

Exhibit B

**Cover page and pages 177-79 of
ICC Dkt. No.11-0721, Final Order dated May 29, 2012
(Formula Rate Order)**

STATE OF ILLINOIS
ILLINOIS COMMERCE COMMISSION

COMMONWEALTH EDISON COMPANY	:	
	:	
Formula rate tariff and charges authorized	:	11-0721
by Section 16-108.5 of the Public Utilities	:	
Act.	:	

ORDER

May 29, 2012

facilities on their properties, and which also affects the flow of electricity to third-parties, from CTA/Metra property is in violation of this order, especially given the language in the last rate case order that is cited above. The remedy for such exclusion is to provide a monitor of this situation, which is what opening a docket regarding this issue will do.

However, the Commission declines to restate the findings and orders in the Final Order in Docket 10-0467 in order to provide a "triggering mechanism" for a rate design docket within 12 months from the time when this docket ends. The pertinent language in Section 16-108.5 provides that:

Following approval of a participating utility's performance-based formula rate tariff pursuant to subsection (c) of this Section, the utility shall make a filing with the Commission within one year after the effective date of the performance-based formula rate tariff that proposes changes to the tariff to incorporate the findings of any final rate design orders of the Commission applicable to the participating utility and entered subsequent to the Commission's approval of the tariff.

(220 ILCS 5/16-108.5(e)). While this language is far from clear, it means that ComEd must file a rate design docket within one year of whatever the Commission approves, as far as formula rate tariffs, in this docket. Adding rate-design language here, therefore, does not appear to aid the CTA or Metra. The Commission therefore declines to do so here.

X. CONCLUSION

Accordingly, the Commission approves the tariffs filed by ComEd, as is modified herein, requiring the re-filing of new tariffs.

XI. Findings and Ordering Paragraphs

The Commission, having considered the entire record herein and being fully advised in the premises, is of the opinion and finds that:

- (1) Commonwealth Edison Company is an Illinois corporation engaged in the transmission, distribution, and sale of electricity to the public in Illinois and is a public utility as defined in Section 3-105 of the Public Utilities Act;
- (2) the Commission has jurisdiction over the parties and the subject matter herein;
- (3) the recitals of fact and conclusions of law reached in the prefatory portion of this Order are supported by the evidence of record and are hereby adopted as findings of fact and conclusions of law; the Appendix attached hereto provides supporting calculations;
- (4) for purposes of this proceeding, as adjusted, Commonwealth Edison Company's rate base is \$6,182,808,000;
- (5) the rate of return which Commonwealth Edison Company should be allowed to earn on its net original cost rate base is 8.16%; this rate of return incorporates a return on common equity of 10.05%, on long-term debt of 6.42%, and on short term debt of 0.72%;

- (6) the rate of return set forth in Finding (5) results in tariffed operating revenues of \$1,915,440,000 and net annual operating income of \$504,659,000;
- (7) the Commission, based on Commonwealth Edison Company's original cost of plant in service as of December 31, 2011, and reflecting the Commission's determination adjusting that figure, approves \$14,398,674,000 as the original cost of plant as of said date;
- (8) specific tariff provisions proposed by Commonwealth Edison Company in its initial filing do not reflect various determinations made in this Order; Commonwealth Edison's Company proposed tariff provisions shall be permanently canceled and annulled consistent with the findings herein;
- (9) Commonwealth Edison Company shall be authorized to place into effect tariff sheets and associated informational sheets designed to produce annual tariffed revenues of \$1,915,440,000, which represent a decrease of \$168,630,000 or 7.62%; such revenues in addition to other revenues will provide ComEd with an opportunity to earn the rate of return set forth in Finding (5);
- (10) the determinations regarding cost of service, rate design, and other subjects contained in the prefatory portion of this Order are reasonable for purposes of this proceeding; the tariff sheets and associated informational sheets filed by Commonwealth Edison Company shall incorporate such determinations to the extent applicable to such sheets;
- (11) new tariff sheets and associated informational sheets authorized to be filed by this Order shall reflect an effective date that is consistent with the requirements set forth in Section 16-108.5 of the Act; Commonwealth Edison Company shall be allowed five business days after the issuance of this Order to submit its compliance filing, which shall then be subject to a review period; the new tariff sheets and associated informational sheets authorized to be filed by this Order shall take effect ten business days after the date of filing, with said tariff sheets, associated informational sheets, and supporting work papers, to be reviewed by the Staff of the Commission and corrected, if necessary, within that time period;
- (12) Starting when the rates from this proceeding become effective, all delivery service uncollectible costs shall be recovered through Rider UF.

IT IS THEREFORE ORDERED that the proposed tariff sheets filed by Commonwealth Edison Company on November 8, 2011, are permanently canceled and annulled.

IT IS FURTHER ORDERED that Commonwealth Edison Company is authorized to file new tariff sheets and associated informational sheets in accordance with Findings (9), (10), and (11) and the prefatory part of this Order, applicable to service furnished on and after the effective date of said tariff sheets and associated informational sheets; work papers supporting the new tariff sheets and associated informational sheets shall

be provided to the Staff of the Commission concurrently with the filing of such tariff sheets and associated informational sheets.

IT IS FURTHER ORDERED that the new tariff sheets and associated informational sheets authorized to be filed by this Order shall use the traditional font and single-spaced format of other Company filed rates in order to reduce the volume of tariffs and schedules filed, improve their consistency with existing tariffs, and improve their readability.

IT IS FURTHER ORDERED that Commonwealth Edison Company shall change the formula template in accordance with this Order.

IT IS FURTHER ORDERED that Commonwealth Edison Company's embedded cost of service study is accepted as a basis for setting rates in this proceeding.

IT IS FURTHER ORDERED that any motions, petitions, objections, and other matters in this proceeding which remain outstanding are hereby denied.

IT IS FURTHER ORDERED that, subject to the provisions of Section 10-113 of the Public Utilities Act and 83 Ill. Adm. Code 200.880, this Order is final; it is not subject to the Administrative Review Law.

By Order of the Commission this 29th day of May, 2012.

(SIGNED) DOUGLAS P. SCOTT

Chairman