting and Energy Efficiency Program Planning is in compliance with the requirements of Rider EDA as defined in the scope section of this report.

Internal Audit's testing concluded that costs recovered through Rider EDA were recovered pursuant to the rider and were not recovered through other tariffs. Additionally, EDA adjustments were properly calculated and applied to customers' bills and revenue collected through Rider EDA was correctly stated.

Internal Audit appreciates the assistance of Energy Efficiency Program Planning, Regulatory, Accounting, IT and Legal Management and personnel in completion of this review.

Joseph F. Kobulsky, Director
Internal Audit

Report Distribution

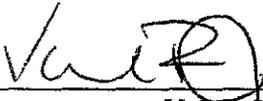
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STATE OF ILLINOIS)
) SS.
COUNTY OF DUPAGE

VERIFICATION

I, Val R. Jensen, first being duly sworn, state that I have read the foregoing Memorandum entitled "2012 ComEd Energy Efficiency & Demand Response Adjustment Review", and that the facts and results stated therein are true and correct to the best of my knowledge and belief.



Val R. Jensen

Subscribed and sworn to before
me this 27th day of August, 2012.



Notary Public

