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BEFORE THE  
ILLINOIS COMMERCE COMMISSION

IN THE MATTER OF: )  
COMMONWEALTH EDISON COMPANY )  
Petition pursuant to Section ) No. 03-0315  
7-101 of the Public Utilities )  
Act to engage in a transaction )  
with an affiliate. )

Chicago, Illinois  
July 16, 2003

Met pursuant to notice at 1:30 p.m.

BEFORE:  
MR. IAN BRODSKY, Administrative Law Judge.

APPEARANCES:  
MS. ANASTASIA M. POLEK-O'BRIEN  
10 South Dearborn, 35th Floor  
Chicago, Illinois 60603  
Appearing for Commonwealth Edison Company;  
MR. THOMAS GRIFFIN  
160 North LaSalle Street, Suite C-800  
Chicago, Illinois 60601  
Appearing for Staff.

SULLIVAN REPORTING COMPANY, by  
Christine L. Kowalski, RPR

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I N D E X

Re- Re- By

Witnesses:      Direct Cross direct cross Examiner  
N. Hemmady  
T. Griffin

E X H I B I T S  
For Identification

In Evidence

ComEd No. 1      3      6  
Staff No. 1      3      9

1 (Whereupon, ComEd  
2 Exhibit No. 1 was  
3 marked for identification  
4 as of this date.)

5 (Whereupon, Staff  
6 Exhibit No. 1 was  
7 marked for identification  
8 as of this date.)

9 JUDGE BRODSKY: Pursuant to the authority of the  
10 Illinois Commerce Commission, I now call  
11 Docket 03-0315. This is Commonwealth Edison  
12 Company, petition pursuant to Section 7-101 of the  
13 Public Utilities Act to engage in a transaction with  
14 an affiliate.

15 May I have the appearances for the  
16 record, please.

17 MS. POLEK-O'BRIEN: Anastasia Polek-O'Brien,  
18 Exelon Business Service Company, 10 South Dearborn,  
19 Chicago 60603, on behalf of Commonwealth Edison  
20 Company.

21 MR. GRIFFIN: Thomas Griffin appearing for the  
22 Staff of the Illinois Commerce Commission.

1 JUDGE BRODSKY: Thank you. We have received a  
2 number of documents either attached to the petition  
3 or afterwards, and I had a couple questions for the  
4 parties.

5 But first, is there anything the  
6 parties wish to do to start out?

7 MS. POLEK-O'BRIEN: ComEd does not.

8 JUDGE BRODSKY: Okay.

9 MR. GRIFFIN: And nothing from Staff.

10 JUDGE BRODSKY: Nothing from Staff, okay. Are  
11 you moving then for the admission of the attachments  
12 to the petition and the --

13 MS. POLEK-O'BRIEN: I'll call as ComEd's first  
14 witness Neena Hemmady.

15 (Witness sworn.)

16 NEENA HEMMADY,  
17 called as a witness herein, having been first duly  
18 sworn, was examined and testified as follows:

19 DIRECT EXAMINATION

20 BY

21 MS. POLEK-O'BRIEN:

22 Q. Would you please give us your name for the

1 record, spelling your last name.

2 A. Yes, ma'am. My first name is Neena, I'll  
3 spell it, N-e-e-n-a. The last name Hemmady,  
4 H-e-m-m-a-d-y.

5 Q. You're employed by Commonwealth Edison?

6 A. I am.

7 Q. In what capacity?

8 A. My official title is Senior Environmental --  
9 Senior Environmental Compliance Specialist with the  
10 Environmental Services Department of ComEd.

11 Q. You have before you a document that's been  
12 marked as ComEd Exhibit 1 and that's been submitted  
13 to the e-Docket system. Are you familiar with this  
14 document?

15 A. Mm-hmm.

16 Q. Was this document prepared under your  
17 direction and control?

18 A. Yes.

19 Q. And if you were asked the questions included  
20 in this document, would your answers be the same as  
21 are set forth in the prefiled testimony?

22 A. Yes.

1 MS. POLEK-O'BRIEN: We move for the admission of  
2 ComEd Exhibit 1 and tender the witness for  
3 cross-examination.

4 JUDGE BRODSKY: Okay. Is there any objection?

5 MR. GRIFFIN: No objection.

6 JUDGE BRODSKY: Okay. Then Exhibit 1 is  
7 admitted.

8 (Whereupon, ComEd  
9 Exhibit No. 1 was  
10 admitted into evidence as  
11 of this date.)

12 JUDGE BRODSKY: Do you have any further questions  
13 for the witness.

14 MR. GRIFFIN: No, I don't.

15 JUDGE BRODSKY: Okay. I have a couple questions  
16 for you.

17 EXAMINATION

18 BY

19 JUDGE BRODSKY:

20 Q. You testified that the request for bids was  
21 tendered to five companies?

22 A. That's right.

1 Q. And all five submitted responses?

2 A. That's right.

3 Q. And all five were evaluated?

4 A. Mm-hmm.

5 Q. That was a yes?

6 A. Yes.

7 Q. Okay. And you testified then that Waste  
8 Management was selected based on its favorable bid  
9 on the relevant factors.

10 A. Mm-hmm.

11 Q. Could you detail what the most significant  
12 factors were that were considered?

13 A. Sure. When we evaluated the contract, we  
14 used a matrix. We used availability of disposal  
15 locations, cost. Actually, there's a lot in here  
16 which we had went through in the previous meeting,  
17 but things such as what other services could be  
18 provided by the contractor, the breadth of services  
19 that are offered, safety records, things of that  
20 nature.

21 So in the matrix, there was a  
22 weighted average for each contractor that was being

1 evaluated and Waste Management came up favorably.  
2 And if you're -- are you asking me to identify one  
3 particular factor? Because one particular factor  
4 was cost. They were definitely one of the cheapest,  
5 lowest cost bidders which for ComEd was quite  
6 favorable, so...

7 Q. Okay. So would it be fair to say then that  
8 the decision to use Waste Management would have come  
9 from the value of the contract; in other words, the  
10 low cost bid as well as the various other factors, a  
11 combination of which --

12 A. Absolutely.

13 Q. -- added favorably?

14 A. Absolutely. The network of landfills, the  
15 breadth of experience of the Waste Management staff,  
16 their compliance history, their safety record, all  
17 of those things added up to make it a favorable bid  
18 that then led to the acceptance of that bid, so...

19 JUDGE BRODSKY: Okay. Thank you.

20 Do you have any redirect?

21 MS. POLEK-O'BRIEN: No, I do not.

22 JUDGE BRODSKY: Okay. Thank you.

1 THE WITNESS: Sure.

2 JUDGE BRODSKY: And there was also a verified  
3 statement from Staff. Do you wish to address that?

4 MR. GRIFFIN: Yes. Should I move for its  
5 admission, Judge?

6 JUDGE BRODSKY: Yeah, that's probably a good  
7 idea.

8 MR. GRIFFIN: Okay. I'd like to move for the  
9 admission of my verified statement in this Docket.

10 JUDGE BRODSKY: Any objection?

11 MS. POLEK-O'BRIEN: No objection.

12 JUDGE BRODSKY: Okay. Then we will admit that as  
13 Staff Exhibit 1.

14 (Whereupon, Staff  
15 Exhibit No. 1 was  
16 admitted into evidence as  
17 of this date.)

18 JUDGE BRODSKY: I have a few questions on it.  
19 Let me swear you in for those.

20 (Witness sworn.)

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1                   THOMAS GRIFFIN,  
2 called as a witness herein, having been first duly  
3 sworn, was examined and testified as follows:

4                   EXAMINATION

5                   BY

6                   JUDGE BRODSKY:

7       Q.     You indicated that you reviewed the request  
8 for proposals and the bids as well as the documents  
9 that were submitted with them when you visited  
10 ComEd --

11      A.     Yes.

12      Q.     -- that's correct?

13      A.     Yes.

14      Q.     What was the scope of the review; in other  
15 words, what were you looking for?

16      A.     Well, I was looking for this evaluation  
17 process that was previously alluded to. I wanted to  
18 review the bids, see how they were evaluated, look  
19 at the points system that was used, verify that the  
20 winning bids were won by the companies that got the  
21 best record in this evaluation. And I was also  
22 looking for any other notes that were put into the

1 files and so forth.

2 Q. And you found the items you were looking  
3 for?

4 A. Yes, I did.

5 Q. Okay. And you did not find anything that  
6 would be unsatisfactory to you?

7 A. No, as a matter of fact, the -- from the  
8 information I reviewed, the two companies that did  
9 get the winning bids were the ones that did the best  
10 in the evaluation.

11 Q. Okay. And while you were at ComEd you also  
12 interviewed some of the people that were involved in  
13 the process?

14 A. Yes.

15 Q. What was the nature of the interviewing?

16 A. Well --

17 Q. I mean, I'm not asking you to repeat  
18 anything that they're saying, okay, but just the  
19 nature of the discussion of the topics.

20 A. These individuals basically indicated what  
21 the project was used for, the type of things they  
22 were looking for for removal of waste for these

1 projects and so forth, and they gave me sort of an  
2 overview of what they were looking for in the bids.

3 Q. Okay. And you indicated then that the bid  
4 was awarded based on a comfortable margin?

5 A. Yes.

6 Q. That was --

7 A. Yes, there was a points system --

8 Q. Okay.

9 A. -- and the two entities that received the  
10 bids which include Waste Management were the two  
11 that had the highest points by -- well, to put it in  
12 perspective, there is a possible 100 points and the  
13 two bids that were awarded were to the companies  
14 including Waste Management with 87.8 points and  
15 85.2 points. And the closest competitor received  
16 77.2 points.

17 Q. Okay. So that really was quite a  
18 substantial and significant margin?

19 A. Yes, I believe so.

20 Q. Okay. And your recommendation is in favor  
21 of the petition; is that right?

22 A. Yes.

1 JUDGE BRODSKY: All right. Thank you very much.

2 So with the admission of these  
3 documents, that concludes my questions. And unless  
4 there's anything further, then I'll also conclude  
5 the hearing.

6 MS. POLEK-O'BRIEN: Judge, if the record could  
7 reflect the fact that we have tendered to your Honor  
8 a copy of a marked version of the order that was  
9 attached to the petition that incorporates the fact  
10 of today's hearing and Staff's verified statement.  
11 It's my understanding that Staff had no objection to  
12 the order as was drafted that was provided to you  
13 just now.

14 JUDGE BRODSKY: Okay. So noted. I will review  
15 the draft order and put the appropriate documents in  
16 front of the Commission soon.

17 MS. POLEK-O'BRIEN: Thank you.

18 JUDGE BRODSKY: With that, we'll mark the record  
19 heard and taken. Thank you very much.

20 HEARD AND TAKEN.

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