

DIRECT TESTIMONY

OF

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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. 15-0287

June 30, 2015

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Schedule 1.10	Cash Working Capital Adjustment

ATTACHMENTS

Attachment A – ComEd Response to AG Data Request No. 3.03

1 **Witness Identification**

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

3 A. My name is Daniel G. Kahle. My business address is 527 East Capitol Avenue,
4 Springfield, Illinois 62701.

5 **Q. By whom are you employed and in what capacity?**

6 A. I am currently employed as an Accountant in the Accounting Department of the
7 Financial Analysis Division of the Illinois Commerce Commission ("Commission").

8 **Q. Please describe your professional background and affiliations.**

9 A. I have a Bachelor of Science degree in Accountancy from the University of Illinois.
10 I am a Certified Public Accountant, licensed to practice in the State of Illinois. My
11 prior accounting experience includes seventeen years as an internal auditor for the
12 State of Illinois, including four years as Chief Auditor at the Department of
13 Commerce and Economic Opportunity ("DCEO"), five years as an Accounting
14 Office Manager at DCEO, as well as two years as an Assurance Services Manager
15 in a public accounting firm. I joined the Staff of the Illinois Commerce Commission
16 ("Staff") in April, 2006.

17 **Q. Have you previously testified before any regulatory bodies?**

18 A. Yes. I have testified on several occasions before the Commission.

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

20 A. I have reviewed and analyzed Commonwealth Edison Company's ("ComEd" or the
21 "Company") filing, and the underlying data.

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The purpose of my testimony is to:

1. Present Staff's adjusted Statements of Operating Income and Rate Base for the Company's electric utility delivery service operations for the reconciliation year ("RY") and the filing year ("FY");
2. Present Staff's determination of the Reconciliation Adjustment and the Return on Equity ("ROE") Collar Computation;
3. Present Staff's recommendation for an original cost determination;
4. Present Staff's conclusions regarding the Company's efforts in meeting its obligation under Section 16-108.5(b) of the Act; and
5. Propose adjustments to Rate Base related to deferred income taxes which are related to Long Term Performance Share Awards, Restricted Stock and Stock Options.

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Schedule and Attachment Identification

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Q. Are you sponsoring any schedules as part of ICC Staff Exhibit 1.0?

A. Yes. I prepared the schedules listed below for the Company for the 2014 filing year and reconciliation year. The letters that follow the schedule numbers indicate to which revenue requirement the respective schedule pertains. The letters "FY" indicate the filing year revenue requirement on which delivery service rates effective January 2016 will be based. The letters "RY" indicate the reconciliation year revenue requirement, which is the *actual* revenue requirement for 2014, as adjusted by Staff. If letters do not follow the schedule number, the schedule pertains to both the filing year and reconciliation year revenue requirement.

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Revenue Requirement Schedules

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Summary	Summary of Base Rate Revenue Change from Prior Case
Schedule 1.01	Statement of Operating Income with Adjustments
Schedule 1.02	Adjustments to Operating Income

48	Schedule 1.03	Rate Base
49	Schedule 1.04	Adjustments to Rate Base
50	Schedule 1.05	Revenue Effect of Adjustments
51	Schedule 1.06	Interest Synchronization Adjustment
52	Schedule 1.07	Gross Revenue Conversion Factor

53 Adjustment Schedules

54	Schedule 1.08 FY	Reconciliation Computation (Filing Year Only)
55	Schedule 1.09 FY	Return on Equity Collar Computation (Filing Year Only)
56	Schedule 1.10	Cash Working Capital Adjustment
57	Schedule 1.11	Adjustment Accumulated Income Deferred Taxes

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

59 A. Yes. I have included ComEd Response to AG Data Request No. 3.03 as
60 Attachment A.

61 Revenue Requirement Schedules

62 **Q. Please describe the Summary of Base Rate Revenue Change from Prior**
63 **Formula Rate Case (“Summary”).**

64 A. The Summary shows the total net revenue requirement from the prior year formula
65 rate case final order (column (b)), the changes proposed by the Company (column
66 (c)) and the Company’s proposed total net revenue requirement in the current
67 proceeding (column (e)). The Summary also shows Staff’s proposed adjustments
68 (column (f)) to the Company’s proposed total net revenue requirement leading to
69 Staff’s proposed total net revenue requirement (column (h)). Column (d) shows
70 the Company’s proposed changes as a percentage of the prior year formula rate

71 case final order and column (g) shows Staff's proposed changes as a percentage
72 of the Company's proposed total net revenue requirement.

73 **Q. Please describe Schedule 1.01, Statement of Operating Income with**
74 **Adjustments.**

75 A. Schedule 1.01 for the filing year and the reconciliation year revenue requirement
76 derives the required revenue at the Staff proposed Rate of Return with Staff's
77 proposed adjustments. Column (b) of Schedule 1.01 RY presents the Company's
78 jurisdictional operating statement for 2014 as reflected on its Schedule C-1 RY.
79 (ComEd Ex. 2.03, 67-68.) Column (b) of Schedule 1.01 FY presents the
80 Company's jurisdictional operating statement for 2015 as reflected on its Schedule
81 C-1 FY. (ComEd Ex. 2.05, 18-19.) Column (c) of each Schedule 1.01 reflects the
82 total of all Staff Adjustments shown on Schedule 1.02 for each respective revenue
83 requirement. Column (d) of each Schedule 1.01 reflects the pro forma operating
84 statement at present rates per Staff. Column (e) of both Schedule 1.01 RY and
85 FY presents the Company's Effect of Proposed Rates as reflected on its Schedule
86 C-1 RY and Schedule C-1 FY, respectively. (ComEd Ex. 2.03, 67-68 and ComEd
87 Ex. 2.05, 18-19 respectively.) Column (f) of each Schedule 1.01 adjusts revenue
88 to reflect Staff's Gross Revenue Conversion Factor. Column (g) of each Schedule
89 1.01 is Staff's jurisdictional operating statement inclusive of the Company's
90 proposed rates for that respective revenue requirement. Column (h) of each
91 Schedule 1.01 is the necessary change to the Company's proposed revenues,
92 adjusted for Staff's Gross Revenue Conversion Factor, to arrive at Staff's
93 computed Revenue Requirement reflected in column (i) of each respective

94 schedule. Net Operating Income in column (i), line 23 of each Schedule 1.01 is
95 the product of Rate Base, line 24, and Rate of Return, line 25 on the respective
96 schedules.

97 Column (j), which is applicable only to the revenue requirement for the filing year
98 ending December 31, 2015 (Schedule 1.01 FY), reflects the addition of the
99 Reconciliation Adjustment and the Return on Equity Collar Adjustment to Staff's
100 proposed pro forma Revenue Requirement reflected in column (i) to produce
101 Staff's proposed Net Revenue Requirement on which the delivery service charges
102 for 2016 are based.

103 **Q. Please explain how Staff's proposed filing year and reconciliation year**
104 **revenue requirements differ.**

105 A. The Statement of Operating Income with Adjustments for the filing year ending
106 December 31, 2015, Schedule 1.01 FY, presents the revenue requirement that is
107 the basis for delivery service charges beginning January 1, 2016. The schedule
108 has an additional column (i) entitled "Net Revenue Requirement." The column
109 shows the inputs representing the:

- 110 1) Reconciliation Adjustment from Schedule 1.08 FY that is the reconciliation for
111 the 2014 actual revenue requirement compared to the revenue requirement
112 that was reflected in delivery service charges applied during 2014; and
113 2) Return on Equity Collar Adjustment from Schedule 1.09 FY.

114 Further, the filing year revenue requirement includes the impact of 2015 projected
115 plant additions and correspondingly updated depreciation reserve and expense.

116 Schedule 1.01 RY presents the actual revenue requirement that is the basis for
117 determining the Reconciliation Adjustment set forth in Schedule 1.08 FY. The
118 reconciliation year revenue requirement differs from the filing year revenue
119 requirement in that it utilizes only actual amounts and excludes 2015 projected
120 plant additions, the Reconciliation Adjustment, and the Return on Equity Collar
121 Adjustment.

122 **Q. Please describe Schedule 1.02, Adjustments to Operating Income.**

123 A. Schedule 1.02 for each revenue requirement identifies Staff's adjustments to
124 Operating Income. The source of each adjustment is shown in the heading of each
125 column. Column (q) from page 2 is carried forward to Schedule 1.01, column (c).

126 **Q. Please describe Schedule 1.03, Rate Base.**

127 A. Schedule 1.03 for each revenue requirement compiles Staff's Rate Base. Column
128 (b) reflects the Company's proposed Rate Base. Column (c) summarizes Staff's
129 adjustments to Rate Base. Column (d) is the net of Columns (b) and (c), and
130 reflects Staff's proposed Rate Base.

131 **Q. Please describe Schedule 1.04, Adjustments to Rate Base.**

132 A. Schedule 1.04 for each revenue requirement identifies Staff's adjustments to Rate
133 Base. The source of each adjustment is shown in the heading of each column.
134 Column (i) is carried forward to Schedule 1.03, Column (c).

135 **Revenue Effect of Adjustments**

136 **Q. Please describe Schedule 1.05, Revenue Effect of Adjustments.**

137 A. Schedule 1.05 for each revenue requirement identifies the approximate effect of

138 each Staff adjustment on the Company's revenue requirement. It is an analysis
139 that is intended to assist the Commission in identifying the relative monetary
140 significance of each Staff adjustment. Schedule 1.05 is not the development of
141 Staff's revenue requirement.

142 **Interest Synchronization**

143 **Q. Please describe Schedule 1.06, Interest Synchronization Adjustment.**

144 A. Schedule 1.06 for each revenue requirement computes the interest component of
145 the Revenue Requirement. The interest expense (component) is computed by
146 multiplying Staff's proposed Rate Base by Staff's proposed Weighted Cost of Debt.
147 The resulting calculated Interest Expense is then compared against the Interest
148 Expense used by the Company in its computation of Income Tax Expense. The
149 tax effect of the difference in Interest Expense is the adjustment for Interest
150 Synchronization. The effect of this adjustment is to ensure that the Revenue
151 Requirement reflects the tax savings generated by the interest component of the
152 revenue requirement.

153 **Gross Revenue Conversion Factor**

154 **Q. Please describe Schedule 1.07, Gross Revenue Conversion Factor.**

155 A. Schedule 1.07 for each revenue requirement presents Staff's proposed Gross
156 Revenue Conversion Factor ("GRCF"). It is based upon the applicable federal tax
157 rate and state income tax rate. The GRCF is multiplied by the operating income
158 deficiency to determine the total amount of revenue required for the income
159 deficiency and the associated increase in income tax expense and uncollectible
160 expense. The GRCF does not include an uncollectible rate because ComEd

161 recovers all uncollectibles through its Rider UF. The GRCF is used in the
162 calculation of the Revenue Requirement in Columns (f) through (h) of each
163 Schedule 1.01.

164 **Reconciliation Computation (Filing Year Only)**

165 **Q. Please describe Schedule 1.08 FY, Reconciliation Computation.**

166 A. Schedule 1.08 FY computes the variance between the actual revenue requirement
167 for 2014 and the revenue requirement that was reflected in delivery service
168 charges applied during 2014. Interest for the period January 2014 through
169 December 2016 is added to the variance and the total amount is incorporated into
170 the revenue requirement which provides the basis for the 2016 delivery service
171 rates. Schedule 1.08 FY reflects all of Staff's adjustments to the 2014 actual
172 operating statement and rate base presented by the Company. These various
173 adjustments are addressed in the testimony of Staff proposing the adjustments.

174 Schedule 1.08 FY demonstrates that ComEd's revenue requirement in effect
175 during 2014 was less than the Company's 2014 actual Delivery Service ("DS")
176 revenue requirement and therefore a reconciliation adjustment to increase
177 revenues is necessary.

178 **Return on Equity (ROE) Collar Computation (Filing Year Only)**

179 **Q. Please describe Schedule 1.09 FY, Return on Equity Collar Computation.**

180 A. Schedule 1.09 FY computes the adjustment when the Company's earned return
181 on common equity falls outside of the parameters of the earnings collar pursuant
182 to Section 16-108.5(c)(5) of the Act. The calculation utilizes the actual DS

183 revenues, operating expenses, rate base, and capital structure for 2014, inclusive
184 of ratemaking adjustments, Commission disallowances, and other adjustments
185 proposed by Staff. The DS revenues reflect actual revenues reported by the
186 Company on FERC Form 1. The resulting adjustment is incorporated into the
187 revenue requirement on which delivery service charges in effect in 2016 are based.
188 Schedule 1.09 FY utilizes the Staff-recommended rate base, operating expenses,
189 and capital structure for the reconciliation year as presented on the reconciliation
190 year schedules – Schedules 1.01 RY through 1.07 RY. Any Staff adjustments to
191 the Company’s position proposed in its filing are addressed individually in the
192 testimony of Staff sponsoring those adjustments.

193 **Q. What is the result of the ROE Collar Computation for 2014?**

194 A. Schedule 1.09 FY demonstrates that ComEd’s DS return on equity during 2014
195 falls within the ROE collar; therefore, no ROE collar adjustment is necessary.

196 **Cash Working Capital Adjustment**

197 **Q. Please describe Schedule 1.10, Cash Working Capital Adjustment.**

198 A. Schedule 1.10 presents the adjustment to Cash Working Capital to reflect Staff’s
199 proposed level of operating expenses. The final Cash Working Capital balance
200 should be calculated using the revenue requirement approved by the Commission
201 in this proceeding.

202 **Q. Please explain “Cash Working Capital.”**

203 A. Cash Working Capital (“CWC”) is the amount of funds required from investors to
204 finance the day-to-day operations of the Company. In other words, CWC reflects

205 the amount of cash a company needs to keep on hand to pay its cash operating
206 expenses after taking into account its cash revenues. A company's CWC
207 requirement may be positive or negative, depending on whether revenues are
208 received, on average, slower or faster than expenses are paid.

209 In this case, CWC to be included in rate base is based on a lead-lag study. A lead-
210 lag study analyzes the date of payments for goods and services compared to the
211 date the goods and services were received, as well as the date customers were
212 billed for utility services and the date that the company received payment from the
213 customers. In general, lag times are associated with the collection of revenues
214 owed to the Company (that is, the collection of cash from customers lags behind
215 the Company's cash outlays for the provision of service). Lead times are
216 associated with the payments for goods and services received by the Company
217 (for example, vendors may allow the Company to pay for goods and services after
218 the goods and services were received).

219 **Q. What are the differences between your calculations of CWC and the**
220 **Company's calculation of CWC?**

221 A. There are no differences between the Company's method and Staff's method of
222 calculating CWC. My Schedule 1.10 produces a different result than the
223 Company's CWC calculation because my schedule reflects Staff's adjustments to
224 the Company's initial position.

225 **Adjustment to Accumulated Deferred Income Taxes**

226 **Q. Please describe your Adjustment to Accumulated Deferred Income Taxes.**

227 A. My adjustment to reduce Accumulated Deferred Income Taxes (“ADIT”) is related
228 to expenses for Long Term Performance Share Awards, Restricted Stock and
229 Stock Options which the Company had removed or partially removed from
230 operating expenses. The Company has agreed to include this correction in its
231 rebuttal testimony. (Attachment A – ComEd Response to AG Data Request No.
232 3.03.)

233 **Original Cost Determination**

234 **Q. Did the Company request an original cost determination in this proceeding?**

235 A. Yes. The Company requested that the Commission approve the original cost of
236 plant in service as of December 31, 2014 of \$17,199,997,000. (ComEd Ex. 2.0,
237 14-15.)

238 **Q. What is your recommendation for the original cost of plant in service as of**
239 **December 31, 2014?**

240 A. I recommend the Commission approve \$17,199,997,000 as the original cost of
241 plant as of December 31, 2014. If the Commission makes any additional
242 adjustments to plant, however, commensurate adjustments should also be
243 reflected in the original cost determination. Further, I recommend that the
244 Commission include the following language in the Findings and Orderings
245 paragraphs of its Order in this proceeding:

246 (#) the Commission, based on ComEd’s proposed original cost of
247 plant in service as of December 31, 2014, before adjustments,
248 of \$17,199,997,000, and reflecting the Commission’s
249 determination adjusting that figure, approves
250 \$_____ as the composite original cost of
251 jurisdictional distribution services plant in service as of
252 December 31, 2014.

253 **Commitments and Obligations under Section 16-108.5(b) of the Act**

254 **Q. What is the Company's obligation under Section 16-108.5(b) of the Act?**

255 A. In the Company's previous formula rate proceeding, The Commission concluded
256 that:

257 ... ComEd is required by Section 16-108.5 to provide specific
258 evidence, in every Section 16-108.5 proceeding, in its case-in-chief,
259 as to what it intends to spend Section 16-108.5 money on and
260 specific evidence establishing what it has already spent Section 16-
261 108.5 money on for reconciliation purposes. It is also required to
262 clearly segregate the evidence regarding its projected plant additions
263 from its evidence regarding its reconciliation of the previous years'
264 expenditures.

265
266 *Commonwealth Edison Co.*, ICC Order Docket No. 12-0321, 98 (Dec. 19, 2012).

267 **Q. Did the Company meet its obligation in this proceeding?**

268 A. Yes. The Company provided direct testimony identifying incremental plant
269 additions of \$463,229,227 placed in service in 2014 pursuant to Section 16-
270 108.5(b) of the Act. (ComEd Ex. 3.0, 17-18.) The \$463,229,227 of plant additions
271 are approximately fourteen million dollars more than the 2014 projected plant
272 additions of \$449,000,000 included in the revenue requirement to derive rates
273 charged in 2015. *Commonwealth Edison Co.*, ICC Order, Docket No. 14-0312, 86
274 (Dec. 10, 2014).

275 The Company projects \$654,813,654 of incremental plant additions to be placed
276 in service in 2015 pursuant to Section 16-108.5(b) of the Act. (ComEd Ex. 3.0, 18-
277 19.) The actual and projected investments total \$1.118 billion and are described
278 and summarized in ComEd Ex. 3.0, pages 15 - 19 and in ComEd Ex. 3.01.

279 A comparison of the Company's actual plant additions placed in service in 2014

280 pursuant to Section 16-108.5(b) versus projected plant additions included in the
 281 revenue requirement to derive rates charged in 2015 produces the following
 282 variances.

	<u>CATEGORY</u>	<u>ACTUAL 2014 (In Millions)¹</u>	<u>2014 REVENUE REQUIREMENT (In Millions)²</u>	<u>VARIANCE 2014 (In Millions)</u>
(A) (i)	Distribution Infrastructure Improvements	\$169.9	\$153.8	\$16.1
(A) (ii)	Training Facility Construction or Upgrade Projects	0.0	0.0	0.0
(A) (iii)	Wood Pole Inspection, Treatment, and Replacement	21.6	19.9	1.7
(A) (iv)	Reducing the susceptibility of certain circuits to storm-related damage	<u>29.9</u>	<u>33.4</u>	(3.5)
	Total Electric System Upgrades, Modernization Projects, and Training Facilities	<u>\$221.3</u>	<u>\$207.1</u>	<u>\$14.2</u>
(B) (i)	Additional Smart Meters	\$145.2	\$148.4	\$3.2
(B) (ii)	Distribution Automation	64.9	62.8	2.1
(B) (iii)	Associated Cyber Secure Data Communications Network	0.0	0.0	0.0
(B) (iv)	Substation Micro-processor Relay Upgrades	<u>31.8</u>	<u>30.7</u>	1.1
	Total Upgrade and Modernization of Transmission and Distribution Infrastructure and Smart Grid Electric System Upgrades	<u>\$241.9</u>	<u>\$241.9</u>	<u>\$0.0</u>
	Total Plant Additions in Compliance with Section 16-108.5(b)(1) of the Act	<u>\$463.2</u>	<u>\$449.0</u>	<u>\$14.2</u>

283 **Q. Do you have a recommendation regarding the need for the Commission to**
 284 **identify in its order the amount of incremental plant investment that is**
 285 **included in the revenue requirement in compliance with Section 16-**

¹ ComEd Ex. 3.0, 18.

² *Commonwealth Edison Co.*, ICC Order, Docket No. 14-0312, 86 (Dec. 10, 2014).

286

108.5(b)(1) of the Act?

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A. Yes. To provide transparency to the Commission and to ratepayers, I recommend

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the Commission include in its order in this proceeding the following conclusion:

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The Commission is setting a revenue requirement in this proceeding for the recovery of \$463.2 million in actual 2014 plant additions and \$654.8 million of projected 2015 plant additions in compliance with Section 16-108.5(b) of the Act. Actual 2014 plant additions and projected 2015 plant additions, combined with actual 2012 and 2013 plant additions of \$431.6, total \$1,549.6 million of actual and projected 2015 plant additions. The detail of these actual and projected plant additions by categories as required by Section 108.5(b)(1) are as follows:

	<u>CATEGORY</u>	<u>ACTUAL 2012 – 2013 (In Millions)</u>	<u>ACTUAL 2014 (In Millions)</u>	<u>PROJECTED 2015 (In Millions)</u>	<u>CUMULATIVE 2015 (In Millions)</u>
(A) (i)	Distribution Infrastructure Improvements	\$221.2	\$169.9	\$258.4	\$649.5
(A) (ii)	Training Facility Construction or Upgrade Projects	2.8	0.0	0.0	2.8
(A) (iii)	Wood Pole Inspection, Treatment, and Replacement	28.1	21.6	22.4	72.1
(A) (iv)	Reducing the susceptibility of certain circuits to storm-related damage	37.2	<u>29.9</u>	69.3	136.4
	Total Electric System Upgrades, Modernization Projects, and Training Facilities	<u>\$289.3</u>	<u>\$221.3</u>	<u>\$350.2</u>	<u>\$860.8</u>
(B) (i)	Additional Smart Meters	\$31.7	\$145.2	\$223.4	400.3
(B) (ii)	Distribution Automation	98.2	64.9	62.0	225.1
(B) (iii)	Associated Cyber Secure Data Communications Network	0.0	0.0	0.0	-
(B) (iv)	Substation Micro-processor Relay Upgrades	12.4	<u>31.8</u>	<u>19.2</u>	63.4
	Total Upgrade and Modernization of Transmission and Distribution Infrastructure and Smart Grid Electric System Upgrades	<u>\$142.3</u>	<u>\$241.9</u>	<u>\$304.6</u>	<u>688.8</u>
	Total Plant Additions in Compliance with Section 16-108.5(b)(1) of the Act	<u>\$431.6</u>	<u>\$463.2</u>	<u>\$654.8</u>	<u>1,549.6</u>

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ComEd Ex. 3.01.

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Conclusion

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Q. Does this question end your prepared direct testimony?

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A. Yes.

Commonwealth Edison Company
 Summary of Base Rate Revenue Change from Prior Case
 For the Filing Year Ending December 31, 2015
 (In Thousands)

Line	Description	Granted in Prior Case (14-0312)	Company Proposed Changes		Company DT Proposal FR A-1	Staff DT Adjustments		Staff DT Proposal
			(e) - (b)	(c) / (b)		(h) - (e)	(f) / (e)	
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)
1	Base Revenue Requirement - Filing Year	\$ 2,347,549	(1) \$ 92,156		\$ 2,439,705	(2) \$ (8,114)		\$ 2,431,591
2	Reconciliation Adjustment with Interest	234,465	(1) (142,612)		91,853	(3) (4,846)		87,007
3	ROE Collar Adjustment	-	(1) -		-	(4) -		-
4	Total Net Revenue Requirement	<u>\$ 2,582,014</u>	(1) <u>\$ (50,456)</u>	(1.95)%	<u>\$ 2,531,558</u>	(5) <u>\$ (12,960)</u>	(0.51)%	<u>\$ 2,518,598</u>
5	Total \$ Change - Total Net Revenue Requirement							\$ (63,416)
6	Total % Change - Total Net Revenue Requirement							(2.46)%

Notes

- (1) Commission Order in Docket No. 14-0312, December 18, 2013, Appendix A, Column (j)
- (2) ComEd Direct Testimony, ComEd Ex. 2.01, p. 2, Schedule FR A-1, line 23; filed 4/15/15
- (3) ComEd Direct Testimony, ComEd Ex. 2.01, p. 2, Schedule FR A-1, line 24
- (4) ComEd Direct Testimony, ComEd Ex. 2.01, p. 2, Schedule FR A-1, line 35
- (5) ComEd Direct Testimony, ComEd Ex. 2.01, p. 2, Schedule FR A-1, line 36
- (6) Staff Direct Testimony, Staff Ex. 1.0, Schedule 1.01 FY, line 1
- (7) Staff Direct Testimony, Staff Ex. 1.0, Schedule 1.01 FY, line 3
- (8) Staff Direct Testimony, Staff Ex. 1.0, Schedule 1.01 FY, line 4
- (9) Staff Direct Testimony, Staff Ex. 1.0, Schedule 1.01 FY, line 5
- (10) Column (h) line 4 minus Column (b) line 4
- (11) Line 5 divided by Column (b), line 4.

Commonwealth Edison Company
Adjustments to Operating Income
For the Filing Year Ending December 31, 2015
(In Thousands)

Line No.	Description	Interest Synchronization (Sch 1.06 FY)	Industry Association Dues (Sch 2.01)	Regulatory Commission Expense (Sch 2.02)	Credit Card Expenditures (Sch 2.03)	Outside Services Expenses (Sch 2.04)	Charitable Contributions (Sch 2.05)	Rate Case Expense (Sch 2.06)	Total Operating Statement Adjustments
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)
1	Operating Revenues	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2	Other Revenues	-	-	-	-	-	-	-	-
3	Reconciliation Adjustment	-	-	-	-	-	-	-	-
4	Return on Equity Collar Adjustment	-	-	-	-	-	-	-	-
5	Total Operating Revenue	-	-	-	-	-	-	-	-
6	Uncollectibles Expense	-	-	-	-	-	-	-	-
7	Distribution	-	-	-	(254)	-	-	-	(254)
8	Customer Accounts Expenses	-	-	-	(64)	-	-	-	(64)
9	Customer Services and Informational Exp.	-	-	-	(10)	-	-	-	(10)
10	Sales Expenses	-	-	-	-	-	-	-	-
11	Administrative and General Expense	-	(189)	(320)	(297)	(518)	(18)	(25)	(1,367)
12	Depreciation and Amortization Expense	-	-	-	-	-	-	-	-
13	Taxes Other Than Income	-	-	-	-	-	-	-	-
14	Reg Asset Amort. & Other Expense Adj	-	-	-	-	-	-	-	-
15	Pension Asset Funding Cost	-	-	-	-	-	-	-	-
16		-	-	-	-	-	-	-	-
17	Total Operating Expense	-	(189)	(320)	(625)	(518)	(18)	(25)	(1,695)
18	Before Income Taxes	-	(189)	(320)	(625)	(518)	(18)	(25)	(1,695)
19	State Income Tax	29	18	30	59	49	2	2	189
20	Federal Income Tax	95	60	101	198	164	6	8	632
21	Deferred Taxes and ITCs Net	-	-	-	-	-	-	-	-
22	Total Operating Expenses	124	(111)	(189)	(368)	(305)	(10)	(15)	(874)
23	NET OPERATING INCOME	\$ (124)	\$ 111	\$ 189	\$ 368	\$ 305	\$ 10	\$ 15	\$ 874

Commonwealth Edison Company
Adjustments to Operating Income
For the Filing Year Ending December 31, 2015
(In Thousands)

Line No.	Description	Subtotal Operating Statement Adjustments (Sch 1.02 RY col (i)) (j)	Annual Incentive Program Costs (Sch 4.01) (k)	Amounts Associated with AIP (Sch 4.02) (l)	Employee Savings Plan (Sch 4.03) (m)	(Source) (n)	(Source) (o)	(Source) (p)	Subtotal Operating Statement Adjustments (q)
1	Operating Revenues	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2	Other Revenues	-	-	-	-	-	-	-	-
3	Reconciliation Adjustment	-	-	-	-	-	-	-	-
4	Return on Equity Collar Adjustment	-	-	-	-	-	-	-	-
5	Total Operating Revenue	-	-	-	-	-	-	-	-
6	Uncollectibles Expense	-	-	-	-	-	-	-	-
7	Distribution	(254)	(3,435)	-	(868)	-	-	-	(4,557)
8	Customer Accounts Expenses	(64)	-	-	-	-	-	-	(64)
9	Customer Services and Informational Exp.	(10)	-	-	-	-	-	-	(10)
10	Sales Expenses	-	-	-	-	-	-	-	-
11	Administrative and General Expense	(1,367)	(519)	-	(131)	-	-	-	(2,017)
12	Depreciation and Amortization Expense	-	-	(79)	(19)	-	-	-	(98)
13	Taxes Other Than Income	-	-	(302)	-	-	-	-	(302)
14	Reg Asset Amort. & Other Expense Adj	-	-	-	-	-	-	-	-
15	Pension Asset Funding Cost	-	-	-	-	-	-	-	-
16		-	-	-	-	-	-	-	-
17	Total Operating Expense	-	-	-	-	-	-	-	-
18	Before Income Taxes	(1,695)	(3,954)	(381)	(1,018)	-	-	-	(7,048)
19	State Income Tax	189	376	36	97	-	-	-	698
20	Federal Income Tax	632	1,252	121	322	-	-	-	2,327
21	Deferred Taxes and ITCs Net	-	-	-	-	-	-	-	-
22	Total Operating Expenses	(874)	(2,326)	(224)	(599)	-	-	-	(4,023)
23	NET OPERATING INCOME	\$ 874	\$ 2,326	\$ 224	\$ 599	\$ -	\$ -	\$ -	\$ 4,023

Commonwealth Edison Company
Rate Base
For the Filing Year Ending December 31, 2015
(In Thousands)

Line No.	Description	Company Pro Forma Jurisdictional Rate Base (Co. Ex. 2.05, p. 11)	Adjustments (Sch 1.04 FY)	Pro Forma Rate Base per Order (Col. b+c)
	(a)	(b)	(c)	(d)
1	Distribution Plant	\$ 16,861,576	\$ (3,253)	\$ 16,858,323
2	G & I Plant	1,978,440	(756)	1,977,684
3	Accumulated Depreciation on Distribution Plant	(6,020,703)	79	(6,020,624)
4	Accumulated Depreciation on G & I Plant	(923,348)	19	(923,329)
5	Net Plant	<u>11,895,965</u>	<u>(3,911)</u>	<u>11,892,054</u>
6	Construction Work in Progress	-		
7	Cash Working Capital	(49,870)	746	(49,124)
8	Materials & Supplies Inventories	52,692	-	52,692
9	Accumulated Deferred Income Taxes	(3,173,077)	(7,520)	(3,180,597)
10	Regulatory Assets & Liabilities, Net	184,044	-	184,044
11	Deferred Costs	33,496	-	33,496
12	Operating Reserves	(319,522)	-	(319,522)
13	Asset Retirement Obligation	(19,057)	-	(19,057)
14	Deferred Liabilities	(104,720)	-	(104,720)
15	Customer Deposits	(127,836)	-	(127,836)
16	Customer Advances	(85,985)	-	(85,985)
17				
18		-	-	-
19		-	-	-
20		-	-	-
21		-	-	-
22		-	-	-
23		-	-	-
24	Rate Base	<u>\$ 8,286,130</u>	<u>\$ (10,685)</u>	<u>\$ 8,275,445</u>

Commonwealth Edison Company
Adjustments to Rate Base
For the Filing Year Ending December 31, 2015
(In Thousands)

Line No.	Description	Cash Working Capital (Sch 1.10 FY)	Credit Card Expenditures (Sch 2.03 FY)	Stock Options & Performance Share Awards (AG 3.03)	Annual Incentive Program Costs (Sch 4.01)	Amounts Associated with AIP (Sch 4.02)	Employee Savings Plan (Sch 4.03)	(Source)	Total Rate Base Adjustments
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)
1	Distribution Plant	\$ -	\$ (23)	\$ -	\$ (3,000)	\$ (230)	\$ -	\$ -	\$ (3,253)
2	G & I Plant	-	-	-	-	-	(756)	-	(756)
3	Accumulated Depreciation on Distribution Plant	-	-	-	-	79	-	-	79
4	Accumulated Depreciation on G & I Plant	-	-	-	-	-	19	-	19
5	Net Plant	-	(23)	-	(3,000)	(151)	(737)	-	(3,911)
6	Construction Work in Progress	-	-	-	-	-	-	-	-
7	Cash Working Capital	746	-	-	-	-	-	-	746
8	Materials & Supplies Inventories	-	-	-	-	-	-	-	-
9	Accumulated Deferred Income Taxes	-	-	(7,541)	-	17	4	-	(7,520)
10	Regulatory Assets & Liabilities, Net	-	-	-	-	-	-	-	-
11	Deferred Costs	-	-	-	-	-	-	-	-
12	Operating Reserves	-	-	-	-	-	-	-	-
13	Asset Retirement Obligation	-	-	-	-	-	-	-	-
14	Deferred Liabilities	-	-	-	-	-	-	-	-
15	Customer Deposits	-	-	-	-	-	-	-	-
16	Customer Advances	-	-	-	-	-	-	-	-
17	-	-	-	-	-	-	-	-	-
18	-	-	-	-	-	-	-	-	-
19	-	-	-	-	-	-	-	-	-
20	-	-	-	-	-	-	-	-	-
21	-	-	-	-	-	-	-	-	-
22	-	-	-	-	-	-	-	-	-
23	-	-	-	-	-	-	-	-	-
24	Rate Base	<u>\$ 746</u>	<u>\$ (23)</u>	<u>\$ (7,541)</u>	<u>\$ (3,000)</u>	<u>\$ (134)</u>	<u>\$ (733)</u>	<u>\$ -</u>	<u>\$ (10,685)</u>

Commonwealth Edison Company
Revenue Effect of Adjustments
For the Filing Year Ending December 31, 2015
(In Thousands)

Line No.	Description (a)	Per Company (b)	Adjustments (c)	As Adjusted (d)
1	Present Revenues	\$ 2,478,548 ⁽¹⁾	\$ -	\$ 2,478,548 ⁽²⁾
2	Increase	<u>92,156 ⁽³⁾</u>	<u>(8,114) ⁽⁴⁾</u>	<u>84,042 ⁽⁵⁾</u>
3	Revenues	<u>\$ 2,570,704</u>	<u>\$ (8,114)</u>	<u>\$ 2,562,590</u>
4	% Increase	3.72%		3.39%
5	Adjustments:			
6	Annual Incentive Program Costs (Sch 4.01)		(4,255)	
7	Employee Savings Plan (Sch 4.03)		(1,092)	
8	Stock Options & Performance Share Awards (AG 3.03)		(756)	
9	Credit Card Expenditures (Sch 2.03)		(628)	
10	Outside Services Expenses (Sch 2.04)		(518)	
11	Amounts Associated with AIP (Sch 4.02)		(394)	
12	Regulatory Commission Expense (Sch 2.02)		(321)	
13	Industry Association Dues (Sch 2.01)		(189)	
14	Rate Case Expense (Sch 2.06)		(25)	
15	Charitable Contributions (Sch 2.05)		(17)	
16	Interest Synchronization (Sch 1.06 FY)		2	
17	Rate of Return (Applied to Company Rate Base)		4	
18	Cash Working Capital (Sch 1.10 FY)		75	
19				
20				
21				
22				
23				
24				
25				
26				
27				
28				
29				
30	Rounding		<u>-</u>	
31	Total Revenue Effect of Staff Adjustments		<u>\$ (8,114)</u>	

Sources:

- (1) Schedule 1.01 FY, column (b), line 5
- (2) Schedule 1.01 FY, column (d), line 5
- (3) Schedule 1.01 FY, column (e), line 5
- (4) Schedule 1.01 FY, columns (f) + (h), line 5
- (5) Schedule 1.01 FY, column (i), line 26

Commonwealth Edison Company
Interest Synchronization Adjustment
 For the Filing Year Ending December 31, 2015
 (In Thousands)

Line No.	Description	Amount
	(a)	(b)
1	Rate Base	\$ 8,275,445 (1)
2	Weighted Cost of Debt	2.82% (2)
3	Synchronized Interest Per Staff	233,368
4	Company Interest Expense	<u>233,669</u> (3)
5	Increase (Decrease) in Interest Expense	<u>(301)</u>
6	Increase (Decrease) in State Income Tax Expense	
7	at 9.500%	<u>\$ 29</u>
8	Increase (Decrease) in Federal Income Tax Expense	
9	at 35.000%	<u>\$ 95</u>

(1) Source: Sch. 1.03 FY, column (d), line 24.

(2) Source: ComEd Ex. 2.05, p. 27, line 2.

(3) Source: ComEd Ex. 2.05, p. 27, line 3.

Commonwealth Edison Company
Gross Revenue Conversion Factor
 For the Filing Year Ending December 31, 2015
 (In Thousands)

Line No.	Description	Rate	With Bad Debts	Without Bad Debts
	(a)	(b)	(c)	(d)
1	Revenues		1.000000	
2	Uncollectibles	0.0000%	<u>0.000000</u>	
3	State Taxable Income		1.000000	1.000000
4	State Income Tax	9.5000%	<u>0.095000</u>	<u>0.095000</u>
5	Federal Taxable Income		0.905000	0.905000
6	Federal Income Tax	35.0000%	<u>0.316750</u>	<u>0.316750</u>
7	Operating Income		<u>0.588250</u>	<u>0.588250</u>
8	Gross Revenue Conversion Factor Per Order		<u>1.699958</u>	<u>1.699958</u>

Commonwealth Edison Company
Reconciliation Computation for the Reconciliation Year Ending December 31, 2014
For the Filing Year Ending December 31, 2015
(In Thousands)

Line No.	Description	Source	Amt	(d)	(e)	(f)	(g)
	(a)	(b)	(c)				
1a	Actual Revenue Requirement	Sch 1.01 RY, column (i), line 1	\$ 2,262,909				
	Revenue Requirement in effect during						
1b	Reconciliation Year	ComEd Ex. 2.01, p. 6, line 1b	\$ 2,187,317				
1c	Variance - Reconciliation Before Interest	(Ln 1a) - (Ln 1b)	\$ 75,592				
1d	ROE Collar Adjustment	Sch 1.09 FY, column b, line 36	\$ -				
1e	Variance With Collar	(Ln 1c) + (Ln 1d)	\$ 75,592				
2	Overall Rate of Return (%)	ComEd Ex. 3.05, p. 29.	7.05%				
			<u>Variance</u>	<u>Interest Rate</u>	<u>Months</u>	<u>Interest</u>	<u>Surcharge (Refund)</u>
			(Ln 1e) / 12	Ln 2/12		(c) * (d) * (e)	(c) + (f)
2014							
3	Jan		\$ 6,299	0.5875%	11.5	\$ 426	\$ 6,725
4	Feb		\$ 6,299	0.5875%	10.5	\$ 389	\$ 6,688
5	Mar		\$ 6,299	0.5875%	9.5	\$ 352	\$ 6,651
6	Apr		\$ 6,299	0.5875%	8.5	\$ 315	\$ 6,614
7	May		\$ 6,299	0.5875%	7.5	\$ 278	\$ 6,577
8	Jun		\$ 6,299	0.5875%	6.5	\$ 241	\$ 6,540
9	Jul		\$ 6,299	0.5875%	5.5	\$ 204	\$ 6,503
10	Aug		\$ 6,299	0.5875%	4.5	\$ 167	\$ 6,466
11	Sep		\$ 6,299	0.5875%	3.5	\$ 130	\$ 6,429
12	Oct		\$ 6,299	0.5875%	2.5	\$ 93	\$ 6,392
13	Nov		\$ 6,299	0.5875%	1.5	\$ 56	\$ 6,355
14	Dec		\$ 6,299	0.5875%	0.5	\$ 19	\$ 6,318
15	Total	Sum of (Ln 5) thru (Ln 16)	\$ 75,592			\$ 2,665	\$ 78,257
			<u>Balance</u>	<u>Interest Rate</u>	<u>Months</u>	<u>Interest</u>	<u>Balance</u>
				Ln 4/12		(c) * (d) * (e)	(c) + (f)
2015							
16	Jan - Dec	Col G Ln 15	\$ 78,257	0.5875%	12	\$ 5,517	\$ 83,774
			<u>Balance</u>	<u>Interest Rate</u>		<u>Amort</u>	<u>Balance</u>
				Ln 4/12		(2')	(c) + (c) * (d) - (f)
2016							
17	Jan	Col G Ln 16	\$ 83,774	0.5875%		\$ 7,251	\$ 77,015
18	Feb	Col G Ln 17	\$ 77,015	0.5875%		\$ 7,251	\$ 70,217
19	Mar	Col G Ln 18	\$ 70,217	0.5875%		\$ 7,251	\$ 63,379
20	Apr	Col G Ln 19	\$ 63,379	0.5875%		\$ 7,251	\$ 56,501
21	May	Col G Ln 20	\$ 56,501	0.5875%		\$ 7,251	\$ 49,582
22	Jun	Col G Ln 21	\$ 49,582	0.5875%		\$ 7,251	\$ 42,623
23	Jul	Col G Ln 22	\$ 42,623	0.5875%		\$ 7,251	\$ 35,623
24	Aug	Col G Ln 23	\$ 35,623	0.5875%		\$ 7,251	\$ 28,581
25	Sep	Col G Ln 24	\$ 28,581	0.5875%		\$ 7,251	\$ 21,499
26	Oct	Col G Ln 25	\$ 21,499	0.5875%		\$ 7,251	\$ 14,374
27	Nov	Col G Ln 26	\$ 14,374	0.5875%		\$ 7,251	\$ 7,208
28	Dec	Col G Ln 27	\$ 7,208	0.5875%		\$ 7,251	\$ 0
29	Variance with Interest	Sum of (Ln 17) thru (Ln 28)				\$ 87,007	
30	Remove ROE Collar Adjustment (3')	Col C Ln 1d				\$ -	To Sch 1.01 FY, col (i), line 4
31	Reconciliation with Interest	(Ln 29) - (Ln 30)				\$ 87,007	To Sch 1.01 FY, col (i), line 3

Commonwealth Edison Company
ROE Collar Computation for the Reconciliation Year Ending December 31, 2013
For the Filing Year Ending December 31, 2015
(In Thousands)

Line No.	Description (a)	Per Staff (b)	Source (c)
1	DS Rate Base Capital Structure	\$ 7,116,623	Sch 1.03 RY, Column (d), Ln 24
2	Common Equity %	46.25%	ComEd Ex. 2.05, p. 28 - Schedule D-1 F
3	Short-Term Debt %	0.57%	ComEd Ex. 2.05, p. 28 - Schedule D-1 F
4	Long-Term Debt %	53.18%	ComEd Ex. 2.05, p. 28 - Schedule D-1 F
5	DS Equity Balance	\$ 3,291,438	Ln 1 x Ln 2
6	DS Short-Term Debt Balance	\$ 40,565	Ln 1 x Ln 3
7	DS Long-Term Debt Balance	\$ 3,784,620	Ln 1 x Ln 4
8	Cost of Short-Term Debt (%)	0.33%	ComEd Ex. 2.05, p. 28 - Schedule D-1 F
9	Cost of Long-Term Debt (%)	5.24%	ComEd Ex. 2.05, p. 28 - Schedule D-1 F
10	DS Operating Revenue	\$ 2,328,475	FERC Fm 1, p. 450.2
11	Accrued Reconciliation & Collar Revenues	\$ 73,000	FERC Fm 1, p. 450.2
12	Updated Reconciliation Amount (Var. bef. Collar)	\$ 75,592	Sch. 1.08 FY, col (c), Ln 1c
13	LIHEAP & Uncollectibles Revenue	\$ 46,402	ComEd Schedule FR A-3, line 13
14	Other Revenue	\$ 130,999	Sch. 1.01 RY, col (i), Ln. 2
15	DS Applicable Operating Revenue	\$ 2,415,664	Ln 10 - Ln 11 + Ln 12 - Ln 13 + Ln 14
16	Total DS Operating Expenses	\$ 1,704,089	Sch 1.01 RY, Column (d), Ln 18
17	DS Operating Income Before Interest & Taxes	\$ 711,575	Ln 15 - Ln 16
18	DS Short-Term Interest Expense	\$ 134	Ln 6 x Ln 8
19	DS Long-Term Interest Expense	\$ 198,314	Ln 7 x Ln 9
20	Credit Facilities Expense	\$ 2,135	Ln 1 x Credit Facilities % from ROR
21	DS Operating Income before Taxes	\$ 510,992	Ln 17 - Ln 18 - Ln 19 - Ln 20
22	Income Tax Rate (%)	41.175%	
23	DS Income Taxes	\$ 210,401	Ln 21 x Ln 22
24	Impact of ITCs & Permanent Tax Differences	\$ (7,757)	
25	DS Net Income	\$ 308,348	Ln 21 - Ln 23 - Ln 24
26	DS ROE (%)	9.37%	Ln 25 / Ln 5
	ROE Collar		
27	Allowed ROE (%)	9.09%	ComEd Schedule FR A-1
28	Maximum Allowed ROE (%)	9.59%	Ln 27 + .5%
29	Minimum Allowed ROE (%)	8.59%	Ln 27 - .5%
30	Percent Above Maximum Allowed ROE (%)	0.00%	
31	Amount Above Allowed ROE Collar	\$ -	Ln 5 x Ln 30
32	Percent Below Minimum Allowed ROE (%)	0.00%	Ln 29 - Ln 26
33	Amount Below Allowed ROE Collar	\$ -	Ln 5 x Ln 32
34	ROE Collar Adj After Tax	\$ -	Ln 31 + Ln 33
35	ROE Collar Tax Gross-up	\$ -	Ln 34 x Ln 22/(1- Ln 22)
36	ROE Collar Adj	\$ -	Ln 34 + Ln 35

Commonwealth Edison Company
Cash Working Capital Adjustment
For the Filing Year Ending December 31, 2015
(In Thousands)

Line	Description (a)	Amount (b)	Lag (Lead) (c)	CWC Factor (d) (c/365)	CWC Requirement (e) (b*d)	Column b Source (f)
1	Revenues	\$ 1,158,249	49.54	0.13573	\$ 157,204	Schedule 1.10 FY, Page 2, Column b, Line 9
2	Collections of Pass-through Taxes:					
3	Energy Assistance/Renewable Energy	46,118	0.00	0.00000	-	Line 32 below
4	Gross Receipts/Municipal Utility Tax	257,220	0.00	0.00000	-	Line 33 below
5	Illinois Excise Tax	257,883	34.33	0.09405	24,255	Line 34 below
6	City of Chicago Infrastructure Maintenance Fi	89,716	34.33	0.09405	8,438	Line 35 below
7	Total Receipts	<u>\$ 1,809,186</u>			<u>\$ 189,897</u>	Sum of Lines 1 through 6
8	Base Payroll and Withholdings	\$ 290,350	(16.19)	(0.04436)	\$ (12,879)	Schedule 1.10 FY, Page 2, Column b, Line 31
9	Vacation Pay Expense	-	(16.19)	(0.04436)	-	
10	Incentive Pay Expense	37,281	(239.50)	(0.65616)	(24,462)	ComEd Ex. 2.01, APP 3, Line 50
11	Employee Benefits - Pension & OPEB	77,407	0.00	0.00000	-	ComEd Ex. 2.01, APP 3, Line 51
12	Employee Benefits - Other	53,197	(4.19)	(0.01148)	(611)	ComEd Ex. 2.01, APP 3, Line 52
13	Inter-Company billings - Less Pass-throughs	90,544	(45.21)	(0.12386)	(11,215)	ComEd Ex. 2.01, APP 3, Line 53
14	Inter-Company billings - Pass-throughs	73,683	(45.21)	(0.12386)	(9,127)	ComEd Ex. 2.01, APP 3, Line 54
15	Property Leases	23,969	(2.91)	(0.00797)	(191)	ComEd Ex. 2.01, APP 3, Line 55
16	Other Operations and Maintenance Expenses	346,632	(87.33)	(0.23926)	(82,935)	Schedule 1.10 FY, Page 2, Column b, Line 25
17	Property/Real Estate Tax	14,641	(336.37)	(0.92156)	(13,493)	ComEd Ex. 2.01, APP 3, Line 57
18	FICA Tax	23,291	(16.19)	(0.04436)	(1,033)	ComEd Ex. 2.01, APP 3, Line 58
19	Federal Unemployment Tax	-	(76.38)	(0.20926)	-	ComEd Ex. 2.01, APP 3, Line 59
20	State Unemployment Tax	-	(76.38)	(0.20926)	-	ComEd Ex. 2.01, APP 3, Line 60
21	Electricity Distribution Tax	101,883	(31.13)	(0.08529)	(8,689)	ComEd Ex. 2.01, APP 3, Line 61
22	State Franchise Tax	1,686	(191.64)	(0.52504)	(885)	ComEd Ex. 2.01, APP 3, Line 62
23	City of Chicago Dark Fiber Tax	-	0.00	0.00000	-	ComEd Ex. 2.01, APP 3, Line 63
24	401K Match	-	0.00	0.00000	-	ComEd Ex. 2.01, APP 3, Line 64
25	State Public Utility Fund Tax	3,836	(38.64)	(0.10586)	(406)	ComEd Ex. 2.01, APP 3, Line 65
26	Illinois Sales and Use Tax	(2,640)	(2.51)	(0.00688)	18	ComEd Ex. 2.01, APP 3, Line 66
27	Chicago Sales and Use Tax	69	(228.50)	(0.62603)	(43)	ComEd Ex. 2.01, APP 3, Line 67
28	Interest Expense	233,368	(90.88)	(0.24899)	(58,105)	Schedule 1.06 FY, Column b, Line 3
29	State Income Tax	(48,669)	(37.88)	(0.10378)	5,051	Schedule 1.01 FY, Column i, Line 19
30	Federal Income Tax	(162,279)	(37.88)	(0.10378)	16,841	Schedule 1.01 FY, Column i, Line 20
31	Payments of Pass-through Taxes					
32	Energy Assistance/Renewable Energy	46,118	(31.46)	(0.08619)	(3,975)	ComEd Ex. 2.01, APP 3, Line 72
33	Gross Receipts/Municipal Utility Tax	257,220	(37.35)	(0.10233)	(26,321)	ComEd Ex. 2.01, APP 3, Line 73
34	Illinois Excise Tax	257,883	(0.24)	(0.00066)	(170)	ComEd Ex. 2.01, APP 3, Line 74
35	City of Chicago Infrastructure Maintenance Fi	89,716	(26.00)	(0.07123)	(6,391)	ComEd Ex. 2.01, APP 3, Line 75
36	not used	-	0.00	0.00000	-	NA
37	Total Outlays	<u>\$ 1,809,186</u>			<u>\$ (239,021)</u>	Sum of Lines 8 through 36
38	Cash Working Capital per Staff				\$ (49,124)	Line 7 plus line 37
39	Cash Working Capital per Company				(49,870)	ComEd Ex. 2.01, APP 3, Line 80
40	Difference -- Adjustment per Staff				<u>\$ 746</u>	Line 38 minus Line 39

Commonwealth Edison Company
Cash Working Capital Adjustment
For the Filing Year Ending December 31, 2015
(In Thousands)

<u>Line</u>	<u>Description</u> (a)	<u>Amount</u> (b)	<u>Source</u> (c)
1	Total Operating Revenues	\$ 2,562,590	Schedule 1.01 FY , Column i, Line 5
2	Uncollectible Accounts	-	Schedule 1.01 FY , Column i, Line 6
3	Depreciation & Amortization	(522,671)	Schedule 1.01 FY , Column i, Line 12
4	Regulatory Debits	(43,288)	ComEd Ex. 2.02, WP 3-1b, Line 4
5	Less: Pension Asset Cost Funding	(51,984)	ComEd Ex. 2.02, WP 3-1b, Line 5
6	Less Deferred Taxes and ITC	(436,347)	Schedule 1.01 FY , Column i, Line 21
7	City of Chicago Dark Fiber Tax	-	NA
8	Return on Equity	(350,051)	Line 12 below
9	Total Revenues for CWC calculation	<u>\$ 1,158,249</u>	Sum of Lines 1 through 8
10	Total Rate Base	\$ 8,275,445	Schedule 1.03 FY , Column d, Line 24
11	Weighted Cost of Capital	4.23%	ICC Staff Ex. 3.0, p. 3
12	Return on Equity	<u>\$ 350,051</u>	Line 10 times Line 11
13	Operating Expense Before Income Taxes	\$ 1,753,772	Schedule 1.01 FY , Column i, Line 18
14	Payroll Expense	(327,631)	ComEd Ex. 2.02, WP 3-1b, Line 14
15	Intercompany billings - Less Pass-throughs	(90,544)	ComEd Ex. 2.02, WP 3-1b, Line 15
16	Intercompany billings - Pass-throughs	(73,683)	ComEd Ex. 2.02, WP 3-1b, Line 16
17	Employee Benefits Expense - Pension and OPEB	(77,407)	ComEd Ex. 2.02, WP 3-1b, Line 17
18	Employee Benefits Expense - Other	(53,197)	ComEd Ex. 2.02, WP 3-1b, Line 18
19	Uncollectible Accounts	-	Schedule 1.01 FY , Column i, Line 6
20	Depreciation & Amortization	(522,671)	Schedule 1.01 FY , Column i, Line 12
21	Regulatory Debits	(43,288)	ComEd Ex. 2.02, WP 3-1b, Line 4
22	Pension Asset Cost Funding	(51,984)	ComEd Ex. 2.02, WP 3-1b, Line 5
23	Taxes Other Than Income	(142,766)	Schedule 1.10 FY, p. 1, Column b, sum line 17 through 27
24	Property Leases	(23,969)	ComEd Ex. 2.02, WP 3-1b, Line 24
25	Other Operations & Maintenance for CWC Calculation	<u>\$ 346,632</u>	Sum of Lines 13 through 24
26	Direct O & M Payroll per Company	\$ 367,684	ComEd Ex. 2.02, WP 3-1b, Line 26
27	less: Power Production Payroll	(1,414)	ComEd Ex. 2.02, WP 3-1b, Line 27
28	less: Transmission Payroll	(38,529)	ComEd Ex. 2.02, WP 3-1b, Line 28
29	less: Payroll Taxes on Supply	(110)	ComEd Ex. 2.02, WP 3-1b, Line 29
30	less: Net Incentive Pay	(37,281)	ComEd Ex. 2.02, WP 3-1b, Line 30
31	Direct Payroll and Incentive Compensation	<u>\$ 290,350</u>	Sum of Lines 26 through 30

Commonwealth Edison Company
Adjustments to Operating Income
For the Reconciliation Year Ending December 31, 2014
(In Thousands)

Line No.	Description	Interest Synchronization (Sch 1.06 RY)	Industry Association Dues (Sch 2.01)	Regulatory Commission Expense (Sch 2.02)	Credit Card Expenditures (Sch 2.03)	Outside Services Expenses (Sch 2.04)	Charitable Contributions (Sch 2.05)	Rate Case Expense (Sch 2.06)	Total Operating Statement Adjustments
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)
1	Operating Revenues	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2	Other Revenues	-	-	-	-	-	-	-	-
3	Reconciliation Adjustment	-	-	-	-	-	-	-	-
4	Return on Equity Collar Adjustment	-	-	-	-	-	-	-	-
5	Total Operating Revenue	-	-	-	-	-	-	-	-
6	Uncollectibles Expense	-	-	-	-	-	-	-	-
7	Distribution	-	-	-	(254)	-	-	-	(254)
8	Customer Accounts Expenses	-	-	-	(64)	-	-	-	(64)
9	Customer Services and Informational Exp.	-	-	-	(10)	-	-	-	(10)
10	Sales Expenses	-	-	-	-	-	-	-	-
11	Administrative and General Expense	-	(189)	(320)	(297)	(518)	(18)	(25)	(1,367)
12	Depreciation and Amortization Expense	-	-	-	-	-	-	-	-
13	Taxes Other Than Income	-	-	-	-	-	-	-	-
14	Reg Asset Amort. & Other Expense Adj	-	-	-	-	-	-	-	-
15	Pension Asset Funding Cost	-	-	-	-	-	-	-	-
16		-	-	-	-	-	-	-	-
17	Total Operating Expense	-	(189)	(320)	(625)	(518)	(18)	(25)	(1,695)
18	Before Income Taxes	-	(189)	(320)	(625)	(518)	(18)	(25)	(1,695)
19	State Income Tax	29	18	30	59	49	2	2	189
20	Federal Income Tax	96	60	101	198	164	6	8	633
21	Deferred Taxes and ITCs Net	-	-	-	-	-	-	-	-
22	Total Operating Expenses	125	(111)	(189)	(368)	(305)	(10)	(15)	(873)
23	NET OPERATING INCOME	\$ (125)	\$ 111	\$ 189	\$ 368	\$ 305	\$ 10	\$ 15	\$ 873

Commonwealth Edison Company
Adjustments to Operating Income
For the Reconciliation Year Ending December 31, 2014
(In Thousands)

Line No.	Description	Subtotal Operating Statement Adjustments (Sch 1.02 RY col (i)) (j)	Annual Incentive Program Costs (Sch 4.01) (k)	Amounts Associated with AIP (Sch 4.02) (l)	Employee Savings Plan (Sch 4.03) (m)	(Source) (n)	(Source) (o)	(Source) (p)	Subtotal Operating Statement Adjustments (q)
1	Operating Revenues	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2	Other Revenues	-	-	-	-	-	-	-	-
3	Reconciliation Adjustment	-	-	-	-	-	-	-	-
4	Return on Equity Collar Adjustment	-	-	-	-	-	-	-	-
5	Total Operating Revenue	-	-	-	-	-	-	-	-
6	Uncollectibles Expense	-	-	-	-	-	-	-	-
7	Distribution	(254)	(3,435)	-	(868)	-	-	-	(4,557)
8	Customer Accounts Expenses	(64)	-	-	-	-	-	-	(64)
9	Customer Services and Informational Exp.	(10)	-	-	-	-	-	-	(10)
10	Sales Expenses	-	-	-	-	-	-	-	-
11	Administrative and General Expense	(1,367)	(519)	-	(131)	-	-	-	(2,017)
12	Depreciation and Amortization Expense	-	-	(79)	(19)	-	-	-	(98)
13	Taxes Other Than Income	-	-	(302)	-	-	-	-	(302)
14	Reg Asset Amort. & Other Expense Adj	-	-	-	-	-	-	-	-
15	Pension Asset Funding Cost	-	-	-	-	-	-	-	-
16		-	-	-	-	-	-	-	-
17	Total Operating Expense	-	-	-	-	-	-	-	-
18	Before Income Taxes	(1,695)	(3,954)	(381)	(1,018)	-	-	-	(7,048)
19	State Income Tax	189	376	36	97	-	-	-	698
20	Federal Income Tax	633	1,252	121	322	-	-	-	2,328
21	Deferred Taxes and ITCs Net	-	-	-	-	-	-	-	-
22	Total Operating Expenses	(873)	(2,326)	(224)	(599)	-	-	-	(4,022)
23	NET OPERATING INCOME	\$ 873	\$ 2,326	\$ 224	\$ 599	\$ -	\$ -	\$ -	\$ 4,022

Commonwealth Edison Company
Rate Base
For the Reconciliation Year Ending December 31, 2014
(In Thousands)

Line No.	Description	Company Pro Forma Jurisdictional Rate Base (Co. Ex. 2.03 p. 9)	Adjustments (Sch 1.04 RY)	Adjusted Rate Base (Col. b+c)
	(a)	(b)	(c)	(d)
1	Distribution Plant	\$ 15,496,244	\$ (3,253)	\$ 15,492,991
2	G & I Plant	1,748,013	(756)	1,747,257
3	Accumulated Depreciation on Distribution Plant	(5,724,843)	79	(5,724,764)
4	Accumulated Depreciation on G & I Plant	(831,018)	19	(830,999)
5	Net Plant	<u>10,688,396</u>	<u>(3,911)</u>	<u>10,684,485</u>
6	Construction Work in Progress	20,166	-	20,166
7	Cash Working Capital	(47,239)	693	(46,546)
8	Materials & Supplies Inventories	52,692	-	52,692
9	Accumulated Deferred Income Taxes	(3,159,114)	(7,520)	(3,166,634)
10	Regulatory Assets & Liabilities, Net	98,816	-	98,816
11	Deferred Costs	33,496	-	33,496
12	Operating Reserves	(319,522)	-	(319,522)
13	Asset Retirement Obligation	(19,057)	-	(19,057)
14	Deferred Liabilities	(7,452)	-	(7,452)
15	Customer Deposits	(127,836)	-	(127,836)
16	Customer Advances	(85,985)	-	(85,985)
17				
18		-	-	-
19		-	-	-
20		-	-	-
21		-	-	-
22		-	-	-
23		<u>-</u>	<u>-</u>	<u>-</u>
24	Rate Base	<u>\$ 7,127,361</u>	<u>\$ (10,738)</u>	<u>\$ 7,116,623</u>

Commonwealth Edison Company
Adjustments to Rate Base
For the Reconciliation Year Ending December 31, 2014
(In Thousands)

Line No.	Description	Cash Working Capital (Sch 1.10 RY)	Credit Card Expenditures (Sch 2.03 FY)	Stock Options & Performance Share Awards (AG 3.03)	Annual Incentive Program Costs (Sch 4.01)	Amounts Associated with AIP (Sch 4.02)	Employee Savings Plan (Sch 4.03)	(Source)	Total Rate Base Adjustments
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)
1	Distribution Plant	\$ -	\$ (23)	\$ -	\$ (3,000)	\$ (230)	\$ -	\$ -	\$ (3,253)
2	G & I Plant	-	-	-	-	-	(756)	-	(756)
3	Accumulated Depreciation on Distribution Plant	-	-	-	-	79	-	-	79
4	Accumulated Depreciation on G & I Plant	-	-	-	-	-	19	-	19
5	Net Plant	-	(23)	-	(3,000)	(151)	(737)	-	(3,911)
6	Construction Work in Progress	-	-	-	-	-	-	-	-
7	Cash Working Capital	693	-	-	-	-	-	-	693
8	Materials & Supplies Inventories	-	-	-	-	-	-	-	-
9	Accumulated Deferred Income Taxes	-	-	(7,541)	-	17	4	-	(7,520)
10	Regulatory Assets & Liabilities, Net	-	-	-	-	-	-	-	-
11	Deferred Costs	-	-	-	-	-	-	-	-
12	Operating Reserves	-	-	-	-	-	-	-	-
13	Asset Retirement Obligation	-	-	-	-	-	-	-	-
14	Deferred Liabilities	-	-	-	-	-	-	-	-
15	Customer Deposits	-	-	-	-	-	-	-	-
16	Customer Advances	-	-	-	-	-	-	-	-
17	-	-	-	-	-	-	-	-	-
18	-	-	-	-	-	-	-	-	-
19	-	-	-	-	-	-	-	-	-
20	-	-	-	-	-	-	-	-	-
21	-	-	-	-	-	-	-	-	-
22	-	-	-	-	-	-	-	-	-
23	-	-	-	-	-	-	-	-	-
24	Rate Base	<u>\$ 693</u>	<u>\$ (23)</u>	<u>\$ (7,541)</u>	<u>\$ (3,000)</u>	<u>\$ (134)</u>	<u>\$ (733)</u>	<u>\$ -</u>	<u>\$ (10,738)</u>

Commonwealth Edison Company
Revenue Effect of Adjustments
For the Reconciliation Year Ending December 31, 2014
(In Thousands)

Line No.	Description (a)	Per Company (b)	Adjustments (c)	As Adjusted (d)
1	Present Revenues	\$ 2,362,242 ⁽¹⁾	\$ -	\$ 2,362,242 ⁽²⁾
2	Increase	<u>35,923 ⁽³⁾</u>	<u>(4,257) ⁽⁴⁾</u>	<u>31,666 ⁽⁵⁾</u>
3	Revenues	<u>\$ 2,398,165</u>	<u>\$ (4,257)</u>	<u>\$ 2,393,908</u>
4	% Increase	1.52%		1.34%
5	Adjustments:			
6	Annual Incentive Program Costs (Sch 4.01)		(4,253)	
7	Employee Savings Plan (Sch 4.03)		(1,091)	
8	Stock Options & Performance Share Awards (AG 3.03)		(753)	
9	Credit Card Expenditures (Sch 2.03)		(628)	
10	Outside Services Expenses (Sch 2.04)		(518)	
11	Amounts Associated with AIP (Sch 4.02)		(394)	
12	Regulatory Commission Expense (Sch 2.02)		(321)	
13	Industry Association Dues (Sch 2.01)		(189)	
14	Rate Case Expense (Sch 2.06)		(25)	
15	Charitable Contributions (Sch 2.05)		(17)	
16	Interest Synchronization (Sch 1.06 RY)		2	
17	Cash Working Capital (Sch 1.10 RY)		69	
18	Rate of Return (Applied to Company Rate Base)		3,862	
19				
20				
21				
22				
23				
24				
25				
26				
27				
28				
29				
30	Rounding		<u>(1)</u>	
31	Total Revenue Effect of Staff Adjustments		<u>\$ (4,257)</u>	

Sources:

- (1) Schedule 1.01 RY, column (b), line 5
- (2) Schedule 1.01 RY, column (d), line 5
- (3) Schedule 1.01 RY, column (e), line 5
- (4) Schedule 1.01 RY, columns (f) + (h), line 5
- (5) Schedule 1.01 RY, column (i), line 26

Commonwealth Edison Company
Interest Synchronization Adjustment
For the Reconciliation Year Ending December 31, 2014
(In Thousands)

Line No.	Description	Amount
	(a)	(b)
1	Rate Base	\$ 7,116,623 (1)
2	Weighted Cost of Debt	2.82% (2)
3	Synchronized Interest Per Staff	200,689
4	Company Interest Expense	<u>200,992 (3)</u>
5	Increase (Decrease) in Interest Expense	<u>(303)</u>
6	Increase (Decrease) in State Income Tax Expense	
7	at 9.500%	<u>\$ 29</u>
8	Increase (Decrease) in Federal Income Tax Expense	
9	at 35.000%	<u>\$ 96</u>

(1) Source: Sch. 1.03 FY, column (d), line 24

(2) Source: ComEd Ex. 2.03, p. 92, lines 2.

(3) Source: ComEd Ex. 2.03, p. 92, line 3.

Commonwealth Edison Company
Gross Revenue Conversion Factor
 For the Reconciliation Year Ending December 31, 2014
 (In Thousands)

Line No.	Description	Rate	With Bad Debts	Without Bad Debts
	(a)	(b)	(c)	(d)
1	Revenues		1.000000	
2	Uncollectibles	0.0000%	<u>0.000000</u>	
3	State Taxable Income		1.000000	1.000000
4	State Income Tax	9.5000%	<u>0.095000</u>	<u>0.095000</u>
5	Federal Taxable Income		0.905000	0.905000
6	Federal Income Tax	35.0000%	<u>0.316750</u>	<u>0.316750</u>
7	Operating Income		<u>0.588250</u>	<u>0.588250</u>
8	Gross Revenue Conversion Factor Per Order		<u>1.699958</u>	<u>1.699958</u>

Commonwealth Edison Company
Cash Working Capital Adjustment
For the Reconciliation Year Ending December 31, 2014
(In Thousands)

Line	Description (a)	Amount (b)	Lag (Lead) (c)	CWC Factor (d) (c/365)	CWC Requirement (e) (b*d)	Column b Source (f)
1	Revenues	\$ 1,090,403	49.54	0.13573	\$ 147,996	Schedule 1.10 RY, Page 2, Column b, Line 9
2	Collections of Pass-through Taxes:					
3	Energy Assistance/Renewable Energy	46,118	0.00	0.00000	-	Line 32 below
4	Gross Receipts/Municipal Utility Tax	257,220	0.00	0.00000	-	Line 33 below
5	Illinois Excise Tax	257,883	34.33	0.09405	24,255	Line 34 below
6	City of Chicago Infrastructure Maintenance Fi	89,716	34.33	0.09405	8,438	Line 35 below
7	Total Receipts	<u>\$ 1,741,340</u>			<u>\$ 180,689</u>	Sum of Lines 1 through 6
8	Base Payroll and Withholdings	\$ 290,350	(16.19)	(0.04436)	\$ (12,879)	Schedule 1.10 FY, Page 2, Column b, Line 31
9	Vacation Pay Expense	-	(16.19)	(0.04436)	-	
10	Incentive Pay Expense	37,281	(239.50)	(0.65616)	(24,462)	ComEd Ex. 3.01, APP 3, Line 10
11	Employee Benefits - Pension & OPEB	77,407	0.00	0.00000	-	ComEd Ex. 2.01, APP 3, Line 11
12	Employee Benefits - Other	53,197	(4.19)	(0.01148)	(611)	ComEd Ex. 2.01, APP 3, Line 12
13	Inter-Company billings - Less Pass-throughs	90,544	(45.21)	(0.12386)	(11,215)	ComEd Ex. 2.01, APP 3, Line 13
14	Inter-Company billings - Pass-throughs	73,683	(45.21)	(0.12386)	(9,127)	ComEd Ex. 2.01, APP 3, Line 14
15	Property Leases	23,969	(2.91)	(0.00797)	(191)	ComEd Ex. 2.01, APP 3, Line 15
16	Other Operations and Maintenance Expenses	346,632	(87.33)	(0.23926)	(82,935)	Schedule 1.10 FY, Page 2, Column b, Line 25
17	Property/Real Estate Tax	14,641	(336.37)	(0.92156)	(13,493)	ComEd Ex. 2.01, APP 3, Line 17
18	FICA Tax	23,291	(16.19)	(0.04436)	(1,033)	ComEd Ex. 2.01, APP 3, Line 18
19	Federal Unemployment Tax	-	(76.38)	(0.20926)	-	ComEd Ex. 2.01, APP 3, Line 19
20	State Unemployment Tax	-	(76.38)	(0.20926)	-	ComEd Ex. 2.01, APP 3, Line 20
21	Electricity Distribution Tax	101,883	(31.13)	(0.08529)	(8,689)	ComEd Ex. 2.01, APP 3, Line 21
22	State Franchise Tax	1,686	(191.64)	(0.52504)	(885)	ComEd Ex. 2.01, APP 3, Line 22
23	City of Chicago Dark Fiber Tax	-	0.00	0.00000	-	ComEd Ex. 2.01, APP 3, Line 23
24	401K Match	-	0.00	0.00000	-	ComEd Ex. 2.01, APP 3, Line 24
25	State Public Utility Fund Tax	3,836	(38.64)	(0.10586)	(406)	ComEd Ex. 2.01, APP 3, Line 25
26	Illinois Sales and Use Tax	(2,640)	(2.51)	(0.00688)	18	ComEd Ex. 2.01, APP 3, Line 26
27	Chicago Sales and Use Tax	69	(228.50)	(0.62603)	(43)	ComEd Ex. 2.01, APP 3, Line 27
28	Interest Expense	200,689	(90.88)	(0.24899)	(49,969)	Schedule 1.06 FY, Column b, Line 3
29	State Income Tax	(56,782)	(37.88)	(0.10378)	5,893	Schedule 1.01 FY, Column i, Line 19
30	Federal Income Tax	(189,333)	(37.88)	(0.10378)	19,649	Schedule 1.01 FY, Column i, Line 20
31	Payments of Pass-through Taxes					
32	Energy Assistance/Renewable Energy	46,118	(31.46)	(0.08619)	(3,975)	ComEd Ex. 2.01, APP 3, Line 32
33	Gross Receipts/Municipal Utility Tax	257,220	(37.35)	(0.10233)	(26,321)	ComEd Ex. 2.01, APP 3, Line 33
34	Illinois Excise Tax	257,883	(0.24)	(0.00066)	(170)	ComEd Ex. 2.01, APP 3, Line 34
35	City of Chicago Infrastructure Maintenance Fi	89,716	(26.00)	(0.07123)	(6,391)	ComEd Ex. 2.01, APP 3, Line 35
36	not used	-	0.00	0.00000	-	NA
37	Total Outlays	<u>\$ 1,741,340</u>			<u>\$ (227,235)</u>	Sum of Lines 8 through 36
38	Cash Working Capital per Staff				\$ (46,546)	Line 7 plus line 37
39	Cash Working Capital per Company				(47,239)	ComEd Ex. 2.01, APP 3, Line 40
40	Difference -- Adjustment per Staff				<u>\$ 693</u>	Line 38 minus Line 39

Commonwealth Edison Company
Cash Working Capital Adjustment
For the Reconciliation Year Ending December 31, 2014
(In Thousands)

<u>Line</u>	<u>Description</u> (a)	<u>Amount</u> (b)	<u>Source</u> (c)
1	Total Operating Revenues	\$ 2,393,908	Schedule 1.01 RY, Column i, Line 5
2	Uncollectible Accounts	-	Schedule 1.01 RY, Column i, Line 6
3	Depreciation & Amortization	(472,988)	Schedule 1.01 RY, Column i, Line 12
4	Regulatory Debits	(43,288)	ComEd Ex. 2.02, WP 3-1a, Line 4
5	Less: Pension Asset Cost Funding	(51,984)	ComEd Ex. 2.02, WP 3-1a, Line 5
6	Less Deferred Taxes and ITC	(436,347)	Schedule 1.01 RY, Column i, Line 21
7	City of Chicago Dark Fiber Tax	-	NA
8	Return on Equity	(298,898)	Line 12 below
9	Total Revenues for CWC calculation	<u>\$ 1,090,403</u>	Sum of Lines 1 through 8
10	Total Rate Base	\$ 7,116,623	Schedule 1.03 RY, Column d, Line 24
11	Weighted Cost of Capital	4.20%	ICC Staff Ex. 3.0, p. 3
12	Return on Equity	<u>\$ 298,898</u>	Line 10 times Line 11
13	Operating Expense Before Income Taxes	\$ 1,704,089	Schedule 1.01 RY, Column i, Line 18
14	Payroll Expense	(327,631)	ComEd Ex. 2.02, WP 3-1a, Line 14
15	Intercompany billings - Less Pass-throughs	(90,544)	ComEd Ex. 2.02, WP 3-1a, Line 15
16	Intercompany billings - Pass-throughs	(73,683)	ComEd Ex. 2.02, WP 3-1a, Line 16
17	Employee Benefits Expense - Pension and OPEB	(77,407)	ComEd Ex. 2.02, WP 3-1a, Line 17
18	Employee Benefits Expense - Other	(53,197)	ComEd Ex. 2.02, WP 3-1a, Line 18
19	Uncollectible Accounts	-	Schedule 1.01 RY, Column i, Line 6
20	Depreciation & Amortization	(472,988)	Schedule 1.01 RY, Column i, Line 12
21	Regulatory Debits	(43,288)	ComEd Ex. 2.02, WP 3-1a, Line 4
22	Pension Asset Cost Funding	(51,984)	ComEd Ex. 2.02, WP 3-1a, Line 5
23	Taxes Other Than Income	(142,766)	Schedule 1.10 RY, p. 1, Column b, sum line 17 through 27
24	Property Leases	(23,969)	ComEd Ex. 2.02, WP 3-1a, Line 24
25	Other Operations & Maintenance for CWC Calculation	<u>\$ 346,632</u>	Sum of Lines 13 through 24
26	Direct O & M Payroll per Company	\$ 367,684	ComEd Ex. 2.02, WP 3-1a, Line 26
27	less: Power Production Payroll	(1,414)	ComEd Ex. 2.02, WP 3-1a, Line 27
28	less: Transmission Payroll	(38,529)	ComEd Ex. 2.02, WP 3-1a, Line 28
29	less: Payroll Taxes on Supply	(110)	ComEd Ex. 2.02, WP 3-1a, Line 29
30	less: Net Incentive Pay	(37,281)	ComEd Ex. 2.02, WP 3-1a, Line 30
31	Direct Payroll and Incentive Compensation	<u>\$ 290,350</u>	Sum of Lines 26 through 30

ICC Docket No. 15-0287

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

AG 3.01 – 3.06

Date Received: May 15, 2015

Date Served: June 2, 2015

REQUEST NO. AG 3.03:

Ref: ComEd Ex. 2.02, Page 26, Line 33.

Please explain why it is appropriate to include the deferred taxes related to "Stock Options; Other Equity Based Compensation" in rate base. The response should also explain whether the accrued liability or reserve related for "Stock Options; Other Equity Based Compensation" is reflected in the determination of rate base and, if so, where.

RESPONSE:

Upon further analysis, ComEd has identified that the deferred tax asset associated to "Stock Options; Other Equity Based Compensation" is related to the underlying expenses for Long Term Performance Share Awards, Restricted Stock and Stock Options. As the costs for these programs have either been fully removed (Restricted Stock and Stock Options) or nearly fully removed (Long Term Performance Share Awards), ComEd will reflect an adjustment in Rebuttal Testimony to remove \$7,541,000 (jurisdictional) from rate base. This adjustment will decrease the revenue requirement by \$1,620,000.