PUBLIC

GROUP EXHIBIT 7.0

OFFICIAL FILE
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Witness Com-Ed
Date 8-11-16 Reporter T6

ICC Docket No. 16-0089

Commonwealth Edison Company's Response to
Illinois Commerce Commission ("STAFF") Data Requests
SDR 1.01 – 1.22
Date Received: March 9, 2016
Date Served: April 7, 2016

Cleanup Goals and Activities

REQUEST NO. SDR 1.01:

Describe with specificity how the actions undertaken by the Company comply with each of the four prudence standards contained in the Commission's Order in Docket Nos. 91-0080 through 91-0095 (Consolidated).

RESPONSE:

Person responsible for response: Gail MacMillan

ComEd objects to this request on the grounds it is overbroad, vague and ambiguous. To the extent that this request is interpreted to require additional information, ComEd also objects on the grounds that it is unreasonable and unduly burdensome. Subject to and without waiving the foregoing objections or any of ComEd's General Objections, ComEd states as follows:

The four (4) prudence standards in the Commission's Order in ICC Docket Nos. 91-0080 through 91-0095 (Consolidated) are as follows:

1) Reasonable and Appropriate Business Standards;

2) The Requirements of Other Relevant State and/or Federal Authorities;

3) Minimization of Costs to Ratepayers, Consistent with Safety, Reliability and Quality Assurance; and

4) Based on Facts and Knowledge the Company Knew or Reasonably Should Have Known at the Time the Expenditures Were Made.

The costs incurred by ComEd in 2015 for environmental activities associated with manufactured gas plant ("MGP") sites were in compliance with the four (4) prudence standards identified above. Although ComEd's compliance with these standards is described in detail in MacMillan Dir., ComEd Ex. 2.0, set forth below are some examples (albeit not an exclusive list) of actions ComEd took during 2015 that demonstrate its compliance with each of the four (4) prudence standards.

1) ***Reasonable and Appropriate Business Standards:***
One of the areas in which ComEd employs reasonable and appropriate business standards is in the selection and oversight of project consultants. ComEd hires environmental consultants to assist in coordinating field activities and preparing the reports and related documents required by the Illinois Environmental Protection Agency's ("Illinois EPA") Site Remediation Program ("SRP"), and to perform a variety of other services. In particular, ComEd participates in a competitive bidding process that emphasizes experience and costs in selecting its environmental consultants and contractors. Moreover, in order to leverage the greatest savings, the bidding process for consultant activities includes work for both ComEd and PECO Energy Company, each of which is an energy delivery company that shares the same ultimate parent company, Exelon Corporation. Subcontracted work is also competitively bid as the need arises for each project.

ComEd also employs standardized approaches that ensure higher quality, cost savings, and consistency among the outside consultants it hires to perform such work. For example, ComEd has developed and uses standardized guidance documents and procedures. Guidance documents, such as those developed for ambient air monitoring, quality assurance and site management, set forth a uniform platform for bringing MGP sites to cost-effective closure.

Additionally, ComEd utilizes a number of project management tools to track and monitor the work performance of consultants, including milestone tracking, monthly project status reports and task-based authorization. These are discussed further below in subpart (3).

2) ***The Requirements of Other Relevant State and/or Federal Authorities:***
During 2015, ComEd continued to work closely with the Illinois EPA concerning remediation activities at ComEd's MGP sites under the SRP, including conducting site investigations, establishing clean-up and closure objectives according to the Illinois EPA's Tiered Approach to Corrective Action Objectives ("TACO") (35 Ill. Admin. Code Part 742), establishing remedial action plans, and obtaining regulatory closure of sites. Besides TACO, ComEd complies with all aspects of the Illinois SRP and the Illinois Environmental Protection Act. At the federal level, ComEd complies with such regulatory requirements as the Comprehensive Environmental Response, Compensation, and Liability Act (42 U.S.C. § 9601 et seq.) and the Resource Conservation and Recovery Act (42 U.S.C. § 6901 et seq.).

3) ***Minimization of Costs to Ratepayers, Consistent with Safety, Reliability and Quality Assurance:***

As explained above, the need for a consultant or contractor typically arises in response to a regulatory compliance need identified through ComEd's interaction with the Illinois EPA. Prior to and during 2015, ComEd participated in the competitive bidding process described above, resulting in consulting contracts for professional services. The selections of contractors were made to provide the greatest value to customers, and included evaluations of experience, safety history, and fee schedules. The competitive bidding process also leveraged the quantity of expected work for both ComEd and PECO to maximize savings. Additionally, subcontracts for remediation construction and other goods and services were competitively bid.

ComEd also has put in place a number of safeguards throughout the remediation process that are designed to keep contractor costs reasonable. In addition to the use of standardized approaches (*e.g.*, guidance documents) described above, ComEd closely monitors the work being performed at each site to minimize costs. Because remediation projects can be difficult to define initially due to their location and contaminants, consultants are only authorized to perform project activities that are definable. Thus, as a project progresses, the consultant must request authorizations for tasks as they are defined. ComEd then reviews such requests, approving them only if appropriate. This phased approach is accomplished by requiring that the consultants submit Task Scope Documents ("TSDs") specifying the detailed breakdown of expected costs, personnel, activities, schedule and deliverables for the upcoming project phase. In addition, ComEd and Northern Illinois Gas Company d/b/a Nicor Gas Company ("Nicor Gas") share responsibility for environmental activities at certain sites, which reduces costs by avoiding duplication of efforts concerning site management, the hiring of consultants and contractors, and site remediation. *See* MacMillan Dir., ComEd Ex. 2.0 at 5-6.

Once the remediation is underway, ComEd uses weekly project reports and on-site review meetings to track and monitor remedial activities. ComEd also requires monthly project status reports ("dashboards") from consultants for each project. The dashboard reports provide an up-to-date status of the critical project components, including schedule, milestones, safety and budget (*i.e.*, information set forth in the TSDs). In addition, ComEd holds periodic program meetings and conference calls with project consultants to allow for program uniformity and sharing of lessons learned. Key performance indicators are reported to senior management on a monthly basis.

Finally, ComEd's Project Managers review the invoices submitted by the consultants and contractors to ensure the invoices reflect only those charges relating to work that has been authorized. To assist ComEd's review of expenditures, ComEd requires that invoices include detailed backup documentation, including subcontractor invoices. ComEd also has been able to save costs by buying certain equipment used in site field activities and making such equipment available to its contractors, thus eliminating expensive equipment rental charges.

4) ***Based on Facts and Knowledge the Company Knew or Reasonably Should Have Known at the Time the Expenditures Were Made:***
Expenditures incurred by ComEd were based on decisions that considered all knowledge available at the time. Beginning in the late 1980's and early 1990's, ComEd conducted a process of identifying MGP sites for which it may be a potentially responsible party ("PRP") under state or federal regulatory requirements. In particular, ComEd reviewed historical documents from predecessor companies, including Western United, Public Service Company of Northern Illinois and Illinois Northern Utilities, as well as materials available in libraries and historical societies. In addition to this information, ComEd considers the current and future property use and feedback from proactive communication with stakeholders such as property owners, local communities and the Illinois EPA. ComEd believes that it is critical to engage in proactive community outreach efforts, and engages local officials and community representatives throughout the remediation process.

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REQUEST NO. SDR 1.02:

This request pertains to the level of environmental cleanup required at each MGP site.

a. For each MGP site, describe the level of environmental cleanup required.

b. List the steps that must be taken to obtain the level of environmental cleanup required.

c. Explain and evaluate any alternative levels of environmental cleanup that may be applicable for each site.

RESPONSE:

Person responsible for response: Gail MacMillan

ComEd objects to this request on the grounds it is overbroad, vague and ambiguous. To the extent that this request is interpreted to require additional information, ComEd also objects on the grounds that it is unreasonable and unduly burdensome. Subject to and without waiving the foregoing objections or any of ComEd's General Objections, ComEd states as follows:

a. To date, cleanup levels have been developed for all or part of 31 manufactured gas plant ("MGP") sites. The cleanup process following the activation of a site generally parallels the steps set forth by the Illinois EPA Site Remediation Program ("SRP"). Following the characterization of site conditions through a site investigation and submission of a Site Investigation Report to the Illinois EPA, site closure objectives are established through an evaluation that is based on the Illinois EPA's Tiered Approach to Corrective Action Objectives ("TACO"), as well as through consultation with the Illinois EPA, property owners and the community. One of the key considerations in establishing cleanup objectives is the current and expected future use of the property. The objectives are then presented to the Illinois EPA in a report entitled Remedial Objectives Report. The next step involves the development of a remediation plan that will meet the cleanup objectives, which is submitted to the Illinois EPA as the Remedial Action Plan. Once the Illinois EPA approves this Plan, ComEd then proceeds with selecting a contractor through a competitive bidding process, and the remediation work commences. *See also* Direct Testimony of Gail MacMillan, ComEd Ex. 2.0 at 6-8. A description of the MGP sites and the work performed during 2015 is set forth in the Direct Testimony of Gail MacMillan. *See* ComEd Ex. 2.0 at 8-11; *see also* ComEd Ex. 2.1. Work on the remaining MGP sites has not progressed to the point where cleanup objectives have been developed.

b. At a minimum, the steps generally required to develop cleanup objectives include:

1) Obtaining access and completing a characterization of site conditions.

2) Determining current and expected future uses of the property, which may include obtaining input from third-party property owners and the local community.

3) Evaluating technical considerations and limitations specific to performing a cleanup of the property.

4) Drafting applicable cleanup objectives through TACO guidelines, and submitting them to the Illinois EPA for review and approval.

Because each MGP site is unique, the cleanup steps necessary, if any, are site-specific, and can only be determined after establishing the cleanup levels through TACO.

Each MGP site is individually evaluated during the process of developing cleanup objectives. The evaluation includes a determination as to whether "residential" or "commercial/industrial" remediation standards are appropriate depending on the current and expected future use of the property. Generally, residential sites require more stringent remediation than commercial / industrial sites. Additionally, the evaluation considers whether engineered barriers and/or institutional controls should be used. Examples of ComEd MGP sites subject to residential standards include the Ottawa School and Pontiac sites; examples of sites using commercial / industrial objectives include Kenilworth and DuQuoin. In some cases, a site may involve multiple property owners, which can result in the application of both residential and commercial/industrial standards. The Joliet Bluff Street site is such an example.

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REQUEST NO. SDR 1.03:

Has the Company ever received a site remediation letter from the Illinois Environmental Protection Agency indicating that no further remediation is required at a specific MGP site? If yes, provide a copy of each site remediation letter received.

RESPONSE:

Person responsible for response: Gail MacMillan

Yes. "No Further Remediation Letters" ("NFR Letters") were provided in ComEd's Responses to Staff Data Request SDR 003 in ICC Docket Nos. 08-0155 and 09-0111, to Staff Data Request SDR 1.03 in ICC Docket Nos. 10-0133 and 11-0116, to Staff Data Request JMO 2.03 in ICC Docket Nos. 12-0063 and 14-0070, and to Staff Data Request SDR 1.03 in ICC Docket No. 15-0033.

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REQUEST NO. SDR 1.04:

Describe how the Company monitors the actual on-site investigation and remediation activities.

RESPONSE:

Person responsible for response: Gail MacMillan

ComEd objects to this request on the grounds it is overbroad, vague and ambiguous. Subject to and without waiving the foregoing objections or any of ComEd's General Objections, ComEd states as follows:

ComEd uses a number of tools to monitor on-site investigation and remediation activities at the manufactured gas plant ("MGP") sites. Although environmental consultants are primarily responsible for the day-to-day coordination of field activities at the MGP sites, ComEd personnel (*i.e.*, Project Managers) also periodically visit the sites and regularly monitor the work being performed. To this end, ComEd has put in place various monitoring and reporting procedures (*e.g.*, status reports and scheduled conference calls) to closely monitor field activities. Specifically, because remediation projects can be difficult to define initially due to their location and contaminants, consultants are only authorized to perform project activities that are definable. Thus, as a project progresses, the consultant must request authorizations for tasks as they are defined. ComEd then reviews such requests, approving them only if appropriate. This phased approach is accomplished by requiring that the consultants submit Task Scope Documents ("TSDs") specifying the detailed breakdown of expected costs, personnel, activities, schedule and deliverables for the upcoming project phase.

Once the remediation is underway, ComEd uses weekly project reports and on-site review meetings to track and monitor remedial activities. ComEd also requires monthly project status reports, called "dashboards", from consultants for each project, which provide an up-to-date status of the critical project components, including schedule, milestones, safety and budget (*i.e.*, information set forth in the TSDs). This information is useful to ComEd's internal remediation team in identifying potential problem areas early in the remediation process. ComEd also holds periodic program meetings and conference calls with project consultants to allow for program uniformity and sharing of lessons learned. Key performance indicators also are reported to senior management on a monthly basis.

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REQUEST NO. SDR 1.05:

This request pertains to the Company's forecasting of MGP environmental cleanup costs for the reconciliation period.

a. Explain the forecasting methods used by the Company to determine MGP environmental cleanup costs for the reconciliation period.

b. Describe how the forecasted cost amounts were determined.

c. Include explanations for each instance where actual costs, by site or account code, deviated from the forecast costs by 10% or more.

d. Explain how these cost forecasts were used by the Company for the reconciliation period.

RESPONSE:

Person responsible for response: Gail MacMillan

a. ComEd employed the following methods to forecast manufactured gas plant ("MGP") environmental cleanup costs for the reconciliation period. During the fourth quarter of 2014, ComEd developed its cost forecasts for the reconciliation period. The forecasts were developed for general program expenses and each individual MGP site by the project team, which consists of the ComEd Project Manager and assigned environmental consultant personnel for the site. The cumulative total for all sites was added to the forecast for general program expenses to arrive at the total forecasted amount for the reconciliation period.

b. The forecasts of MGP environmental cleanup costs during the reconciliation period were derived from an initial determination of the project steps and activities that had a reasonable likelihood of occurring during the reconciliation period. Costs then were developed for these activities based on professional experience and site-specific factors. Because environmental remediation projects involve inherent uncertainties, ComEd developed its forecasts assuming a reasonable schedule for completion that considered project-specific factors such as site ownership and site complexity. Nicor Gas Company also provided cost estimates to ComEd, developed in a similar manner, for the projects where the two (2) companies share responsibility. *See* MacMillan Dir., ComEd Ex. 2.0 at 5-6.

c. Set forth in the chart below is a list of MGP sites where the actual costs incurred for environmental activities during the reconciliation period deviated from the forecast costs by 10% or more, with an explanation for each deviation.

SITE NAME	PRIMARY REASON FOR DEVIATION
Aurora Excelsior	Unanticipated site activities
Aurora Hurds Island	Deferral of site activities
Belvidere	Deferral of site activities
Blue Island	Unanticipated site activities
Chicago Heights	Deferral of site activities
DeKalb	Deferral of site activities
Elgin	Deferral of site activities
Evanston	Deferral of site activities
Freeport	Unanticipated site activities
Geneseo FNB	Deferral of site activities
Joliet Station B	Deferral of site activities
Lincoln	Deferral of site activities
Lockport Alcan	Unanticipated site activities
Lockport Canal	Deferral of site activities
Mendota Fifth Street	Deferral of site activities
Mendota Main Street	Deferral of site activities
Morris	Deferral of site activities
Murphysboro Big Muddy	Deferral of site activities
Murphysboro CIPS	Deferral of site activities
Ottawa School	Deferral of site activities
Rockford Commercial	Unanticipated site activities
Rockford Library	Deferral of site activities
Skokie	Unanticipated site activities
Sterling	Deferral of site activities
Streator	Deferral of site activities
Contracted MGP General Services	Under-estimated forecast

d. ComEd's initial cumulative cost forecast of $29,468,000 was used to calculate the initial 2015 Rider ECR – Environmental Cost Recovery Adjustment charge. MacMillan Dir., ComEd Ex. 2.0 at 11-13.

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Purchasing and Contracting

REQUEST NO. SDR 1.06:

Provide a copy of all written procedures for MGP environmental cleanup purchasing and contracting that were in effect during the reconciliation period or that were in effect when past MGP environmental cleanup purchases and contracts were made that extended into the reconciliation period.

RESPONSE:

Person responsible for response: Gail MacMillan

In 2010-2011, ComEd participated in environmental remediation sourcing initiatives as described in ComEd's Response to Staff Data Request JMO 2.11 and JMO 2.16 in ICC Docket No. 12-0063. The version of the Services Procurement Procedure (SM-AC-402) attached to ComEd's Response to Staff Data Request SDR 1.06 in ICC Docket No. 11-0116 was in effect during this sourcing initiative.

Subsequently, two (2) revisions (Revision 9 and Revision 10) to Procedure SM-AC-402 were issued in 2011 after the initiative was complete. Revision 9 and the two (2) attachments to Revision 9 that contained revisions (Attachment 2 and Attachment 4) were attached to ComEd's Response to Staff Data Request JMO 2.06 in ICC Docket No. 12-0063 and labeled as JMO 2.06_Attach 1 (CONFIDENTIAL AND PROPRIETARY), JMO 2.06_Attach 2 (CONFIDENTIAL AND PROPRIETARY), and JMO 2.06_Attach 3 (CONFIDENTIAL AND PROPRIETARY), respectively. Revision 10 was attached to ComEd's Response to Staff Data Request JMO 2.06 in ICC Docket No. 12-0063 and labeled as JMO 2.06_Attach 4 (CONFIDENTIAL AND PROPRIETARY). None of the attachments to Revision 10 contained revisions.

In 2012, Procedure SM-AC-402 was combined with another procedure and renumbered as SM-AC-400. Subsequently, two (2) revisions (Revision 1 and 2) to Procedure SM-AC-400 were issued in 2012. SM-AC-400 was attached to ComEd's Response to Staff Data Request JMO 2.06 in ICC Docket No. 13-0030 as JMO 2.06_Attach 1 (CONFIDENTIAL AND PROPRIETARY). Revision 1 and Revision 2 to SM-AC-400 were also attached to this same response by ComEd to Staff Data Request JMO 2.06 and labeled as JMO 2.06_Attach 2 (CONFIDENTIAL AND PROPRIETARY), and JMO 2.06_Attach 3 (CONFIDENTIAL AND PROPRIETARY), respectively.

In 2013, Revision 3 to Procedure SM-AC-400 was issued. Revision 3 was attached to ComEd's Response to Staff Data Request JMO 2.06 in ICC Docket No. 14-0070 and labeled as JMO 2.06_Attach 1 (CONFIDENTIAL AND PROPRIETARY).

In 2014, Revision 4 and Revision 5 to Procedure SM-AC-400 were issued. Revision 4 was attached to ComEd's Response to Staff Data Request SDR 1.06 in ICC Docket No. 15-0033 and labeled as SDR 1.06_Attach 1 (CONFIDENTIAL AND PROPRIETARY). Revision 5 was also attached to ComEd's Response to Staff Data Request SDR 1.06 in ICC Docket No. 15-0033 and labeled as SDR 1.06_Attach 2 (CONFIDENTIAL AND PROPRIETARY).

In 2015, Revision 6 and Revision 7 to Procedure SM-AC-400 were issued. Revision 6 is attached hereto and labeled as SDR 1.06_Attach 1 (CONFIDENTIAL AND PROPRIETARY). Revision 7 is also attached hereto and labeled as SDR 1.06_Attach 2 (CONFIDENTIAL AND PROPRIETARY).

SDR 1.06_Attach 1 is

CONFIDENTIAL AND PROPRIETARY in its entirety

SDR 1.06_Attach 2 is

CONFIDENTIAL AND PROPRIETARY in its entirety

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Purchasing and Contracting

REQUEST NO. SDR 1.07:

Provide the date when the MGP environmental cleanup purchasing and contracting procedures were most recently changed, identify each procedure that was changed, and explain why each change was made.

RESPONSE:

Person responsible for response: Gail MacMillan

During the reconciliation period, Materials and Services Procurement Procedure SM-AC-400 was revised twice: first on September 1, 2015 (Revision 6) and again on December 31, 2015 (Revision 7). Please see the attachments labeled as SDR 1.07_Attach 1 (CONFIDENTIAL AND PROPRIETARY) and SDR 1.07_Attach 2 (CONFIDENTIAL AND PROPRIETARY) for the Procedure Change Summary Forms reflecting these revisions and the reasons for the revisions.

SDR 1.07_Attach 1 is

CONFIDENTIAL AND PROPRIETARY in its entirety

SDR 1.07_Attach 2 is

CONFIDENTIAL AND PROPRIETARY in its entirety

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Purchasing and Contracting

REQUEST NO. SDR 1.08:

This request pertains to the general management evaluations, assessments, and/or reviews of the MGP environmental cleanup purchasing and contracting procedures.

a. Provide the date of the three most recent general management evaluations, assessments, and/or reviews of MGP environmental cleanup purchasing and contracting procedures.

b. Provide a copy of all reports and/or summaries of these general management evaluations, assessments, and/or reviews.

c. List and explain any changes or modifications made to the purchasing and contracting decision-making process as a result of the these general management evaluations, assessments, and/or reviews.

RESPONSE:

Person responsible for response: Gail MacMillan

ComEd objects to this request on the grounds that it is overbroad, vague and ambiguous. To the extent that this request is interpreted to require additional information, ComEd also objects on the grounds that it is unreasonable and unduly burdensome. Subject to and without waiving the foregoing objections or any of ComEd's General Objections, ComEd states as follows:

a. Please see ComEd's Response to Staff Data Request SDR 1.06 and Staff Data Request SDR 1.07. No other general management evaluations, assessments, or reviews of manufactured gas plant ("MGP") environmental cleanup purchasing and contracting procedures were conducted during the reconciliation period.

b. Please see ComEd's response to subpart (a), above.

c. Please see ComEd's response to subpart (a), above.

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Purchasing and Contracting

REQUEST NO. SDR 1.09:

Explain how purchasing and contracting decisions for MGP environmental cleanup costs were included in the corporate planning and budgeting process during the reconciliation period.

RESPONSE:

Purchasing and contracting decisions for manufactured gas plant ("MGP") environmental cleanup are part of ComEd's normal corporate planning and budgeting process. The scope, budget and schedule for the reconciliation period were developed towards the end of 2014. With respect to corporate planning, ComEd's Environmental Services department met with the project consultants for the MGP sites, who, based on their expertise, provided input concerning the work that might reasonably be performed during the reconciliation period. Concerning budgeting, ComEd again relied on the expertise of its project consultants in estimating costs, and based the budget on competitively-priced goods and services. These figures were then submitted to the ComEd Comptroller department for use in calculating the initial Rider ECR – Environmental Cost Recovery Adjustment for the reconciliation period. In addition, for those MGP sites where ComEd and Nicor Gas Company share responsibility for environmental activities (*see* MacMillan Dir., ComEd Ex. 2.0 at 5-6), periodic meetings are held with Nicor Gas to discuss and reach agreement for purchasing and contracting activities and plans.

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REQUEST NO. SDR 1.10:

This request pertains to the Company's procedures for MGP environmental cleanup purchasing and contracting decisions.

a. Identify the management level at which purchasing and contracting decisions for MGP environmental cleanup costs were made during the reconciliation period.

b. If different procedures were applied at progressively higher cost amounts, describe in detail the procedures for each of the cost amounts.

RESPONSE:

Person responsible for response: Gail MacMillan

a. During the reconciliation period, purchasing and contracting decisions for manufactured gas plant ("MGP") environmental cleanup costs greater than $250,000 were approved by a ComEd officer. Those decisions involving amounts equal to or less than $250,000 were approved by Environmental Services management (*i.e.*, Department Director). In addition, for those MGP sites where ComEd and Nicor Gas share responsibility for environmental activities (*see,* MacMillan Dir., ComEd Ex. 2.0 at 5-6), contracts exceeding $50,000 must be jointly agreed upon under a budgeting process involving Nicor Gas.

b. Regarding invoice approval, project consultants and contractors submit their invoices directly to the ComEd Project Manager. If the amount is equal to or less than $250,000, the Project Manager may approve the invoice. If the amount is greater than $250,000, but equal to or less than $500,000, the invoice may be approved by the Department Director. For invoices greater than $500,000, approval is required by a ComEd officer.

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REQUEST NO. SDR 1.11:

This request pertains to the Company's notification to potential suppliers of goods and services of the Company's intent to purchase or contract goods and services for the environmental cleanup of MGP sites.

a. Identify all procedures used by the Company to ensure that every reasonable effort was made to notify all available suppliers of the goods and services required for the environmental cleanup of MGP sites before new purchases were made, or before new contracts were awarded to a supplier during the reconciliation period.

b. Describe all related actions taken by the Company before any new purchases were made or before any new contracts were awarded during the reconciliation period.

c. Describe the instances when only one supplier was notified, and explain how costs were thus minimized.

d. Identify all instances when the lowest bid for goods and services required for the environmental cleanup of MGP sites was rejected, and explain the reasons for the rejection.

RESPONSE:

Person responsible for response: Gail MacMillan

a. See ComEd's Response to Staff Data Request SDR 1.06 for the applicable procedures.

b. See ComEd's response to subpart (a), above.

c. There were no such instances.

d. There were no such instances.

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REQUEST NO. SDR 1.12:

Explain how the Company evaluated each contract renegotiation position that was proffered by a contracted supplier of the goods and services required for the environmental cleanup of MGP sites during the reconciliation period.

RESPONSE:

Person responsible for response: Gail MacMillan

No contract renegotiations were proffered by a contracted supplier during the reconciliation period related to the environmental cleanup of manufactured gas plant ("MGP") sites.

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REQUEST NO. SDR 1.13:

Explain how the Company formulated each contract renegotiation position that it offered to a contracted supplier of the goods and services required for the environmental cleanup of MGP sites during the reconciliation period.

RESPONSE:

Person responsible for response: Gail MacMillan

ComEd did not offer any contract renegotiation positions to contracted suppliers of goods and services for the environmental cleanup of manufactured gas plant ("MGP") sites.

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REQUEST NO. SDR 1.14:

This request pertains to the Company's monitoring of MGP environmental cleanup purchases and contracts.

a. Explain how the Company monitored MGP environmental cleanup purchases and contracts during the reconciliation period.

b. Document all changes made as a result of these monitoring efforts.

RESPONSE:

Person responsible for response: Gail MacMillan

a. Please see ComEd's Responses to the following Staff Data Requests: SDR 1.01, SDR 1.04, SDR 1.10, and SDR 1.21, as well as MacMillan Dir., ComEd Ex. 2.0 at 13-16.

b. No changes were made during the reconciliation period as a result of these monitoring efforts.

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REQUEST NO. SDR 1.15:

Identify and explain any factors that limited the Company's available purchasing and contracting options for the goods and services required for the environmental cleanup of MGP sites during the reconciliation period.

RESPONSE:

Person responsible for response: Gail MacMillan

ComEd is not aware of any limiting factors that existed during the reconciliation period.

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REQUEST NO. SDR 1.16:

Identify and explain all efforts that the Company made during the reconciliation period to take advantage of favorable market conditions to renegotiate its contracts or to purchase from alternative market sources the goods and services required for the environmental cleanup of MGP sites. If no contract renegotiations were attempted, explain why not.

RESPONSE:

Person responsible for response: Gail MacMillan

ComEd did not identify any changes in market conditions warranting renegotiations.

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REQUEST NO. SDR 1.17:

This request pertains to any occurrences when the Company made purchases or entered into contracts using criteria other than minimizing the cost of the environmental cleanup of MGP sites.

a. List any occurrences during the reconciliation period when the Company made purchases or entered into contracts using criteria other than minimizing the cost of the environmental cleanup of MGP sites.

b. For each occurrence, explain the circumstances, quantify the extra costs incurred, and explain what, if anything, can be done to prevent extra costs of this type from being incurred in the future.

c. Provide all documentation pertaining to each occurrence.

RESPONSE:

Person responsible for response: Gail MacMillan

a. There were no occurrences during the reconciliation period when ComEd made purchases or entered into contracts related to the environmental cleanup of manufactured gas plant ("MGP") sites using criteria that did not include minimizing the cost of that cleanup. As explained in ComEd's Response to Staff Data Request SDR 1.01, all of ComEd's expenditures related to environmental activities concerning the MGP sites were in compliance with the prudence standards set forth in the Commission's Order in ICC Docket Nos. 91-0080 through 91-0095, including "minimization of costs to ratepayers, consistent with safety, reliability and quality assurance."

b. See ComEd's response to subpart (a), above.

c. See ComEd's response to subpart (a), above.

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SDR 1.01 – 1.22
Date Received: March 9, 2016
Date Served: April 7, 2016

Purchasing and Contracting

REQUEST NO. SDR 1.18:

This request pertains to the Company's procedures to minimize MGP environmental cleanup costs.

a. Explain with specificity the procedures used by the Company to minimize MGP environmental cleanup costs.

b. Give a detailed description of these procedures as they related to all purchasing and contracting decisions for MGP environmental cleanup costs made during the reconciliation period.

RESPONSE:

Person responsible for response: Gail MacMillan

a & b. See ComEd's Response to Staff Data Request SDR 1.01, SDR 1.04, SDR 1.10, SDR 1.11, SDR 1.14 and SDR 1.19.

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SDR 1.01 – 1.22
Date Received: March 9, 2016
Date Served: April 7, 2016

Review of Actions

REQUEST NO. SDR 1.19:

This request pertains to the Company's after-the-fact evaluations of its purchasing and contracting decisions for MGP environmental cleanup costs.

a. How often are after-the-fact evaluations conducted by the Company to review its purchasing and contracting decisions for MGP environmental cleanup costs?

b. Provide a copy of all documents pertaining to these evaluations.

c. Identify any decisions, recommendations, policy changes, and new procedures that have resulted from these evaluations.

d. Provide the date when the three most recent after-the-fact evaluations were conducted and provide copies of those reports.

e. List and explain any changes or modifications made to the purchasing and contracting decision-making process as a result of the after-the-fact evaluations.

RESPONSE:

Person responsible for response: Gail MacMillan

a. "After-the-fact" evaluation of consultant performance is an ongoing part of normal project management functions. ComEd project managers evaluate the consultants based on safety record, technical expertise, cost control, schedule adherence, and general responsiveness as the work is performed. Actual versus budgeted costs and comparison to similar activities at other sites are taken into consideration, as is the response of the Illinois EPA to reports submitted. The evaluations generally take the form of oral reports and meetings, and similarly feedback is provided to consultants through periodic meetings or telephone communications.

b. Because the "after-the-fact" evaluations are done orally, there are no written documents pertaining to these evaluations.

c. No new procedures, policy changes, or recommendations were deemed necessary during the reconciliation period.

d. See ComEd's response to subpart (b), above.

e. No significant changes were made to the purchasing and contracting decision-making process during the reconciliation period.

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Review of Actions

REQUEST NO. SDR 1.20:

This request pertains to the Company's audits of its purchasing and contracting decisions for MGP environmental cleanup costs.

a. How often are the MGP environmental cleanup purchasing and contracting functions audited by management using internal or external auditors?

b. Provide the dates when the three most recent audits were conducted and provide copies of those audit reports.

c. List and explain any changes or modifications made to the purchasing and contracting decision-making process as a result of these audits.

RESPONSE:

Person responsible for response: Gail MacMillan

a. Internal auditors annually review risk factors related to contracts negotiated within the Supply Organization. Based on these risk assessments, certain contracts are then selected for review. Moreover, purchasing and contracting decisions for manufactured gas plant ("MGP") environmental cleanup costs also are subject to the extensive monitoring and review procedures detailed in ComEd's Response to Staff Data Requests: SDR 1.01, SDR 1.04, SDR 1.10, SDR 1.14, and SDR 1.21. For example, Project Managers review the invoices submitted by the consultants and contractors to ensure the invoices reflect only those charges that relate to work that has been authorized. To assist this review of expenditures, ComEd requires that invoices include detailed backup documentation, including subcontractor invoices. ComEd does not have information concerning the policy of its external auditor, PricewaterhouseCoopers, regarding the frequency with which it performs audits of the MGP environmental cleanup purchasing and contracting functions.

b. No audit of ComEd's purchasing and contracting decisions for MGP environmental cleanup costs occurred during the reconciliation period at issue (the period beginning January 1, 2015 and ending December 31, 2015). Consistent with ¶ 9 of ComEd's General Objections to Staff, please see ComEd's Response to Staff Data Request JMO 2.20 in ICC Docket Nos. 12-0063, 13-0030 and 14-0070.

c. Please see ComEd's Response to Staff Data Request JMO 2.20 in ICC Docket No. 12-0063.

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Review of Actions

REQUEST NO. SDR 1.21:

Explain the procedures used to verify the quality of the items and services purchased or contracted for regarding the environmental cleanup of MGP sites.

RESPONSE:

Person responsible for response: Gail MacMillan

Although verification of the quality of the products and services used in the cleanup of manufactured gas plant ("MGP") sites is ultimately the responsibility of the assigned ComEd Project Manager, ComEd utilizes a contracting approach that places direct accountability for on-site management decisions, including the supervision of all contracting activities, on the assigned environmental consulting professional(s). As discussed in ComEd's Response to Staff Data Request SDR 1.04, ComEd employs a number of verification tools to monitor and verify performance of field activities. Project Managers also review the invoices submitted by the consultants and contractors to ensure the invoices reflect only those charges that relate to work that has been authorized. To assist this review of expenditures, ComEd requires that invoices include detailed backup documentation, including subcontractor invoices. In addition, because ComEd and Nicor Gas Company share responsibility for certain sites, Nicor also reviews reports for those sites.

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Quality Control

REQUEST NO. SDR 1.22:

This request pertains to the policies and procedures for the quality control of items and services purchased or contracted for regarding the environmental cleanup of MGP sites.

a. What are the Company's policies and procedures for dealing with items and services purchased or contracted for regarding the environmental cleanup of MGP sites that failed to meet quality and contract specifications?

b. List each occurrence when items and services purchased or contracted for regarding the environmental cleanup of MGP sites failed to meet quality and contract specifications.

c. Provide documentation of any related actions taken by the Company during the reconciliation period. If no documentation can be provided, explain why not.

RESPONSE:

Person responsible for response: Gail MacMillan

a. If goods or services purchased or contracted for regarding the environmental cleanup of manufactured gas plant ("MGP") sites fail to meet quality and contract specifications, ComEd's policy is to exercise any or all remedies available to it concerning the specific contract. These remedies include withholding payment, replacement or correction of unacceptable goods or services, and contract termination.

b. During the reconciliation period, there were no occurrences of goods or services purchased or contracted for regarding the environmental cleanup of MGP sites that failed to meet quality and contract specifications.

c. See ComEd's response to subpart (b), above.