

REBUTTAL 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

August 12, 2015

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SCHEDULES

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Schedule 5.10	Cash Working Capital Adjustment

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. Have you previously filed testimony in this proceeding?**

6 A. Yes, my direct testimony was filed as ICC Staff Ex. 1.0 on June 30, 2015.

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

8 A. I present:

- 9 1. The Staff of the Illinois Commerce Commission's ("Staff") adjusted Statements
10 of Operating Income and Rate Base for Commonwealth Edison Company's
11 ("ComEd" or "Company") electric utility delivery service operations for the
12 reconciliation year ("RY") and the filing year ("FY");
- 13 2. Staff's determination of the Reconciliation Adjustment and the Return on Equity
14 ("ROE") Collar Computation;
- 15 3. My recommendation for the Original Cost Determination; and
- 16 4. My response to certain adjustments to operating expenses proposed by
17 Attorney General and City of Chicago ("AG/City") witnesses, Michael L. Brosch
18 and David J. Efron, and Citizens Utility Board and Illinois Industrial Energy
19 Consumers ("CUBIEC") witness, Michael P. Gorman.

20 **Schedule and Attachment Identification**

21 **Q. Are you sponsoring any schedules as part of ICC Staff Exhibit 5.0?**

22 A. Yes. I prepared the schedules listed below for the Company for the 2015 filing
23 year and 2014 reconciliation year. The letters that follow the schedule numbers
24 indicate to which revenue requirement the respective schedule pertains. The
25 letters "FY" indicate the filing year revenue requirement on which delivery service
26 rates effective January 2016 will be based. The letters "RY" indicate the

27 reconciliation year revenue requirement, which is the *actual* revenue requirement
28 for 2014, as adjusted by Staff. If letters do not follow the schedule number, the
29 schedule pertains to both the filing year and reconciliation year revenue
30 requirement.

31 Revenue Requirement Schedules

32	Summary	Summary of Base Rate Revenue Change from Prior Case
33	Schedule 5.01	Statement of Operating Income with Adjustments
34	Schedule 5.02	Adjustments to Operating Income
35	Schedule 5.03	Rate Base
36	Schedule 5.04	Adjustments to Rate Base
37	Schedule 5.05	Revenue Effect of Adjustments
38	Schedule 5.06	Interest Synchronization Adjustment
39	Schedule 5.07	Gross Revenue Conversion Factor

40 Adjustment Schedules

41	Schedule 5.08 FY	Reconciliation Computation (Filing Year Only)
42	Schedule 5.09 FY	Return on Equity Collar Computation (Filing Year Only)
43	Schedule 5.10	Cash Working Capital Adjustment

44 Revenue Requirement Schedules

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

47 A. The Summary shows the total net revenue requirement from the prior year formula
48 rate case final order (column (b)), the changes proposed by the Company in direct

49 testimony (column (c)) and the associated percentage change (column (d)), and
50 the Company's total net revenue requirement proposed in direct testimony in the
51 current proceeding (column (e)). The Summary also shows the impact of
52 adjustments to the total net revenue requirement proposed by the Company in its
53 direct testimony in the current proceeding as reflected in Staff's rebuttal testimony
54 (column (f)) and the associated percentage (column (g)). Staff's proposed total
55 net revenue requirement as reflected in its rebuttal testimony is then reflected in
56 (column (h)).

57 **Q. Please describe Schedule 5.01, Statement of Operating Income with**
58 **Adjustments.**

59 A. Schedule 5.01 is the same as ICC Staff Exhibit 1.0, Schedule 1.01, described on
60 pages 4-5 of ICC Staff Exhibit 1.0, except that it incorporates Company and Staff
61 rebuttal testimony positions.

62 **Q. Please describe Schedule 5.02, Adjustments to Operating Income.**

63 A. Schedule 5.02 for each revenue requirement identifies Staff's adjustments to
64 Operating Income. The source of each adjustment is shown in the heading of each
65 column. Column (q) is carried forward to Schedule 5.01, column (c).

66 **Q. Please describe Schedule 5.03, Rate Base.**

67 A. Schedule 5.03 is the same as ICC Staff Exhibit 1.0, Schedule 1.03 described on
68 page 6 of ICC Staff Exhibit 1.0, except that it incorporates Company and Staff
69 rebuttal testimony positions.

70 **Q. Please describe Schedule 5.04, Adjustments to Rate Base.**

71 A. Schedule 5.04 for each revenue requirement identifies Staff's adjustments to Rate
72 Base. The source of each adjustment is shown in the heading of each column.
73 Column (i) is carried forward to Schedule 5.03, Column (c).

74 **Revenue Effect of Adjustments**

75 **Q. Please describe Schedule 5.05, Revenue Effect of Adjustments.**

76 A. Schedule 5.05 uses the same concept as ICC Staff Exhibit 1.0, Schedule 1.05.
77 The theory is discussed on ICC Staff Exhibit 1.0, page 6.

78 **Interest Synchronization**

79 **Q. Please describe Schedule 5.06, Interest Synchronization Adjustment.**

80 A. Schedule 5.06 uses the same concept as ICC Staff Exhibit 1.0, Schedule 1.06.
81 The theory is discussed on ICC Staff Exhibit 1.0, page 7.

82 **Gross Revenue Conversion Factor**

83 **Q. Please describe Schedule 5.07, Gross Revenue Conversion Factor.**

84 A. Schedule 5.07 uses the same concept as ICC Staff Exhibit 1.0, Schedule 1.07.
85 The theory is discussed on ICC Staff Exhibit 1.0, pages 7-8.

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

87 **Q. Please describe Schedule 5.08 FY, Reconciliation Computation.**

88 A. Schedule 5.08 FY uses the same concept as ICC Staff Exhibit 1.0, Schedule 1.08
89 FY. The theory is discussed on ICC Staff Exhibit 1.0, page 8.

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

91 **Q. Please describe Schedule 5.09 FY, Return on Equity Collar Computation.**

92 A. Schedule 5.09 FY uses the same concept as ICC Staff Exhibit 1.0, Schedule 1.09
93 FY. The theory is discussed on ICC Staff Exhibit 1.0, pages 8-9. The Company did
94 not take issue with the mechanics of the computation although not all adjustments
95 to the inputs, addressed individually throughout Staff testimony, were accepted by
96 the Company. The final inputs should reflect the Commission conclusions on all
97 issues.

98 **Cash Working Capital Adjustment**

99 **Q. Please describe Schedule 5.10, Cash Working Capital Adjustment.**

100 A. Schedule 5.10 presents the adjustment to Cash Working Capital (“CWC”) to reflect
101 Staff’s proposed level of operating expenses. The final CWC balance should be
102 calculated using the revenue requirement approved by the Commission in this
103 proceeding.

104 **Q. What are the differences between your calculations of CWC and the**
105 **Company’s calculation of CWC?**

106 A. There are no differences between the Company’s method and Staff’s method of
107 calculating CWC. My Schedule 5.10 produces a different result than the
108 Company’s CWC calculation because my schedule reflects Staff’s adjustments to
109 the Company’s position.

110 **Accepted Adjustments**

111 **Q. Which of Staff’s adjustments from direct testimony has ComEd accepted?**

112 A. The Company accepted, did not contest or partially accepted, proposed
113 adjustments to Charitable Contributions (ComEd Ex. 9.0, 3); Accumulated

114 Deferred Income Taxes (“ADIT”) related to expenses for Long Term Performance
115 Share Awards, Restricted Stock and Stock Options (Id., 3, 11); Industry
116 Association Dues (Id., 3, 18-22); Regulatory Commission Expense; (Id., 3, 22) and
117 Rate Case Expense (ComEd Ex. 8.0, 31-32).

118 The Company accepted part of Staff’s proposed adjustment to industry association
119 dues. (ComEd Ex. 9.0, 3, 18-22.) The portion of the adjustment that the Company
120 did not accept is reflected in column (c) of Schedule 5.02.

121 Staff proposed adjustments that the Company did not accept are in columns (d),
122 (e), (f), (g), (h) and (k) of Schedule 5.02 and columns (c), (d), (e) and (f) of Schedule
123 5.04.

124 **Q. Which intervenor adjustments from direct testimony has ComEd accepted?**

125 A. The Company partially accepted or did not contest proposed adjustments to
126 Customer Advances (ComEd Ex. 9.0, 8-11) and Other Current ADIT (ComEd Ex.
127 8.0, 24-25). These adjustments are reflected in the Company’s rebuttal position.

128 **Q. Did the Company include other adjustments in its rebuttal testimony?**

129 A. Yes. The Company included an additional adjustment to rate case expense, an
130 adjustment to reclassify contributions to distribution expense (tree trimming) and
131 an adjustment to regulatory asset amortization. (ComEd Ex. 9.0, 22; ComEd Ex.
132 9.07, lines 6, 11 and 13; respectively.) Staff is not proposing any adjustments to
133 these additional adjustments presented by the Company in its rebuttal testimony.

134 **Reconciliation Balance Interest**

135 **Q. Do you support the intervenors' proposal to apply interest to the**
136 **reconciliation balance net of related ADIT? (AG/City Ex. 1.0, 3-4); (AG/City**
137 **Ex 2.0, 7-9) (CUB/IIEC Ex 1.0, 5-8.)**

138 A. No. This issue has been raised in prior Dockets (Docket Nos. 13-0318, 13-0386
139 and 14-0312) and rejected by the Commission. Also, I am advised by my attorneys
140 that on July 29, 2015, the Illinois Appellate Court rejected this proposal and
141 affirmed the Commission's determination. People ex rel. Madigan v. Illinois
142 Commerce Comm'n, 2015 IL App (1st) 140275.

143 **ADIT Related to Plant Additions**

144 **Q. Do you support the intervenors' proposal to change the amount of**
145 **depreciation on projected assets used to calculate ADIT? (CUB/IIEC Ex 1.0,**
146 **11-13.)**

147 A. No. The Commission has already considered and adopted a method to determine
148 the depreciation expense on projected plant additions to include in the calculation
149 of ADIT in its Order in Docket No. 14-0316. Commonwealth Edison Co., ICC Order
150 Docket No. 14-0316, 26 (Nov. 25, 2014). No argument has been offered that any
151 circumstance has changed to warrant adopting a different method for determining
152 the amount of depreciation on projected plant additions to include in the calculation
153 of ADIT.

154 **Original Cost Determination**

155 **Q. Did the Company agree with your recommended original cost**
156 **determination?**

157 A. The Company did not respond to my recommendation; however, I am revising my
158 original cost determination to reflect Staff adjustments proposed in rebuttal
159 testimony.

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

162 A. I recommend the Commission approve \$17,198,474,000 as the original cost of
163 plant as of December 31, 2014. This figure is the jurisdictional rate base proposed
164 by Staff. (ICC Staff Ex. 5.03 RY, column (d), line 1 plus line 2; \$15,469,005,000
165 plus \$1,729,469,000.) If the Commission makes any additional adjustments to
166 plant, however, commensurate adjustments should also be reflected in the original
167 cost determination. Further, I recommend that the Commission include the
168 following language in the Findings and Orderings paragraphs of its Order in this
169 proceeding:

170 (#) the Commission, based on ComEd's proposed original cost of
171 plant in service as of December 31, 2014, before adjustments,
172 of \$17,199,997,000, and reflecting the Commission's
173 determination adjusting that figure, approves
174 \$17,198,474,000 as the composite original cost of
175 jurisdictional distribution services plant in service as of
176 December 31, 2014.

177 **Conclusion**

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

179 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	Adjustments		Staff RT 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) \$ (8,062)		\$ 2,431,643
2	Reconciliation Adjustment with Interest	234,465	(1) (142,612)		91,853	(3) (9,933)		81,920
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>\$ (17,995)</u>	(0.71)%	<u>\$ 2,513,563</u>
5	Total \$ Change - Total Net Revenue Requirement							\$ (68,451)
6	Total % Change - Total Net Revenue Requirement							(2.65)%

Notes

- (1) Commission Order in Docket No. 14-0312, December 18, 2013, Appendix A, Column (j)
- (2) ComEd Direct Testimony, ComEd Ex. 9.01, p. 2, Schedule FR A-1, line 23; filed 4/15/15
- (3) ComEd Direct Testimony, ComEd Ex. 9.01, p. 2, Schedule FR A-1, line 24
- (4) ComEd Direct Testimony, ComEd Ex. 9.01, p. 2, Schedule FR A-1, line 35
- (5) ComEd Direct Testimony, ComEd Ex. 9.01, p. 2, Schedule FR A-1, line 36
- (6) Staff Direct Testimony, Staff Ex. 5.0, Schedule 5.01 FY, line 1
- (7) Staff Direct Testimony, Staff Ex. 5.0, Schedule 5.01 FY, line 3
- (8) Staff Direct Testimony, Staff Ex. 5.0, Schedule 5.01 FY, line 4
- (9) Staff Direct Testimony, Staff Ex. 5.0, Schedule 5.01 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 5.06 FY)	Industry Association Dues (Sch 6.01)	Rate Case Expense (Sch 6.02)	Credit Card Expenditures (Sch 6.03)	Outside Services Expenses (Sch 2.04)	Annual Incentive Program Costs (Sch 4.01)	Amounts Associated with AIP (Sch 4.02)	Subtotal 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	-	-	-	-	-	-	-	-
6	Uncollectibles Expense	-	-	-	-	-	-	-	-
7	Distribution	-	-	-	(181)	-	(3,435)	-	(3,616)
8	Customer Accounts Expenses	-	-	-	(64)	-	-	-	(64)
9	Customer Services and Informational Exp.	-	-	-	(10)	-	-	-	(10)
10	Sales Expenses	-	-	-	-	-	-	-	-
11	Administrative and General Expense	-	(33)	(3)	(297)	(518)	(519)	-	(1,370)
12	Depreciation and Amortization Expense	-	-	-	-	-	-	(79)	(79)
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	-	(33)	(3)	(552)	(518)	(3,954)	(381)	(5,441)
19	State Income Tax	9	3	-	52	49	376	36	525
20	Federal Income Tax	29	10	1	175	164	1,252	121	1,752
21	Deferred Taxes and ITCs Net	-	-	-	-	-	-	-	-
22	Total Operating Expenses	<u>38</u>	<u>(20)</u>	<u>(2)</u>	<u>(325)</u>	<u>(305)</u>	<u>(2,326)</u>	<u>(224)</u>	<u>(3,164)</u>
23	NET OPERATING INCOME	<u>\$ (38)</u>	<u>\$ 20</u>	<u>\$ 2</u>	<u>\$ 325</u>	<u>\$ 305</u>	<u>\$ 2,326</u>	<u>\$ 224</u>	<u>\$ 3,164</u>

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

Line No.	Description	Company Jurisdictional Rate Base (Co. Ex. 9.05, p. 11)	Adjustments (Sch 5.04 FY)	Jurisdictional Rate Base per Staff (Col. b+c)
	(a)	(b)	(c)	(d)
1	Distribution Plant	\$ 16,866,190	\$ (3,253)	\$ 16,862,937
2	G & I Plant	1,978,440	(756)	1,977,684
3	Accumulated Depreciation on Distribution Plant	(6,020,837)	79	(6,020,758)
4	Accumulated Depreciation on G & I Plant	(923,348)	19	(923,329)
5	Net Plant	<u>11,900,445</u>	<u>(3,911)</u>	<u>11,896,534</u>
6	Construction Work in Progress	-		
7	Cash Working Capital	(49,795)	666	(49,129)
8	Materials & Supplies Inventories	52,692	-	52,692
9	Accumulated Deferred Income Taxes	(3,182,068)	21	(3,182,047)
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	(90,599)	-	(90,599)
17				
18		-	-	-
19		-	-	-
20		-	-	-
21		-	-	-
22		-	-	-
23		<u>-</u>	<u>-</u>	<u>-</u>
24	Rate Base	<u>\$ 8,277,080</u>	<u>\$ (3,224)</u>	<u>\$ 8,273,856</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 5.10 FY)	Credit Card Expenditures (Sch 6.03)	Annual Incentive Program Costs (Sch 4.01)	Amounts Associated with AIP (Sch 4.02)	Employee Savings Plan (Sch 4.03)	(Source)	(Source)	Subtotal 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	666	-	-	-	-	-	-	666
8	Materials & Supplies Inventories	-	-	-	-	-	-	-	-
9	Accumulated Deferred Income Taxes	-	-	-	17	4	-	-	21
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	\$ 666	\$ (23)	\$ (3,000)	\$ (134)	\$ (733)	\$ -	\$ -	\$ (3,224)

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>90,874 ⁽³⁾</u>	<u>(6,780) ⁽⁴⁾</u>	<u>84,094 ⁽⁵⁾</u>
3	Revenues	<u>\$ 2,569,422</u>	<u>\$ (6,780)</u>	<u>\$ 2,562,642</u>
4	% Increase	3.67%		3.39%
5	Adjustments:			
6	Annual Incentive Program Costs (Sch 4.01)		(3,967)	
7	Employee Savings Plan (Sch 4.03)		(1,018)	
8	Outside Services Expenses (Sch 2.04)		(819)	
9	Credit Card Expenditures (Sch 6.03)		(552)	
10	Amounts Associated with AIP (Sch 4.02)		(455)	
11	Industry Association Dues (Sch 6.01)		(34)	
12	Rate Case Expense (Sch 6.02)		(5)	
13	Gross Revenue Conversion Factor		1	
14	Interest Synchronization (Sch 5.06 FY)		2	
15	Rate of Return (Applied to Company Rate Base)		2	
16	Cash Working Capital (Sch 5.10 FY)		67	
17				
18				
19				
20				
21				
22				
23				
24				
25				
26				
27				
28				
29				
30	Rounding		<u>(2)</u>	
31	Total Revenue Effect of Staff Adjustments		<u>\$ (6,780)</u>	

Sources:

- (1) Schedule 5.01 FY, column (b), line 5
- (2) Schedule 5.01 FY, column (d), line 5
- (3) Schedule 5.01 FY, column (e), line 5
- (4) Schedule 5.01 FY, columns (f) + (h), line 5
- (5) Schedule 5.01 FY, column (i), line 26

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

Line No.	Description (a)	Amount (b)
1	Rate Base	\$ 8,273,856 (1)
2	Weighted Cost of Debt	2.82% (2)
3	Synchronized Interest Per Staff	233,323
4	Company Interest Expense	<u>233,414</u> (3)
5	Increase (Decrease) in Interest Expense	<u>(91)</u>
6	Increase (Decrease) in State Income Tax Expense	
7	at 9.500%	<u>\$ 9</u>
8	Increase (Decrease) in Federal Income Tax Expense	
9	at 35.000%	<u>\$ 29</u>

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

(2) Source: ComEd Ex. 9.05, p. 27, line 2.

(3) Source: ComEd Ex. 9.05, 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	\$ 2,258,531				
	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)	\$ 71,214				
1d	ROE Collar Adjustment	Sch 1.09 FY, column b, line 36	\$ -				
1e	Variance With Collar	(Ln 1c) + (Ln 1d)	\$ 71,214				
2	Overall Rate of Return (%)	ComEd Ex. 3.05, p. 29.	7.02%				
			<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		\$ 5,935	0.5850%	11.5	\$ 399	\$ 6,334
4	Feb		\$ 5,935	0.5850%	10.5	\$ 365	\$ 6,299
5	Mar		\$ 5,935	0.5850%	9.5	\$ 330	\$ 6,264
6	Apr		\$ 5,935	0.5850%	8.5	\$ 295	\$ 6,230
7	May		\$ 5,935	0.5850%	7.5	\$ 260	\$ 6,195
8	Jun		\$ 5,935	0.5850%	6.5	\$ 226	\$ 6,160
9	Jul		\$ 5,935	0.5850%	5.5	\$ 191	\$ 6,125
10	Aug		\$ 5,935	0.5850%	4.5	\$ 156	\$ 6,091
11	Sep		\$ 5,935	0.5850%	3.5	\$ 122	\$ 6,056
12	Oct		\$ 5,935	0.5850%	2.5	\$ 87	\$ 6,021
13	Nov		\$ 5,935	0.5850%	1.5	\$ 52	\$ 5,987
14	Dec		\$ 5,935	0.5850%	0.5	\$ 17	\$ 5,952
15	Total	Sum of (Ln 5) thru (Ln 16)	\$ 71,214			\$ 2,500	\$ 73,714
			<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	\$ 73,714	0.5850%	12	\$ 5,175	\$ 78,888
			<u>Balance</u>	<u>Interest Rate</u>	<u>Months</u>	<u>Amort</u>	<u>Balance</u>
				Ln 4/12		(2')	(c) + (c) * (d) - (f)
2016							
17	Jan	Col G Ln 16	\$ 78,888	0.5850%		\$ 6,827	\$ 72,523
18	Feb	Col G Ln 17	\$ 72,523	0.5850%		\$ 6,827	\$ 66,121
19	Mar	Col G Ln 18	\$ 66,121	0.5850%		\$ 6,827	\$ 59,681
20	Apr	Col G Ln 19	\$ 59,681	0.5850%		\$ 6,827	\$ 53,203
21	May	Col G Ln 20	\$ 53,203	0.5850%		\$ 6,827	\$ 46,688
22	Jun	Col G Ln 21	\$ 46,688	0.5850%		\$ 6,827	\$ 40,134
23	Jul	Col G Ln 22	\$ 40,134	0.5850%		\$ 6,827	\$ 33,542
24	Aug	Col G Ln 23	\$ 33,542	0.5850%		\$ 6,827	\$ 26,912
25	Sep	Col G Ln 24	\$ 26,912	0.5850%		\$ 6,827	\$ 20,243
26	Oct	Col G Ln 25	\$ 20,243	0.5850%		\$ 6,827	\$ 13,534
27	Nov	Col G Ln 26	\$ 13,534	0.5850%		\$ 6,827	\$ 6,787
28	Dec	Col G Ln 27	\$ 6,787	0.5850%		\$ 6,827	\$ (0)
29	Variance with Interest	Sum of (Ln 17) thru (Ln 28)				\$ 81,920	
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)				\$ 81,920	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	\$ 7,078,307	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	\$ 3,273,717	Ln 1 x Ln 2
6	DS Short-Term Debt Balance	\$ 40,346	Ln 1 x Ln 3
7	DS Long-Term Debt Balance	\$ 3,764,244	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)	\$ 71,214	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	\$ 2,411,286	Ln 10 - Ln 11 + Ln 12 - Ln 13 + Ln 14
16	Total DS Operating Expenses	\$ 1,704,168	Sch 1.01 RY, Column (d), Ln 18
17	DS Operating Income Before Interest & Taxes	\$ 707,118	Ln 15 - Ln 16
18	DS Short-Term Interest Expense	\$ 133	Ln 6 x Ln 8
19	DS Long-Term Interest Expense	\$ 197,246	Ln 7 x Ln 9
20	Credit Facilities Expense	\$ 2,123	Ln 1 x Credit Facilities % from ROR
21	DS Operating Income before Taxes	\$ 507,616	Ln 17 - Ln 18 - Ln 19 - Ln 20
22	Income Tax Rate (%)	41.175%	
23	DS Income Taxes	\$ 209,011	Ln 21 x Ln 22
24	Impact of ITCs & Permanent Tax Differences	\$ (7,757)	
25	DS Net Income	\$ 306,362	Ln 21 - Ln 23 - Ln 24
26	DS ROE (%)	9.36%	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	\$ 1,158,234	49.54	0.13573	\$ 157,202	Schedule 5.10 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 F	89,716	34.33	0.09405	8,438	Line 35 below
7	Total Receipts	<u>\$ 1,809,171</u>			<u>\$ 189,895</u>	Sum of Lines 1 through 6
8	Base Payroll and Withholdings	\$ 290,350	(16.19)	(0.04436)	\$ (12,879)	Schedule 5.10 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	346,711	(87.33)	(0.23926)	(82,954)	Schedule 5.10 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	233,323	(90.88)	(0.24899)	(58,094)	Schedule 5.06 FY, Column b, Line 3
29	State Income Tax	(48,680)	(37.88)	(0.10378)	5,052	Schedule 5.01 FY, Column i, Line 19
30	Federal Income Tax	(162,317)	(37.88)	(0.10378)	16,845	Schedule 5.01 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 F	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>\$ 1,809,171</u>			<u>\$ (239,024)</u>	Sum of Lines 8 through 36
38	Cash Working Capital per Staff				\$ (49,129)	Line 7 plus line 37
39	Cash Working Capital per Company				(49,795)	ComEd Ex. 9.01, APP 3, Line 80
40	Difference -- Adjustment per Staff				<u>\$ 666</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	\$ 2,562,642	Schedule 5.01 FY , Column i, Line 5
2	Uncollectible Accounts	-	Schedule 5.01 FY , Column i, Line 6
3	Depreciation & Amortization	(522,805)	Schedule 5.01 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 5.01 FY , Column i, Line 21
7	City of Chicago Dark Fiber Tax	-	NA
8	Return on Equity	(349,984)	Line 12 below
9	Total Revenues for CWC calculation	<u>\$ 1,158,234</u>	Sum of Lines 1 through 8
10	Total Rate Base	\$ 8,273,856	Schedule 5.03 FY , Column d, Line 24
11	Weighted Cost of Capital	4.23%	ICC Staff Ex. 3.0, p. 3
12	Return on Equity	<u>\$ 349,984</u>	Line 10 times Line 11
13	Operating Expense Before Income Taxes	\$ 1,753,985	Schedule 5.01 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 5.01 FY , Column i, Line 6
20	Depreciation & Amortization	(522,805)	Schedule 5.01 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 5.10 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>\$ 346,711</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 5.06 RY)	Industry Association Dues (Sch 6.01)	Rate Case Expense (Sch 6.02)	Credit Card Expenditures (Sch 6.03)	Outside Services Expenses (Sch 2.04)	Annual Incentive Program Costs (Sch 4.01)	Amounts Associated with AIP (Sch 4.02)	Subtotal Operating Statement Adjustments
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)
1	Revenue Requirement	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2	Other Revenues	-	-	-	-	-	-	-	-
3	-	-	-	-	-	-	-	-	-
4	-	-	-	-	-	-	-	-	-
5	Total	-	-	-	-	-	-	-	-
6	Uncollectibles Expense	-	-	-	-	-	-	-	-
7	Distribution	-	-	-	(181)	-	(3,435)	-	(3,616)
8	Customer Accounts Expenses	-	-	-	(64)	-	-	-	(64)
9	Customer Services and Informational Exp.	-	-	-	(10)	-	-	-	(10)
10	Sales Expenses	-	-	-	-	-	-	-	-
11	Administrative and General Expense	-	(33)	(3)	(297)	(518)	(519)	-	(1,370)
12	Depreciation and Amortization Expense	-	-	-	-	-	-	(79)	(79)
13	Taxes Other Than Income	-	-	-	-	-	-	(302)	(302)
14	Reg Asset Amort. & Other Expense Adj	-	-	-	-	-	-	-	-
15	Pension Asset Funding Cost	-	-	-	-	-	-	-	-
16	-	-	-	-	-	-	-	-	-
17	Total Operating Expense	-	(33)	(3)	(552)	(518)	(3,954)	(381)	(5,441)
18	Before Income Taxes	-	(33)	(3)	(552)	(518)	(3,954)	(381)	(5,441)
19	State Income Tax	9	3	-	52	49	376	36	525
20	Federal Income Tax	29	10	1	175	164	1,252	121	1,752
21	Deferred Taxes and ITCs Net	-	-	-	-	-	-	-	-
22	Total Operating Expenses	<u>38</u>	<u>(20)</u>	<u>(2)</u>	<u>(325)</u>	<u>(305)</u>	<u>(2,326)</u>	<u>(224)</u>	<u>(3,164)</u>
23	NET OPERATING INCOME	<u>\$ (38)</u>	<u>\$ 20</u>	<u>\$ 2</u>	<u>\$ 325</u>	<u>\$ 305</u>	<u>\$ 2,326</u>	<u>\$ 224</u>	<u>\$ 3,164</u>

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

Line No.	Description	Company Jurisdictional Rate Base (Co. Ex. 9.03 p. 7)	Adjustments (Sch 5.04 RY)	Jurisdictional Rate Base per Staff (Col. b+c)
	(a)	(b)	(c)	(d)
1	Distribution Plant	\$ 15,472,258	\$ (3,253)	\$ 15,469,005
2	G & I Plant	1,730,225	(756)	1,729,469
3	Accumulated Depreciation on Distribution Plant	(5,721,893)	79	(5,721,814)
4	Accumulated Depreciation on G & I Plant	(815,276)	19	(815,257)
5	Net Plant	<u>10,665,314</u>	<u>(3,911)</u>	<u>10,661,403</u>
6	Construction Work in Progress	20,166	-	20,166
7	Cash Working Capital	(47,154)	665	(46,489)
8	Materials & Supplies Inventories	52,692	-	52,692
9	Accumulated Deferred Income Taxes	(3,165,292)	21	(3,165,271)
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	(90,599)	-	(90,599)
17				
18		-	-	-
19		-	-	-
20		-	-	-
21		-	-	-
22		-	-	-
23		<u>-</u>	<u>-</u>	<u>-</u>
24	Rate Base	<u>\$ 7,081,532</u>	<u>\$ (3,225)</u>	<u>\$ 7,078,307</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 5.10 RY)	Credit Card Expenditures (Sch 6.03)	Annual Incentive Program Costs (Sch 4.01)	Amounts Associated with AIP (Sch 4.02)	Employee Savings Plan (Sch 4.03)	(Source)	(Source)	Subtotal 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	665	-	-	-	-	-	-	665
8	Materials & Supplies Inventories	-	-	-	-	-	-	-	-
9	Accumulated Deferred Income Taxes	-	-	-	17	4	-	-	21
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	\$ 665	\$ (23)	\$ (3,000)	\$ (134)	\$ (733)	\$ -	\$ -	\$ (3,225)

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

Line No.	Description	Per Company	Adjustments	As Adjusted
	(a)	(b)	(c)	(d)
1	Present Revenues	\$ 2,362,242 ⁽¹⁾	\$ -	\$ 2,362,242 ⁽²⁾
2	Increase	<u>34,068 ⁽³⁾</u>	<u>(6,780) ⁽⁴⁾</u>	<u>27,288 ⁽⁵⁾</u>
3	Revenues	<u>\$ 2,396,310</u>	<u>\$ (6,780)</u>	<u>\$ 2,389,530</u>
4	% Increase	1.44%		1.16%
5	Adjustments:			
6	Annual Incentive Program Costs (Sch 4.01)		(3,967)	
7	Employee Savings Plan (Sch 4.03)		(1,018)	
8	Outside Services Expenses (Sch 2.04)		(817)	
9	Credit Card Expenditures (Sch 6.03)		(552)	
10	Amounts Associated with AIP (Sch 4.02)		(454)	
11	Industry Association Dues (Sch 6.01)		(34)	
12	Rate Case Expense (Sch 6.02)		(5)	
13	Rate of Return (Applied to Company Rate Base)		1	
14	Gross Revenue Conversion Factor		1	
15	Interest Synchronization (Sch 5.06 RY)		2	
16	Cash Working Capital (Sch 5.10 RY)		66	
17				
18				
19				
20				
21				
22				
23				
24				
25				
26				
27				
28				
29				
30	Rounding		<u>(3)</u>	
31	Total Revenue Effect of Staff Adjustments		<u>\$ (6,780)</u>	

Sources:

- (1) Schedule 5.01 RY, column (b), line 5
- (2) Schedule 5.01 RY, column (d), line 5
- (3) Schedule 5.01 RY, column (e), line 5
- (4) Schedule 5.01 RY, columns (f) + (h), line 5
- (5) Schedule 5.01 RY, column (i), line 26

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

Line No.	Description (a)	Amount (b)
1	Rate Base	\$ 7,078,307 (1)
2	Weighted Cost of Debt	2.82% (2)
3	Synchronized Interest Per Staff	199,608
4	Company Interest Expense	<u>199,699</u> (3)
5	Increase (Decrease) in Interest Expense	<u>(91)</u>
6	Increase (Decrease) in State Income Tax Expense	
7	at 9.500%	<u>\$ 9</u>
8	Increase (Decrease) in Federal Income Tax Expense	
9	at 35.000%	<u>\$ 29</u>

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

(2) Source: ComEd Ex. 9.03, p. 24, line 2.

(3) Source: ComEd Ex. 9.03, p. 25, line 5.

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	\$ 1,087,634	49.54	0.13573	\$ 147,620	Schedule 5.10 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>\$ 1,738,571</u>			<u>\$ 180,313</u>	Sum of Lines 1 through 6
8	Base Payroll and Withholdings	\$ 290,350	(16.19)	(0.04436)	\$ (12,879)	Schedule 5.10 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	346,711	(87.33)	(0.23926)	(82,954)	Schedule 5.10 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	199,608	(90.88)	(0.24899)	(49,700)	Schedule 5.06 FY, Column b, Line 3
29	State Income Tax	(57,190)	(37.88)	(0.10378)	5,935	Schedule 5.01 FY, Column i, Line 19
30	Federal Income Tax	(190,692)	(37.88)	(0.10378)	19,790	Schedule 5.01 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>\$ 1,738,571</u>			<u>\$ (226,802)</u>	Sum of Lines 8 through 36
38	Cash Working Capital per Staff				\$ (46,489)	Line 7 plus line 37
39	Cash Working Capital per Company				(47,154)	ComEd Ex. 9.01, APP 3, Line 40
40	Difference -- Adjustment per Staff				<u>\$ 665</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	\$ 2,389,530	Schedule 5.01 RY, Column i, Line 5
2	Uncollectible Accounts	-	Schedule 5.01 RY, Column i, Line 6
3	Depreciation & Amortization	(472,988)	Schedule 5.01 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 5.01 RY, Column i, Line 21
7	City of Chicago Dark Fiber Tax	-	NA
8	Return on Equity	(297,289)	Line 12 below
9	Total Revenues for CWC calculation	<u>\$ 1,087,634</u>	Sum of Lines 1 through 8
10	Total Rate Base	\$ 7,078,307	Schedule 5.03 RY, Column d, Line 24
11	Weighted Cost of Capital	4.20%	ICC Staff Ex. 3.0, p. 3
12	Return on Equity	<u>\$ 297,289</u>	Line 10 times Line 11
13	Operating Expense Before Income Taxes	\$ 1,704,168	Schedule 5.01 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 5.01 RY, Column i, Line 6
20	Depreciation & Amortization	(472,988)	Schedule 5.01 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 5.10 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>\$ 346,711</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