

ICC Docket No. 11-0646

**Commonwealth Edison Company's Response to  
Illinois Commerce Commission ("Staff") Data Requests  
ST 7.01 – 7.06**

**Date Received: March 13, 2013**

**Date Served: April 1, 2013**

**REQUEST NO. ST 7.05:**

If the answer to ST-7.04 is yes, please provide suggested tariff language changes to Rider EDA which would clarify the scope of the annual internal audit.

**RESPONSE:**

Please see ComEd's Response to Staff Data Request ST 7.04. ComEd fully incorporates by reference its objections stated in its Response to Staff Data Request ST 7.04. In addition, consistent with the Commission's order in ICC Docket No. 05-0106, tariff changes to Rider EDA are not within the scope of this reconciliation proceeding and therefore cannot be considered here. *See, Nicor Gas Co.*, ICC Docket No. 05-0106 (Final Order, July 25, 2007) at 16. However, without waiving these objections or any of its General Objections, ComEd responds that it believes that the existing provisions of Rider EDA provide the desired clarity regarding the scope of the annual internal audit. Set forth below is ComEd's proposal to address Staff's concerns regarding the audit of invoices received for a given Plan year after the close of that year.

As an initial matter, Rider EDA requires that "[e]ach year, on or before August 31, the Company must submit to the ICC an annual report that summarizes the operation of this rider and reconciles the revenues accrued through the application of the applicable EDA with the Incremental Costs incurred in accordance with the provisions of this rider for the previous twelve (12) monthly billing periods ending with the May monthly billing period prior to such filing." The audit that accompanies this annual report therefore must relate to and address the incremental costs incurred during this prior 12-month period. Importantly, there is no requirement in Rider EDA that all of a given Plan year's incremental costs be recovered in a single reconciliation year's annual report proceeding.

Accordingly, ComEd proposes that each annual report filing simply include all incremental costs incurred during the prior 12-month period ending May 31 as reflected in the final invoices received during that period. While the invoices may reflect some incremental costs related to a different Plan year, as a practical matter the vast majority of a given Plan year's incremental costs would be reflected in the annual report that covers that Plan year. This means that for those expenses such as Measurement & Verification ("M&V") costs that are incurred after the May 31 close of a given Plan year, these costs will be recovered through the reconciliation of the Plan year in which they are incurred. In other words, the Plan Year 3 M&V costs reflected in final invoices received during Plan Year 4 would be recovered in Plan Year 4. Under this approach, the internal audit that accompanies each annual report would simply address the final invoices received during the prior 12-month period ending May 31.

**OFFICIAL FILE**

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

ComEd Exhibit No. 4.1

Witness \_\_\_\_\_

Date 6/12/13 Reporter KW

**CEDA 0004717**

If Staff agrees with this proposal, ComEd would agree to voluntarily withdraw the amount of M&V costs that Staff proposes to disallow in this docket (so there is no disallowance) and file a revised Annual Report and testimony in Plan Year 4 to incorporate these costs, provided that Staff would agree to such a revised filing in ICC Docket No. 12-0509. Finally, ComEd would include in its annual reports a running (cumulative) total of incremental costs incurred for each Plan year to demonstrate compliance with the spending screens/budgets for each Plan year.