

REBUTTAL TESTIMONY

OF

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Accounting Department
Financial Analysis Division
Illinois Commerce Commission

Commonwealth Edison Company

Annual Formula Rate Update and Revenue Requirement Reconciliation
Under Section 16-108.5 of the Public Utilities Act

Docket No. 14-0312

August 13, 2014

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1 **Witness Identification**

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

3 A. My name is Richard W. Bridal II. My business address is 527 East Capitol
4 Avenue, Springfield, Illinois 62701.

5 **Q. Have you previously testified in this proceeding?**

6 A. Yes. My direct testimony is ICC Staff Exhibit 1.0.

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

8 A. The purpose of my rebuttal testimony is to:

- 9 1. Propose adjustments to the Statement of Operating Income and Rate Base
10 concerning Collection Agency Costs, and Employee Credit Card Charges;
- 11 2. Affirm my direct testimony recommendation for the Commission regarding
12 Rate Case Expense and Section 9-229 of the Public Utilities Act ("Act");
- 13 3. Respond to the rebuttal testimony of Commonwealth Edison Company
14 ("ComEd" or "the Company") witnesses Messrs. Menon, Apple, and
15 Siambekos regarding my direct testimony recommendations;
- 16 4. Respond to the rebuttal testimony of ComEd witnesses Ms. Brinkman and
17 Messrs. Prescott, Brookins, Wathan, and Apple as those testimonies relate to
18 the Intervenor recommendations regarding Annual Incentive Plan ("AIP")
19 Incentive Compensation Long Term Performance Share Award Program
20 ("LTPSP") Incentive Compensation, and Long Term Performance Plan
21 ("LTPP") Incentive Compensation; and

22 5. Respond to recommendations set forth in the direct testimony of the People
23 of the State of Illinois (“AG”) witnesses Mr. Brosch and the City of Chicago
24 (“City”), Citizens Utility Board (“CUB”), and Illinois Industrial Energy
25 Consumers (“IIEC”) (collectively, “City/CUB/IIEC”) witness Mr. Gorman
26 regarding AIP Incentive Compensation, LTPSP Incentive Compensation, and
27 LTPP Incentive Compensation.

28 **Schedule Identification**

29 **Q. Are you sponsoring any schedules as part of ICC Staff Exhibit 8.0?**

30 A. Yes. I prepared the schedules listed below for the Company. The schedules
31 pertain to both the filing year and reconciliation year revenue requirement.

32 **Adjustment Schedules**

33 Schedule 8.01 Adjustment to Collection Agency Costs

34 Schedule 8.02 Adjustment to Credit Card Charges

35 **Q. Have you included any attachments as part of your direct testimony?**

36 A. Yes. I have included the following attachments:

37 Attachment A ComEd responses to Staff DRs RWB 11.01-11.03 with
38 Attachments

39
40 Attachment B ComEd response to Staff DR RWB 12.01

41
42 Attachment C ComEd response to AG data request AG 9.12

43
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45
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48
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61 **Uncontested Issues**

62 **Wages and Salaries Allocator Utilized in Rider PE**

63 **Q. Your direct testimony included a recommendation that the Company**
64 **provide in its rebuttal testimony the wages and salaries allocator applicable**
65 **to supply, including a detailed explanation of how that allocator was**
66 **determined. Did ComEd provide the recommended information?**

67 A. Yes. ComEd provided data in ComEd Ex. 13.12 which demonstrates that the
68 wages and salaries allocator applicable to supply is 0.44%. I have reviewed the
69 information provided in ComEd Ex. 13.12 and see no reason to object to the
70 calculation of the supply wages and salaries allocator set forth therein.

71 **Q. What is your recommendation concerning the wages and salaries allocator**
72 **that should be used in the determination of rates under Rider PE?**

73 A. I recommend the language below be included in the Order entered by the
74 Commission in this proceeding:

75 The Commission finds that the wages and salaries allocator applicable to
76 supply of 0.44%, as calculated in this proceeding, should be used to
77 develop charges determined and filed with the Commission under Rider
78 PE and Rate BESH to be effective with the January 2015 monthly billing
79 period. Subsequent calculations of the wages and salaries allocator
80 applicable to supply made in subsequent ComEd Formula Rate Update

81 proceedings must be applied in the corresponding subsequent
82 determination and filing of charges under Rider PE and Rate BESH.

83 Further, I note that ComEd agrees with the inclusion of this language.¹

84 **Rate Case Expense**

85 **Q. Did ComEd agree with your adjustment to remove from the revenue**
86 **requirement costs associated with rate case expense as set forth in Staff**
87 **Exhibit 2.0, Schedule 2.01?**

88 A. Yes. Schedule 2.01 set forth my adjustment to Rate Case expense to remove
89 certain expenses that are not reasonable to prepare and litigate a rate case filing.
90 My adjustment in Schedule 2.01 disallowed the following costs from rate case
91 expense:

- 92 1) Company-identified rate case expense invoice line items for which ComEd
93 states it is no longer requesting recovery and which ComEd states are not
94 associated with rate case expense;
- 95 2) Rate case expense invoice line items which were completely redacted
96 within the provided supporting documentation; and
- 97 3) Miscellaneous charges for attorney and witness meals.

98 In order to limit the issues in this proceeding, ComEd is no longer seeking
99 recovery of the Company-identified costs, costs associated with invoice line
100 items which were completely redacted, and costs associated with attorney and
101 witness meals.²

¹ ComEd Ex. 13.0, 17-18.

² Id. at 14-15. ComEd noted that Staff's adjustment was overstated by \$98. Staff agrees and notes that ComEd's revenue requirement excludes the correct Staff adjustment amount.

102 **Section 9-229 Recommendation Regarding Rate Case Expense**

103 **Q. Please provide your recommendation to the Commission regarding Section**
104 **9-229 of the Act.**

105 A. Section 9-229 of the Act requires the Commission to specifically assess the
106 justness and reasonableness of any amount expended by a public utility to
107 compensate attorneys or technical experts to prepare and litigate a general rate
108 case filing in the Commission's final order.³ If the Commission makes any
109 adjustments to rate case expense, those adjustments should also be considered
110 in the Commission's statement that sets forth the amount of rate case expense
111 included in the revenue requirement. Therefore, I recommend that the Order in
112 this proceeding express a Commission conclusion as follows:

113 The Commission has considered the costs expended by the
114 Company during 2013 to compensate attorneys and
115 technical experts to prepare and litigate rate case
116 proceedings and assesses that the amount included as rate
117 case expense in the revenue requirements of \$3,097,176 is
118 just and reasonable. This amount includes the following
119 costs: (1) \$826,820⁴ amortized rate case expense
120 associated with the initial formula rate proceeding, Docket
121 No. 11-0721; (2) \$2,280,395⁵ associated with Docket No. 13-
122 0321; and (3) \$(10,039)⁶ associated with the litigation of
123 Dockets No. 07-0566, 10-0467, 12-0321, and 14-0312.

124 **Responses to the Company**

³ 220 ILCS 5/9-229.

⁴ See Staff Ex. 2.0, Schedule 2.01, p. 2, In. 11. Rate case expense amount included in the revenue requirements and related to Docket No. 11-0721 consists of 1/3 of the one-time filing fee incurred during 2011 plus 1/3 of the Docket No. 11-0721 rate case expenses incurred during 2012 and 1/3 of the Docket No. 11-0721 rate case expense incurred during 2013, as permitted by Section 16-108.5(c)(4)(E) of the Act (220 ILCS 5/16-108.5(c)(4)(E)).

⁵ See Staff Ex. 2.0, Sch. 2.01, p. 3, In. 6. Rate case expense included in the revenue requirements and related to Docket No. 13-0318 is not amortized.

⁶ See Staff Ex. 2.0, Sch. 2.01, p. 4, In. 10 less \$98 correction identified in ComEd Ex. 13.0, 15. Rate case expense included in the revenue requirements and related to these proceedings is not amortized. Amount is a credit due to a refund associated with Docket No.12-0321.

125 **Collection Agency Costs**

126 **Q. Please describe your Schedule 8.01, Adjustment to Collection Agency**
127 **Costs.**

128 A. Schedule 8.01 sets forth my adjustment to remove from the revenue requirement
129 collection agency costs associated with Purchase of Receivables/ Combined
130 Billing (“PORCB”) service and with ComEd supply service. These costs should
131 be excluded from the revenue requirement and should be recovered as
132 appropriate through Rider PORCB and through Rider PE – Purchased Energy
133 (and associated Rate BESH).

134 **Q. Please provide the rationale for your adjustment to remove collection**
135 **agency costs associated with Purchase of Receivables/ Combined Billing**
136 **(“PORCB”) service and with ComEd supply service.**

137 A. In direct testimony, I recommended that the Commission conclude in its final
138 Order in this proceeding that:

- 139 1. Collection agency costs associated with the provision of PORCB service
140 should be recovered through ComEd Rider PORCB; and
141 2. Collection agency costs associated with ComEd supply should be
142 recovered through ComEd Rider PE.⁷

143 In the event that the Commission agrees with my recommendations, the
144 collection agency costs associated with PORCB service and ComEd supply
145 service must be removed from the revenue requirement to ensure they are not
146 recovered twice – once through the riders and once through base rates.

⁷ Staff Ex. 2.0, 12-13.

147 **Q. How did the Company respond to your recommendations?**

148 A. ComEd stated that it does not object to my recommendation to recover through
149 Rider PORCB the collection agency costs associated with the provision of
150 PORCB service. Further, ComEd stated that it agrees with my recommendation
151 to recover through Rider PE the collection agency costs associated with ComEd
152 supply service.⁸

153 **Q. Did ComEd adjust its rebuttal revenue requirement to remove collection**
154 **agency costs associated with PORCB service or those costs associated**
155 **with ComEd supply?**

156 A. No. ComEd stated that it will adjust its revenue requirement if the Commission
157 makes an affirmative finding in this docket regarding the appropriate recovery
158 mechanism for collection agency costs related to PORCB service and ComEd
159 supply service.⁹ My Schedule 8.01 sets forth the required adjustment.

160 **Q. Did ComEd respond to your recommendation that the Company set forth in**
161 **its rebuttal testimony tariff changes necessary to effectuate the recovery of**
162 **collection agency costs through Rider PORCB and Rider PE with**
163 **associated Rate BESH?**

164 A. Yes. ComEd set forth the required tariff changes in ComEd Ex. 13.09, 13.10,
165 and 13.11.¹⁰ I agree with these tariff changes.

166 **Credit Card Charges**

⁸ ComEd Ex. 13.0, 11-12. As ComEd notes, the actual recovery of ComEd supply-related collection agency costs will occur through Rider PE and associated Rate BESH.

⁹ Id. at 13.

¹⁰ Id. at 13-14.

167 **Q. Please describe your Schedule 8.02, Adjustment to Credit Card Charges.**

168 A. Schedule 8.02 sets forth my adjustment to remove from the revenue requirement
169 costs associated with certain Company credit card charges by Company
170 employees. My adjustment removes: (1) amounts associated with employee
171 recognition, (2) amounts for working lunches and (3) other meals and food
172 provided to employees.

173 **Q. Does your Schedule 8.02 adjustment vary from that set forth in your**
174 **supplemental direct testimony, Schedule 6.01?**

175 A. Yes. My Schedule 8.02 does not include the costs for certain credit card charges
176 for which ComEd is no longer seeking recovery that were previously included in
177 my Schedule 6.01. ComEd did not include those “voluntarily excluded” costs in
178 its rebuttal revenue requirement. In addition, consequent to information
179 submitted in response to additional Staff DRs, I have focused the scope of my
180 Schedule 8.02 adjustment to disallow costs of specific credit card transactions
181 rather than entire merchant category codes as was the case in my Schedule 6.01
182 adjustment. It should be noted that where a cost is not included in my proposed
183 adjustment, the absence should not be interpreted as implicit approval of that
184 cost. Due to constraints inherent within the formula rate timeline, it is not
185 possible to review the details of every cost or transaction – including employee
186 credit card charges. My proposed adjustment should be viewed as the minimum
187 adjustment necessary for this issue.¹¹

¹¹ In some instances, the ComEd supporting documentation combined costs for multiple transactions. In

188 **Q. Did ComEd agree with your adjustment to remove from the revenue**
189 **requirement costs associated with certain Company credit card charges by**
190 **Company employees?**

191 A. Not entirely. As mentioned above, in order to limit the issues in this proceeding,
192 ComEd has voluntarily excluded certain credit card charges from the revenue
193 requirement in this proceeding.¹² The Company does not agree with my
194 adjustments regarding employee recognition, working lunches, and other meals
195 and food provided to employees, however.¹³

196 **Q. Please provide the rationale for your adjustment to remove costs**
197 **associated with employee recognition, working lunches, and other meals**
198 **and food provided to employees.**

199 A. Within ComEd's responses to Staff DRs,¹⁴ the Company provided additional
200 information regarding various Company credit card charges by Company
201 employees for plaques recognizing employee accomplishments, employee
202 acknowledgement items and meals, meals related to internal working meetings,
203 staff meeting meals, and working lunches. Charges for these items may
204 arguably encourage Company employees or improve the Company employees'
205 work experience, but they have not been shown to be prudent nor just and
206 reasonable costs necessary for the provision of regulated utility service. In
207 addition, the costs have not been shown to enhance the customer experience or

(..continued)

the event that the transaction description included information that indicated part of the expenditure may be allowable, the entire amount was disallowed as the documentation was not sufficient to determine the potentially allowable amount.

¹² ComEd Ex. 13.0, 15-16; ComEd Ex. 22.0, 2-3.

¹³ ComEd Ex. 22.0, 3-5.

¹⁴ Attachment A – ComEd responses to Staff DRs RWB 11.01-11.03 with Attachments.

208 benefit ratepayers. As such, the costs should be removed from the revenue
209 requirement.

210 **Q. Please describe the credit card charges for plaques recognizing employee**
211 **accomplishments and for employee acknowledgement items and meals.**

212 A. My Schedule 8.02 page 2 sets forth a listing of credit card expenditures provided
213 by the Company in its response to Staff DR RWB 11.01. Schedule 8.02 page 3
214 sets forth a listing of credit card expenditures provided by the Company in its
215 response to Staff DR RWB 11.02. Schedule 8.02 page 4 sets forth a listing of
216 credit card expenditures provided by the Company in its response to Staff DR
217 RWB 11.03. Columns (a) through (f) on each page were provided within the
218 Company DR response. Columns (g) and (h) represent the disallowance for
219 each expenditure and the reason code for each disallowance. Disallowance
220 Code A represents disallowances associated with credit card expenditures for
221 plaques recognizing employee accomplishments and for employee
222 acknowledgement items and meals. The disallowances are totaled at the bottom
223 of each page, and then carried forward to Schedule 8.02 page 1, where all
224 disallowances are summarized. Schedule 8.02 page one shows a total
225 disallowance of \$78,000 associated with credit card expenditures for employee
226 acknowledgement meals and items.

227 Employee credit card expenditures included in my disallowance of employee
228 acknowledgement items and meals include, but are not limited to:

- 229 1. Updating plaque names and providing training graduation frames (Sch.
230 8.02, page 2, line 1, 27);

- 231 2. Gifts for hospitalized employees and new babies (Sch. 8.02, page 2, line
232 6; page 4, lines 9-10);
233 3. Year end gifts to acknowledge and thank railroad staff (Sch. 8.02, page 2,
234 line 8);
235 4. Performance recognition (Sch. 8.02, page 2, lines 22, 27; page 3, lines 1-
236 3); and
237 5. Customer Service Appreciation Week to thank and celebrate employee
238 commitment to customers (Sch. 8.02, page 4, line 98).

239 As discussed above, costs associated with these expenditures and for all other
240 expenditures included in this portion of my adjustment should not be recovered
241 from rate payers.

242 **Q. Please describe the credit card charges for meals related to internal**
243 **working meetings, staff meeting meals, and working lunches.**

244 A. My Schedule 8.02 page 2 sets forth a listing of credit card expenditures provided
245 by the Company in its response to Staff DR RWB 11.01. Schedule 8.02 page 3
246 sets forth a listing of credit card expenditures provided by the Company in its
247 response to Staff DR RWB 11.02. Schedule 8.02 page 4 sets forth a listing of
248 credit card expenditures provided by the Company in its response to Staff DR
249 RWB 11.03. Columns (a) through (f) on each page were provided within the
250 Company DR response. Columns (g) and (h) represent the disallowance for
251 each expenditure and the reason code for each disallowance. Disallowance
252 Code B represents disallowances associated with credit card expenditures for
253 meals related to internal working meetings, staff meeting meals, and working
254 lunches. The disallowances are totaled at the bottom of each page, and then
255 carried forward to Schedule 8.02 page 1, where all disallowances are
256 summarized. Schedule 8.02 page one shows a total disallowance of \$253,000

257 credit card expenditures for meals related to internal working meetings, staff
258 meeting meals, and working lunches.

259 Employee credit card expenditures included in my disallowance of meals related
260 to internal working meetings, staff meeting meals, and working lunches include,
261 but are not limited to:

- 262 1. Xcel Energy meeting (Sch. 8.02, page 2, line 38);
- 263 2. Meals provided for staff required to attend training sessions, strategy
264 sessions, or other all-hands meetings prior to or during working hours
265 (Sch. 8.02, page 2, line 46);
- 266 3. Breakfast for management team meeting held prior to working hours and
267 meals for all day strategy meeting (Sch. 8.02, page 4, line 59);
- 268 4. Meals for all day key manager meeting at an off-site location (Sch. 8.02,
269 page 4, Lines 67, 102); and
- 270 5. Employee road shows hosted by senior executive management to inform
271 employees on the current state of the Company (Sch. 8.02, page 4, 105).

272 As discussed above, costs associated with these expenditures and for all other
273 expenditures included in this portion of my adjustment should not be recovered
274 from rate payers.

275 **Q. ComEd witnesses Messrs. Apple and Siambekos take issue with your**
276 **adjustment to disallow certain credit card expenditures, including some**
277 **meals that are provided to ComEd employees working in the field in**
278 **inclement weather, which they argue actually facilitate restoration of power**
279 **to customers during storm response.¹⁵ How do you respond?**

280 **A.** I have removed expenditures related to storm response meals from my Schedule
281 8.02 adjustment. To the extent that these meal costs facilitate timely restoration

¹⁵ ComEd Ex. 21.0, 5-6; ComEd Ex. 22.0, 5.

282 of power during storm response, are not excessive, and are not typical every day
283 costs, the costs may provide customer benefit. However, it remains that while
284 the provision of working meeting and similar meals may in theory encourage
285 Company employees or improve the Company employees' work experience, they
286 have not been shown by the Company to be prudent nor just and reasonable
287 costs necessary for the provision of regulated utility service. In addition, the
288 costs have not been shown to enhance the customer experience or benefit
289 ratepayers. As such, the costs should be removed from the revenue
290 requirement.

291 **Q. ComEd witnesses Messrs. Apple and Siambekos also disagree with your**
292 **adjustment to disallow credit card expenditures associated with employee**
293 **acknowledgement.¹⁶ Please respond.**

294 A. Nothing in these witnesses testimony provides reason for the Commission to
295 depart from its past practice of not allowing recovery of employee
296 acknowledgement costs. As discussed above, expenditures for employee
297 acknowledgement purposes may arguably encourage Company employees or
298 improve the Company employees' work experience, but they have not been
299 shown to be prudent nor just and reasonable costs necessary for the provision of
300 regulated utility service. In addition, the costs have not been shown to enhance
301 the customer experience or benefit ratepayers. As such, the costs should be
302 removed from the revenue requirement.

¹⁶ Id.

303 **Q. Has the Commission recently disallowed similar costs associated with**
304 **Company credit card charges by Company employees?**

305 A. Yes. As stated in my direct testimony, similar costs were disallowed by the
306 Commission in Ameren Illinois Company's most recent formula rate update
307 proceeding, ICC Docket No. 13-0301. There the Commission concluded, in part:

308 Generally, AIC believes such purchases are reasonable and
309 prudent because they supposedly encourage employees and
310 contractors to work safely and recognize them for their efforts when
311 they do so. Such incentives and rewards, however, serve the same
312 purpose as safety related incentive compensation programs. AIC
313 already recovers safety related incentive compensation expenses
314 under Section 16-108.5(c)(4)(A) of the Act.

315 Another category of expenses to which Staff objects consists
316 of flowers sent to ill employees or upon the death of an employee
317 or close family member. ... The Commission does not question
318 whether sending flowers is a nice gesture. AIC's arguments for
319 recovery of this expense from customers, however, do not
320 persuade the Commission. If AIC wishes to continue sending
321 flowers to ill employees or upon the death of an employee or close
322 family member, shareholders or co-workers should be responsible
323 for covering the cost.¹⁷

324 ...

325 As was pointed out by the Commission in Docket No. 12-0293,
326 although such expenses may be permissible in an unregulated
327 business that competes with other unregulated businesses for
328 customers, the expenses are not appropriate for regulated rate
329 recovery since AIC customers have no choice but to obtain delivery
330 services from AIC. Captive delivery service customers can not
331 shop around for another delivery service provider that they deem to
332 be more responsible with its revenue.

333 ...

334 The Commission simply cannot hold that any expenditures that AIC
335 believes to improve their employees' work experience can be
336 passed along to the ratepayers—this would lead to an absurd
337 result. The expenditures must be related in some way to

¹⁷ Ameren Illinois Co., ICC Order Docket No. 13-0301, 59-60 (December 9, 2013).

338 enhancing the customer experience, not the other way around. Of
339 course, AIC is free to continue incurring these types of expenses as
340 it determines appropriate, but utility shareholders will ultimately be
341 responsible for the costs, not captive ratepayers.
342

...

343 The Commission found that meals given to employees for working
344 safely are additional perquisites that are not appropriate for
345 recovery from customers. Snacks served at safety meetings fall
346 into the same category of unrecoverable perquisite expenses.
347 Snacks and other edibles for "other work meetings" and "employee
348 appreciation," as they are justified on Ameren Ex. 16.1, are also
349 excessive employee perquisites that provide no customer benefit.
350 Such expenses shall not be recovered from customers.¹⁸

351 The Company credit card charges of which ComEd is seeking recovery and
352 which my adjustment disallows are perquisites similar to those disallowed by the
353 Commission in Docket No. 13-0301, and should likewise be disallowed from
354 ComEd's revenue requirement in this proceeding.

355 **Responses to Company and Intervenors**

356 **Annual Incentive Plan ("AIP")**

357 **Q. Please summarize your testimony on AIP.**

358 A. My testimony addresses ComEd's AIP incentive compensation award, AG
359 witness Brosch's proposed adjustment to that award, and ComEd witnesses
360 Brinkman's and Prescott's rebuttal testimony on incentive compensation.

361 I have no policy objection to incentive compensation plans per se. I understand
362 that such programs can provide useful incentives to employees and, depending
363 on the structure of such programs, can provide value to ratepayers. ComEd's
364 entire AIP however, intermingles operational goals, which benefit ratepayers,

¹⁸ Id., at 69-70.

365 with earning per share protections benefitting shareholders in a manner that is
366 contradictory to established Commission practice and appears at odds with
367 Section 16-108.5(c)(4)(A).

368 If, however, the Commission does not agree that all of the AIP payout should be
369 disallowed as proposed by AG witness Brosch, I propose that the Commission
370 review ComEd's AIP and determine what portion of the AIP payout should be
371 borne by ratepayers. Another alternative that the Commission could consider is
372 allowing ComEd to recover the same level of Company KPI performance of
373 102.9% that it authorized ComEd to recover in prior ComEd formula rate dockets.
374 This means that ComEd would be allowed to recover 102.9% of the AIP Payout,
375 instead of the 124.4% that was paid out in 2013. This would result in an
376 adjustment of approximately \$(6,348,000) to the operating statement and
377 \$(4,166,000) to rate base.

378 **Q. Please discuss ComEd AIP's incentive compensation "award."**

379 A. The ComEd AIP incentive compensation "award" is one component of total
380 employee compensation that applies to all of ComEd's employees.¹⁹ Employee
381 compensation is structured by first determining market salaries for its employees
382 and then putting a portion of that market salary "at risk" as incentive
383 compensation if operational goals are met. As stated by ComEd witness Gary
384 Prescott, "if ComEd employees want to earn *market-level compensation*, they

¹⁹ ComEd Ex. 2.0, 16-17.

385 need to ensure ComEd meets its operational metrics.”²⁰

386 The first part of ComEd’s AIP is contingent upon ComEd performance on eight
387 operational goals or metrics called Key Performance Indicators (“KPI”).²¹ There
388 are three levels of performance associated with each ComEd KPI: Threshold
389 (50% funding), Target (100% funding), and Distinguished (200% funding).²²
390 Performance under each of the eight KPIs is weighted to determine the Total
391 ComEd KPI Performance.²³ Thus, while employee compensation is structured
392 based on market salaries, the AIP provides compensation significantly over
393 market salaries (i.e., as much as 200% of an employee’s target incentive
394 opportunity, for the Distinguished level) depending on the Company’s
395 performance with respect to the eight operational metrics.

396 The second part of the AIP is a Shareholder Protection Feature (“SPF”) which
397 relies on a reference to Exelon’s earnings per share (“EPS”) and is described on
398 page six of the Exelon 2013 AIP informational guide (“AIP Guide”) as follows:

399 The AIP includes a feature that limits payout for Operating Company and
400 Business Unit KPIs based upon EPS performance. Under this
401 feature:

- 402 • The composite payout on Operating Company / Business
403 Unit KPIs cannot exceed the EPS performance payout level
404 by more than 20 percentage points.
- 405 • Threshold or higher EPS performance is required for any
406 payout to occur under the AIP.²⁴

²⁰ ComEd Ex. 18.0, 4 (emphasis added).

²¹ Id. at 18.

²² ComEd Ex. 2.01, 3.

²³ AG Ex. 1.7, 7.

²⁴ Id.

407

408

The AIP Guide describes scenarios in which the amount of Operating Company

409

(e.g., ComEd) AIP payout percentage changes as Exelon EPS performance and

410

operating performance (as measured by the total Company KPI) vary.²⁵ Similar

411

to scenarios set forth within the AIP Guide, the actual 2013 ComEd AIP incentive

412

compensation award *actually paid* to employees and included in the revenue

413

requirement was limited “[b]ecause Exelon’s EPS did not meet a certain level

414

above target.”²⁶ ComEd states that theoretically, ComEd employees may “not

415

receive any AIP because Exelon failed to meet a certain level of earnings.”²⁷

416

ComEd also states “Exelon earnings per share below a threshold level will

417

reduce the AIP award to zero.”²⁸

418

ComEd explains that its AIP incentive compensation expense is the result of a

419

two-step process wherein (1) the ComEd AIP “award” is “funded/earned” through

420

meeting operational metrics, and (2) the ComEd AIP “award” payout may be

421

limited by Exelon EPS.²⁹ Thus, the final AIP award paid to employees takes into

422

account both the total ComEd KPI performance associated with operating

423

metrics *and* the achieved level of Exelon EPS performance. Regardless of the

424

level to which the ComEd AIP incentive compensation award is “earned” or

425

“funded” by KPI performance, the ultimate determination as to the amount of the

426

ComEd AIP incentive compensation paid to ComEd employees and to be

²⁵ Id.

²⁶ ComEd Ex. 12.0 REV, 6.

²⁷ Id. at 7.

²⁸ Attachment B – ComEd response to Staff DR RWB 12.01.

²⁹ ComEd Ex. 12.0 REV, 6.

427 included in the revenue requirement is the application of the Exelon EPS
428 component of the SPF.

429 **Q. Do other investor-owned utilities utilize operational metrics/KPIs to**
430 **determine short term incentive compensation awards similar to the ComEd**
431 **AIP?**

432 A. Yes. ComEd states in a data request response citing publicly disclosed proxy
433 statements from other investor-owned utilities that the operational metrics/KPIs
434 used in the ComEd AIP are of the types used by other investor-owned utilities.^{30, 31}

435

436 **Q. Do other investor-owned utilities also utilize incentive compensation**
437 **limiters?**

438 A. Yes. ComEd states in a data request response citing publicly disclosed proxy
439 statements from other investor-owned utilities that limiters or modifiers that are
440 structured to allow either upward or downward adjustments of earned incentive
441 awards are used by other investor-owned utilities.^{32,33}

442 **Q. Please provide a numerical illustration of how the AIP's SPF is applied to**
443 **determine the incentive compensation award paid to ComEd employees.**

444 A. There are three key elements to the SPF: the threshold Exelon EPS, the target
445 Exelon EPS and the actual Exelon EPS. In 2013, the Exelon EPS threshold
446 amount was \$2.22, the Exelon EPS target amount was \$2.49, and the actual

³⁰ ComEd Ex. 20.0, 7.

³¹ Attachment C – ComEd response to AG data request AG 9.12.

³² ComEd Ex. 20.0, 8-9.

³³ Attachment D – ComEd response to AG data request AG 9.13.

447 Exelon EPS was reported as \$2.50.³⁴ Total ComEd KPI performance percentage
 448 for 2013 was reported as 140.4%.³⁵ These amounts are used in the table and
 449 paragraphs below to help illustrate how the SPF is applied in the determination of
 450 ComEd AIP incentive compensation and how it was applied in 2013.

Table 1.

| Actual EPS (A) | Actual EPS Percentage³⁶ (B) | SPF Tolerance (C) | SPF Max AIP Payout (D=B+C) | Actual ComEd KPI Performance (E) | ComEd AIP Final Payout (F=lesser of D or E) |
|------------------------------|--|---------------------------------|--|--|---|
| < \$2.22 | 0% ³⁷ | 0% | 0.0% | 140.4% | 0.0% |
| \$2.30 | 64.8% | 20% | 84.8% | 140.4% | 84.8% |
| \$2.50 | 104.4% | 20% | 124.4% | 140.4% | 124.4% |
| \$2.67 | 178.3% | 20% | 198.3% | 140.4% | 140.4% |

451

452 Using the 2013 EPS amounts above, if actual Exelon EPS is less than the
 453 threshold Exelon EPS of \$2.22, then the ComEd AIP incentive compensation
 454 paid to employees and included in the revenue requirement is zero. This
 455 scenario is true regardless of the level of performance reached for the ComEd
 456 AIP KPI.³⁸ Stated differently, unless Exelon's EPS exceeds \$2.22, ComEd
 457 employees receive no AIP payment, even if the KPI metrics are met or
 458 exceeded.

459 If Exelon's actual EPS is \$2.30, above the \$2.22 threshold but below the \$2.49
 460 target amount, then the ComEd AIP incentive compensation award paid to

³⁴ Attachment E – ComEd responses to AG data request AG 7.01 with Attachment AG 7.01_Attach 1.

³⁵ Id.

³⁶ EPS Percentages are interpolated between Threshold (50%) and Distinguished (200%) levels of performance. See Attachment F – ComEd response to Staff DR RWB 14.01 with Attachments

³⁷ Threshold or higher EPS performance is required for any payout to occur. See AG Ex. 1.7, 7.

³⁸ Attachment B – ComEd response to Staff DR RWB 12.01.

461 employees increases from zero in the previous example to a maximum of 84.8%.
462 Although ComEd's performance relative to its KPIs would have resulted in a
463 ComEd AIP incentive compensation payout of 140.4% without the SPF, the
464 payout is limited to 84.8% through the application of the SPF.

465 If Exelon's actual EPS is \$2.50, above both the \$2.22 threshold and the \$2.49
466 target amount (as was the case in 2013), then the ComEd AIP incentive
467 compensation award paid to employees increases from 84.8% in the previous
468 example to a maximum of 124.4%. Although ComEd's performance relative to
469 its KPIs would have resulted in a ComEd AIP incentive compensation payout of
470 140.4% without the SPF, the payout is limited to 124.4% through the application
471 of the SPF.

472 Finally, if Exelon's actual EPS is \$2.67, then the SPF limit on ComEd AIP paid to
473 employees rises up to 198.3%. The ComEd AIP cannot exceed the total ComEd
474 KPI Performance percentage (which is 140.4% in this example), as such, the
475 SPF limit has no effect on the ComEd AIP incentive compensation payout under
476 this scenario.

477 **Q. Does the Act address the recovery of incentive compensation expense**
478 **under the performance-based formula rate?**

479 A. Yes. Although I am not an attorney, I understand that Section 16-108.5(c)(4)
480 and (c)(4)(A) provide that the performance-based formula rate approved by the
481 Commission shall among other things:

482 (4) Permit and set forth protocols, **subject to a determination of**

483 **prudence and reasonableness consistent with Commission practice**
484 **and law**, for the following:
485

486 (A) recovery of incentive compensation expense that is based on the
487 achievement of operational metrics, including metrics related to
488 budget controls, outage duration and frequency, safety, customer
489 service, efficiency and productivity, and environmental
490 compliance. **Incentive compensation expense that is based on**
491 **net income or an affiliate's earnings per share shall not be**
492 **recoverable under the performance-based formula rate;**

493
494
495 220 ILCS 5/16-108.5(c)(4)(A)(emphasis added).
496

497 **Q. Please define incentive compensation "expense" as an accountant**
498 **would understand the term used in Section 16-108.5(c)(4)(A) of the**
499 **Act.**

500 A. "Expense" or "expenses" means costs flowing through the Company's
501 income statement. Specifically, incentive compensation "expense" from
502 an accounting perspective in the context of formula rate determinations
503 means the operating expenses that are largely reflected in the Company's
504 FERC Form 1 or that are otherwise reflected in the Company's books and
505 records. Past Commission practice has been to treat capitalized incentive
506 compensation costs in parallel to its treatment of incentive compensation
507 expense.

508 **Q. Has the Commission previously discussed incentive compensation**
509 **expense recovery in its prior Orders?**

510 A. Yes. Previous Commission practice, affirmed by the Appellate Court, has been

511 to disallow incentive compensation where ratepayers received no benefit or
512 questionable benefit.

513 For the most part, the Commission agrees with Staff. Incentive
514 compensation related to financial goals, affiliate goals or
515 shareholder goals should not be recoverable from ratepayers.

516 ***
517

518 This long line of Commission precedent was recently affirmed. In
519 ComEd's appeal of the Commission's decision in Docket 05-0597,
520 the court stated that "there is ample precedent making a benefit to
521 ratepayers a condition upon which the recovery of salary-related
522 expense depends" *ComEd Appeal* at 12. The Commission's
523 decision here conforms to this standard....

524 Moreover, the *ComEd Appeal* found that attracting good employees
525 was too remote a benefit for ratepayers to support recovery from
526 ratepayers. *ComEd Appeal* at 13.

527 (ICC Docket Nos. 09-0166/0167 Cons. (Order, January 21, 2010) p. 58-59,
528 emphasis added.³⁹)

529 Further, the Commission previously denied rate recovery of incentive compensation
530 when payout of the non-financial performance goals was dependent upon achievement
531 of financial goals. For example, the Commission denied rate recovery of 100% of
532 Illinois-American Water Company's annual incentive plan costs including non-financial
533 performance goals since they were dependent on the utility's parent company reaching
534 its financial earnings goals. (ICC Docket No. 07-0507 (Order, July 30, 2008) pp. 25-26.)

535 The Commission stated in part:

536 However, there is no dispute that all payments under the AIP are
537 dependent on American Water, the parent company of IAWC,
538 reading a certain financial target. ...

³⁹ The above referenced *ComEd Appeal* refers to the decision of the Appellate Court of Illinois Second District ruling in Commonwealth Edison Company ("ComEd") Docket No. 05-0597 filed September 17, 2009. *ComEd v. ICC et al.*, 398 Ill. App. 3d 510, 924 N.E.2d 1056, Ill. App. 2nd Dist., 2009

539 The Commission, however, does object to the notion that
540 ratepayers should have to help encourage IAWC's employees to
541 meet goals benefitting shareholders to meet minimum service
542 obligations.

543 (ICC Docket No. 07-0507 (Order, July 30, 2008) p. 26.)

544 In Docket No. 07-0566 concerning ComEd, the Commission disallowed 100% of
545 ComEd's Annual Incentive Plan ("AIP") net income goals.

546 Regarding ComEd's AIP's Net Income Metric, the Commission
547 agrees with Staff's proposed adjustment disallowing 100% of AIP
548 costs related to the financial net income goal which primarily
549 benefits shareholders. ComEd's net income goals are financially
550 based and primarily result in shareholder benefits. The
551 Commission has repeatedly held that the cost of financial goals
552 should not be paid by ratepayers.

553 (ICC Docket No. 07-0566 (Order, September 10, 2008) p. 61.)

554 In adopting Staff's adjustment the Commission agreed with Staff's concern, among
555 other things, that a financial based metric introduces an inappropriate circular
556 relationship between rates and the expenses such rates are designed to recover:
557 the larger the rate increase granted the more success ComEd will have in achieving
558 its earnings, *i.e.*, net income, goal.

559 In a Nicor rate case, Docket No. 08-0363, Nicor agreed to remove the costs of all its
560 financially based plans except one, the Incentive Compensation Units ("ICU") plan.

561 The Commission concluded that it, too, was tied to financial goals and denied cost
562 recovery of the ICU expense:

563 Although the ICU Plan was created and administered in
564 accordance with Commission policies, the Commission finds that
565 the evidence does not demonstrate that the costs related to the
566 Company's ICU Plan are just and reasonable. The plan is no
567 longer in effect and payout under the Plan is tied to financial
568 goals.

570 goals. Recent Commission orders have set forth the
571 requirements that incentive compensation plans demonstrate
572 tangible benefits to ratepayers, and that incentive compensation
573 not be based on shareholder goals.
574

575 (ICC Docket No. 08-0363 (Order, March 25, 2009) p. 28.)
576

577 The Commission further elaborated on its policy to deny recovery of costs for goals
578 based on achievement of financial metrics in its Ameren Order, Docket Nos. 07-
579 0585 et al. (Cons.):

580 If during the period that the rates approved herein are in effect,
581 however, the incentive compensation plans are revised such that
582 financial goals of Ameren become the payment trigger for a
583 greater portion of the plans, the Commission will not look
584 favorably on incentive compensation expenses in AIU's next rate
585 cases. The Commission is allowing AIU to recover 50% of its
586 incentive compensation expenses with the understanding that at
587 least 50% of the payments made thereunder will be based on
588 performance or goals other than Ameren's financial goals.
589

590 (ICC Docket Nos. 07-0585/07-0586/07-0587/07-0588/07-0589/07-0590
591 (Cons.), (Order, September 24, 2008) p. 108.)
592

593 Older Commission orders reflect similar conclusions. In Docket No. 93-0183
594 concerning Illinois Power Company, the Commission concluded that, since financial
595 goals benefit shareholders, ratepayers should not have to bear the costs of incentive
596 compensation plans tied to financial goals:

597 Two of the goals, earnings per share and reduced O & M
598 expenses are goals that benefit shareholders. If the
599 shareholders are the ones to benefit, they should be the ones
600 who foot the bill.

601 (ICC Docket No. 93-0183 (Order, April 6, 1994) p. 52.)
602

603 And, in Docket No. 99-0534 concerning MidAmerican Energy Company, the
604 Commission reached a similar conclusion regarding ratepayer benefit from

605 incentive compensation based on financial goals:

606 The Commission is not convinced that the ratepayers are
607 protected in the event that the targeted return on capital
608 investment is not achieved. Ratepayers would still fund the
609 projected levels of incentive compensation even if that level is
610 not achieved.

611
612 (ICC Docket No. 99-0534 (Order, July 11, 2000) p. 9.)

613 Other examples of the Commission's disallowance of incentive compensation
614 dependent on financial performance of which I am aware can be found in
615 Peoples Gas and North Shore Gas ICC Order Docket Nos. 11-0281/11-0281
616 (Cons.), 54 (January 10, 2012); Northern Illinois Gas Co., ICC Order Docket No.
617 08-0363, 28 (March 25, 2009); and Ameren Illinois Co., ICC Order Docket No.
618 07-0575 et. al., 106-108 (September 24, 2008.).

619
620 In summary, the Commission has repeatedly found that when incentive
621 compensation is based on the financial performance of the public utility or its
622 affiliate, ratepayers receive no appreciable benefit. In that case, shareholders
623 are primarily benefitted by the financial performance of the public utility or its
624 affiliate and should, therefore, bear the cost of such compensation. In addition,
625 the Commission has agreed that incentive compensation that relies on financial
626 performance of a company or its affiliate may create incentives for a public utility
627 to seek a larger rate increase. An increase in public utility costs is not beneficial
628 to ratepayers, however, because that would only lead to ratepayers paying more
629 in their rates.

630 **Q. Please discuss the ComEd AIP incentive compensation that has been**
631 **approved by the Commission in recent ComEd formula rate cases.**

632 A. The Commission has not specifically assessed AIP incentive compensation since
633 its Order in Docket No. 11-0721. In that Order, the Commission adopted Staff's
634 AIP incentive compensation cap (limiter) of 102.9%, stating:

635 At the outset, the Commission disagrees with ComEd's
636 characterization of what was decided in its last rate case as a
637 finding that these two programs were beneficial to ratepayers. A
638 review of the final order in Docket 10-0467 indicates only that there
639 was no evidence to disqualify these programs, which is not the
640 same thing as a finding that something is beneficial. (See, Docket
641 10-0467, Final Order of May 24, 2011, at 70-74).

642
643 The Commission further notes that without some sort of cap
644 on these programs, as Staff, CUB/City, and AG/AARP point out,
645 there can be manipulation on the part of management at ComEd
646 between the two programs without any real accountability to
647 ratepayers as to what the employees actually did to earn incentive
648 compensation benefits.

649
650 The Commission does, however, find that a cap on incentive
651 compensation benefits that are recoverable through rates is
652 necessary, given the potential for manipulation between the two
653 incentive compensation programs. **The Commission therefore
654 adopts Staff's cap of 102.9% for any incentive program. Doing
655 so allows for some growth in incentive compensation for
656 ComEd's employees, while placing a damper on the ability of
657 ComEd's management to manipulate the caps on these
658 programs in a manner that increases rates without evidence
659 that adequate benefits flow to ratepayers.**

660
661 Commonwealth Edison Co., ICC Order No. 11-0721, 90 (May 29, 2012)
662 (emphasis added).

663
664 In Docket No. 12-0321, ComEd's AIP was not a contested issue. Thus, the AIP
665 costs included in the revenue requirement were approved without Commission
666 comment. The Order does not identify the total Company KPI performance or
667 cap, if any, reflected in the AIP cost. Commonwealth Edison Co., ICC Order No.
668 12-0321, 31-32 (December 19, 2012).

669 In Docket No. 13-0318, although ComEd's AIP included an Exelon EPS limiter

670 similar to that found in this proceeding, the Company proposed, and the
671 Commission approved, a pro forma adjustment which reduced the AIP incentive
672 compensation down to the 102.9% limit adopted by the Commission in its 11-
673 0721 Order. (See, Docket No. 13-0318, ComEd Ex. 3.0, 39-40 *stating* “Per the
674 Commission’s order in ICC Docket No. 11-0721, (*see Commonwealth Edison*
675 *Co.*, ICC Docket No. 11-0721 (Order May 29, 2012)” at 90).) Accordingly, the AIP
676 itself was again not specifically addressed by the Commission. Commonwealth
677 Edison Co., ICC Order No. 13-0318 (December 18, 2013).

678 **Q. ComEd witness Ms. Brinkman states: “Nothing in EIMA precludes limiting**
679 **the payout of incentive compensation awarded under operational metrics**
680 **by reference to measures of the company’s financial condition.”⁴⁰ Please**
681 **comment.**

682 A. Ms. Brinkman’s statement implies that EIMA addresses the situation she
683 describes, but that is not the case. EIMA would appear to permit incentive
684 compensation plans that reward the achievement of operational goals provided
685 that such plans are prudent and reasonable and consistent with Commission
686 practice. EIMA however does not address hybrid plans, such as the ComEd AIP
687 at issue here, which “limit[] the payout of incentive compensation awarded under
688 operational metrics by reference to measures of the company’s financial
689 condition.” Id. Instead, Section 16-108.5(c)(4)(A) of EIMA prohibits recovery by
690 ratepayers of incentive compensation expenses if such expenses are “based on”
691 affiliate earnings per share or net income, both clearly “measures of the

⁴⁰ ComEd Ex. 12.0 REV, 4.

692 company's financial condition."⁴¹

693 **Q. Ms. Brinkman also states: "ComEd's AIP could not have been based on**
694 **Exelon earnings because no matter how high Exelon's earnings were in**
695 **2013, those earnings did not and could not increase ComEd's total**
696 **payout."⁴² Please comment.**

697 A. Ms. Brinkman's statement interprets the statutory prohibition in Section 16-
698 108.5(c)(4)(A) against recovery from ratepayers of incentive compensation
699 expense based on earnings to apply only if it would result in an increase in the
700 expense. There is nothing I have read in the EIMA, however, which would lead
701 me to that same conclusion. While it is true that ComEd's AIP payout will not
702 increase past a certain point defined in the plan regardless of how high Exelon's
703 EPS is, if Exelon's earnings in 2013 were too low, however, ComEd's AIP payout
704 would have been zero.

705 **Q. ComEd witness Mr. Brookins states: "All of ComEd's AIP expense is**
706 **strictly related to ComEd operational and cost control metrics, and these**
707 **are the metrics."⁴³ Is this accurate?**

708 A. No. While ComEd uses the eight operational KPIs to make an initial or threshold
709 determination, ComEd then applies the SPF, which is wholly based on Exelon
710 EPS and always serves to determine the existing payout. It is simply untrue that
711 *all* of ComEd's AIP expense is strictly related to ComEd operational and cost

⁴¹ Id.

⁴² ComEd Ex. 18.0, 6.

⁴³ ComEd Ex. 19.0, 5.

712 control metrics.

713 **Q. ComEd witness Mr. Prescott states:**

714 **The incentive compensation method is superior because it provides**
715 **more value to ComEd and its customers by ensuring that employees**
716 **must meet and exceed certain operational goals before they receive**
717 **their total compensation. Incentive compensation also improves**
718 **productivity and performance and increases customer benefits.**⁴⁴

719 **Please comment.**

720 A. Each incentive compensation plan must be reviewed on its terms to ensure that
721 employees are being incented appropriately to meet goals that provide useful
722 and appreciable benefits to customers. As I will explain below, however,
723 ComEd's AIP can also create certain disincentives for some employees,
724 particularly in years when Exelon's earnings are low or volatile.

725 **Q. Mr. Prescott states: "Pay at risk directly ties compensation to performance**
726 **– if employees want to earn market-level compensation, they need to**
727 **ensure that ComEd meets its operational metrics."**⁴⁵ **Please comment.**

728 A. Mr. Prescott's statement that pay at risk ties compensation to performance is
729 overstated. The AIP is structured by first determining market salaries for its
730 employees and then putting a portion of that market salary "at risk" as incentive
731 compensation if operational goals are met. The AIP, however, provides incentive
732 compensation significantly over market salaries (as much as 200% of an
733 employee's target incentive opportunity, if the Exelon EPS limiter is excluded and
734 not including individual employee multipliers which may increase the individual's

⁴⁴ ComEd Ex. 18.0, 5.

⁴⁵ Id. at 4.

735 AIP) depending on the Company's performance with respect to the eight
736 operational goals. Due to ComEd's SPF, if Exelon's EPS is below a threshold
737 EPS, employee performance is irrelevant. Therefore, there is no incentive for
738 employees to work to "increase customer benefits" if the employees know that
739 ultimately, their performance is not the determining factor in whether they receive
740 the AIP payout.

741 Additionally, the SPF relies on the earnings per share of ComEd's parent,
742 Exelon. Thus, if ComEd employees meet or exceed the operational KPIs, but
743 PECO or another affiliate has a poor year, Exelon's EPS may be below the
744 threshold amount. ComEd's employees receive limited or zero AIP payout due
745 to forces entirely outside of their control. While employees do not have official
746 word until the end of the year as to Exelon's EPS, a low earning or volatile EPS
747 may be tracked by employees unofficially. Therefore, such employees would
748 have less incentive to work hard in order to achieve the operational metric goals.
749 While ComEd's witnesses emphasize that the AIP program benefits ratepayers,
750 this is simply unclear particularly in connection with ComEd's hybrid AIP
751 program.

752

753 **Q. AG witness Mr. Brosch proposed in his direct testimony an adjustment to**
754 **remove 100% of AIP costs from the Company's revenue requirement.⁴⁶**
755 **Please comment.**

⁴⁶ AG Ex. 1.0, 19-24.

756 A. Mr. Brosch argues that the ComEd AIP incentive compensation award is subject
757 to, and controlled by, Exelon's actual EPS and is, thus, not recoverable in
758 ComEd's performance-based formula rate.⁴⁷ Mr. Brosch relies upon the
759 language of Section 16-108.5(c)(4)(A) of the Act in making his adjustment.

760 **Q. Is the ComEd AIP incentive compensation cost compliant with Section 16-**
761 **108.5(c)(4)(A) of the Act?**

762 A. While it is not disputed that Exelon's EPS is utilized in the determination of the
763 final ComEd AIP incentive compensation award through the operation of the
764 SPF, the issue in this proceeding is whether ComEd AIP incentive compensation
765 expenses are recoverable under the Act. This determination involves a legal
766 interpretation of the language of the Act. Thus, I address this issue on policy
767 grounds and based upon my expertise. Staff will address the legal issues in its
768 post-hearing legal briefs.

769 Although I am not a lawyer, I observe that the phrase "based on" which appears
770 in two places in Section 16-108.5(c)(4)(A) is not defined. Therefore, the meaning
771 of this subsection is ambiguous. From my non-legal and policy perspective, it
772 does appear that ComEd's AIP payout is contingent upon Exelon achieving a
773 particular EPS. This is contrary to the Commission Orders I discussed earlier
774 that have adopted a policy of disallowing incentive compensation expenses that
775 rely on the financial performance of the public utility or its affiliate.

⁴⁷ Id. at 3, 19, 28.

776 In the event the Commission adopts the AG's adjustment, I've included
777 Attachment H which reflects how Staff's understanding of the AG adjustment
778 would be input into Staff's revenue requirement.⁴⁸

779 In the event the Commission does not agree that all of the AIP payout should be
780 disallowed, I propose that the Commission review the AIP payout and determine
781 what portion of the AIP payout should be borne by ratepayers. An alternative
782 that the Commission could consider is allowing ComEd to recover the same level
783 of Company KPI performance of 102.9% that it authorized to recover in prior
784 ComEd formula rate dockets and described above. This would result in an
785 adjustment of approximately \$(6,348,000) to the operating statement and
786 \$(4,166,000) to rate base.⁴⁹

787 **Q. You note earlier that the ComEd AIP incentive compensation award is**
788 **determined using two steps, the second of which contains the EPS-based**
789 **SPF. If in the future the incentive compensation award were based only on**
790 **the first step that relies upon the eight operational metrics, would the plan**
791 **result in a just and reasonable outcome?**

792 A. Not necessarily. As I've discussed above, each incentive compensation plan
793 must be reviewed on its own terms to ensure that employees are being incented
794 appropriately to meet goals that provide useful and appreciable benefits to
795 customers. The decision to allow or disallow recovery of AIP incentive

⁴⁸ Attachment H – Staff Representation of the AG Adjustment to Disallow AIP Incentive Compensation.

⁴⁹ Attachment I – Staff Representation of Alternative Adjustment to Limit AIP Incentive Compensation to 102.9%.

796 compensation in the current proceeding should be made pursuant to an
797 evaluation of the plan, as a whole, subject to all of its terms. I would have to
798 evaluate each of ComEd's plans independently, should the Company modify its
799 plan. I can only evaluate the plan as it exists within this Docket.

800 **Long Term Performance Share Award Program ("LTPSAP")**

801 **Q. Please discuss ComEd's LTPSAP incentive compensation award.**

802 A. The ComEd LTPSAP incentive compensation award is one component of total
803 employee compensation that applies only to upper management employees.⁵⁰
804 The first part of the LTPSAP is contingent upon performance towards six
805 individual metrics.⁵¹ The second part of the LTPSAP is the application of the
806 Total Shareholder Return ("TSR") modifier.⁵² In 2013, the LTPSAP award was
807 limited at the discretion of the Compensation Committee of the Exelon Board of
808 Directors.⁵³

809 **Q. Please describe the LTPSAP TSR modifier.**

810 A. TSR "is a standard measure of the performance of a company's stock over
811 time."⁵⁴ It represents a composite of share price appreciation and dividends paid,
812 expressed as an annualized percentage. The TSR is compared to the average
813 TSR performance of an Exelon peer group, and the variance of Exelon's TSR
814 from the average TSR determines the LTPSAP TSR modifier. The TSR modifier

⁵⁰ ComEd Ex. 2.0, 14.

⁵¹ ComEd Ex. 2.1, 13.

⁵² Id.

⁵³ AG Ex. 1.0, 27.

⁵⁴ AG Ex. 1.8.

815 acts to adjust the LTPSAP award by up to plus or minus 25%.⁵⁵ The TSR

816 modifier did not impact 2013 LTPSAP.⁵⁶

817 **Q. Did any party propose adjustments to ComEd's 2013 LTPSAP?**

818 A. Yes. ComEd removed 86.5% of the LTPSAP costs as being associated with
819 non-allowable financial metrics.⁵⁷ City/CUB/IIEC witness Mr. Gorman proposed
820 a partial disallowance of the remaining 13.5% LTPSAP costs because only one
821 third of the remaining award was based on ComEd's performance.⁵⁸ AG witness
822 Mr. Brosch proposed to disallow 100% of the LTPSAP because (1) the remaining
823 award was not based solely on ComEd's operational performance and (2) the
824 LTPSAP involves subjective high level modifications due to the limits imposed by
825 the Compensation Committee of the Exelon Board of Directors.⁵⁹

826 **Q. How do you respond to the arguments set forth by Mr. Gorman?**

827 A. I agree that only a portion of the LTPSAP amount being sought for recovery by
828 ComEd is related to ComEd operational performance. ComEd also agrees, and
829 has in its rebuttal testimony reduced the amount of recovery it is seeking for
830 LTPSAP accordingly.⁶⁰ As explained further below, however, the remaining
831 LTPSAP costs are dependent, in part, on financial measures of the type that the
832 Commission has disallowed in previous proceedings. The Compensation
833 Committee reduced the LTPSAP payout "to better align the payout with

⁵⁵ ComEd Ex. 2.01, 13.

⁵⁶ AG Ex. 1.8.

⁵⁷ ComEd Ex. 2.0, 27.

⁵⁸ City/CUB/IIEC Ex. 1.0, 10-11.

⁵⁹ AG Ex. 1, 26-27

⁶⁰ ComEd Ex. 12.0, 11.

834 shareholder returns, taking into consideration that Total Shareholder Return was
835 down for the year.”⁶¹ Shareholder return is a financial measure similar to the
836 type that the Commission has disallowed in previous proceedings.

837 **Q. Is the ComEd LTPSAP incentive compensation cost compliant with Section**
838 **16-108.5(c)(4)(A) of the Act?**

839 A. As cited in my testimony regarding AIP incentive compensation above, my non-
840 attorney understanding is that the Act precludes performance-based formula rate
841 recovery of incentive compensation expense that is based on net income or an
842 affiliate’s earnings per share. I also understand the Act to subject the recovery of
843 incentive compensation to the restriction that such recovery must be consistent
844 with Commission practice and law and be prudent and reasonable. The issue of
845 whether ComEd LTPSAP incentive compensation cost is compliant with the Act
846 involves a legal interpretation of the language within the Act. Thus, Staff will
847 address this issue in its post-hearing legal briefs.

848 **Q. What has been the Commission practice with regards to incentive**
849 **compensation that is determined using financial metrics?**

850 A. As discussed in my testimony regarding AIP incentive compensation above, the
851 Commission has on several occasions disallowed incentive compensation costs
852 that are based on financial performance.

853 In addition, the Commission has disallowed incentive compensation based on
854 financial measures in prior ComEd proceedings. For example, in Docket No. 07-

⁶¹ Attachment G – ComEd response to Staff DRs RWB 12.06 - RWB 12.07.

855 0566, the Commission disallowed the portion of ComEd AIP incentive
856 compensation that was based upon a net income goal and disallowed the portion
857 of the Long-Term Incentive Plan that was based upon financial goals.
858 Commonwealth Edison Co., ICC Order No. 07-0566, 61 (September 10, 2008).
859 Further, the Commission's Order in Docket No. 05-0597 also disallowed ComEd
860 incentive compensation based on an EPS financial measure. Commonwealth
861 Edison Co., ICC Order No. 05-0597, 95-97 (July 26, 2006).

862 In the event the Commission adopts the AG's adjustment, I've included
863 Attachment J which reflects how Staff's understanding of the AG adjustment
864 would be input into Staff's revenue requirement.⁶²

865 **Long Term Performance Plan ("LTTP")**

866 **Q. Please discuss ComEd's LTTP incentive compensation award.**

867 A. The ComEd LTTPP incentive compensation award is one component of total
868 employee compensation that applies only to key managers and mid-level
869 management employees.⁶³ The LTTP is contingent upon performance towards
870 the same eight metrics utilized within the ComEd AIP. LTTP is paid at 100% if
871 performance towards the LTTP metrics meets or exceeds 100%, and no payout
872 is made in the event that LTTP performance is less than 100%.⁶⁴

873 **Q. Did any party propose adjustments to ComEd's 2013 LTTP?**

⁶² Attachment J – Staff Representation of the AG Adjustment to Disallow LTTPSAP Incentive Compensation.

⁶³ ComEd Ex. 2.0, 25.

⁶⁴ Id.

874 A. Yes. City/CUB/IIEC witness Mr. Gorman proposed a 100% disallowance of the
875 LTPP costs because employees who are eligible for this plan are also eligible for
876 the AIP, and because in his view the reliance on the same AIP metrics results in
877 ComEd ratepayers paying twice for achieving the same performance goals.⁶⁵

878 **Q. How do you respond to the arguments set forth by Mr. Gorman?**

879 A. I do not agree. The metrics may be the same between the two programs, but the
880 programs are different in that the metrics are not weighted the same (AIP KPI
881 performance is calculated as a weighted average, while LTPP KPI performance
882 is calculated as a simple average), and in that AIP is a short term incentive plan,
883 whereas LTPP is a long term plan. Further, use of similar operational metrics
884 places even more emphasis on the achievement of metrics that provide
885 ratepayer benefits.

886 **Conclusion**

887 **Q. Does this question end your prepared rebuttal testimony?**

888 A. Yes.

⁶⁵ City/CUB/IIEC Ex. 1.0, 11-12.

Commonwealth Edison Company
 Adjustment to Collection Agency Costs
 For the Filing Year Ending December 31, 2014
 (In Thousands)

| Line No. | Description (a) | Amount (b) | Source (c) |
|-------------|---|---------------------|---|
| 1 | Customer Accounts Expense net of PORCB Collectioin Agency per Company | 198,110 | Attachment A - ComEd response to Staff DR RWB 13.01 |
| 2 | Customer Accounts Expense per Company | <u>198,615</u> | ComEd Ex. 13.05, C-1 FY 2013, Ln. 9, Col (F) |
| 3 | Staff Adjustment - Collection Agency Costs | <u>(505)</u> | Line 1 - Line 2 |

Commonwealth Edison Company
 Adjustment to Credit Card Expenditures
 For the Filing Year Ending December 31, 2014
 (In Dollars)

| Line No. | Description <small>(a)</small> | Amount <small>(b)</small> | Amount <small>(c)</small> | Source <small>(d)</small> |
|-------------|---|------------------------------|------------------------------|--------------------------------|
| | Credit Card Expenditures Disallowed by Staff - Employee Acknowledgement | | | |
| 1 | Travel & Entertainment Card | (10,958) | | Staff Ex. 8.0, Sch. 8.02, p. 2 |
| 2 | Travel & Entertainment Card (additional) | (1,382) | | Staff Ex. 8.0, Sch. 8.02, p. 3 |
| 3 | Supply Card | <u>(65,830)</u> | | Staff Ex. 8.0, Sch. 8.02, p. 4 |
| 4 | Staff Disallowance - Employee Acknowledgement | | (78,170) | Line 1 + Line 2 + Line 3 |
| | Credit Card Expenditures Disallowed by Staff - Working Meals | | | |
| 5 | Travel & Entertainment Card | (17,974) | | Staff Ex. 8.0, Sch. 8.02, p. 2 |
| 6 | Supply Card | <u>(157,421)</u> | | Staff Ex. 8.0, Sch. 8.02, p. 4 |
| 7 | Staff Disallowance - Working Meals | | <u>(175,394)</u> | Line 5 + Line 6 |
| 8 | Total Staff Adjustment - Credit Card Expenditures | | <u><u>(253,565)</u></u> | Line 4 + Line 7 |

Commonwealth Edison Company
 Adjustment to Credit Card Expenditures
 For the Filing Year Ending December 31, 2014
 (In Dollars)

Travel and Entertainment Card

| Line No. | MCC Code (a) | MCC Code Description (b) | Vendor Name (c) | Number of Occurrences (d) | Amount (e) | Vendor Purpose (f) | Staff Disallowance (g) | Disallowance Code (h) |
|----------|---|---|---------------------------|------------------------------|-----------------|--|---------------------------|--------------------------|
| 1 | 5099 | Durable Goods, Not Elsewhere Classified | POBLOCKI & SONS LLC | 1 | \$ 207 | Update plaque names for Project Management Institute graduates: stresses the importance of continuing education to keep up with industry standard | (207.05) | A |
| 2 | 5099 Durable Goods, Not Elsewhere Classified Total | | | | \$ 207 | | | |
| 3 | 5462 | Bakeries | ALL DAY DONUT | 6 | \$ 90 | Working meals to replace circuit breaker | | |
| 4 | | | BIG APPLE BAGELS | 2 | 107 | Working staff meeting | (107.34) | B |
| 5 | | | CENTRAL CONTINENTA | 2 | 41 | Working safety meeting and statewide drill | (40.66) | B |
| 6 | | | CHERYL&CO | 2 | 165 | Gift sent to hospitalized employees. | (164.63) | A |
| 7 | | | COBBLESTONE BAKERY | 1 | 35 | Working meeting for Plano (Corneils Road) project | (35.23) | B |
| 8 | | | COOKIE STORE AND MORE | 1 | 684 | | | |
| 9 | | | COOKIESBYDESIGNOFROLLI | 1 | 72 | Year end gifts to acknowledge and thank railroad staff for co-operation given to our Real Estate representatives in securing permits for rights of entry to access ComEd facilities located on railroad properties in an efficient and often expedited manner. | (683.50) | A |
| 10 | | | DEERFIELD BAKERY - | 2 | 109 | Safety recognition gift | (72.25) | A |
| 11 | | | DEERFIELDS BAKERY | 6 | 346 | North Testing Group working meeting | (108.80) | B |
| 12 | | | DOUGHBOYS DONUT SHOP | 6 | 346 | North Testing Group working meeting | (345.90) | B |
| 13 | | | FLECKENSTEINS BAKERY | 1 | 80 | Meals during training and working meals for crew meeting | (79.84) | B |
| 14 | | | FOLSOMS BAKERY | 1 | 23 | Working meeting meal | (22.96) | B |
| 15 | | | FRANCO'S CUCINA | 1 | 32 | Working meeting meal | (32.03) | B |
| 16 | | | GRAMERCY BAGELS | 1 | 14 | Safety working meeting meal | (14.16) | B |
| 17 | | | HARNER S BAKERY | 1 | 17 | Meal purchased during business trip | | |
| 18 | | | JAROSCH BAKERY, INC. | 4 | 563 | Meals for T&S testing group meeting | (562.56) | B |
| 19 | | | KAUFMAN BAGEL & DELICATES | 1 | 16 | Working construction Underground Forum Meeting | (16.06) | B |
| 20 | | | KIRBY'S KORNER BAKERY | 1 | 17 | Working meeting meal | (17.00) | B |
| 21 | | | KIRBY'S KORNER BAKERY | 2 | 90 | Smart Grid Roadshow, training meals, working statewide drill | (89.95) | B |
| 22 | | | LOVIN OVEN CAKERY | 3 | 327 | Storm meal and employee survey working lunch | (327.47) | B |
| 23 | | | MISERICORDIA BAKERY | 2 | 45 | Year end operational performance recognition for employees | (44.62) | A |
| 24 | | | PIERRE'S BAKERY | 1 | 83 | Working meeting meal | (82.82) | B |
| 25 | | | ROESERS BAKERY | 2 | 103 | Storm support working meals | | |
| 26 | | | ROMA BAKERIES INC | 2 | 103 | Working Safety and training meals | (102.55) | B |
| 27 | | | SCUDIEROS ITALIAN BAKERY | 4 | 198 | Working Safety and training meals | (197.93) | B |
| 28 | | | TASTE OF PARIS | 1 | 110 | Refreshments for working meetings, Recognition - North Award, Appreciation - reduction of backlog | (110.39) | A |
| 29 | | | VILLAGE BAKERY & CAFE | 1 | 16 | Refreshments for Touch a Truck event | | |
| 30 | | | WEBERS BAKERY | 3 | 242 | Working meeting meals | (242.03) | B |
| 31 | 5462 Bakeries Total | | | | \$ 3,727 | | | |
| 32 | 5811 | Caterers | ABC CATERING LTD. | 1 | 257 | Meals provided for staff required to attend training sessions, strategy sessions, or other all-hands meetings prior to or during working hours. | (257.21) | B |
| 33 | | | ALONTI CAFE & CATERING | 9 | 2,791 | Smart Grid Road Show, various training and working meetings held prior to or during working hours. | (2,790.88) | B |
| 34 | | | ALONTI CAFE & CATERING IN | 12 | 3,390 | Smart Grid Road Show, various training and working meetings held prior to or during working hours. | (3,390.23) | B |
| 35 | | | CHEF BY REQUEST | 4 | 1,342 | Meals provided for staff and visiting representatives from the Electric Company of Ghana. These guests were on site for an opportunity to share experiences and observe our practices and operations. | | |

Commonwealth Edison Company
 Adjustment to Credit Card Expenditures
 For the Filing Year Ending December 31, 2014
 (In Dollars)

Travel and Entertainment Card

| Line No. | MCC Code | MCC Code Description | Vendor Name | Number of Occurances | Amount | Vendor Purpose | Staff Disallowance | Disallowance Code |
|----------|----------|----------------------|---------------------------|----------------------|--------|---|--------------------|-------------------|
| 35 | | | CORKYS CATERING | 3 | 2,287 | Networking event for summer interns; year end luncheon to celebrate department accomplishments and achievement of results; recruitment event. | (2,287.13) | A |
| 36 | | | DJ CASMIRRI FOOD SERVICE | 16 | 2,504 | Meals for North American Electric Reliability Corporation (NERC) Critical Infrastructure Protection (CIP) Week - an annual cross-entity policy and procedure review summit. | | |
| 37 | | | ELEGANTE CUISINE | 1 | 512 | Environmental Team luncheon recognition for the year's many achievements including hosting Earth Day Green Fair, Roll-out of Project HERE recycling program, hosting the EEI APLIC bird conference, reception of awards from various environmental groups, installation of bird diverters on power lines, donations of office supplies for reuse in schools, hosting new supervisors for Environmental on-board training, and succesful audit outcomes. | (512.00) | A |
| 38 | | | EURESTCATERING18249383 | 1 | 1,043 | Xcel Energy meeting | (1,042.68) | B |
| 39 | | | HOFFMAN HOUSE ROCK | 30 | 4,075 | Overtime meals provided to employees in pursuant to bargaining unit agreement and meals provided during storm response | | |
| 40 | | | HOLIDAY INN BANQUET | 1 | 541 | Meals/accommodations for crews during storm event. | | |
| 41 | | | JPMC CDR 15249394 | 1 | 2,658 | Event to celebrate and present 'Earth Month' grants to 'Not for Profit' winners of ComEd's Earth Month grant contest. NFP's are invited to submit energy efficient ideas, activities or projects for the Contest to win an individual grant valued at up to \$5,000. Winners were awarded their grant during at this reception. | | |
| 42 | | | JPMC CHICAGO CSTORE | 4 | 55 | Meals and parking expense incurred in connection with travel and storm response. | | |
| 43 | | | KAYSEE CLUB BANQUET HALL | 2 | 566 | Meals provided for staff required to attend training sessions, strategy sessions, or other all-hands meetings prior to or during working hours. | (566.00) | B |
| 44 | | | LEE & EDDIES CATERING | 6 | 2,100 | Meals provided at SSC (Substation Construction) and Meter Reading graduation events. | (2,099.77) | A |
| 45 | | | L'ELEGANTE CUISINE | 1 | 154 | Recognition lunch for the Administrative Professionals for Q1 performance. | (153.78) | A |
| 46 | | | ON THE BORDER | 17 | 5,146 | Meals provided for staff required to attend training sessions, strategy sessions, or other all-hands meetings prior to or during working hours. | (5,145.51) | B |
| 47 | | | PORTILLOS HOME KITCHEN | 5 | 1,260 | Billing department graduation, recognize 5 students and one instructor; Celebrate CN Meter Reading department accomplishments; Meal expense while traveling; Retirement luncheon | (1,260.03) | A |
| 48 | | | SCHAUL'S | 1 | 301 | Meal provided for Work Planners and Back Office staff required to attend planning, strategy meeting during working hours. | (301.39) | B |
| 49 | | | SOUTHLAND CATERERS | 1 | 175 | Meal provided for Work Planners and Back Office staff required to attend business meeting during working hours. | (174.64) | B |
| 50 | | | SPECIALTY'S CAFE & BAKE | 1 | 281 | Legal Department, working staff meeting | (281.47) | B |
| 51 | | | STARSHIP, INC. | 1 | 76 | Working lunch for AMI Deployment team. | (76.15) | B |
| 52 | | | TAKEOUT TAXI OF SCHAUMBUR | 4 | 1,030 | Meals provided for staff required to attend training sessions, strategy sessions, or other all-hands meetings prior to or during working hours, meals provided during Storm response efforts. | (1,029.74) | B |
| 53 | | | TASTY CATERING | 1 | 378 | Meal provided at all hands meeting to celebrate completion of 'Helper' school and to roll out safety initiatives. | (377.95) | A |
| 54 | | | THE CLASSIC CATERING PEOP | 3 | 10,610 | Event hosted by ComEd at Women in Energy conference, multi utilities represented, opportunities to share best practices. | | |

Commonwealth Edison Company
 Adjustment to Credit Card Expenditures
 For the Filing Year Ending December 31, 2014
 (In Dollars)

Travel and Entertainment Card

| Line No. | MCC Code | MCC Code Description | Vendor Name | Number of Occurances | Amount | Vendor Purpose | Staff Disallowance | Disallowance Code |
|----------|---|---|--------------------------|----------------------|------------------|---|--------------------|-------------------|
| 55 | | | THE ELEGANT TOUCH | 2 | 784 | Meal provided at offsite switching initiative meeting and year end luncheon to celebrate employee contributions to customer commitment and accomplishment of goals. | (784.47) | A |
| 56 | | | VICTORIA BANQUETS | 1 | 441 | Staff meals provided at all hands meeting held to present Winter readiness safety initiatives to employees. | (441.18) | B |
| 57 | 5811 Caterers Total | | | | \$ 44,757 | | | |
| 58 | 5921 | Package Stores – Beer, Wine, and Liquor | BINNYS BEVERAGE DEPOT 22 | 1 | \$ 513 | Meals for a 'Trade Ally' workshop for ComEd's Energy Efficiency programs implementation contractors. This forum provides an opportunity to brief them on ComEd's marketing initiatives, new programs, best practices, and standardization practices across all contractors. | | |
| 59 | | | OLD TOWN LIQUORS | 4 | 3,072 | Facility charges for ComEd Roadshow - includes charges for Audio visual equipment, facility rental, and meals. These Roadshows provide ComEd executives the opportunity to meet with all employees to educate/inform employees of company's current events and current projects such as AMI and EIMA. These events were hosted at Diplomat West banquet facility; the facility does not accept credit cards and processed the payment through this associated business. | | |
| 60 | 5921 Package Stores – Beer, Wine, and Liquor Total | | | | \$ 3,585 | | | |
| 61 | 5941 | Sporting Goods Stores | BASS PRO SHOPS | 2 | \$ 60 | Safety materials | | |
| 62 | | | SPORTS AUTHORI00006049 | 1 | 62 | Employee recognition for Chicago meter reader | (61.95) | A |
| 63 | 5941 Sporting Goods Stores Totals | | | | \$ 122 | | | |
| 64 | 5945 | Hobby, Toy, and Game Shops | HOBBOY LOBBY #245 | 1 | \$ 27 | Farewell gift and recognition for years of service | (27.11) | A |
| 65 | | | HOBBOY-LOBBY #0174 | 3 | 40 | Frames for NERC Certificate, materials for EIMA display | (39.98) | A |
| 66 | | | HOBBOY-LOBBY #0195 | 2 | 72 | Materials for EIMA displays | | |
| 67 | | | HOBBOY-LOBBY #0204 | 14 | 1,793 | Training Graduation Frames for training such as "Safety for Life" | (1,792.99) | A |
| 68 | | | HOBBOY-LOBBY #0237 | 1 | 54 | Farewell gift and recognition for years of service | (54.11) | A |
| 69 | | | TABLE TOPICS INC | 1 | 41 | Materials for field lead supervisor training event | | |
| 70 | | | TOYSRUS-BABIESRUS | 6 | 224 | Team building/training tools | (224.43) | A |
| 71 | 5945 Hobby, Toy, and Game Shops Totals | | | | \$ 2,252 | | | |
| 72 | 7992 | Golf Courses – Public | OAK BROOK GOLF CLUB | 2 | \$ 33 | ComEd Billing Department working lunch meeting | (32.50) | B |
| 73 | | | THE MEADOWS GOLF CLUB | 1 | 19 | Working lunch meeting | (19.00) | B |
| 74 | 7992 Golf Courses – Public Totals | | | | \$ 52 | | (28,932.01) | |
| 75 | Overall Total | | | | \$ 54,702 | | | |
| 76 | | | | | | Employee Acknowledgement | (10,958.14) | A |
| 77 | | | | | | Employee Meals | (17,973.87) | B |
| 78 | | | | | | Total | (28,932.01) | |

Source: ComEd response to Staff DR RWB 11.01

Commonwealth Edison Company
 Adjustment to Credit Card Expenditures
 For the Filing Year Ending December 31, 2014
 (In Dollars)

Travel and Entertainment Card
 Number of

| Line No. | MCC Code (a) | MCC Code Description (b) | Vendor Name (c) | Occurrences (d) | Amount (e) | Vendor Purpose (f) | Staff Disallowance (g) | Disallowance Code (h) |
|----------|---|--|-----------------------|--------------------|-----------------|---|------------------------------|--------------------------|
| 1 | 7933 | Bowling Alleys | D R B PIZZERIA WINDOW | 1 | \$ 42 | Team Recognition Event for No Responsible Vehicle Accidents (RVA). Connected with initiative to increased focus on RVAs to reduce the number of occurrences. | \$ (42) | A |
| 2 | | | PARKSIDE LANES | 1 | 41 | Team Recognition Event for No Responsible Vehicle Accidents (RVA). Connected with initiative to increased focus on RVAs to reduce the number of occurrences. | (41) | A |
| 3 | | | WAVELAND BOWL INC. | 1 | 850 | Recognition event for Chicago North meter reading team achievement of 1 year without recordable injury | (850) | A |
| 4 | 7933 Bowling Alleys Totals | | | | \$ 933 | | | |
| 5 | 7991 | Tourist Attractions and Exhibits | SKY VIEW ATLANTA | 1 | \$ 58 | Team Building event for EMACS Conference Atlanta GA (4 attendees) | \$ (58) | A |
| 6 | | | THE NATIONAL MUSEUM | 1 | 23 | Employee recognition | (23) | A |
| 7 | 7991 Tourist Attractions and Exhibits Totals | | | | \$ 81 | | | |
| 8 | 7994 | Video Game Arcades/Establishments | LASER QUEST | 2 | \$ 225 | West Region Talent Management and Organization development workshop and team building event to promote building a high performance team that can deliver operational excellence | \$ (225) | A |
| 9 | 7994 Video Game Arcades/Establishments Totals | | | | \$ 225 | | | |
| 10 | 7999 | Recreation Services (Not Elsewhere Classified) | ART INST MUSEUM SHOP | 1 | \$ 44 | Employee recognition | \$ (44) | A |
| 11 | | | WHIRLYBALL LOMBARD | 2 | 100 | Recognition event for team for 1 year safety achievement | (100) | A |
| 12 | 7999 Recreation Services (Not Elsewhere Classified) Totals | | | | \$ 143 | | | |
| 13 | Overall Total | | | | \$ 1,382 | Employee Acknowledgement | \$ (1,382) | |

Source: ComEd response to Staff DR RWB 11.02

Commonwealth Edison Company
 Adjustment to Credit Card Expenditures
 For the Filing Year Ending December 31, 2014
 (In Dollars)

Supply Card

| Line No. | MCC Code | MCC Code Description | Vendor Name | Number of | | Vendor Purpose | Staff | |
|----------|---------------|----------------------|-------------------------|-------------|--------|---|--------------|-------------------|
| | | | | Occurrences | Amount | | Disallowance | Disallowance Code |
| | (a) | (b) | (c) | (d) | (e) | (f) | (g) | (h) |
| 1 | | | | | | | | |
| 2 | 5462 Bakeries | | ANDRESEN'S BAKERY | 1 | 19 | Working meeting meal | (19) | B |
| 3 | | | BRIDGEPORT BAKERY | 3 | 101 | For working meetings including safety roll out meeting | (101.23) | B |
| 4 | | | CALUMET BAKERY | 6 | 221 | Recognition such as 2nd No OSHA and Safety roll out | (220.82) | A |
| 5 | | | CENTRAL CONTINENTA | 1 | 141 | For working safety meeting and statewide drill meeting | (141.26) | B |
| 6 | | | CHERYL&CO | 1 | 170 | Year end operational performance recognition for all ComEd employees | (169.97) | A |
| 7 | | | CHESAPEAKE BAGEL BAKERY | 1 | 19 | Working meeting for safety council | (19.12) | B |
| 8 | | | COLES A CONFECTIONARY | 1 | 50 | Working meeting meal | (50.49) | B |
| 9 | | | COOKIES IN BLOOM | 1 | 46 | Gift sent to employee for arrival of new baby | (46.04) | A |
| 10 | | | COOKIESBYDESIGNOFNAPER | 2 | 127 | Gift sent to employee for arrival of new baby | (126.78) | A |
| 11 | | | COOKIESBYDESIGNVERNONH | 1 | 83 | Working meal for Work Management | (83.12) | B |
| 12 | | | CRUMBS WEST MAD | 2 | 138 | Working focus meeting | (138.43) | B |
| 13 | | | DEERFIELDS BAKERY | 4 | 183 | North Testing Group working meeting | (182.70) | B |
| 14 | | | DINKELS BAKERY | 1 | 85 | Working meeting meal | (84.97) | B |
| 15 | | | DONUT DEN | 1 | 28 | Training Meal | (27.95) | B |
| 16 | | | DOUGHBOYS DONUT SHOP | 8 | 254 | Meals during training and working meals for crew meeting | (254.40) | B |
| 17 | | | DOUGHS GUYS BAKERY | 3 | 84 | Meals for working meeting to review Employee survey results | (83.74) | B |
| 18 | | | FLECKENSTEINS BAKERY | 8 | 593 | Working meeting meals | (592.87) | B |
| 19 | | | FLOUR BARREL | 7 | 127 | Working meeting meals | (127.00) | B |
| | | | HARNER S BAKERY | 9 | 1,201 | | | |
| 20 | | | | | | All Hands Working meetings covering such topics as safety winter readiness, safety training and awareness, and communication of other information | (1,201.46) | B |
| 21 | | | HERBS BAKERY INC | 2 | 52 | Working meeting for safety roll out | (51.84) | B |
| 22 | | | HI WAY BAKERY | 1 | 18 | Training Meal | (18.40) | B |
| 23 | | | HOME CUT DONUTS | 4 | 108 | Safety meeting and Training | (107.61) | B |
| 24 | | | IVERSEN S BAKERY | 2 | 71 | Safety meeting | (70.84) | B |
| 25 | | | JAROSCH BAKERY, INC. | 3 | 85 | Working construction Underground Forum Meeting | (84.66) | B |
| 26 | | | JOHN DOUGH BAKERY | 8 | 1,175 | Working meeting meals | (1,174.91) | B |
| 27 | | | KEANS BAKERY | 5 | 129 | Working meeting meals | (128.70) | B |
| 28 | | | KIRBYS KORNER BAKERY | 3 | 477 | Smart Grid Roadshow | | |
| | | | KIRBYS KORNER BAKERY | 3 | 533 | Meals provided to ICC and other utility representatives touring the Operations Command Center (OCC) | (533.14) | B |
| 29 | | | | | | | | |
| 30 | | | KIRBYS KORNER BAKERY | 6 | 742 | Meals provided for statewide emergency response drill | | |
| 31 | | | KIRBYS KORNER BAKERY | 12 | 629 | Working meeting meals | (628.80) | B |
| 32 | | | LA PETITE PASTRY SHOP | 16 | 1,317 | Working meeting and training meals | (1,317.05) | B |
| 33 | | | LAURYS BAKERY AND CAKE | 6 | 97 | Working lunch for AMI meter install | (96.72) | B |
| 34 | | | LILAC BAKERY | 2 | 108 | Working meeting meals | (107.92) | B |
| 35 | | | LOVIN OVEN CAKERY | 3 | 37 | Storm meal and employee survey working lunch | (36.65) | B |
| 36 | | | LOVIN OVEN CAKERY LLC | 2 | 88 | Working meeting meals | (87.76) | B |
| 37 | | | MILANO BAKERY INC | 16 | 721 | Working staff meeting and safety | (720.68) | B |
| 38 | | | MISERICORDIA BAKERY | 1 | 5,864 | Year end operational performance recognition for all ComEd employees | (5,863.50) | A |
| 39 | | | NAPLES BAKERY INC | 2 | 131 | Working safety meeting | (131.48) | B |
| 40 | | | OAK PARK BAKERY | 3 | 142 | Working meeting meals | (142.07) | B |
| 41 | | | ORLAND PARK BAKERY-KEY | 1 | 33 | Pastries provided during Storm response efforts | | |
| 42 | | | ORLAND PARK BAKERY-KEY | 2 | 125 | Pastries provided during working meetings | (125.18) | B |
| 43 | | | PASTRIES BY KAY'S BAKE | 5 | 406 | Working meeting meals | (406.20) | B |
| 44 | | | PEARSON S BAKERY 2 | 2 | 70 | Working employee survey meeting and appreciation snack | (69.88) | A |
| 45 | | | REUTER'S BAKERY | 5 | 142 | Working meeting meals | (141.99) | B |

Commonwealth Edison Company
 Adjustment to Credit Card Expenditures
 For the Filing Year Ending December 31, 2014
 (In Dollars)

| Line No. | MCC Code (a) | MCC Code Description (b) | Vendor Name (c) | Supply Card | | Vendor Purpose (f) | Staff Disallowance (g) | Disallowance Code (h) |
|----------|----------------------------|-----------------------------|---|---------------------------------|------------------|---|------------------------------|--------------------------|
| | | | | Number of Occurrences (d) | Amount (e) | | | |
| 1 | | | | | | | | |
| 46 | | | ROESERS BAKERY | 18 | 1,077 | Storm support working meals | | |
| 47 | | | ROMA BAKERIES INC | 21 | 695 | Working Safety and training meals | (695.03) | B |
| 48 | | | SCUDIEROS ITALIAN BAKERY | 23 | 1,608 | Working Safety and training meals | (1,607.69) | B |
| 49 | | | SWISS MAID BAKERY (WOODST TASTE OF PARIS | 1 3 | 30 263 | Meals related to internal working meetings and travels Pastries provided for working meeting, recognition of employee award winner, and reduction of backlog | (29.71) (262.95) | B A |
| 50 | | | | | | | | |
| 51 | | | THE GREAT AMERICAN BAGEL | 2 | 27 | Working meeting meals | (26.87) | B |
| 52 | | | THE MEASURING CUP | 1 | 35 | Working meeting meals | (35.15) | B |
| 53 | | | WEBERS BAKERY | 20 | 793 | Working meeting and training meals | (793.12) | B |
| 54 | 5462 Bakeries Total | | | | \$ 21,321 | | | |
| | 5811 | Caterers | 1ST N FRESH CHICAGO | 12 | \$ 4,894 | Meals provided for staff required to attend training sessions, ComEd strategy sessions, or other all-hands educational or informational meetings prior to or during working hours. This includes meetings ComEd Management Committee strategy meetings, EIMA operational meetings, and Diversity & Inclusion meetings. | (4,894.20) | B |
| 55 | | | | | | | | |
| 56 | | | ABC CATERING LTD. | 2 | 679 | Meals provided for staff required to attend training sessions, strategy sessions, or other all-hands meetings prior to or during working hours. | (678.69) | B |
| 57 | | | ALONTI CAFE & CATERING | 43 | 15,460 | Smart Grid Road Show, various training and working meetings held prior to or during working hours. Includes approximately \$6K related to a Youth Ambassador Career Day and Summer Intern event. | (15,459.67) | B |
| 58 | | | ALONTI CAFE & CATERING IN | 69 | 16,013 | Smart Grid Road Show, various training and working meetings held prior to or during working hours. | (16,012.59) | B |
| 59 | | | BLUE PLATE CATERING LT | 4 | 1,398 | AM breakfast for Maywood management meeting held prior to working hours (\$0.5K); Meals for all day strategy meeting (\$0.9K) | (1,397.76) | B |
| 60 | | | BUFFOS INC | 99 | 2,416 | Overtime meals provided to employees pursuant to bargaining unit contract | | |
| 61 | | | CAFFE BACI - CATERING | 2 | 635 | Meals provided for staff required to attend training sessions, strategy sessions, or other all-hands meetings prior to or during working hours. | (634.85) | B |
| 62 | | | CHEF BY REQUEST | 4 | 1,755 | Meals provided for staff required to attend training sessions, strategy sessions, or other all-hands meetings prior to or during working hours. | (1,754.85) | B |
| 63 | | | CORKYS CATERING | 3 | 881 | Meals to recognize a ComEd Overhead Department's achievement of a safety milestone. | (880.61) | A |
| 64 | | | CORKYS CATERING | 4 | 347 | Working meals provided during the development phase of ComEd's Safety for Life Program. | (346.91) | B |
| 65 | | | CORKYS CATERING | 2 | 1,078 | Working meeting meals | (1,078.24) | B |
| | | | COUNTRY STORE & CATERING | 1 | 341 | | | |
| 66 | | | | | | Meals provided for safety recognition lunch for the DeKalb Meter Reading Team. The team achieved 4 years without a recordable injury or lost work day case (LWDC). | (341.12) | A |
| | | | CULINARY LNDSC40513756 | 2 | 16,719 | | | |
| 67 | | | | | | Meals for All Day Key Manager Meeting at an off-site location. These meetings are held to discuss current company topics and performance with Key Manager Staff for further communication with all ComEd employees. | (16,719.23) | B |
| 68 | | | CULINARY LNDSC40513757 | 1 | 735 | Meals provided for a ComEd Volunteer Day event. | | |
| 69 | | | ELEGANTE CUISINE | 4 | 2,571 | Meals provided for Key manager/Executive strategy working meetings, Grid modernization policy meeting. | (2,570.59) | B |

Commonwealth Edison Company
 Adjustment to Credit Card Expenditures
 For the Filing Year Ending December 31, 2014
 (In Dollars)

Supply Card

| Line No. | MCC Code (a) | MCC Code Description (b) | Vendor Name (c) | Number of | | Vendor Purpose (f) | Staff Disallowance (g) | Disallowance Code (h) |
|----------|-----------------|-----------------------------|-------------------------|--------------------|---------------|--|------------------------------|--------------------------|
| | | | | Occurrences (d) | Amount (e) | | | |
| 1 | | | | | | | | |
| 70 | | | EURESTCATERING18249383 | 10 | 5,406 | Meals provided for Monthly Smart Grid meeting, Diversity & Inclusion steering committee mtg and Smart Grid summit | (5,405.93) | B |
| 71 | | | EVENTS BY TOMMY R | 1 | 1,920 | Safety achievement breakfast for Crestwood Construction and Maintenance departments | (1,919.53) | A |
| 72 | | | EVENTS CATERING | 3 | 1,221 | Safety recognition for UPA meter reading and Southwest Region Field and Meter Services safety achievements | (1,221.21) | A |
| 73 | | | FOOD FOR THOUGHT INC | 1 | 874 | Winter readiness (Safety) roll out working meeting | (874.19) | B |
| 74 | | | GO ROMA CATERING | 4 | 2,654 | | | |
| 75 | | | HOFFMAN HOUSE ROCK | 666 | 17,459 | Meals during training such as First Aid, CPR, AED, Blood Borne Pathogens training Overtime meals provided to employees pursuant to collective bargaining agreement and meals provided during storm response | (2,653.69) | B |
| 76 | | | J L CATERING | 1 | 1,385 | Meals provided for staff required to attend training sessions, strategy sessions, or other all-hands meetings prior to or during working hours. | (1,384.80) | B |
| 77 | | | J L CATERING | 1 | 1,164 | Year end holiday luncheon. | (1,164.30) | A |
| 78 | | | J & L CATERING | 1 | 1,763 | Farewell and Recognition Lunch for years of service | (1,763.04) | A |
| 79 | | | LA BELLE CATERING AND | 3 | 1,245 | Meals provided for staff required to attend training sessions, strategy sessions, or other all-hands meetings prior to or during working hours. | (1,244.83) | B |
| 80 | | | LEE & EDDIES CATERING | 8 | 2,744 | Transmission Overhead safety awards breakfast; Lunches to celebrate 4 training program (front line supervisor training) graduations, and 3 lunchtime Communications Update meetings. | (2,744.06) | A |
| 81 | | | LYNNIE QUES | 1 | 25 | | | |
| 82 | | | MARAVELA'S BANQUETS | 2 | 991 | Overtime meals provided to employees pursuant to bargaining unit contract. Newly appointed director of transmission services site visit to Channahon office to discuss department strategy with staff. | (991.06) | B |
| 83 | | | MARINO'S KITCHEN | 5 | 4,479 | Meals provided to Operations Command Center staff whose shifts fall on the Thanksgiving, Christmas and New Year's Day holidays (\$4.5K) | (4,478.65) | A |
| 84 | | | MARINO'S KITCHEN | 1 | 1,787 | Meals provided during storm response shifts | | |
| 85 | | | MARINO'S KITCHEN | 1 | 1,778 | Meals provided for OCC Open House. OCC Open House is held annually for our employees and their families to thank them for their 24x7 commitment to our customers and company. This event also provides an opportunity to recognize achievement of safety and CAIDI performance measures. | (1,778.22) | A |
| 86 | | | ON THE BORDER | 23 | 6,359 | Meals provided for staff required to attend training sessions, strategy sessions, or other all-hands meetings prior to or during working hours. | (6,358.53) | B |
| 87 | | | ON THE BORDER | 5 | 816 | Working lunch for financial close team during peak/critical financial close days | (816.29) | B |
| 88 | | | ON THE BORDER | 4 | 1,135 | Working lunch for rate case team during peak/critical times during rate case proceedings or responding to heavy volumes of discovery requests | (1,134.61) | B |
| 89 | | | ON THE BORDER | 2 | 521 | Working lunch for Safety for Life program | (521.46) | B |
| 90 | | | ON THE BORDER | 3 | 2,467 | Working lunch for attendees of Lunch and Learn training sessions for Earth Month, Environmental Programs & Marketing, and Capacity topics | (2,466.94) | B |
| 91 | | | ON THE BORDER | 1 | 1,063 | Working lunch for attendees of Energetic Women webinar training | (1,062.78) | B |
| 92 | | | ON THE BORDER | 1 | 875 | Working meals Smart Grid/Smart Meter Conference | | |
| 93 | | | PAULSONS CATERING CAKES | 1 | 293 | Farewell and service recognition Lunch | (292.62) | A |
| 94 | | | PAYPAL *CINDYSUECAK | 1 | 1,944 | National Customer Service Week lunch - Customer Operations | (1,944.00) | A |

Commonwealth Edison Company
 Adjustment to Credit Card Expenditures
 For the Filing Year Ending December 31, 2014
 (In Dollars)

| Line No. | MCC Code (a) | MCC Code Description (b) | Vendor Name (c) | Supply Card | | Vendor Purpose (f) | Staff Disallowance (g) | Disallowance Code (h) | |
|----------|-----------------|--|--------------------------|---------------------------------|-------------------|--|------------------------------|--------------------------|---|
| | | | | Number of Occurrences (d) | Amount (e) | | | | |
| 1 | | | | | | | | | |
| 118 | | | HOBBY-LOBBY #0174 | 1 | 35 | Frames for employee recognition of training/certification. | (34.55) | A | |
| 119 | | | HOBBY-LOBBY #0204 | 3 | 577 | Training Graduation Frames and Customer Service Appreciation | (576.51) | A | |
| | | | LEARNING EXPRESS #362 | 1 | 28 | Visual Aid for use in training sessions to remind employee to stop and think before acting | | | |
| 120 | | | | | | | | | |
| 121 | | | OZARK GAMES, LLC | 1 | 418 | Employee Safety Engagement Tool | | | |
| 122 | | | TOYSRUS-BABIESRUS | 1 | 58 | Smart Home Customer Engagement Appreciation | (58.40) | A | |
| 123 | | 5945 Hobby, Toy, and Game Shops Totals | | | \$ 1,245 | | | | |
| 124 | 5947 | Card Shops, Gift, Novelty, and Souvenir Shops | 1-800-GIFTCARD.COM, IN | 1 | \$ 1,578 | Safety achievement award for 28 employees | (1,577.55) | A | |
| 125 | | | AMYS HALLMARK 363 | 1 | 153 | Employee recognition gift | (152.57) | A | |
| 126 | | | BAYVIEW GIFTS | 1 | 13 | Battcon Conference (meal while traveling for company business) | | | |
| 127 | | | BROOKSTONE 38 | 1 | 347 | Recognition reward for south region leadership team | (347.11) | A | |
| 128 | | | CFJ MANUFACTURING | 1 | 1,576 | People strategy recognition reward | (1,576.33) | A | |
| 129 | | | DISNEY STORE #383 | 1 | 21 | Employee recognition gift | (21.01) | A | |
| 130 | | | DISNEY STORE #591 | 1 | 21 | Employee recognition gift | (21.26) | A | |
| 131 | | | DISNEY STORE #913 | 1 | 31 | Employee recognition gift | (31.18) | A | |
| 132 | | | FRANCESCA'S HALLMARK | 1 | 65 | Employee recognition gift | (64.79) | A | |
| 133 | | | HOLLYWOOD MEGA INC | 1 | 102 | Recognition reward for traffic class (SDP) | (101.52) | A | |
| 134 | | | LINDAS HALLMARK SHOP | 1 | 8 | Office Supplies | | | |
| 135 | | | PAPYRUS #2220 | 1 | 30 | Supply for open land event | | | |
| 136 | | | PAPYRUS #2303 | 1 | 24 | Office Supplies | | | |
| 137 | | | SPENCER GIFTS 314 | 1 | 11 | Recognition reward | (10.86) | A | |
| 138 | | | THE MORTON ARBORETUM - | 3 | 440 | All day all hands offsite meeting | (440.00) | B | |
| 139 | | | TM GIFT SHOP | 1 | 261 | Inadvertent Charge; offsetting credit recorded in Jan 2014 | | | |
| 140 | | | TRAVEL TRADERS 3038 | 1 | 5 | Office Supplies | | | |
| 141 | | | WWW.THINGSREMEMBERED.COM | 1 | 204 | Farewell gift | (203.81) | A | |
| 142 | | 5947 Card Shops, Gift, Novelty, and Souvenir Shops Totals | | | \$ 4,888 | | Total Disallowance | (223,250.27) | |
| 143 | | Overall Total | | | \$ 249,505 | | | | |
| 144 | | | | | | | Employee Acknowledgement | (65,829.65) | A |
| 145 | | | | | | | Employee Meals | (157,420.62) | B |
| 146 | | | | | | | Total Disallowance | (223,250.27) | |

Source: ComEd response to Staff DR RWB 11.02

ICC Docket No. 14-0312

**Commonwealth Edison Company's Response to
Illinois Commerce Commission ("STAFF") Data Requests
RWB 11.01 – 11.03
Date Received: July 24, 2014
Date Served: August 1, 2014**

REQUEST NO. RWB 11.01:

Referring to ComEd's DR Response RWB 6.01_Attach 1, regarding credit card charges, please provide a detailed listing of transactions for which ComEd seeks recovery of costs for the MCC Codes listed below. The listing should set forth, at a minimum, the vendor, date, amount, and purpose of each transaction. The listing should be subtotaled for each MCC Code to allow tying to the MCC Code amounts set forth in RWB 6.01_Attach 1.

| | |
|---------------|---|
| MCC Code 5099 | Durable Goods, Not Elsewhere Classified |
| MCC Code 5462 | Bakeries |
| MCC Code 5811 | Caterers |
| MCC Code 5921 | Package Stores – Beer, Wine, and Liquor |
| MCC Code 5941 | Sporting Goods Stores |
| MCC Code 5945 | Hobby, Toy, and Game Shops |
| MCC Code 7992 | Golf Courses - Public |

RESPONSE:

For a summary of the amounts in the sample for the above referenced MCC Codes, please see RWB 11.01_Attach 1.

For a listing of charges by vendor including the vendor purpose for each MCC code, please see RWB 11.01_Attach 2.

Summary of Detailed P Card Transactions Requested in ICC Staff DR RWB 11.01

| (A) | (B) | (C) | (D) | (E) | (F) | (G) | (H) | (I) | (J) |
|---|---|-------------------|---------------------------------|---|---------------------------|---|--|---|---|
| MCC Code | MCC Code Description | Source | Total Sum of Transaction Amount | Charged to Utility Operating Income (Below the Line and Already Excluded from Revenue Requirement) | Total Voluntary Reduction | Amount ComEd is Seeking Recovery for Pre-Jurisdictional (D) - (E) - (F) | Less: Amount Charged to Transmission FERC Accounts | Total Amount in Detailed Sample (G) - (H) | Summary Comments Related to Items Not Voluntarily Removed (a) |
| DR RWB 11.01 - Travel and Entertainment Card | | | | | | | | | |
| 5099 | Durable Goods, Not Elsewhere Classified | RWB 6.01_Attach 1 | 207 | - | - | 207 | | 207 | Update plaque names for Project Management Institute graduates: stresses the importance of continuing education to keep up with industry standard |
| 5462 | Bakeries | RWB 6.01_Attach 1 | 4,831 | - | 1,060 | 3,771 | 44 | 3,727 | Primarily meals related to internal working meetings and travels |
| 5811 | Caterers | RWB 6.01_Attach 1 | 97,192 | 46,838 | 3,996 | 46,358 | 1,600 | 44,758 | Primarily related to storm support, training, conferences, staff meeting meals. |
| 5921 | Package Stores – Beer, Wine, and Liquor | RWB 6.01_Attach 1 | 3,685 | - | 100 | 3,585 | | 3,585 | Audio visual, facility and meals for conferences to educate/inform employees of company's current events/projects |
| 5941 | Sporting Goods Stores | RWB 6.01_Attach 1 | 278 | 156 | - | 122 | | 122 | Safety materials and employee acknowledgement |
| 5945 | Hobby, Toy, and Game Shops | RWB 6.01_Attach 1 | 2,710 | - | - | 2,710 | 458 | 2,252 | Frames for recognition of training and display materials for EIMA program |
| 7992 | Golf Courses – Public | RWB 6.01_Attach 1 | 132 | 80 | - | 52 | | 52 | Working lunch meeting |
| Totals | | | | | | | | <u>\$ 54,703</u> | |

(a) For further descriptions, please see the attachment to ComEd's Response to Staff Data Request RWB 11.02 labeled as RWB 11.02_Attach 2.

P Card Transactions Requested by Vendor in ICC Staff DRs RWB 11.01

| MCC Code | MCC Code Description | Vendor Name | Travel and Entertainment Card | | Vendor Purpose |
|---|---|---------------------------|-------------------------------|-----------------|--|
| | | | Number of Occurances | Amount | |
| 5099 | Durable Goods, Not Elsewhere Classified | POBLOCKI & SONS LLC | 1 | \$ 207 | Update plaque names for Project Management Institute graduates: stresses the importance of continuing education to keep up with industry standard |
| 5099 Durable Goods, Not Elsewhere Classified Total | | | | \$ 207 | |
| 5462 | Bakeries | ALL DAY DONUT | 6 | \$ 90 | Working meals to replace circuit breaker |
| | | BIG APPLE BAGELS | 2 | 107 | Working staff meeting |
| | | CENTRAL CONTINENTA | 2 | 41 | Working safety meeting and statewide drill |
| | | CHERYL&CO | 2 | 165 | Gift sent to hospitalized employees. |
| | | COBBLESTONE BAKERY | 1 | 35 | Working meeting for Plano (Cornells Road) project |
| | | COOKIE STORE AND MORE | 1 | 684 | Year end gifts to acknowledge and thank railroad staff for co-operation given to our Real Estate representatives in securing permits for rights of entry to access ComEd facilities located on railroad properties in an efficient and often expedited manner. |
| | | COOKIESBYDESIGNOFROLLI | 1 | 72 | Safety recognition gift |
| | | DEERFIELD BAKERY - | 2 | 109 | North Testing Group working meeting |
| | | DEERFIELDS BAKERY | 6 | 346 | North Testing Group working meeting |
| | | DOUGHBOYS DONUT SHOP | 1 | 80 | Meals during training and working meals for crew meeting |
| | | FLECKENSTEINS BAKERY | 1 | 23 | Working meeting meal |
| | | FOLSOMS BAKERY | 1 | 32 | Working meeting meal |
| | | FRANCO'S CUCINA | 1 | 14 | Safety working meeting meal |
| | | GRAMERCY BAGELS | 1 | 17 | Meal purchased during business trip |
| | | HARNER S BAKERY | 4 | 563 | Meals for T&S testing group meeting |
| | | JAROSCH BAKERY, INC. | 1 | 16 | Working construction Underground Forum Meeting |
| | | KAUFMAN BAGEL & DELICATES | 1 | 17 | Working meeting meal |
| | | KIRBY'S KORNER BAKERY | 2 | 90 | Smart Grid Roadshow, training meals, working statewide drill |
| | | LOVIN OVEN CAKERY | 3 | 327 | Storm meal and employee survey working lunch |
| | | MISERICORDIA BAKERY | 2 | 45 | Year end operational performance recognition for employees |
| | | PIERRE'S BAKERY | 1 | 83 | Working meeting meal |
| | | ROESERS BAKERY | 2 | 103 | Storm support working meals |
| | | ROMA BAKERIES INC | 2 | 103 | Working Safety and training meals |
| | | SCUDIEROS ITALIAN BAKERY | 4 | 198 | Working Safety and training meals |
| | | TASTE OF PARIS | 1 | 110 | Refreshments for working meetings, Recognition - North Award, Appreciation - reduction of backlog |
| | | VILLAGE BAKERY & CAFE | 1 | 16 | Refreshments for Touch a Truck event |
| | | WEBERS BAKERY | 3 | 242 | Working meeting meals |
| 5462 Bakeries Total | | | | \$ 3,727 | |
| 5811 | Caterers | ABC CATERING LTD. | 1 | 257 | Meals provided for staff required to attend training sessions, strategy sessions, or other all-hands meetings prior to or during working hours. |
| | | ALONTI CAFE & CATERING | 9 | 2,791 | Smart Grid Road Show, various training and working meetings held prior to or during working hours. |
| | | ALONTI CAFE & CATERING IN | 12 | 3,390 | Smart Grid Road Show, various training and working meetings held prior to or during working hours. |
| | | CHEF BY REQUEST | 4 | 1,342 | Meals provided for staff and visiting representatives from the Electric Company of Ghana. These guests were on site for an opportunity to share experiences and observe our practices and operations. |
| | | CORKYS CATERING | 3 | 2,287 | Networking event for summer interns; year end luncheon to celebrate department accomplishments and achievement of results; recruitment event. |

P Card Transactions Requested by Vendor in ICC Staff DRs RWB 11.01

| MCC Code | MCC Code Description | Vendor Name | Travel and Entertainment Card | | Vendor Purpose |
|----------|----------------------|---------------------------|-------------------------------|--------|---|
| | | | Number of Occurances | Amount | |
| | | DJ CASMIRRI FOOD SERVICE | 16 | 2,504 | Meals for North American Electric Reliability Corporation (NERC) Critical Infrastructure Protection (CIP) Week - an annual cross-entity policy and procedure review summit. |
| | | ELEGANTE CUISINE | 1 | 512 | Environmental Team luncheon recognition for the year's many achievements including hosting Earth Day Green Fair, Roll-out of Project HERE recycling program, hosting the EEI APLIC bird conference, reception of awards from various environmental groups, installation of bird diverters on power lines, donations of office supplies for reuse in schools, hosting new supervisors for Environmental on-board training, and succesful audit outcomes. |
| | | EURESTCATERING18249383 | 1 | 1,043 | Xcel Energy meeting |
| | | HOFFMAN HOUSE ROCK | 30 | 4,075 | Overtime meals provided to employees in pursuant to bargaining unit agreement and meals provided during storm response |
| | | HOLIDAY INN BANQUET | 1 | 541 | Meals/accommodations for crews during storm event. |
| | | JPMC CDR 15249394 | 1 | 2,658 | Event to celebrate and present 'Earth Month' grants to 'Not for Profit' winners of ComEd's Earth Month grant contest. NFP's are invited to submit energy efficient ideas, activities or projects for the Contest to win an individual grant valued at up to \$5,000. Winners were awarded their grant during at this reception. |
| | | JPMC CHICAGO CSTORE | 4 | 55 | Meals and parking expense incurred in connection with travel and storm response. |
| | | KAYSEE CLUB BANQUET HALL | 2 | 566 | Meals provided for staff required to attend training sessions, strategy sessions, or other all-hands meetings prior to or during working hours. |
| | | LEE & EDDIES CATERING | 6 | 2,100 | Meals provided at SSC (Substation Construction) and Meter Reading graduation events. |
| | | L'ELEGANTE CUISINE | 1 | 154 | Recognition lunch for the Administrative Professionals for Q1 performance. |
| | | ON THE BORDER | 17 | 5,146 | Meals provided for staff required to attend training sessions, strategy sessions, or other all-hands meetings prior to or during working hours. |
| | | PORTILLOS HOME KITCHEN | 5 | 1,260 | Billing department graduation, recognize 5 students and one instructor; Celebrate CN Meter Reading department accomplishments; Meal expense while traveling; Retirement luncheon |
| | | SCHAUL'S | 1 | 301 | Meal provided for Work Planners and Back Office staff required to attend planning, strategy meeting during working hours. |
| | | SOUTHLAND CATERERS | 1 | 175 | Meal provided for Work Planners and Back Office staff required to attend business meeting during working hours. |
| | | SPECIALTY'S CAFE & BAKE | 1 | 281 | Legal Department, working staff meeting |
| | | STARSHIP, INC. | 1 | 76 | Working lunch for AMI Deployment team. |
| | | TAKEOUT TAXI OF SCHAUMBUR | 4 | 1,030 | Meals provided for staff required to attend training sessions, strategy sessions, or other all-hands meetings prior to or during working hours, meals provided during Storm response efforts. |
| | | TASTY CATERING | 1 | 378 | Meal provided at all hands meeting to celebrate completion of 'Helper' school and to roll out safety initiatives. |
| | | THE CLASSIC CATERING PEOP | 3 | 10,610 | Event hosted by ComEd at Women in Energy conference, multi utilities represented, opportunities to share best practices. |
| | | THE ELEGANT TOUCH | 2 | 784 | Meal provided at offsite switching initiative meeting and year end luncheon to celebrate employee contributions to customer commitment and accomplishment of goals. |

P Card Transactions Requested by Vendor in ICC Staff DRs RWB 11.01

| MCC Code | MCC Code Description | Vendor Name | Travel and Entertainment Card | | Vendor Purpose |
|---|---|--------------------------|-------------------------------|------------------|--|
| | | | Number of Occurances | Amount | |
| | | VICTORIA BANQUETS | 1 | 441 | Staff meals provided at all hands meeting held to present Winter readiness safety initiatives to employees. |
| 5811 Caterers Total | | | | \$ 44,757 | |
| 5921 | Package Stores – Beer, Wine, and Liquor | BINNYS BEVERAGE DEPOT 22 | 1 | \$ 513 | Meals for a 'Trade Ally' workshop for ComEd's Energy Efficiency programs implementation contractors. This forum provides an opportunity to brief them on ComEd's marketing initiatives, new programs, best practices, and standardization practices across all contractors. |
| | | OLD TOWN LIQUORS | 4 | 3,072 | Facility charges for ComEd Roadshow - includes charges for Audio visual equipment, facility rental, and meals. These Roadshows provide ComEd executives the opportunity to meet with all employees to educate/inform employees of company's current events and current projects such as AMI and EIMA. These events were hosted at Diplomat West banquet facility; the facility does not accept credit cards and processed the payment though this associated business. |
| 5921 Package Stores – Beer, Wine, and Liquor Total | | | | \$ 3,585 | |
| 5941 | Sporting Goods Stores | BASS PRO SHOPS | 2 | \$ 60 | Safety materials |
| | | SPORTS AUTHORI00006049 | 1 | 62 | Employee recognition for Chicago meter reader |
| 5941 Sporting Goods Stores Totals | | | | \$ 122 | |
| 5945 | Hobby, Toy, and Game Shops | HOBBY LOBBY #245 | 1 | \$ 27 | Farewell gift and recognition for years of service |
| | | HOBBY-LOBBY #0174 | 3 | 40 | Frames for NERC Certificate, materials for EIMA display |
| | | HOBBY-LOBBY #0195 | 2 | 72 | Materials for EIMA displays |
| | | HOBBY-LOBBY #0204 | 14 | 1,793 | Training Graduation Frames for training such as "Safety for Life" |
| | | HOBBY-LOBBY #0237 | 1 | 54 | Farewell gift and recognition for years of service |
| | | TABLE TOPICS INC | 1 | 41 | Materials for field lead supervisor training event |
| | | TOYSRUS-BABIESRUS | 6 | 224 | Team building/training tools |
| 5945 Hobby, Toy, and Game Shops Totals | | | | \$ 2,252 | |
| 7992 | Golf Courses – Public | OAK BROOK GOLF CLUB | 2 | \$ 33 | ComEd Billing Department working lunch meeting |
| | | THE MEADOWS GOLF CLUB | 1 | 19 | Working lunch meeting |
| 7992 Golf Courses – Public Totals | | | | \$ 52 | |
| Overall Total | | | | \$ 54,702 | |

ICC Docket No. 14-0312

**Commonwealth Edison Company's Response to
Illinois Commerce Commission ("STAFF") Data Requests
RWB 11.01 – 11.03
Date Received: July 24, 2014
Date Served: July 30, 2014**

REQUEST NO. RWB 11.02:

Referring to ComEd's DR Response RWB 6.04_Attach 1, regarding credit card charges, please provide a detailed listing of transactions for which ComEd seeks recovery of costs for the MCC Codes listed below. The listing should set forth, at a minimum, the vendor, date, amount, and purpose of each transaction. The listing should be subtotaled for each MCC Code to allow tying to the MCC Code amounts set forth in RWB 6.04_Attach 1.

| | |
|---------------|--|
| MCC Code 7933 | Bowling Alleys |
| MCC Code 7991 | Tourist Attractions and Exhibits |
| MCC Code 7994 | Video Game Arcades/Establishments |
| MCC Code 7999 | Recreation Services (Not Elsewhere Classified) |

RESPONSE:

For a summary of the amounts in the sample for the above referenced MCC Codes, please see the attachment labeled as RWB 11.02_Attach 1.

For a listing of charges by vendor including the vendor purpose for each MCC code, please see the attachment labeled as RWB 11.02_Attach 2.

Summary of Detailed P Card Transactions Requested in ICC Staff DR RWB 11.02

| (A) | (B) | (C) | (D) | (E) | (F) | (G) | (H) | (I) | (H) |
|--|--|-------------------|---------------------------------|---|---------------------------|---|--|---|---|
| MCC Code | MCC Code Description | Source | Total Sum of Transaction Amount | Charged to Utility Operating Income (Below the Line and Already Excluded from Revenue Requirement) | Total Voluntary Reduction | Amount ComEd is Seeking Recovery for Pre-Jurisdictional (D) - (E) - (F) | Less: Amount Charged to Transmission FERC Accounts | Total Amount in Detailed Sample (G) - (H) | Summary Comments Related to Items Not Voluntarily Removed (a) |
| RWB 11.02 - Travel and Entertainment Card | | | | | | | | | |
| 7933 | Bowling Alleys | RWB 6.04_Attach 1 | 2,574 | - | 1,552 | 1,022 | 90 | 932 | Employee acknowledgement |
| 7991 | Tourist Attractions and Exhibits | RWB 6.04_Attach 1 | 105 | - | 24 | 81 | | 81 | Employee acknowledgement |
| 7994 | Video Game Arcades/Establishments | RWB 6.04_Attach 1 | 225 | - | - | 225 | | 225 | Employee acknowledgement |
| 7999 | Recreation Services (Not Elsewhere Classified) | RWB 6.04_Attach 1 | 143 | - | - | 143 | | 143 | Employee acknowledgement |
| Totals | | | 3,048 | - | 1,576 | 1,472 | 90 | 1,382 | |

(a) For further descriptions, please see the attachment to ComEd's Response to Staff Data Request RWB 11.02 labeled as RWB 11.02_Attach 2.

P Card Transactions Requested by Vendor in ICC Staff DR RWB 11.02

| MCC Code | MCC Code Description | Vendor Name | Travel and Entertainment Card | | Vendor Purpose |
|---|--|-----------------------|-------------------------------|-----------------|---|
| | | | Number of Occurances | Amount | |
| 7933 | Bowling Alleys | D R B PIZZERIA WINDOW | 1 | \$ 42 | Team Recognition Event for No Responsible Vehicle Accidents (RVA). Connected with initiative to increased focus on RVAs to reduce the number of occurances. |
| | | PARKSIDE LANES | 1 | 41 | Team Recognition Event for No Responsible Vehicle Accidents (RVA). Connected with initiative to increased focus on RVAs to reduce the number of occurances. |
| | | WAVELAND BOWL INC. | 1 | 850 | Recognition event for Chicago North meter reading team achievement of 1 year without recordable injury |
| 7933 Bowling Alleys Totals | | | | \$ 933 | |
| 7991 | Tourist Attractions and Exhibits | SKY VIEW ATLANTA | 1 | \$ 58 | Team Building event for EMACS Conference Atlanta GA (4 attendees) |
| | | THE NATIONAL MUSEUM | 1 | 23 | Employee recognition |
| 7991 Tourist Attractions and Exhibits Totals | | | | \$ 81 | |
| 7994 | Video Game Arcades/Establishments | LASER QUEST | 2 | \$ 225 | West Region Talent Management and Organization development workshop and team building event to promote building a high performance team that can deliver operational excellence |
| 7994 Video Game Arcades/Establishments Totals | | | | \$ 225 | |
| 7999 | Recreation Services (Not Elsewhere Classified) | ART INST MUSEUM SHOP | 1 | \$ 44 | Employee recognition |
| | | WHIRLYBALL LOMBARD | 2 | 100 | Recognition event for team for 1 year safety achievement |
| 7999 Recreation Services (Not Elsewhere Classified) Totals | | | | \$ 143 | |
| Overall Total | | | | \$ 1,382 | |

ICC Docket No. 14-0312

**Commonwealth Edison Company's Response to
Illinois Commerce Commission ("STAFF") Data Requests
RWB 11.01 – 11.03
Date Received: July 24, 2014
Date Served: August 1, 2014**

REQUEST NO. RWB 11.03:

Referring to ComEd's DR Response RWB 10.01_Attach 1, regarding credit card charges, please provide a detailed listing of transactions for which ComEd seeks recovery of costs for the MCC Codes listed below. The listing should set forth, at a minimum, the vendor, date, amount, and purpose of each transaction. The listing should be subtotaled for each MCC Code to allow of tying to the MCC Code amounts set forth in RWB 10.01_Attach 1.

| | |
|---------------|---|
| MCC Code 5462 | Bakeries |
| MCC Code 5811 | Caterers |
| MCC Code 5945 | Hobby, Toy, and Game Shops |
| MCC Code 5947 | Card Shops, Gift, Novelty, and Souvenir Shops |

RESPONSE:

For a summary of the amounts in the sample for the above referenced MCC Codes, please see RWB 11.03_Attach 1.

For a listing of charges by vendor including the vendor purpose for each MCC code, please see RWB 11.03_Attach 2.

Summary of Detailed P Card Transactions Requested in ICC Staff DR RWB 11.03

| (A) | (B) | (C) | (D) | (E) | (F) | (G) | (H) | (I) | (J) |
|-----------------------------------|---|--------------------|---------------------------------|---|---------------------------|---|--|---|---|
| MCC Code | MCC Code Description | Source | Total Sum of Transaction Amount | Charged to Utility Operating Income (Below the Line and Already Excluded from Revenue Requirement) | Total Voluntary Reduction | Amount ComEd is Seeking Recovery for Pre-Jurisdictional (D) - (E) - (F) | Less: Amount Charged to Transmission FERC Accounts | Total Amount in Detailed Sample (G) - (H) | Summary Comments Related to Items Not Voluntarily Removed (a) |
| DR RWB 11.03 - Supply Card | | | | | | | | | |
| 5462 | Bakeries | RWB 10.01_Attach 1 | 28,606 | 44 | 6,611 | 21,951 | 630 | 21,321 | Primarily meals related to internal working meetings/ |
| 5811 | Caterers | RWB 10.01_Attach 1 | 282,255 | 2,256 | 39,950 | 240,050 | 17,999 | 222,051 | Primarily meals related to storm support, overtime, training, conferences (such as Smart Grid/Smart Meter) and staff working lunches. |
| 5945 | Hobby, Toy, and Game Shops | RWB 10.01_Attach 1 | 1,569 | - | 270 | 1,299 | 54 | 1,245 | Frames for employee recognition of training/certification. |
| 5947 | Card Shops, Gift, Novelty, and Souvenir Shops | RWB 10.01_Attach 1 | 6,702 | - | 1,814 | 4,888 | | 4,888 | Primarily safety & service recognitions. |
| Total | | | | | | | | <u>\$ 249,504</u> | |

(a) For further descriptions, please see the attachment to ComEd's Response to Staff Data Request RWB 11.02 labeled as RWB 11.02_Attach 2.

P Card Transactions Requested by Vendor in ICC Staff DR RWB 11.03

| MCC Code | MCC Code Description | Vendor Name | Supply Card | | Vendor Purpose | |
|---------------|----------------------|-------------------------|------------------------|--------|--|---|
| | | | Number of Occurances | Amount | | |
| 5462 Bakeries | | ANDRESEN'S BAKERY | 1 | 19 | Working meeting meal | |
| | | BRIDGEPORT BAKERY | 3 | 101 | For working meetings including safety roll out meeting | |
| | | CALUMET BAKERY | 6 | 221 | Recognition such as 2nd No OSHA and Safety roll out | |
| | | CENTRAL CONTINENTA | 1 | 141 | For working safety meeting and statewide drill meeting | |
| | | CHERYL&CO | 1 | 170 | Year end operational performance recognition for all ComEd employees | |
| | | CHESAPEAKE BAGEL BAKERY | 1 | 19 | Working meeting for safety council | |
| | | COLES A CONFECTIONARY | 1 | 50 | Working meeting meal | |
| | | COOKIES IN BLOOM | 1 | 46 | Gift sent to employee for arrival of new baby | |
| | | COOKIESBYDESIGNOFNAPER | 2 | 127 | Gift sent to employee for arrival of new baby | |
| | | COOKIESBYDESIGNVERNONH | 1 | 83 | Working meal for Work Management | |
| | | CRUMBS WEST MAD | 2 | 138 | Working focus meeting | |
| | | DEERFIELDS BAKERY | 4 | 183 | North Testing Group working meeting | |
| | | DINKELS BAKERY | 1 | 85 | Working meeting meal | |
| | | DONUT DEN | 1 | 28 | Training Meal | |
| | | DOUGHBOYS DONUT SHOP | 8 | 254 | Meals during training and working meals for crew meeting | |
| | | DOUGHS GUYS BAKERY | 3 | 84 | Meals for working meeting to review Employee survey results | |
| | | FLECKENSTEINS BAKERY | 8 | 593 | Working meeting meals | |
| | | FLOUR BARREL | 7 | 127 | Working meeting meals | |
| | | HARNER S BAKERY | 9 | 1,201 | | |
| | | | | | | All Hands Working meetings covering such topics as safety winter readiness, safety training and awareness, and communication of other information |
| | | | HERBS BAKERY INC | 2 | 52 | Working meeting for safety roll out |
| | | | HI WAY BAKERY | 1 | 18 | Training Meal |
| | | | HOME CUT DONUTS | 4 | 108 | Safety meeting and Training |
| | | | IVERSEN S BAKERY | 2 | 71 | Safety meeting |
| | | | JAROSCH BAKERY, INC. | 3 | 85 | Working construction Underground Forum Meeting |
| | | | JOHN DOUGH BAKERY | 8 | 1,175 | Working meeting meals |
| | | | KEANS BAKERY | 5 | 129 | Working meeting meals |
| | | | KIRBYS KORNER BAKERY | 3 | 477 | Smart Grid Roadshow |
| | | | KIRBYS KORNER BAKERY | 3 | 533 | Meals provided to ICC and other utility representatives touring the Operations Command Center (OCC) |
| | | | KIRBYS KORNER BAKERY | 6 | 742 | Meals provided for statewide emergency response drill |
| | | | KIRBYS KORNER BAKERY | 12 | 629 | Working meeting meals |
| | | | LA PETITE PASTRY SHOP | 16 | 1,317 | Working meeting and training meals |
| | | | LAURYS BAKERY AND CAKE | 6 | 97 | Working lunch for AMI meter install |
| | | | LILAC BAKERY | 2 | 108 | Working meeting meals |
| | | | LOVIN OVEN CAKERY | 3 | 37 | Storm meal and employee survey working lunch |
| | | | LOVIN OVEN CAKERY LLC | 2 | 88 | Working meeting meals |
| | | | MILANO BAKERY INC | 16 | 721 | Working staff meeting and safety |
| | | | MISERICORDIA BAKERY | 1 | 5,864 | Year end operational performance recognition for all ComEd employees |
| | | | NAPLES BAKERY INC | 2 | 131 | Working safety meeting |
| | | | OAK PARK BAKERY | 3 | 142 | Working meeting meals |
| | | ORLAND PARK BAKERY-KEY | 1 | 33 | Pastries provided during Storm response efforts | |
| | | ORLAND PARK BAKERY-KEY | 2 | 125 | Pastries provided during working meetings | |
| | | PASTRIES BY KAY'S BAKE | 5 | 406 | Working meeting meals | |
| | | PEARSON S BAKERY 2 | 2 | 70 | Working employee survey meeting and appreciation snack | |

P Card Transactions Requested by Vendor in ICC Staff DR RWB 11.03

| MCC Code | MCC Code Description | Vendor Name | Supply Card | | Vendor Purpose |
|----------------------------|----------------------|---------------------------|----------------------|------------------|---|
| | | | Number of Occurances | Amount | |
| | | REUTER'S BAKERY | 5 | 142 | Working meeting meals |
| | | ROESERS BAKERY | 18 | 1,077 | Storm support working meals |
| | | ROMA BAKERIES INC | 21 | 695 | Working Safety and training meals |
| | | SCUDIEROS ITALIAN BAKERY | 23 | 1,608 | Working Safety and training meals |
| | | SWISS MAID BAKERY (WOODST | 1 | 30 | Meals related to internal working meetings and travels |
| | | TASTE OF PARIS | 3 | 263 | Pastries provided for working meeting, recognition of employee award winner, and reduction of backlog |
| | | THE GREAT AMERICAN BAGEL | 2 | 27 | Working meeting meals |
| | | THE MEASURING CUP | 1 | 35 | Working meeting meals |
| | | WEBERS BAKERY | 20 | 793 | Working meeting and training meals |
| 5462 Bakeries Total | | | | \$ 21,321 | |
| 5811 | Caterers | 1ST N FRESH CHICAGO | 12 | \$ 4,894 | Meals provided for staff required to attend training sessions, ComEd strategy sessions, or other all-hands educational or informational meetings prior to or during working hours. This includes meetings ComEd Management Committee strategy meetings, EIMA operationalmeetings, and Diversity & Inclusion meetings. |
| | | ABC CATERING LTD. | 2 | 679 | Meals provided for staff required to attend training sessions, strategy sessions, or other all-hands meetings prior to or during working hours. |
| | | ALONTI CAFE & CATERING | 43 | 15,460 | Smart Grid Road Show, various training and working meetings held prior to or during working hours. Includes approximately \$6K related to a Youth Ambassador Career Day and Summer Intern event. |
| | | ALONTI CAFE & CATERING IN | 69 | 16,013 | Smart Grid Road Show, various training and working meetings held prior to or during working hours. |
| | | BLUE PLATE CATERING LT | 4 | 1,398 | AM breakfast for Maywood management meeting held prior to working hours (\$0.5K); Meals for all day strategy meeting (\$0.9K) |
| | | BUFFOS INC | 99 | 2,416 | Overtime meals provided to employees purusant to bargaining unit contract |
| | | CAFFE BACI - CATERING | 2 | 635 | Meals provided for staff required to attend training sessions, strategy sessions, or other all-hands meetings prior to or during working hours. |
| | | CHEF BY REQUEST | 4 | 1,755 | Meals provided for staff required to attend training sessions, strategy sessions, or other all-hands meetings prior to or during working hours. |
| | | CORKYS CATERING | 3 | 881 | Meals to recognize a ComEd Overhead Department's achievement of a safety milestone. |
| | | CORKYS CATERING | 4 | 347 | Working meals provided during the development phase of ComEd's Safety for Life Program. |
| | | CORKYS CATERING | 2 | 1,078 | Working meeting meals |
| | | COUNTRY STORE & CATERING | 1 | 341 | Meals provided for safety recognition lunch for the DeKalb Meter Reading Team. The team achieved 4 years without a recordable injury or lost work day case (LWDC). |
| | | CULINARY LNDSC40513756 | 2 | 16,719 | Meals for All Day Key Manager Meeting at an off-site location. These meetings are held to discuss current company topics and performance with Key Manager Staff for further communication with all ComEd employees. |
| | | CULINARY LNDSC40513757 | 1 | 735 | Meals provided for a ComEd Volunteer Day event. |
| | | ELEGANTE CUISINE | 4 | 2,571 | Meals provided for Key manager/Executive strategy working meetings, Grid modernization policy meeting. |

P Card Transactions Requested by Vendor in ICC Staff DR RWB 11.03

| MCC Code | MCC Code Description | Vendor Name | Supply Card | | Vendor Purpose |
|----------|----------------------|-------------------------|----------------------|--------|--|
| | | | Number of Occurances | Amount | |
| | | EURESTCATERING18249383 | 10 | 5,406 | Meals provided for Monthly Smart Grid meeting, Diversity & Inclusion steering committee mtg and Smart Grid summit |
| | | EVENTS BY TOMMY R | 1 | 1,920 | Safety achievement breakfast for Crestwood Construction and Maintenance departments |
| | | EVENTS CATERING | 3 | 1,221 | Safety recognition for UPA meter reading and Southwest Region Field and Meter Services safety achievements |
| | | FOOD FOR THOUGHT INC | 1 | 874 | Winter readiness (Safety) roll out working meeting |
| | | GO ROMA CATERING | 4 | 2,654 | |
| | | HOFFMAN HOUSE ROCK | 666 | 17,459 | Meals during training such as First Aid, CPR, AED, Blood Borne Pathogens training Overtime meals provided to employees pursuant to collective bargaining agreement and meals provided during storm response |
| | | J L CATERING | 1 | 1,385 | Meals provided for staff required to attend training sessions, strategy sessions, or other all-hands meetings prior to or during working hours. |
| | | J L CATERING | 1 | 1,164 | Year end holiday luncheon. |
| | | J & L CATERING | 1 | 1,763 | Farewell and Recognition Lunch for years of service |
| | | LA BELLE CATERING AND | 3 | 1,245 | Meals provided for staff required to attend training sessions, strategy sessions, or other all-hands meetings prior to or during working hours. |
| | | LEE & EDDIES CATERING | 8 | 2,744 | Transmission Overhead safety awards breakfast; Lunches to celebrate 4 training program (front line supervisor training) graduations, and 3 lunchtime Communications Update meetings. |
| | | LYNNIE QUES | 1 | 25 | |
| | | MARAVELA'S BANQUETS | 2 | 991 | Overtime meals provided to employees pursuant to bargaining unit contract. Newly appointed director of transmission services site visit to Channahon office to discuss department strategy with staff. |
| | | MARINO'S KITCHEN | 5 | 4,479 | Meals provided to Operations Command Center staff whose shifts fall on the Thanksgiving, Christmas and New Year's Day holidays (\$4.5K) |
| | | MARINO'S KITCHEN | 1 | 1,787 | Meals provided during storm response shifts |
| | | MARINO'S KITCHEN | 1 | 1,778 | |
| | | | | | Meals provided for OCC Open House. OCC Open House is held annually for our employees and their families to thank them for their 24x7 commitment to our customers and company. This event also provides an opportunity to recognize achievement of safety and CAIDI performance measures. |
| | | ON THE BORDER | 23 | 6,359 | Meals provided for staff required to attend training sessions, strategy sessions, or other all-hands meetings prior to or during working hours. |
| | | ON THE BORDER | 5 | 816 | |
| | | ON THE BORDER | 4 | 1,135 | Working lunch for financial close team during peak/critical financial close days Working lunch for rate case team during peak/critical times during rate case proceedings or responding to heavy volumes of discovery requests |
| | | ON THE BORDER | 2 | 521 | Working lunch for Safety for Life program |
| | | ON THE BORDER | 3 | 2,467 | Working lunch for attendees of Lunch and Learn training sessions for Earth Month, Environmental Programs & Marketing, and Capacity topics |
| | | ON THE BORDER | 1 | 1,063 | Working lunch for attendees of Energetic Women webinar training |
| | | ON THE BORDER | 1 | 875 | Working meals Smart Grid/Smart Meter Conference |
| | | PAULSONS CATERING CAKES | 1 | 293 | Farewell and service recognition Lunch |
| | | PAYPAL *CINDYSUECAK | 1 | 1,944 | National Customer Service Week lunch - Customer Operations |

P Card Transactions Requested by Vendor in ICC Staff DR RWB 11.03

| MCC Code | MCC Code Description | Vendor Name | Supply Card | | Vendor Purpose |
|----------------------------|----------------------------|---------------------------|----------------------|-------------------|---|
| | | | Number of Occurances | Amount | |
| | | PICCOLO | 3 | 4,172 | Safety recognition for 3 year w/o accident milestone; Safety recognition for SE Region Construction and Maint. Employees (58 employees) for achieving a 6 month Safety Milestone |
| | | PORTILLOS HOME KITCHEN | 16 | 3,963 | Recognition and training meals |
| | | SCHAUL'S | 9 | 3,855 | Meals provided for staff and managers required to attend training sessions, strategy sessions, or other all-hands meetings prior to or during working hours (\$23.3K); (\$6.2K) and |
| | | SCHAUL'S | 2 | 15,447 | Customer Service Appreciation Week - lunches provided to entire CS Staff to thank and celebrate employees commitment to customers |
| | | SCHAUL'S | 2 | 7,517 | Meals for Call Center luncheon in recognition of year end performance in excess of target measurement (Customer Service Level 85% vs. 75% Target) |
| | | SCHAUL'S | 1 | 2,852 | Working meeting meal - EIMA quarterly update |
| | | SCHAUL'S | 6 | 6,173 | Meals provided for Lunch and Learn training opportunities for employees |
| | | SCHAUL'S | 5 | 16,898 | Meals for All Day Key Manager Meeting at an off-site location. These meetings are held to discuss current company topics and performance with Key Manager Staff for further communication with all ComEd employees. |
| | | SOUTHLAND CATERERS | 7 | 2,249 | Meals provided for staff reporting to Bolingbrook, Crestwood and University Park for Behavioral Accident Prevention Process (BAPP) Refresher Training and AWARE Fall Safety Roundup |
| | | SOUTHLAND CATERERS | 6 | 1,633 | Meals for working meeting to rollout Employee survey in south region offices |
| | | SOUTHLAND CATERERS | 6 | 4,410 | Employee Road Shows hosted by Senior executive management to inform employees on the current state of the Company |
| | | SPECIALTY'S CAFE & BAKE | 7 | 926 | Meals provided for staff required to attend training sessions, strategy sessions, or other all-hands meetings prior to or during working hours. |
| | | SPORTY'S CATERING | 1 | 817 | All Hands meeting - Engineering |
| | | STARSHIP, INC. | 19 | 2,570 | DesPlaines Valley Area (DVA) Meter Reading Safety recognition meals, overtime meals provided pursuant to bargaining unit contract. |
| | | TAKEOUT TAXI OF SCHAUMBUR | 8 | 1,709 | Meals provided for staff required to attend training sessions, strategy sessions, or other all-hands meetings prior to or during working hours. |
| | | TASTY CATERING | 27 | 13,959 | Meals provided for staff required to attend training sessions, strategy sessions, or other all-hands meetings prior to or during working hours, including roll out meetings for the company-wide employee survey (\$1.6K), Safety meetings (\$1.3K) Smart Grid rollout at Mt. Prospect (\$2.9K), employee informational sessions with executive leadership (\$4.7); Breakfasts for engineers and designers for Joint Work Agreement Days (\$2.6). |
| | | THE CUTTING EDGE CATERING | 2 | 1,673 | Year end breakfast for T&S Engineering departments to celebrate team accomplishments |
| | | THE ELEGANT TOUCH | 10 | 2,414 | Working meeting meals |
| | | VINDICE RECIPES INC. | 1 | 311 | Bulk Power Operations Yearend lunch to celebrate team accomplishments |
| | | WHITMAN CATERING | 2 | 215 | Smart Grid Road Show and working meals |
| 5811 Caterers Total | | | | \$ 222,051 | |
| 5945 | Hobby, Toy, and Game Shops | HOBBY LOBBY #245 | 1 | \$ 18 | Office Supplies |
| | | HOBBY-LOBBY #0154 | 4 | 111 | Materials for Share Fair event/Map for Storm improvement and Frames |

P Card Transactions Requested by Vendor in ICC Staff DR RWB 11.03

| MCC Code | MCC Code Description | Vendor Name | Supply Card | | Vendor Purpose |
|--|---|--------------------------|----------------------|-------------------|--|
| | | | Number of Occurances | Amount | |
| | | HOBBY-LOBBY #0174 | 1 | 35 | Frames for employee recognition of training/certification. |
| | | HOBBY-LOBBY #0204 | 3 | 577 | Training Graduation Frames and Customer Service Appreciation |
| | | LEARNING EXPRESS #362 | 1 | 28 | Visual Aid for use in training sessions to remind employee to stop and think before acting |
| | | OZARK GAMES, LLC | 1 | 418 | Employee Safety Engagement Tool |
| | | TOYSRUS-BABIESRUS | 1 | 58 | Smart Home Customer Engagement Appreciation |
| 5945 Hobby, Toy, and Game Shops Totals | | | | \$ 1,245 | |
| 5947 | Card Shops, Gift, Novelty, and Souvenir Shops | 1-800-GIFTCARD.COM, IN | 1 | \$ 1,578 | Safety achievement award for 28 employees |
| | | AMYS HALLMARK 363 | 1 | 153 | Employee recognition gift |
| | | BAYVIEW GIFTS | 1 | 13 | Battcon Conference (meal while traveling for company business) |
| | | BROOKSTONE 38 | 1 | 347 | Recognition reward for south region leadership team |
| | | CFJ MANUFACTURING | 1 | 1,576 | People strategy recognition reward |
| | | DISNEY STORE #383 | 1 | 21 | Employee recognition gift |
| | | DISNEY STORE #591 | 1 | 21 | Employee recognition gift |
| | | DISNEY STORE #913 | 1 | 31 | Employee recognition gift |
| | | FRANCESCA'S HALLMARK | 1 | 65 | Employee recognition gift |
| | | HOLLYWOOD MEGA INC | 1 | 102 | Recognition reward for traffic class (SDP) |
| | | LINDAS HALLMARK SHOP | 1 | 8 | Office Supplies |
| | | PAPYRUS #2220 | 1 | 30 | Supply for open land event |
| | | PAPYRUS #2303 | 1 | 24 | Office Supplies |
| | | SPENCER GIFTS 314 | 1 | 11 | Recognition reward |
| | | THE MORTON ARBORETUM - | 3 | 440 | All day all hands offsite meeting |
| | | TM GIFT SHOP | 1 | 261 | Inadvertent Charge; offsetting credit recorded in Jan 2014 |
| | | TRAVEL TRADERS 3038 | 1 | 5 | Office Supplies |
| | | WWW.THINGSREMEMBERED.COM | 1 | 204 | Farewell gift |
| 5947 Card Shops, Gift, Novelty, and Souvenir Shops Totals | | | | \$ 4,888 | |
| Overall Total | | | | \$ 249,505 | |

ICC Docket No. 14-0312

**Commonwealth Edison Company's Response to
Illinois Commerce Commission ("STAFF") Data Requests
RWB 12.01 – 12.07
Date Received: July 24, 2014
Date Served: July 29, 2014**

REQUEST NO. RWB 12.01:

Referring to ComEd Ex. 12.0, pp. 2-7 and AG Ex. 1.7, does Ms. Brinkman agree that if Exelon does not achieve a certain threshold Earnings Per Share ("EPS") amount, the ComEd Annual Incentive Plan ("AIP") paid to employees and included in the revenue requirement will be zero, regardless of the level achievement reached for the ComEd AIP Key Performance Indicators ("KPI")? If the response is anything other than an unqualified yes, please provide a detailed explanation.

RESPONSE:

Yes, however ComEd's AIP payout was and is a function of the operational metrics first and foremost. In order for ComEd employees to receive a payout, operational metrics must first be above 0% before the Exelon EPS is even considered. ComEd employees cannot receive any portion of their at risk pay unless operational metrics which benefit customers are above threshold values.

The Shareholder Protection Feature serves as a limiter to ComEd's AIP payout. Exelon earnings per share below a threshold level will reduce the AIP award to zero. The Shareholder Protection Feature is a limiter, not a performance measure, and thus can only reduce the amount of AIP awarded to employees and never result in a payout above the performance resulting from ComEd's operational metrics.

ICC Docket No. 14-0312

**Commonwealth Edison Company’s Response to
 The People of the State of Illinois (“AG”) Data Requests**

AG 9.01 – 9.16

Date Received: July 28, 2014

Date Served: August 4, 2014

REQUEST NO. AG 9.12:

Ref: ComEd Ex. 20.0, WP1 (Peer Group Utility Incentive Plan Metrics Prevalence). Mr. Wathen’s workpapers for his proxy group study consist of a single page summarizing the percentage of “ComEd Peers” employing each listed metric. Please provide the detailed information by utility company that was used by Mr. Wathen to calculate each of the percentage values shown in his WP1.

RESPONSE:

The following tables present the information by company used to calculate the prevalence of financial and non-financial measures used by the proxy peers. The data sources for this information are the publicly disclosed proxy statements for the companies listed.

Financial Metrics Prevalence

| Company | Financial Metric(s) Used | | | | | |
|-----------------------------------|--------------------------|------------------|-----------|------------|------------------|-----------------|
| | EPS | Operating Income | Cash Flow | Net Income | EBITDA/ Earnings | Other Financial |
| AGL Resources Inc. | x | | | | x | |
| Alliant Energy Corporation | x | | x | | | |
| Ameren | x | | | | | |
| Atmos Energy | x | | | | | |
| CenterPoint Energy | | x | | | | x |
| CMS Energy | x | | x | | | |
| Integrus Energy Group | x | | | | | |
| MDU Resources | x | | | | x | x |
| NiSource | x | x | x | | | |
| Northeast Utilities | x | | | | | x |
| OGE Energy Corp. | x | | | | | |
| Pepco Holdings | x | | x | x | | x |
| Pinnacle West Capital Corporation | | | | | x | x |
| SCANA Corporation | x | | | | | |
| TECO Energy, Inc. | | x | | | | |
| UGI | x | | | x | x | |
| Vectren | x | | | | | |
| Westar Energy, Inc. | | | | | | |
| Wisconsin Energy | x | | | | | |
| Total | 15 | 3 | 4 | 2 | 4 | 5 |
| Prevalence | 83% | 17% | 22% | 11% | 22% | 28% |

Note: Westar Energy, Inc. does not have a short-term incentive plan; therefore, Westar was not included in the total company count when determining prevalence.

Non-Financial Metrics Prevalence

| Company | Non-Financial Measures Used | | | | | | | | | | |
|-----------------------------------|-----------------------------|-------------------------|-----------------------|-------------|--------------------------|-------|----------------------|-----------|----------------------|-------------------------|-------|
| | Safety | Operational Performance | Customer Satisfaction | Reliability | O&M Expense/Cost Control | CapEx | Environmental Impact | Diversity | Merger Effectiveness | Regulatory & Compliance | Other |
| AGL Resources Inc. | x | x | x | | x | x | | | | | x |
| Alliant Energy Corporation | x | x | x | x | | | | x | | | x |
| Ameren | x | | | | | | | | | | |
| Atmos Energy | | | | | | | | | | | |
| CenterPoint Energy | x | x | x | x | | x | | | | x | x |
| CMS Energy | x | | x | x | | | | | | | |
| Integrus Energy Group | x | | x | | | | x | | | | |
| MDU Resources | | | | | | | | | | | |
| NISource | x | | | | | | | | | | |
| Northeast Utilities | x | x | x | x | x | | | | x | | x |
| OGE Energy Corp. | x | | | | x | | | | | | |
| Pepco Holdings | x | x | x | x | x | x | | x | | x | |
| Pinnacle West Capital Corporation | x | x | x | x | | | x | | | | |
| SCANA Corporation | | | | | | | | | | | |
| TECO Energy, Inc. | | | | | | x | | | | | |
| UGI | | | | | | | | | | | |
| Vectren | x | x | x | | | | x | | | | |
| Westar Energy, Inc. | | | | | | | | | | | |
| Wisconsin Energy | x | | x | | | | | x | | | |
| Total | 13 | 7 | 10 | 6 | 4 | 4 | 3 | 3 | 1 | 2 | 4 |
| Prevalance | 72% | 39% | 56% | 33% | 22% | 22% | 17% | 17% | 6% | 11% | 22% |

Note: Westar Energy, Inc. does not have a short-term incentive plan; therefore, Westar was not included in the total company count when determining prevalence.

ICC Docket No. 14-0312

**Commonwealth Edison Company’s Response to
 The People of the State of Illinois (“AG”) Data Requests**

AG 9.01 – 9.16

Date Received: July 28, 2014

Date Served: August 4, 2014

REQUEST NO. AG 9.13:

Ref: ComEd Ex. 20.0, line 167 (Annual Incentive Plan Limiters/Modifiers). At page 9, Mr. Wathen states, “Our research indicates that limiters or modifiers such as the design feature here are found in investor-owned utility short-term incentive plans. These modifiers can be structured to allow for an adjustment either upward or downward of the incentive award earned.” Please provide the following additional information:

- a. Describe the scope of the “research” that is referenced, providing a list of all utilities with short-term incentive plans that were studied and which of the studied utilities had “limiters or modifiers”.
- b. Provide a description of each of the limiters or modifiers that each utility in Mr. Wathen’s research had indicating which were “negative limiters” and which were “upside modifiers” as those terms are used on lines 171-173.
- c. Provide complete copies of all workpapers and other documents associated with or supportive of the referenced research.

RESPONSE:

The table below summarizes the research of ComEd’s proxy peers that disclosed the use of a modifier in their short-term incentive plan. The data sources for this information are the publicly disclosed proxy statements for the companies listed.

| Company | Modifier | |
|-----------------------------------|------------------|---|
| | Modifier Exists? | Modifier Detail |
| AGL Resources Inc. | | |
| Alliant Energy Corporation | | |
| Ameren | | |
| Atmos Energy | | |
| CenterPoint Energy | | |
| CMS Energy | Yes | +/- 10% modifier for operating/strategic measures (safety, reliability, customer value). |
| Integrus Energy Group | | |
| MDU Resources | | |
| NiSource | | |
| Northeast Utilities | | |
| OGE Energy Corp. | | |
| Pepco Holdings | | |
| Pinnacle West Capital Corporation | Yes | All of the 2013 Incentive Plans allowed the Committee to subjectively modify final awards based on shareholder value creation, customer service, financial strength, operating performance, and safety. |
| SCANA Corporation | | |
| TECO Energy, Inc. | | |
| UGI | | |
| Vectren | | |
| Westar Energy, Inc. | | |
| Wisconsin Energy | Yes | +/-10% operating performance modifier (operational areas of customer satisfaction (5% weight), supplier and workforce diversity (2.5%), and safety (2.5%) - modifies ultimate payout +/- 10%). |

ICC Docket No. 14-0312

**Commonwealth Edison Company's Response to
The People of the State of Illinois ("AG") Data Requests**

AG 7.01 – 7.09

Date Received: June 25, 2014

Date Served: July 14, 2014

REQUEST NO. AG 7.01:

Ref: ComEd Response to RWB 7.01, Attachment 1 (Annual Incentive Plan). Attachment 1 at page 3 states, "Payment levels for Operating Company and Business Unit KPIs are contingent on EPS performance." Please respond to the following:

- a. State the specific Exelon Earnings per Share value that was employed in the Shareholder Protection Feature that reduced the total 2013 ComEd AIP payout from 140.4% of target to 124.4% of target.
- b. Provide calculations, using the "Threshold, Target and Distinguished" table at page 3 of Attachment 1 and the Earnings Per Share value from your response to part (a) to show precisely how the 124.4% limitation was calculated in 2013.
- c. Page 6 of Attachment 1 indicates that the Shareholder Protection Feature "limits payout for Operating Company and Business Unit KPIs based on EPS performance. Please confirm that Exelon Earnings per Share below a threshold level would completely eliminate AIP payments to ComEd and BSC employees, as suggested by the "Payout Percentage" table on page 6, or explain any inability to provide such confirmation.
- d. What is the Exelon EPS value in 2013 that would result in a zero percent payout after the Shareholder Protection Feature is applied?
- e. What is the purpose of the Shareholder Protection Feature within Exelon's AIP?

RESPONSE:

As a preliminary matter and by way of clarification, p. 3 of the attachment to ComEd's Response to Staff Data Request RWB 7.01 labeled as RWB 7.01_Attach 1 contains a note that states: "NOTE: Employees participating in the ComEd or BGE KPIs do not have Exelon EPS as a performance measure, but are subject to the EPS shareholder protection feature"

- a. The Exelon EPS value that was employed in limiting the 2013 ComEd AIP payout from 140.4% of target solely based on operational KPIs to 124.4% of target was \$2.50.
- b. See the attachment labeled as AG 7.01_Attach 1, which reflects "precisely how the 124.4% limitation was calculated in 2013".

- c. The Shareholder Protection Feature serves as a limiter to ComEd's AIP payout as discussed above. Exelon earnings per share below a threshold level will reduce the AIP award to zero. The Shareholder Protection Feature is a limiter, not a performance measure, and thus can only reduce the amount of AIP awarded to employees and never result in a payout above the performance resulting from ComEd's operational metrics. The Shareholder Protection Feature works similarly for the BSC AIP plan.
- d. An Exelon EPS value below \$2.22 would have reduced ComEd's 2013 AIP payout to 0%.
- e. The purpose of the Shareholder Protection Feature as noted on p. 6 of the attachment to ComEd's Response to Staff Data Request RWB 7.01 labeled as RWB 7.01_Attach 1 is to provide scalable limits on the payout for ComEd's AIP. As explained in ComEd testimony and several data request responses, the Operating Company and Business Unit KPIs are based on operational metrics as shown in ComEd Ex. 2.01, Page 3, which provide direct benefits to customers. After the AIP award is determined pursuant to those KPIs, the Exelon Shareholder Protection Feature can only reduce or limit ComEd's plan-based awards.

2013 Award Calculation

Determine the Total ComEd Funding KPI Performance Percentage

Calculate the performance of ComEd KPIs

ComEd O&M Expense KPI

ComEd Capital Spend KPI

ComEd Operational KPIs

| ComEd KPIs | Goal Weight | x | KPI Performance / Payout % | = | Preliminary Weighted Payout % (Goal Weight x Payout %) |
|------------------------------------|-------------|---|----------------------------|---|--|
| ComEd O&M Expense | 25% | | 119.03% | | 29.8% |
| ComEd Capital Expenditures | 25% | | 77.86% | | 19.5% |
| ComEd Operational KPIs | | | | | |
| ComEd OSHA Recordable Rate | 10% | | 200.00% | | 20.0% |
| ComEd SAIFI (outages per customer) | 10% | | 200.00% | | 20.0% |
| ComEd CAIDI (minutes) | 10% | | 200.00% | | 20.0% |
| Customer Operations Index (COI) | 10% | | 136.67% | | 13.7% |
| EIMA Reliability Metrics Index | 5% | | 150.00% | | 7.5% |
| Customer Satisfaction Index (CSI) | 5% | | 200.00% | | 10.0% |
| Total ComEd KPI Performance | 100% | | | | 140.39% |

Determine the shareholder protection feature

Calculate the EPS percentage using actual results

| Earnings Per Share | Target | Actual | EPS Percentage |
|--------------------|--------|--------|----------------|
| | \$2.49 | \$2.50 | 104.35% |

Calculate the SPF limit. Add 20 percentage points because payout can not exceed EPS performance by more than 20 percentage points.

| | | | | | |
|-----------|---------|---|--------|---|----------------|
| SPF Limit | 104.35% | + | 20.00% | = | 124.35% |
|-----------|---------|---|--------|---|----------------|

Apply the shareholder protection feature to the ComEd Funding KPI Performance Percentage

Apply Shareholder Protection Feature (SPF) to the Total ComEd Funding KPI Performance %. Payout can not exceed the SPF Limit.

Apply SPF Limit

| | | | | |
|----------------|---|-------------------------------------|---|---|
| SPF Limit | < | ComEd KPI Payout % Before SPF Limit | → | ComEd KPI Payout % After Application of SPF |
| 124.35% | | 140.39% | | 124.35% |

ICC Docket No. 14-0312

**Commonwealth Edison Company's Response to
Illinois Commerce Commission ("STAFF") Data Requests**

RWB 14.01

Date Received: August 6, 2014

Date Served: August 8, 2014

REQUEST NO. RWB 14.01:

Referring to ComEd data request response AG 7.01_Attach 1, please provide a detailed explanation of how the 104.35% EPS Percentage set forth therein was calculated. Please provide supporting work papers as applicable.

RESPONSE:

As shown on page 3 of the Exelon AIP, found in AG Ex. 1.7, in the "How is Corporate Performance Measured" section of the program, Exelon used a performance scale for measuring Earnings Per Share in 2013. The EPS levels were set at \$2.22, \$2.49, and \$2.72 reflecting threshold, target and distinguished performance levels, respectively.

Actual Exelon EPS for 2013 was \$2.50 which means the EPS Key Performance Indicator ("KPI") payout percentage was interpolated between the target and distinguished payouts on the scale. The attachment labeled as RWB 14.01_Attach 1 shows this interpolation, calculated to 104.35%, for Exelon EPS at \$2.50.

ComEd's AIP does not contain Exelon EPS as a KPI; however, the 104.35% shown in the attachment to ComEd's Data Request Response to AG 7.01 labeled as AG 7.01_Attach 1 is used to calculate the Shareholder Protection Feature (SPF), which limits (never increases) ComEd AIP payouts. In 2013, the SPF reduced ComEd's Total AIP Payout as calculated per the ComEd AIP Funding KPIs.

Performance Scale per the 2013 Exelon AIP⁽¹⁾

| | EPS | | Percentage | | Band between Target and Distinguished Levels | |
|----------------------|------------|------|-------------------|---|---|---------|
| Target | \$ | 2.49 | 100.00% | } | \$2.49 - \$2.72 = | \$ 0.23 |
| Distinguished | \$ | 2.72 | 200.00% | | | |

104.35% Calculated As⁽²⁾:
 $100\% + (\$2.50 - \$2.49) / \$0.23 = 104.35\%$

⁽¹⁾ As shown on page 3 of the 2013 Exelon AIP

⁽²⁾ Actual 2013 EPS was \$2.50

ICC Docket No. 14-0312

**Commonwealth Edison Company's Response to
Illinois Commerce Commission ("STAFF") Data Requests**

RWB 12.01 – 12.07

Date Received: July 24, 2014

Date Served: July 29, 2014

REQUEST NO. RWB 12.07:

Referring to ComEd Ex. 12.0, pp. 10-11, was the decision of the Compensation Committee of the Exelon Board of Directors to limit the LTPSAP payout impacted or otherwise influenced by net income or Exelon EPS? If yes, please provide a detailed explanation of how net income or Exelon EPS impacted or otherwise influenced the decision. Please provide supporting documentation where applicable.

RESPONSE:

See ComEd's Response to Staff Data Request RWB 12.06.

ICC Docket No. 14-0312

**Commonwealth Edison Company's Response to
Illinois Commerce Commission ("STAFF") Data Requests**

RWB 12.01 – 12.07

Date Received: July 24, 2014

Date Served: July 29, 2014

REQUEST NO. RWB 12.06:

Referring to ComEd Ex. 12.0, pp. 10-11, please provide the specific reason(s) for the decision of the Compensation Committee of the Exelon Board of Directors to limit the Long Term Performance Share Award Program ("LTSPAP") payout. Please provide supporting documentation where applicable.

RESPONSE:

The Compensation Committee reduced the payout from the formulaic payout of 147.8% to 125% to better align the payout with shareholder returns, taking into consideration that Total Shareholder Return was down for the year.

Commonwealth Edison Company
 Staff Representation of the AG Adjustment to Disallow AIP Incentive Compensation
 For the Filing Year Ending December 31, 2014
 (In Thousands)

| Line No. | Description | Amount | Amount | Source |
|----------|--|-----------------|---------------------------|---|
| | (a) | (b) | (c) | (d) |
| | <u>Operating Statement Adjustments</u> | | | |
| 1 | Stores Clearing | \$ (80) | | ComEd Ex. 12.01 REV, Col (G), Ln 3 |
| 2 | Clearing | (493) | | ComEd Ex. 12.01 REV, Col (G), Ln 4 |
| 3 | Distribution Expense | <u>(13,303)</u> | | ComEd Ex. 12.01 REV, Col (G), Ln 9 |
| 4 | Total Distribution Expense Adjustment | | \$ (13,876) | |
| 5 | Customer Accounts Expense Adjustment | | (12,492) | ComEd Ex. 12.01 REV, Col (G), Ln 10 |
| 6 | A&G Expense Adjustment | (5,927) | | ComEd Ex. 12.01 REV, Col (G), Ln 11 |
| 7 | Pension Cost Expense Associated with Incentive Comp (Expensed) | <u>(1,387)</u> | | ComEd Ex. 12.01 REV, Col (G), Ln 14 |
| 8 | Total A&G Expense Adjustment | | (7,314) | |
| 9 | Taxes Other Than Income Adjustment (Payroll Taxes (Expensed)) | | (2,474) | ComEd Ex. 12.01 REV, Col (G), Ln 13 |
| 10 | Depreciation Expense Adjustment | | (573) | ComEd Ex. 12.01 REV, Col (G), Ln 15 |
| 11 | Total Adjustment to Operating Statement Expenses | | <u>\$ (36,729)</u> | Line 4 + Line 5 + Line 8 + Line 9 + Line 10 |
| | <u>Rate Base Adjustments</u> | | | |
| 12 | Capital | \$ (20,862) | | ComEd Ex. 12.01 REV, Col (D), Ln 1 |
| 13 | Stores Clearing | (723) | | ComEd Ex. 12.01 REV, Col (D), Ln 3 |
| 14 | Clearing | (590) | | ComEd Ex. 12.01 REV, Col (D), Ln 4 |
| 15 | Payroll Taxes (Capitalized) | (1,699) | | ComEd Ex. 12.01 REV, Col (D), Ln 13 |
| 16 | Pension Cost Associated with Incentive Compensation (Capitalized) | <u>(949)</u> | | ComEd Ex. 12.01 REV, Col (D), Ln 14 |
| 17 | Total Distribution Plant Adjustment | | \$ (24,823) | Sum of Lines 12 thru 16 |
| 18 | Accumulated Depreciation Adjustment | | 573 | ComEd Ex. 12.01 REV, Col (D), Ln 18 |
| 19 | ADIT Adjustment | | <u>147</u> | ComEd Ex. 12.01 REV, Col (D), Ln 19 |
| 20 | Total Rate Base Adjustments | | <u>\$ (24,103)</u> | Line 17 + Line 18 + Line 19 |

Note: This adjustment will also impact cash working capital, however that impact is not shown here.

Commonwealth Edison Company
 Staff Representation of Alternative Adjustment to Limit AIP Incentive Compensation to 102.9%
 For the Filing Year Ending December 31, 2014
 (In Thousands)

| Line No. | Description (a) | Amount (b) | Amount (c) | Source (d) |
|----------|--|---------------------------|------------------------------|---|
| | | Adj. at 0% AIP | Adj at 102.9% AIP | |
| | <u>Operating Statement Adjustments</u> | | | |
| 4 | Total Distribution Expense Adjustment | \$ (13,876) | \$ (2,398) | Col. (b) /(-124.4% x 102.9%) - Col. (b) |
| 5 | Customer Accounts Expense Adjustment | (12,492) | (2,159) | Col. (b) /(-124.4% x 102.9%) - Col. (b) |
| 8 | Total A&G Expense Adjustment | (7,314) | (1,264) | Col. (b) /(-124.4% x 102.9%) - Col. (b) |
| 9 | Taxes Other Than Income Adjustment (Payroll Taxes (Expensed)) | (2,474) | (428) | Col. (b) /(-124.4% x 102.9%) - Col. (b) |
| 10 | Depreciation Expense Adjustment | (573) | (99) | Col. (b) /(-124.4% x 102.9%) - Col. (b) |
| 11 | Total Adjustment to Operating Statement Expenses | <u>\$ (36,729)</u> | <u>\$ (6,348)</u> | |
| | <u>Rate Base Adjustments</u> | | | |
| 17 | Total Distribution Plant Adjustment | \$ (24,823) | \$ (4,290) | Col. (b) /(-124.4% x 102.9%) - Col. (b) |
| 18 | Accumulated Depreciation Adjustment | 573 | 99 | Col. (b) /(-124.4% x 102.9%) - Col. (b) |
| 19 | ADIT Adjustment | 147 | 25 | Col. (b) /(-124.4% x 102.9%) - Col. (b) |
| 20 | Total Rate Base Adjustments | <u>\$ (24,103)</u> | <u>\$ (4,166)</u> | |

Source: Column (b): Attachment H, Column (c)
 Column (d): 124.4 ComEd Actual AIP Payout per ComEd Ex. 2.0, page 21
 Column (d): 102.9% Alternative Limited AIP Payout per Staff Ex. 8.0, pages 16, 33

Note: This adjustment will also impact cash working capital, however that impact is not shown here.

Commonwealth Edison Company
 Staff Representation of the AG Adjustment to Disallow LTPSAP Incentive Compensation
 For the Filing Year Ending December 31, 2014
 (In Thousands)

| Line No. | Description (a) | Amount (b) | Source (d) |
|--|---|-----------------|---------------------------------|
| <u>Distribution Expense</u> | | | |
| 1 | AG Adjustment to Remove 100% LTPSAP | \$ (2,616) | AG Ex. 1.3, Ln 12 |
| 2 | ComEd Adjustment to Remove 94.3% LTPSAP | (2,467) | ComEd Ex. 12.02, Col (G), Ln 21 |
| 3 | Additional Adjustment Required to Remove 100% LTPSAP from Revenue Requirement | <u>\$ (149)</u> | Line 1 - Line 2 |
| <u>A&G Expense</u> | | | |
| 4 | AG Adjustment to Remove 100% LTPSAP | \$ (438) | AG Ex. 1.3, Ln. 13 |
| 5 | ComEd Adjustment to Remove 94.3% LTPSAP | (413) | ComEd Ex. 12.02, Col (G), Ln 22 |
| 6 | Additional Adjustment Required to Remove 100% LTPSAP from Revenue Requirement | <u>\$ (25)</u> | Line 4 - Line 5 |
| <u>Payroll Taxes / Taxes Other Than Income</u> | | | |
| 7 | AG Adjustment to Remove 100% LTPSAP | \$ (234) | (Line 1 + Line 4) x 7.66% |
| 8 | ComEd Adjustment to Remove 94.3% LTPSAP | (221) | ComEd Ex. 12.02, Col (G), Ln 24 |
| 9 | Additional Adjustment Required to Remove 100% LTPSAP from Revenue Requirement | <u>\$ (13)</u> | Line 7 - Line 8 |