

**STATE OF ILLINOIS**  
**ILLINOIS COMMERCE COMMISSION**

COMMONWEALTH EDISON COMPANY	:	
	:	No. 13-0387
	:	
	:	
Tariff filing to present the Illinois Commerce	:	
Commission with an opportunity to consider	:	
revenue neutral tariff changes related to rate	:	
design authorized by subsection 16-108.5(e)	:	
of the Public Utilities Act	:	

Surrebuttal Testimony of  
**CHARLES S. TENORIO**  
Manager  
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 business address?**

4 A. My name is Charles S. Tenorio. My business address is 440 S. LaSalle, Suite 3300,  
5 Chicago, Illinois 60605.

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

7 A. I am employed by Commonwealth Edison Company (“ComEd”) as Manager of  
8 Regulatory Strategies and Solutions.

9 **Q. Are you the same Charles S. Tenorio that submitted direct and rebuttal testimony in**  
10 **this proceeding?**

11 A. Yes

12 **B. Summary of Surrebuttal Testimony**

13 **Q. What is the purpose of your surrebuttal testimony?**

14 A. I respond to the rebuttal testimonies of Illinois Commerce Commission (“ICC” or  
15 “Commission”) Staff (“Staff”) witness Mr. William R. Johnson, the Illinois Attorney  
16 General (“AG”) witness Mr. Scott J. Rubin, City of Chicago and Citizen’s Utility Board  
17 (“City/CUB”) witness Mr. Edward C. Bodmer, The Commercial Group (“CG”) witness  
18 Mr. Steve W. Chriss, Illinois Industrial Energy Consumers (“IIEC”) witness Mr. Robert  
19 R. Stephens, and the Coalition to Request Equitable Allocation of Costs Together  
20 (“REACT”) witness Mr. Bradley O. Fults. In addition, I comment upon ComEd’s  
21 experience in this initial rate design investigation (“RDI”) under the Energy  
22 Infrastructure Modernization Act (“EIMA”), and I make observations and comparisons

23 based upon my understanding of the rebuttal testimonies, proposals, and data presented  
24 by others. The failure to address any particular point raised by any ICC Staff's or parties'  
25 witness does not equal agreement to that point.

26 **Q. Why has ComEd provided, and is continuing to provide, so much data and the**  
27 **results of so many analyses without using this proceeding as an opportunity to**  
28 **pursue changes in cost allocation and rate design for its customers?**

29 A. In this initial RDI, ComEd chose to refrain from proposing changes, and instead provided  
30 unprecedented amounts of data and analyses in order for the Commission and the parties  
31 to have as much information as possible to undertake a comprehensive investigation of  
32 cost allocation and rate design. The following items include just some of the information  
33 ComEd previously provided in this proceeding:

- 34 • Direct Testimony Phase
  - 35 ✓ 8 embedded cost of service studies ("ECOSSs")
  - 36 ✓ 16 populated rate designs
  - 37 ✓ 15 associated studies
- 38 • Rebuttal Testimony Phase
  - 39 ✓ 2 ECOSSs
  - 40 ✓ 3 populated rate designs
  - 41 ✓ 14 associated studies

42 In addition, substantial information was compiled and supporting analyses performed in  
43 order to provide responses to the 200 data requests submitted to ComEd over the past  
44 four months. Some of the ECOSSs, rate designs, and analyses were performed in an  
45 effort to assist in correcting information provided by other parties or to verify the  
46 accuracy of information provided by others.

47 By having ComEd make no specific proposal and instead provide relevant information,  
48 the ICC Staff and the parties had the opportunity to argue their various proposals on their  
49 own merits, without ComEd inserting itself into those arguments. Cost allocation and  
50 rate design discussions are frequently contentious involving multiple interests. By  
51 relegating itself to the more supportive, impartial role that I describe, the specific  
52 arguments of each party could be seen more clearly. I do not retrace the case history of  
53 rate design, although I attempt to help educate with respect to some historical information  
54 provided by others. My direct, rebuttal, and surrebuttal testimonies provide data and  
55 analyses, as well as observations and comparisons of others' proposals, in a concerted  
56 effort to allow the Commission to utilize the information presented in this proceeding to  
57 reach knowledgeable conclusions pertaining to ComEd's delivery service cost allocations  
58 and rate design.

59 **C. Itemized Attachments**

60 **Q. What exhibits are attached to your surrebuttal testimony?**

61 **A.** The following exhibits ("Exs.") are attached to this surrebuttal testimony:

62 ComEd Ex. 13.01 – Illustrative Rate Design Using “Next Step” Revenue Responsibilities  
63 and the ECOSS presented in ComEd Ex. 14.01 (“Staff Rate Design”)

64 ComEd Ex. 13.02 – Illustrative Rate Design Using Current Revenue Responsibilities and  
65 the IIEC Sponsored Revised ECOSS

66 ComEd Ex. 13.03 – Illustrative Rate Design Using 100% Revenue Responsibilities and  
67 the IIEC Sponsored Revised ECOSS

68 ComEd Ex. 13.04 – Illustrative Rate Design Using “Next Step” Revenue Responsibilities  
69 and the IIEC Sponsored Revised ECOSS

70 ComEd Ex. 13.05 – Illustrative Rate Design Using the CG Rate Design Proposal and the  
71 RDI ECOSS

72 ComEd Ex. 13.06 - Customers with at Least One Month of Usage Two Times Greater  
73 than the Percentile Average Usage

74 ComEd Ex. 13.07 – Notification from the ICC Staff Pertaining to ComEd’s Compliance  
75 Filing in the 2010 Rate Case

76 ComEd Ex. 13.08 – Update to ComEd Ex. 2.20 Standard Meter Allowances

77 ComEd Ex. 13.09 – Update to ComEd Ex. 2.21 Meter Leases (There are Confidential and  
78 Public versions of ComEd Ex. 13.09)

79 **II. ADDITIONAL RATE DESIGN MODELS**

80 **Q. Has ComEd developed additional rate designs for use in this investigation?**

81 A. Yes. ComEd developed five additional illustrative rate designs based upon the rebuttal  
82 testimonies presented by Mr. Johnson, Mr. Stephens, and Mr. Chriss. ComEd Ex. 13.01  
83 provides the Staff Rate Design, which is a rate design that utilizes the ECOSS presented  
84 by Mr. Bradley J. Bjerning in ComEd Ex. 14.01 and “next step” revenue responsibilities.  
85 (ICC Staff Ex. 4.0 3:54-58 and Attachment 4.03). ComEd Exs. 13.02-13.04 provide rate  
86 designs at current revenue responsibilities, 100% revenue responsibilities, and “next step”  
87 revenue responsibilities, respectively, using cost inputs from the ECOSS presented by  
88 Mr. Bjerning in ComEd Ex. 14.02 that reflects the revised cost allocation proposal  
89 presented by Mr. Stephens (IIEC Ex. 3.0 3:3-9). ComEd Ex. 13.05 provides a rate design  
90 that utilizes the RDI ECOSS and “next step” revenue responsibilities, except that the  
91 Railroad Delivery Class is moved one third of the way to cost based charges as proposed  
92 by Mr. Chriss (CG Ex. 1.0 3:55-57).

93 **III. RESIDENTIAL RATE DESIGN**

94 **Q. Based upon the ICC Staff’s and the parties’ rebuttal testimonies, what are the**  
95 **various residential rate design proposals under consideration in this proceeding?**

96 A. There are three residential rate design proposals under consideration in this proceeding.  
97 The ICC Staff Rate Design, as presented by Mr. Johnson (ICC Staff Ex. 4.0, 3:54-58 and  
98 Attachment 4.03), maintains the 50/50 Straight Fixed Variable (“SFV”) rate design  
99 previously adopted by the Commission and in place since 2011. The AG proposal, as  
100 presented by Mr. Rubin (AG Ex. 3.0 3:62-63) replaces the existing 50/50 SFV rate design  
101 with the rate design that was in place prior to June 1, 2011. The City/CUB proposal, as  
102 presented by Mr. Bodmer (City/CUB Ex. 2.0, 27:519-28:520), incorporates a many tiered

103 concept under which the customer charge is determined based upon the individual  
104 customer's average monthly usage for the prior year.

105 **Q. What is your general reaction to the rebuttal testimony of Mr. Bodmer?**

106 A. My first impression of Mr. Bodmer's rebuttal testimony is that he presents over 160  
107 pages of testimony rebutting data presented by ComEd, but presents very little in  
108 response to the testimonies of others who have positions and proposals different from his.  
109 Upon further review, I find that Mr. Bodmer appears to have misinterpreted ComEd's  
110 rebuttal testimony because he often attributes or implies positions, conclusions, and  
111 assertions as being those of ComEd when in fact, they are not. Finally, I find myself  
112 perplexed with the tone and drama of his rebuttal testimony, as all ComEd witnesses  
113 concentrated on presenting evidence, understanding that this is all factual information  
114 being presented for the Commission's use in this investigation, and it is up to the  
115 Commission to decide which information to utilize when making determinations  
116 pertaining to the rate design effectuated through this proceeding.

117 **Q. Can you provide some examples of instances in which Mr. Bodmer attributes or**  
118 **implies that a position is ComEd's when it is not?**

119 A. Yes. There are many such instances. Among them are the following examples:

120 *"ComEd has thrown together a lot of data [ComEd Ex. 2.33], then*  
121 *asserted that there is no relationship between usage and demand."*  
122 *(City/CUB Ex. 2.0 16:310-312). "Similarly, the cost of preparing*  
123 *ComEd's Exhibit 2.33, which attempts to prove that usage and demand*  
124 *are not correlated, will also end up in the customer charge." (Id. 24:439-*  
125 *441)*

126 ComEd never made such an assertion. Instead, ComEd concluded, “The Company must  
127 plan its distribution system and incur costs to put facilities in place in that system on the  
128 basis of customers’ maximum demands for electricity (kW) and not simply on electricity  
129 usage (kWh).” (ComEd Ex. 2.33 p 31).

130 *“ComEd seems to imply that a studio apartment in the City can suddenly*  
131 *use as much electricity as a large home in Kenilworth and ComEd needs*  
132 *to prepare for that possibility. Because he believes a studio apartment*  
133 *can suddenly use as much energy as a large mansion, Mr. Tenorio asserts*  
134 *that energy usage does not drive distribution cost. In fact, ComEd’s*  
135 *analysis of variation in usage does not really demonstrate anything at*  
136 *all.” (City/CUB Ex. 2.0, 29:543-548)*

137 I neither believe nor ever said what Mr. Bodmer attributes to me. The results of the  
138 ComEd analysis to which Mr. Bodmer is referring are provided in Table CST-R2 of my  
139 rebuttal testimony (ComEd Ex. 6.0 22:367). Those results are from the analysis of the  
140 individual annual usage data for over 2.8 million residential customers provided in  
141 ComEd Ex. 2.33. The results of the analysis are directly responsive to encouragement  
142 given to ComEd by the Commission regarding the exploration of the possible  
143 identification of a subclass based upon usage, especially in the Chicago region. (Docket  
144 No. 10-0467 (“2010 Rate Case”) Order at 232). Those results and other analyses  
145 described in ComEd Ex. 2.33 supported ComEd’s conclusions in that study that there is  
146 no cost basis for creating additional residential delivery classes within the Company’s  
147 rate structure, nor is there a pervasive inequity that might warrant a restructuring of  
148 charges for delivery service within the existing residential delivery classes.

149 *“If one accepts the notion that distribution costs are driven by coincident*  
150 *peak demand – as ComEd maintains – this implies that rates should be*  
151 *23% lower in the City of Chicago than outside city regions.” (City/CUB*  
152 *35:654-656)*

153 ComEd's actual position is that costs for distribution facilities are driven by the demands on  
154 those facilities, not coincident peak demand.

155 *"ComEd chose (either purposefully or by accident) not to implement its*  
156 *SFV scheme to multi-family consumers. The current multi-family rates*  
157 *are therefore not representative of a 50/50 SFV rate design but of the pre-*  
158 *2010 rate design." (City/CUB 42:761-763)*

159 It is important to be clear with respect to the topic of SFV rate design. ComEd's current  
160 delivery service charges for all residential customers - including those for all multi family  
161 customers - most certainly reflect the 50/50 SFV rate design adopted by the Commission.  
162 Since the adoption of the 50/50 SFV rate design for residential customers and  
163 nonresidential customers in the Watt-Hour Delivery Class, ComEd's delivery service  
164 charges have been reviewed by the ICC Staff and allowed to become applicable by the  
165 Commission on four separate occasions in the past two years; each time the delivery  
166 service charges included the 50/50 SFV rate design adopted by the Commission for those  
167 customers.

168 *"In discussing its findings that zip codes can have both high and low*  
169 *usage residents, ComEd suggests that usage in a particular region can*  
170 *vary dramatically. Data provided by ComEd demonstrate that this is not*  
171 *the case for the City and outside regions of the service territory. The four*  
172 *graphs below that (sic)compare the City and outside City usage*  
173 *distributions for 2006, 2010, 2011, and 2012 (years of data provided by*  
174 *ComEd). Data for the four different years demonstrate that the*  
175 *relationship between usage and regions is very stable and that the City*  
176 *has a consistent pattern relative to the other parts of the service*  
177 *territory." (City/CUB 30:566-573)*

178 The suggestion that usage in an entire particular region varies dramatically from year to  
179 year is never made in either ComEd Ex. 2.33 or my rebuttal testimony. Rather, the data  
180 showed that usage can vary dramatically **among customers in the same delivery class**

181 in a particular region. Those results showed that it would not be appropriate to define a  
182 low usage residential sub-class on the basis of geography.

183 **Q. Getting back to Mr. Bodmer’s claim that you believe a studio apartment can**  
184 **suddenly use as much energy as a large mansion, do you have anything more to say**  
185 **about that claim?**

186 A. ComEd does not have a single residential delivery class into which studio apartments and  
187 mansions are lumped together. It has four residential delivery classes – the Single Family  
188 Without Electric Heat (“SFNH”), the Multi Family Without Electric Heat (“MFNH”), the  
189 Single Family With Electric Heat (“SFH”), and the Multi Family With Electric Heat  
190 (“MFH”). In the ECOSs, ComEd determines a separate set of costs allocated to each of  
191 these four delivery classes, and in the rate design models, ComEd develops separate sets  
192 of delivery service charges applicable to each of these four delivery classes. For  
193 example, the customer charge applicable to an apartment without electric heat is currently  
194 \$6.21 per month, while the customer charge for a single family house without electric  
195 heat is currently \$12.33 per month.

196 Moreover, there are limitations in the provision of standard delivery service, including the  
197 number of poles and length of conductors provided (ILL. C. C. No. 10, General Terms and  
198 Conditions Original Sheets Nos. 159 and 171). If a customer requests or requires different or  
199 additional facilities to those provided in the provision of standard delivery service, the customer  
200 is subjected to charges in accordance with Rider NS – Nonstandard Services and Facilities  
201 (“Rider NS”), as applicable. For example, if a customer requests underground service in an area  
202 in which overhead distribution facilities are the standard, the customer is subjected to Rider NS

203 charges unless the underground facilities would be the least cost option. In the example of the  
204 mansion located on an expansive piece of property, it is quite possible that the customer was  
205 subjected to charges for nonstandard services and facilities.

206 **Q. Considering ComEd's role in this proceeding, did you find any additional items in**  
207 **your review of Mr. Bodmer's rebuttal testimony that may be confusing?**

208 **A.** Yes. There were a number of things in Mr. Bodmer's rebuttal testimony that may lead to  
209 confusion in this investigation, but for the sake of brevity, I directly address only a few.  
210 For example, in addressing the different distribution facilities that serve residential  
211 customers, Mr. Bodmer opines, "less undergrounding [is] correlated with low usage"  
212 (City/CUB Ex. 2.0, 14:274). Moreover, it appears that Mr. Bodmer thinks it is  
213 appropriate to disregard the facilities associated with what he calls Chicago's "Central  
214 Business District" (City/CUB Ex. 2.0, 39:698-700) . My understanding is that ComEd's  
215 distribution facilities in that area are almost exclusively underground. Mr. Bodmer may  
216 be under the impression that there are few residential customer premises located in that  
217 area of Chicago. However, there are approximately 95,000 residential customers located  
218 in the heart of the City of Chicago that are served directly by or are directly connected to  
219 those facilities. That customer population is roughly equivalent to the combined number  
220 of residential customers in Park Ridge, Des Plaines, Mount Prospect, and Arlington  
221 Heights. Moreover, as shown in Appendix B of ComEd Ex. 2.33, in that area in which  
222 the distribution facilities are virtually all underground, customer usage ranged from the  
223 very lowest percentile to the very highest percentile. Therefore, more undergrounding  
224 does not necessarily mean high usage.

225 Also in his rebuttal testimony, Mr. Bodmer admonishes ComEd for the use of the 50/50  
226 SFV rate design adopted by the Commission. It seems his criticism stems from his  
227 position that the costs of distribution facilities should not be recovered through the  
228 customer charge because distribution facilities are driven by demand and are not related  
229 to the existence of the customer (City/CUB Ex. 2.0, 16:319-321). However, elsewhere in  
230 his testimony he presents costs of distribution facilities on the basis of customers:

231 “As an example of the cost drivers, I showed that the cost responsibility in  
232 terms of miles of lines per ratepayer is 6.95 miles per 1000 consumers  
233 inside the City and 25.96 miles per 1000 consumers outside the City.”  
234 (City/CUB Ex. 2.0, 14:275-277)

235 **Q. How do you respond to Mr. Bodmer’s rebuttal testimony that addresses monthly**  
236 **changes in usage by residential customers (City/CUB Ex. 2.0, 30:550-565), and in**  
237 **particular his assertion, “When people move or take vacations and the usage at an**  
238 **address declines for a particular month, this in no way implies that peak demand**  
239 **and distribution costs can be correlated with the presence of a ratepayer account**  
240 **rather than usage.” (City/CUB Ex. 2.0, 30:558-560)?**

241 **A.** ComEd generally does not remove and install distribution facilities as people move out of  
242 or into premises. Likewise, ComEd does not remove distribution facilities when people  
243 go on vacation and then reinstall them when people return home. This demonstrates that,  
244 in a very real sense, distribution facilities are fixed in nature. Due to cost causation  
245 principles, therefore, it is appropriate to treat the costs associated with those fixed  
246 facilities as being fixed in nature. It is not just the monthly electricity usage, even if it is  
247 low for several months out of a year, or even if it is consistently low for a current

248 resident, that determines the delivery service facilities that ComEd must have in place to  
249 provide electric delivery service to its customers.

250 Additionally, while Mr. Bodmer asserts that distribution costs are not correlated with the  
251 presence of a customer account, actual activities undertaken to plan and provide  
252 distribution facilities suggest otherwise. An example using the building of a multi family  
253 complex in Chicago may be useful to illustrate this point. Long before customers take up  
254 residence in the complex, the developer of the complex and ComEd work together to  
255 determine the electrical requirements for the complex, which is based upon the  
256 developer's computations for connected load per unit in the building. The developer  
257 provides ComEd with that kW/unit information, as well as the number of units in the  
258 complex in order for ComEd to determine the distribution facilities, and their associated  
259 costs, needed to serve the units in the multi family complex. ComEd then upgrades  
260 existing distribution facilities or installs new distribution facilities to meet the potential  
261 electrical needs for every unit in the complex. This all happens before the first customer  
262 takes up residence in the complex. It also happens regardless of the occupancy rate or if  
263 tenants end up being high kWh or low kWh use customers.

264 **Q. Turning to the topic of load factor, Mr. Bodmer indicates that the load factor**  
265 **computations performed by ComEd and the associated graphs in your rebuttal**  
266 **testimony are inappropriate and irrelevant (City/CUB Ex. 2.0, 32:586-38:679,**  
267 **City/CUB Ex. 2.1) and that he corrected your analysis (City/CUB Ex. 2.0, 32:599).**  
268 **Are there errors in ComEd's load factor computations or the graphs you present in**  
269 **your rebuttal testimony in Figures CST-R5 through CST-R8?**

270 A. No. The load factor computations and graphs presented in my rebuttal testimony are  
271 correct. The graphs, which show customer load factors increase as customer usage  
272 increases, provide in graphic format the results from computations that utilize the  
273 equation shown at line 270 on page 16 of my rebuttal testimony. That equation is  
274 identified by the Edison Electric Institute (“EEI”) and the United States Energy  
275 Information Administration (“EIA”) as the proper equation to use in the determination of  
276 load factor.<sup>1</sup>

$$\text{Load Factor} = \frac{\text{kWh used in the Period}}{(\text{Maximum kW}) \times (\text{Hours in the Period})}$$

277 The load factor analysis presented in my rebuttal testimony was provided in response to  
278 Mr. Bodmer’s assertions regarding load factor that he made in his direct testimony.  
279 ComEd’s analysis was prepared in order to provide as much information as possible to  
280 the Commission for use in this investigation.

281 Q. **What definition does Mr. Bodmer utilize in his computations of load factor?**

282 A. While Mr. Bodmer provides considerable amounts of data pertaining to customer usage  
283 and demands, he uses more than one equation to develop what he calls load factors, and  
284 they do not match the EEI or EIA equation. In his direct testimony, Mr. Bodmer  
285 maintains, “Annual load factor is defined as average usage per hour over the course of the

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<sup>1</sup>“Load Factor: The ratio of the average load in kilowatts supplied during a designated period to the peak or maximum load in kilowatts occurring in that period. Load factor, in percent, also may be derived by multiplying the kilowatthours in the period by 100 and dividing by the product of the maximum demand in kilowatts and the number of hours in the period.” (p 89, *Glossary of Electric Industry Terms*, Edison Electric Institute, April 2005). Load factor: The ratio of average load to peak load during a specified period of time (<http://www.eia.gov/tools/glossary/index.cfm?id=L>)

286 year divided by usage at the time of ComEd’s system peak.” (City/CUB Ex. 1.0, 45:665-  
287 666). Then in his rebuttal testimony, Mr. Bodmer refers to “load factor, as measured by  
288 highest monthly use relative to average use over the year” (City/CUB Ex. 2.0, 36:662-  
289 663). Elsewhere Mr. Bodmer says, “Any load factor is defined as some level of average  
290 use over an extended period divided by some definition of maximum use during a shorter  
291 period.” (City/CUB Ex. 2.1 at 3) Also, on that same page he provides the following  
292 equation: Load Factor from Monthly Usage Data = Average Monthly Use/August  
293 Monthly Use. (Id.). He further maintains, “That choice (individual demand, coincident  
294 peak demand, or class demand) is crucial in the definition and the interpretation of a load  
295 factor for rate design and rate setting purposes.” (City/CUB Ex. 2.0, 33:609-610).

296 **Q. What observations do you have pertaining to the computations Mr. Bodmer**  
297 **performed with respect to load factors and his resultant graphical presentations of**  
298 **those computations?**

299 A. As noted by independent sources<sup>2</sup>, a load factor computed in accordance with accepted  
300 industry practice can never be greater than 1.0, or said another way, a load factor can  
301 never be greater than 100%. Yet, Mr. Bodmer’s graph on page 37 of his rebuttal  
302 testimony shows his computations produced results with load factors in excess of 110%.  
303 This same graph is shown again in City/CUB Ex. 2.1 at page 10. In his graph on page 46  
304 of City/CUB Ex 2.1, Mr. Bodmer shows the results of load factor computations he

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<sup>2</sup> For example, (a) Power Planet Energy Management Systems website: [http://demandcharge.com/Web\\_Pages/Articles/Electrical\\_Load\\_Factor.html](http://demandcharge.com/Web_Pages/Articles/Electrical_Load_Factor.html), “The (load factor) result is a ratio between zero and one” and (b) The Electrical Engineering Portal website: <http://electrical-engineering-portal.com/demand-factor-diversity-factor-utilization-factor-load-factor>, “Its (load factor) value is always less than one. (This is) because maximum demand is always more than average demand.”

305 performed on the basis of customer demands set at the time of ComEd's system peak. In  
306 that graph, there are load factors in excess of 4.5 (or 450%). On the next page, Mr.  
307 Bodmer shows the results of load factor computations he performed on the basis of  
308 customer demands set at the time of the class' peak. In that graph, there are load factors  
309 that approach 200%. Finally, in the graph on page 48 of City/CUB Ex. 2.1, he again  
310 shows that his computations produce load factors as high as 475%.

311 **Q. Mr. Bodmer asserts, "In City/CUB Exhibit 2.1, I explain that the load factors**  
312 **computed by Mr. Tenorio using individual instead of system or class peaks has (sic)**  
313 **no relevance whatsoever in the ComEd cost of service analysis." (City/CUB Ex. 2.0,**  
314 **33:617-619). What is your response to Mr. Bodmer's assertion?**

315 **A.** In my rebuttal testimony, I responded to Mr. Bodmer's direct testimony in which he  
316 asserted that low customer usage correlated to high load factor. He did not present that  
317 testimony pertaining to load factor in the context of support for cost allocations to  
318 delivery classes in a proposed cost of service study. Mr. Bodmer did not submit a  
319 proposed ECOSS in this proceeding. Mr. Bodmer made that assertion to support his  
320 proposed rate design. Rate designs are developed using individual customer data. The  
321 charges determined by employing a rate design are applicable to individual customers.  
322 The results of the load factor analysis presented in my rebuttal testimony which reflect  
323 individual customer peak demands to determine customer load factors, in addition to  
324 adhering to the EEI's and EIA's load factor definition, provide the Commission with  
325 relevant and appropriate information for its investigation in this proceeding.

326 Q. **How is the load factor information you provided relevant in the examination of Mr.**  
327 **Bodmer's proposed rate design?**

328 A. The load factor information presented in my rebuttal testimony is relevant to the  
329 Commission's examination of Mr. Bodmer's proposal because of the following points:

330 A. For each of the four residential delivery classes Mr. Bodmer's rate design  
331 segments the customers in the delivery class into several tiers.

332 1. The tiers are defined on the basis of the customers' individual average  
333 monthly usage for the previous year.

334 2. The monthly customer charge ranges from \$1.00 per month for customers  
335 with the lowest average monthly usage to over \$40 (multi family) or over  
336 \$55 (single family) for customers with the highest average monthly usage.

337 B. Load factor is a commonly used measure related to the utilization of electrical  
338 facilities.

339 1. A customer with a high load factor means that the customer's electricity  
340 usage is more likely to be steady.

341 2. A customer with a low load factor means that the customer's electricity  
342 usage is more likely to fluctuate.

343 C. The results of ComEd's load factor analysis show that low electricity usage is not  
344 correlated with high load factors; low electricity usage is correlated with low load  
345 factors.

346 D. *Average* monthly usage is not necessarily the same as *steady* monthly usage as  
 347 shown in Table CST-S1.

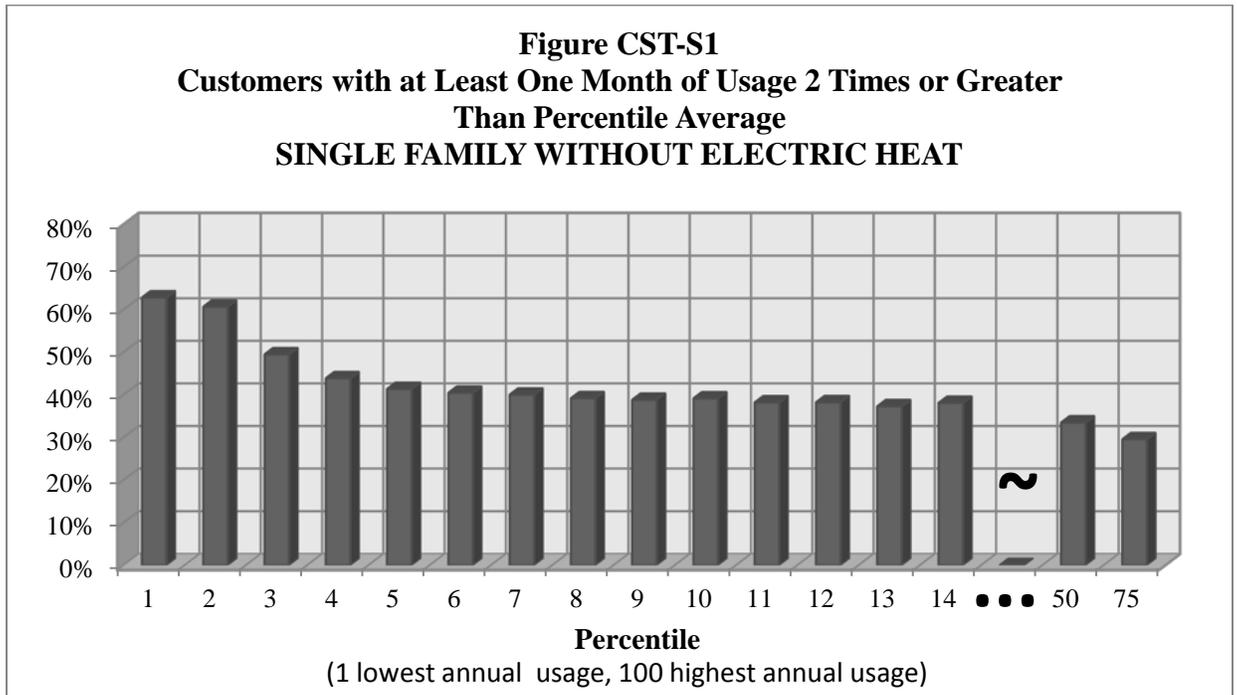
Table CST-S1: Steady Usage Versus Fluctuating Usage		
	Customer A Steady Usage	Customer B Fluctuating Usage
	kWh	kWh
January	400	240
February	400	240
March	400	200
April	400	200
May	400	240
June	400	720
July	400	800
August	400	800
September	400	680
October	400	200
November	400	240
December	400	240
Total	4,800	4,800
Average	400	400

348

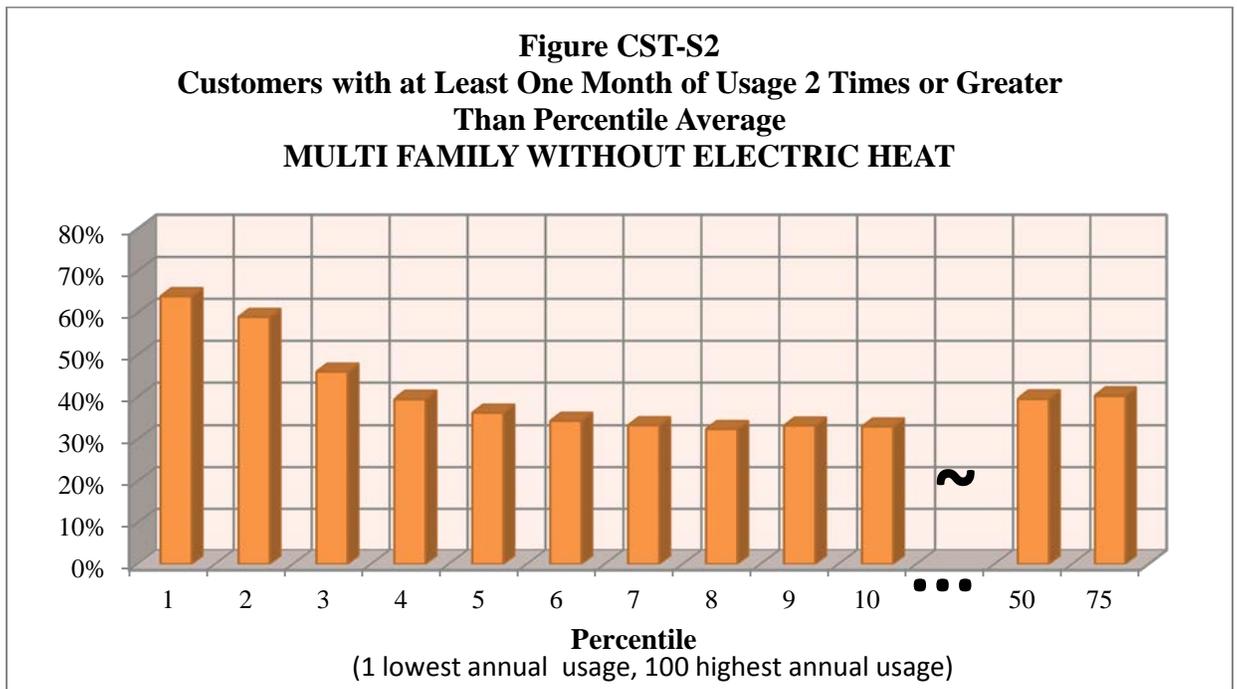
349 As I understand his position, Mr. Bodmer is opposed to the 50/50 SFV rate design  
 350 because he asserts that the amount of the fixed customer charge is unfair to low usage  
 351 customers. However, by setting the customer charge on the basis of the individual  
 352 customer's average monthly usage over the prior year under Mr. Bodmer's proposal, both  
 353 Customer A and Customer B would be charged the same customer charge even though  
 354 the customer with the fluctuating usage used twice the amount of electricity as the  
 355 customer with the steady use in a couple months of the year. Under Mr. Bodmer's rate  
 356 design, therefore, very low customer charges may be applied not just to customers with  
 357 low, steady usage of electricity, but also to customers that have fluctuating usage with  
 358 potentially high maximum electricity usage levels.

359 The following charts graphically depict additional information pertaining to the  
 360 percentages of customers using at least twice as much electricity as their percentile's

361 average monthly usage in at least one month of the year. The data used in these charts  
362 are provided in ComEd Ex. 13.06.



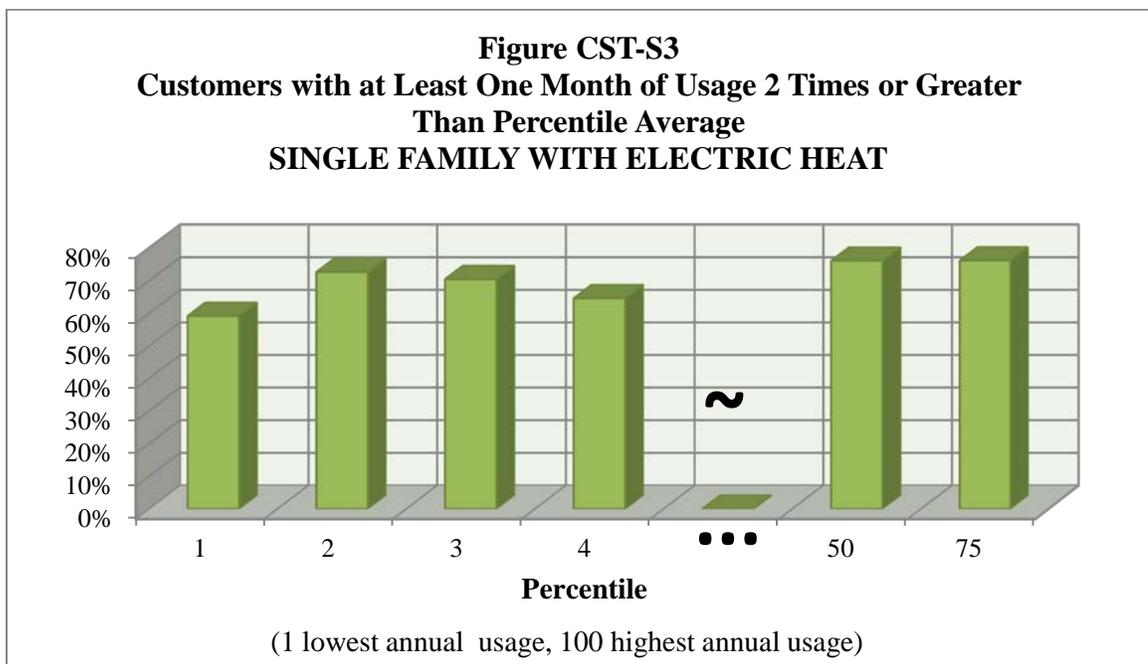
363  
364 Figure CST-S1 Note: From (approx.) 1,947,800 SFNH Surveyed Customer Population (ComEd Ex 2.33). Therefore  
365 each percentile represents about 19,480 customers. Percentiles 14, 50, and 75 have average monthly usages of 392  
366 kWh, 753 kWh, and 1,055 kWh, respectively.



367

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370

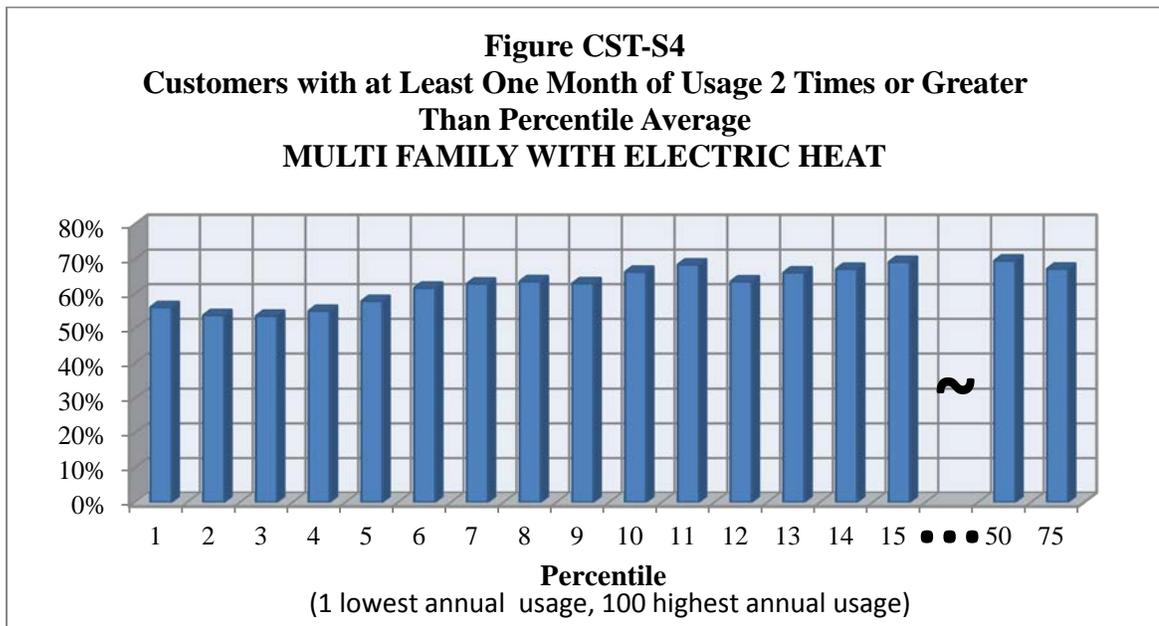
Figure CST-S2 Note: From (approx.) 715,700 MFNH Surveyed Customer Population (ComEd Ex 2.33). Therefore, each percentile represents about 7,160 customers. Percentiles 10, 50, and 75 have average monthly usages of 129 kWh, 334 kWh, and 500 kWh, respectively.



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374

Figure CST-S3 Note: From (approx.) 30,150 SFH Surveyed Customer Population (ComEd Ex 2.33). Therefore, each percentile represents about 300 customers. Percentiles 4, 50, and 75 have average monthly usages of 360 kWh, 1,708 kWh, and 2,301 kWh, respectively.



375

376  
377  
378

Figure CST-S3 Note: From (approx.) 112,150 MFH Surveyed Customer Population (ComEd Ex 2.33). Therefore, each percentile represents about 1,120 customers. Percentiles 15, 50, and 75 have average monthly usages of 398 kWh, 785 kWh, and 1,105 kWh, respectively.

379

In addressing the situation in which customers with low average monthly usage may have

380

significantly fluctuating usage, Mr. Bodmer focused his attention on vacation homes and

381

proposed that “the Commission should establish a separate vacation home rate”

382

(City/CUB Ex. 2.0, 43:798-799). Besides being potentially unduly discriminatory and

383

difficult to enforce, in making this vacation home rate proposal it seems that Mr. Bodmer

384

may have missed the point of ComEd’s analysis. Fluctuating usage is not limited to

385

vacation homes; it could be the result of any of a number of things, for example,

386

customers utilizing air conditioning in the summer. Ultimately, it is up to the

387

Commission to determine the importance of the information provided for use in its

388

evaluation of the competing rate designs proposed in this proceeding.

389 Q. Do you agree with Mr. Bodmer’s declaration that “Actual residential prices for non-  
 390 space (sic) consumers are 18% higher in the City than outside the City” (City/CUB  
 391 Ex. 2.0, 35:657-658)?

392 A. To begin, I am assuming Mr. Bodmer intended to refer to non-electric space heating  
 393 customers. Just to be clear, all customers in the Single Family Without Electric Heat  
 394 (“SFNH”) Delivery Class, whether they reside in Chicago or anywhere else in ComEd’s  
 395 service territory, currently pay the same prices – the same customer charge (“CC”), the  
 396 same standard metering service charge (“SMSC”), the same distribution facilities charge  
 397 (“DFC”), and the same Illinois Electricity Distribution Tax Charge (“IEDT”). The same  
 398 is true for the Multi Family Without Electric Heat (“MFNH”) Delivery Class, the Single  
 399 Family With Electric Heat (“SFH”) Delivery Class, and the Multi Family With Electric  
 400 Heat (“MFH”) Delivery Class as shown in Table CST-S2.

<b>Table CST-S2: Current Residential Delivery Service Prices</b>				
<b>Delivery Class</b>	<b>CC</b>	<b>SMSC</b>	<b>DFC</b>	<b>IEDT</b>
	<b>\$/month</b>	<b>\$/month</b>	<b>¢/kWh</b>	<b>¢/kWh</b>
<b>SFNH</b>	<b>\$12.33</b>	<b>\$2.89</b>	<b>1.955</b>	<b>0.121</b>
<b>MFNH</b>	<b>\$6.21</b>	<b>\$2.89</b>	<b>2.536</b>	<b>0.121</b>
<b>SFH</b>	<b>\$15.13</b>	<b>\$2.89</b>	<b>0.998</b>	<b>0.121</b>
<b>MFH</b>	<b>\$6.81</b>	<b>\$2.89</b>	<b>1.149</b>	<b>0.121</b>

401

402 Q. Mr. Bodmer indicates that you do not understand his proposal (City/CUB Ex. 2.0,  
 403 26:475-522). Is that true?

404 A. No. At lines 105 -107 of my rebuttal testimony, I was comparing Mr. Bodmer’s proposal  
405 to Mr. Rubin’s proposal. In making that comparison I said, “Mr. Rubin’s proposal results  
406 in increases to the customer charges for multi family customers, while it appears that Mr.  
407 Bodmer proposes to significantly lower customer charges for *all residential customers*.”  
408 That sentence should have been constructed as follows: Mr. Rubin’s proposal results in  
409 increases to the customer charges for multi family customers, while it appears that Mr  
410 Bodmer proposes to significantly lower customer charges for *some residential customers*  
411 *in all residential delivery classes*.” In addition, at line 301 on page 19 of my rebuttal  
412 testimony, the phrase “the residential customer charges” should have read “the residential  
413 customer charges for low usage customers.” I regret my errors and the confusion they  
414 seemed to have caused.

415 With respect to Mr. Bodmer’s reference to lines 250-253 of my rebuttal testimony, my  
416 rebuttal testimony is correct based upon my understanding of his proposal, in which the  
417 variable charges in Mr. Bodmer’s proposal do increase relative to the corresponding  
418 variable charges in the RDI rate design for all customers in three of the four residential  
419 delivery classes (by 8.4%, 79.8%, and 20.3% for the SFNH, SFH, and MFH delivery  
420 classes, respectively) and the fixed charges in Mr. Bodmer’s proposal are much lower  
421 relative to the corresponding charges in the RDI rate design for low use customers.

422 Q. **What are your observations pertaining to the complexity of Mr. Bodmer’s proposed**  
423 **rate design?**

424 A. Mr. Bodmer continues to maintain that his proposed rate design is not complicated  
425 (City/CUB Ex. 2.0, 39:707-710). Staff however, does not share that assessment as Mr.  
426 Johnson makes clear (ICC Staff Ex. 4.0, 20:474-21:485).

427 Q. **Do you continue to have concerns about Mr. Bodmer’s proposed rate design?**

428 A. Yes. I have two primary concerns about Mr. Bodmer’s proposed rate design. The first  
429 concern pertains to the complexity of Mr. Bodmer’s proposal and the resultant impact it  
430 could have on customers. The second concern pertains to the concept of neutrality with  
431 respect to ComEd’s revenue requirement.

432 Q. **What is your concern with respect to the complexity of Mr. Bodmer’s proposal?**

433 A. With respect to complexity, it remains unclear how a customer would be categorized into  
434 the many usage tiers in Mr. Bodmer’s design. While he indicates in his rebuttal  
435 testimony that it would be based on average monthly usage over the past year, with  
436 weather normalization (City/CUB Ex. 2.0, 40:733-734), he does not retract from his  
437 direct testimony in which he said, “I have no objection to basing the graduated charges on  
438 weather normalized usage in the system’s highest month of usage, rather than the twelve  
439 month moving average.” (City/CUB Ex. 1.0 70:1079-1081). Weather normalization of  
440 individual customer usage would add significant complexity to the application of the rate  
441 design, and it seems that customers would be confused by the weatherization of their  
442 individual usage data. Moreover, employing the ratchet concept Mr. Bodmer mentioned  
443 in his direct testimony (i.e., weather normalized usage in the system’s highest month of  
444 usage, rather than the twelve month moving average) would also add to the complexity  
445 and potential customer confusion. Additionally, Mr. Bodmer does not indicate how

446 customers in new housing or successor customers in existing housing would be assigned  
447 to the various tiers in his proposed rate design, which could result in customers jumping  
448 from one customer charge to another over the course of their initial year of service  
449 depending upon how their individual average usage is determined.

450 **Q. What is your concern with respect to the revenue requirement neutrality of Mr.**  
451 **Bodmer's proposal?**

452 **A.** Simply, I do not know how ComEd would be able to implement Mr. Bodmer's proposal  
453 in a manner that would ensure revenue requirement neutrality, and Mr. Bodmer has not  
454 provided useful or complete guidance in this regard. If the Commission were inclined to  
455 order the adoption of his proposal, there would need to be explicit instruction from the  
456 Commission on how to implement the design in a revenue-requirement neutral manner.

457 **Q. How does Mr. Rubin react to your analysis of the range of usage by residential**  
458 **customers by localized areas?**

459 **A.** After reviewing my rebuttal testimony addressing that analysis, Mr. Rubin notes, "Third,  
460 and most importantly, there is no indication that ZIP codes have anything to do with the  
461 way in which ComEd plans, builds, or operates its distribution network." (AG Ex. 3.0,  
462 5:108-110). He further states, "Simply stated, ZIP codes are not relevant either to the  
463 distribution of electricity or to customers' usage of electricity." (Id. 6:112-113).

464 As I previously noted, in that analysis ComEd compiled the annual usage of over 2.8  
465 million residential customers and identified by local areas, segmented by zip code, the  
466 range of usage of those customers, by delivery class and by percentile (with Percentile 1

467 reflecting the lowest usage levels and Percentile 100 reflecting the highest usage levels).  
468 ComEd performed that analysis in response to the following Commission directive and  
469 encouragement:

470            “[T]he Commission takes particular note of arguments regarding the  
471            possible disparate impact of a SFV design on low-use customers,  
472            especially in the Chicago region. Therefore, in its next rate proceeding,  
473            ComEd must provide evidence that demonstrates whether the impacts on  
474            the low-use sub-group in the residential customer class are such that it  
475            would be appropriate to have a new class cost of service and rate design  
476            for that identifiable group. The Commission also encourages ComEd to  
477            explore how it defines the low-use customer sub-class.” (Order 2010 Rate  
478            Case p 232)

479 Based upon those results, ComEd concluded in ComEd Ex. 2.33 that it would not be  
480 appropriate to define a low usage residential sub-class on the basis of geography.

481 It is interesting to contrast the diverse positions between Mr. Rubin’s statements and Mr.  
482 Bodmer’s statements pertaining to differences between the City of Chicago and the  
483 remaining portion of ComEd’s service territory with respect to distribution facilities and  
484 the usage levels of customers.

485 **Q. In reviewing your rebuttal testimony pertaining to the impact of moving away from**  
486 **the 50/50 SFV rate design to Mr. Rubin’s proposed rate design with no SFV pricing,**  
487 **Mr. Rubin comments that “Those customers that would see their bill decrease**  
488 **under my proposal are the same customers who already have paid extraordinarily**  
489 **large increases when the SFV design was adopted” (AG Ex. 3.0 3:59-61). How do**  
490 **you respond to Mr. Rubin’s comment?**

491 **A.** In an effort to provide the Commission with as much information as possible to complete  
492 its analysis in this proceeding, the following table, CST-S3 provides a summary of the

493 impact customers with the lowest annual usage saw due to the adoption of the 50/50 SFV  
494 rate design in 2011 and would see if the 50/50 SFV rate design is eliminated and replaced  
495 with Mr. Rubin’s proposal at the conclusion of this proceeding.

<b>Table CST-S3: Impacts on Electric Service Bills for Low Use Customers</b>			
		<b>Impact of Adopting 50/50 SFV In 2011 (From ComEd Ex. 2.33)</b>	<b>Impact of Adopting Rubin Proposal In this Proceeding</b>
	<b># Customers in Percentile</b>	<b>%</b>	<b>%</b>
<b>SFNH</b>			
Percentile 1	19,475	25.2%	-17.4%
Percentile 2	19,482	16.9%	-12.3%
Percentile 3	19,497	12.9%	-9.6%
Percentile 4	19,475	10.8%	-8.1%
Percentile 5	19,481	9.4%	-7.1%
<b>MFNH</b>			
Percentile 1	7,152	0.9%	7.7%
Percentile 2	7,152	0.7%	6.1%
Percentile 3	7,159	0.6%	5.1%
Percentile 4	7,167	0.5%	4.4%
Percentile 5	7,149	0.4%	3.9%
<b>SFH</b>			
Percentile 1	301	41.2%	-19.1%
Percentile 2	303	29.5%	-13.2%
Percentile 3	301	22.5%	-9.8%
Percentile 4	302	18.6%	-8.0%
Percentile 5	302	16.3%	-6.9%
Percentile 6	301	14.5%	-6.1%
Percentile 7	303	13.0%	-5.4%
Percentile 8	301	11.8%	-4.9%
Percentile 9	302	10.8%	-4.4%
Percentile 10	302	10.0%	-4.1%
<b>MFH</b>			
Percentile 1	1,121	15.4%	3.2%
Percentile 2	1,121	11.0%	2.2%
Percentile 3	1,123	9.2%	1.8%
Percentile 4	1,121	8.0%	1.6%
Percentile 5	1,123	7.2%	1.4%

496

497 Overall in 2011, about 83,000 of the 3.4 million residential customers in ComEd’s  
498 service territory saw increases of 10% or more in their total electric bills due to the  
499 adoption of the SFV rate design. Based upon those results from ComEd Ex. 2.33,  
500 ComEd concluded in that study that there was no pervasive inequity that might warrant a  
501 restructuring of charges for delivery service within the existing residential delivery  
502 classes. (ComEd Ex. 2.33 at 31) It is interesting to note that the greatest percentage

503 increases due to the adoption of the 50/50 SFV rate design in 2011 were for the two  
504 lowest percentiles in the SFH Delivery Class. As noted in ComEd Ex. 2.33 of the 604  
505 customers in those two percentiles, 155 appeared to be vacation homes. In Table CST-  
506 S3, I included the lowest ten percentiles for the SFH Delivery Class in order to provide  
507 information for customers that saw a 10% or greater increase in their electric bills due to  
508 the adoption of the 50/50 SFV rate design in 2011.

509 **IV. NONRESIDENTIAL RATE DESIGN**

510 **Q. Based upon the ICC Staff’s and the parties’ rebuttal testimonies, what are the**  
511 **various nonresidential rate design proposals under consideration in this**  
512 **proceeding?**

513 A. The ICC Staff proposal, as presented by Mr. Johnson (ICC Staff Ex. 4.0, 3:54-58 and 4.0,  
514 Attachment 4.03), incorporates the “next step” revenue responsibilities under which  
515 distribution facilities charges (“DFCs”) and Transformer Charges for the Extra Large  
516 Load (“ELL”) Delivery Class and High Voltage (“HV”) Delivery Class, respectively, are  
517 moved half way toward cost based charges and the DFC for the Railroad (“RR”) Delivery  
518 Class is moved one ninth of the way toward a cost based DFC. Based upon my  
519 understanding of his direct and rebuttal testimony, Mr. Stephens is also a proponent of  
520 the “next step” revenue responsibility aspects of the rate design presented by Mr.  
521 Johnson. The CG proposal, as presented by Mr. Chriss (CG Ex. 1.0 3:55-57),  
522 incorporates the same “next step” revenue responsibilities for the Extra Large Load  
523 (“ELL”) Delivery Class and High Voltage (“HV”) Delivery Class as presented by Mr.  
524 Johnson, but moves the DFC for the Railroad (“RR”) Delivery Class one third of the way

525 toward a cost based DFC. From my review of Mr. Fults' rebuttal testimony, I was unable  
526 to find any response to Messrs. Johnson's or Stephen's proposals. It is important to note  
527 that the various rate design proposals are based upon cost inputs from different ECOSSs  
528 as addressed by Mr. Bjerning in ComEd Ex. 14.0. Messrs. Rubin and Bodmer do not  
529 appear to address any nonresidential rate design proposed in this proceeding.

530 **Q. Going back to the subject of the 50/50 SFV rate design, what is your reaction to Mr.**  
531 **Bodmer's comments pertaining to the application of the 50/50 SFV rate design to**  
532 **nonresidential customers (City/CUB Ex. 2.0 42:764-43:781)?**

533 A. I am puzzled by Mr. Bodmer's comments. It appears he doesn't know that the  
534 Commission adopted the 50/50 SFV rate design for nonresidential customers in the Watt-  
535 Hour Delivery Class in the 2010 Rate Case. I was hopeful that in response to my rebuttal  
536 testimony Mr. Bodmer and Mr. Rubin would provide details with respect to the rate  
537 designs they would implement for these nonresidential customers in order that the  
538 Commission have a record that is as complete as possible. As it currently stands, there is  
539 some confusion. It is not clear if Mr. Bodmer proposes to retain the 50/50 SFV rate  
540 design for the nonresidential customers in the Watt-Hour Delivery Class. If that is the  
541 case, it might have been useful for the Commission to understand the reasoning for  
542 proposing to retain the 50/50 SFV rate design for these nonresidential customers in a  
543 proposal that calls for the elimination of the 50/50 SFV rate design for residential  
544 customers. On the other hand, if Mr. Bodmer intended to eliminate the 50/50 SFV rate  
545 design for these nonresidential customers, it would have been judicious to provide the  
546 Commission with the methodology that he proposes as a replacement to the 50/50 SFV

547 rate design. Mr. Rubin was silent on this topic in his rebuttal testimony, so some level of  
548 uncertainty continues to exist with his proposal as well, although his proposal to  
549 eliminate the 50/50 SFV rate design might be interpreted to extend to the customers in  
550 the Watt-Hour Delivery Class.

551 **Q. Turning to the rebuttal testimony of Mr. Fults, he maintains you are disingenuous**  
552 **in saying that not all REACT customers are in either the ELL or HV delivery**  
553 **classes with demands in excess of 10 MW because you disregard “a billing**  
554 **arrangement about which ComEd is aware, pursuant to which a customer is**  
555 **responsible for an account that is within the ELLC/HV Over 10 MW classes and,**  
556 **therefore, effectively stands in the shoes of a member of the ELLC/HV Over 10 MW**  
557 **classes and entirely shares the interests of REACT.” (REACT Ex. 4.0, 2:22**  
558 **(footnote)). Are you aware of any such billing arrangement?**

559 **A.** No. I am not aware of a customer that is responsible for an account that is within the  
560 ELL Delivery Class or the HV Delivery Class with demands over 10 MW but that is not  
561 in one of those groups itself. ComEd submitted a data request to REACT in an effort to  
562 better understand the basis for Mr. Fults’ comment and obtain as much information as  
563 possible to provide to the Commission in this investigation; however, as of the time of the  
564 filing of this surrebuttal testimony, REACT has refused to provide this information.

565 **Q. At lines 162-165 on page 8 of his rebuttal testimony, Mr. Fults continues to assert**  
566 **that there is a “rate increase of more than 134% for all customers in the ELLC (sic)**  
567 **class and more than 55% for all customers in the HV Over 10 MW class when**

568 **compared to rates approved in ICC Docket No. 05-0597. Is this statement consistent**  
569 **throughout his testimony?**

570 A. No. Mr. Fults makes statements later in his rebuttal testimony on pages 11 and 12 that  
571 contradict the claim made at lines 162-165 on page 8 of his rebuttal testimony.

572 Q. **Speaking of Mr. Fults' rebuttal testimony on page 11, at line 222 he claims with**  
573 **emphasis that "16 of the HV Over 10 MW customers would see an increase of at**  
574 **least 55%" when compared to amounts they paid in 2007. Is Mr. Fults' claim**  
575 **accurate?**

576 A. No. As I noted in my rebuttal testimony, ComEd determined that for actual HV Delivery  
577 Class customers with peak demands in excess of 10 MW, five of those sixteen customers  
578 would see decreases from the amounts they paid in 2007.

579 Q. **Mr. Fults asserts that your comparison of increases in electric delivery service**  
580 **charges to increases in costs for other goods and services is inappropriate because,**  
581 **according to Mr. Fults, unlike ComEd, those goods and services are "market**  
582 **based." (REACT Ex. 4.0, 13:271-14:283) What is your response to Mr. Fults'**  
583 **assertion?**

584 A. ComEd's costs, including those for labor, wire, conduit, and meters which are procured  
585 in the market, are market based. In a sense then, the delivery service charges that provide  
586 for the recovery of those costs are also "market based". ComEd simply provided this  
587 information to demonstrate that many goods and services had cost increases over the  
588 same period of time.

589 Q. **Mr. Fults continues to argue for a change in the manner in which costs associated**  
590 **with the Illinois Electricity Distribution Tax are recovered. Do his arguments**  
591 **change ComEd’s position on the matter?**

592 A. No. Due to cost causation principles, ComEd’s position continues to be that the costs  
593 associated with the Illinois Electricity Distribution Tax should be recovered through the  
594 application of a volumetric (per kWh) charge, as previously adopted by the Commission.  
595 Staff witness Mr. Johnson agrees with this cost causation principle and provides a  
596 comprehensive explanation why the current recovery methodology is appropriate. (ICC  
597 Staff Ex. 4.0, 36:828-38:911)

598 **V. UNACCOUNTED FOR ENERGY**

599 Q. **What is your response to Mr. Fults’ rebuttal testimony pertaining to what he refers**  
600 **to as the unaccounted for energy (“UFE”) charge?**

601 A. Mr. Fults acknowledges that ComEd has no UFE charge and that there is no distribution  
602 loss charge among ComEd’s delivery service charges. It is also true that distribution loss  
603 factors are used in electric power and energy supply procurement in order to ensure that  
604 sufficient electric power and energy are secured to meet customers’ electric supply  
605 requirements, as provided in the System Losses section of the Technical and Operational  
606 Provisions of Rate RDS – Retail Delivery Service (“Rate RDS”) (ILL. C.C. No. 10: 1st  
607 Revised Sheet No. 74, 3rd Revised Sheet No. 75, and 2nd Revised Sheet No. 76).  
608 However, electricity procurement is accomplished through interactions between the  
609 Retail Electric Suppliers (“RESs”) and PJM Interconnection LLC (“PJM”), ComEd’s  
610 regional transmission operator, and the charges that RESs apply to the electric power and

611 energy they sell to customers are the subject of contractual arrangements between the  
612 RESs and their customers. ComEd is not a party to such arrangements. The charges that  
613 a RES imposes upon its customers are set by the RES, not ComEd, and they are not  
614 subject to review by ComEd.

615 Q. **Does ComEd have certain metrics pertaining to unaccounted for energy?**

616 A. Yes. Unaccounted for energy is one of the performance metrics in ComEd's Multi-Year  
617 Performance Metrics Plan approved by the Commission. ComEd must provide the  
618 Commission with a description of its performance with respect to each metric in its multi-  
619 year performance plan, including this metric after the completion of each performance  
620 year. Failure to meet annual performance goals would result in penalties in the  
621 computation of the cost of equity used to determine its revenue requirement in  
622 accordance with Rate DSPP.

623 **VI. STREET LIGHTING**

624 Q. **Did any witness for Staff or the parties in this proceeding address the topic of**  
625 **delivery service charges for dusk to dawn street lighting customers in his or her**  
626 **direct testimony?**

627 A. No. In his direct testimony, Mr. Stephens presented cost allocations for the various  
628 delivery classes, including the Dusk to Dawn Lighting Delivery Class, in the ECOSS he  
629 sponsored, but he did not address the rate design or delivery service charges applicable to  
630 dusk to dawn street lighting customers. In addition, in his direct testimony Mr. Bodmer

631 noted that in the various ECOSs ComEd presented, the costs for dusk to dawn street  
632 lighting customers were properly allocated (City/CUB Ex. 1.0 12:198-199).

633 Q. **Did you address delivery service charges for dusk to dawn street lighting in your**  
634 **rebuttal testimony?**

635 A. No.

636 Q. **Did any witness for Staff or the parties in this proceeding address the topic of**  
637 **delivery service charges for dusk to dawn street lighting customers in his or her**  
638 **rebuttal testimony?**

639 A. Yes. Mr. Bodmer raises the topic of dusk to dawn street lighting delivery service charges  
640 in his rebuttal testimony.

641 Q. **What does Mr. Bodmer say about dusk to dawn street lighting delivery service**  
642 **charges?**

643 A. Mr. Bodmer is claiming that ComEd's delivery service charges for the City of Chicago's  
644 dusk to dawn lighting customer are and have been in error since June 1, 2011.

645 Q. **Were the dusk to dawn lighting delivery service charges included in the filing made**  
646 **in compliance with the Commission's Order in the 2010 Rate Case?**

647 A. Yes. The compliance filing of the delivery service charges and work papers supporting  
648 the determination of all the delivery service charges, including those for the Dusk to  
649 Dawn Lighting Delivery Class, were included in that filing package. That package was  
650 provided to the ICC Staff on May 25, 2011. On May 27, 2011, ComEd received

651 confirmation from Mr. John Hendrickson, then the Manager of Rates of the ICC Staff,  
652 that the ICC Staff completed its review of ComEd's filing found the delivery service  
653 charges to be compliance with the Commission's Order in the 2010 Rate Case. That  
654 confirmation is attached to this rebuttal testimony as ComEd Ex. 13.07. The associated  
655 delivery service charges became applicable for service provided on and after June 1,  
656 2011.

657 **Q. Were subsequent dusk to dawn lighting delivery service charges determined in the**  
658 **same manner as those filed in compliance with the Commission's Order in the 2010**  
659 **Rate Case?**

660 **A.** Yes. In accordance with Section 16-108.5 of the Public Utilities Act and the  
661 Determination of Delivery Service Charges section of Rate DSPP – Delivery Service  
662 Pricing and Performance (“Rate DSPP”) (ILL. C. C. No. 10: 1st Revised Sheet No. 430),  
663 ComEd has filed compliance delivery service charges for the Dusk to Dawn Lighting  
664 Delivery Class determined in a manner consistent with the rate design approved by the  
665 ICC in the 2010 Rate Case on four subsequent separate occasions as shown in Table  
666 CST-S4:

<b>Table CST-S4: Delivery Service Charges Compliance Filings Since May 25, 2011</b>			
	<b>Action that Required Filing</b>	<b>Date of Compliance Filing</b>	<b>Charges Applicable Date</b>
<b>Docket No. 11-0721 Initial Filing November 8, 2011</b>	<b>Order Dated May 29, 2012</b>	<b>June 6, 2012</b>	<b>Service Provided On and After June 20, 2012</b>
<b>Docket No. 11-0721</b>	<b>Order on Rehearing Dated October 3, 2012</b>	<b>October 10, 2012</b>	<b>November 2012 Monthly Billing Period</b>
<b>Docket No. 12-0321 Initial Filing April 30, 2012</b>	<b>Order Dated December 19, 2012</b>	<b>December 21, 2012</b>	<b>January 2013 Monthly Billing Period</b>
<b>Public Act 98-0015</b>	<b>Legislation Enacted May 22, 2013</b>	<b>June 5, 2013</b>	<b>July 2013 Monthly Billing Period</b>

667

668 **Q. To what does Mr. Bodmer point in making his claim that delivery service charges**  
669 **for dusk to dawn lighting customers are not compliant with the Commission’s**  
670 **orders?**

671 **A. Mr. Bodmer included the following passage from the Commission’s Order in the 2010**  
672 **Rate Case:**

673 “So that the record is clear, the “Chicago Method” is again adopted here.  
674 The Commission further cautions that use of the “Chicago Method” by  
675 other municipalities must take into account alley lighting. Many  
676 municipalities in Illinois do not have alleys, and therefore, do not have  
677 alley lighting. Other municipalities using this method must state whether  
678 they have alleys and appropriately account for the difference used by the  
679 City of Chicago and the respective municipality(s).” (2010 Rate Case  
680 Order Dated May 24, 2011, at p 280)

681 **Q. What is the “Chicago Method” adopted in that passage?**

682 **A. As provided in the Commission’s Order in the 2010 Rate Case, it is “City witness**  
683 **Bodmer’s proposed method for determining secondary costs for street lighting**  
684 **customers.” (2010 Rate Case Order, dated May 24, 2011, at 275-276).**

685 Q. **Did ComEd incorporate those findings into the ECOSS that was used to determine**  
686 **delivery service charges filed in compliance with the Commission's Order in the**  
687 **2010 Rate Case?**

688 A. Yes.

689 Q. **Then why is Mr. Bodmer claiming that ComEd's dusk to dawn lighting delivery**  
690 **service charges are not compliant with Commission directives?**

691 A. Mr. Bodmer apparently interprets the Commission's directives to apply to more than just  
692 the allocation of costs in the ECOSS. He apparently interprets it to require delivery  
693 service charges for the City of Chicago's street lighting customer that are different from  
694 and less than those applicable to other municipal dusk to dawn lighting customers.

695 Q. **Do you agree with Mr. Bodmer's interpretation of that directive from the**  
696 **Commission's Order in the 2010 Rate Case?**

697 A. No. I conclude that Mr. Bodmer is mistaken in his interpretation of the directive for a  
698 number of reasons. First, his interpretation was not shared by the ICC Staff, which on  
699 four separate occasions over the past two years reviewed ComEd's delivery service  
700 charges for the Dusk to Dawn Lighting Delivery Class, and found them to be consistent  
701 with the rate design originally found to be compliant on May 27, 2011, with the  
702 Commission's Order in the 2010 Rate Case. At no time during those reviews did the ICC  
703 Staff indicate that there was supposed to be a separate set of delivery service charges for  
704 the single City of Chicago street lighting customer. Second, when the Commission  
705 directs ComEd to implement charges for a specified group of customers that are different

706 from those applicable to other customers in the same delivery class, it typically provides  
707 instruction specifying how the charges for other customers should be developed to  
708 account for any differences in revenue responsibility. No such instruction was included  
709 in the Commission's Order in the 2010 Rate Case. Third, the Commission generally  
710 avoids the development of regional or location specific charges. For example, as far back  
711 as December 1978, in compliance with the Commission's Order in Docket No. 78-0045,  
712 ComEd's tariffs eliminated distinctions in electric service charges for customers located  
713 within the City of Chicago and those located elsewhere in ComEd's service territory. In  
714 that Order, the ICC noted that a consolidation of rate schedules for service inside Chicago  
715 and service outside Chicago "would reduce confusion and promote better understanding  
716 of electric rates" as well as "make Edison's rates more easily understood and is in the  
717 public interest." (ICC Docket No. 78-0045 Order, December 13, 1978 at 13).

718 **Q. Just to be clear, if the Commission ordered ComEd to reduce the delivery service**  
719 **charges for the City of Chicago dusk to dawn lighting customer, what would happen**  
720 **to the delivery service charges for other customers?**

721 A. The Commission would need to instruct ComEd on how to allocate the revenue shortfall  
722 that ComEd would no longer be recovering from the City of Chicago's dusk to dawn  
723 lighting customer. It seems likely to me that the Commission would direct ComEd to  
724 correspondingly increase the delivery service charges for the other municipal customers  
725 within the Dusk to Dawn Lighting Delivery Class. However, it is my understanding that  
726 those other customers are not participating in this proceeding and thus are unable to  
727 respond to Mr. Bodmer's proposal.

728 **VII. UPDATE TO METER INFORMATION**

729 **Q. What is provided in ComEd Exs. 13.08 and 13.09?**

730 A. ComEd Ex. 13.08 presents an update of ComEd Ex. 2.20 Standard Meter Allowances,  
731 and ComEd Ex. 13.09 presents an update of ComEd Ex. 2.21 Meter Leases. These  
732 exhibits were updated because the purchase price for the advanced (“AMI”) meters being  
733 deployed in accordance with EIMA has decreased since ComEd’s initial filing in this  
734 proceeding. There are Public and Confidential versions of ComEd Ex. 13.09.

735 **Q. Are there any changes that should be made to the description of AMI meters in the**  
736 **tariffs ComEd filed in this proceeding?**

737 A. Yes. In the tariff sheets from Rider ML – Meter-Related Facilities Lease (“Rider ML”)  
738 that ComEd filed to initiate this proceeding (ComEd Ex. 2.31, proposed 3rd Revised  
739 Sheet No. 275), AMI meters were identified as Smart Meters. Since ComEd’s initial  
740 filing in this proceeding, other filings of tariff changes have become effective in which  
741 these meters are identified as AMI meters. For consistency with those other tariff  
742 provisions, ComEd requests the Commission to approve the use of the phrasing “AMI  
743 Meters” instead of “Smart Meters” in Rider ML.

744 **VIII. CONCLUSION**

745 **Q. Does this complete your surrebuttal testimony?**

746 A. Yes.