

**STATE OF ILLINOIS**  
**ILLINOIS COMMERCE COMMISSION**

COMMONWEALTH EDISON COMPANY :  
 :  
Annual formula rate update and revenue : Docket No. 16-0259  
requirement reconciliation authorized by Section :  
16-108.5 of the Public Utilities Act. :

Surrebuttal Testimony of  
**CHRISTINE M. BRINKMAN, CPA**  
Director,  
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Commonwealth Edison Company

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1 **I. INTRODUCTION**

2 **A. Witness Identification**

3 **Q. What is your name and prior participation in this docket?**

4 A. My name is Christine M. Brinkman. I am the Director, Rates and Revenue Policy of  
5 Commonwealth Edison Company (“ComEd”). I have submitted direct (ComEd Exhibit  
6 (“Ex.”) 1.0) and rebuttal (ComEd Ex. 8.0) testimonies in this Docket. My background,  
7 professional qualifications, duties, and responsibilities remain as described in my direct  
8 testimony.

9 **B. Summary of Testimony**

10 **Q. What issues do you address in your surrebuttal testimony?**

11 A. I respond briefly to the rebuttal testimonies submitted by the Illinois Attorney General’s  
12 Office (“AG”) concerning voltage optimization (“VO”) and data analytics. I testify that:

- 13 • The rebuttal testimony of Messrs. Fagan and Chang (AG Ex. 4.0) continues to be  
14 largely unrelated to the specific rates and costs at issue in this proceeding. As  
15 with their direct testimony (AG Ex. 2.0), they discuss broad policy questions  
16 about a future long-term strategy toward VO but spend no time on the specific  
17 historical costs and projected 2016 plant additions at issue. Thus, although they  
18 claim to discuss the “prudence” of ComEd’s decisions, they do not identify any  
19 cost at issue that they claim was imprudently incurred nor do they discuss the  
20 questions associated with an inquiry into prudence. Indeed, their testimony  
21 recognizes the benefits and importance of studying VO, as ComEd has, and doing  
22 more, faster, as they seem to advocate, would not result in any disallowance.

- 23           • The broad claims about ComEd’s approach to electronic data analytics tools that  
24           Messrs. Fagan and Chang continue to make in their rebuttal testimony are also  
25           unmoored from the costs and rates at issue. They make no showing that any  
26           information systems cost (investment or operations and maintenance (“O&M”))  
27           that ComEd seeks to recover is imprudent or not otherwise recoverable.
- 28           • Finally, even if they were theoretically germane to this proceeding, the  
29           conclusions Messrs. Fagan and Chang reach about the prudence of ComEd’s  
30           long-term plans for VO and ComEd’s overall data analytics strategy are  
31           unfounded and incorrect. While ComEd does not believe these future policy  
32           debates are proper in this proceeding, and waives no rights or arguments in that  
33           respect, ComEd witness Mr. John Prueitt (ComEd Ex. 14.0) and I briefly point  
34           out why their claims are misguided in several ways.

35   **Q.    What subjects are other ComEd witnesses addressing in their surrebuttal**  
36   **testimony?**

37   **A.    ComEd is also presenting the surrebuttal testimony of the following witnesses:**

- 38           • Mr. Chad Newhouse, ComEd Ex. 13.0, confirms ComEd’s agreement with  
39           revenue calculations and adjustments discussed by ICC Staff witnesses Mr. Bridal  
40           and Mr. Tolsdorf in their rebuttal testimonies (Staff Exs. 4.0 and 5.0). He also  
41           summarizes the specific findings and conclusions that the Commission should  
42           adopt concerning ComEd’s rate year revenue requirement and original cost of  
43           plant, as supported by all of the testimony submitted.

- 44           • Mr. John Prueitt, ComEd Ex. 14.0, addresses the technical engineering aspects of  
45           ComEd’s VO validation project and its Oak Park study in response to AG  
46           witnesses Fagan and Chang’s claims that ComEd has not designed a robust  
47           validation project.

48 **II. ARGUMENTS MADE BY MESSRS. FAGAN AND CHANG REGARDING**  
49 **VOLTAGE OPTIMIZATION AND DATA ANALYTICS DO NOT AFFECT THE**  
50 **UNDERLYING COSTS OR INPUTS TO COMED’S DISTRIBUTION FORMULA**

51 **Q. Messrs. Fagan and Chang continue to argue in their rebuttal testimony that ComEd**  
52 **should make certain changes to its VO and data analytics strategies in the future.**  
53 **Do these recommendations suggest that any formula rate input or calculation be**  
54 **changed in this proceeding?**

55 **A.** No. The 2017 rates set in this proceeding are based on the actual costs incurred in 2015  
56 and a projection of capital investments during 2016. Messrs. Fagan and Chang do not  
57 argue for or justify any change to those rates, or any disallowance to the underlying 2015  
58 and 2016 costs. The summary conclusions of their rebuttal testimony, if anything,  
59 suggests ComEd should incur even more costs in the future.

60 **Q. Do Messrs. Fagan and Chang propose or justify any disallowance related to voltage**  
61 **optimization or data analytics?**

62 **A.** No. Messrs. Fagan and Chang do not justify or propose a disallowance related to the  
63 voltage optimization or data analytic costs included in this proceeding. Indeed, their  
64 testimony that voltage optimization and data analytics are areas in which “the company  
65 will need to develop and articulate multi-year strategies that will affect future investments

66 and future annual rate proceedings” (AG Ex. 4.0, 4:4-6) underscores that they are opining  
67 long-term management decisions, not ComEd’s current and historical costs.

68 For example, their request that the Commission require ComEd “to adopt a more  
69 comprehensive and robust validation study and expand upon the current documentation  
70 of the company’s ongoing voltage optimization efforts” (AG Ex. 4.0, 3:5-7) does not  
71 justify reducing ComEd’s delivery rates or disallowing any costs ComEd incurred during  
72 the years at issue. The same is true with their comments on ComEd’s data analytics  
73 strategy, where they recommended ComEd develop a more “comprehensive data  
74 utilization strategy” and “provide updates” concerning its progress. (AG Ex. 4.0, 3:18-  
75 22). ComEd does have a strategy, and Messrs. Fagan and Chang present no evidence that  
76 any cost at issue would have been avoided or minimized if their preferred approach was  
77 followed.

78 **III. VOLTAGE OPTIMIZATION**

79 **Q. Does the rebuttal testimony of Messrs. Fagan and Chang (AG Ex. 4.0) refute any of**  
80 **the points made in your rebuttal testimony concerning VO?**

81 A. No. They do not challenge any actual 2015 VO cost or projected 2106 VO plant  
82 addition.<sup>1</sup> They do not present any evidence that ComEd acted imprudently with regard  
83 to any management decisions affecting any cost at issue<sup>2</sup>. They do not support their  
84 claim that the money ComEd has spent so far on VO has been “unreasonably small” or

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<sup>1</sup> ComEd Ex. 8.0, 6:107-123.

<sup>2</sup> ComEd Ex. 8.0, 6:124 - 7:137.

85 explain how such a claim could, even if true, warrant rejecting ComEd’s proposed rates<sup>3</sup>.  
86 They do not dispute that there were other, proper venues in which long-term VO polices  
87 can be raised outside of a formula rate update proceeding.<sup>4</sup> And, they do not explain or  
88 support how ComEd’s “proposal to recover \$4M of validation project costs in 2017 rates  
89 is inconsistent with supporting a broader strategy requiring a \$500M investment for full  
90 implementation<sup>5</sup>.” Indeed, the sole citation to my rebuttal testimony concerning VO is a  
91 generic reference in a footnote to one sentence discussing Mr. Prueitt’s testimony about  
92 the selection of a substation for study. *See* AG Ex. 4.0, 4:18, fn. 2.

93 **IV. DATA ANALYTICS**

94 **Q. Messrs. Fagan and Chang continue to claim that ComEd has no comprehensive**  
95 **Business Information/Data Analytics (“BI/DA”) strategy (AG Ex. 6.0, 16:4-7). Is**  
96 **that opinion accurate?**

97 **A.** No. As I state in my rebuttal testimony (ComEd Ex. 8.0, 10:201 – 11:228), ComEd has a  
98 BI/DA strategy and it is described in the document Messrs. Fagan and Chang attach to  
99 their testimony as AG Ex 2.4. The strategy contains a data platform and five functional  
100 domains that fall within three main categories:

- 101 • Grid (T&D) contains 2 domains: AMI and Grid (T&D),
- 102 • Customer contains 2 domains: Smart Energy Services and Customer Experience,  
103 and Business Support is its own category and domain. Messrs. Fagan and Chang  
104 make direct reference to this approach in their rebuttal testimony (*e.g.*, AG

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<sup>3</sup> ComEd Ex. 8.0, 7:138 - 8:166.

<sup>4</sup> ComEd Ex. 8.0, 8:167- 9:173.

<sup>5</sup> ComEd Ex. 8.0, 9:174 - 10:197.

105 Ex. 4.0, 17:15-21 and 18:1-4); however, they persist in claiming that ComEd has  
106 no strategy. We cannot be clearer than we have been: The BI/DA strategy  
107 discussed above, in my rebuttal testimony, and in AG Ex. 2.4 is ComEd's BI/DA  
108 strategy.

109 **Q. Is ComEd done executing on its BI/DA strategy?**

110 A. No. ComEd identified \$6.2 million of jurisdictional costs related to the ongoing  
111 development of the data platform in its projected plant additions. (ComEd Ex. 2.02,  
112 WP19). Further, as Messrs. Fagan and Chang note, ComEd issued a Request for  
113 Proposal ("RFP") for the Smart Energy Services Domain in September 2015. The RFPs  
114 related to the other four domains remain in development as work is underway to evaluate  
115 the business requirements and use cases for those domains. ComEd is proceeding with  
116 care and thought in order to carefully evaluate the needs of the business and the  
117 technology available to meet those needs. That is the prudent way to proceed and  
118 nothing in Messrs. Fagan and Chang's rebuttal testimony shows otherwise.

119 **Q. Messrs. Fagan and Chang criticize you for not addressing the McKinsey report  
120 provided as AG Exhibit 2.9. How do you respond?**

121 A. This report is stale and limited, as it only addresses one vendor's technology solutions.  
122 ComEd is carefully evaluating the diverse needs of the business and the various  
123 technology options available to meet those needs in order to drive customer benefits. In  
124 any event, while they may have relied on it, the McKinsey Report is not part of the  
125 testimony of Messrs. Fagan and Chang and the purpose of my rebuttal testimony was to  
126 respond to their testimony.

127 Q. **Do Messrs. Fagan and Chang propose a disallowance related to the costs at issue in**  
128 **this proceeding related to BI/DA?**

129 A. No. They make no proposal for disallowance, they simply claim that it appears that  
130 ComEd has no strategy. Moreover, they do not present any evidence that ComEd acted  
131 imprudently with regard to any management decisions related to data analytics, or show  
132 the imprudence of any of these jurisdictional costs included in the revenue requirements  
133 and proposed rates. Further, asking the Commission to require additional reporting on  
134 the progress of BI/DA and the adoption of solutions through a formula rate case is  
135 improper. The legal aspects of this will be addressed in ComEd's briefs.

136 V. **CONCLUSION**

137 Q. **Does this complete your surrebuttal testimony?**

138 A. Yes.