

Response to Commonwealth Edison Company's
First Set of Data Requests to Staff
Docket No. 14-0075
Response of ICC Staff Witness Morris
Data Request Response Date: May 3, 2016

ICC Person Responsible: Jennifer H. Morris
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ComEd→Staff 1.06: Referring to page 14 of Staff Ex. 1.2 to Ms. Morris's Direct Testimony (Staff Ex. 1.0) regarding the AC Cycling program, please provide the bases and assumptions for Ms. Morris's proposed adjustments to the PV participant costs, including any studies, analyses or data relied upon by Ms. Morris for develop such bases and assumptions.

Response to ComEd→Staff 1.06:

Ms. Morris determined that ComEd's original TRC analysis did not include participant transaction costs or the participant value of lost service in the TRC analysis for the AC Cycling Program, which distorts the TRC results. Ms. Morris took an approach comparable to that approved by the Commission in ICC Docket No. 12-0544 for the Appliance Recycling Program in terms of estimating a proxy value for such participant costs by taking the incentive costs multiplied by the NTG ratio (see Staff Resp. to ComEd DR 1.03(c)). Therefore, Ms. Morris included a reasonable proxy for such costs in the TRC analysis, namely, treating the costs the Company pays to participants for demand response, and classifying such costs as participant costs, based in part on the theory that a customer will accept a loss of service if and only if the customer believes the incentive and bill savings (or increase in bills, hypothetically, a customer might participate in a program that increases their bills if the participant compensation more than offsets the bill increase) exceed the value of the lost service plus any transaction costs. Ms. Morris believes that given the proxy for the participant transaction costs and the value of lost service is only applied to year 1 of the extensive 15-year measure life length assumed for the TRC analysis, the proxy for such transaction and lost service costs that Ms. Morris assumed is likely on the conservative end.