

# **Commonwealth Edison Company's**

## **Infrastructure Investment Plan**

### **Attachment 1: 2015 Plan Review**

**April 1, 2016**

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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 2016 Annual Update to the Plan (“2016 Annual Update”), this 2015 Plan Review, for informational purposes, as prescribed by the Act. Consistent with ComEd’s Plan and subsequent annual updates, this 2015 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 2015 Plan Review are consistent with, and subject to, the planning process and constraints described on pages 9-11 of the 2016 Annual Update.

During 2012, 2013, 2014 and 2015 - the first four years of the Plan, ComEd gained many insights in the implementation of specific programs, which now inform the estimates reflected in the 2016 Annual Update. These insights have resulted in changes to certain programs, including changes in scope, budget, and schedules. These changes, however, have not resulted in a material change to the overall program budget, and ComEd's Plan remains on track.

## **2015 Expenditure Summary**

Capital expenditures associated with Plan investments were approximately \$7 million under budget in 2015, and approximately \$30 million over budget cumulatively. Table A.1 presents, for each program area, the following comparisons:

- Budgeted 2015 capital expenditures versus actual 2015 capital expenditures, as reported in the 2015 Investment Plan and 2016 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 – 2015 Investment Plans and 2016 Annual Update, respectively. Corresponding explanations of material differences are also included for each program area, as applicable.

### **2015 Units of Work Summary**

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

- Planned units of work for 2015 versus actual units of work completed in 2015, as reported in the 2015 Investment Plan and 2016 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 – 2015 Investment Plans and 2016 Annual Update, respectively. Corresponding explanations of material differences are also included for each program area, as applicable.

**Table A.1: 2015 and Cumulative Capital Expenditures vs. Budget**

Program	Budgeted Capital (\$M)		Actual Capital (\$M)		Difference (\$M)		Comments
	2015	Cum.	2015	Cum.	2015	Cum.	
URD Injection and Replacement Program	\$142.7	\$339.1	\$142.2	\$341.4	\$0.5	\$(2.3)	During 2015, this program was under budget due to efficiencies realized in the injection portion of the program.
Mainline Cable System Refurbishment and Replacement Program	\$111.8	\$281.5	\$97.7	\$241.7	\$14.1	\$39.8	The 2015 difference is due to efficiencies in delivering and handling of material and increased productivity in pulling and splicing cable.
Ridgeland 69kV Cable Program	\$11.5	\$33.6	\$12.8	\$31.5	\$(1.3)	\$2.1	The 2015 difference is due to a scope increase for installation of a new duct package to house the cable planned for the year. This program was completed in 2015.
Training Facilities Program	\$2.3	\$10.0	\$2.3	\$10.0	\$0.0	\$0.0	ComEd's capital construction and upgrade costs for the Chicago Facility through December 31, 2015 totaled \$38.3 million and, for the project totaled \$41.4 million. This total includes the incremental investment called for by Section 16-108.5(b)(1)(A)(ii) of the Act, plus additional baseline capital investment funds.
Wood Pole Program	\$18.7	\$57.0	\$16.1	\$56.2	\$2.6	\$0.8	The 2015 difference is due to ComEd performing the majority of the pole replacements at a reduced cost as compared to contractors performing the work and more poles being accessible by normal line trucks.
Storm Hardening Program	\$62.7	\$122.5	\$69.6	\$129.5	\$(6.9)	\$(7.0)	The 2015 difference is due to completing more jobs than planned during 2015 by pulling future work forward.
<b>Total Reliability-Related Investments</b>	<b>\$349.7</b>	<b>\$843.7</b>	<b>\$340.6</b>	<b>\$810.3</b>	<b>\$9.1</b>	<b>\$33.4</b>	
Distribution Automation ("DA") Program	\$59.7	\$211.3	\$57.0	\$215.4	\$2.7	\$(4.1)	As a whole, the Distribution Automation program found opportunities to bundle work within the program itself and with other Plan programs, such as the Mainline Cable System Refurbishment and Replacement program, which resulted in savings during 2015.
Substation Micro-Processor Relay Upgrade Program	\$16.4	\$56.7	\$20.2	\$59.1	\$(3.8)	\$(2.4)	The 2015 difference is due to pulling forward future substations work into 2015.
Smart Meter Program	\$244.0	\$384.3	\$245.5	\$441.4	\$(1.5)	\$(57.1)	The 2015 difference relates to installing more meters than planned.
<b>Total Smart Grid-Related Investments</b>	<b>\$320.1</b>	<b>\$652.3</b>	<b>\$322.6</b>	<b>\$715.8</b>	<b>(\$2.5)</b>	<b>\$(63.6)</b>	
<b>Total Plan Investments</b>	<b>\$669.9</b>	<b>\$1,496.3</b>	<b>\$663.2</b>	<b>\$1,526.2</b>	<b>\$6.7</b>	<b>\$(29.9)</b>	

**Table A.2: 2015 and Cumulative Completed Units of Work vs. Plan<sup>1</sup>**

Program	Units of Work	Planned Units		Completed Units		Difference		Comments
		2015	Cum.	2015	Cum.	2015	Cum.	
URD Injection and Replacement Program	Miles of URD cable Injected	60	351	60	351	0	0	Work proceeded as planned in 2015 and program to date.
	Miles of URD cable Replaced	866	2,082	916	2,147	50	65	The program replaced an additional 50 miles over the original target.
Mainline Cable System Refurbishment and Replacement Program	Number of manholes Assessed	5,200	22,045	5,358	28,007	158	5,962	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	175	416	176	429	1	13	During 2015, .7 more miles were installed than planned.
	Number of mainline sections Tested	223	594	223	599	0	5	Work proceeded as planned in 2015.
Ridgeland 69kV Cable Program	Miles of 69kV Cable Replaced	0.9	10.2	0.9	10.2	0	0	Work proceeded as planned in 2015. This program is complete.
Wood Pole Program	Number of wood poles Inspected	149,000	582,150	149,846	588,263	846	6,113	During 2015, ComEd completed 846 more wood pole inspections than planned. Since the program's inception, ComEd has completed more wood pole inspections than planned.
	Number of wood poles Replaced / Reinforced	4,000	14,500	4,281	15,547	281	1,047	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	610	2,348	610	2,358	0	10	Work proceeded as planned in 2015.
Smart Meter Program	Smart Meters Installed	984,617	1,144,617	1,077,758	1,689,384	93,141	544,767	More meters were installed in 2015 than previously planned as a result of better-than-expected productivity of the field labor force.

<sup>1</sup> This table includes programs for which there are assigned units of work in Attachment 2 to each year's Annual Update.