

DIRECT TESTIMONY

of

SCOTT TOLSDORF

Accountant

Accounting Department
Financial Analysis Division
Illinois Commerce Commission

Reconciliation of revenues collected under Rider EDA with the actual costs
associated with energy efficiency and demand response programs.

Commonwealth Edison Company

Docket No. 13-0529

May 6, 2014

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

2 A. My name is Scott Tolsdorf. My business address is 527 East Capitol
3 Avenue, Springfield, Illinois 62701.

4 **Q. What is your current position with the Illinois Commerce
5 Commission (“ICC” or “Commission”)?**

6 A. I am currently employed as an Accountant in the Accounting Department
7 of the Financial Analysis Division.

8 **Q. Please describe your qualifications and background.**

9 A. I received a Bachelors of Science in Liberal Studies from Excelsior
10 College in Albany, New York, and am nearing completion of a Master’s
11 degree in Accounting from the University of Illinois-Springfield. I am a
12 Certified Public Accountant and joined the Staff of the Commission
13 (“Staff”) in February 2010. Prior to the Commission, I was employed for
14 four years as a staff accountant for a public accounting firm, and nine
15 years in the U.S. Navy as an operator and instructor in the Naval Nuclear
16 Power Program.

17 **Q. What is the purpose of your testimony in this proceeding?**

18 A. The purpose of my testimony is to report the results of my review of
19 Commonwealth Edison Company’s (“ComEd” or the “Company”)
20 reconciliation of revenues collected under Rider EDA (Energy Efficiency
21 and Demand Response Adjustment) with the actual costs associated with
22 energy efficiency and demand-response programs for the Program Year 5

23 (“PY5”) reconciliation period June 1, 2012 through May 31, 2013 as
24 presented by Company witness Mr. Michael Brandt, in ComEd Exhibit 2.0
25 Revised, and the underlying documents which support the calculations.

26 **Q. What is the difference between the Company’s revised testimony and**
27 **the testimony originally filed by the Company?**

28 A. The Company’s revised testimony is the result of an agreement between
29 the Company and Staff on issues relating to Measurement and Verification
30 costs and costs associated with the Department of Commerce and
31 Economic Opportunity (“DCEO”). The result is a reduction in the
32 Company’s Rider EDA costs for PY5 of approximately \$1.25 million from
33 the original filing.

34 **Schedule and Attachment Identification**

35 **Q. Are you sponsoring any schedules with your testimony?**

36 A. Yes. I prepared the following schedule, which shows data as of, or for, the
37 PY 5 reconciliation period:

38 Schedule 1.1 Rider EDA – Reconciliation

39
40 **Q. Please explain Staff Exhibit 1.0, Schedule 1.1.**

41 A. Schedule 1.1 presents the reconciliation statements proposed by the
42 Company in its revised testimony displayed in a format consistent with
43 past Commission reconciliation orders. Page 1 represents a summary of
44 Rider EDA while pages 2 through 4 are the reconciliation statements for

45 the applicable delivery classes EDA-R (Residential), EDA-NS (Non-
46 Residential-Small Load), and EDA-NL (Non-Residential-Large Load). The
47 reconciliation as presented in Schedule 1.1 allows for a transparent and
48 consistent approach for reporting the operation of Rider EDA on an on-
49 going basis.

50 **Results of Review**

51 **Q. Do you recommend any adjustments to ComEd's proposed**
52 **reconciliation?**

53 A. No.

54 **DCEO Cost Recovery**

55 **Q. Did ComEd recover any costs on behalf of DCEO during the**
56 **reconciliation period ended May 31, 2013?**

57 A. Yes. As explained by Mr. Brandt (ComEd Ex. 2.0 REV, lines 461 – 472),
58 ComEd collected, through Rider EDA charges, all DCEO energy efficiency
59 costs related to PY5 of ComEd's 2011-2013 Energy Efficiency and
60 Demand Response Plan ("Plan"). Accordingly, ComEd reimbursed DCEO
61 for incremental costs incurred by DCEO in connection with DCEO's
62 implementation of the Plan measures. For the PY5 reconciliation period
63 ended May 31, 2013, ComEd reimbursed DCEO \$33,565,649. That

64 amount is included in the Summary of Incremental Costs Incurred for PY 5
65 shown on ComEd Ex. 1.0 REV, page 4.

66 **Recommendations**

67 **Q. Please summarize your recommendations.**

68 A. I recommend that the Commission approve the Rider EDA reconciliation
69 for PY5 as presented on ICC Staff Exhibit 1.0, Schedule 1.1. I also
70 recommend that the content of Schedule 1.1 be attached to the order
71 resulting from this proceeding.

72 **Q. Does this end your prepared direct testimony?**

73 A. Yes.

Commonwealth Edison
 Rider EDA - Reconciliation
 Rider EDA - Summary Reconciliation
 For the Period June 1, 2012 through May 31, 2013 (PY-5)

Line No.	Description	Per Company	Staff Adjustments	Per Staff (B+C)
	(A)	(B)	(C)	(D)
<u>(Over)/Under Recovery from Prior Years</u>				
1	PY-2 Ordered Reconciliation Factor (ORF) [Docket No. 10-0537]	\$ (262,929)	\$ -	\$ (262,929)
2	PY-3 ORF [Docket No. 11-0646]	(3,069,289)	-	(3,069,289)
3	PY-4 Automatic Reconciliation Factor (ARF) [Docket No. 12-0509]	(5,315,341)	-	(5,315,341)
4	PY-4 ORF [Docket No. 12-0509]	(224,887)	-	(224,887)
5	(Over)/Under Recovery from Prior Periods (Sum of Lines 1 - 4)	\$ (8,872,446)	\$ -	\$ (8,872,446)
<u>Current Year (Over)/Under Recovery</u>				
6	PY-5 Recoverable EDA Costs	\$140,951,943	\$ -	\$ 140,951,943
7	PY-5 EDA Revenue	155,560,431	-	155,560,431
8	(Over) /Under Recovery for PY-5 (Line 6 - Line 7)	\$ (14,608,488)	\$ -	\$ (14,608,488)
9	Cumulative (Over)/Under Recovery (Line 5 + Line 8)	<u>\$ (23,480,934)</u>	<u>\$ -</u>	<u>\$ (23,480,934)</u>
<u>Disposition of Cumulative (Over)/Under Recovery</u>				
10	PY-2 ORF to be (Refunded)/Recovered in PY-6	\$ (262,929)	\$ -	\$ (262,929)
11	PY-3 ORF to be (Refunded)/Recovered in PY-7	(3,069,289)	-	(3,069,289)
12	PY-4 ORF to be (Refunded)/Recovered in PY-7	(224,887)	-	(224,887)
13	PY-5 ARF to be (Refunded)/Recovered in PY-6	(19,923,829)	-	(19,923,829)
14	Cumulative (Over)/Under Recovery (Sum of Lines 10 thru 13)	<u>\$ (23,480,934)</u>	<u>\$ -</u>	<u>\$ (23,480,934)</u>

Sources:

Column (B): ComEd Exhibit 1.0 Revised , Page 1 of 6

Column (D): Per Staff [Column (B) + Column (C)]

Commonwealth Edison
 Rider EDA - Reconciliation
 Rider EDA-R - Reconciliation
 For the Period June 1, 2012 through May 31, 2013 (PY-5)

Line No.	Description	Per Company	Staff Adjustments	Per Staff (B+C)
	(A)	(B)	(C)	(D)
<u>(Over)/Under Recovery from Prior Years</u>				
1	PY-2 Ordered Reconciliation Factor (ORF) [Docket No. 10-0537]	\$ (108,327)	\$ -	\$ (108,327)
2	PY-3 ORF [Docket No. 11-0646]	(1,138,080)	-	(1,138,080)
3	PY-4 Automatic Reconciliation Factor (ARF) [Docket No. 12-0509]	336,147	-	336,147
4	PY-4 ORF [Docket No. 12-0509]	(78,910)	-	(78,910)
5	(Over)/Under Recovery from Prior Periods (Sum of Lines 1 - 4)	\$ (989,170)	\$ -	\$ (989,170)
<u>Current Year (Over)/Under Recovery</u>				
6	PY-5 Recoverable EDA Costs	\$ 45,242,457	\$ -	\$ 45,242,457
7	PY-5 EDA Revenue	48,619,555	-	48,619,555
8	(Over) /Under Recovery for PY-5 (Line 6 - Line 7)	\$ (3,377,098)	\$ -	\$ (3,377,098)
9	Cumulative (Over)/Under Recovery (Line 5 + Line 8)	\$ (4,366,268)	\$ -	\$ (4,366,268)
<u>Disposition of Cumulative (Over)/Under Recovery</u>				
10	PY-2 ORF to be (Refunded)/Recovered in PY-6	\$ (108,327)	\$ -	\$ (108,327)
11	PY-3 ORF to be (Refunded)/Recovered in PY-7	(1,138,080)	-	(1,138,080)
12	PY-4 ORF to be (Refunded)/Recovered in PY-7	(78,910)	-	(78,910)
13	PY-5 ARF to be (Refunded)/Recovered in PY-6	(3,040,951)	-	(3,040,951)
14	Cumulative (Over)/Under Recovery (Sum of Lines 10 thru 13)	\$ (4,366,268)	\$ -	\$ (4,366,268)

Sources:

Column (B): ComEd Exhibit 1.0 Revised , Page 1 of 6

Column (D): Per Staff [Column (B) + Column (C)]

Commonwealth Edison
 Rider EDA - Reconciliation
 Rider EDA-NS - Reconciliation
 For the Period June 1, 2012 through May 31, 2013 (PY-5)

Line No.	Description	Per Company	Staff Adjustments	Per Staff (B+C)
	(A)	(B)	(C)	(D)
<u>(Over)/Under Recovery from Prior Years</u>				
1	PY-2 Ordered Reconciliation Factor (ORF) [Docket No. 10-0537]	\$ (85,978)	\$ -	\$ (85,978)
2	PY-3 ORF [Docket No. 11-0646]	(1,098,532)	-	(1,098,532)
3	PY-4 Automatic Reconciliation Factor (ARF) [Docket No. 12-0509]	1,037,770	-	1,037,770
4	PY-4 ORF [Docket No. 12-0509]	(84,107)	-	(84,107)
5	(Over)/Under Recovery from Prior Periods (Sum of Lines 1 - 4)	\$ (230,847)	\$ -	\$ (230,847)
<u>Current Year (Over)/Under Recovery</u>				
6	PY-5 Recoverable EDA Costs	\$ 61,308,657	\$ -	\$ 61,308,657
7	PY-5 EDA Revenue	62,388,860	-	62,388,860
8	(Over) /Under Recovery for PY-5 (Line 6 - Line 7)	\$ (1,080,203)	\$ -	\$ (1,080,203)
9	Cumulative (Over)/Under Recovery (Line 5 + Line 8)	\$ (1,311,050)	\$ -	\$ (1,311,050)
<u>Disposition of Cumulative (Over)/Under Recovery</u>				
10	PY-2 ORF to be (Refunded)/Recovered in PY-6	\$ (85,978)	\$ -	\$ (85,978)
11	PY-3 ORF to be (Refunded)/Recovered in PY-7	(1,098,532)	-	(1,098,532)
12	PY-4 ORF to be (Refunded)/Recovered in PY-7	(84,107)	-	(84,107)
13	PY-5 ARF to be (Refunded)/Recovered in PY-6	(42,433)	-	(42,433)
14	Cumulative (Over)/Under Recovery (Sum of Lines 10 thru 13)	\$ (1,311,050)	\$ -	\$ (1,311,050)

Sources:

Column (B): ComEd Exhibit 1.0 Revised , Page 1 of 6

Column (D): Per Staff [Column (B) + Column (C)]

Commonwealth Edison
 Rider EDA - Reconciliation
 Rider EDA-NL - Reconciliation
 For the Period June 1, 2012 through May 31, 2013 (PY-5)

Line No.	Description	Per Company	Staff Adjustments	Per Staff (B+C)
	(A)	(B)	(C)	(D)
<u>(Over)/Under Recovery from Prior Years</u>				
1	PY-2 Ordered Reconciliation Factor (ORF) [Docket No. 10-0537]	\$ (68,624)	\$ -	\$ (68,624)
2	PY-3 ORF [Docket No. 11-0646]	(832,677)	-	(832,677)
3	PY-4 Automatic Reconciliation Factor (ARF) [Docket No. 12-0509]	(6,689,258)	-	(6,689,258)
4	PY-4 ORF [Docket No. 12-0509]	(61,870)	-	(61,870)
5	(Over)/Under Recovery from Prior Periods (Sum of Lines 1 - 4)	\$ (7,652,429)	\$ -	\$ (7,652,429)
<u>Current Year (Over)/Under Recovery</u>				
6	PY-5 Recoverable EDA Costs	\$ 34,400,829	\$ -	\$ 34,400,829
7	PY-5 EDA Revenue	44,552,016	-	44,552,016
8	(Over) /Under Recovery for PY-5 (Line 6 - Line 7)	\$ (10,151,187)	\$ -	\$ (10,151,187)
9	Cumulative (Over)/Under Recovery (Line 5 + Line 8)	\$ (17,803,616)	\$ -	\$ (17,803,616)
<u>Disposition of Cumulative (Over)/Under Recovery</u>				
10	PY-2 ORF to be (Refunded)/Recovered in PY-6	\$ (68,624)	\$ -	\$ (68,624)
11	PY-3 ORF to be (Refunded)/Recovered in PY-7	(832,677)	-	(832,677)
12	PY-4 ORF to be (Refunded)/Recovered in PY-7	(61,870)	-	(61,870)
13	PY-5 ARF to be (Refunded)/Recovered in PY-6	(16,840,445)	-	(16,840,445)
14	Cumulative (Over)/Under Recovery (Sum of Lines 10 thru 13)	\$ (17,803,616)	\$ -	\$ (17,803,616)

Sources:

Column (B): ComEd Exhibit 1.0 Revised , Page 1 of 6

Column (D): Per Staff [Column (B) + Column (C)]