

**SUPPLEMENTAL STATEMENT  
ELECTRICITY  
ILL. C. C. No. 10**

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General Terms and Conditions:

5th Revised Sheet No. 189	canceling	4th Revised Sheet No. 189
2nd Revised Sheet No. 189.1	canceling	1st Revised Sheet No. 189.1
3rd Revised Sheet No. 197	canceling	2nd Revised Sheet No. 197

Rider NAM:

4th Revised Sheet No. 444	canceling	3rd Revised Sheet No. 444
4th Revised Sheet No. 447	canceling	3rd Revised Sheet No. 447

**Filed with the Illinois Commerce Commission on August 29, 2016**

With this filing, Commonwealth Edison Company (Company) proposes revisions to Rider NAM – Non AMI Metering (Rider NAM) and the General Terms and Conditions of its Schedule of Rates. These proposed revisions provide an extension of the deferral period until the end of the statutory deployment period for dealing with the limited number of circumstances in which customers continue to refuse to voluntarily accept the installation of AMI metering or the continued operation of installed AMI metering at their premises. The proposed revisions also provide for a practical opportunity to develop a permanent solution once that period concludes.

Specifically, the Company proposes that Rider NAM become inoperative on July 1, 2022. Until July 1, 2022, the current types of charges, terms and conditions of the rider would remain in effect. In addition, the proposed revisions to Rider NAM obligate the Company to file a petition with the Illinois Commerce Commission (ICC) no later than June 30, 2020, seeking reevaluation of the rider and requesting that the ICC open a docketed proceeding to investigate a possible permanent solution applicable to service rendered beginning July 1, 2022. The results of a study of the operation of the rider since its inception must accompany that filing.

Currently, customers refusing the installation of AMI metering are allowed to defer such installation until the earlier of June 30, 2022 or until one year after the last AMI meter is installed under the Company's AMI Implementation Plan (AMI Plan). To date, the AMI Plan, which includes education and outreach to customers receiving AMI metering, has been successful in keeping customers informed about AMI meters and their deployment. In only a relatively small number of cases have customers expressly refused the installation or operation of a smart meter (~ 0.1% of customers). Nevertheless, the Company expects that there will likely be a small group of customers who continue to refuse to allow the Company to install AMI metering even after the current deferral period ends.

**Commonwealth Edison Company  
Rider NAM Supplemental Statement  
August 26, 2016**

Although the ICC has previously concluded in its Order approving the original Rider NAM in Docket No. 13-0552 dated February 5, 2014 (NAM Order) that the Company must attempt to deploy AMI metering to all customers, the Energy Infrastructure Modernization Act (EIMA) does not specify what remedy the Company must take when a customer continues to refuse to accept AMI metering. Similarly, the NAM Order did not directly address the appropriate remedy, and instead directed the Company only to use all “reasonable” means to deploy AMI. (NAM Order at 13, 18). While termination of service or legal action to cause the county Sheriff to force entry are possible remedies, it is not clear that these are the most reasonable or ideal options under these specific circumstances. The proposed revisions to Rider NAM and the Company’s General Terms and Conditions offer an extension of the deferral period while also providing for the initiation of an ICC proceeding to develop a permanent solution for the issue. In the interim, the Company will be working with its AMI vendors to develop potential technological solutions utilizing AMI metering to address the concerns expressed by customers that continue to refuse AMI metering installations for their premises.

**Background.** The ICC approved Rider NAM in the NAM Order shortly after the commencement of the Company’s system-wide AMI metering deployment under the ICC approved AMI Plan. Rider NAM was a response to concerns that customers refusing AMI metering could interfere with the ultimate success of the AMI Plan. Rider NAM provides that customers can defer the installation of AMI metering at their premises if they bear costs pertaining to their deferral. Rider NAM provides for separate charges applicable to such customers. These charges serve to recover meter reading and associated costs incurred for this service from the cost causer, protect other customers from the resulting excess costs, and discourage customers from refusing AMI metering through an appropriate pricing signal.

Rider NAM currently contains a sunset provision that allows AMI metering installations to be deferred until the earlier of June 30, 2022, or one year after the last AMI metering installation is undertaken under the AMI Plan (i.e. end of 2019). This sunset provision is derived from both EIMA and the NAM Order. EIMA requires that the AMI Plan contain “a deployment schedule and plan that includes deployment of AMI to all customers[.]” (16-108.6(c)(3)). The NAM Order subsequently concluded that a sunset provision is required because “the General Assembly intended that all customers receive AMI meters by 2022 ...” and that, absent a change in the law, “...it will be necessary to deploy AMI meters to all ComEd customers by 2022.” (NAM Order at 17-18). The ICC further concluded that it had “...the authority to allow deferral of AMI meter installation throughout the period of time that AMI meters are to be installed under ComEd’s approved AMI Plan. . . .” (NAM Order at 18). The ICC specifically noted however that “we cannot allow this deferral to continue indefinitely.” Id. at 18.

Neither EIMA nor the NAM Order address the appropriate remedy for dealing with customers that continue to refuse installation of AMI metering after the end of the deployment period. Also, neither EIMA nor the NAM Order require the Company to take immediate and extreme measures – such as disconnection and/or the initiation of legal action to gain entry – to secure installation of AMI metering at every premises. The extension proposed herein, until the end of the statutorily allowed deployment period, will permit the Commission an opportunity to explore what an appropriate remedy might be for this situation.

**Need for Tariff Revisions to Address Continued Post-Deployment Period**

**Refusals.** The AMI Plan enables full deployment of AMI metering during the specified deployment period. The Company is working to achieve that goal through all reasonable means, including through education and outreach.

However, it has become readily apparent to the Company that despite such efforts a small number of customers will not agree to the installation of AMI meters or will refuse to cooperate with their continued operation. Under its current tariff provisions, the Company could not continue to provide service to customers who refuse or prevent the Company from installing and operating AMI metering. The Company would have few alternatives other than to disconnect electric service to such customers or take legal action against the customers by causing the county Sheriff to enforce the installation of AMI meters.

A remedy that may better balance the needs of the smart grid system with the concerns of a limited number of customers is available, particularly given the ongoing maturation of potential technology-based solutions and increased learnings about system use. One such remedy is to require customers that refuse installation of AMI metering to pay for costs that their refusal causes the Company to incur while a permanent solution is being developed and reviewed. Such a remedy is consistent with the well-established regulatory principle of requiring costs to be paid by the cost causer. This remedy also protects other customers from the consequences of the decisions of a small group of customers. This is the remedy that is currently in place during the deferral period. The proposed revisions to Rider NAM and the Company's General Terms and Conditions propose to extend this remedy to remain in place through June 30, 2022. The charges in Rider NAM would also continue to act as a deterrent for widespread AMI metering refusals. The Company commits to file a petition, along with a report on the operation of the rider since its inception, no later than June 30, 2020, requesting the ICC to open a proceeding to explore the development of a permanent remedy for this issue. The Company proposes this process for several reasons:

- The proposed process will allow the Company to continue to implement the ICC's prior directive to undertake all reasonable efforts, including customer outreach and education, to get customers to accept AMI metering.
- The Company will be in a better position to gauge the effects of AMI metering refusals on the deployment, the AMI system and other customers. The Company has already learned from the implementation that 1) refusals at current and expected levels do not prevent the operation of the Company's AMI systems; 2) appropriate terms and conditions can ensure that customers that refuse AMI metering installation have no material operational impact on the system or on other customers' ability to use and benefit from AMI; and 3) applicable costs of refusal can be isolated and recovered from such customers.
- The Company is actively exploring whether there may be technological solutions available to remedy this issue. A technological solution is the preferred remedy as it could potentially address the concerns of customers that continue to refuse to accept AMI metering while also more fully implementing the vision in EIMA of installing AMI metering at each customer premises. The Company needs the time to discuss possible remedies with its vendors, and then the vendors will need time to develop and implement such solutions. Such solutions hold the promise of addressing the issue and may obviate, or minimize, the need for further remedies. The Company's proposed process addresses these needs.

**Summary.** The proposed revisions provide for a process to address a situation that is not directly addressed in either EIMA or the NAM Order, i.e. the appropriate remedy for the continued refusal of the installation of AMI metering post the statutory deployment period. The proposed revisions to Rider NAM and the Company's General Terms and Conditions allow the Commission and the Company additional time to explore a broader range of remedy, including continued collection of applicable costs, rather than effectively requiring the Company to disconnect or take legal action against customers that refuse to accept AMI metering who otherwise meet all other prerequisites and continuing obligations to receive electric service. Instead, the proposed revisions would extend the current deferral period for a limited period of time, until the end of the statutorily allowed deployment period, while additional technology and learnings from deployment matures, and to continue charging such customers appropriately for their refusal. The Company will also continue to periodically offer education to these customers and will install AMI metering when practical.

**Commonwealth Edison Company  
Rider NAM Supplemental Statement  
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With the filing of this Supplemental Statement and the tariff sheets to which it relates, the Company will post a Public Notice of this filing in its office at Three Lincoln Centre in Oakbrook Terrace, Illinois 60181-4260 and will place copies of the proposed tariff sheets and this Supplemental Statement in the Public File in such office and on its internet website:

<https://www.comed.com/MyAccount/MyBillUsage/Pages/ProposedRevisions.aspx>.

For interested parties who do not have access to the internet, arrangements to view the copies of the proposed tariff sheets and this Supplemental Statement at the Three Lincoln Centre office can be made by contacting a Company representative in Retail Rates at 1-630-576-6750 during regular business hours.

Commonwealth Edison Company, therefore, requests that the Illinois Commerce Commission approve the proposed revisions to Rider NAM and the General Terms and Conditions of its Schedule of Rates by allowing the aforementioned tariff sheets to pass to file and become effective on October 13, 2016.

**COMMONWEALTH EDISON COMPANY**

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Martin G. Fruehe  
Manager Retail Rates

Attachment