

ICC Docket No. 12-0560

**Commonwealth Edison Company's Response to
Rock Island Clean Line LLC's ("RI") Data Requests
RI-COMED 2.01 – 2.45
Date Received: July 2, 2013
Date Served: July 30, 2013**

REQUEST NO. RI-COMED 2.03:

- (a) Does Ms. Lapson agree that it is necessary for an electric transmission project that is to be financed through a project finance approach, such as the Rock Island Project, to obtain a certificate of public convenience and necessity or similar state regulatory certification or authorization before lenders and equity investors will make binding commitments to provide financing for construction of the project?
- (b) If the response to part (a) is anything other than an unqualified "yes," explain the basis for Ms. Lapson's belief.

RESPONSE:

ComEd objects to this Data Request to the extent that the question refers to whether a prerequisite is *legally* "necessary." Ms. Lapson is a non-lawyer and may properly testify concerning her experience and expertise in finance and may state her lay understanding of the certification process. Subject to and without waiving the foregoing objection or ComEd's General Objections, ComEd responds as follows:

No. Projects may receive conditional commitments that are conditioned upon receipt of specific licenses, certificates, environmental approvals, or tax rulings. Indeed in some cases (for example, certain projects eligible for tax-exempt funding), the proceeds of bond financing are held in an escrow account until certain conditions are met. Absent all necessary approvals, licenses and certificates, project finance debt and equity providers typically will limit their investment commitments to amounts that can be recovered based on the portion of the project that has the necessary approvals and certificates. It is atypical for a developer, in Ms. Lapson's experience, to seek certification without assurance of the required financing, which is consistent with Ms. Lapson's lay understanding of the Illinois process. The basis for Ms. Lapson's answer is her experience in the financial markets over the past 44 years and at Fitch Ratings from 1994-2011.