

**Docket No:** 14-0316  
**R.O.M.:** 11/13/14  
**Deadline:** N/A

**MEMORANDUM**

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**TO:** The Commission

**FROM:** Leslie Haynes and Sonya Teague Kingsley,  
Administrative Law Judges

**DATE:** November 5, 2014

**SUBJECT:** Commonwealth Edison Company  
  
Petition to Make Housekeeping Revisions and a Compliance Change to filed Rate Formula.

**RECOMMENDATION:** Enter Order defining “formula rate structure” and requiring updated depreciation study.

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On April 16, 2014, Commonwealth Edison Company (“ComEd”) filed with the Illinois Commerce Commission (“Commission”) a verified petition under Sections 16-108.5(c) and 9-201 of the Illinois Public Utilities Act (the “Act”) seeking approval of specific housekeeping and technical corrections to its delivery services rate formula.

The Commission entered an Interim Order on August 19, 2014, directing that a second phase of this proceeding be initiated to consider: (A) the definition of “formula rate structure and protocols” as it is used in Section 16-108.5 as it applies to ComEd; (B) determine whether changes to the formula rate schedules, appendices, and workpapers that support Schedules FR A-1 and FR A-1 REC in ComEd’s formula rate tariff require Commission approval through a Section 9-201 filing; and (C) if the determination in (B) is that the Commission must approve changes to all formula rate schedules, appendices and workpapers through a Section 9-201 proceeding, determine the necessary changes to be made to any of those documents to appropriately reflect the change in ComEd’s depreciation rates between the reconciliation year and the filing year.

The attached Order adopts Staff’s proposed definition of “formula rate structure and protocols” and finds that changes to the schedules, appendices and workpapers that support Schedules FR A-1 and FR A-1 REC in ComEd’s formula rate tariff do not require Commission approval through a Section 9-201 filing. The Order finds that “formula rate structure and protocols” is not defined in the statute and that ComEd’s proposal introduces unnecessary complexity into the formula rate process.

The attached Order also adopts Staff's proposed adjustment to reflect the impact of applying the 2014 depreciation rates from ComEd's updated depreciation study in ComEd's current formula rate update proceeding, Docket No. 14-0312, to calculate depreciation expense as well as Accumulated Depreciation and Accumulated Deferred Income Taxes for the filing year. The Order concurs with Staff's position that this adjustment will limit the reconciliation adjustment that will be required in the formula rate proceeding for 2014 and it will minimize any interest that would impact customer rates subsequent to the reconciliation. The Order also finds that this adjustment does not require Commission approval through a Section 9-201 filing.

There is no deadline for Commission action; however, the parties have requested an Order by November 30, 2014. Accordingly, we recommend the Commission enter the attached Order.

LH/STK:jt