

Commonwealth Edison Company's Response to  
Commercial Group ("CG") Data Request  
CG 2.01 – 2.03

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I.C.C. DOCKET NO. 13-0387

CG ECROSS  
Exhibit No. 1

Witness TENORIO

Date 9-25-13 Reporter KK

**REQUEST NO. CG 2.02:**

Please reference ComEd Ex. 2.0, p32 at line 614 as well as Table CST-D9 on page 33. Please explain why making the "third step out of four" steps to move the HV delivery class to ECROSS would not move the percentage of associated costs allocated to that class half of the way from 85.3% to 100%, i.e., to 92.65%?

**RESPONSE:**

As a point of clarification, the delivery class cost allocations in ComEd Ex. 2.07, the illustrative Next Step rate design, are identical to those in ComEd Ex. 2.04, the RDI Rate Design at current revenue responsibilities, and ComEd Ex. 2.06, an illustrative rate design with revenue responsibilities at 100%. The delivery class costs allocations in all three (3) rate designs are reflective of the manner in which costs are allocated to the delivery classes in the RDI ECROSS. The differences between the three (3) aforementioned rate designs pertain to the revenue responsibilities assigned to various delivery classes.

The illustrative Next Step Rate Design described in ComEd Ex. 2.0, tabulated in Table CST-D9, and presented in ComEd Ex. 2.07 is reflective of past Commission directives. In ICC Docket No. 07-0566, the Commission approved a 25% movement from the then current high voltage distribution facilities charges (HV DFCs) for the High Voltage (HV) Delivery Class to fully cost based HV DFCs. At that time other delivery service charges for that delivery class, the customer charge and the standard metering service charge, were computed at fully cost based levels. The work papers provided to the Staff to support the compliance filing made at the conclusion of that proceeding show the determination of those charges and were attached to ComEd's Response to Staff Data Request WRJ 3.04, in the instant docket, and labeled as WRJ 3.04\_Attach 1 and WRJ 3.04\_Attach 2. Moreover, in its Order in ICC Docket No. 10-0467, the Commission adopted the second step, a 33% movement reflected in the HV Transformer Charges (TRCs) to fully cost based HV TRCs for the HV Delivery Class. The work paper provided to the Staff to support the compliance filing made at the conclusion of that proceeding shows the determination of those charges and was attached to ComEd's Response to Staff Data Request WRJ 3.04 and labeled as WRJ 3.04\_Attach 3.

In preparing the illustrative Next Step Rate Design, as shown in ComEd Ex. 2.07, the TRC for customers in the HV Delivery Class with demands not exceeding 10,000 kilowatts (10 MW) is determined in accordance with the following equation:

$$\text{Next Step Up to 10 MW HV TRC} = \$2.41 + \frac{\$3.23 - \$2.41}{2}$$

In preparing the illustrative Next Step Rate Design, as shown in ComEd Ex. 2.07, the TRC for customers in the HV Delivery Class with Demands exceeding 10 MW is determined in accordance with the following equation:

$$\text{Next Step Over 10 MW TRC} = \$0.47 + \frac{\$0.90 - \$0.47}{2}$$

The \$2.41 and \$0.47 values are the currently effective HV TRCs, for up to 10 MW and Over 10 MW customers, respectively, in the HV Delivery Class. The \$3.23 and \$0.90 values are the values that the respective HV TRCs would be at fully cost based levels based upon cost allocations presented in the RDI ECOSS. The \$3.23 and \$0.90 values are determined in ComEd Ex. 2.06. The quantities  $\{(\$3.23 - \$2.41) / 2\}$  and  $\{(\$0.90 - \$0.47) / 2\}$  provide for the 50% movement from the currently effective HV TRCs to what would be fully cost based HV TRCs based upon the RDI ECOSS. The 50% movement is the “next step” of the two (2) remaining steps from the previous 33% movement made at the conclusion of ICC Docket No. 10-0467. The revenue responsibility for the HV Delivery Class increases to 90.7% rather than 92.65% under the illustrative Next Step Rate Design when compared to the current revenue responsibility because (a) the \$2.41 and \$0.47, the current HV TRCs, were computed under a rate design that provides for the recovery of a revenue requirement of \$2,023,269,000, while the \$3.23 and \$0.90, the next step HV TRCs, were computed under a rate design that provides for the recovery of a revenue requirement of \$2,334,330,000, and (b) the movement is set at 50% of the differences,  $(\$3.23 - \$2.41)$  and  $(\$0.90 - \$0.47)$ , respectively.

The passages from previous Commission Orders upon which ComEd relied in developing the illustrative Next Step Rate Design as it pertains to the HV Delivery Class are as follows:

“ComEd proposes a 50% movement towards cost-based distribution facilities charges (“DFC”) for the Extra Large Load, High Voltage and Railroad Delivery Classes rather than a 100% movement in order to mitigate the rate impact for these customers.”

ICC Docket No. 07-0566 (Order, September 10, 2008) at 166.

“It would be inconsistent with that finding to accept ComEd’s two-step rate increase. Instead, an allocation that more closely reflects a proper cost of service would be reflected in a four-step, gradual movement toward rates based on the ECOSS for Extra Large Load, High Voltage, and Railroad Delivery Classes. ComEd Ex 30.0 at 43-45. Thus, the Commission authorizes a 25% movement toward ECOSS based rates for these customers, instead of a 50% movement.”

ICC Docket No. 07-0566 (Order, September 10, 2008) at 213.