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STATE OF ILLINOIS

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ILLINOIS COMMERCE COMMISSION

COMMONWEALTH EDISON COMPANY :
: No. 14-0312
Annual formula rate update and revenue :
requirement reconciliation under :
Section 16-108.5 of the Public Utilities Act :

VERIFIED PETITION TO INTERVENE OF
ILLINOIS RETAIL MERCHANTS ASSOCIATION

The Illinois Retail Merchants Association (“IRMA”), 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, IRMA states:

1. IRMA is a not-for-profit organization formed under the laws of the State of Illinois, with its offices located at 19 South LaSalle Street, Suite 300, Chicago, Illinois, 60603. IRMA is one of the largest state retail organizations in the United States, and represents more than 23,000 stores of all sizes and merchandise lines. Founded in 1957, its members include the nation’s largest retail chains as well as independent stores in towns across Illinois. IRMA and its members comprise a substantial number of electric consumers in this state with a considerable stake in electric prices and retail competition for 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. IRMA and its members have an interest in the creation and maintenance of a strong, diverse, and vibrant competitive market, both in Illinois and the surrounding region, 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 IRMA. 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. IRMA 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. IRMA'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 IRMA 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 IRMA'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 interest of IRMA and its members are not adequately represented by any other party to this proceeding.

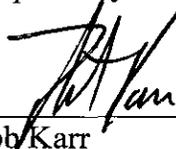
8. IRMA seeks to intervene and be treated as a party in the proceeding and will accept service by electronic means as provided for in 83 Ill. Admin. Code Section 200.200(a).

IRMA requests that the following information be added to the service list:

Rob Karr
Illinois Retail Merchants Association
19 South LaSalle Street
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Chicago, Illinois 60603
(312) 726-4600
rkarr@irma.org

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

Respectfully submitted,



Rob Karr
Illinois Retail Merchants Association
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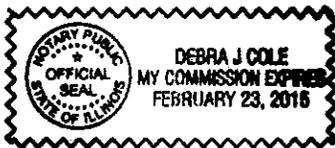
VERIFICATION

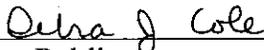
I, Rob Karr, first being duly sworn upon my oath, depose and state that I am the President and CEO of the Illinois Retail Merchants Association, that I have read the above and foregoing Petition to Intervene and know the contents thereof, and that said contents are true in substance and in fact.



Rob Karr

Subscribed and sworn to before me this 12 day of August, 2014.





Notary Public

My Commission Expires: Feb 23, 2015

STATE OF ILLINOIS
ILLINOIS COMMERCE COMMISSION

COMMONWEALTH EDISON COMPANY :
: No. 14-0312
Annual formula rate update and revenue :
requirement reconciliation under :
Section 16-108.5 of the Public Utilities Act :

NOTICE OF FILING

TO : Elizabeth Rolando
Chief Clerk
Illinois Commerce Commission
527 East Capitol Avenue
Springfield, Illinois 62701

All parties on the Service List in the above-
listed docket

PLEASE TAKE NOTICE that on August 12, 2014, we caused to be filed with the Clerk of the Illinois Commerce Commission, 527 E. Capitol Ave., Springfield, Illinois 62701, **ILLINOIS RETAIL MERCHANTS ASSOCIATION VERIFIED PETITION TO INTERVENE**, a copy of which is hereby served upon you.

Respectfully submitted,

ILLINOIS RETAIL MERCHANTS ASSOCIATION

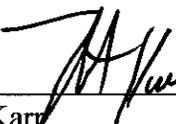
By:



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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 12th day of August, 2014.



Rob Karr

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