

**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	:	

**HEARING EXHIBITS OF
COMMONWEALTH EDISON COMPANY**

**Exhibits introduced at Evidentiary Hearing
ICC Docket No. 13-0318**

Exhibit (“Ex.”)	Description
ComEd Ex. 20	Verifications of no-cross witnesses on behalf of Commonwealth Edison Company
ComEd Re-Direct Ex. 21 (Polek-O’Brien)	ComEd’s Response to Staff Data Request MGM 4.01
ComEd Re-Direct Ex. 22 (Polek-O’Brien)	ComEd’s Response to Staff Data Request MGM 4.02
ComEd Re-Direct Ex. 23 (Polek-O’Brien)	ComEd’s Response to Staff Data Request MGM 4.08
ComEd Re-Direct Ex. 24 (Polek-O’Brien)	ComEd’s Response to Staff Data Request MGM 4.09
ComEd Re-Direct Ex. 25 (Polek-O’Brien)	ComEd’s Response to Staff Data Request MGM 4.11
ComEd Ex. 26 (Agreed to by ComEd & Staff)	Staff’s Response to ComEd’s Data Request ComEd-Staff 3.02; Staff’s Response to ComEd’s Data Request ComEd-Staff 8.01; Staff’s Response to ComEd’s Data Request ComEd-Staff 8.02; Staff’s Response to ComEd’s Data Request ComEd-Staff 8.03; Staff’s Response to ComEd’s Data Request ComEd-Staff 7.01; ComEd’s Response to Staff Data Request RWB 21.01 and its attachment labeled as RWB 21.01_Attach 1; ComEd’s Response to Staff Data Request RWB 21.02
ComEd Cross Ex. 27 (Bridal)	Staff’s Response to ComEd’s Data Request ComEd-Staff 3.01
ComEd Cross Ex. 28 (Bridal)	ComEd’s Response to Staff Data Request RWB 20.04 and its attachment RWB 20.04_Attach 1
ComEd Cross Ex. 29 (Bridal)	ComEd’s Supplemental Corrected Response to Staff Data Request RWB 13.02; ComEd’s Second Supplemental Response to Staff Data Request RWB 13.04
ComEd Cross Ex. 30 (Bridal)	AG Ex. 3.3 (PUBLIC)

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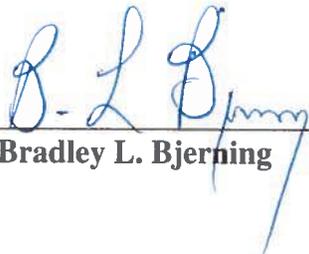
VERIFICATION OF BRADLEY L. BJERNING

I, Bradley L. Bjerning, being first duly sworn declare under oath as follows:

1. I am Principal Regulatory Specialist in the Regulatory Strategies and Solutions group at Commonwealth Edison Company ("ComEd").

2. I submitted Direct Testimony, identified as ComEd Exhibits ("Exs.") 10.0 REV, 10.01 REV, 10.02 REV, 10.03, 10.04 REV, 10.05 REV, 10.06 REV, 10.07 and 10.08 on behalf of ComEd in this proceeding. This testimony was filed with the Illinois Commerce Commission via eDocket on May 31, 2013 (Exs. 10.0 REV, 10.01 REV, 10.02 REV 10.04 REV, 10.05 REV, and 10.06 REV) and April 29, 2013 (Exs. 10.03, 10.07 and 10.08). These pieces of testimony were prepared by me or under my direction and control. I have personal knowledge of the facts contained therein or the facts therein are based on business records of ComEd.

Under penalties as provided by law pursuant to Section 1-109 of the Code of Civil Procedure, the undersigned certifies that the statements set forth in this instrument are true and correct, except as to matters therein stated to be on information and belief and as to such matters the undersigned certifies as aforesaid that he verily believes the same to be true.



Bradley L. Bjerning

STATE OF ILLINOIS
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COMMONWEALTH EDISON COMPANY :
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VERIFICATION OF MICHELLE BLAISE

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

1. I am Vice President, Engineering & Project Management at Commonwealth Edison Company ("ComEd").

2. I submitted Direct Testimony, identified as ComEd Exhibits ("Exs.") 5.0 CORR, 5.01 CORR, 5.02 CORR (Confidential and Public versions) and 5.03 (Confidential and Public versions), on behalf of ComEd in this proceeding. This testimony was filed with the Illinois Commerce Commission via eDocket on May 22, 2013 (Exs. 5.0 CORR, 5.01 CORR, and 5.02 CORR (Confidential and Public versions)), and on April 29, 2013 (Ex. 5.03 (Confidential and Public versions)). These pieces of testimony were prepared by me or under my direction and control. I have personal knowledge of the facts contained therein or the facts therein are based on business records of ComEd.

Under penalties as provided by law pursuant to Section 1-109 of the Code of Civil Procedure, the undersigned certifies that the statements set forth in this instrument are true and correct, except as to matters therein stated to be on information and belief and as to such matters the undersigned certifies as aforesaid that she verily believes the same to be true.


Michelle Blaise

STATE OF ILLINOIS
ILLINOIS COMMERCE COMMISSION

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VERIFICATION OF MICHAEL F. BORN, P.E.

I, Michael F. Born, P.E., being first duly sworn declare under oath as follows:

1. I am Manager of Distribution Capacity Planning at Commonwealth Edison Company ("ComEd").
2. I submitted Direct Testimony, identified as ComEd Exhibit ("Ex.") 9.0 on behalf of ComEd in this proceeding. This testimony was filed with the Illinois Commerce Commission via eDocket on April 29, 2013. This piece of testimony was prepared by me or under my direction and control. I have personal knowledge of the facts contained therein or the facts therein are based on business records of ComEd.

Under penalties as provided by law pursuant to Section 1-109 of the Code of Civil Procedure, the undersigned certifies that the statements set forth in this instrument are true and correct, except as to matters therein stated to be on information and belief and as to such matters the undersigned certifies as aforesaid that he verily believes the same to be true.

Michael F. Born

Michael F. Born

STATE OF ILLINOIS
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VERIFICATION OF RONALD E. DONOVAN, P.E.

I, Ronald E. Donovan, P.E., being first duly sworn declare under oath as follows:

1. I served as Vice President, Customer Business Transformation and Technology at Commonwealth Edison Company ("ComEd"), as described in ComEd Exhibit ("Ex.") 6.0 CORR, through August 12, 2013, and thereafter became Vice President Customer Channels.

2. I submitted Direct Testimony, identified as ComEd Exhibits ("Exs.") 6.0 CORR, 6.01, and 6.02 CORR, on behalf of ComEd in this proceeding. This testimony was filed with the Illinois Commerce Commission via eDocket on May 22, 2013 (Ex. 6.0 CORR, Ex. 6.02 CORR), and April 29, 2013 (Ex. 6.01). These pieces of testimony were prepared by me or under my direction and control. I have personal knowledge of the facts contained therein or the facts therein are based on business records of ComEd.

Under penalties as provided by law pursuant to Section 1-109 of the Code of Civil Procedure, the undersigned certifies that the statements set forth in this instrument are true and correct, except as to matters therein stated to be on information and belief and as to such matters the undersigned certifies as aforesaid that he verily believes the same to be true.



Ronald E. Donovan

STATE OF ILLINOIS

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VERIFICATION OF ROSS C. HEMPHILL, PH.D.

I, Ross C. Hemphill, being first duly sworn declare under oath as follows:

1. I am Vice President, Energy Acquisition, at Commonwealth Edison Company ("ComEd").

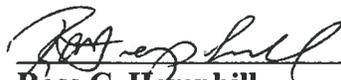
2. I submitted Direct Testimony, identified as ComEd Exhibits ("Exs.") 1.0 REV, 1.01 and 1.02 on behalf of ComEd in this proceeding. This testimony was filed with the Illinois Commerce Commission via eDocket on May 31, 2013 (Exs. 1.0 REV), and on April 29, 2013 (Exs. 1.01 and 1.02).

3. I submitted Rebuttal Testimony, identified as ComEd Exhibits ("Exs.") 12.0 CORR and 12.01 on behalf of ComEd in this proceeding. This testimony was filed with the Illinois Commerce Commission via eDocket on September 30, 2013 (Ex. 12.0 CORR), and on August 16, 2013 (Ex. 12.01).

4. I submitted Surrebuttal Testimony, identified as ComEd Exhibits ("Exs.") 16.0 and 16.01 on behalf of ComEd in this proceeding. This testimony was filed with the Illinois Commerce Commission via eDocket on September 23, 2013.

5. The pieces of testimony described in paragraphs 2, 3 and 4 of this verification were prepared by me or under my direction and control. I have personal knowledge of the facts contained therein or the facts therein are based on business records of ComEd.

Under penalties as provided by law pursuant to Section 1-109 of the Code of Civil Procedure, the undersigned certifies that the statements set forth in this instrument are true and correct, except as to matters therein stated to be on information and belief and as to such matters the undersigned certifies as aforesaid that she verily believes the same to be true.



Ross C. Hemphill

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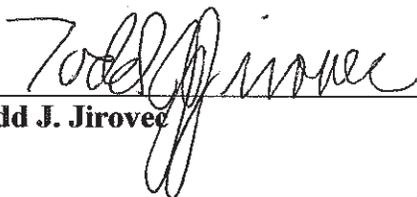
VERIFICATION OF TODD J. JIROVEC

I, Todd J. Jirovec, being first duly sworn declare under oath as follows:

1. I am Vice President in the Energy, Chemicals, and Utilities practice of Booz & Company.

2. I submitted Direct Testimony, identified as ComEd Exhibits ("Exs.") 7.0, 7.01, 7.02, 7.03 and 7.04 on behalf of ComEd in this proceeding. This testimony was filed with the Illinois Commerce Commission via eDocket on April 29, 2013. These pieces of testimony were prepared by me or under my direction and control. I have personal knowledge of the facts contained therein or the facts therein are based on business records of ComEd.

Under penalties as provided by law pursuant to Section 1-109 of the Code of Civil Procedure, the undersigned certifies that the statements set forth in this instrument are true and correct, except as to matters therein stated to be on information and belief and as to such matters the undersigned certifies as aforesaid that he verily believes the same to be true.



Todd J. Jirovec

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VERIFICATION OF CHRIST T. SIAMBEKOS

I, Christ T. Siambekos, being first duly sworn declare under oath as follows:

1. I am Director of Finance at Commonwealth Edison Company (“ComEd”).
2. I submitted Direct Testimony, identified as ComEd Exhibits (“Exs.”) 11.0 CORR and 11.01 CORR on behalf of ComEd in this proceeding. This testimony was filed with the Illinois Commerce Commission via eDocket on May 22, 2013. These pieces of testimony were prepared by me or under my direction and control. I have personal knowledge of the facts contained therein or the facts therein are based on business records of ComEd.
3. The last table description on page 6 of ComEd Ex. 11.0 CORR should be “Total actual 2012 plant additions in compliance with Section 16-108.5(b)(1) of the PUA.” This correction was previously identified in the response to data request DLH 19.01, which was served on July 16, 2013.

Under penalties as provided by law pursuant to Section 1-109 of the Code of Civil Procedure, the undersigned certifies that the statements set forth in this instrument are true and correct, except as to matters therein stated to be on information and belief and as to such matters the undersigned certifies as aforesaid that he verily believes the same to be true.


Christ T. Siambekos

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VERIFICATION OF JOSEPH R. TRPIK, JR., CPA

I, Joseph R. Trpik, Jr., CPA, being first duly sworn declare under oath as follows:

1. I am Senior Vice President, Chief Financial Officer ("CFO"), and Treasurer at Commonwealth Edison Company ("ComEd").

2. I submitted Direct Testimony, identified as ComEd Exhibits ("Exs.") 4.0 REV and 4.01 (Confidential and Proprietary and Public versions) on behalf of ComEd in this proceeding. This testimony was filed with the Illinois Commerce Commission via eDocket on May 31, 2013(Ex. 4.0 REV) and April 29, 2013 (Ex. 4.01 (Confidential and Proprietary and Public versions)). These pieces of testimony were prepared by me or under my direction and control. I have personal knowledge of the facts contained therein or the facts therein are based on business records of ComEd.

Under penalties as provided by law pursuant to Section 1-109 of the Code of Civil Procedure, the undersigned certifies that the statements set forth in this instrument are true and correct, except as to matters therein stated to be on information and belief and as to such matters the undersigned certifies as aforesaid that he verily believes the same to be true.



Joseph R. Trpik, Jr

ICC Docket No. 13-0318

**Commonwealth Edison Company's Response to
Illinois Commerce Commission ("STAFF") Data Requests
MGM 4.01 – 4.11**

Date Received: August 21, 2013

Date Served: September 3, 2013

REQUEST NO. MGM 4.01:

Referring to lines 496-499 of ComEd Ex. 15.0, please identify the specific discovery requests that led to the conclusion that "it appeared that Staff and potentially others intended to contest ComEd's capital structure and propose an alternate capital structure" in Docket No. 11-0721.

RESPONSE:

In ICC Docket No. 11-0721, Staff conducted extensive discovery on ComEd's capital structure and financial projections that led ComEd to believe that Staff would challenge the reasonableness and prudence of that capital structure, including but not limited to the following data requests requesting:

RMP 1.01	10 years of ComEd's forecasted financial projections
RMP 1.03, RMP 1.04 & RMP 1.05	Copies of correspondence between ComEd and Fitch, Moody's, and S&P
RMP 1.07	Details on ComEd's dividend payments to Exelon
RMP 1.08	Details on Exelon's equity infusions to ComEd
RMP 1.09	The financial ratio calculations used by each of the rating agencies to assess ComEd
RMP 1.10	All presentations made to Fitch, Moody's, or S&P for the two (2) previous years;
RMP 2.02	All correspondence between ComEd and the rating agencies for all rating agency reports issued since April 2011
SK 1.01 & SK 1.02	Dates and amounts of all long term debt issued in 2011 and any planned amounts through the end of 2012
SK 1.03	Dates and amounts of all planned equity infusions from Exelon to ComEd through the end of 2012
SK 1.04	All information, presentation, and documents provided by ComEd or Exelon to the rating agencies from 2010 until the conclusion of ICC Docket No. 11-0721; and
SK 1.06	Exelon's consolidated capital structures from 2007-2011

ICC Docket No. 13-0318

**Commonwealth Edison Company's Response to
Illinois Commerce Commission ("STAFF") Data Requests**

MGM 4.01 – 4.11

Date Received: August 21, 2013

Date Served: September 3, 2013

REQUEST NO. MGM 4.02:

Referring to the Company's response to MGM 4.01, please explain what specifically in those data requests led to that conclusion.

RESPONSE:

This was a significant amount of discovery, most of which was related to long term capital planning decisions (including ten years of long range plan projections) and the forward looking financial and credit perspective of rating agencies. While Staff has asked about rating agencies in the past, the level of discovery in this case (requesting several years of reports, all the presentations and financial models presented to the agencies for ComEd and its affiliates, and all the correspondence between ComEd and the agencies) was well above what was requested previously.

In addition, few, if any, of these discovery requests sought to examine ComEd's actual capital structure in 2010, which was the relevant year for determining ComEd's capital structure in ICC Docket No. 11-0721. In accordance with the Energy Infrastructure Modernization Act (EIMA), ComEd's proposed capital structure and weighted average cost of capital were based on ComEd's actual capitalization (as reported in the FERC Form 1 and Form 21 ILCC) and the 30 year United States Treasury rates. They were and are independent of rating agency analytics. Those analytics, however, would be relevant if Staff was proposing an alternate, specifically a hypothetical, capital structure – and Staff has supported hypothetical capital structures in the past.

Based on factors such as these considerations, we believed it was reasonably likely that a challenge was possible. Given the complexity of the issue, and our desire to present an independent, thoughtful, and complete analysis, our legal judgment was that it was reasonable to initiate work prior to seeing the testimony, so an experienced expert was retained as a consulting expert. At that time it had not been finally decided whether the expert would provide testimony or analysis and support for testimony to be presented by a ComEd witness.

ICC Docket No. 13-0318

**Commonwealth Edison Company's Response to
Illinois Commerce Commission ("STAFF") Data Requests
MGM 4.01 – 4.11**

Date Received: August 21, 2013

Date Served: September 3, 2013

REQUEST NO. MGM 4.08:

Please identify what in ComEd Ex. 15.09 establishes Dr. Hubbard an extremely qualified individual with respect to determining the appropriate capital structure for ComEd for rate setting purposes.

RESPONSE:

ComEd Ex. 15.09, Dr. Hubbard's curriculum vitae, unequivocally establishes that Dr. Hubbard is an expert in the field of economics, including "with respect to determining the appropriate capital structure for ComEd for rate setting purposes." The scope and breadth of his experience as itemized in that seventeen page document shows that he is an expert specifically on capital markets, which further qualifies him as an expert with respect to determining "the appropriate capital structure for ComEd for rate setting purposes." Moreover, Dr. Hubbard has served, for example, as Chairman of the President's Council of Economic Advisors and is the Dean of the Graduate School of Business at Columbia University. These are prestigious positions that are only achieved by individuals with exceptional mental facilities and extraordinary depth and breadth of knowledge.

ICC Docket No. 13-0318

**Commonwealth Edison Company's Response to
Illinois Commerce Commission ("STAFF") Data Requests
MGM 4.01 – 4.11**

Date Received: August 21, 2013

Date Served: September 3, 2013

REQUEST NO. MGM 4.09:

Referring to lines 574-575 of ComEd Ex. 15.0, please provide documentation supporting the conclusion that, "in my experience and opinion, [Dr. Hubbard's] standard rate is reasonable."

RESPONSE:

Ms. O'Brien does not maintain documentation of her experience and opinions, and has relied on her over 25 years of experience in practicing law and her extensive experience in retaining financial expert witnesses. Especially in light of his extraordinary qualifications, Dr. Hubbard's rate is in line with other experts that Ms. O'Brien has been involved in retaining.

ICC Docket No. 13-0318

**Commonwealth Edison Company's Response to
Illinois Commerce Commission ("STAFF") Data Requests
MGM 4.01 – 4.11**

Date Received: August 21, 2013

Date Served: September 3, 2013

REQUEST NO. MGM 4.11:

Referring to lines 511-516 of ComEd Ex. 15.0 and ComEd Ex. 15.08, why did Analysis Group bill ComEd for work performed up to 18 days after Staff and Intervenors finished filed their direct testimony.

RESPONSE:

ComEd objects on the grounds that this request seeks information that is protected by the attorney client and work product privileges. This request inquires into the mental impressions and draft work product of ComEd's attorneys as well as work performed by consulting experts at the direction of ComEd's attorneys. Subject to the foregoing objection and ComEd's General Objections, ComEd states that the four (4) hours on January 31, 2012 that this question refers to involved wrap up work by Analysis Group. As shown from the detailed billing information that ComEd provided as ComEd Ex. 15.08, Analysis Group ceased working in earnest on January 15, 2012, two (2) days after Staff and Intervenors filed their Direct Testimony.

Response to ComEd's
Third Set of Data Requests to Staff
Docket No. 13-0318
Response of Staff Witness McNally

ICC Person Responsible: Michael McNally
Title: Senior Financial Analyst, Financial Analysis Division
Business Address: Illinois Commerce Commission
527 East Capitol Avenue
Springfield, IL 62701

Staff 3.02

What is the basis of Mr. McNally's expertise regarding the reasonableness of rate case expense?

Response

Please see page 1 of Mr. McNally's direct testimony, ICC Staff Exhibit 6.0. Mr. McNally has experience evaluating financial issues, which includes, but is not limited, to whether a consultant's work is necessary and reasonably related to issues in the case.

Response to ComEd's
Eighth Set of Data Requests to Staff
Docket No. 13-0318
Response of Staff Witness Richard W. Bridal II

ICC Person Responsible: Richard W. Bridal II
Title: Accountant
Business Address: Illinois Commerce Commission
527 East Capitol Avenue
Springfield, IL 62701

ComEd→Staff 8.01

Referring to ComEd Ex. 18.02, does Mr. Bridal agree with ComEd's calculations of the adjustment to remove payroll taxes associated with disallowed incentive compensation (assuming the Commission agrees with Staff's proposal to do so)?

Response

Yes.

Response to ComEd's
Eighth Set of Data Requests to Staff
Docket No. 13-0318
Response of Staff Witness Tolsdorf

ICC Person Responsible: Scott Tolsdorf

Title: Accountant, Financial Analysis Division
Business Address: Illinois Commerce Commission
527 East Capitol Avenue
Springfield, IL 62701

Request 8.02

Referring to ComEd Ex. 18.0, lines 317 – 324, does Mr. Tolsdorf agree with ComEd's proposal to clarify the application of a wages and salaries allocator in Rider PE?

Response

Yes.

Response to ComEd's
Eighth Set of Data Requests to Staff
Docket No. 13-0318
Response of Staff Witness Tolsdorf

ICC Person Responsible: Scott Tolsdorf

Title: Accountant, Financial Analysis Division
Business Address: Illinois Commerce Commission
527 East Capitol Avenue
Springfield, IL 62701

Request 8.03

Referring to ComEd Ex. 18.0, lines 336 – 339, does Mr. Tolsdorf agree with ComEd's alternative proposal that the Commission order Staff and ComEd to work collaboratively to clarify the language in Rider PE and file and proposed tariff revisions in a 45 day filing?

Response

Yes.

Response to ComEd's
Seventh Set of Data Requests to Staff
Docket No. 13-0318
Response of Staff Witness Kahle

ICC Person Responsible: Daniel G. Kahle
Title: Accountant
Business Address: Illinois Commerce Commission
527 East Capitol Avenue
Springfield, IL 62701

7.01

Referring to Staff Ex. 8.0, lines 154 – 170, Mr. Kahle recommends that ComEd “provide to the Manager of the Commission’s Accounting Department, no later than April 1, a listing of the reconciliation year plant additions.” Given that the actual FERC Form 1 statutory filing date is April 18, would Staff accept a revised recommendation, that ComEd provide the reconciliation year plant additions data the next working day after its FERC Form 1 is filed?

Response

Yes.

ICC Docket No. 13-0318

**Commonwealth Edison Company's Response to
Illinois Commerce Commission ("STAFF") Data Requests**

RWB 21.01 – 21.02

Date Received: September 24, 2013

Date Served: September 27, 2013

REQUEST NO. RWB 21.01:

Referring to ComEd Ex. 19.0, 1:18-21, the Company states that it will not oppose removing from its revenue requirement certain costs related to services provided by Mr. Salvatore Fiorella of SFIO consulting during 2012 in connection with Docket No. 12-0321. In the event that the Commission determines such an adjustment is necessary, please provide a schedule which sets forth detailed descriptions and amounts of the individual costs and services referenced in the Company testimony.

RESPONSE:

See the attachment labeled as RWB 21.01_Attach 1 which sets forth the descriptions and the amounts of the costs associated with the above-referenced SFIO services provided by Mr. Fiorella relating to ICC Docket No. 12-0321. *See also* the attachment to ComEd's Response to Staff Data Request RWB 20.01, labeled as RWB 20.01_Attach 1 at 2013CFRU 0004792, 2013CFRU 0004795 and 2013CFRU 0004798 (CONFIDENTIAL) or 2013CFRU 4746, 2013CFRU 4749 and 2013CFRU 4752 (PUBLIC) for the specific timesheet entries that comprise these amounts.

Commonwealth Edison Company

Certain 2012 Costs Related to Services Provided by Mr. Salvatore Fiorella, SFIO Consulting
in connection with Docket No. 12-0321

Month Ending	Bates Number	Name	Date	Hours	Rate	Total	Case	Description
Aug-12	4792	Fiorella	8/7/2012	3	\$150.00	\$450.00	12-0321	Cover ICC Conference
Aug-12	4792	Fiorella	8/15/2012	3	\$150.00	\$450.00	12-0321	Cover ICC Conference
Aug-12	4792	Fiorella	8/27/2012	4	\$150.00	\$600.00	12-0321	Cover ICC Conference
Sep-12	4795	Fiorella	9/6/2012	5	\$150.00	\$750.00	12-0321	Cover ICC Meeting
Sep-12	4795	Fiorella	9/11/2012	1	\$150.00	\$150.00	12-0321	Cover ICC Meeting
Sep-12	4795	Fiorella	9/19/2012	1	\$150.00	\$150.00	12-0321	Cover ICC Meeting
Oct-12	4798	Fiorella	10/17/2012	3	\$150.00	\$450.00	12-0321	Cover ICC Meeting
Oct-12	4798	Fiorella	10/23/2012	2	\$150.00	\$300.00	12-0321	Cover ICC Meeting

GRAND TOTAL \$3,300.00

ICC Docket No. 13-0318

**Commonwealth Edison Company's Response to
Illinois Commerce Commission ("STAFF") Data Requests**

RWB 21.01 – 21.02

Date Received: September 24, 2013

Date Served: September 27, 2013

REQUEST NO. RWB 21.02:

In the event that the Commission determines an adjustment is necessary to remove from ComEd's revenue requirement certain costs related to services provided by Mr. Salvatore Fiorella of SFIO consulting during 2012 in connection with Docket No. 12-0321 as discussed in RWB 21.01 above, please provide specific citations to where the adjustment for those costs should be made in the formula rate template.

RESPONSE:

If the Commission determines an adjustment is necessary to remove the costs specified in Staff Data Request RWB 21.01 for SFIO Consulting, the adjustment would be a reduction to the amount on App7, Column G, Line 23 in the formula rate template.

Response to ComEd's
Third Set of Data Requests to Staff
Docket No. 13-0318
Response of Staff Witness Richard W. Bridal II

ICC Person Responsible: Richard W. Bridal II
Title: Accountant
Business Address: Illinois Commerce Commission
527 East Capitol Avenue
Springfield, IL 62701

ComEd→Staff 3.01

What is the basis of Mr. Bridal's expertise regarding the reasonableness of rate case expense?

Response

The basis for Mr. Bridal's expertise is set forth on page 1 of his direct testimony, Staff Ex. 1.0. Further, Mr. Bridal's response to ComEd DR ComEd→All 1.04 identified the rate cases in which Mr. Bridal has provided testimony, including ICC Docket Nos. 09-0306 et al (cons.), 11-0059 et al (cons.), and 12-0603 et al (cons.), in which Mr. Bridal testified regarding rate case expense.

ICC Docket No. 13-0318

**Commonwealth Edison Company's Response to
Illinois Commerce Commission ("STAFF") Data Requests
RWB 20.01 – 20.04**

Date Received: September 6, 2013

Date Served: September 20, 2013

REQUEST NO. RWB 20.04:

Referring to ComEd's response to RWB 7.02 (served on July 1, 2013), please provide specific examples of "the research and type of testimony review, advice, and consulting that Mr. Fiorella performs for ComEd with respect to the present rate cases." Please also submit documentation which supports the examples of research, testimony review, advice, and consulting provided by Mr. Fiorella.

RESPONSE:

ComEd objects to this request to the extent that it seeks information that is protected by the attorney client and work product privileges by inquiring into the mental impressions and work product of ComEd's attorneys as well as work performed by a consulting expert at the direction of ComEd's attorneys, and ComEd objects to providing the requested documentation on these grounds. Subject to these objections and ComEd's General Objections, ComEd believes that it has answered this question in its Response to Staff Data Request RWB 7.02, in the paragraph preceding the quoted text and reiterated below:

Salvatore Fiorella provided services including strategic consulting and advice on the development and presentation of particular rate case issues based on his history and experience in and knowledge of the Illinois utility industry in general and ComEd in particular. Mr. Fiorella was a long-time employee of a utility and has provided ongoing consulting services to utilities since his departure, making Mr. Fiorella intimately familiar with relevant regulatory issues, with particular emphasis and knowledge of matters related to rate bases, capital expenditures, revenue requirement and capital structures. Mr. Fiorella further conducts regulatory research as to the status and issues pending in other Illinois utilities' proceedings that are or recently have been pending before the Illinois Commerce Commission and provides consultation and advice as to the potential impact of those matters on ComEd and its customers. With respect to pre-filed testimony, Mr. Fiorella reviews and comments on such testimony so as to provide advice with regard to the state industry-wide regulatory issues on which he provides research and consultation, as well as to ensure a consistency between capital and operational witnesses. Mr. Fiorella's services are not duplicative because the employees of ComEd, its affiliates and/or other consultants do not perform the research and type of testimony review, advice and consulting that Mr. Fiorella performs for ComEd with respect to the present rate cases.

ComEd's Response to Staff Data Request RWB 7.02. *See also* ComEd's Response to Staff Data Request RWB 7.01, RWB 20.01 and RWB 20.02, which provide further detail regarding the tasks that Mr. Fiorella performed for ComEd. In addition, Mr. Fiorella provides both written (often via email) and oral summaries of developments in Commission cases, involving ComEd and otherwise, that involve issues of interest to ComEd. *See, e.g.*, the attachment labeled as RWB 20.04_Attach 1.

From: Sammy Fiorella [<mailto:s.fiorella@comcast.net>]
Sent: Wednesday, September 12, 2012 11:33 AM
To: Hemphill, Ross ; Harris, Louis ; Leslie Koczur
Cc: Fiorella, Sam
Subject: Docket 12-0001, AIC Formula Rate Case - Oral Argument on 09.11.2012

The following is a summary of the oral argument in Docket 12-0001, Ameren's formula rate case. Chairman Scott and all four Commissioners were present in Springfield. The oral argument was divided into two parts: the first part considered use of average vs. year end rate base, the appropriate rate of interest for reconciliation adjustments and the use of an actual vs a hypothetical or average capital structure. Ameren, Staff, CUB, the Illinois Industrial Energy Consumers ("IIEC"), and the AG/AARP presented oral arguments in the first part. The second part considered the appropriate ratemaking treatments of accrued vacation pay and late payment charge revenue. IIEC did not participate in the second part.

Oral Argument Part One

Ameren

Mr. Chris Flynn argued on behalf of Ameren. On the subject of rate base, he said there should be no debate. The Commission should implement formula rates in the manner dictated by the General Assembly. To the extent there was any doubt of its intent, that was cleared up by the House of Representatives' resolution issued after the Commission's ComEd decision. He noted that the ALJ had granted IIEC's motion to strike the Resolution from Ameren's brief on exceptions and that Ameren had filed a petition for interlocutory review. He stated that IIEC is effectively saying not to listen to the General Assembly as to what it intended, listen to IIEC because it knows better. He stated that while the Commission may disagree with the General Assembly, that is not the Commission's role here. The General Assembly did not give the Commission a blank slate, it gave details. In some instances the General Assembly gave the Commission some flexibility, in other cases, it was very specific.

Chairman Scott asked, from a legal standpoint, what authority should be given to the Resolution of one house of a bicameral body. Mr. Flynn responded that its legal position is laid out in its petition for interlocutory review. It is appropriate for the Commission or courts to rely on the statement of one chamber. This is consistent with what courts do to determine legislative intent. Ameren thinks the Commission's decision on this issue in the ComEd case is wrong and understands that the Commission is currently reconsidering it.

At this point one of the Commissioners whose microphone was not on made a statement and Mr. Flynn agreed with the statement that one only looks at legislative history if there is an ambiguity. He thinks the statute is clear--use final data on Form 1 and the final data is the year end data. The legislation calls for year end data.

Commissioner Colgan asked if there was any precedent for a court using an after the fact resolution by one body to determine legislative intent. Mr. Flynn replied no.

On the subject of actual vs. imputed capital structure, Mr. Flynn stated that credit ratings are an assessment of the likelihood of default. There is investment grade and, below that, junk. There are various notches and all three rating agencies use 10 notches in the investment grade zone. A few years ago, Ameren was one notch above junk mainly due to concerns about regulation. Now Ameren is two notches above junk for two reasons. Ameren raised its common equity ratio and the General Assembly adopted formula rates. There are many notches higher than where Ameren is now and no one is arguing that Ameren's credit rating is too high. Rather, parties are arguing that Ameren could retain its current credit rating with less common equity. He said that that is just speculation. The General Assembly said use actual, no one is arguing imprudence, the Commission should use actual capital structure.

Commission Staff

Mr. James Olivero argued on behalf of the Commission Staff. He stated that the Resolution is not part of the record and that the Commission must base its decision on the record. The House is only one chamber, its Resolution is not admissible as proof of legislative intent. Moreover, there is no reason to look at the Resolution if the language is clear.

Commissioner O'Connell-Diaz asked if it's also not correct to add language to the statute. He replied that is correct, but the General Assembly could have amended the statute. She replied that that's not necessary if the wording is clear.

Mr. Olivero stated that the use of average rate base is the position of the Staff and Intervenors. It was used in the Commission order and in the Proposed Order on Rehearing. The statute does not say year-end, only that actual must be used. Ameren's argument that use of average rate base means that it will only recover half of its investment is wrong because this would assume that its plant was in service all year. Average rate base smoothes out investments and reflects Ameren's actual expenditures over the year. Therefore, it more accurately matches actual costs.

On the subject of the interest rate for reconciliation adjustments, Mr. Olivero stated that the Proposed Order uses the same approach as the ComEd case. There is no factual or legal reason that the approach should be different for Ameren. (He noted that the Commission is reconsidering the ComEd case.)

On the subject of capital structure, Mr. Olivero stated that the Staff is not proposing a hypothetical capital structure, it is the actual capital structure as calculated by Staff. He said that Ameren's calculation is a hybrid using a 12 month average for short term debt and end of year for long term debt and common equity. Staff calculated all components using the average, consistent with 83 Ill. Admin. Code Part 285. Ameren's approach is no more actual than that of Staff. Staff's method is preferable and the Commission found in favor of using average in the ComEd case.

CUB

Ms. Julie Soderna argued on behalf of CUB. The Proposed Order is correct on the use of average rate base instead of year end. This is consistent with the statute and the ComEd decision. The General Assembly did not specify year end. The Ameren proposal overstates revenue requirements by treating all investments as if they had been made on January 1 of the year. She stated that use of average rate base does not deny Ameren recovery of costs nor does it increase regulatory lag.

Commissioner O'Connell-Diaz asked for statutory authority for her position. She replied that if the General Assembly intended end of year, it would have said so. Commissioner O'Connell-Diaz replied so that should give us comfort from deviating from the statute. Ms. Soderna replied that she does not see this as a deviation from the statute.

On the subject of the appropriate interest rate for reconciliation adjustments, Ms. Soderna stated that Ameren's proposal to use the weighted average cost of capital is not appropriate. It is contrary to the plain language of the statute which uses the term interest rate. The weighted average cost of capital, which includes the cost of common equity, is not an interest rate. She noted that reconciliation adjustments are not long term balances, they could reasonably be financed with debt.

Commissioner O'Connell-Diaz asked what source. Ms. Soderna replied short term debt. The Commissioner responded that the period involved is longer than that of short term debt. Ms. Soderna replied that the hybrid approach in the Proposed Order---use of short term and long term debt---is acceptable.

Ms. Soderna noted that if Ameren correctly calculates its costs, there should be no over or under recovery. However, if it overrecovers its costs, then the reconciliation amount--an amount owed to

customers--should be the weighted average cost of capital. This would be a deterrent to Ameren not to manipulate its capital structure.

Commissioner O'Connell-Diaz asked if a penalty like this is normal in a reconciliation case. Ms. Soderna replied that she does not see this as a penalty.

IIEC

Mr. Conrad Reddick argued on behalf of IIEC. On the subject of rate base, he stated that the statute requires rate base to be based on actual costs. The Proposed Order correctly finds that use of a year end rate base would not represent actual costs. It would overstate the smaller amounts on the books before the end of the year. It would also violate Section 9-211 of the Public Utilities Act.

On the subject of the interest rate on reconciliation adjustments, Mr. Reddick stated that the question is not how Ameren would fund any reconciliation balance, but what is a reasonable carrying cost. A reconciliation adjustment arises after an ICC order. Ameren's proposal to use a weighted average cost of capital is not appropriate.

On the subject of capital structure, Mr. Reddick stated that Staff and IIEC proposed different solutions to avoid manipulation of capital structure to increase earnings. IIEC proposed a 50% cap on common equity. The Proposed Order uses average year end capital structure but did not accept IIEC's proposed cap. IIEC's approach should be adopted.

Commissioner McCabe asked if use of year end capital structure would decrease regulatory lag. Mr. Reddick replied not necessarily.

AG/AARP

Ms. Karen Lusson argued for the Attorney General and AARP. On the subject of rate base, she argued that average rate base should be used. Formula rates are substantially different from the way rates were set previously. The statute calls requires actual costs. The key is to reconcile costs for an entire year, not at a single point in time. Otherwise, consumers would be paying for end of year rate base as if it were in service for the entire year. She referred to an oral argument exhibit which showed that rate base is lower in January than December.

On the subject of the interest rate on reconciliation adjustments, Ms. Lusson stated that the statute uses the term interest, which is a term used through the Public Utilities Act to mean interest and not a weighted cost of capital.

Commissioner O'Connell-Diaz asked what interest rate she was proposing. Ms. Lusson replied that AG/AARP witness Brosch recommended the customer deposit rate. The Commissioner asked what that was. Ms. Lusson replied that currently it is 0%. The Commissioner asked how she reconciles that with the time value of money. Ms. Lusson replied that Mr. Brosch stated that the short term debt rate would be acceptable as well. If the General Assembly had intended the rate to be the weighted cost of capital, it would have said so. The Commissioner pointed out that the statute does not say that it is to be the customer deposit rate, nor the short term debt rate either. Ms. Lusson replied that the Commission has discretion here and it has never used the weighted average cost of capital for an interest rate.

Ameren-Rebuttal

In rebuttal, on the subject of the interest rate, Mr. Flynn stated that only the weighted cost of capital would compensate the company for balances that won't be recovered for two years. He noted that the Company's proposal works both ways--the reconciliation amount could be an amount recoverable from customers or an amount to be refunded to customers. If you use a short term debt rate, the Commission is effectively telling Ameren to borrow to finance recoveries. This is not appropriate.

AG/AARP-Rebuttal

On rebuttal, Ms. Lusson stated that there is no evidence in the proceeding that shows that weighted cost of capital is the only way that Ameren can recover its costs.

Commissioner O'Connell-Diaz asked how would short term debt cover this since the period is longer than a year. Ms. Lusson replied that Ameren's short term debt rate of 2.3% is generous.

Ameren-Surrebuttal

On surrebuttal, Mr. Flynn stated that there is no relationship between a rate reduction and a new formula rate filing on the cost of carrying a shortfall.

Chairman Scott asked Mr. Flynn if he could help him get over the hump that since Ameren does not make all of its investments on the first day of the year, use of end of year rate base would overcompensate. Mr. Flynn replied that this is not what the General Assembly had in mind. If we had a rate case every day, then we would have a different revenue requirement and it would be lower. Chairman Scott said that there obviously a disagreement over what the statute says.

Oral Argument Part Two

Ameren

Mr. Whitt argued on behalf of Ameren with respect to the accrual of vacation pay and the treatment of late payment charge revenues. On the subject of vacation pay, he stated that accruals and reserves are different. Accrued vacation pay simply represents an amount required by FASB 43. A reserve represents actual dollars collected from ratepayers. That is why reserves are deducted from rate base, for example, the depreciation reserve. This is a form of prepayment--the company is collecting money today to pay in the future. In contrast, the accrual for vacation pay does not represent funds collected from ratepayers to pay in the future. An accrual is not a source of cash. He used the example of Disneyworld. If you wanted to go to Disneyworld, you might write down the amount that you expect it would cost you to go there. This does not give you to cash to go there.

The Wages and Salaries account shows what is paid for employees and includes what is paid for employees' vacation pay.

Commissioner O'Connell-Diaz asked if vacation time is accrued one year and not paid until the next year. Mr. Whitt said that was correct.

Commissioner Colgan asked how much time can an employee accrue and how much time do they have to take it and can they cash it in. Mr. Whitt, after checking, said they can bank two to six weeks, but could not cash it in until retirement.

On the subject of late charge revenues, Mr. Whitt said that if 100% were allocated to distribution customers, nothing would go to power supply. He stated that the Company's preference to deal with this would be to revise Rider PER.

Commission Staff

Ms. Nicole Luckey argued on behalf of the Commission Staff on the accrued vacation pay issue only. She stated that Staff supports the Proposed Order's treatment. She said it is a source of ratepayer supplied capital. She said it is similar to ADIT. She noted that while it is short term in nature, balances remain high from year to year. Staff's position is that it is important that Ameren be treated consistently with ComEd. There is nothing to distinguish between Ameren and ComEd that should result in a different treatment of accrued vacation pay here.

Chairman Scott said that the numbers can change from year to year. Ms. Luckey said not necessarily.

Commissioner McCabe noted that there was no deduction to rate base in Ameren's last rate case. Ms. Luckey responded that the ComEd formula rate case was the first case in which this was raised and the adjustment was accepted.

Commissioner O'Connell-Diaz asked if there were any analysis of ComEd's vacation policy and if it's consistent with Ameren. Ms. Luckey said Staff did not address, but neither did Ameren. The Commissioner stated but you are suggesting the same treatment. Ms. Luckey replied that there are no facts in the record to indicate there should be a different treatment.

CUB

Mr. Goshal argued on behalf of CUB. He agreed that there was no facts to differentiate the accrued vacation pay issue from ComEd. This results in a \$11.7 million deduction from rate base. He said that Staff and Intervenors demonstrated that there is an ongoing balance here. While there is some fluctuation, it is within a consistent band. This is not the Disneyworld example.

Commissioner O'Connell-Diaz asked how one squares this with prior Commission cases. He responded that this has not been proposed in those other cases. It was first proposed in the ComEd formula rate case and was accepted there. The Commissioner stated that she thought Commissioner McCabe had referred to two Ameren gas and electric cases. He replied that this proposal had not been made there.

On the subject of late charge revenues, Mr. Goshal said that the late payment charge is attributable to the entire bill and to not credit late charge revenues to ratepayers would provide a windfall to shareholders. Ameren is proposing to deal with this issue in another proceeding. CUB has no problem with that proposal, but in the meantime, 100% of late charge revenues should be credited to ratepayers. This treatment would be consistent with the Commission's decisions in ComEd's most recent rate case and its formula rate case. He stated that ComEd had proposed an allocation of the revenues, but the Commission rejected this.

AG/AARP

Ms. Lusson, on behalf of the AG/AARP, stated that they agree with the ALJPO that 100% of late payment charge revenues should be credited to ratepayers. Ameren's proposal to treat 58% as non-jurisdictional would result in its shareholders receiving that 58%. She stated that Ameren does not allocate any late payment charge revenues in its cases at the FERC. The Commission adopted the 100% to ratepayers approach in ComEd's last rate case, Docket 10-0467. To be consistent, the Commission should order the same treatment here.

On the subject of accrued vacation pay, Ms. Lusson said that it is a source of non-investor supplied funds and it should be deducted from rate base. Ameren has produced no evidence that it should have a different treatment than ComEd. She stated that accrued vacation pay is not accounted for in the cash working capital allowance.

Ameren-Rebuttal

On rebuttal, Mr. Whitt stated that the formula rate statute states that the Commission is to be consistent with prior law. Neither the accrued vacation pay adjustment nor the adjustment for late char been applied to Ameren in past cases. ComEd is a different company and may take a different approach. He stated that accrued vacation pay is not a source of funds. It is different from ADIT and the depreciation reserve--there money has been paid by ratepayers for items that have not been paid yet. FAS 43 is there to smooth out spikes in the accrued vacation pay liability. Writing the amount of accrued vacation pay down does not give you cash.

Commission Staff-Rebuttal

On rebuttal, Ms. Luckey stated that the Company has not identified any case in which the Commission has rejected a proposal to deducted accrued vacation pay from rate base.

CUB-Rebuttal

On rebuttal, Ms. Lusson cited the Hartigan case and stated that Ameren has the burden of proof of supporting its ratemaking proposals. The record evidence supports the adjustments.

**Thanks,
Salvatore "Sammy" Fiorella
SFIO Consulting, Inc.
22560 Home Court
Frankfort, Illinois 60423-8192
312-907-7220 (Cell)
815-469-2405 (Office)
s.fiorella@comcast.net**

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ICC Docket No. 13-0318

**Commonwealth Edison Company's Response to
Illinois Commerce Commission ("STAFF") Data Requests
RWB 13.01 – 13.06**

Date Received: June 25, 2013

Date Initial Response Served: July 22, 2013

Date Corrected Response Served: August 8, 2013

Date Supplemental Corrected Response Served: September 27, 2013

Related to Lobbying Expenses and Regulatory Commission Expenses.

REQUEST NO. RWB 13.02:

(Reg. Comm. Exp.) Referring to ComEd Ex. 3.04, p. 42 (WPC-1h), ln. 5, please provide all requests for proposals, bids, engagement letters, contracts, invoices and other supporting documentation which supports a contention that the \$157,171 set forth for Docket No. 07-0566 (Remand of 07-0566) is a just and reasonable amount to prepare and litigate a rate case. Please provide a summary of these expenses in the same format as that set forth for rate case expenses in ComEd Ex. 3.09.

SUPPLEMENTAL CORRECTED RESPONSE:

On September 30, 2010, the Appellate Court issued its opinion on the appeals pursued by AG-CUB, BOMA, IIEC, and ComEd. The intervenors had appealed on various grounds, including appeals by AG-CUB and IIEC on the issue of "rolling forward" the depreciation reserve with the pro forma capital additions in rate base. ComEd had appealed on three other subjects, and conditionally took a fourth position that if the Court reversed as to the depreciation reserve issue, then ComEd's third quarter 2008 pro forma capital additions should be included in rate base. The Court ruled for the intervenors on certain issues, including the depreciation reserve issue, but consistent therewith ordered a remand regarding ComEd's third quarter 2008 pro forma capital additions. The Court's mandate was received by the ICC on June 6, 2011.

The remand proceedings began on June 22, 2011, when the ALJs issued a scheduling order "in accordance with the order of the Appellate Court, Second Judicial District received on June 6, 2011, which remanded this matter to the Commission...." The evidentiary hearing was held on October 18, 2011. Reply briefs on exception were filed on November 23, 2011.

The primary focus of the remand proceedings as they actually occurred was the subject of refunds, *i.e.*, whether the applicable ICC error found by the Court required refunds and, if so, how much, and related details. ComEd's contentions regarding the third quarter 2008 pro forma capital additions were litigated as a potential setoff to the refund claims. ComEd's legal position, in part, also was that only a court on review, not the ICC, could order a refund in the applicable circumstances.

The ICC issued its final Order on Remand on February 23, 2012. The order provided for refunds, but also expressly contemplated an appeal, stating in part: "Recognizing, however, that this matter will most likely be appealed, regardless of the Commission's decision, the

Commission believes that a reasonable solution would be for a 8 month refund period starting as soon as reasonably practicable after a decision on appeal is issued, subject to the opinion of the court, so long as the period only reflects one month of summer usage.” *Commonwealth Edison Co.*, ICC Docket No. 07-0566 (Order on Remand, Feb. 23, 2012) at 47-48.

ComEd’s counsel analyzed the order. On March 2, 2012, ComEd filed an application for rehearing. On March 21, 2012, the ICC denied ComEd’s application. The remainder of the ComEd 2012 legal costs on this matter was for its appeal of the Order on Remand.

The 2012 legal costs that ComEd incurred on the remand and the appeal therefrom were \$104,356.43. Of that, \$2,633.00 were incurred for the Court-ordered remand through February 23, 2012. Another approximately \$7,500 were for preparation of the application for rehearing and attention to the ICC’s action on the application. The remainder were for the appeal.

CORRECTED RESPONSE:

The referenced \$157,171 in expenses are amounts incurred and accrued in 2012 for work by outside legal counsel in connection with the proceedings conducted by the Illinois Commerce Commission (“Commission” or “ICC”) on remand from the Illinois Appellate Court, Second Judicial District, arising out of ComEd’s 2007 rate case, ICC Docket No. 07-0566. See the attachment from ComEd’s initial Response to Staff Data Request RWB 13.02 which was labeled as RWB 13.02_Attach 2 which is a summary of these expenses.

\$52,814.57 of the \$157,171 was for work in 2012 by one outside law firm relating to ComEd’s petition for leave to appeal the Supreme Court of Illinois from the March 2012 Appellate Court decision reversing the Commission’s approval of cost recovery under Rider AMP in ICC Docket No. 09-0263 (“the PLA”). This amount is recoverable, and the only error was in the description in line item 5 of page 42 of WPC-1h.

The total amount incurred, \$104,356.43, for ICC Docket No. 07-0566 remand is just and reasonable. The work was completed by outside counsel from Jenner & Block LLP, Rooney Rippie & Ratnaswamy LLP, and Eimer Stahl LLP, in relation to analysis of the Commission’s Order on Remand, analyzing potential rehearing and appeal issues, preparing ComEd’s application for rehearing, analyzing the Attorney General and Citizens Utility Board’s applications for rehearing, reviewing the Commission’s actions on the petitions, preparing the notice of appeal and petition for review and doing preliminary work relating to the record on appeal. The amount includes work on the briefs on appeal from the Order on Remand.

The total amount incurred, \$52,814.57, for ICC Docket No. 09-0263 is just and reasonable. The work was completed by outside counsel from Jenner & Block LLP (invoice no. 9230297) on the PLA in relation to seeking review by the Supreme Court of Illinois of a decision reversing the Commission’s approval of provisions in a rider.

Legal representation was necessary for ComEd to participate in the subject proceedings. All of the firms that are the subject of this request have extensive experience and expertise in the subject matters involved. They are familiar with our business and are otherwise well-suited for the subject representations. Their work was done in a professional and efficient manner. The fees they were paid are reasonable and are at or below market rates.

Retention letters and detailed monthly invoices for outside counsel hourly services were attached to ComEd's initial Response to Staff Data Request RWB 13.02 and labeled as RWB 13.02_Attach 1 (CONFIDENTIAL AND PROPRIETARY) or RWB 13.02_Attach 1 (PUBLIC). The retention letter for Eimer Stahl LLP from 2009 for this matter was still effective for the work performed in 2012. The detail contained in the narrative descriptions demonstrates that the costs incurred were just and reasonable.

RESPONSE:

The referenced \$157,171 in expenses are amounts incurred and accrued in 2012 for work by outside legal counsel in connection with the proceedings conducted by the Illinois Commerce Commission ("Commission" or "ICC") on remand from the Illinois Appellate Court, Second Judicial District, arising out of ComEd's 2007 rate case, ICC Docket No. 07-0566. See the attachment labeled as RWB 13.02_Attach 2 which is a summary of these expenses.

\$52,814.57 of the \$157,171 was for work in 2012 by one outside law firm relating to ComEd's petition for leave to appeal the Supreme Court of Illinois from the March 2012 Appellate Court decision reversing the Commission's approval of cost recovery under Rider AMP in ICC Docket No. 09-0263 ("the PLA"). This amount is recoverable, and the only error was in the description in line item 5 of page 42 of WPC-1h.

The total amount incurred, \$104,356.43, for ICC Docket No. 07-0566 remand is just and reasonable. The work was completed by outside counsel from Jenner & Block LLP, Rooney Rippie & Ratnaswamy LLP, and Eimer Stahl LLP, in relation to analysis of the Commission's Order on Remand, analyzing potential rehearing and appeal issues, preparing ComEd's application for rehearing, analyzing the Attorney General and Citizens Utility Board's applications for rehearing, reviewing the Commission's actions on the petitions, preparing the notice of appeal and petition for review and doing preliminary work relating to the record on appeal. The amount does not include work on the briefs on appeal from the Order on Remand.

The total amount incurred, \$52,814.57, for ICC Docket No. 09-0263 is just and reasonable. The work was completed by outside counsel from Jenner & Block LLP (invoice no. 9230297) on the PLA in relation to seeking review by the Supreme Court of Illinois of a decision reversing the Commission's approval of provisions in a rider.

Legal representation was necessary for ComEd to participate in the subject proceedings. All of the firms that are the subject of this request have extensive experience and expertise in the subject matters involved. They are familiar with our business and are otherwise well-suited for the subject representations. Their work was done in a professional and efficient manner. The fees they were paid are reasonable and are at or below market rates.

Retention letters and detailed monthly invoices for outside counsel hourly services are attached as RWB 13.02_Attach 1 (CONFIDENTIAL AND PROPRIETARY) or RWB 13.02_Attach 1 (PUBLIC). The retention letter for Eimer Stahl LLP from 2009 for this matter was still effective for the work performed in 2012. The detail contained in the narrative descriptions demonstrates that the costs incurred were just and reasonable.

ICC Docket No. 13-0318

**Commonwealth Edison Company's Response to
Illinois Commerce Commission ("STAFF") Data Requests
RWB 13.01 – 13.06**

Date Received: June 25, 2013

Date Initial Response Served: July 22, 2013

Date Supplemental Response Served: August 13, 2013

Date Corrected Supplemental Response Served: August 16, 2013

Date Second Supplemental Response Served: September 27, 2013

Related to Lobbying Expenses and Regulatory Commission Expenses.

REQUEST NO. RWB 13.04:

(Reg. Comm. Exp.) Referring to ComEd Ex. 3.04, p. 42 (WPC-1h), ln. 8, please provide all requests for proposals, bids, engagement letters, contracts, invoices and other supporting documentation which supports a contention that the \$133,542 set forth for Docket No. 10-0467 (General Rate Increase) is a just and reasonable amount to prepare and litigate a rate case. Please provide a summary of these expenses in the same format as that set forth for rate case expenses in ComEd Ex. 3.09.

SECOND SUPPLEMENTAL RESPONSE:

On May 24, 2011, the ICC issued its Final Order in ComEd's 2010 rate case, ICC Docket No. 10-0467. On June 23, 2011, the City of Chicago, IIEC, ComEd, CUB, REACT, and the AG filed applications for rehearing. On July 7, 2011, the ICC denied all of the applications.

Between July 7, 2011, and August 12, 2011, all of those same parties, except for the City of Chicago, filed notices of appeal. In 2011, pursuant to the ICC's motion, the Appellate Court consolidated all of the appeals. When appeals are consolidated, the lowest-numbered appeal typically is used as the lead number. In 2011, ComEd, some intervenors, and the ICC also filed appellate paperwork, such as appearances. Meanwhile, the ICC's Clerk's office prepared the record on appeal, which it filed on September 20, 2011.

By order of the Court, which granted various extensions, opening briefs were due on January 26, 2012. Filing an opening brief is how a party actually pursues an appeal. However, on January 20, 2012, IIEC filed a motion to withdraw its appeal, and on January 24, 2012, ComEd filed a (2-page) motion to withdraw its appeal. On January 26, 2012, only CUB, REACT, and the AG filed briefs. On February 1, 2012, the Court granted IIEC's and ComEd's motions to withdraw their appeals.

ComEd's 2012 costs on this matter included a limited amount of legal work performed in December 2011 and in January 2012 through January 24th related to preparing a possible opening brief and a supporting joint appendix (also to be used by the other appellants) and its motion to withdraw its appeal. There also was a small amount incurred in relation to work on compliance with the original final Order of the ICC.

Appellees' briefs (briefs responding to opening briefs) were due on April 24, 2012. On that date, the ICC and ComEd filed briefs defending the ICC's final Order. That was the only brief filed by ComEd in the appeal. Reply briefs were filed by CUB, REACT, and the AG on May 23, 2012.

ComEd later performed work relating to efforts to dismiss the intervenor appeals attacking the ICC's final Order.

Thus, the 2012 legal costs that ComEd incurred in relation to this appeal that it seeks to recover, \$133,542, were incurred entirely in defending the ICC's final Order, except for a limited amount of work relating to the potential opening brief that ComEd decided not to pursue, plus a small amount of work on compliance with the ICC's final Order. The 2012 costs for the limited amount of work relating to the potential opening brief were approximately \$16,000. (Another approximately \$7,000 was for work on preparing the joint appendix used by all parties.) The 2012 costs included in the \$133,542 also included approximately \$4,700 for work on compliance with the ICC's final Order.

CORRECTED SUPPLEMENTAL RESPONSE:

Please see the updated attachment labeled as RWB 13.04 SUPP CORRECTED_Attach 1 for additional detailed narrative descriptions to support the work done by Jenner & Block LLP. The attachment was inadvertently redacted to exclude information that has now been included.

SUPPLEMENTAL RESPONSE:

Please see the attachment labeled as RWB 13.04 SUPP_Attach 1 for additional detailed narrative descriptions to support the work done by Jenner & Block LLP.

RESPONSE:

The referenced \$133,542 in expenses are amounts incurred and accrued in 2012 for work by outside legal counsel in connection with the appeals of the Order of the Illinois Commerce Commission ("Commission" or "ICC") arising out of ComEd's 2010 general rate case, ICC Docket No. 10-0467. See the attachment labeled as RWB 13.04_Attach 2 which is a summary of these expenses.

The total amount incurred, \$133,542, in 2012 for ICC Docket No. 10-0467 was prudently incurred and is reasonable in amount. The work was completed by outside counsel from Jenner & Block LLP, Rooney Rippie & Ratnaswamy LLP, and Sidley & Austin LLP in relation to analysis of issues raised on appeal in the appellate context (including the applicable standards of review, issues of standing and mootness, and appropriateness of various appellate remedies), preparing ComEd's appellate briefs, reviewing and analyzing of the arguments and authorities discussed in other parties' briefs, and advising ComEd concerning other aspects of the pending appeal.

The above amount incurred for the work described are just and reasonable for the same reasons stated in ComEd Ex. 8.0, 5:99-9:189. The firms that are the subject of this request have extensive experience and expertise in the subject matters involved. They are familiar with our business and are otherwise well-suited for the subject representations. Their work was done in a professional and efficient manner. The fees they were paid are reasonable and are at or below market rates. For outside counsel who provided services on an hourly basis, detailed monthly invoices are attached in addition to retention letters as RWB 13.04_Attach 1 (CONFIDENTIAL AND PROPRIETARY) or RWB 13.04_Attach 1 (PUBLIC). The detail contained in the narrative descriptions demonstrates that the costs incurred were prudently incurred and reasonable in amount. The retention letter for Sidley & Austin LLP from 2010 for this

matter was still effective for the work performed in 2012. The retention of Jenner & Block LLP for the work done in 2012 for this matter was pursuant to an oral agreement between counsel.

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**ComEd Cross Ex. 30 Commonwealth Edison Company's Response to
The People of the State of Illinois ("AG") Data Requests
AG 6.01 – 6.07**

**Date Received: August 29, 2013
Date Served: September 12, 2013**

REQUEST NO. AG 6.05:

Ref: ComEd Ex. 14.0, page 15, line 312; ComEd Response to RWB 10.04(b) (Determination of PTPSA Payouts). In his Rebuttal, Mr. Fruehe states, "Mr. Bridal's proposal is explicitly based on the percent of permissible metrics related to ComEd distribution services, a fact ignored by Mr. Brosch. Mr. Brosch simply speculates that achievement of results related to those metrics played little or no role in the award of LTPSAP payments." In its response to Staff data request RWB 10.04, the Company stated, "There are no direct payout percentages associated to each goal." Please provide the following additional information regarding these statements:

- a. Explain Mr. Fruehe's understanding of how Mr. Bridal's proposal is based on permissible metrics, indicating why his approach is believed to be reasonable if the Company's response to RWB 10.04, part (b) is factually accurate.
- b. Provide all available corrections, updates or clarifications for the Company's response to RWB 10.04, part (b) if applicable.
- c. Provide complete copies of all documents that were provided to or relied upon by the Exelon Board of Directors Compensation Committee to support its administration of the LTPSAP in 2012 and 2013, to date.
- d. State with specificity and provide detailed supporting calculations associated with how Exelon's annual performance in 2012 was evaluated to determine the specific number of performance shares that were made available for use in the PTPSAP.
- e. With reference to your response to part (d), provide a complete copy of all documents that were used to determine the number of performance shares approved for the 2012 PTPSAP. (See ComEd Ex. 3.07, page 10)
- f. State with specificity how the Compensation Committee measured and considered "Total Shareholder Return" in determining the overall LTPSAP payout levels for 2012. (See ComEd Ex. 3.07, page 10).
- g. Provide calculations of Total Shareholder Return (TSR) as used in administration of the LTPSAP in 2012. (See ComEd Ex. 3.07, page 10)

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- h. Provide a summary of recorded monthly charges by FERC Account associated with the LTPSAP plan in 2012 and 2013 to date, indicating amounts provided as estimates of each element of LTPSAP costs in each month, and describe each subsequent adjustment or true-up of program costs that was recorded, as well as the basis for each adjustment amount that was recorded.
- i. Provide detailed workpapers supporting the final LTPSAP cost incurred by ComEd for 2012, indicating the inputs and calculations supporting each element of incurred program cost by parameter or performance measure.
- j. Provide complete copies of all documents that were provided by the Company to each of the ComEd employees who represent the largest 10 individual beneficiaries of the LTPSAP in 2012, to explain and provide documentation for the determination of all amounts awarded to each such employee beneficiary under the LTPSAP. Provide all document associated with 2012 plan awards.

RESPONSE:

As a preliminary matter, ComEd assumes that the author intended to refer to LTPSAP throughout the request, not PTPSAP, and ComEd has responded accordingly.

- a. Mr. Fruehe agrees with Mr. Bridal that some of the metrics used in the determination of the LTPSAP award are ICC approved metrics, such as ComEd outage duration and frequency. Also, the attachment to ComEd's Response to Staff Data Request RWB 10.04 labeled as RWB 10.04_Attach 1 clearly shows that the ComEd outage and duration metrics were met or exceeded. Because the metrics are not given specific weightings in the determination of the LTPSAP award, for the purposes of inclusion in ComEd's revenue requirement, all are assumed to be weighted equally and only those that are based upon metrics which the ICC has determined benefit ComEd customers are included in ComEd's revenue requirement. This is a reasonable assumption.
- b. N/A.
- c. ComEd objects to this request as it seeks information that is not relevant to this proceeding, specifically, information related to the 2013 LTPSAP award which ComEd is not seeking recovery of in this proceeding. Subject to this objection and ComEd's General Objections, ComEd responds as follows: Please see the attachment labeled as AG 6.05_Attach 1 (CONFIDENTIAL) for the relevant pages from the board materials provided to the Compensation Committee in January 2013 to determine the 2012 LTPSAP award. The attachment labeled as AG 6.05_Attach 2 (CONFIDENTIAL) is a more detailed report that was provided to the Compensation Committee as an Appendix at the same time the first deck was provided.

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- d. Each executive participant in the program is assigned a target opportunity based on their level and position; target opportunities are developed and communicated annually, at the beginning of the performance cycle. As stated in ComEd Ex 3.07, “a pool of available shares for the year is determined based on the sum of all participants’ target opportunities and the performance level assessed by the committee.” More detailed calculations are not available.
- e. ComEd objects to this request to the extent it requests “all documents that were used to determine the number of performance shares approved for the 2012 PTPSAP” on the grounds that it is overly broad and unduly burdensome and not likely to result in the production of information that is more probative on this issue than the information that ComEd has already provided and/or provides in response to this data request. Subject to this objection and ComEd’s General Objections, ComEd responds as follows: See ComEd’s response to subpart (d), above.
- f. As stated in ComEd Ex 3.07, “the Compensation Committee will consider Total Shareholder Return (TSR) comparison data as a *qualitative* factor to be taken into account in the overall payout decision.” For 2012, relative TSR was reviewed along with the financial and operating results, including the successful merger, to determine the final payout percentage. The attachment labeled as AG 6.05_Attach 3 (CONFIDENTIAL) is an excerpt from the approved minutes of the January 2013 Compensation Committee meeting where the committee specifically discusses and determines the “Total Shareholder Return” impact and the 2012 LTPSAP award.
- g. See ComEd’s response to subpart (f), above. There are no such calculations.
- h. ComEd objects to this questions as it requests information that is not relevant to this proceeding, specifically, information related to the 2013 LTPSAP plan which ComEd is not seeking recovery of in this proceeding. Subject to the foregoing objection and ComEd’s General Objections, ComEd responds as follows: Please see the attachment labeled as AG 6.05_Attach 4 for a summary of the 2012 recorded monthly charges, by FERC Account, for the LTPSAP costs with an explanation of the monthly difference between the Exelon entry and the ComEd allocation.
- i. ComEd objects to this request on the grounds that it is overly broad and unduly burdensome and not likely to result in the production of information that is more probative on this issue than the information that ComEd has already provided and/or provides in response to the other subparts contained in this data request, specifically in ComEd’s response to subpart (h). ComEd estimates that it would take one week to assemble the requested data, which could be broken down by program participant but would not provide further information regarding parameters or performance measures.

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- j. ComEd objects to this request to the extent it requests “all documents that were provided by the Company to each of the ComEd employees who represent the largest 10 individual beneficiaries of the LTPSAP in 2012” on the grounds that it is overly broad and unduly burdensome and not likely to result in the production of information that is more probative on this issue than the information that ComEd has already provided and/or provides in response to this data request. Each executive participant in the program receives an emailed communication about the performance results of the LTPSAP after the results are approved by the Exelon Compensation Committee. There is no individual calculation and communication. A copy of the 2012 results communication is provided in the attachment labeled as AG 6.05_Attach 5 (CONFIDENTIAL).

Please note that the attachments labeled as AG 6.05_Attach 1 (CONFIDENTIAL), AG 6.05_Attach 2 (CONFIDENTIAL), AG 6.05_Attach 3 (CONFIDENTIAL), and AG 6.05_Attach 5 (CONFIDENTIAL), are Confidential in their entirety and therefore Public versions will not be made available.

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Commonwealth Edison Company
 Performance Share Expense Recorded for the Year 2012

	Jan-12	Feb-12 (1),(4)	Mar-12 (2),(4)	Apr-12 (3),(4)	May (4)	Jun-12 (4)	Jul-12 (4)	Aug-12 (4)	Sep-12 (4),(5)	Oct-12 (4)	Nov-12 (4)	Dec-12 (6)	Total
Performance Share Expense Recorded by Corporate	\$ 529,005	\$ (111,916)	\$ 1,130,343	\$ 259,825	\$ 266,729	\$ 231,006	\$ 319,903	\$ 182,929	\$ (358,137)	\$ 256,447	\$ (23,120)	\$ 830,112	\$ 3,513,127
Change from Prior Month		\$ (640,921)	\$ 1,242,259	\$ (870,518)	\$ 6,904	\$ (35,723)	\$ 88,897	\$ (136,974)	\$ (541,066)	\$ 614,583	\$ (279,566)	\$ 853,232	
Allocations Recorded by ComEd (7)													
FERC 416, FERC 426	\$ 983	\$ 1,148	\$ 1,060	\$ 1,041	\$ 1,184	\$ 1,466	\$ 1,110	\$ 1,131	\$ 981	\$ 1,221	\$ 675	\$ 883	
Production 555-557	1,359	1,499	1,565	1,769	1,487	1,344	1,355	1,501	1,238	1,528	943	1,018	
Trans Exp 560-573	25,986	31,650	31,696	30,700	35,645	26,541	20,542	24,231	27,532	31,523	19,488	21,716	
Dist Exp 580-909	209,601	226,296	225,556	236,449	246,458	230,309	250,211	247,719	210,144	248,575	151,293	181,788	
G&A Exp 920-935	38,579	44,530	43,761	43,126	46,227	42,314	39,924	44,465	38,501	47,754	28,570	34,238	
Total Allocated	\$ 276,509	\$ 305,123	\$ 303,639	\$ 313,084	\$ 331,001	\$ 301,973	\$ 313,144	\$ 319,047	\$ 278,395	\$ 330,600	\$ 200,968	\$ 239,644	\$ 3,513,127
Difference	\$ (252,497)	\$ 417,039	\$ (826,704)	\$ 53,259	\$ 64,272	\$ 70,967	\$ (6,759)	\$ 136,119	\$ 636,532	\$ 74,153	\$ 224,087	\$ (590,468)	\$ 0

Notes

- (1) In January 2012 expense for the 2012 performance share plan was recorded based on budget as actuals were not yet known. In February 2012 this estimate was reversed and no expense was recorded for the 2012 performance share plan as there was uncertainty with the plan due to the impending merger.
- (2) In March the 2012 performance share plan was approved and actuals were determined. YTD expense was recorded.
- (3) There was a decrease in April as it included only one month of expense for the 2012 performance share plan compared to the YTD amount recorded in March.
- (4) Monthly fluctuations are due to mark-to-market changes attributable to the closing stock prices shown below, as well as changes due to forfeiture and promotion.

Closing Stock Prices:

1/31/2012	39.78	
2/29/2012	39.07	-2%
3/30/2012	39.21	0%
4/30/2012	39.01	-1%
5/31/2012	36.98	-5%
6/29/2012	37.62	2%
7/31/2012	39.12	4%
8/31/2012	36.47	-7%
9/28/2012	35.58	-2%
10/31/2012	35.78	1%
11/30/2012	30.22	-16%
12/31/2012	29.74	-2%

- (5) Decrease in September primarily due to a reversal of expense previously recorded in March due to forfeiture of an award.
- (6) Increase primarily due to increase in payout estimate on the 2012 performance share plan from 100% to 115% based on information provided by HR Compensation and an increase in expense due to changes in stock price.
- (7) Performance share costs are allocated to ComEd projects on a monthly basis, using a clearing rate methodology, based on the regular time incurred to each project. ComEd attempts to maintain a relatively consistent rate each month. However, some variation does occur so that the entire balance is fully cleared on an annual basis. Based on this methodology, the costs recorded by Corporate each month will not equal the amount allocated for a given month.

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