

**STATE OF ILLINOIS  
ILLINOIS COMMERCE COMMISSION**

<b>Illinois Commerce Commission</b>	)	
<b>On Its Own Motion</b>	)	
	)	<b>ICC Docket No. 13-0553</b>
<b>vs.</b>	)	
	)	
<b>Commonwealth Edison Company</b>	)	
	)	
<b>Investigation of Tariffs Approved in</b>	)	
<b>ICC Docket 13-0386</b>	)	

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**SURREBUTTAL TESTIMONY OF DAVID J. EFFRON  
ON BEHALF OF  
THE PEOPLE OF THE STATE OF ILLINOIS**

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**AG Exhibit 6.0**

**OCTOBER 22, 2013**

1 **Q. Please state your name and business address.**

2 A. My name is David J. Effron. My business address is 12 Pond Path, North Hampton,  
3 New Hampshire, 03862.

4

5 **Q. Have you previously submitted testimony in this docket?**

6 A. Yes. I submitted direct testimony on October 11, 2013, marked as AG Exhibit 2.0R  
7 and rebuttal testimony on October 17, 2013, marked as AG Exhibit 4.0. My  
8 qualifications and experience are included with my direct testimony.

9

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

11 A. In this surrebuttal testimony, I respond to the rebuttal testimony of Company witness  
12 Brinkman, ComEd Exhibit 3.0.

13

14 **Q. Do you have a response to Ms. Brinkman's claim that "PA 98-0015 expressly  
15 rejected" the use of an average rate base (ComEd Ex. 3.0 at 4:79-81)?**

16 A. Yes. I am unable to locate any "express rejection" of the use of an average rate  
17 base in the ROE collar calculation in P.A. 98-0015, nor does Ms. Brinkman  
18 specifically cite any such express rejection. The Commission used the average rate  
19 base in the ROE collar calculation prior to P.A. 98-0015, and I am applying that  
20 same approach in my testimony.

21 Ms. Brinkman also contends that the use of an average rate base in the ROE  
22 collar calculation "drives the ultimate reconciliation rate base on which charges are  
23 based away from the year-end value specified in the law towards the average" (*Id.*).

24 However, as I stated in my rebuttal testimony<sup>1</sup>, my proposal to use the average rate  
25 base in the ROE collar calculation in Sch. FR A-3 has no effect on the  
26 reconciliation revenue requirement calculated in Sch. FR A-1 REC, and I have not  
27 presented any testimony on the rate base to be used in the reconciliation revenue  
28 requirement.

29

30 **Q. Do you have any additional response to her rebuttal testimony?**

31 A. No. Her rebuttal testimony on the rate base to be used in the collar calculation and  
32 accumulated deferred income taxes for the most part refers back to her direct  
33 testimony on these issues. I believe that I have addressed her positions on these  
34 matters adequately in my rebuttal testimony. Her rebuttal testimony presents no  
35 reason for me to alter or modify my direct testimony on the subjects of the rate base  
36 to be used in the collar calculation and accumulated deferred income taxes

37

38 **Q. Do you have a response to Ms. Brinkman’s statement that “Because PA 98-0015**  
39 **changes rates both prospectively and retrospectively, the Commission’s**  
40 **interpretation of the law should also be given effect both prospectively and**  
41 **retrospectively” (ComEd Ex. 3.0, at 18:376-378)?**

42 A. Yes. I believe that arguments of this nature are best left to the attorneys. That  
43 being said, I do not believe that there is any real dispute on this matter. When I  
44 stated in my direct testimony that the proposed modification should be incorporated  
45 into rates that take effect January 1, 2014 and thereafter, I did not mean to imply  
46 that any approved changes should exclude the retroactive effect of such changes to

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<sup>1</sup> AG Ex. 4.0 at 1:23-2:25.

47 the extent authorized by P.A. 98-0015. All I intended to convey was that such  
48 changes, including any retroactive effect on the ROE collar calculation and on the  
49 reconciliation, should be reflected in the Company's rates as of January 1, 2014.

50

51 **Q. Does this conclude your surrebuttal testimony?**

52 **A. Yes.**