

**STATE OF ILLINOIS
ILLINOIS COMMERCE COMMISSION**

Commonwealth Edison Company	:	
	:	
	:	Docket No. 16-0259
Annual formula rate update and revenue requirement reconciliation under Section 16-108.5 of the Public Utilities Act.	:	
	:	

**BRIEF ON EXCEPTIONS OF THE STAFF
OF THE ILLINOIS COMMERCE COMMISSION**

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October 28, 2016

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Staff of the Illinois Commerce Commission (“Staff”), by and through its counsel, pursuant to the direction of the Administrative Law Judges (“ALJs”) and Section 200.830 of the Illinois Administrative Code (83 Ill. Adm. Code 200.800), respectfully submits its Brief on Exceptions (“BOE”) in the above-captioned matter.

I. INTRODUCTION / STATEMENT OF THE CASE

On October 20, 2016, the ALJs issued a Proposed Order (“ALJPO” or “PO”). The ALJs set October 28, 2016 and November 4, 2016 for the filing of exceptions and reply exceptions, respectively. Staff takes no exceptions to the reasoning and the conclusions set forth in the ALJPO. However, Staff recommends some technical corrections to the ALJPO including Appendix A and Appendix B to address some computation and presentation errors.

II. TECHNICAL CORRECTIONS

A. Rate Base, Accumulated Deferred Income Taxes [IV.,B.,12.]¹

Technical Correction

The date given in the first sentence should be December 31, 2015 rather than December 31, 2016, given that the year being reconciled in this proceeding is 2015 not 2016.

Proposed Modification (ALJPO, 8.)

Accumulated Deferred Income Taxes

ComEd states that the appropriate level of ADIT to be deducted from rate base as of December 31, ~~2016~~ 2015 is \$3,562,361,000, after adjustments, as shown in ComEd Ex. 13.01, Sch. FR B-1, line 17. ...

B. Operating Expenses, Administrative and General Expenses [V.,B.,4.]

Technical Correction

The ALJPO adopts an adjustment to the Telephone Consumer Protection Act (“TCPA”) Settlement expenses which is reflected in the A&G expense line of the Appendices. ALJPO Appendix A and B, Schedule 2, Line 11, Column (c). This was a contested issue. However, the ALJPO indicates that all the A&G expenses are uncontested.

Proposed Modification (ALJPO, 20.)

¹ The section of the ALJPO or Appendices at issue is indicated in brackets [].

Administrative and General Expenses

ComEd states that its Administrative and General (“A&G”) expenses were \$374,212,000 for 2015, as adjusted in surrebuttal testimony. ComEd explains that A&G costs are recorded in FERC Accounts 920-935 and include corporate support and overhead costs that benefit or derive from more than one business function; costs of employee pension benefits; regulatory expenses; and certain other non-operation costs. ComEd Ex. 2.0 at 31; ComEd Ex. 13.01, Sch. FR A-1, line 4; see also ComEd Ex. 4.0 at 9-10; ComEd Ex. 5.0 at 59-61. ~~No party objects to the amount of A&G expenses. ComEd Init. Br. At 23. The Commission approves this amount.~~ Other than the amount of contested issues discussed below, the Commission finds that ComEd’s A&G expenses are uncontested and are approved.

* * *

C. Findings and Ordering Paragraphs [XI.]

Technical Correction

The Cash Working Capital (“CWC”) adjustment described below results in changes to the Company’s approved rate base, revenue requirement, and net income, all of which are set forth in certain Findings and Ordering Paragraphs. Staff recommends revising these paragraphs to reflect the correct dollar amounts.

Proposed Modification (ALJPO, 45.)

* * *

- (4) for purposes of this proceeding, as adjusted, Commonwealth Edison Company’s rate base is \$7,781,032,506,000 for the 2015 Reconciliation Year Revenue Requirement and ~~\$8,830,885~~ \$831,360,000 for the Initial 2017 Rate Year Revenue Requirement;
- (6) the rates of return set forth in Finding (5) result in tariffed operating revenues of ~~\$2,642,737~~ \$836,000 (reflecting the reconciliation and ROE Collar adjustments) and net annual operating income of ~~\$592,552~~ \$584,000;
- (8) Commonwealth Edison Company is authorized to place into effect tariff sheets and associated informational sheets designed to produce annual

tariffed revenues of \$2,642,737,836,000. Such revenues in addition to other revenues will provide Commonwealth Edison Company with an opportunity to earn the rates of return set forth in Finding (5);

* * *

- D. Cash Working Capital - Appendices [Appendix A, Summary Schedule and Schedules 1, 3, 4, 5, 6, 8, 9, 10 pages 1 and 2; Appendix B, Schedules 1, 3, 4, 5, 6, 10 pages 1 and 2.]

Technical Correction

In the Appendices attached to the ALJPO, an adjustment was made to the TCPA litigation expenses which caused a derivative adjustment to CWC. The adjustment for the TCPA litigation expenses results in a positive CWC adjustment per the Order on Schedule 10, page 1. This positive CWC adjustment has the result of reducing the current negative CWC balance and therefore increasing the Company's rate base. However, on Schedule 3 the adjustment amount for CWC inadvertently reflects an incorrect sign (i.e., negative sign) that results in a greater negative CWC balance and therefore decreasing the Company's rate base. The incorrect sign for the CWC adjustment is present in both Appendix A and Appendix B on Schedule 3.

The above error has several derivative impacts. The correction for the CWC adjustment on Appendix B, Schedule 3 affects the reconciliation year rate base, which in turn impacts the beginning number for the Return on Equity ("ROE") Collar Computation, Appendix A, Schedule 9. The corrected rate base on Appendix B also affects the actual revenue requirement for the reconciliation year, which in turn impacts the beginning number for the Reconciliation Computation, Appendix A, Schedule 8. Both of these derivative impacts flow through, affecting rate base and the overall revenue requirement.

Although Staff took no position concerning the TCPA litigation expenses in testimony or briefs and does not take exception to the ALJPO on this issue, should the Commission choose to adopt the adjustment, Staff recommends that the Appendices be amended to accurately reflect the impacts of the adjustment.

Impacted Schedules

(Appendix B, Schedules 1, 3, 4, 5, 6, 10 pages 1 and 2.
Appendix A, Summary, Schedules 1, 3, 4, 5, 6, 8, 9, 10 pages 1 and 2.)

Corrected Appendices A and B are attached to this BOE as Attachments 1 and 2, respectively.

E. TCPA Litigation Expense Revenue Effects of Adjustments [Appendix A, Schedule 5]

Technical Correction

The Revenue Effects of Adjustments, Appendix A, Schedule 5, omits the effect of the TCPA litigation expenses adjustment. While the impact is reflected on lines 2 and 3, it is not reflected in the itemized adjustments section of the schedule or in the Total Revenue Effect of Adjustments, Line 27. This schedule is informational only and there are no derivative impacts from this omission, however, Schedule 5, as presented in the ALJPO, is incorrect and should be amended to avoid confusion.

Impacted Schedules

(Appendix A, Schedule 5)

As indicated above, a corrected Appendix A including Schedule 5 is attached to this BOE as Attachment 1.

F. Summary Schedule [Appendix A, Summary Schedule]

Technical Correction

The Summary Schedule of Appendix A, column (e) incorrectly uses the Company's surrebuttal position and corresponding FR A-1 numbers rather than the Company's direct testimony position. The purpose of this schedule is to reflect the change from the Company's original direct testimony proposal to what is ultimately ordered by the Commission. The proper source for the numbers in column (e) is ComEd Ex. 2.01, p.2, Schedule FR A-1. This presentation showing changes from the Company's direct position to the Final Order amount is consistent with the presentation in Staff's direct testimony, rebuttal testimony, and initial brief revenue requirements as well as the presentation in the Commission's Final Order in the prior year formula rate case Docket No. 15-0287.

Impacted Schedule

(Appendix A, Summary Schedule.)

As indicated above, a corrected Appendix A, including the Summary Schedule is attached to this BOE as Attachment 1.

III. CONCLUSION

WHEREFORE, for all of the following reasons, Staff respectfully requests that the Commission's order in this proceeding reflect all of Staff's recommendations regarding the Company's tariffs and charges submitted pursuant to Section 16-108.5 of the Public Utilities Act.

Respectfully submitted,

/s/_____

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October 28, 2016

*Counsel for the Staff of the
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Commonwealth Edison Company
 Summary of Base Rate Revenue Change from Prior Case
 For the Filing Year Ending December 31, 2016
 (In Thousands)

Line	Description	Granted in Prior Case (15-0287)	Company Proposed Changes		Company DT Proposal FR A-1	Adjustments		Per Order
			(e) - (b)	(c) / (b)		(h) - (e)	(f) / (e)	
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)
1	Base Revenue Requirement - Filing Year	\$ 2,432,468 (1)	\$ 138,696		\$ 2,571,164 (2)	\$ (4,679)		\$ 2,566,485 (6)
2	Reconciliation Adjustment with Interest	82,869 (1)	(8,284)		74,585 (3)	(5,339)		69,246 (7)
3	ROE Collar Adjustment	- (1)	7,103		7,103 (4)	1		7,104 (8)
4	Total Net Revenue Requirement	<u>\$ 2,515,337 (1)</u>	<u>\$ 137,515</u>	5.47 %	<u>\$ 2,652,852 (5)</u>	<u>\$ (10,016)</u>	(0.38)%	<u>\$ 2,642,836 (9)</u>
5	Total \$ Change - Total Net Revenue Requirement							\$ 127,499 (10)
6	Total % Change - Total Net Revenue Requirement							5.07 % (11)

Notes

- (1) Commission Order in Docket No. 15-0287, December 9, 2015, Appendix A, Column (j)
- (2) ComEd Direct Testimony, ComEd Ex. 2.01, p. 2, Schedule FR A-1, line 23; filed 4/13/16
- (3) ComEd Direct Testimony, ComEd Ex. 2.01, p. 2, Schedule FR A-1, line 24
- (4) ComEd Direct Testimony, ComEd Ex. 2.01, p. 2, Schedule FR A-1, line 35
- (5) ComEd Direct Testimony, ComEd Ex. 2.01, p. 2, Schedule FR A-1, line 36
- (6) Appendix A, Schedule1, col j, ln 1
- (7) Appendix A, Schedule1, col j, ln 3
- (7) Appendix A, Schedule1, col j, ln 4
- (7) Appendix A, Schedule1, col j, ln 5
- (10) Column (h) line 4 minus Column (b) line 4
- (11) Line 5 divided by Column (b), line 4.

Commonwealth Edison Company
Rate Base
For the Filing Year Ending December 31, 2016
(In Thousands)

Line No.	Description (a)	Company Jurisdictional Rate Base (Co. Ex. 13.05, p. 1) (b)	Adjustments (Sch 4) (c)	Jurisdictional Rate Base per Order (Col. b+c) (d)
1	Distribution Plant	\$ 18,181,966	\$ -	\$ 18,181,966
2	G & I Plant	2,206,657	-	2,206,657
3	Accumulated Depreciation on Distribution Plant	(6,177,864)	-	(6,177,864)
4	Accumulated Depreciation on G & I Plant	(988,686)	-	(988,686)
5	Net Plant	<u>13,222,073</u>	-	<u>13,222,073</u>
6	Construction Work in Progress	-		
7	Cash Working Capital	(52,676)	237	(52,439)
8	Materials & Supplies Inventories	72,065	-	72,065
9	Accumulated Deferred Income Taxes	(3,950,784)	-	(3,950,784)
10	Regulatory Assets & Liabilities, Net	193,873	-	193,873
11	Deferred Costs	34,034	-	34,034
12	Operating Reserves	(311,319)	-	(311,319)
13	Asset Retirement Obligation	(22,055)	-	(22,055)
14	Deferred Liabilities	(115,148)	-	(115,148)
15	Customer Deposits	(131,133)	-	(131,133)
16	Customer Advances	(107,807)	-	(107,807)
17				
18		-	-	-
19		-	-	-
20		-	-	-
21		-	-	-
22		-	-	-
23		<u>-</u>	<u>-</u>	<u>-</u>
24	Rate Base	<u>\$ 8,831,123</u>	<u>\$ 237</u>	<u>\$ 8,831,360</u>

Commonwealth Edison Company
Revenue Effect of Adjustments
For the Filing Year Ending December 31, 2016
(In Thousands)

Line No.	Description (a)	Per Company (b)	Adjustments (c)	As Adjusted (d)
1	Present Revenues	\$ 2,566,851 ⁽¹⁾	\$ -	\$ 2,566,851 ⁽²⁾
2	Increase	<u>136,279 ⁽³⁾</u>	<u>(2,262) ⁽⁴⁾</u>	<u>134,017 ⁽⁵⁾</u>
3	Revenues	<u>\$ 2,703,130</u>	<u>\$ (2,262)</u>	<u>\$ 2,700,868</u>
4	% Increase	5.31%		5.22%
5	Adjustments:			
6	TCPA Settlement Expense (AG Ex 1.0, p.6)		(2,281)	
7	Rate of Return (Applied to Company Rate Base)		2	
8	Gross Revenue Conversion Factor		(2)	
9	Interest Synchronization (Sch 6)		(1)	
10			22	
11				
12				
13				
14				
15				
16				
17				
18				
19				
20				
21				
22				
23				
24				
25				
26	Rounding		<u>(2)</u>	
27	Total Revenue Effect of Staff Adjustments		<u>\$ (2,262)</u>	

Sources:

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

Commonwealth Edison Company
Interest Synchronization Adjustment
For the Filing Year Ending December 31, 2016
(In Thousands)

Line No.	Description	Amount
	(a)	(b)
1	Rate Base	\$ 8,831,360 (1)
2	Weighted Cost of Debt	2.77% (2)
3	Synchronized Interest Per Order	244,629
4	Company Interest Expense	<u>244,622</u> (3)
5	Increase (Decrease) in Interest Expense	<u>7</u>
6	Increase (Decrease) in State Income Tax Expense	
7	at 7.750%	<u>\$ (1)</u>
8	Increase (Decrease) in Federal Income Tax Expense	
9	at 35.000%	<u>\$ (2)</u>

(1) Source: Sch. 3, column (d), line 24.
(2) Source: ComEd Ex. 13.05, p. 14, line 2.
(3) Source: ComEd Ex. 13.01, App 3, line 68.

Commonwealth Edison Company
Gross Revenue Conversion Factor
For the Filing Year Ending December 31, 2016
(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	7.7500%	<u>0.077500</u>	<u>0.077500</u>
5	Federal Taxable Income		0.922500	0.922500
6	Federal Income Tax	35.0000%	<u>0.322875</u>	<u>0.322875</u>
7	Operating Income		<u>0.599625</u>	<u>0.599625</u>
8	Gross Revenue Conversion Factor Per Order		<u>1.667709</u>	<u>1.667709</u>

Commonwealth Edison Company
Reconciliation Computation for the Reconciliation Year Ending December 31, 2015
For the Filing Year Ending December 31, 2016
(In Thousands)

Line No.	Description	Source	Amt	(d)	(e)	(f)	(g)
	(a)	(b)	(c)				
1a	Actual Revenue Requirement	Appendix B, Sch 1, column (i), line 1	\$ 2,407,250				
	Revenue Requirement in effect during						
1b	Reconciliation Year	ComEd Ex. 13.01, p. 6, line 1b	\$ 2,347,553				
1c	Variance - Reconciliation Before Interest	(Ln 1a) - (Ln 1b)	\$ 59,697				
1d	ROE Collar Adjustment	Sch 9, column b, line 36	\$ 7,104				
1e	Variance With Collar	(Ln 1c) + (Ln 1d)	\$ 66,801				
2	Overall Rate of Return (%)	ComEd Ex. 13.01, p. 14	6.69%				
			<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)
2015							
3	Jan		\$ 5,567	0.5575%	11.5	\$ 357	\$ 5,924
4	Feb		\$ 5,567	0.5575%	10.5	\$ 326	\$ 5,893
5	Mar		\$ 5,567	0.5575%	9.5	\$ 295	\$ 5,862
6	Apr		\$ 5,567	0.5575%	8.5	\$ 264	\$ 5,831
7	May		\$ 5,567	0.5575%	7.5	\$ 233	\$ 5,800
8	Jun		\$ 5,567	0.5575%	6.5	\$ 202	\$ 5,769
9	Jul		\$ 5,567	0.5575%	5.5	\$ 171	\$ 5,737
10	Aug		\$ 5,567	0.5575%	4.5	\$ 140	\$ 5,706
11	Sep		\$ 5,567	0.5575%	3.5	\$ 109	\$ 5,675
12	Oct		\$ 5,567	0.5575%	2.5	\$ 78	\$ 5,644
13	Nov		\$ 5,567	0.5575%	1.5	\$ 47	\$ 5,613
14	Dec		\$ 5,567	0.5575%	0.5	\$ 16	\$ 5,582
15	Total	Sum of (Ln 5) thru (Ln 16)	\$ 66,801			\$ 2,235	\$ 69,036
			<u>Balance</u>	<u>Interest Rate</u>	<u>Months</u>	<u>Interest</u>	<u>Balance</u>
				Ln 4/12		(c) * (d) * (e)	(c) + (f)
2016							
16	Jan - Dec	Col G Ln 15	\$ 69,036	0.5575%	12	\$ 4,619	\$ 73,654
			<u>Balance</u>	<u>Interest Rate</u>		<u>Amort</u>	<u>Balance</u>
				Ln 4/12		(2')	(c) + (c) * (d) - (f)
2017							
17	Jan	Col G Ln 16	\$ 73,654	0.5575%		\$ 6,363	\$ 67,703
18	Feb	Col G Ln 17	\$ 67,703	0.5575%		\$ 6,363	\$ 61,717
19	Mar	Col G Ln 18	\$ 61,717	0.5575%		\$ 6,363	\$ 55,699
20	Apr	Col G Ln 19	\$ 55,699	0.5575%		\$ 6,363	\$ 49,647
21	May	Col G Ln 20	\$ 49,647	0.5575%		\$ 6,363	\$ 43,561
22	Jun	Col G Ln 21	\$ 43,561	0.5575%		\$ 6,363	\$ 37,441
23	Jul	Col G Ln 22	\$ 37,441	0.5575%		\$ 6,363	\$ 31,288
24	Aug	Col G Ln 23	\$ 31,288	0.5575%		\$ 6,363	\$ 25,099
25	Sep	Col G Ln 24	\$ 25,099	0.5575%		\$ 6,363	\$ 18,877
26	Oct	Col G Ln 25	\$ 18,877	0.5575%		\$ 6,363	\$ 12,619
27	Nov	Col G Ln 26	\$ 12,619	0.5575%		\$ 6,363	\$ 6,327
28	Dec	Col G Ln 27	\$ 6,327	0.5575%		\$ 6,363	\$ -
29	Variance with Interest	Sum of (Ln 17) thru (Ln 28)				\$ 76,351	
30	Remove ROE Collar Adjustment (3')	Col C Ln 1d				\$ 7,104	To Sch 1, col (i), line 4
31	Reconciliation with Interest	(Ln 29) - (Ln 30)				\$ 69,246	To Sch 1, col (i), line 3

Commonwealth Edison Company
ROE Collar Computation for the Reconciliation Year Ending December 31, 2015
For the Filing Year Ending December 31, 2016
(In Thousands)

Line No.	Description (a)	Per Staff (b)	Source (c)
1	DS Rate Base	\$ 7,781,506	Appendix B, Sch 3, Column (d), Ln 24
	Capital Structure		
2	Common Equity %	45.62%	ComEd Ex. 9.05, p. 23 - Schedule D-1
3	Short-Term Debt %	0.27%	ComEd Ex. 9.05, p. 23 - Schedule D-1
4	Long-Term Debt %	54.11%	ComEd Ex. 9.05, p. 23 - Schedule D-1
5	DS Equity Balance	\$ 3,549,923	Ln 1 x Ln 2
6	DS Short-Term Debt Balance	\$ 21,010	Ln 1 x Ln 3
7	DS Long-Term Debt Balance	\$ 4,210,573	Ln 1 x Ln 4
8	Cost of Short-Term Debt (%)	0.53%	ComEd Ex. 9.05, p. 23 - Schedule D-1
9	Cost of Long-Term Debt (%)	5.06%	ComEd Ex. 9.05, p. 23 - Schedule D-1
10	DS Operating Revenue	\$ 2,424,397	FERC Fm 1, p. 450.2
11	Accrued Reconciliation & Collar Revenues	\$ 67,000	FERC Fm 1, p. 450.2
12	Updated Reconciliation Amount (Var. bef. Collar)	\$ 59,697	Sch. 8, col (c), Ln 1c
13	LIHEAP & Uncollectibles Revenue	\$ 46,718	ComEd Schedule FR A-3, line 13
14	Other Revenue	\$ 134,383	Appendix B, Sch. 1, col (i), Ln. 2
15	DS Applicable Operating Revenue	\$ 2,504,759	Ln 10 - Ln 11 + Ln 12 - Ln 13 + Ln 14
16	Total DS Operating Expenses	\$ 1,822,551	Appendix B, Sch 1, Column (d), Ln 18
17	DS Operating Income Before Interest & Taxes	\$ 682,208	Ln 15 - Ln 16
18	DS Short-Term Interest Expense	\$ 111	Ln 6 x Ln 8
19	DS Long-Term Interest Expense	\$ 213,055	Ln 7 x Ln 9
20	Credit Facilities Expense	\$ 2,334	Ln 1 x Credit Facilities % from ROR
21	DS Operating Income before Taxes	\$ 466,708	Ln 17 - Ln 18 - Ln 19 - Ln 20
22	Income Tax Rate (%)	40.038%	
23	DS Income Taxes	\$ 186,858	Ln 21 x Ln 22
24	Impact of ITCs & Permanent Tax Differences	\$ (3,105)	Sch FR A-3
25	DS Net Income	\$ 282,955	Ln 21 - Ln 23 - Ln 24
26	DS ROE (%)	7.97%	Ln 25 / Ln 5
	ROE Collar		
27	Allowed ROE (%)	8.59%	ComEd Schedule FR A-1
28	Maximum Allowed ROE (%)	9.09%	Ln 27 + .5%
29	Minimum Allowed ROE (%)	8.09%	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 (%)	0.12%	Ln 29 - Ln 26
33	Amount Below Allowed ROE Collar	\$ 4,260	Ln 5 x Ln 32
34	ROE Collar Adj After Tax	\$ 4,260	Ln 31 + Ln 33
35	ROE Collar Tax Gross-up	\$ 2,844	Ln 34 x Ln 22/(1- Ln 22)
36	ROE Collar Adj	\$ 7,104	Ln 34 + Ln 35

Commonwealth Edison Company
Cash Working Capital Adjustment
For the Filing Year Ending December 31, 2016
(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	\$ 1,315,006	49.54	0.13573	\$ 178,481	Schedule 10, Page 2, Column b, Line 9
2	Collections of Pass-through Taxes:					
3	Energy Assistance/Renewable Energy	46,736	0.00	0.00000	-	Line 32 below
4	Gross Receipts/Municipal Utility Tax	254,357	0.00	0.00000	-	Line 33 below
5	Illinois Excise Tax	252,710	34.33	0.09405	23,769	Line 34 below
6	City of Chicago Infrastructure Maintenance Fee	88,141	34.33	0.09405	8,290	Line 35 below
7	Total Receipts	<u>\$ 1,956,950</u>			<u>\$ 210,540</u>	Sum of Lines 1 through 6
8	Base Payroll and Withholdings	\$ 299,870	(16.19)	(0.04436)	\$ (13,301)	Schedule 10, Page 2, Column b, Line 31
9	Vacation Pay Expense	-	(16.19)	(0.04436)	-	
10	Incentive Pay Expense	41,683	(239.50)	(0.65616)	(27,351)	ComEd Ex. 13.01, APP 3, Line 50
11	Employee Benefits - Pension & OPEB	93,363	0.00	0.00000	-	ComEd Ex. 13.01, APP 3, Line 51
12	Employee Benefits - Other	56,241	(4.19)	(0.01148)	(646)	ComEd Ex. 13.01, APP 3, Line 52
13	Inter-Company billings - Less Pass-throughs	110,479	(45.21)	(0.12386)	(13,684)	ComEd Ex. 13.01, APP 3, Line 53
14	Inter-Company billings - Pass-throughs	48,136	(45.21)	(0.12386)	(5,962)	ComEd Ex. 13.01, APP 3, Line 54
15	Property Leases	24,790	(2.91)	(0.00797)	(198)	ComEd Ex. 13.01, APP 3, Line 55
16	Other Operations and Maintenance Expenses	389,890	(87.33)	(0.23926)	(93,285)	Schedule 10, Page 2, Column b, Line 25
17	Property/Real Estate Tax	16,047	(336.37)	(0.92156)	(14,788)	ComEd Ex. 13.01, APP 3, Line 57
18	FICA Tax	23,519	(16.19)	(0.04436)	(1,043)	ComEd Ex. 13.01, APP 3, Line 58
19	Federal Unemployment Tax	-	(76.38)	(0.20926)	-	ComEd Ex. 13.01, APP 3, Line 59
20	State Unemployment Tax	-	(76.38)	(0.20926)	-	ComEd Ex. 13.01, APP 3, Line 60
21	Electricity Distribution Tax	100,911	(31.13)	(0.08529)	(8,606)	ComEd Ex. 13.01, APP 3, Line 61
22	State Franchise Tax	1,709	(191.64)	(0.52504)	(897)	ComEd Ex. 13.01, APP 3, Line 62
23	City of Chicago Dark Fiber Tax	-	0.00	0.00000	-	ComEd Ex. 13.01, APP 3, Line 63
24	401K Match	-	0.00	0.00000	-	ComEd Ex. 13.01, APP 3, Line 64
25	State Public Utility Fund Tax	3,819	(38.64)	(0.10586)	(404)	ComEd Ex. 13.01, APP 3, Line 65
26	Illinois Sales and Use Tax	110	(2.51)	(0.00688)	(1)	ComEd Ex. 13.01, APP 3, Line 66
27	Chicago Sales and Use Tax	(93)	(228.50)	(0.62603)	58	ComEd Ex. 13.01, APP 3, Line 67
28	Interest Expense	244,629	(90.88)	(0.24899)	(60,909)	Schedule 6, Column b, Line 3
29	State Income Tax	(7,981)	(37.88)	(0.10378)	828	Schedule 1, Column i, Line 19
30	Federal Income Tax	(132,115)	(37.88)	(0.10378)	13,711	Schedule 1, Column i, Line 20
31	Payments of Pass-through Taxes					
32	Energy Assistance/Renewable Energy	46,736	(31.46)	(0.08619)	(4,028)	ComEd Ex. 13.01, APP 3, Line 72
33	Gross Receipts/Municipal Utility Tax	254,357	(37.35)	(0.10233)	(26,028)	ComEd Ex. 13.01, APP 3, Line 73
34	Illinois Excise Tax	252,710	(0.24)	(0.00066)	(166)	ComEd Ex. 13.01, APP 3, Line 74
35	City of Chicago Infrastructure Maintenance Fee	88,141	(26.00)	(0.07123)	(6,279)	ComEd Ex. 13.01, APP 3, Line 75
36	Other Outlays	-	0.00	0.00000	-	NA
37	Total Outlays	<u>\$ 1,956,951</u>			<u>\$ (262,979)</u>	Sum of Lines 8 through 36
38	Cash Working Capital per Order				\$ (52,439)	Line 7 plus line 37
39	Cash Working Capital per Company				(52,676)	ComEd Ex. 13.01, APP 3, Line 80
40	Difference -- Adjustment per Order				<u>\$ 237</u>	Line 38 minus Line 39

Commonwealth Edison Company
Cash Working Capital Adjustment
For the Filing Year Ending December 31, 2016
(In Thousands)

<u>Line</u>	<u>Description</u> (a)	<u>Amount</u> (b)	<u>Source</u> (c)
1	Total Operating Revenues	\$ 2,700,868	Schedule 1, Column i, Line 5
2	Uncollectible Accounts	-	Schedule 1, Column i, Line 6
3	Depreciation & Amortization	(569,140)	Schedule 1, Column i, Line 12
4	Regulatory Debits	(52,633)	ComEd Ex. 13.02, WP 3-1b, Line 4
5	Less: Pension Asset Cost Funding	(48,882)	ComEd Ex. 13.02, WP 3-1b, Line 5
6	Less Deferred Taxes and ITC	(367,251)	Schedule 1, Column i, Line 21
7	City of Chicago Dark Fiber Tax	-	NA
8	Return on Equity	(347,956)	Line 12 below
9	Total Revenues for CWC calculation	<u>\$ 1,315,006</u>	Sum of Lines 1 through 8
10	Total Rate Base	\$ 8,831,360	Schedule 3, Column d, Line 24
11	Weighted Cost of Equity	3.94%	Per Order
12	Return on Equity	<u>\$ 347,956</u>	Line 10 times Line 11
13	Operating Expense Before Income Taxes	\$ 1,881,129	Schedule 1, Column i, Line 18
14	Payroll Expense	(341,553)	ComEd Ex. 13.02, WP 3-1b, Line 14
15	Intercompany billings - Less Pass-throughs	(110,479)	ComEd Ex. 13.02, WP 3-1b, Line 15
16	Intercompany billings - Pass-throughs	(48,136)	ComEd Ex. 13.02, WP 3-1b, Line 16
17	Employee Benefits Expense - Pension and OPEB	(93,363)	ComEd Ex. 13.02, WP 3-1b, Line 17
18	Employee Benefits Expense - Other	(56,241)	ComEd Ex. 13.02, WP 3-1b, Line 18
19	Uncollectible Accounts	-	Schedule 1, Column i, Line 6
20	Depreciation & Amortization	(569,140)	Schedule 1, Column i, Line 12
21	Regulatory Debits	(52,633)	ComEd Ex. 13.02, WP 3-1b, Line 4
22	Pension Asset Cost Funding	(48,882)	ComEd Ex. 13.02, WP 3-1b, Line 5
23	Taxes Other Than Income	(146,022)	Schedule 10, p. 1, Column b, sum line 17 through 27
24	Property Leases	(24,790)	ComEd Ex. 13.02, WP 3-1b, Line 24
25	Other Operations & Maintenance for CWC Calculation	<u>\$ 389,890</u>	Sum of Lines 13 through 24
26	Direct O & M Payroll per Company	\$ 383,669	ComEd Ex. 13.02, WP 3-1b, Line 26
27	less: Power Production Payroll	(1,349)	ComEd Ex. 13.02, WP 3-1b, Line 27
28	less: Transmission Payroll	(40,663)	ComEd Ex. 13.02, WP 3-1b, Line 28
29	less: Payroll Taxes on Supply	(104)	ComEd Ex. 13.02, WP 3-1b, Line 29
30	less: Net Incentive Pay	(41,683)	ComEd Ex. 13.02, WP 3-1b, Line 30
31	Direct Payroll and Incentive Compensation	<u>\$ 299,870</u>	Sum of Lines 26 through 30

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

Line No.	Description (a)	Company Jurisdictional Rate Base (Co. Ex. 13.03 p. 1) (b)	Adjustments (Sch 4) (c)	Jurisdictional Rate Base per Order (Col. b+c) (d)
1	Distribution Plant	\$ 16,530,881	\$ -	\$ 16,530,881
2	G & I Plant	1,907,671	-	1,907,671
3	Accumulated Depreciation on Distribution Plant	(5,826,795)	-	(5,826,795)
4	Accumulated Depreciation on G & I Plant	(870,993)	-	(870,993)
5	Net Plant	<u>11,740,764</u>	-	<u>11,740,764</u>
6	Construction Work in Progress	40,654	-	40,654
7	Cash Working Capital	(50,297)	236	(50,061)
8	Materials & Supplies Inventories	72,065	-	72,065
9	Accumulated Deferred Income Taxes	(3,562,361)	-	(3,562,361)
10	Regulatory Assets & Liabilities, Net	193,873	-	193,873
11	Deferred Costs	34,034	-	34,034
12	Operating Reserves	(311,319)	-	(311,319)
13	Asset Retirement Obligation	(22,055)	-	(22,055)
14	Deferred Liabilities	(115,148)	-	(115,148)
15	Customer Deposits	(131,133)	-	(131,133)
16	Customer Advances	(107,807)	-	(107,807)
17				
18		-	-	-
19		-	-	-
20		-	-	-
21		-	-	-
22		-	-	-
23		<u>-</u>	<u>-</u>	<u>-</u>
24	Rate Base	<u>\$ 7,781,270</u>	<u>\$ 236</u>	<u>\$ 7,781,506</u>

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

Line No.	Description (a)	Per Company (b)	Adjustments (c)	As Adjusted (d)
1	Present Revenues	\$ 2,393,739 ⁽¹⁾	\$ -	\$ 2,393,739 ⁽²⁾
2	Increase	<u>150,154 ⁽³⁾</u>	<u>(2,260) ⁽⁴⁾</u>	<u>147,894 ⁽⁵⁾</u>
3	Revenues	<u>\$ 2,543,893</u>	<u>\$ (2,260)</u>	<u>\$ 2,541,633</u>
4	% Increase	6.27%		6.18%
5	Adjustments:			
6	TCPA Settlement Expense (AG Ex 1.0, p.6)		(2,281)	
7	Rate of Return (Applied to Company Rate Base)		2	
8	Gross Revenue Conversion Factor		(2)	
9	Interest Synchronization (Sch 6)		(1)	
10	Cash Working Capital (Sch 10)		22	
11				
12				
13				
14				
15				
16				
17				
18				
19				
20				
21				
22				
23				
24				
25				
26				
27	Rounding		<u>-</u>	
28	Total Revenue Effect of Adjustments		<u>\$ (2,260)</u>	

Sources:

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

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

Line No.	Description (a)	Amount (b)
1	Rate Base	\$ 7,781,506 (1)
2	Weighted Cost of Debt	2.77% (2)
3	Synchronized Interest Per Staff	215,548
4	Company Interest Expense	<u>215,541</u> (3)
5	Increase (Decrease) in Interest Expense	<u>7</u>
6	Increase (Decrease) in State Income Tax Expense	
7	at 7.750%	<u>\$ (1)</u>
8	Increase (Decrease) in Federal Income Tax Expense	
9	at 35.000%	<u>\$ (2)</u>

(1) Source: Sch. 3, column (d), line 24
(2) Source: ComEd Ex. 13.03, p. 14, line 2.
(3) Source: ComEd Ex. 13.01, App 3, line 28.

Commonwealth Edison Company
Gross Revenue Conversion Factor
For the Reconciliation 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	7.7500%	<u>0.077500</u>	<u>0.077500</u>
5	Federal Taxable Income		0.922500	0.922500
6	Federal Income Tax	35.0000%	<u>0.322875</u>	<u>0.322875</u>
7	Operating Income		<u>0.599625</u>	<u>0.599625</u>
8	Gross Revenue Conversion Factor Per Order		<u>1.667709</u>	<u>1.667709</u>

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

<u>Line</u>	<u>Description</u> (a)	<u>Amount</u> (b)	<u>Lag (Lead)</u> (c)	<u>CWC Factor</u> (d) (c/365)	<u>CWC Requirement</u> (e) (b*d)	<u>Column b Source</u> (f)
1	Revenues	\$ 1,257,270	49.54	0.13573	\$ 170,644	Schedule 10, Page 2, Column b, Line 9
2	Collections of Pass-through Taxes:					
3	Energy Assistance/Renewable Energy	46,736	0.00	0.00000	-	Line 32 below
4	Gross Receipts/Municipal Utility Tax	254,357	0.00	0.00000	-	Line 33 below
5	Illinois Excise Tax	252,710	34.33	0.09405	23,769	Line 34 below
6	City of Chicago Infrastructure Maintenance Fi	88,141	34.33	0.09405	8,290	Line 35 below
7	Total Receipts	<u>\$ 1,899,214</u>			<u>\$ 202,703</u>	Sum of Lines 1 through 6
8	Base Payroll and Withholdings	\$ 299,870	(16.19)	(0.04436)	\$ (13,301)	Schedule 10, Page 2, Column b, Line 31
9	Vacation Pay Expense	-	(16.19)	(0.04436)	-	
10	Incentive Pay Expense	41,683	(239.50)	(0.65616)	(27,351)	ComEd Ex. 13.01, APP 3, Line 10
11	Employee Benefits - Pension & OPEB	93,363	0.00	0.00000	-	ComEd Ex. 13.01, APP 3, Line 11
12	Employee Benefits - Other	56,241	(4.19)	(0.01148)	(646)	ComEd Ex. 13.01, APP 3, Line 12
13	Inter-Company billings - Less Pass-throughs	110,479	(45.21)	(0.12386)	(13,684)	ComEd Ex. 13.01, APP 3, Line 13
14	Inter-Company billings - Pass-throughs	48,136	(45.21)	(0.12386)	(5,962)	ComEd Ex. 13.01, APP 3, Line 14
15	Property Leases	24,790	(2.91)	(0.00797)	(198)	ComEd Ex. 13.01, APP 3, Line 15
16	Other Operations and Maintenance Expenses	389,890	(87.33)	(0.23926)	(93,285)	Schedule 10, Page 2, Column b, Line 25
17	Property/Real Estate Tax	16,047	(336.37)	(0.92156)	(14,788)	ComEd Ex. 13.01, APP 3, Line 17
18	FICA Tax	23,519	(16.19)	(0.04436)	(1,043)	ComEd Ex. 13.01, APP 3, Line 18
19	Federal Unemployment Tax	-	(76.38)	(0.20926)	-	ComEd Ex. 13.01, APP 3, Line 19
20	State Unemployment Tax	-	(76.38)	(0.20926)	-	ComEd Ex. 13.01, APP 3, Line 20
21	Electricity Distribution Tax	100,911	(31.13)	(0.08529)	(8,606)	ComEd Ex. 13.01, APP 3, Line 21
22	State Franchise Tax	1,709	(191.64)	(0.52504)	(897)	ComEd Ex. 13.01, APP 3, Line 22
23	City of Chicago Dark Fiber Tax	-	0.00	0.00000	-	ComEd Ex. 13.01, APP 3, Line 23
24	401K Match	-	0.00	0.00000	-	ComEd Ex. 13.01, APP 3, Line 24
25	State Public Utility Fund Tax	3,819	(38.64)	(0.10586)	(404)	ComEd Ex. 13.01, APP 3, Line 25
26	Illinois Sales and Use Tax	110	(2.51)	(0.00688)	(1)	ComEd Ex. 13.01, APP 3, Line 26
27	Chicago Sales and Use Tax	(93)	(228.50)	(0.62603)	58	ComEd Ex. 13.01, APP 3, Line 27
28	Interest Expense	215,548	(90.88)	(0.24899)	(53,668)	Schedule 6, Column b, Line 3
29	State Income Tax	(13,527)	(37.88)	(0.10378)	1,404	Schedule 1, Column i, Line 19
30	Federal Income Tax	(155,225)	(37.88)	(0.10378)	16,109	Schedule 1, Column i, Line 20
31	Payments of Pass-through Taxes					
32	Energy Assistance/Renewable Energy	46,736	(31.46)	(0.08619)	(4,028)	ComEd Ex. 13.01, APP 3, Line 32
33	Gross Receipts/Municipal Utility Tax	254,357	(37.35)	(0.10233)	(26,028)	ComEd Ex. 13.01, APP 3, Line 33
34	Illinois Excise Tax	252,710	(0.24)	(0.00066)	(166)	ComEd Ex. 13.01, APP 3, Line 34
35	City of Chicago Infrastructure Maintenance Fi	88,141	(26.00)	(0.07123)	(6,279)	ComEd Ex. 13.01, APP 3, Line 35
36	not used	-	0.00	0.00000	-	NA
37	Total Outlays	<u>\$ 1,899,214</u>			<u>\$ (252,764)</u>	Sum of Lines 8 through 36
38	Cash Working Capital per Order				\$ (50,061)	Line 7 plus line 37
39	Cash Working Capital per Company				(50,297)	ComEd Ex. 13.01, APP 3, Line 40
40	Difference -- Adjustment per Order				<u>\$ 236</u>	Line 38 minus Line 39

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

<u>Line</u>	<u>Description</u>	<u>Amount</u>	<u>Source</u>
	(a)	(b)	(c)
1	Total Operating Revenues	\$ 2,541,633	Schedule 1, Column i, Line 5
2	Uncollectible Accounts	-	Schedule 1, Column i, Line 6
3	Depreciation & Amortization	(510,562)	Schedule 1, Column i, Line 12
4	Regulatory Debits	(52,633)	ComEd Ex. 13.02, WP 3-1a, Line 4
5	Less: Pension Asset Cost Funding	(48,882)	ComEd Ex. 13.02, WP 3-1a, Line 5
6	Less Deferred Taxes and ITC	(367,251)	Schedule 1, Column i, Line 21
7	City of Chicago Dark Fiber Tax	-	NA
8	Return on Equity	(305,035)	Line 12 below
9	Total Revenues for CWC calculation	<u>\$ 1,257,270</u>	Sum of Lines 1 through 8
10	Total Rate Base	\$ 7,781,506	Schedule 3, Column d, Line 24
11	Weighted Cost of Equity	3.92%	Per Order
12	Return on Equity	<u>\$ 305,035</u>	Line 10 times Line 11
13	Operating Expense Before Income Taxes	\$ 1,822,551	Schedule 1, Column i, Line 18
14	Payroll Expense	(341,553)	ComEd Ex. 13.02, WP 3-1a, Line 14
15	Intercompany billings - Less Pass-throughs	(110,479)	ComEd Ex. 13.02, WP 3-1a, Line 15
16	Intercompany billings - Pass-throughs	(48,136)	ComEd Ex. 13.02, WP 3-1a, Line 16
17	Employee Benefits Expense - Pension and OPEB	(93,363)	ComEd Ex. 13.02, WP 3-1a, Line 17
18	Employee Benefits Expense - Other	(56,241)	ComEd Ex. 13.02, WP 3-1a, Line 18
19	Uncollectible Accounts	-	Schedule 1, Column i, Line 6
20	Depreciation & Amortization	(510,562)	Schedule 1, Column i, Line 12
21	Regulatory Debits	(52,633)	ComEd Ex. 13.02, WP 3-1a, Line 4
22	Pension Asset Cost Funding	(48,882)	ComEd Ex. 13.02, WP 3-1a, Line 5
23	Taxes Other Than Income	(146,022)	Schedule 10, p. 1, Column b, sum line 17 through 27
24	Property Leases	(24,790)	ComEd Ex. 13.02, WP 3-1a, Line 24
25	Other Operations & Maintenance for CWC Calculation	<u>\$ 389,890</u>	Sum of Lines 13 through 24
26	Direct O & M Payroll per Company	\$ 383,669	ComEd Ex. 13.02, WP 3-1a, Line 26
27	less: Power Production Payroll	(1,349)	ComEd Ex. 13.02, WP 3-1a, Line 27
28	less: Transmission Payroll	(40,663)	ComEd Ex. 13.02, WP 3-1a, Line 28
29	less: Payroll Taxes on Supply	(104)	ComEd Ex. 13.02, WP 3-1a, Line 29
30	less: Net Incentive Pay	(41,683)	ComEd Ex. 13.02, WP 3-1a, Line 30
31	Direct Payroll and Incentive Compensation	<u>\$ 299,870</u>	Sum of Lines 26 through 30