



May 12, 2023

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

**Re: Commonwealth Edison Company and Commonwealth Edison Company of Indiana, Inc., Informational Filing of Formula Rate Annual Update  
Docket No. ER09-1145-000**

Dear Secretary Bose:

Attached for informational purposes in the above-referenced proceeding, please find the 2023 Annual Update of Commonwealth Edison Company (“ComEd”). This informational filing is required pursuant to the Settlement Agreement approved by the Federal Energy Regulatory Commission (“Commission”) on January 16, 2008 in Docket No. ER07-583<sup>1</sup>, and Section 1(b) of the Formula Rate Implementation Protocols in Attachment H-13B of PJM Interconnection, LLC’s (“PJM”) Open Access Transmission Tariff (“OATT”). Under Attachment H-13B and the Settlement Agreement, on or before May 15 of each calendar year, ComEd recalculates its Annual Transmission Revenue Requirement and submits an Annual Update for the upcoming Rate Year. *See* Attachment H-13B §§ 1(a)-(b). Consistent with the March 12, 2010 Letter Order<sup>2</sup> accepting ComEd’s 2009 Annual Update and establishing procedures for future filings, the 2023 Annual Update is being submitted for informational purposes only in Docket No. ER09-1145.

Attachment 1 to this Annual Update is a copy of the ComEd Formula Rate (Attachment H-13A to the PJM OATT). ComEd has requested PJM to post this informational filing on the PJM website. As required by the implementation protocols, notice of an Annual Meeting to be held on May 26, 2023, is also being provided on the PJM website.

ComEd has prepared the 2023 Annual Update in a manner consistent with its protocols, as set forth in Attachment H-13B of the PJM Tariff and Section 4.7 of the Settlement Agreement.

**I. Items to note in this year’s filing related to protocols:**

**A. 2022 FERC Form No. 1**

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<sup>1</sup> *Commonwealth Edison Co.*, 122 FERC ¶ 61,030 (2008) (“January 16 Order”)

<sup>2</sup> Letter Order Accepting Commonwealth Edison Company’s 2009 Formula Rate Annual Update, Docket No. ER09-1145 (Mar. 12, 2010).



In accordance with Section 1(g)(iii)(1), a copy of ComEd's FERC Form No. 1 is available for download through the Commission's eLibrary, accessible at [eLibrary.ferc.gov](http://eLibrary.ferc.gov). ComEd submitted the 2022 FERC Form No. 1 to FERC on April 4, 2023.

### **B. Changes to Formula References to the FERC Form No. 1**

In accordance with Section 1(g)(iii)(2), ComEd has identified changes in the formula references to the FERC Form No. 1 which are included in Attachment 2.

### **C. Factors Influencing Change in Annual Revenue Requirement**

In conformance with Section 1(g)(iii)(9) of the Protocols, which requires a description of those factors influencing any change in the annual revenue requirement, including an identification of any respects in which charges under the formula rate materially differ from the preceding Annual Update (e.g., due to changes in accounting procedures, the purchase or sale of major assets, or other such significant changes) and identification of the major reason(s) for the differences, if any, between the Annual Update and the prior year's Annual Update, ComEd states the following:

ComEd's 2022 Annual Update included a net zonal revenue requirement of \$763.5M, applicable from June 2022 through May 2023. ComEd's 2023 Annual Update includes a net zonal revenue requirement of \$846.2M.

Rate base and depreciation expense increased due to plant additions. The plant additions are in large part attributable to new transmission substations, new transmission line builds and refurbishments, and reliability and system performance projects such as installation of various physical substation security updates and enhancements, and bridge rehabilitation, removal and restoration. The drivers are presented in Attachment No. 13.

In addition, the annual revenue requirement has been reduced by \$5M, plus interest of \$2M, to reflect the transmission portion of ComEd's voluntary proposal to refund all amounts previously recovered from customers in connection with the conduct detailed in the Deferred Prosecution Agreement on July 17, 2020 between the United States Attorney's Office for the Northern District of Illinois and ComEd, which proposal was also adopted by the Illinois Commerce Commission ("ICC").

The changes referenced above resulted in updated network service rate of \$39,796 MW/Year effective June 1, 2023 compared to a current rate of \$36,069.

### **D. Changes in Accounting Policies, Practices and Procedures**

Section 1(g)(iii)(10) of the Protocols requires a description of material changes, if any, in



ComEd's accounting policies, practices and procedures from those in effect for the calendar year upon which the immediately preceding Annual Update was based that could or did affect the charges under the formula rate.

There were no material changes in ComEd's accounting policies, practices and procedures in 2022 that could or did affect the charges under the formula rate.

## **II. Conclusion**

This Annual Update provides the information required by the implementation protocols contained in the Settlement Agreement approved by the Commission in Docket No. ER07-583-000 and now in effect under Attachment H-13B of the PJM OATT. Consistent with the Letter Order accepting ComEd's 2009 Annual Update and establishing procedures for future filings, the 2023 Annual Update is being submitted for informational purposes only in Docket No. ER09-1145.<sup>3</sup>

Thank you for your attention to this matter.

Sincerely,

Bradley R. Perkins  
Director, Rates and Revenue Policy  
3 Lincoln Centre,  
Oakbrook Terrace, IL 60181  
779-231-3033

Enclosures

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<sup>3</sup> Letter Order Accepting Commonwealth Edison Company's 2009 Formula Rate Annual Update, Docket No. ER09-1145 (Mar. 12, 2010).