



OFFICE OF THE MAYOR
CITY OF CHICAGO

LORI E. LIGHTFOOT
MAYOR

VIA EMAIL

July 27, 2020

Joseph Dominguez
Chief Executive Officer
Commonwealth Edison Company
425 South Financial Place, Suite 3300
Chicago, IL 60605

Dear Mr. Dominguez:

I am deeply disturbed by ComEd's conduct which led to the U.S. Attorney's announcement on Friday, July 17, 2020 that ComEd has entered into a Deferred Prosecution Agreement (DPA). I likewise find the company's response thus far to this clearly unethical behavior to be inadequate. Good governance and transparency have been guiding principles for my administration, and I expect the same principled approach from any company that does business with the City of Chicago.

As you know, the City requires electric utilities to possess a City franchise in order to provide service and use publicly owned streets and property, and ComEd's franchise expires at the end of 2020. The City will not make rash decisions about such an important and essential service as electricity. To contemplate a new franchise with ComEd, the City expects the company to implement (1) a comprehensive ethics reform plan that rebuilds trust with the City, its residents and its businesses, and (2) my administration's policy priorities around energy and sustainability, equitable economic development, utility affordability and transparency.

ComEd has a long history in Chicago, and this is one of the more troubling moments in that history. The DPA states that ComEd hired individuals, sometimes for no show jobs, in exchange for having legislation passed that benefitted ComEd in excess of \$150 million. Thus, the clear inference is that ComEd's actions resulted in beneficial state legislation that increased the company's revenues and profits by at least this amount and cost its customers—residents of the City of Chicago—much more than fair rates.

I am also concerned that while the DPA provides some accountability, the proposed monitoring is not sufficient to rebuild trust and account for this egregious behavior. I note the DPA's substantial fine of \$200 million must be measured against ComEd's 2019 revenue of approximately \$5.75 billion and its 2019 profit of \$688 million. It is also encouraging that the

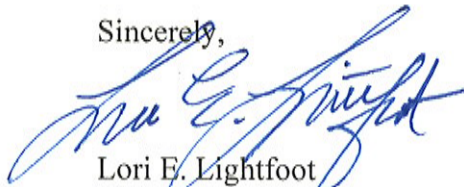
DPA contains a series of constructive and positive compliance measures designed to prevent this corporate conduct from recurring, but, the City disagrees with ComEd's statement "That the agreement announced puts this investigation behind us."

The vast majority of ComEd's revenue and profits derive from ratepayers, hardworking Chicagoans and small businesses who pay ComEd bills. Put simply, ComEd touches every Chicagoan's daily life; I can only imagine the significant impact a \$200 million dollar investment of money in the city (versus a fine) would have had improving our neighborhoods, assisting low-income consumers, or achieving clean energy goals.

ComEd's breach of public trust is far from over as far as the City of Chicago is concerned. We expect a significant commitment from the company to right historic wrongs through its own internal ethics reforms and to demonstrate a commitment to assist in the achievement of my Administration's goals around utility affordability, energy and sustainability, equitable economic development, and transparency.

I will await ComEd's response.

Sincerely,

A handwritten signature in blue ink, appearing to read "Lori E. Lightfoot". The signature is fluid and cursive, written over the printed name.

Lori E. Lightfoot
Mayor, City of Chicago

cc: David Reynolds, Commissioner, Assets, Information, and Services
Mark A. Flessner, Corporation Counsel
Melissa Washington, Senior Vice President, Government and External Affairs, ComEd
Verónica Gómez, Senior Vice President, Regulatory and Energy Policy and General Counsel, ComEd