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July 19, 2019

**VIA FEDERAL EXPRESS and  
ELECTRONIC MAIL**

[aida.camacho@bpu.nj.gov](mailto:aida.camacho@bpu.nj.gov)  
[board.secretary@bpu.nj.gov](mailto:board.secretary@bpu.nj.gov)

Aida Camacho-Welch  
Secretary of the Board  
Board of Public Utilities  
44 South Clinton Avenue, 3<sup>rd</sup> Floor, Suite 314  
P.O. Box 350  
Trenton, New Jersey 08625-0350

**RE:** In the Matter of the Relocation and Consolidation of Atlantic City Electric  
Company's Transmission System Operations Control Function  
BPU Docket No. \_\_\_\_\_

Dear Secretary Camacho-Welch:

On behalf of Atlantic City Electric Company ("ACE" or the "Company"), enclosed herewith for filing are three conformed copies of a Verified Petition and supporting Direct Testimony (the "Petition") seeking approval by the Board of Public Utilities (the "Board") of a plan to relocate ACE's transmission system control function from Mays Landing, New Jersey to a new transmission system operations facility ("TSO North") to be located in Kennett Square, Pennsylvania. The Company also seeks Board approval to consolidate ACE's transmission control function with the transmission control functions of Delmarva Power & Light Company ("Delmarva") and the Philadelphia Electric Company ("PECO") at the TSO North Facility.<sup>1</sup> In addition, ACE seeks authority to purchase the TSO North facility (including a building and adjacent parcels of land), and to own and operate it jointly with Delmarva and PECO, its affiliated public utilities, as well as authority to lease the facility on an interim basis to certain Exelon Corporation affiliates.

As explained in the Company's Petition, the relocation and consolidation of the ACE transmission control function at TSO North will enable ACE and its customers to obtain the benefits of a state-of-the-art transmission control facility at a cost that is significantly lower than building a standalone facility for ACE. Moreover, the TSO North facility will be secure and

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<sup>1</sup> In the alternative, ACE requests that the Board issue a Declaratory Order disclaiming jurisdiction over this filing.

Aida Camacho-Welch

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Page 2

hardened against the changing threat landscape targeting critical infrastructure, including the electric grid. ACE is firmly of the view that the relocation and consolidation plan will provide significant cost and operational benefits, and is the most operationally appropriate, cost-effective, and forward-looking option for enhancing ACE's transmission system control function.

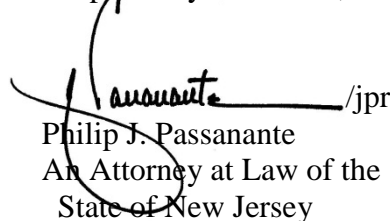
The Company respectfully requests that this matter be retained at the Board and that the relief requested in this Petition be granted no later than the Board's public agenda meeting now scheduled for October 25, 2019. ACE requests this expedited treatment in order to facilitate the development and implementation of the consolidation plan. Relocation and consolidation of the transmission control function is a complex endeavor with many moving parts—all of which require time and significant planning and coordination in order to be operational in early 2022.

In order to facilitate review of this matter, and the prompt exchange of confidential information, ACE has prepared the standard form Agreement of Non-Disclosure of Information Claimed to Be Confidential (the "NDA"). The Company requests that Board Staff and the Division of Rate Counsel review and execute the attached NDA at their earliest convenience so that discovery may commence in short order. Kindly return executed NDAs to the undersigned.

Finally, inasmuch as this filing proposes no increase in distribution rates subject to the Board's jurisdiction, ACE's customers will not be negatively impacted, and local public hearings should not be required.

Thank you for your consideration and courtesies. Feel free to contact me with any questions or if I can be of further assistance.

Respectfully submitted,

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

Enclosure

cc: Service List

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**IN THE MATTER OF THE RELOCATION  
AND CONSOLIDATION OF ATLANTIC  
CITY ELECTRIC COMPANY'S  
TRANSMISSION SYSTEM OPERATIONS  
CONTROL FUNCTION**

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

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

**VERIFIED PETITION**

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**ATLANTIC CITY ELECTRIC COMPANY** (hereinafter referred to as “ACE,” “Petitioner” or the “Company”), a corporation organized and existing under the laws of the State of New Jersey, which is subject to the jurisdiction of the Board of Public Utilities (the “Board”) and which maintains a regional office at 5100 Harding Highway, Mays Landing, New Jersey 08330, respectfully petitions the Board as follows:

1. ACE is engaged in the transmission and distribution of electric energy for light, heat, and power to residential, commercial, and industrial customers. The Company's service territory comprises eight counties located in southern New Jersey and includes approximately 556,000 customers.

2. The Company is a direct, wholly owned subsidiary of Pepco Holdings LLC (“Pepco Holdings” or “PHI”), a limited liability company formed under the laws of the State of Delaware. Pepco Holdings is also the parent company of Delmarva Power & Light Company (“Delmarva”), a public utility providing electricity and natural gas services to customers in Delaware and Maryland, and Potomac Electric Power Company (“Pepco”), a public utility providing electric service to customers located in Maryland and the District of Columbia. Pepco Holdings is an indirect, wholly owned subsidiary of Exelon Corporation (“Exelon”), a Pennsylvania corporation.

3. Exelon is also the ultimate corporate parent of Commonwealth Edison Company (“ComEd”), Baltimore Gas and Electric Company (“BGE”), and Philadelphia Electric Company (“PECO”), each a public utility providing regulated utility service in the States of Illinois, Maryland and in the Commonwealth of Pennsylvania, respectively. ACE, Delmarva, Pepco, BGE, PECO and ComEd are all operated under the Exelon Utilities (“EU”) organization.

## **INTRODUCTION**

4. A reliable and resilient electric grid is foundational to the critical energy infrastructure upon which our nation’s security and economy rests. Electric transmission is the backbone of the electric grid, and Exelon recognizes that ensuring its transmission system control functions meet current, and evolving, industry standards is of vital importance. Consequently, Exelon has conducted industry benchmarking with comparably sized peer utilities to ensure that its transmission operations functions align and keep pace with industry norms.

5. Currently, Exelon operates eight primary and back-up transmission system control facilities across its mid-Atlantic footprint, and ten in total including ComEd facilities in the Midwest. Benchmarking activities indicate that Exelon’s transmission control facilities, staffing levels, and scale of operations are not comparable to the transmission operations functions of current, and continually improving, industry peers. Moreover, in recent years there has been an increased focus on anticipating threats to the electric system, including from extreme weather, physical and cyber-attacks, and electromagnetic pulses (“EMPs”).<sup>1</sup> Taking these factors into consideration, Exelon has identified a need to: enhance physical and cyber security at transmission operations control facilities; harden transmission control facilities against EMP threats; optimize transmission system operator staffing and training; improve transmission system operator

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<sup>1</sup> On March 26, 2019, President Trump issued an Executive Order on Coordinating National Resilience to Electromagnetic Pulses.

situational awareness; and establish continuity of electric system control for disaster recovery purposes. While Exelon's transmission system functions meet all minimum regulatory requirements, simply meeting minimum standards is not enough. As the company serving densely populated, major mid-Atlantic load centers, Exelon believes it is prudent to ensure its transmission control functions meet evolving industry standards, align with comparably sized and improving industry peers, and are hardened against threats to the facility from weather, EMPs, physical and cyber-attacks.

### **PROPOSED CONSOLIDATION PLAN**

6. As explained in detail in the supporting panel Direct Testimony of Company Witnesses Kormos, Stokes, and Braerman, Exelon plans to consolidate its eight existing mid-Atlantic transmission system control facilities into two modern, secure, state-of-the-art facilities. These two consolidated facilities will operate in a "hot-hot" continuously staffed mode to ensure continuity of operations in the event of a disaster recovery scenario. The South transmission system control facility ("TSO South") will be located in the State of Maryland in a facility currently owned by BGE, and will combine the transmission operations functions of BGE and Pepco. The North transmission system control facility ("TSO North") will be located in Kennett Square, Pennsylvania, and will combine the transmission system control functions of ACE, Delmarva, and PECO. The consolidation plan includes the purchase and renovation of a building located at 300 Exelon Way in Kennett Square, as well as certain adjacent parcels of land to be used for added security setbacks and buffers.

7. ACE currently operates its transmission and distribution functions from a facility located in Mays Landing, New Jersey. As the Board is well aware, although the transmission and distribution functions are operated from a single control room location and supporting facility, the Company's distribution and transmission functions are separate and distinct. With this Petition,

the Company seeks Board approval to participate in the consolidation plan, and to relocate its transmission system control function from the Mays Landing location to the consolidated TSO North facility in Kennett Square. Relocation of the ACE transmission system operation function to TSO North will have no adverse impact on the distribution system functions at Mays Landing. To be clear, all ACE distribution system operation control and dispatch functions will remain in the current Mays Landing facility, including operational control of distribution substation assets and distribution line feeders. Moreover, there are currently no plans to move operational control of the ACE distribution assets out of New Jersey.

8. Currently, there are approximately 17 employees at the Mays Landing facility who perform some portion of the transmission system control function. All of these ACE employees have prior distribution system experience or perform split transmission and distribution roles at present. ACE intends to offer these employees the option to relocate permanently to the TSO North facility. Employees who do not wish to relocate permanently will be able to remain at the Mays Landing facility in a distribution role. The Company anticipates that the majority of these 17 employees will elect to remain at Mays Landing. To be clear, employee decisions to relocate permanently, or not, to the TSO North facility will be voluntary, and employees will not be separated as a result of the consolidation initiative if they wish to remain at Mays Landing.

9. The consolidation plan will not have an adverse impact on ACE employees working in areas other than transmission system operations. Transmission, substation, and distribution craft field and line workers will remain in New Jersey, and will not change locations as a result of the proposed consolidation plan. In addition, the ACE customer call center will not be impacted by the proposed consolidation plan, and there will be no reduction in customer service response. Further, it is important to note that the existing well-established and storm-tested outage response processes presently used by ACE will not change. The ACE Storm Room will remain in Mays

Landing, New Jersey, with ACE storm response coordinated from that location. Thus, the proposed consolidation and relocation of ACE's transmission system control function to TSO North will have no adverse impact on ACE employees, customer service, system reliability or emergency response.

10. The Company believes that the proposed consolidation plan is the most cost-effective solution to address current deficiencies in the transmission system control functions. By consolidating the ACE transmission system control function with those of Delmarva and PECO, ACE will gain the benefit of a secure, hardened, state-of-the-art facility with enhanced staffing, and will be able to share the costs of this facility and its operation with its larger affiliated Exelon utilities. When compared to the costs of building ACE a comparably equipped, staffed and secure standalone transmissions system operations facility, the consolidation strategy represents an opportunity for significant savings. As the Company's Witnesses explain, secure, state-of-the-art transmission system operations facilities are costly endeavors. For example, FirstEnergy Corporation announced in 2012 its intention to construct a \$45 million transmission system control center. Similarly, Dominion Energy announced plans to build an \$80 million transmission system control center in 2014.

11. The proposed consolidation is currently planned to be operational first quarter of 2022. TSO North will be located in an existing building in Kennett Square, Pennsylvania that will be purchased and renovated to create a modern, secure, resilient, state-of-the-art transmission control facility. All existing Exelon sites and numerous other available properties were reviewed as potential sites for TSO North, and Kennett Square was determined to be the preferred location. The consolidation plan calls for the purchase of the 300 Exelon Way Kennett Square facility and adjacent parcels of land, with ACE, Delmarva and PECO jointly owning the 300 Exelon Way building (and the adjacent land) and sharing its costs based on their respective transmission load

ratio share. Using this approach, ACE will pay 17%, Delmarva 27%, and PECO 56% of the costs of the building, its renovation, and on-going operating costs.<sup>2</sup> Consequently, ACE will only pay its fair share of the cost of owning and operating TSO North.

12. While only in the preliminary stages of renovation planning, the current estimate of the cost of the TSO North project is approximately \$72 million. This figure is comprised of the approximately \$13 million purchase price of the building and adjacent land, plus the cost of the renovation of the 300 Exelon Way facility. This estimate is subject to change as the project design progresses. ACE's share of this current estimate is 17% of the total project cost, or approximately \$12.2 million.<sup>3</sup> The annual operating costs of the 300 Exelon Way facility are currently estimated to be approximately \$9 million, with ACE's 17% share equal to approximately \$1.5 million. The Company is not seeking Board approval of the recovery of these costs since transmission costs are reviewed and approved by the Federal Energy Regulatory Commission ("FERC"). Instead, ACE will seek recovery of its share of the costs of TSO North in its annual transmission rate updates filed with the FERC.

13. In addition to being cost-effective, the consolidation proposal will help to manage the risk of a targeted physical and/or cyber-attack against the electric transmission grid by reducing the number of sites where attacks can be targeted. The trend of more stringent physical and cyber security requirements, combined with the increasing likelihood of malicious attacks against the transmission grid and its control systems, necessitate this focus and elevate it to the level of a best practice.<sup>4</sup> The consolidation plan allows the relocation of critical transmission system operations

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<sup>2</sup> All percentages are approximate.

<sup>3</sup> ACE will provide copies of the agreements to purchase the Kennett Square building and adjacent parcels of land upon execution of an acceptable non-disclosure agreement.

<sup>4</sup> The Board has consistently recognized this risk and has attempted to be proactive in its response. *See, e.g.*, the Order issued in connection with *In the Matter of Cyber Incident Reporting for Utility Industrial Control Systems*, BPU



functions and personnel to a site specifically designed to address these challenges. Improved security and protection of these systems at a central physically and electronically hardened site serves to increase the reliability of service provided to ACE's customers by protecting these assets to a higher degree.

### **BENEFITS OF CONSOLIDATION**

14. From a physical security perspective, public access to, and awareness of, transmission system control facilities is not considered good utility industry practice. The consolidation plan lessens physical threats by reducing the physical proximity of the public to the transmission system control facilities, and by making the facilities less visible to the general public. As discussed in greater detail below, each of the current ACE, Delmarva and PECO transmission system control facilities could benefit from the enhanced physical security features of the proposed TSO North facility. In addition, other general threat risks are also mitigated such as proximity to coastal storms, rivers, roadways, and railroads.

A. The ACE Mays Landing facility has the most general public exposure of the Exelon TSO facilities. There is a public customer bill pay center in the facility, and an adjoining credit union facility and day care center immediately next to the Mays Landing system operations control center. The general site access security is below industry peers, lacking guard booths and vehicle reject lanes. In addition, the overall location is relatively close to the coast and potentially susceptible to the impacts of coastal storms.

B. Delmarva and PECO also would benefit from the enhanced security resulting from TSO consolidation. The Delmarva New Castle facility that contains Delmarva's TSO control center is also a busy regional office facility. There is significant daily truck and

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Docket No. EO11090575 (October 13, 2011), and the Order issued in connection with *In the Matter of Utility Cyber Security Program Requirements*, BPU Docket No. AO16030196 (March 18, 2016).

vehicle traffic inside the security fence. The building also houses a public access bill pay center. Further, the site is near a congested visible area, with limited setbacks for added protection.

C. TSO consolidation would remove the PECO TSO from a high exposure downtown urban area in a corporately branded headquarters building. Major city events can threaten and disrupt needed control center access and ability to operate. The current PECO TSO location is also adjacent to a railroad and river, and the building is on city streets which allow public access next to the building that cannot be secured. In the building, in close proximity to the TSO control facility, is the publicly accessed bill pay area.

D. The proposed TSO North facility addresses the physical security concerns noted above. It will be located in a much less publicly visible location and outside of an urban city and any congested area. It will not be accessible to the general public, and will be well screened and minimally visible. The site entrance will have visitor processing and a vehicle reject lane to ensure only authorized vehicles enter the security perimeter and unauthorized vehicles cannot get close to the building. There are much greater setbacks to adjacent public areas and the landscape of the property provides additional added security buffers and screening. The facility is located inland and is not near a coastal area with hurricane exposure.

15. The design of TSO North will also incorporate EMP hardening, which is not present in the existing TSO facilities. Exelon has followed industry EMP analysis and mitigation effectiveness studies for several years. As the utility serving major mid-Atlantic load centers, Exelon intends to align with the best practices of comparable industry peers and construct an EMP hardened TSO control facility.

16. There are also cyber security benefits that will result from the TSO consolidation. Currently, Pepco, BGE, PECO, and ACE/Delmarva have separate Energy Management Systems (“EMS”) for transmission monitoring and control. An enabling project to

the physical control room consolidation includes a project to implement a standardized EMS solution across the Exelon mid-Atlantic TSOs. In addition to having a modern up-to-date system, the cyber security monitoring aspect is improved. As opposed to having to monitor four separate systems concurrently across the operating companies for proper performance and to guard against threats, with the standardized EMS solution and the consolidated TSO facilities and organization, there will be the ability to have a heightened focus at the two mid-Atlantic TSO locations.

### **BOARD REVIEW AND APPROVAL**

17. In this Petition, the Company seeks the Board's approval, to the extent required, of the relocation and consolidation of its transmission system control operations functions from Mays Landing to TSO North, located in Kennett Square, Pennsylvania.<sup>5</sup> In the alternative, Petitioner respectfully requests an Order of the Board disclaiming jurisdiction over the transmission system control function consolidation initiative.

18. As noted above, ACE intends to own and operate the Kennett Square facility jointly with its affiliates. To the extent that such joint ownership requires Board approval pursuant to *N.J.A.C. 14:4-3.1 et seq.* and/or *N.J.A.C. 14:4-4.1 et seq.*, the Company respectfully requests approval to own and operate the TSO North facility jointly with its affiliated public utilities.

19. Currently, the 300 Exelon Way building is occupied by employees working for Exelon Generation Company, LLC ("Exelon Generation") and Exelon Business Services Company, LLC ("Exelon BSC") pursuant to a long-term lease assigned to Kennett EXC Limited

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<sup>5</sup> ACE previously sought to consolidate its entire control room operation with that of Delmarva. Beginning in 2013, Board Staff and ACE had a series of discussions regarding a proposed control room consolidation. Pursuant to a letter to the Board Secretary dated February 5, 2015, the Company stated that "[i]n order to provide the Board with additional information about the reasoning for [the control room consolidation], ACE will make a filing with the Board within the next sixty (60) days including further details explaining its plan to consolidate ... and seeking Board authorization to execute the relocation plan." The Company made that detailed filing on April 1, 2015. Two public comment hearings on the Company's proposal were conducted on June 18, 2015. On September 4, 2015, ACE withdrew its filing to allow the parties additional time to consider the issues. While ACE is not of the view that Board approval is required of either the prior or current consolidation proposals, it has filed the instant petition in keeping with its prior commitment to seek Board review.

Partnership, the current owner of the property.<sup>6</sup> Following the purchase of the building, there will be a period in which ACE would be a joint owner of 300 Exelon Way and would request authority to lease a portion of the facility to its competitive affiliate, Exelon Generation. The lease to Exelon Generation will be for a relatively short period, not anticipated to exceed 18 months, and would only occur prior to the facility becoming the TSO North transmission control center. Lease payments by Exelon Generation would be in accordance with applicable regulatory requirements. Exelon BSC employees will also be present at the 300 Exelon Way building both before and after the TSO North facility is completed. Costs related to their occupancy of the building will be charged under the existing Board-approved Exelon BSC General Services Agreement, the Cost Allocation Manual, and the PHI Service Company Services Agreement. The proposed arrangement with Exelon Generation should help to minimize the costs of the acquisition of the 300 Exelon Way facility as the renovation process is undergoing detailed construction planning. Similarly, the allocation of costs to Exelon BSC will help defray costs to ACE during facility renovation and on an on-going basis. Therefore, ACE requests Board approval of this proposed lease arrangement pursuant to *N.J.S.A.* 48:3-7 and *N.J.A.C.* 14:4-3.3(d) and related statutes and regulations.

20. The Company respectfully requests that the Board retain the matter for hearing directly and take action on this application on an expedited basis. Relocation and consolidation of the transmission control function is a complex endeavor with many moving parts—all of which require time and significant planning and coordination in order to be operational in 2022. In addition, ACE wishes to provide its employees who may be impacted by the relocation and

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<sup>6</sup> The buildings located on the Kennett Square campus are owned by Kennett EXC Limited Partnership. The adjacent parcels of land are now owned by, and will be purchased from, Kennett Development Company L.P. West (Unit C) and Kennett Development L.P. East (Unit D), and will act as additional setbacks/buffers for the hardened facility.

consolidation with definitive information as soon as practicable so that those employees may make decisions in a planned and deliberate manner. Further, ACE has met with the Staff of the Board on several occasions in an effort to explain the consolidation proposal and address Staff's questions and concerns. The Company has attempted to address those concerns and provide the information of interest to the Board in this Petition and supporting panel Direct Testimony. The Company hopes these efforts will permit the Board to act promptly on this matter.

### **CONCLUSION**

21. During the course of the proceeding initiated by this filing, ACE will submit any confidential, proprietary or competitively sensitive information not covered by privilege once a mutually agreed-upon Agreement of Non-Disclosure of Information Claimed to Be Confidential (the "Confidentiality Agreement") has been executed by and among the Company, Board Staff, and the New Jersey Division of Rate Counsel ("Rate Counsel"). To facilitate this process, ACE has prepared the standard Confidentiality Agreement and appended it to the cover letter filing this Petition. We request that Board Staff and Rate Counsel execute the Confidentiality Agreement at their earliest convenience so that confidential information can be provided to them.

22. Inasmuch as this filing will not require or seek an increase in Board-approved customer rates or charges, the requirements as forth in *In the Matter of Additional Methods to Inform the Public Concerning Utility Filings*, BPU Docket No. AO13030252 (Order Dated October 16, 2013) are inapplicable.

23. Petitioner respectfully requests that the Board retain this matter for hearing directly, act expeditiously on this Petition, and grant the relief requested herein by no later than the public agenda meeting currently scheduled for October 25, 2019 so that implementation of the consolidation plan can be achieved in or after the first quarter 2022.

24. Communications and correspondence concerning this proceeding should be sent to the following representatives of the Company:

Philip J. Passanante, Esquire  
Assistant General Counsel  
Atlantic City Electric Company – 92DC42  
500 North Wakefield Drive  
Post Office Box 6066  
Newark, Delaware 19714-6066  
Telephone: 302.429.3105 (Newark, Delaware)  
Telephone: 609.909.7034 (Trenton, New Jersey)  
E-Mail: [philip.passanante@pepcoholdings.com](mailto:philip.passanante@pepcoholdings.com)

and

Heather Hall  
Manager, New Jersey Regulatory Affairs  
Atlantic City Electric Company – 92DC42  
500 North Wakefield Drive  
P.O. Box 6066  
Newark, Delaware 19714-6066  
Telephone: 302.451.5323  
E-Mail: [heather.hall@pepcoholdings.com](mailto:heather.hall@pepcoholdings.com)

WHEREFORE, the Petitioner, **ATLANTIC CITY ELECTRIC COMPANY**, respectfully requests that the Board make the following determinations by no later than its scheduled October 25, 2019 Public Agenda Meeting:

A. that relocation and consolidation of the existing ACE transmission system operations control functions with and into the proposed consolidated TSO North facility is in the public interest, and is necessary and proper so that the Company can continue to provide safe, adequate, and proper service to its customers; and

B. that the Company is authorized to move and consolidate the existing transmission system operations control functions serving the ACE territory into the consolidated ACE-PECO-Delmarva transmission system control facility to be located in Kennett Square, Pennsylvania; or

C. in the alternative, that the Board issue a Declaratory Order disclaiming jurisdiction over this filing;<sup>7</sup> and

D. that the Company is authorized to own and operate the TSO North facility, including any buildings and/or land acquired to develop the TSO North facility, jointly with Delmarva and PECO; and

E. that the Company is authorized to lease its property, once purchased, located at 300 Exelon Way to its affiliate on the terms and conditions described herein; and

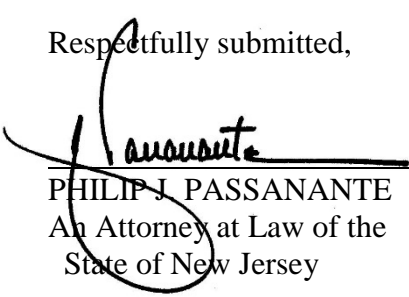
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<sup>7</sup> Petitioner's request for a disclaimer of jurisdiction is based, in part, upon the fact that *N.J.A.C. 14:3-5.1(c)* requires "written *notice* [to] the Board of any proposed change in the functions of one or more of these [business] offices at least 14 business days prior to the change being made." [Italics added.] Inasmuch as the regulation only contemplates "written notice" and not a Board approval, the Company submits that regulatory approval is not required. Moreover, the regulation only applies to a location "where applications for service, complaints, service inquiries, [and] bill payments" are received. ACE respectfully submits that the transmission system control room does not directly implicate any of these functions. Moreover, Petitioner will continue to adhere to *N.J.A.C. 14:3-5.2(a)(4)*, which requires that Board Staff be provided with "a control room emergency contact telephone number." That regulation does not require that the "control room emergency contact" be located in New Jersey.

F. that the Petitioner shall have such other and further relief as the Board may determine to be reasonable and appropriate.

Respectfully submitted,

Dated: July 19, 2019

  
\_\_\_\_\_  
PHILIP J. PASSANANTE  
An Attorney at Law of the  
State of New Jersey

Assistant General Counsel  
Atlantic City Electric Company – 92DC42  
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IN THE MATTER OF THE RELOCATION  
AND CONSOLIDATION OF ATLANTIC  
CITY ELECTRIC COMPANY'S  
TRANSMISSION SYSTEM OPERATIONS  
CONTROL FUNCTION

STATE OF NEW JERSEY  
BOARD OF PUBLIC UTILITIES

**AFFIDAVIT OF VERIFICATION**

**KEVIN M. McGOWAN**, being duly sworn, upon his oath, deposes and says:

1. I am the Vice President of Regulatory Policy and Strategy of and for Atlantic City Electric Company ("ACE"), the Petitioner named in the foregoing Verified Petition. I am duly authorized to make this Affidavit of Verification on ACE's behalf.

2. I have read the contents of the foregoing Verified Petition. I verify that the statement of facts and other information contained therein are true and correct to the best of my knowledge, information, and belief.



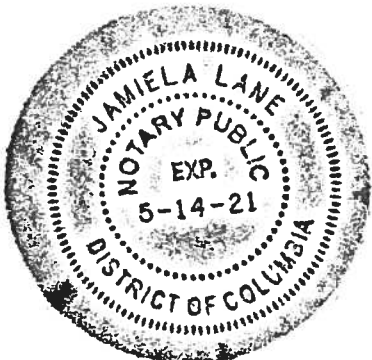
**KEVIN M. McGOWAN**

WASHINGTON, D.C. ) SS:

SWORN TO AND SUBSCRIBED before me this 10 day of July, 2019.

05/14/2021

My Commission Expires:



District of Columbia: SS

Subscribed and sworn to before me, in my presence,  
this 10 day of July, 2019.

  
Jamila Lane, Notary Public, D.C.  
My commission expires May 14, 2021.

**ATLANTIC CITY ELECTRIC COMPANY**

**DIRECT TESTIMONY OF  
MIKE KORMOS, DARRYL STOKES,  
AND KENNETH BRAERMAN**

**I. INTRODUCTION AND PURPOSE**

**Q1. Would the members of the panel please state your names and positions.**

A1. My name is Mike Kormos, I am the Senior Vice President, Transmission & Compliance of Exelon Utilities (“EU”).

My name is Darryl Stokes, I am the Vice President, Transmission System Operations & Planning of EU.

My name is Kenneth Braerman, I am Director of Transmission Operations & Planning for Baltimore Gas and Electric Company (“BGE”).

**Q2. On whose behalf are you submitting Direct Testimony in this case?**

A2. We are submitting Direct Testimony on behalf of Atlantic City Electric Company (“ACE” or the “Company”), one of the Exelon utilities, and the Petitioner in this case.

**Q3. Mr. Kormos, please describe your education and professional background.**

A3. I earned a BS in Electrical Engineering from Drexel University and an MBA from Villanova University. I worked for PJM for 27 years in various engineering, management and executive positions. My last position at PJM was Executive Vice President & Chief Operations Officer. I joined EU in June 2016 as the Senior Vice President, Transmission and Wholesale Market Policy. I assumed my current position in 2018.

1 **Q4. Mr. Kormos, have you previously testified before utility regulatory agencies?**

2 A4. Yes, during my career at PJM, I testified before the United States Congress, the Federal  
3 Energy Regulatory Commission (“FERC”) and various state public utility commissions.

4 **Q5. Mr. Kormos, have you previously submitted written testimony before the New Jersey**  
5 **Board of Public Utilities (the “Board”)?**

6 A5. I have appeared before the Board, but I do not recall submitting written testimony to the  
7 Board.

8 **Q6. Mr. Stokes, please describe your education and professional background.**

9 A6. I earned a BS in Electrical Engineering from Northeastern University and an ME from  
10 Rensselaer Polytechnic Institute. I worked for BGE for 35 years in various engineering,  
11 management, and executive positions. My last position at BGE was as Vice President,  
12 Electric Transmission & Substations. I joined EU in January 2018 as Vice President,  
13 Transmission Operations & Planning.

14 **Q7. Mr. Stokes, have you previously testified before utility regulatory agencies?**

15 A7. No, I have not testified before utility regulatory agencies.

16 **Q8. Mr. Stokes, have you previously submitted written testimony before the Board?**

17 A8. No, I have not submitted written testimony before the Board.

18 **Q9. Mr. Braerman, please describe your education and professional background.**

19 A9. I earned a BS in Electrical Engineering from Drexel University, and I am a Registered  
20 Professional Engineer in the State of Maryland. I have worked for BGE for 27 years in  
21 various engineering, operational and management positions. My prior position at BGE  
22 was Director, Transmission and Substation Engineering.

1 **Q10. Mr. Braerman, have you previously testified before utility regulatory agencies?**

2 A10. No, I have not testified before utility regulatory agencies.

3 **Q11. Mr. Braerman, have you previously submitted written testimony before the Board?**

4 A11. No, I have not submitted written testimony before the Board.

5 **Q12. What is the purpose of your Direct Testimony in this case?**

6 A12. The purpose of our Direct Testimony is to explain and support ACE's petition seeking  
7 authority to relocate its existing transmission system operations control function from  
8 Mays Landing, New Jersey to a new transmission system control facility to be located in  
9 Kennett Square, Pennsylvania, and to consolidate ACE's transmission system control  
10 function with the transmission system control functions of Delmarva Power & Light  
11 Company ("Delmarva") and Philadelphia Electric Company ("PECO").

12 **II. PROJECT OVERVIEW AND BACKGROUND**

13 **Q13. Please describe where ACE's transmission system control function is currently**  
14 **located and how it is operated.**

15 A13. Today, ACE operates its distribution system and transmission system functions from a  
16 single control room location and supporting facility located in Mays Landing, New Jersey.  
17 Although the transmission system and the distribution system control functions are housed  
18 in the same control room location, the two systems are operated separately from each other.  
19 Currently, there are a total of 17 employees at Mays Landing whose job responsibilities  
20 include transmission functions. The transmission system control function is staffed around  
21 the clock, 365 days a year.

1 **Q14. Is the Mays Landing facility dedicated solely to the distribution system and**  
2 **transmission system control functions?**

3 A14. No. Originally constructed in 1990, the Mays Landing facility is also the home of  
4 numerous ACE corporate functions and the individuals who work in those areas (including  
5 the Office of the ACE Regional President, engineering, project management, construction  
6 management, real estate, metering, fleet, facilities, government affairs, forestry, and bulk  
7 power system services), as well as meeting and training rooms, a customer bill payment  
8 location, a credit union and a day care center. In addition, the Mays Landing site is home  
9 to the Company's line crews, equipment storage and maintenance, and work crew dispatch.  
10 In total, Mays Landing is the primary job site of approximately 320 employees. In short,  
11 the Mays Landing facility is a busy, multi-use site, with significant public and employee  
12 access.

13 **Q15. Does the Mays Landing transmission function meet current minimum regulatory**  
14 **standards for transmission control functions?**

15 A15. Yes. Transmission regulatory standards are established by authority of the FERC. FERC  
16 has designated the North American Electric Corporation ("NERC") as the Electric  
17 Reliability Organization for North America. NERC establishes standards and, in  
18 conjunction with its Regional Entities (ReliabilityFirst Corporation for the EU service  
19 territories), monitors industry compliance with those standards. The standards fall into two  
20 groupings: Reliability Standards, also referred to as "693 Standards" based on FERC Order  
21 693, and Critical Infrastructure Protection ("CIP") Standards which address physical and  
22 cyber security.

1 **Q16. Does the Mays Landing transmission control function meet current utility industry**  
2 **best practices?**

3 A16. No, it does not. Industry best practices have been evolving in recent years in recognition  
4 of the foundational role that the electric grid plays in our Nation's critical energy  
5 infrastructure, and in acknowledgement of the changing threat landscape. Consequently,  
6 there has been an increasing focus on anticipating threats to the electric system from severe  
7 weather, physical and cyber-attacks, and electromagnetic pulses ("EMPs"), and a  
8 corresponding industry focus on activities that secure and harden facilities against these  
9 threats. In addition, benchmarking has identified opportunities for Exelon to improve  
10 transmission system performance and resilience through optimized transmission system  
11 operator staffing, training and situational awareness, and increased continuity of  
12 transmission system control for disaster recovery purposes.

13 **Q17. Do all EU transmission control functions meet current minimum regulatory**  
14 **standards?**

15 A17. Yes. Currently, there are eight<sup>1</sup> EU primary and back-up transmission control facilities  
16 serving ACE, Delmarva (Delaware and Maryland), Pepco (Maryland and the District of  
17 Columbia), BGE and PECO.<sup>2</sup> Like the ACE transmission control function, all EU  
18 transmission control functions meet current minimum regulatory requirements.

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<sup>1</sup> The eight primary and back-up transmission control facilities include: one in New Jersey, one in Delaware, two in Pennsylvania and four in Maryland.

<sup>2</sup> Exelon also operates two additional control rooms in the Midwest service territory of Commonwealth Edison, which is another Exelon utility with transmission assets in Illinois and Indiana.

1 **Q18. If the EU transmission system control functions meet current minimum regulatory**  
2 **standards, isn't that sufficient?**

3 A18. No. Threats to the electric grid are real and changing over time. As a result, the utility  
4 industry must adapt as the threat landscape evolves, and utilities must be prepared to  
5 identify and implement best practices. Given our critical, densely populated mid-Atlantic  
6 service territory, simply maintaining the status quo will not meet the expectations of our  
7 customers or our regulators. Instead, we need to identify industry best practices, and  
8 implement them in a consistent, thoughtful, and cost-effective manner.

9 **Q19. Do all EU transmission control functions meet current industry best practices?**

10 A19. We did comprehensive internal and external analyses of the EU transmission system  
11 control functions to assess how those functions stacked up against the transmission control  
12 functions of our comparably-sized peer utility companies. Ultimately, we concluded that,  
13 although meeting all applicable minimum regulatory standards, our transmission system  
14 control functions are not comparable to current and continually improving industry best  
15 practices. In order to enable the EU utilities to implement best practices, we determined  
16 that consolidating the eight mid-Atlantic primary and back-up transmission control  
17 facilities into two modern, state-of-the-art facilities was the most secure, resilient,  
18 operationally efficient, and cost-effective approach for our customers and EU.

19 **Q20. Please describe the consolidated facilities.**

20 A20. The two consolidated facilities are: Transmission System Operations South ("TSO South")  
21 to be located in an upgraded, existing facility in Windsor Mill, Maryland to serve BGE and  
22 Pepco; and, Transmission System Operations North ("TSO North") to be located in a newly  
23 purchased and renovated facility in Kennett Square, Pennsylvania to serve ACE, Delmarva

1 and PECO. The two transmission control facilities will operate in a “hot-hot” continuously  
2 staffed mode, which means that they will operate as a back-up for each other thus ensuring  
3 continuity of operations in a disaster recovery scenario.

### 4 **III. THE EVALUATION PROCESS**

5 **Q21. Please describe the evaluation process used to develop the TSO North and TSO South**  
6 **consolidation strategy.**

7 A21. We took a multi-pronged approach to the evaluation process. Internally, we developed our  
8 own benchmarking criteria using our expertise and considering peer utilities including  
9 Duke Energy Corporation, FirstEnergy Corporation (“FirstEnergy”), Dominion Energy  
10 (“Dominion”) and Public Service Electric and Gas Company.<sup>3</sup> We also brought in external  
11 expertise, and hired Accenture to assess our six primary transmission systems control  
12 facilities using our benchmark evaluation criteria, along with additional criteria  
13 recommended by Accenture. In particular, we evaluated the relative merits of our existing  
14 facilities to determine if they could function as the site of a consolidated transmission  
15 control facility and also if they could function as a flagship facility.<sup>4</sup>

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<sup>3</sup> FirstEnergy Corporation announced in 2012 its intention to construct a \$45 million transmission system control center. Similarly, Dominion Energy announced plans to build an \$80 million transmission system control center in 2014. The costs of new transmission control facilities have continued to increase since these projects were first announced.

<sup>4</sup> In addition to considering locations that could serve as the site of a consolidated transmission control facility, our analysis included the concept of an industry-leading “flagship” facility which could function as one of two Exelon system-wide control centers in the future. None of the current transmission system control facilities, either currently or with modifications, was deemed suitable for an industry-leading flagship.



1 **Q22. What specific criteria were used to assess the current transmission system operations**  
2 **sites?**

3 A22. We evaluated the sites using several criteria. Those criteria and their relative weightings  
4 are identified below.

5 **Security & Exposure** (35% of overall benchmark): Including consideration of site  
6 hardening and periphery, perimeter fencing, facility overttness and branding, limited line of  
7 sight from perimeter to building ingress, ownership and type of perimeter properties,  
8 clearance around the fence line, setback from perimeter, closed circuit TV (“CCTV”)  
9 coverage of building exterior and CCTV capabilities, vehicle access, security controls for  
10 vehicle access, barriers at vehicle access points, vehicle parking away from building,  
11 vehicles around the perimeter, and shelter in place in control center for active shooter  
12 scenarios.

13 **Control Room Space** (20% of overall benchmark): Including three equally weighted  
14 factors: control room environment, size requirement, and space utilization.

15 **Staff Impacts** (20% of overall benchmark): Including three equally weighted factors:  
16 employee relocation impact, stakeholder impact, and other functions.

17 **Facility** (20% of overall benchmark): Including consideration of ease of construction  
18 (50% of factor), timeline alignment with information technology initiatives (25% of  
19 factor), and timeline alignment with organizational consolidation, if any (25% of factor).

20 **Location** (5% of benchmark): Including two equally weighted factors: location access  
21 and distance between north and south locations.

22 **Other Factors**: While not specifically weighted, costs-to-achieve, occupancy timeline and  
23 timeline logic were also important considerations.

1 **Q23. When those criteria were used to evaluate the existing transmission system control**  
2 **facilities, what was the result?**

3 A23. We concluded that an existing BGE site could be upgraded to serve as the TSO South  
4 location, but that none of the existing transmission system operations locations was optimal  
5 for the TSO flagship. Given this result, we engaged in a lengthy and detailed process to  
6 identify and evaluate possible locations for the flagship TSO North facility.

7 **Q24. Please explain what criteria were used to identify a location for the TSO North**  
8 **facility?**

9 A24. We examined a portfolio of properties and considered a variety of factors including:

10 **Site Readiness and Efficiency** - Ability to accept a fast paced project with a minimum  
11 requirement of a 20,000-30,000 square foot hardened facility, and the ability to expand to  
12 80,000 square feet with new construction or utilizing existing space.

13 **Financial Responsibility** - Ability to reasonably and cost effectively secure and harden  
14 the site to current industry standards, including: LEED certified; EMP-proof control  
15 center, data center and mechanical space; physically hardened building construction; and,  
16 fully redundant utility feeders (Electric, Water, Data, Alternative Fuel and Sanitary).

17 **Location** – Site meets the minimum locational requirements: large non-urban facility  
18 isolated from other public venues; low risk weather-related natural disaster (hurricanes,  
19 tornados, earthquakes); not in proximity to high risk industries (chemical, refining, heavy  
20 manufacturing); and, reasonable transportation (multiple means of transportation and site  
21 access).

22 After analyzing these criteria, the Kennett Square facility was identified as the overall best  
23 option for the TSO North location.

#### **IV. CONSOLIDATION AND ITS BENEFITS**

**Q25. How did EU conclude that consolidation was the most appropriate option?**

A25. Using all of the information we gathered and the analyses we performed, we developed and evaluated various scenarios to address the deficiencies identified in the transmission control functions. Specifically, we considered scenarios featuring: consolidation of the transmission functions and facilities; the renovation of facilities at the current, standalone, TSO locations; and development of new standalone TSO facilities for each of the mid-Atlantic Exelon utilities. Consolidating facilities offered significant cost and operational benefits as compared to building separate, standalone facilities and, as previously discussed, the existing facilities had significant drawbacks that simply could not be remedied given their location and public accessibility. In fact, our benchmarking shows that, when other major utilities have constructed similar EMP-hardened facilities from the ground up (that is, not using the renovation approach that is proposed here), the construction cost of such facilities can exceed \$100 million, which can be borne by a single utility. The consolidation approach will result in material cost savings to ACE customers, both at the purchase stage and over the life of the project. We ultimately concluded the consolidated TSO North and TSO South strategy was the most operationally appropriate, cost-effective, and forward-looking option, and it is the option we have proposed.

**Q26. Please describe what will be required to develop the TSO North facility in Kennett Square.**

A26. ACE, Delmarva and PECO will jointly purchase an existing building located at 300 Exelon Way, as well as certain adjacent parcels of land, in Kennett Square, Pennsylvania for a total

1 purchase price of approximately \$13 million.<sup>5</sup> Once purchased, the facility will undergo  
2 extensive renovation. Those renovations entail all aspects needed to modify the facility in  
3 order for it to function as the TSO North facility and serve as a hot back up for the TSO  
4 South facility, including:

5 **Control Room** - Establish a modern TSO control room environment to accommodate a  
6 combined EU TSO organization with enhanced operator situational awareness by installing  
7 operator consoles, and installing state-of-the-art video wall technologies, operator  
8 communications systems, and other technologies.

9 **Data Center** - Establish a real time data center to house transmission operations Energy  
10 Management Systems and other needed systems.

11 **Security** - Ensure the TSO facility security by installing fencing, barriers, guard facilities,  
12 appropriate vehicle traffic lanes and barriers, video surveillance monitoring, and other  
13 items as required.

14 **EMPs** - Harden the mission critical aspects of the facility to be resilient against an EMP  
15 event.

16 **Support** - Establish a TSO Support area to house personnel supporting control room  
17 operations.

18 **Operator Training** - Establish a modern TSO Operator Training area that includes an  
19 operator training simulator and associated operator consoles with video wall technology,

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<sup>5</sup> The Kennett Square campus consists of two buildings owned by Kennett EXC Limited Partnership, and adjacent parcels of land owned by Kennett Development Company L.P. West (Unit C) and Kennett Development L.P. East (Unit D). Kennett EXC Limited Partnership, Kennett Development Company L.P. West, and Kennett Development L.P. East are unaffiliated third parties. 300 Exelon Way is currently occupied by employees of Exelon Generation and Exelon BSC. ACE, Delmarva and PECO will purchase the building located at 300 Exelon Way plus adjacent parcels of land, and Exelon Generation will purchase the second building in the campus.

1 an operator training classroom with virtual learning technologies, and an operator  
2 independent study area.

3 **Building Systems** - Ensure building mechanical, electrical and plumbing systems are  
4 redundant and highly reliable by installing or upgrading as required chillers, air handlers,  
5 uninterruptable power supplies, back-up generators, and other items.

6 We estimate that the total cost of buying and renovating the TSO North facility is  
7 approximately \$72 million.

8 **Q27. Can you please describe some of the benefits of the TSO North-TSO South**  
9 **consolidation strategy?**

10 A27. We see a variety of significant security, resiliency, and transmission operational and cost  
11 benefits from the consolidation strategy, including the following: First, it aligns with good  
12 utility practice benchmarks and is societally responsible given Exelon's customer base in  
13 major American cities and the densely populated mid-Atlantic region. Second, it greatly  
14 enhances the physical and cyber security of the TSO facilities and minimizes operational  
15 risks. Third, it facilitates a "hot-hot" mid-Atlantic mode of operation which improves  
16 resiliency and reliability and enables continuous system monitoring and control during  
17 control center evacuations, and facilitates continuous operation in a disaster recovery  
18 scenario. Fourth, it addresses existing aging control room infrastructure, and maximizes  
19 realization of the benefits of organizational consolidation and staffing efficiencies. Fifth,  
20 it reduces facility maintenance, operational support, and NERC CIP Physical Security  
21 Perimeter security monitoring by moving from eight to two facilities in the mid-Atlantic.  
22 Finally, it improves operator training and employee engagement, and enables modern large  
23 scale visualization technology to be deployed thereby improving operator situational

1 awareness, and system reliability and resiliency. We would note that this is not intended  
2 as a complete list of consolidation benefits, but is an effort to highlight some of the more  
3 significant advantages of the consolidation strategy.

#### 4 **V. Consolidation Impacts**

##### 5 **Q28. What impacts will the consolidation strategy have on ACE?**

6 A28. We have already discussed some of the broader operational impacts that the transmission  
7 system operations control consolidation will have on ACE and the other EU utilities. The  
8 impacts of consolidation are not limited to operational improvements, however, with the  
9 limited cost and employee impacts discussed below being two additional benefits.

##### 10 **Q29. Please describe the costs of the consolidation proposal.**

11 A29. As noted above, the total cost of the purchase and renovation of the TSO North facility is  
12 currently estimated to be \$72 million. We have proposed that all costs of the consolidation  
13 proposal (both facility purchase and renovation, and on-going operating costs) be allocated  
14 based on transmission load ratio share. Using this approach, costs would be allocated in  
15 the following manner: ACE would pay 17%, Delmarva would pay 27%, and PECO would  
16 pay 56%. Once purchased, the 300 Exelon Way building will require renovation to develop  
17 the hardened state-of-the-art TSO North control facility. ACE's 17% share of the total  
18 estimated \$72 million purchase and renovation cost of the TSO North facility is  
19 approximately \$12.2 million.

##### 20 **Q30. Please identify the on-going operating costs of the proposed TSO North facility.**

21 A30. The on-going operating costs will include, but are not limited to, items such as depreciation,  
22 property taxes, cleaning/trash removal, building repairs and maintenance, utilities,  
23 grounds/landscaping and snow removal, security, supplies, and the cafeteria contractor,

1 etc. These estimated costs will be further refined as the project develops. They will exist  
2 regardless of where the TSO functions are performed and would be expected to be  
3 comparable to the operating costs at any other consolidated TSO facility. Currently, annual  
4 operating costs are roughly estimated to be approximately \$9 million annually, with ACE's  
5 17% share of that cost approximately \$1.5 million per year. Likewise, the annual labor  
6 costs would not be expected to vary to any great degree depending upon the location of the  
7 consolidated TSO. We estimate that the equivalent of approximately ten employees will  
8 be performing ACE related transmission functions, at an annual cost of approximately \$1.7  
9 million for labor. We would note that the use of the equivalent of ten employees, rather  
10 than 17 employees currently working at the Mays Landing facility, is an example of the  
11 staffing efficiencies that are a benefit of the consolidation proposal.

12 **Q31. Is ACE requesting Board approval of these costs?**

13 A31. No. These costs are all recovered via FERC formula transmission rates. While we fully  
14 acknowledge that the Board will be interested in these costs and their recovery, FERC has  
15 exclusive jurisdiction over transmission rates.

16 **Q32. Can you please explain the anticipated impacts of the consolidation proposal on ACE**  
17 **employees?**

18 A32. As we previously indicated, there are a total of 17 ACE employees who perform some  
19 portion of the transmission system control function at Mays Landing. Of those 17  
20 employees, 11 are primarily performing transmission system control tasks and six  
21 employees are performing a combination of transmission and distribution tasks. ACE  
22 intends to offer these 17 employees the option to relocate permanently to the TSO North  
23 facility. Employees who do not wish to relocate permanently will be able to remain at

1 Mays Landing in a distribution role. To be clear, employees' decisions to relocate  
2 permanently, or not, to the TSO North facility will be voluntary, and employees will not  
3 be separated as a result of the consolidation plan if they wish to remain at Mays Landing.  
4 Therefore, we anticipate that the consolidation plan will have little or no adverse impact  
5 on ACE employees.

6 **Q33. Will ACE employees working in other areas be impacted by the consolidation plan?**

7 A33. No. We don't anticipate adverse impacts on ACE employees working in other areas.  
8 Transmission, substation, and distribution craft field and line workers will remain in New  
9 Jersey, and will not change their work locations as a result of the consolidation plan.  
10 Moreover, the ACE customer call center will not be impacted by the proposed  
11 consolidation plan, and there will be no reduction in customer service response. Further,  
12 it is important to note that the existing well-established and storm-tested outage response  
13 processes presently used by ACE will not change. The ACE Storm Room will remain in  
14 Mays Landing, New Jersey, with ACE storm response coordinated from that location.  
15 Thus, the proposed consolidation and relocation of ACE's transmission system control  
16 function to TSO North will have no adverse impact on ACE employees, customer service,  
17 system reliability or emergency response.

18 **VI. CONCLUSION**

19 **Q34. Is the consolidation proposal in the best interests of ACE and its customers?**

20 A34. Yes. The consolidation proposal represents an opportunity for ACE and its customers to  
21 obtain the benefits of a secure, state-of-the-art transmission system control facility with  
22 enhanced staffing but at a shared cost that is a fraction of the cost of a standalone ACE  
23 transmission control facility.



1    **Q35. Does this conclude your Direct Testimony?**

2    A35. Yes, it does.

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**IN THE MATTER OF THE RELOCATION  
AND CONSOLIDATION OF ATLANTIC  
CITY ELECTRIC COMPANY'S  
TRANSMISSION SYSTEM OPERATIONS  
CONTROL FUNCTION**

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

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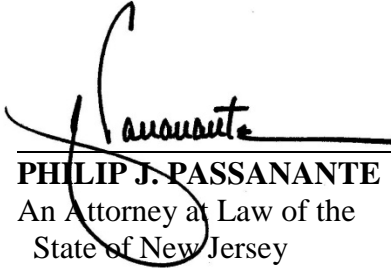
**CERTIFICATION OF SERVICE**

**PHILIP J. PASSANANTE**, of full age, certifies as follows:

1. I am an attorney at law of the State of New Jersey and am Assistant General Counsel to Atlantic City Electric Company, the Petitioner in the within matter, with which I am familiar.
2. I hereby certify that, on July 19, 2019, I caused three (3) conformed copies of the within Verified Petition and supporting Exhibits to be sent by overnight courier service to Aida Camacho-Welch, Secretary to the Board, Board of Public Utilities, 44 South Clinton Avenue, Suite 314, Trenton, New Jersey 08625-0350. I also caused an electronic copy to be sent to Secretary Camacho-Welch at [aida.camacho@bpu.nj.gov](mailto:aida.camacho@bpu.nj.gov) and [board.secretary@bpu.nj.gov](mailto:board.secretary@bpu.nj.gov).
3. I further certify that, on July 19, 2019, I caused a complete copy of the Verified Petition and supporting Exhibits to be sent by First Class Mail to each of the parties listed in the attached Service List, except for any copies that were directed to the Division of Rate Counsel. Copies directed to the Division of Rate Counsel were sent by electronic mail and overnight courier service.

4. I further and finally certify that the foregoing statements made by me are true. I am aware that, if any of the foregoing statements made by me are willfully false, I am subject to punishment.

Dated: July 19, 2019

 /jpr  
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**IN THE MATTER OF THE RELOCATION  
AND CONSOLIDATION OF ATLANTIC  
CITY ELECTRIC COMPANY'S  
TRANSMISSION SYSTEM OPERATIONS  
CONTROL FUNCTION**

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

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

**AGREEMENT OF  
NON-DISCLOSURE  
OF INFORMATION**

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It is hereby AGREED, as of the \_\_\_\_ day of \_\_\_\_\_, 2019, by and among Atlantic City Electric Company ("Petitioner"), 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 of Public Utilities or an Administrative Law Judge, provided that the Board has not modified or rejected an order by the Administrative Law Judge.

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. If only portions of a document are claimed to be confidential, the producing party shall specifically identify which portions of that document are claimed to be confidential. Additionally, any such Information Claimed to be Confidential 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. However, nothing in this Agreement shall require the Producing Party to file a request with the Board's Custodian of Records for a confidentiality determination under N.J.A.C. 14:1-12 et seq.,



with respect to any Information Claimed to be Confidential that is provided in discovery and not filed with the Board.

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.

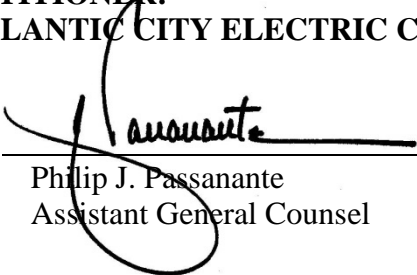
13. The execution of this Agreement shall not prejudice the rights of any Party to seek relief from discovery under any applicable law providing relief from discovery.

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 as, 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  
Assistant General Counsel

**GURBIR S. GREWAL**  
**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 Rate Counsel

Dated:

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**IN THE MATTER OF THE RELOCATION  
AND CONSOLIDATION OF ATLANTIC  
CITY ELECTRIC COMPANY'S  
TRANSMISSION SYSTEM OPERATIONS  
CONTROL ROOM**

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

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

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**ACKNOWLEDGMENT OF AGREEMENT**

The undersigned is an attorney, employee, consultant and/or expert witness for the Division of Rate Counsel, Staff of the New Jersey Board of Public Utilities or an intervenor who has received, or is expected to receive, Confidential Information provided by Atlantic City Electric Company 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)