

STATE OF ILLINOIS
ILLINOIS COMMERCE COMMISSION

COMMONWEALTH EDISON COMPANY :
: No. 10-_____
Proposed general increase in electric rates :

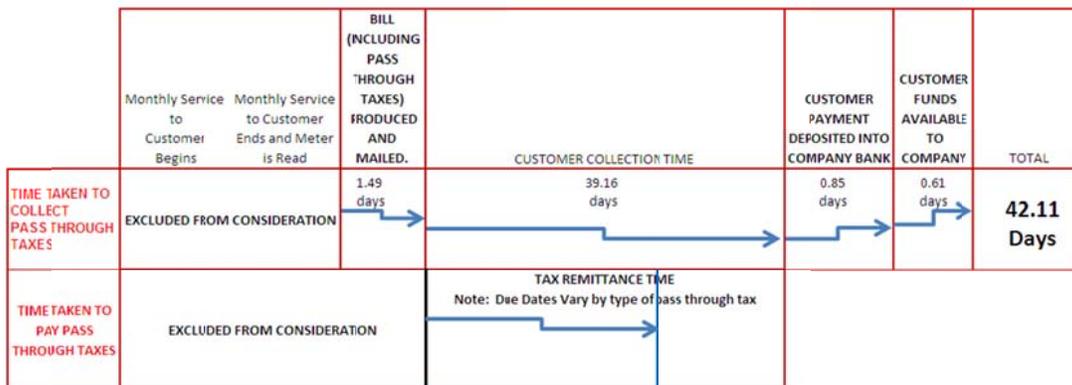
Direct Testimony of
NAGENDRA SUBBAKRISHNA
Associate Director,
Navigant Consulting Inc.

On Behalf Of
Commonwealth Edison Company

564 ComEd’s experience as described earlier in more detailed under Revenue Lags, indicates
 565 that this is not the case. The customer does not pay the bill, on average, until March 12
 566 and the funds are not available to ComEd until March 14. So, when the funds availability
 567 date of March 14 is compared with the meter read date of January 31, the time taken by
 568 ComEd to fully collect pass-through taxes from a customer is 42.11 days from the date
 569 that the customer meter is read. In terms of tax payments, consider the case of the Illinois
 570 Electricity Excise Tax. This tax is due in the current month for the current month in
 571 quarter monthly installments. So, for a customer receiving service over the period
 572 January 1 – January 31 described above, ComEd is making tax payments on behalf of the
 573 customer on January 7th, January 15th, January 22nd, and January 31st for the month of
 574 January – on average, around January 14th, i.e., even before it has billed the customer for
 575 consumption in the current month. And ComEd does not have access to the customer’s
 576 payment (i.e., made whole), on average, until March 14. Thus, there is a net positive
 577 cash working capital requirement for ComEd in the example.

578 An illustration of both the time taken to collect such taxes and the time taken to
 579 pay them together with the steps involved is shown in the figure below.

580 **Pass-Through Tax Collection and Payment Times**



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