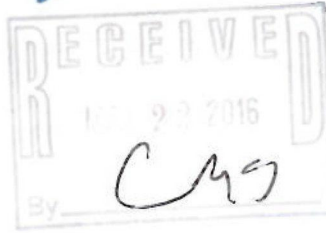


MAR 22 2016



MAIL RECIEVED

Philip J. Passanante  
Associate General Counsel

92DC42  
500 N. Wakefield Drive  
Newark, DE 19702

P.O. Box 6066  
Newark, DE 19714-6066

302.429.3105 – Telephone  
302.429.3801 – Facsimile  
philip.passanante@pepcoholdings.com

March 22, 2016

**VIA HAND DELIVERY**

Irene Kim Asbury, Esquire  
Secretary of the Board  
Board of Public Utilities  
State of New Jersey  
44 South Clinton Avenue, 3rd Floor, Suite 314  
Trenton, New Jersey 08625

**RE:** In the Matter of the Petition of Atlantic City Electric Company for Approval of Amendments to Its Tariff to Provide for an Increase in Rates and Charges for Electric Service Pursuant to *N.J.S.A. 48:2-21* and *N.J.S.A. 48:2-21.1*, for Approval of a Grid Resiliency Initiative and Cost Recovery Related Thereto, and for Other Appropriate Relief (2016)  
BPU Docket No. ER16030352

Dear Secretary Asbury:

Enclosed for filing are an original and eleven (11) copies of the Verified Petition (the Petition) of Atlantic City Electric Company (ACE or the Company) in the above-entitled matter. Also attached and filed herewith are eleven (11) copies of the Direct Testimony of the following witnesses in support of the Company's Petition and the area on which each witness is expected to testify:

Kevin M. McGowan .....	Policy, Case Overview, Capital Structure, and Proposed Rate of Return
Michael J. Sullivan .....	Capital Investments, Reliability Investments, and Proposed PowerAhead Program
Robert B. Hevert. ....	Capital Structure and Cost of Equity
Jay C. Ziminsky .....	Revenue Requirement, Cost of Service, and Cash Working Capital
Joseph F. Janocha.....	Rate Design, Economic Development Incentives, and Tariff Adjustments
Elliott P. Tanos.....	Cost of Service

More than two years have passed since ACE filed its last base rate proceeding. In that time, the Company's reliability has continued to improve substantially. When compared to 2011 performance, the System Average Interruption Frequency Index (SAIFI) has improved 41% and the System Average Interruption Duration Index (SAIDI) has improved by 56%. This filing is required because the Company's base rates do not reasonably recover capital investments and other costs required to maintain the utility infrastructure so as to provide safe, adequate, and reliable electric distribution service to our customers over the long-term. The Company's Petition requests an annual increase in current retail base rates for electric service of approximately \$78.9 million (approximately \$84.4 million, including Sales and Use Tax) to cover its cost of service. The net monthly bill impact of this filing on a typical residential ACE customer taking Basic Generation Service and using 1,000 kWh per month is estimated to be \$11.73 or approximately 6.3 percent over rates currently in effect.

ACE requests that the rate relief requested herein be approved for service rendered on and after April 22, 2016, but in no event later than December 22, 2016 (the end of the anticipated Board-ordered suspension period[s]). If the rate change is not implemented in a timely manner, the Company's earnings will suffer further erosion. This will impact ACE's ability to continue providing high quality, reliable service to our customers and attract capital at competitive rates.

The Company is confident that the Board's review of this filing will support the fact that ACE's request for rate relief is essential to maintaining the necessary electric distribution infrastructure and services required to continue to serve customers in a safe, adequate, and reliable manner.

In addition to the items summarized above, there are several other components of this filing, namely:

- a requested return on equity of 10.60 percent to reflect current financial market conditions, utilizing a capital structure consisting of 49.48 percent common equity and 50.52 percent long-term debt;
- a request that, in the future, the Company be relieved of an obligation to file an alternative rate design using the Peak and Average Coincident Peak method as required in BPU Docket No. ER03020110;
- a request that the Board approve ACE's five year, grid resiliency initiative known as the "PowerAhead Program," which will include \$176 million of capital investment to advance modernization of the electric grid through energy efficiency, increased distributed generation, and resiliency, all geared toward improving the distribution system's ability to withstand major storm events;
- approval of a cost recovery mechanism for the revenue requirement associated with the PowerAhead Program;
- certain modifications to ACE's Tariff for Electric Service, including a \$2.00 increase in the monthly customer charge;
- approval of the Company's proposal to update and reestablish Rider SCD and Rider RP, which will provide incentives for qualifying businesses to locate and/or expand in ACE's service territory; and
- Cost of Service and Rate Design related thereto.

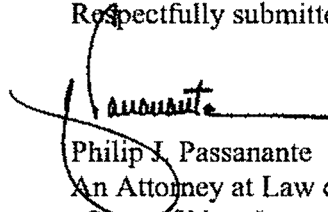
Copies of the Petition will be served upon all entities legally required to be noticed. Notice of this filing will be duly provided in the manner prescribed by applicable law.

The Company is aware that, during the course of this proceeding, the parties may request access to certain information that is proprietary, confidential, and/or competitively sensitive. Any such information to be provided that is not otherwise privileged will only be furnished pursuant to a confidentiality agreement among the Company, Staff of the Board (Staff), and the Division of Rate Counsel (Rate Counsel) and its consultants, and any permitted intervenors. An Agreement of Non-Disclosure of Information Claimed to Be Confidential that is consistent with those utilized by Staff and Rate Counsel in other proceedings is included for your consideration and execution.

ACE is prepared to work diligently with all parties to bring this proceeding to closure in as timely a manner as possible. We respectfully request that the Board establish a procedural schedule and/or transfer this filing to the Office of Administrative Law at its earliest convenience so that a final decision can be approved and implemented no later than December 22, 2016, the end of the anticipated Board ordered suspension period(s).

We thank the Board and all parties hereto for all courtesies extended.

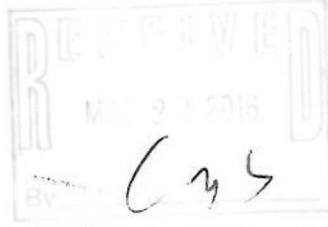
Respectfully submitted,



Philip J. Passanante  
An Attorney at Law of the  
State of New Jersey

Enclosures

cc: Hon. Richard S. Mroz, President (letter only)  
Hon. Joseph L. Fiordaliso, Commissioner (letter only)  
Hon. Mary-Anna Holden, Commissioner (letter only)  
Hon. Dianne Solomon, Commissioner (letter only)  
Hon. Upendra J. Chivukula, Commissioner (letter only)  
Paul Flanagan, Esquire, Executive Director (letter only)  
Kenneth J. Sheehan, Esquire, Chief of Staff (letter only)  
Service List



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**IN THE MATTER OF THE PETITION OF  
ATLANTIC CITY ELECTRIC COMPANY  
FOR APPROVAL OF AMENDMENTS TO  
ITS TARIFF TO PROVIDE FOR AN  
INCREASE IN RATES AND CHARGES  
FOR ELECTRIC SERVICE PURSUANT  
TO N.J.S.A. 48:2-21 AND N.J.S.A. 48:2-  
21.1, FOR APPROVAL OF A GRID  
RESILIENCY INITIATIVE AND COST  
RECOVERY RELATED THERETO, AND  
FOR OTHER APPROPRIATE RELIEF  
(2016)**

**STATE OF NEW JERSEY  
BOARD OF PUBLIC UTILITIES**

**BPU DOCKET NO. \_\_\_\_\_  
OAL DOCKET NO. \_\_\_\_\_**

**AGREEMENT OF NON-DISCLOSURE  
OF INFORMATION CLAIMED  
TO BE CONFIDENTIAL**

It is hereby AGREED, as of the \_\_\_\_ day of \_\_\_\_\_, 2016, by and among **PETITIONER**, Atlantic City Electric Company, the Staff of the New Jersey Board of Public Utilities ("Board Staff") and the Division of Rate Counsel ("Rate Counsel") (collectively, the "Parties"), who have agreed to execute this Agreement of Non-Disclosure of Information Claimed to be Confidential ("Agreement"), and to be bound thereby that:

WHEREAS, in connection with the above-captioned proceeding before the Board of Public Utilities (the "Board") and/or the Office of Administrative Law (the "OAL"), **PETITIONER** and/or another party ("Producing Party") may be requested or required to provide petitions, prefiled testimony, other documents, analyses and/or other data or information regarding the subject matter of this proceeding that the Producing Party may claim constitutes or contains confidential, proprietary or trade secret information, or which otherwise may be claimed by the Producing Party to be of a market-sensitive, competitive, confidential or proprietary nature (hereinafter sometimes referred to as "Confidential Information" or "Information Claimed to be Confidential"); and

WHEREAS, the Parties wish to enter into this Agreement to facilitate the exchange of information while recognizing that under Board regulations at N.J.A.C. 14:1-12 et seq., a request

for confidential treatment shall be submitted to the Custodian who is to rule on requests made pursuant to the Open Public Records Act ("OPRA"), N.J.S.A. 47:1A-1 et seq., unless such information is to be kept confidential pursuant to court or administrative order (including, but not limited to, an Order by an Administrative Law Judge sealing the record or a portion thereof pursuant to N.J.A.C. 1:1-14.1, and the parties acknowledge that an Order by an Administrative Law Judge to seal the record is subject to modification by the Board), and also recognizing that a request may be made to designate any such purportedly confidential information as public through the course of this administrative proceeding; and

WHEREAS, the Parties acknowledge that unfiled discovery materials are not subject to public access under OPRA; and

WHEREAS, the Parties acknowledge that, despite each Party's best efforts to conduct a thorough pre-production review of all documents and electronically stored information ("ESI"), some work product material and/or privileged material ("protected material") may be inadvertently disclosed to another Party during the course of this proceeding; and

WHEREAS, the undersigned Parties desire to establish a mechanism to avoid waiver of privilege or any other applicable protective evidentiary doctrine as a result of the inadvertent disclosure of protected material;

NOW, THEREFORE, the Parties hereto, intending to be legally bound thereby, DO HEREBY AGREE as follows:

1. The inadvertent disclosure of any document or ESI that is subject to a legitimate claim that the document or ESI should have been withheld from disclosure as protected material shall not waive any privilege or other applicable protective doctrine for that document or ESI or for the subject matter of the inadvertently disclosed document or ESI if the Producing Party,



upon becoming aware of the disclosure, promptly requests its return and takes reasonable precautions to avoid such inadvertent disclosure.

2. Except in the event that the receiving party or parties disputes the claim, any documents or ESI that the Producing Party deems to contain inadvertently disclosed protected material shall be, upon written request, promptly returned to the Producing Party or destroyed at the Producing Party's option. This includes all copies, electronic or otherwise, of any such documents or ESI. In the event that the Producing Party requests destruction, the receiving party shall provide written confirmation of compliance within thirty (30) days of such written request. In the event that the receiving party disputes the Producing Party's claim as to the protected nature of the inadvertently disclosed material, a single set of copies may be sequestered and retained by and under the control of the receiving party until such time as the Producing Party has received final determination of the issue by the Board or an Administrative Law Judge of the State of New Jersey.

3. Any such protected material inadvertently disclosed by the Producing Party to the receiving party pursuant to this Agreement shall be and remain the property of the Producing Party.

4. Any Information Claimed to be Confidential that the Producing Party produces to any of the other Parties in connection with the above-captioned proceeding and pursuant to the terms of this Agreement shall be specifically identified and marked by the Producing Party as Confidential Information when provided hereunder. Additionally, any such Information Claimed to be Confidential submitted to the Board shall be provided in the form and manner prescribed by the Board's regulations at N.J.A.C. 14:1-12 et seq., unless such information is to be kept confidential pursuant to court or administrative order.

5. With respect to documents identified and marked as Confidential Information, if the Producing Party's intention is that not all of the information contained therein should be given protected status, the Producing Party shall indicate which portions of such documents contain the Confidential Information in accordance with the Board's regulations at N.J.A.C. 14:1-12.2 and 12.3. Additionally, the Producing Party shall provide to all signatories of this Agreement full and complete copies of both the proposed public version and the proposed confidential version of any information for which confidential status is sought.

6. With respect to all Information Claimed to be Confidential, it is further agreed that:

(a) Access to the documents designated as Confidential Information, and to the information contained therein, shall be limited to the Party signatories to this Agreement and their identified attorneys, employees, and consultants whose examination of the Information Claimed to be Confidential is required for the conduct of this particular proceeding.

(b) Recipients of Confidential Information shall not disclose the contents of the documents produced pursuant to this Agreement to any person(s) other than their identified employees and any identified experts and consultants whom they may retain in connection with this proceeding, irrespective of whether any such expert is retained specially and is not expected to testify, or is called to testify in this proceeding. All consultants or experts of any Party to this Agreement who are to receive copies of documents produced pursuant to this Agreement shall have previously executed a copy of the Acknowledgement of Agreement attached hereto as "Attachment 1", which executed Acknowledgement of Agreement shall be forthwith provided to counsel for the Producing Party, with copies to counsel for Board Staff and Rate Counsel.

(c) No other disclosure of Information Claimed to be Confidential shall be made to any person or entity except with the express written consent of the Producing Party or their counsel, or upon further determination by the Custodian, or order of the Board, the Government Records Council or of any court of competent jurisdiction that may review these matters.

7. The undersigned Parties have executed this Agreement for the exchange of Information Claimed to be Confidential only to the extent that it does not contradict or in any way restrict any applicable Agency Custodian, the Government Records Council, an Administrative Law Judge of the State of New Jersey, the Board, or any court of competent jurisdiction from conducting appropriate analysis and making a determination as to the confidential nature of said information, where a request is made pursuant to OPRA, N.J.S.A. 47:1A-1 et seq. Absent a determination by any applicable Custodian, Government Records Council, Administrative Law Judge, the Board, or any court of competent jurisdiction that a document(s) is to be made public, the treatment of the documents exchanged during the course of this proceeding and any subsequent appeals is to be governed by the terms of this Agreement.

8. In the absence of a decision by the Custodian, Government Records Council, an Administrative Law Judge, or any court of competent jurisdiction, the acceptance by the undersigned Parties of information that the Producing Party has identified and marked as Confidential Information shall not serve to create a presumption that the material is in fact entitled to any special status in these or any other proceedings. Likewise, the affidavit(s) submitted pursuant to N.J.A.C. 14:1-12.8 shall not alone be presumed to constitute adequate proof that the Producing Party is entitled to a protective order for any of the information provided hereunder.



9. In the event that any Party seeks to use the Information Claimed to be Confidential in the course of any hearings or as part of the record of this proceeding, the Parties shall seek a determination by the trier of fact as to whether the portion of the record containing the Information Claimed to be Confidential should be placed under seal. Furthermore, if any Party wishes to challenge the Producing Party's designation of the material as Confidential Information, such Party shall provide reasonable notice to all other Parties of such challenge and the Producing Party may make a motion seeking a protective order. In the event of such challenge to the designation of material as Confidential Information, the Producing Party, as the provider of the Information Claimed to be Confidential, shall have the burden of proving that the material is entitled to protected status. However, all Parties shall continue to treat the material as Confidential Information in accordance with the terms of this Agreement, pending resolution of the dispute as to its status by the trier of fact.

10. Confidential Information that is placed on the record of this proceeding under seal pursuant to a protective order issued by the Board, an Administrative Law Judge, provided that the Board has not modified or rejected an order by the Administrative Law Judge, or any court of competent jurisdiction, shall remain with the Board under seal after the conclusion of this proceeding. If such Confidential Information is provided to appellate courts for the purposes of an appeal(s) from this proceeding, such information shall be provided, and shall continue to remain, under seal.

11. This Agreement shall not:

(a) operate as an admission for any purpose that any documents or information produced pursuant to this Agreement are admissible or inadmissible in any proceeding; or

(b) prejudice in any way the right of the Parties, at any time, on notice given in accordance with the rules of the Board, to seek appropriate relief in the exercise of discretion by the Board for violations of any provision of this Agreement.

12. Within forty-five (45) days of the final Board Order resolving the above-referenced proceeding, all documents, materials and other information designated as "Confidential Information," regardless of format, shall be destroyed or returned to counsel for the Producing Party. In the event that such Board Order is appealed, the documents and materials designated as "Confidential Information" shall be returned to counsel for the Producing Party or destroyed within forty-five (45) days of the conclusion of the appeal.

Notwithstanding the above return requirement, Board Staff and Rate Counsel may maintain in their files copies of all pleadings, briefs, transcripts, discovery and other documents, materials and information designated as "Confidential Information," regardless of format, exchanged or otherwise produced during these proceedings, provided that all such information and/or materials that contain Information Claimed to be Confidential shall remain subject to the terms of this Agreement. The Producing Party may request consultants who received Confidential Information, who have not returned such material to counsel for the Producing Party as required above, to certify in writing to counsel for the Producing Party that the terms of this Agreement have been met upon resolution of the proceeding.

13. The execution of this Agreement shall not prejudice the rights of any Party to seek relief from discovery under any applicable law providing relief from discovery.

14. The Parties agree that one original of this Agreement shall be created for each of the signatory parties for the convenience of all. The signature pages of each original shall be executed by the recipient and transmitted to counsel of record for **PETITIONER**, who shall

send a copy of the fully executed document to all counsel of record. The multiple signature pages shall be regarded, and given the same effect, as a single page executed by all Parties.

IN WITNESS THEREOF, the undersigned Parties do HEREBY AGREE to the form and execution of this Agreement.

**PETITIONER:  
ATLANTIC CITY ELECTRIC COMPANY**

By: \_\_\_\_\_  
Philip J. Passanante  
Associate General Counsel

**ROBERT LOUGY  
ACTING ATTORNEY GENERAL  
OF NEW JERSEY  
Attorney for the Staff of the  
New Jersey Board of Public Utilities**

**STEFANIE A. BRAND, DIRECTOR  
DIVISION OF RATE COUNSEL**

By: \_\_\_\_\_  
\_\_\_\_\_  
Deputy Attorney General

By: \_\_\_\_\_  
\_\_\_\_\_  
Assistant Deputy Public Advocate

Dated:

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**IN THE MATTER OF THE PETITION OF  
ATLANTIC CITY ELECTRIC COMPANY  
FOR APPROVAL OF AMENDMENTS TO  
ITS TARIFF TO PROVIDE FOR AN  
INCREASE IN RATES AND CHARGES  
FOR ELECTRIC SERVICE PURSUANT  
TO N.J.S.A. 48:2-21 AND N.J.S.A. 48:2-  
21.1, FOR APPROVAL OF A GRID  
RESILIENCY INITIATIVE AND COST  
RECOVERY RELATED THERETO, AND  
FOR OTHER APPROPRIATE RELIEF  
(2016)**

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**STATE OF NEW JERSEY  
BOARD OF PUBLIC UTILITIES**

**BPU DOCKET NO. ER \_\_\_\_\_  
OAL DOCKET NO. PUC \_\_\_\_\_**

**AGREEMENT OF NON-DISCLOSURE  
OF INFORMATION CLAIMED  
TO BE CONFIDENTIAL**

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**ACKNOWLEDGMENT OF AGREEMENT**

The undersigned is an attorney, employee, consultant and/or expert witness for the Division of the Rate Counsel or for another party who has received, or is expected to receive, Confidential Information provided by **PETITIONER** or by another party ("Producing Party") that has been identified and marked by the Producing Party as "Confidential Information." The undersigned acknowledges receipt of the Agreement of Non-Disclosure of Information Claimed to be Confidential and agrees to be bound by the terms of the Agreement.

Dated: \_\_\_\_\_

By: \_\_\_\_\_  
(Name, Title and Affiliation)