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ILLINOIS COMMERCE COMMISSION
STATE OF ILLINOIS

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2014 AUG 11 P 3: 37

COMMONWEALTH EDISON COMPANY :
:
Annual formula rate update and revenue :
requirement reconciliation under :
Section 16-108.5 of the Public Utilities Act :

No. 14-03 CHIEF CLERK'S OFFICE 

VERIFIED PETITION TO INTERVENE OF
ILLINOIS MANUFACTURERS' ASSOCIATION

The Illinois Manufacturers' Association ("IMA"), by its counsel, pursuant to 83 Ill. Admin. Code 200.200 of the Illinois Commerce Commission's ("ICC" or "Commission") Rules of Practice (83 Ill. Admin. Code Part 200), hereby petitions the Illinois Commerce Commission to intervene in the above-captioned proceeding. In support of its Petition, IMA states:

1. IMA is a trade association for manufacturing companies in Illinois. Founded in 1893, IMA has grown to be the oldest and largest state advocacy association for industry in the United States with more than 4,000 members. Eighty-five percent of Illinois' 670,000 manufacturing workers are employed by the member companies of IMA. As a result, IMA and its members comprise a substantial number of electric consumers in this state with a considerable stake in the costs of electric service.

2. This Docket was initiated by Commonwealth Edison Company ("ComEd") in the above-captioned matter to obtain approval of its annual formula rate update and revenue reconciliation under Section 16-108.5 of the Public Utilities Act.

3. IMA and its members have an interest in the costs sought to be recovered by ComEd in this Docket, and are interested in the Commission's determinations in this Docket.

4. Among the issues raised by the various parties, the issue of the Annual Incentive Plan (“AIP”) is important to IMA. The Energy Infrastructure Modernization Act (“EIMA”) specifically sets forth certain cost recovery protocols to be included in a participating utility’s formula rate. The first of those protocols provides for the “recovery of incentive compensation expense that is based on the achievement of operational metrics, including metrics related to budget controls, outage duration and frequency, safety, customer service, efficiency and productivity, and environmental compliance.” 220 ILCS 5/16-108.5(c)(4)(A). Importantly, incentive compensation expense cannot be based on “net income or an affiliate’s earnings per share.” *Id.*

5. IMA believes that this feature of EIMA is good policy. As an organization comprised of a variety of businesses having experience with employee compensation, we understand the value of “pay-at-risk” compensation plans and support them. Instead of fixing an employee’s entire annual compensation up front, these plans place a portion of the employee’s total market compensation “at risk” each year by tying that portion to the achievement of certain performance metrics. The metrics incent improved performance while guaranteeing the employees only receive their full compensation if they have achieved the metrics.

6. IMA’s position is that the AG’s attempt to disallow the recovery of all of ComEd’s annual incentive compensation expense is tantamount to erasing this protocol from EIMA and ComEd’s formula rate. While IMA does not believe that the AG can rewrite EIMA in this way, it is worth noting that the AG’s proposal, if adopted, would harm IMA’s members and ComEd customers. If a portion of employees’ pay is no longer at risk based on performance (and instead paid as a fixed guarantee), then customer will no longer benefit in the form of reduced compensation costs when performance does not meet the metrics. Also gone are the metrics

themselves and their benefits of lower costs and better service.

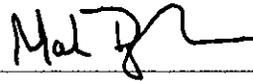
7. The interests of IMA and its members are not adequately represented by any other party to this proceeding.

8. IMA seeks to intervene and be treated as a party in the proceeding and will accept service by electronic means as provided for in 83 Ill. Admin. Code Section 200.200(a). IMA requests that the following information be added to the service list:

Mark Denzler
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WHEREFORE, IMA respectfully petitions the Commission for leave to intervene in the above-captioned proceeding.

Respectfully submitted,



Mark Denzler
Print Name

STATE OF ILLINOIS)
)
COUNTY OF COOK) SS

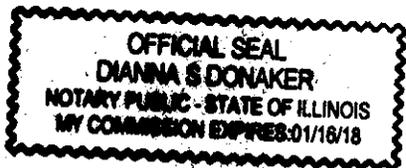
VERIFICATION

I, Mark Denzler, first being duly sworn upon my oath, depose and state
Print Name
that I am an officer/employee/representative for Illinois Manufacturers' Association, that I
have read the above and foregoing Petition to Intervene and know the contents thereof, and
that said contents are true in substance and in fact.

Mark Denzler

Mark Denzler
Print Name

Subscribed and sworn to before me this 11 day of August, 2014.



Dianna S. Donaker
Notary Public

My Commission Expires: 01-16-2018

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a copy of the above Notice, together with a copy of the document referred to therein, have been served upon all parties on the attached service list in the above-listed docket by U.S. mail on this 11th day of August, 2014.



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