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FOUNDED 1866

May 19, 2015

Ms. Kimberly D. Bose, Secretary
Federal Energy Regulatory Commission
888 First Street, N.E.
Washington, D.C. 20426

Re: Commonwealth Edison Correction to Tax Rate in Annual Update;
Docket No. ER09-1145

Dear Secretary Bose:

Pursuant to the terms of Attachment H-13B of the PJM Interconnection, L.L.C. ('PJM') Open Access Transmission Tariff ('OATT'), Commonwealth Edison Company ('ComEd') submitted its 2015 Annual Update as an informational filing in the above-referenced docket on April 15, 2015. ComEd prepared the 2015 Annual Update in a manner consistent with its protocols, as set forth in Attachment H-13B of the PJM Tariff, and reflecting the guidance issued by Commission Staff on July 17, 2014.¹

The 2015 Annual Update submission included a copy of the ComEd formula rate (Attachment H-13A to the PJM OATT) populated with ComEd's 2014 actual costs and 2015 forecasted inputs, as well as substantial supporting documentation. The populated formula rate is used by PJM to determine charges for service to the ComEd zone during the June 1, 2015 through May 31, 2016 rate period.

Upon review, ComEd became aware of an inadvertent error in the populated 2015 forecasted Formula Rate (Attachment No. 1) at Appendix A, Line 129–State Income Tax Rate. Attachment No. 1 contained forecasted inputs for 2015 and erroneously used the 2014 applicable Illinois tax rate (9.5%) instead of the current 2015 applicable Illinois tax rate (7.75%). With this letter, ComEd is submitting a correction to the populated Formula Rate, and is simultaneously notifying PJM of this correction, so that the rates going into effect on June 1, 2015 will be computed with the correct 2015 state tax rate of 7.75%. The only adjustment is to

¹ See Staff's Guidance on Formula Rate Updates, available at <http://www.ferc.gov/industries/electric/indus-act/oattreform/staff-guidance.pdf>.

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correct the tax rate. This correction reduces ComEd's overall revenue requirement by approximately \$5.7 million.²

Consistent with the March 12, 2010 Letter Order, the Commission need not act on or notice this informational filing, "because the formula rate implementation protocols provide specific procedures for notice, review, and challenges to the annual updates."³

Respectfully submitted,

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Enclosure

² This change does not impact the supporting documentation provided with the Annual Update. However, Attachment No. 13 compares the 2014 revenue requirement to the 2015 revenue requirement. As reflected in the revised populated Formula Rate, the 2015 revised net zonal revenue requirement is now \$ 620,627,977.

³ See Letter Order Accepting Commonwealth Edison Company's 5/15/09 filing of the 2009 Formula Rate Annual Update, Docket No. ER09-1145 (Mar. 12, 2010). See also Attachment H-13B at Section 2 (providing for a 180 day review period from the Publication Date of April 15, 2015).

ATTACHMENT H-13A

Commonwealth Edison Company			2015 Forecast
Formula Rate -- Appendix A	Notes	FERC Form 1 Page # or Instruction	

Shaded cells are input cells

Allocators

Wages & Salary Allocation Factor			
1	Transmission Wages Expense	p354.21.b	38,529,465
2	Total Wages Expense	p354.28.b	367,683,885
3	Less A&G Wages Expense	p354.27.b	41,936,652
4	Total Wages Less A&G Wages Expense	(Line 2 - Line 3)	325,747,233
5	Wages & Salary Allocator	(Line 1 / Line 4)	11.83%
Plant Allocation Factors			
6	Electric Plant in Service	(Note B) p207.104.g	21,928,685,528
7	Accumulated Depreciation (Total Electric Plant)	(Note J) p219.29.c	7,463,287,376
8	Accumulated Amortization	(Note A) p200.21.c	403,728,910
9	Total Accumulated Depreciation	(Line 7 + 8)	7,867,016,286
10	Net Plant	(Line 6 - Line 9)	14,061,669,242
11	Transmission Gross Plant	(Line 29 - Line 28)	4,795,102,529
12	Gross Plant Allocator	(Line 11 / Line 6)	21.87%
13	Transmission Net Plant	(Line 41 - Line 28)	3,491,899,877
14	Net Plant Allocator	(Line 13 / Line 10)	24.83%

Plant Calculations

Plant In Service			
15	Transmission Plant In Service	(Note B) p207.58.g	4,191,462,800
16	For Reconciliation only - remove New Transmission Plant Additions for Current Calendar Year For Reconciliation Only	Attachment 6	
17	New Transmission Plant Additions for Current Calendar Year (weighted by months in service)	(Note B) Attachment 6	117,466,182
18	Total Transmission Plant	(Line 15 - Line 16 + Line 17)	4,308,928,982
19	General	p207.99.g	1,708,550,218
20	Intangible	p205.5.g	500,074,228
21	Total General and Intangible Plant	(Line 19 + Line 20)	2,208,624,446
22	Less: General Plant Account 397 -- Communications	p207.94.g	724,155,149
23	General and Intangible Excluding Acct. 397	(Line 21 - Line 22)	1,484,469,297
24	Wage & Salary Allocator	(Line 5)	11.83%
25	General and Intangible Plant Allocated to Transmission	(Line 23 * Line 24)	175,583,403
26	Account No. 397 Directly Assigned to Transmission	Attachment 5	310,590,143
27	Total General and Intangible Functionalized to Transmission	(Line 25 + Line 26)	486,173,547
28	Plant Held for Future Use (Including Land)	(Note C) Attachment 5	33,422,042
29	Total Plant In Rate Base	(Line 18 + Line 27 + Line 28)	4,828,524,571
Accumulated Depreciation			
30	Transmission Accumulated Depreciation	(Note J) p219.25.c	1,064,647,407
31	Accumulated General Depreciation	(Note J) p219.28.c	656,506,251
32	Less: Amount of General Depreciation Associated with Acct. 397	(Note J) Attachment 5	364,272,920
33	Balance of Accumulated General Depreciation	(Line 31 - Line 32)	292,233,331
34	Accumulated Amortization	(Line 8)	403,728,910
35	Accumulated General and Intangible Depreciation Ex. Acct. 397	(Line 33 + 34)	695,962,241
36	Wage & Salary Allocator	(Line 5)	11.83%
37	Subtotal General and Intangible Accum. Depreciation Allocated to Transmission	(Line 35 * Line 36)	82,318,590
38	Percent of Acct. 397 Directly Assigned to Transmission	(Line 26 / Line 22)	42.89%
39	Amount of Gen. Depr. Associated with Acct. 397 Directly Assigned to Trans.	(Line 38 * Line 32)	156,236,655
40	Total Accumulated Depreciation	(Sum Lines 30, 37 & 39)	1,303,202,652
41	Total Net Property, Plant & Equipment	(Line 29 - Line 40)	3,525,321,919

Adjustment To Rate Base

42	Accumulated Deferred Income Taxes			
	ADIT net of FASB 106 and 109		Attachment 1	-829,807,081
43	CWIP for Incentive Transmission Projects			
	CWIP Balances for Current Rate Year	(Note H)	Attachment 6	22,957,129
44	Prepayments			
	Prepayments (excluding Prepaid Pension Asset)	(Note A)	Attachment 5	2,815,406
45	Materials and Supplies			
	Undistributed Stores Expense	(Note A)	p227.6.c & 16.c	0
	Wage & Salary Allocator		(Line 5)	11.83%
	Total Undistributed Stores Expense Allocated to Transmission		(Line 45 * Line 46)	0
	Transmission Materials & Supplies		p227.8.c	55,974,466
	Total Materials & Supplies Allocated to Transmission		(Line 47 + Line 48)	55,974,466
50	Cash Working Capital			
	Operation & Maintenance Expense (excluding Interest Only Return on Prepaid Pension Asset)		(Line 85 - Line 84)	139,922,518
	1/8th Rule		1/8	12.5%
	Total Cash Working Capital Allocated to Transmission		(Line 50 * Line 51)	17,490,315
53	Network Credits			
	Outstanding Network Credits	(Note N)	Attachment 5	0
54	Total Adjustment to Rate Base		(Lines 42 + 43 + 44 + 49 + 52 - 53)	-730,569,765
55	Rate Base		(Line 41 + Line 54)	2,794,752,153

Operations & Maintenance Expense

56	Transmission O&M			
	Transmission O&M		Attachment 5	92,577,384
	Less Account 565		Attachment 5	6,589,611
	Plus Transmission Revenue Requirement of Commonwealth Edison of Indiana booked to Account 565		Attachment 5	6,589,611
	Plus Schedule 12 Charges billed to Transmission Owner and booked to Account 565	(Note O)	PJM Data	
	Plus Transmission Lease Payments	(Note A)	p200.4.c	0
	Transmission O&M		(Lines 56 - 57 + 58 + 59 + 60)	92,577,384
62	Allocated Administrative & General Expenses			
	Total A&G		Attachment 5	418,566,512
	Plus: Fixed PBOP expense	(Note J)	fixed	3,676,341
	Less: Actual PBOP expense		Attachment 5	3,677,308
	Less: Salaries and Benefits of specified Exelon Corp top executives		Attachment 5	11,401,000
	Less: Power Procurement Expense		Attachment 5	699,829
	Less Property Insurance Account 924		p323.185.b	1,042,760
	Less Regulatory Commission Exp Account 928	(Note E)	p323.189.b	4,468,369
	Less General Advertising Exp Account 930.1		p323.191.b	3,566,358
	Less EPRI Dues	(Note D)	p352 & 353	0
	Administrative & General Expenses		Sum (Lines 62 to 63) - Sum (Lines 64 to 70)	397,387,229
	Wage & Salary Allocator		(Line 5)	11.83%
	Administrative & General Expenses Allocated to Transmission		(Line 71 * Line 72)	47,003,062
74	Directly Assigned A&G			
	Regulatory Commission Exp Account 928	(Note G)	Attachment 5	83,126
	General Advertising Exp Account 930.1	(Note K)	Attachment 5	0
	Subtotal - Accounts 928 and 930.1 - Transmission Related		(Line 74 + Line 75)	83,126
	Property Insurance Account 924		(Line 67)	1,042,760
	General Advertising Exp Account 930.1	(Note F)	Attachment 5	0
	Total Accounts 928 and 930.1 - General		(Line 77 + Line 78)	1,042,760
	Net Plant Allocator		(Line 14)	24.83%
	A&G Directly Assigned to Transmission		(Line 79 * Line 80)	258,946
82	Interest on Prepaid Pension Asset			
	Prepaid Pension Asset (net of associated ADIT)		Attachment 5	133,417,446
	LTD Cost Rate		(Line 120)	5.08%
	Interest on Prepaid Pension Asset		(Line 82 * Line 83)	6,783,993
85	Total Transmission O&M and Interest on Prepaid Pension Asset		(Lines 61 + 73 + 76 + 81 + 84)	146,706,510

Depreciation & Amortization Expense

Depreciation Expense			
86	Transmission Depreciation Expense Including Amortization of Limited Term Plant	(Note J) p336.7.b&c&d	82,184,891
87	General Depreciation Expense Including Amortization of Limited Term Plant	(Note J) p336.10.b&c&d	87,960,421
88	Amount of General Depreciation Expense Associated with Acct. 397	(Note J) Attachment 5	49,775,924
89	Balance of General Depreciation Expense	(Line 87 - Line 88)	38,184,497
90	Intangible Amortization	(Note A) p336.1.d&e	40,234,336
91	Total	(Line 89 + Line 90)	78,418,833
92	Wage & Salary Allocator	(Line 5)	11.83%
93	General Depreciation & Intangible Amortization Allocated to Transmission	(Line 91 * Line 92)	9,275,399
94	General Depreciation Expense for Acct. 397 Directly Assigned to Transmission	(Line 88 * Line 38)	21,348,894
95	General Depreciation and Intangible Amortization Functionalized to Transmission	(Line 93 + Line 94)	30,624,293
96	Total Transmission Depreciation & Amortization	(Lines 86 + 95)	112,809,184

Taxes Other than Income Taxes

97	Taxes Other than Income Taxes	Attachment 2	8,894,951
98	Total Taxes Other than Income Taxes	(Line 97)	8,894,951

Return \ Capitalization Calculations

Long Term Interest			
99	Long Term Interest	Attachment 5	312,683,876
100	Less LTD Interest on Securitization Bonds	(Note P) Attachment 8	0
101	Long Term Interest	(Line 99 - Line 100)	312,683,876
102	Preferred Dividends	enter positive p118.29.c	0
Common Stock			
103	Proprietary Capital	p112.16.c	7,905,720,450
104	Less Accumulated Other Comprehensive Income Account 219	p112.15.c	-14,380
105	Less Preferred Stock	(Line 114)	0
106	Less Account 216.1	p112.12.c	10,861,313
107	Common Stock	(Line 103 - 104 - 105 - 106)	7,894,873,517
Capitalization			
108	Long Term Debt	p112.18-21.c	6,174,786,000
109	Less Loss on Reacquired Debt	p111.81.c	41,437,887
110	Plus Gain on Reacquired Debt	p113.61.c	0
111	Less ADIT associated with Gain or Loss	Attachment 1	-16,051,683
112	Less LTD on Securitization Bonds	(Note P) Attachment 8	0
113	Total Long Term Debt	(Line 108 - 109 + 110 - 111 - 112)	6,149,399,796
114	Preferred Stock	p112.3.c	0
115	Common Stock	(Line 107)	7,894,873,517
116	Total Capitalization	(Sum Lines 113 to 115)	14,044,273,313
117	Debt %	Total Long Term Debt (Note Q) (Line 113 / Line 116)	45.0%
118	Preferred %	Preferred Stock (Line 114 / Line 116)	0.0%
119	Common %	Common Stock (Note Q) (Line 115 / Line 116)	55.0%
120	Debt Cost	Total Long Term Debt (Line 101 / Line 113)	5.08%
121	Preferred Cost	Preferred Stock (Line 102 / Line 114)	0.00%
122	Common Cost	Common Stock (Note J) Fixed	11.50%
123	Weighted Cost of Debt	Total Long Term Debt (WCLTD) (Line 117 * Line 120)	2.29%
124	Weighted Cost of Preferred	Preferred Stock (Line 118 * Line 121)	0.00%
125	Weighted Cost of Common	Common Stock (Line 119 * Line 122)	6.33%
126	Rate of Return on Rate Base (ROR)	(Sum Lines 123 to 125)	8.61%
127	Investment Return = Rate Base * Rate of Return	(Line 55 * Line 126)	240,716,310

Composite Income Taxes

Income Tax Rates			
128	FIT=Federal Income Tax Rate	(Note I)	35.00%
129	SIT=State Income Tax Rate or Composite		7.75%
130	p	(percent of federal income tax deductible for state Per State Tax Code	0.00%
131	T	$T=1 - \{[(1 - SIT) * (1 - FIT)] / (1 - SIT * FIT * p)\} =$	40.04%
132	T / (1-T)		66.77%
ITC Adjustment			
133	Amortized Investment Tax Credit	enter negative p266.8.f	-2,178,886
134	1/(1-T)	1 / (1 -Line 131)	166.77%
135	Net Plant Allocation Factor	(Line 14)	24.83%
136	ITC Adjustment Allocated to Transmission	(Line 133 * Line 134 * Line 135)	-902,360
137	Income Tax Component =	$(T/1-T) * \text{Investment Return} * (1-(WCLTD/ROR)[\text{Line 132} * \text{Line 127} * (1 - (\text{Line 123} / \text{Line 126}))]$	118,029,631
138	Total Income Taxes	(Line 136 + Line 137)	117,127,271

Revenue Requirement

Summary			
139	Net Property, Plant & Equipment	(Line 41)	3,525,321,919
140	Total Adjustment to Rate Base	(Line 54)	-730,569,765
141	Rate Base	(Line 55)	2,794,752,153
142	Total Transmission O&M	(Line 85)	146,706,510
143	Total Transmission Depreciation & Amortization	(Line 96)	112,809,184
144	Taxes Other than Income	(Line 98)	8,894,951
145	Investment Return	(Line 127)	240,716,310
146	Income Taxes	(Line 138)	117,127,271
147	Gross Revenue Requirement	(Sum Lines 142 to 146)	626,254,227
Adjustment to Remove Revenue Requirements Associated with Excluded Transmission Facilities			
148	Transmission Plant In Service	(Line 15)	4,191,462,800
149	Excluded Transmission Facilities	(Note M) Attachment 5	0
150	Included Transmission Facilities	(Line 148 - Line 149)	4,191,462,800
151	Inclusion Ratio	(Line 150 / Line 148)	100.00%
152	Gross Revenue Requirement	(Line 147)	626,254,227
153	Adjusted Gross Revenue Requirement	(Line 151 * Line 152)	626,254,227
Revenue Credits & Interest on Network Credits			
154	Revenue Credits	Attachment 3	36,799,825
155	Interest on Network Credits	(Note N) Attachment 5	0
156	Net Revenue Requirement	(Line 153 - Line 154 + Line 155)	589,454,402
Net Plant Carrying Charge			
157	Gross Revenue Requirement	(Line 152)	626,254,227
158	Net Transmission Plant	(Line 15 - Line 30)	3,126,815,393
159	Net Plant Carrying Charge	(Line 157 / Line 158)	20.03%
160	Net Plant Carrying Charge without Depreciation	(Line 157 - Line 86) / Line 158	17.40%
161	Net Plant Carrying Charge without Depreciation, Return, nor Income Taxes	(Line 157 - Line 86 - Line 127 - Line 138) / Line 158	5.96%
Net Plant Carrying Charge Calculation per 100 Basis Point increase in ROE			
162	Gross Revenue Requirement Less Return and Taxes	(Line 152 - Line 145 - Line 146)	268,410,646
163	Increased Return and Taxes	Attachment 4	383,478,164
164	Net Revenue Requirement per 100 Basis Point increase in ROE	(Line 162 + Line 163)	651,888,810
165	Net Transmission Plant	(Line 15 - Line 30)	3,126,815,393
166	Net Plant Carrying Charge per 100 Basis Point increase in ROE	(Line 164 / Line 165)	20.85%
167	Net Plant Carrying Charge per 100 Basis Point in ROE without Depreciation	(Line 164 - Line 86) / Line 165	18.22%
168	Net Revenue Requirement	(Line 156)	589,454,402
169	True-up amount	Attachment 6	28,496,474
170	Plus any increased ROE calculated on Attachment 7 other than PJM Sch. 12 projects not paid by other PJM transr	Attachment 7	2,677,101
171	Facility Credits under Section 30.9 of the PJM OATT	Attachment 5	-
172	Net Zonal Revenue Requirement	(Line 168 + 169 + 170 + 171)	620,627,977
Network Zonal Service Rate			
173	1 CP Peak	(Note L) PJM Data	19,721
174	Rate (\$/MW-Year)	(Line 172 / 173)	\$ 31,470
175	Network Service Rate (\$/MW/Year)	(Line 174)	\$ 31,470

Notes

- A** Electric portion only
- B** Line 16, for the Reconciliation, includes New Transmission Plant that was actually placed in service weighted by the number of months it was actually in service
Line 17 includes New Transmission Plant to be placed in service in the current calendar year that is not included in the PJM regional Transmission Plan (RTEP) (time-weighted) as shown on Attachment 6.
- C** Includes Transmission portion only. At each annual informational filing, Company will identify for each parcel of land an intended use within a 15 year period.
- D** Includes all EPRI Annual Membership Dues
- E** Includes all Regulatory Commission Expenses
- F** Includes Safety related advertising included in Account 930.1
- G** Includes Regulatory Commission Expenses directly related to transmission service, RTO filings, or transmission siting itemized in Form 1 at 351.h.
- H** CWIP can only be included if authorized by the Commission.
- I** The currently effective income tax rate where FIT is the Federal income tax rate; SIT is the State income tax rate, and $p =$
the percentage of federal income tax deductible for state income taxes.
- J** ROE will be supported in the original filing and no change in ROE will be made absent a filing at FERC.
PBOP expense is fixed until changed as the result of a filing at FERC.
Depreciation rates shown in Attachment 9 are fixed until changed as the result of a filing at FERC.
If book depreciation rates are different than the Attachment 9 rates, ComEd will provide workpapers at the annual update to reconcile formula depreciation expense and depreciation accruals to Form No. 1 amounts.
- K** Education and outreach expenses relating to transmission, for example siting or billing
- L** As provided for in Section 34.1 of the PJM OATT; the PJM established billing determinants will not be revised or updated in the annual rate reconciliations.
- M** Amount of transmission plant excluded from rates per Attachment 5.
- N** Outstanding Network Credits is the balance of Network Facilities Upgrades Credits due Transmission Customers who have made lump-sum payments towards the construction of Network Transmission Facilities consistent with Paragraph 657 of Order 2003-A.
Interest on the Network Credits as booked each year is added to the revenue requirement to make the Transmission Owner whole on Line 155.
- O** Payments made under Schedule 12 of the PJM OATT that are not directly assessed to load in the Zone under Schedule 12 are included in Transmission O&M on Line 56. If they are booked to Acct 565, they are included on Line 59.
- P** Securitization bonds may be included in the capital structure.
- Q** Equity and debt ratios will be the ratios determined by the actual capital structure and the specified calculation processes of the formula, except that if during the period May 1, 2007 through May 31, 2009 the formula produces an equity ratio exceeding 58.0%, the formulaic value at Line 119 shall be manually set to 58.0% and the formulaic value at Line 117 shall be manually set to 42.0% less the percentage shown at Line 118.
If, during the period June 1, 2009 through May 31, 2010, the formula produces an equity ratio exceeding 57.0%, the formulaic value at Line 119 shall be manually set to 57% and the value at Line 117 shall be manually set to 43.0% less the percentage shown at Line 118.
If, during the period June 1, 2010 through May 31, 2011, the formula produces an equity ratio exceeding 56.0%, the formulaic value at Line 119 shall be manually set to 56% and the value at Line 117 shall be manually set to 44.0% less the percentage shown at Line 118.
If, during any period following May 31, 2011, the formula produces an equity ratio exceeding 55.0%, the formulaic value at Line 119 shall be manually set to 55.0% and the formulaic value at Line 117 shall be manually set to 45.0% less the percentage shown at Line 118.

CERTIFICATE OF SERVICE

I hereby certify that I have this day served copies of the foregoing document upon each person designated on the official service list as compiled by the Secretary in this proceeding (ER09-1145) and ER07-586.

Dated at Seattle, WA on this 19th day of May, 2015.

/s/ Heather Curlee
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