

Commonwealth Edison Company's
Infrastructure Investment Plan

Attachment 1: 2014 Plan Review

April 1, 2015

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Executive Summary

Overview

On November 8, 2011, Commonwealth Edison Company (“ComEd”) filed its proposed performance-based formula rate, Rate DSPP – Delivery Service Pricing and Performance (“Rate DSPP”), with the Illinois Commerce Commission (“Commission”) pursuant to Section 16-108.5 of the Public Utilities Act (“Act”). The Commission commenced Docket No. 11-0721 to review that filing. In making that filing, ComEd confirmed that it elected to become a “participating utility”, and committed to undertake the investments described in Section 16-108.5(b) of the Act. Section 16-108.5(b) also called on ComEd, within 60 days of such filing, to submit a plan for satisfying its infrastructure investment program commitments, which must include information regarding scope, schedule and staffing. ComEd submitted its Infrastructure Investment Plan (“Plan”) to the Commission on January 6, 2012. Section 16-108.5(b) further requires ComEd, no later than April 1 of each subsequent year, to submit to the Commission a report that includes any updates to the Plan, a schedule for the next calendar year, the expenditures made for the prior calendar year and cumulatively, and the number of full-time equivalent jobs created for the prior calendar year and cumulatively.

Accordingly, ComEd submits to the Commission together with its 2015 Annual Update to the Plan (“2015 Annual Update”), this 2014 Plan Review, for informational purposes, as prescribed by the Act. Consistent with ComEd’s Plan and subsequent annual updates, this 2014 Plan Review organizes individual projects under two broad categories of investment:

Reliability-Related Investments: Investments in electric system upgrades, modernization projects, and training facilities; and

Smart Grid-Related Investments: Investments in Smart Grid electric system upgrades and transmission and distribution infrastructure upgrades and modernization.

The results reflected in this 2014 Plan Review are consistent with, and subject to, the planning process and constraints described on pages 9-11 of the 2015 Annual Update.

During 2012, 2013 and 2014 - the first three years of the Plan, ComEd gained many insights in the implementation of specific programs, which now inform the estimates reflected in the 2015 Annual Update. These insights have resulted in changes to certain programs, including changes in scope, budget, and schedules. Among other things, this 2015 Annual Update reflects (i) a reduction in available cable for injection resulting in cable replacement increases for the years 2015 and 2016; (ii) additional wood poles replaced or reinforced during 2014 than projected, a portion of which included more complex and multi-circuit poles that required more steps as compared to standard pole replacements; (iii) additional conduit work required to install new 69 kilovolt (“kV”) cable; (iv) more Distribution Automation (“DA”) devices and mainline miles installed in 2014 as compared to projections; (v) additional modernized ComEd substations consistent with the Plan’s ten-year horizon; and (vi) accelerated deployment of Smart Meters and inclusion of new Smart Meter purchases to support customer growth on the ComEd system. These changes in scope, however, have not resulted in a material change to the overall program budget, and ComEd’s Plan remains on track.

2014 Expenditure Summary

Capital expenditures associated with Plan investments were approximately \$79 million over budget in 2014, and approximately \$36 million over budget cumulatively.

Table A.1 presents, for each program area, the following comparisons:

- Budgeted 2014 capital expenditures versus actual 2014 capital expenditures, as reported in the 2014 Investment Plan and 2015 Annual Update, respectively. Corresponding explanations of material differences are also included for each program area, as applicable.
- Budgeted cumulative capital expenditures versus actual cumulative capital expenditures, as reported in ComEd's 2012 – 2014 Investment Plans and 2015 Annual Update, respectively. Corresponding explanations of material differences are also included for each program area, as applicable.

2014 Units of Work Summary

Table A.2 presents, for each program area, the following comparisons:

- Planned units of work for 2014 versus actual units of work completed in 2014, as reported in the 2014 Investment Plan and 2015 Annual Update, respectively. Corresponding explanations of material differences are also included for each program area, as applicable.
- Planned cumulative units of work versus actual cumulative units of work completed, as reported in ComEd's 2012 – 2014 Investment Plans and 2015 Annual Update, respectively. Corresponding explanations of material differences are also included for each program area, as applicable.

Table A.1: 2014 and Cumulative Capital Expenditures vs. Budget

Program	Budgeted Capital (\$M)		Actual Capital (\$M)		Difference (\$M)		Comments
	2014	Cum.	2014	Cum.	2014	Cum.	
URD Injection and Replacement Program	\$79.1	\$196.4	\$82.0	\$199.2	\$(2.9)	\$(2.8)	During 2014, 5 more miles were installed than planned.
Mainline Cable System Refurbishment and Replacement Program	\$71.7	\$169.7	\$70.2	\$144.0	\$1.5	\$25.7	During 2014, 6 more miles were installed than planned. Fewer manhole replacements were necessary than had been planned. Since the program's inception, there were more manhole assessments completed than planned, but the assessments yielded fewer manhole replacements than had been planned.
Ridgeland 69kV Cable Program	\$10.2	\$22.1	\$9.1	\$18.8	\$1.1	\$3.3	The 2014 difference is due to the commodity price of copper reducing the price of cable, higher productivity, and less conduit work than expected that was required to install the new cable. The program to date difference is due to good existing duct conditions, minimal environmental and adjacent circuit issues, and minimal substation modifications.
Training Facilities Program	\$5.0	\$7.7	\$5.0	\$7.7	\$0.0	\$0.0	The Rockford Training Center was completed in 2012. No capital investments for this program in 2013. The capital spend in 2014 is attributed to the land acquisition costs associated with the purchase of the Chicago Training Center. Construction will commence in 2015.
Wood Pole Program	\$15.7	\$38.3	\$18.5	\$40.2	\$(2.8)	\$(1.9)	The 2014 difference is due to additional wood poles replaced or reinforced during 2014 than projected, a portion of which included more complex and multi-circuit poles that required more steps as compared to standard pole replacements. Also, pole replacements along or crossing railroads and water ways, which were inaccessible by normal line trucks, required environmental matting and track equipment to gain access.
Storm Hardening Program	\$24.9	\$59.8	\$26.0	\$59.9	\$(1.1)	\$(0.1)	The 2014 difference is due to completing more jobs than planned.
Total Reliability-Related Investments	\$206.6	\$494.0	\$210.8	\$469.8	\$(4.2)	\$24.2	
Distribution Automation ("DA") Program	\$59.7	\$151.6	\$64.4	\$158.3	\$(4.7)	\$(6.7)	During 2014, 8 more devices were installed than planned.
Substation Micro-Processor Relay Upgrade Program	\$15.2	\$40.3	\$16.6	\$38.9	\$(1.4)	\$1.4	The 2014 difference is due to remote end monitoring of networked lines, originating from the modernized substations, being included as part of the program. Overall program scope has not changed, but the timing of specific stations and the engineering to support have been adjusted, which causes some variation year over year.
Smart Meter Program	\$84.3	\$140.3	\$152.5	\$195.9	\$(68.2)	\$(55.6)	The difference is due to the revised deployment schedule in the Accelerated AMI Plan, which resulted in expanding the scope of work in 2014 from 160,000 meter installations to 500,000 meter installations.
Total Smart Grid-Related Investments	\$159.2	\$332.2	\$233.5	\$393.1	\$(74.3)	\$(60.9)	
Total Plan Investments	\$365.8	\$826.4	\$444.4	\$862.8	\$(78.7)	\$(36.4)	

Table A.2: 2014 and Cumulative Completed Units of Work vs. Plan

Program	Units of Work	Planned Units		Completed Units		Difference		Comments
		2014	Cum.	2014	Cum.	2014	Cum.	
URD Injection and Replacement Program	Miles of URD cable Injected	97	291	97	291	0	0	Work proceeded as planned in 2014 and program to date.
	Miles of URD cable Replaced	489	1,216	494	1,231	5	15	During 2014, 5 more miles were installed than planned.
Mainline Cable System Refurbishment and Replacement Program	Number of manholes Assessed	6,400	16,845	7,297	22,649	897	5,804	More manholes were assessed than planned in order to develop an appropriate pool of work and also to develop process capability.
	Miles of mainline cable Replaced	114	241	120	253	6	12	During 2014, 6 more miles were installed than planned.
	Number of mainline sections Tested	133	371	133	376	0	5	Work proceeded as planned in 2014.
Ridgeland 69kV Cable Program	Miles of 69kV Cable Replaced	4.7	9.3	4.7	9.3	0	0	Work proceeded as planned in 2014 and program to date.
Wood Pole Program	Number of wood pole Inspected	150,750	433,150	150,783	438,417	33	5,267	During 2014, ComEd completed 33 more wood pole inspections than planned. Since the program's inception, ComEd completed more wood pole inspections than planned.
	Number of wood pole Replaced / Reinforced	4,000	10,500	4,433	11,266	433	766	Since the program's inception, ComEd replaced/reinforced more poles than originally planned in order to reduce the pre-2013 replacement backlog and eliminate the pre-2013 reinforcement backlog.
Distribution Automation Program	DA device Installed	638	1,738	646	1,748	8	10	During 2014, 8 more devices were installed than planned.
Smart Meter Program	Smart Meters Installed	160,000	160,000	540,744	611,626	380,744	451,626	The difference is due to the revised deployment schedule in the Accelerated AMI Plan, which resulted in expanding the scope of work in 2014 from 160,000 meter installations to 500,000 meter installations.