

APPENDIX C

APPENDIX C

Referenced Data Requests

RCR-A-1
RCR-A-4
RCR-A-12
RCR-A-19*
RCR-A-20*
RCR-A-24**
RCR-A-45
RCR-A-49
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RCR-A-86
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RCR-A-103*
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S-AREV-2
RCR-A-139 (BPU Dkt. No. ER16030252)

* Confidential Attachments Not Provided

** Partial Response (Voluminous)

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*, And For Other Appropriate Relief (2017)

BPU Docket No. ER17030308

Response to DRC Data Requests – Set DRC-1
06/01/2017

Question No: RCR-A-1

Provide a five-year history of the actual operations and maintenance expenses by FERC account.

RESPONSE:

See RCR-A-1, Attachment 1 for five year history of actual Operations and Maintenance (“O&M”) expenses by Federal Energy Regulatory Commission (“FERC”) account.

WITNESS: Jay C. Ziminsky

Atlantic City Electric
 Actual O & M Expenses by FERC Account

	YTD December 31, 2016	YTD December 31, 2015	YTD December 31, 2014	YTD December 31, 2013	YTD December 31, 2012
Total Financial Results					
950100 Fuel					
954700 Fuel					
Total Fuel					
955500 Purchased power	656,146,703	686,140,442	668,432,644	667,662,634	705,294,327
Purchased Power & Interchange	656,146,703	686,140,442	668,432,644	667,662,634	705,294,327
950000 Operation Supervision & Engineer	-	-	-	-	-
950200 Steam Expenses	-	-	-	-	-
950500 Electric Expenses	-	-	-	-	-
950600 Misc steam power expenses	-	-	-	-	-
950700 Rents	-	-	-	-	-
950900 Allowances	-	-	-	-	-
Steam Subtotal					
951700 Operation S&E	-	-	-	-	-
Nuclear Subtotal					
954800 Generation expense	-	-	-	-	-
Other Power Subtotal					
955600 System cont & load dispatch	2,384,440	1,805,533	1,899,458	1,414,786	1,164,144
955700 Other expenses	(5,126,939)	36,874,472	27,742,128	32,732,268	1,510,958
Misc Operation Subtotal	(2,742,499)	38,680,005	29,641,586	34,147,054	2,675,102
Total Other Operation	(2,742,499)	38,680,005	29,641,586	34,147,054	2,675,102
Other Operation	(2,742,499)	38,680,005	29,641,586	34,147,054	2,675,102
951000 Maintenance Supervision & Engine	-	-	-	-	-
951100 Maintenance of structures	-	-	-	-	-
951200 Maintenance of boiler plant	-	-	-	-	-
951300 Maintenance of electric plant	-	-	-	-	-
951400 Maintenance of miscellaneous site	-	-	-	-	-
Steam Subtotal					
955200 Maintenance of structures	-	-	-	-	-
955300 Maintenance of generating & elec	-	-	-	-	-
Other Subtotal					
Production Maintenance					
Total Production	653,404,204	724,820,447	698,074,230	701,809,688	707,969,429
956000 Operation Supervision & Engineering	3,197,644	2,469,383	2,442,903	2,355,725	2,090,295

Atlantic City Electric
Actual O & M Expenses by FERC Account

Total Financial Results	YTD December 31, 2016	YTD December 31, 2015	YTD December 31, 2014	YTD December 31, 2013	YTD December 31, 2012
956110 Load Dispatching - Reliability	229,557	219,529	211,454	211,245	256,856
956120 Load Dispatch - Monitor & Operate Transmission Sys	485,534	464,296	413,211	295,117	320,782
956130 Load Dispatch - Transmission Service & Scheduling	275,990	261,432	265,001	289,202	304,313
956140 Scheduling, System Control and D	(1,472)	-	-	-	-
956150 Reliability, Planning and Standards	334,220	320,026	235,871	139,799	180,966
956180 LT Reliability Planning & Standards Development	1,271	2,030	3,114	2,720	2,642
956200 Station Expenses	-	-	-	-	-
956600 Miscellaneous transmission expenses	1,955,024	1,005,054	650,118	466,755	627,594
956700 Rents	-	-	-	-	-
Operation	6,477,868	4,741,750	4,221,672	3,760,563	3,783,448
956800 Maintenance Supervision & Engineering	352,470	125,627	205,794	250,744	271,466
956920 Maintenance of Computer Software	362,397	296,330	303,300	266,849	222,090
957000 Maintenance of station equipment	1,761,881	1,373,423	1,418,685	1,069,931	1,172,927
957100 Maintenance of overhead lines	6,555,440	7,647,968	5,923,653	6,018,050	5,136,839
957200 Maintenance of underground lines	35,179	7,517	5,376	17,583	19,059
957300 Maintenance of miscellaneous transmission plant	3,642,878	1,255,191	919,669	669,162	883,604
Maintenance	12,710,245	10,706,056	8,776,477	8,292,319	7,705,985
Transmission expense	19,188,113	15,447,806	12,998,149	12,052,862	11,489,433
957570 Market Facilitation, Monitoring	73,570	82,225	95,994	88,522	80,350
Regional Market Expense	73,570	82,225	95,994	88,522	80,350
958000 Operation Supervision & Engineering	4,301,917	3,969,571	3,642,616	3,368,361	3,248,277
958100 Load dispatching	2,050,912	2,284,515	2,163,813	2,101,128	2,083,048
958200 Station Expense	-	-	-	2,940	-
958300 Overhead line expenses	6,822,640	6,600,973	3,976,558	4,155,333	4,003,850
958500 Street Lighting and Signal System	-	-	-	-	-
958600 Meter expenses	4,624,376	2,590,306	3,170,690	4,026,413	2,781,432
958700 Customer installations expenses	311,992	470,375	441,259	305,476	567,531
958800 Miscellaneous distribution expenses	14,748,524	13,918,919	13,040,922	11,440,889	9,149,655
958900 Rents	3,479,893	3,650,179	3,593,242	3,574,395	3,578,456
Operations	36,340,254	33,484,838	30,029,100	28,974,935	25,412,249
959000 Maintenance Supervision & Engineering	543,084	662,467	720,247	809,831	796,758
959200 Maintain equipment	5,116,311	4,633,392	2,920,708	2,696,970	2,813,551
959300 Maintain overhead lines	38,484,861	29,251,125	28,686,083	21,770,726	17,871,793
959400 Maintain underground line	2,389,320	2,495,912	2,202,832	1,894,261	1,545,697
959500 Maintain line transformers	4,075	38,672	43,461	36,006	35,900
959600 Maintain street lighting & signal systems	1,463,322	1,357,757	1,449,067	2,510,174	2,268,959
959700 Maintain meters	692,902	645,327	610,713	709,460	673,157
959800 Maintain distribution plant	2,385,155	383,235	109,953	19,010	191,434
Maintenance	51,079,030	39,487,887	36,743,064	30,446,438	26,197,249
Distribution Expenses	87,419,284	72,952,725	66,772,164	59,421,373	51,609,498

Atlantic City Electric
Actual O & M Expenses by FERC Account

Total Financial Results	YTD December 31, 2016	YTD December 31, 2015	YTD December 31, 2014	YTD December 31, 2013	YTD December 31, 2012
990200 Meter reading expenses	5,488,160	5,635,484	4,956,246	4,810,732	4,793,952
990300 Customer records and collection expenses	54,784,495	57,094,030	43,055,846	39,575,277	42,113,651
990500 Miscellaneous customer accounts Customer Accounts Expenses	60,272,655	62,729,514	48,012,092	44,386,009	46,907,603
990400 Uncollectible accounts Uncollectible Accounts	28,765,031	18,228,770	12,211,480	10,771,446	11,763,879
Customer Accounts Expense	89,037,686	80,958,284	60,223,572	55,157,455	58,671,482
990700 Supervision - Customer Svc & Informational Exp	31,798,480	31,897,498	31,775,046	33,186,767	33,915,927
990800 Customer assistance expenses	4,767,591	3,128,333	3,053,095	2,731,541	2,942,994
990900 Informational & instructional advertising expenses	461,294	358,384	144,439	313,510	258,034
991000 Miscellaneous customer service & informational exp Customer Service Expenses	(2,800)	(609)	-	(1,939)	(88,578)
	37,024,565	35,383,606	34,972,580	36,229,879	37,028,377
991100 Supervision	-	-	-	-	-
991300 Advertising expense	-	4,180	-	103	1,902
Sales Expense	-	4,180	-	103	1,902
992000 Administrative & General salaries	2,425,451	814,885	1,342,756	852,986	161,927
992100 Office supplies & expenses	333,665	312,764	280,455	278,735	625,066
992300 Outside services employed	73,635,980	45,173,481	43,128,726	42,443,907	43,416,911
992400 Property insurance	468,644	340,820	367,746	382,417	401,319
992500 Injuries & damages	(281,103)	1,350,154	4,568,082	3,850,834	4,091,893
992800 Regulatory commission expenses	4,153,916	3,668,499	4,305,510	4,144,900	4,681,546
992900 Duplicate charges-Credit	(4,300,809)	(5,370,535)	(5,110,445)	(4,385,067)	(4,333,491)
993010 General ad expenses	363,930	377,777	108,372	254,678	228,403
993020 Miscellaneous general expenses	840,246	1,190,129	1,316,509	1,200,071	923,310
993100 Rents Operation	60	2	2	(56)	531
	77,639,980	47,857,976	50,307,713	49,023,405	50,197,515
992600 Employee pensions & benefits Pensions & Benefits	12,070,521	11,157,968	10,255,963	10,806,413	14,005,103
	12,070,521	11,157,968	10,255,963	10,806,413	14,005,103
Operations	89,710,501	59,015,944	60,563,676	59,829,818	64,202,618
993500 Maintenance of general plant Maintenance	2,635,682	4,595,522	3,406,071	2,456,929	2,435,576
	2,635,682	4,595,522	3,406,071	2,456,929	2,435,576
A&G Expenses	92,346,183	63,611,466	63,969,747	62,286,747	66,638,194
Total Operations & Maintenance	978,493,605	993,260,739	937,106,436	927,046,649	933,488,665

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, And For Other Appropriate Relief (2017)

BPU Docket No. ER17030308

Response to DRC Data Requests – Set DRC-1
06/01/2017

Question No: RCR-A-4

Please quantify the impact on the Company's weather normalization adjustment if a 30 year period had been used to determine normal weather, instead of a 20 year period. Please include all workpapers, including the applicable excel files, with your response.

RESPONSE:

Distribution revenues decrease by \$4,121,034 for the test period by using a 30 year period to determine normal weather. The 5 + 7 filed position reflected a 20 year period, which decreased revenues by \$3,730,274. *See* RCR-A-4, Attachment 1.

WITNESS: Jay C. Ziminsky

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, And For Other Appropriate Relief (2017)

BPU Docket No. ER17030308

Response to DRC Data Requests – Set DRC-1
06/06/2017

Question No: RCR-A-12

Regarding the workpaper for Adjustment No. 4, Schedule KMMc-1 Support, page 16, please update this schedule to show actual salary and wage expense, by month, through April 2017. Please provide this information separately for union and non-union employees and provide the underlying excel file.

RESPONSE:

See RCR-A-12, Attachment 1.

WITNESS: Kristin M. McEvoy

Atlantic City Electric Company
9+3 Months Ending July 2017
Proforma Wage Rate Changes Effective within Nine Months of End of Test Year
Adjustment No. 4 Support

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	
Wage & Salary Expense									
<u>Line No.</u>	<u>Item</u>	<u>Month</u>	<u>Rate</u>	<u>Local 210 Level</u>	<u>Rate</u>	<u>Non-Union Level</u>	<u>Total</u>	<u>12 Month Total</u>	
1	Actual	Aug-16		2,202,084		3,253,774	5,455,857		
2	Actual	Sep-16		2,879,415		3,288,255	6,167,670		
3	Actual	Oct-16		2,131,643		3,083,918	5,215,561		
4	Actual	Nov-16		2,157,737		3,254,694	5,412,431		
5	Actual	Dec-16		2,842,400		3,247,354	6,089,754		
6	Actual	Jan-17		2,431,161		3,418,903	5,850,064		
7	Actual	Feb-17		2,190,301		3,200,695	5,390,995		
8	Actual	Mar-17		3,108,641		3,541,640	6,650,281		
9	Actual	Apr-17		2,067,974		3,286,086	5,354,060		
10	Forecast	May-17	3.00%	1,999,916	2.37%	3,445,087	5,445,003		
11	Forecast	Jun-17	3.00%	2,182,802	2.37%	3,452,598	5,635,400		
12	Forecast	Jul-17	3.00%	2,881,350	2.37%	3,548,948	6,430,298	69,097,375	
13	Forecast	Aug-17	3.00%	2,268,146	2.37%	3,330,888	5,599,034		
14	Forecast	Sep-17	3.00%	2,965,797	2.37%	3,366,187	6,331,984		
15	Forecast	Oct-17	3.00%	2,195,592	2.37%	3,157,007	5,352,599		
16	Forecast	Nov-17	3.00%	2,222,469	2.37%	3,331,831	5,554,299		
17	Forecast	Dec-17	3.00%	2,927,672	2.37%	3,324,316	6,251,988		
18	Forecast	Jan-18	3.00%	2,509,947	2.37%	3,822,054	6,332,000		
19	Forecast	Feb-18	3.00%	2,235,905	2.37%	3,729,913	5,965,818		
20	Forecast	Mar-18	3.00%	2,141,885	2.50%	3,640,887	5,782,772		
21	Forecast	Apr-18	3.00%	2,681,160	2.50%	3,540,626	6,221,786		
22	Forecast	May-18	3.00%	2,059,913	2.50%	3,531,214	5,591,128		
23	Forecast	Jun-18	3.00%	2,248,286	2.50%	3,538,913	5,787,199		
24	Forecast	Jul-18	3.00%	2,967,790	2.50%	3,637,672	6,605,462		
25	Forecast	Aug-18	3.00%	2,336,191	2.50%	3,414,160	5,750,351		
26	Forecast	Sep-18	3.00%	3,054,771	2.50%	3,450,342	6,505,113		
27	Forecast	Oct-18	0.87%	2,214,715	2.50%	3,235,932	5,450,647		
28	Forecast	Nov-18	0.00%	2,222,469	2.50%	3,415,126	5,637,595		
29	Forecast	Dec-18	0.00%	2,927,672	2.50%	3,407,424	6,335,096	71,964,967	
30									
31				Total Wage Expense Change Based on Labor Rate Change				2,867,592	
32									
33				<u>FICA Adjustment</u>					
34					<u>ACE</u>	<u>Servco-ACE</u>	<u>Total</u>		
35				Total Wage Expense Change			2,867,592		
36				% of total	47.12%	52.88%			
37				ACE Wage per entity	1,351,151	1,516,441	2,867,592		
38									
39				FICA rate	4.66%	3.92%			
40									
41				FICA expense	62,915	59,512	122,428		

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, And For Other Appropriate Relief (2017)

BPU Docket No. ER17030308

Response to DRC Data Requests – Set DRC-1
06/01/2017

Question No: RCR-A-19 (Confidential, in part)

Please provide a description of all incentive compensation programs provided to employees (non-officers). For each program, please provide

- a. a description of the program,
- b. the amount included in the Company's claim, and
- c. the actual amount incurred in each of the past five years.

RESPONSE:

- a. *See* RCR-A-19, Confidential Attachments 1 through 6
- b. *See* RCR-A-19, Attachment 7.
- c. *See* RCR-A-19, Attachment 8.

WITNESS: Kristin M. McEvoy

ATLANTIC CITY ELECTRIC COMPANY
5+7 ME July, 2017
BPU Docket No. ER2017030308

Comp.Code	General Ledger Account		ACE		ACE - Dist.		Forecasted - ACE Dist.	
			Aug - Dec 16 Activity	Aug - Dec 16 Activity	Aug - Dec 16 Activity	Aug - Dec 16 Activity	Aug 16- July 17	Aug 16- July 17
1500 710020	-	Salaries-Incentive Pay	\$4,244	\$3,871	\$9,291			
1500 710022	-	Salaries-Employee Recognition Award	\$15,262	\$13,922	\$33,412			
1500 710060	-	Salaries-Incentive-AIP / MVIP	\$535,139	\$488,154	\$1,171,570			
1500 710066	-	Salaries-Incentive-Payout vs Accrual-AIP	\$0	\$0	\$0			
1500 800107	-	Capital transfer- Management Incentives	\$37,191	\$33,926	\$81,422			
1500 SC7900	-	Incentive Allocation (Non-Exec)	\$1,939,169	\$1,768,910	\$4,245,384			
BSC 440200/440201	-	Incentive Allocation AIP	\$400,624	\$365,450	\$877,079			
		Total Non-Executive Incentive Expense	\$2,931,630	\$2,674,233	\$6,418,159			

ACE Dist. % = 91.22%

ATLANTIC CITY ELECTRIC COMPANY
BPU DOCKET NO. ER17030308
NON-EXECUTIVE INCENTIVE EXPENSE

Comp. Code	General Ledger Account	2012	2013	2014	2015	2016
1500	710020 Salaries - Incentive Pay	\$18,359	\$11,491	\$12,381	\$21,883	\$7,378
1500	710022 Salaries - Employee Recognition Awards	\$18,453	\$24,759	\$48,497	\$13,623	\$17,753
1500	710055 Salaries - Safety Incentive	\$0	\$0	\$0	\$0	0
1500	710030 Salaries - Other	\$138,814	\$8,946	-	\$0	0
1500	710060 Salaries - AIP / MVP	\$42,048	\$328,162	\$1,089,876	\$744,572	\$1,127,337
1500	710061 Salaries - Incentives Other	\$528,894	(\$70,634)	\$0	\$0	0
1500	710066 Salaries - Incentive	(\$77,777)	\$52,679	(\$73,397)	\$81,902	\$217,942
1500	800107 Capital transfer- Management Incentives			(\$303,802)	(\$152,485)	(\$186,636)
9000	Incentive Allocation (Non-Exec)	\$2,518,149	\$1,633,174	\$2,891,061	\$2,831,122	\$4,047,436
BSC	440200/440201- Incentive Allocation AIP					\$405,529
	Total	\$3,186,940	\$1,988,578	\$3,664,616	\$3,540,617	\$5,636,740

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, And For Other Appropriate Relief (2017)

BPU Docket No. ER17030308

Response to DRC Data Requests – Set DRC-1
06/01/2017

Question No: RCR-A-20 (Confidential, in part)

Please provide a description of all incentive compensation programs provided to officers. For each program, please provide

- a. a description of the program,
- b. the performance criteria factors used to determine awards,
- c. the amount included in the Company's claim,
- d. the actual amount incurred in each of the past five years, and
- e. by title, a list of all officers eligible to participate.

RESPONSE:

- a. See the response to RCR-A- 19 (a) for the annual incentive plans and RCR-A-20 Confidential Attachment 1 for the 2016 and 2017 annual and long-term incentive plans for Vice Presidents and above of Exelon.
- b. See the response to RCR-A-20 (a).
- c. The amounts included in 5 + 7 month ending July 2017 test year operating expenses for Executive Incentive Compensation Plan (EICP) and the Non-(Pshare/RSUs) Long-Term Incentive Plan (LTIP) are as follows:

Executive Incentive Compensation Plan (EICP)	\$ 1,143,069
Non-(Pshare/RSU) Long-Term Incentive Plan (LTIP)	<u>\$ 1,367,736</u>
Total	<u>\$ 2,510,805</u>

- d. See RCR-A-20, Attachment 2.
- e. The plans provided in RCR-A-20 (a) apply to all titles of vice President and above

WITNESSES: Jay C. Ziminsky and Kevin M. McGowan

**ATLANTIC CITY ELECTRIC COMPANY
 BPU DOCKET NO. ER17030308
 EXECUTIVE INCENTIVE EXPENSE**

	2012	2013	2014	2015	2016
<u>Executive Incentive Expense</u>					
Long Term Incentive Expense - ACE direct	\$32,625	\$42,499	\$146,240	\$165,338	294,588
Incentive Expense	\$1,323,679	\$677,075	\$5,193,361	\$3,671,696	4,050,066
Total	\$1,356,304	\$719,574	\$5,339,602	\$3,837,034	\$4,344,654

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*, And For Other Appropriate Relief (2017)

BPU Docket No. ER17030308

Response to DRC Data Requests – Set DRC-1
06/01/2017

Question No: RCR-A-24

Fully describe any SERP benefits. Quantify any SERP costs included in the Company's filing, and describe how the Company's claim for SERP costs was determined.

RESPONSE:

For a description of the PHI SERP plans, *see* RCR-A-24, Attachment 1, Form 10K/A filing for the year ending December 31, 2015, beginning on page 57. The SERP expenses for ACE were derived from the FAS 87 actuarial report provided in response to RCR-A-26.

WITNESSES: Jay C. Ziminsky and Kevin M. McGowan

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For 2015, Mr. Rigby had a Company credit percentage of 10%. For 2015, Mr. Velazquez had a Company credit percentage of 10%, and through 2016, receives an annual transition credit of 3% of total pay.

The Conectiv Cash Balance Sub-Plan also provides for certain "grandfathered" rights from the Delmarva Retirement Plan and the Atlantic City Electric Retirement Plan, which apply to employees who had either 20 years of credited service or had attained age 50 on or before January 1, 1999. Under these grandfathering provisions, eligible employees are assured a minimum retirement benefit calculated for all years of service up to December 31, 2008, according to their original benefit formula under the applicable plan. Mr. Rigby, who was a participant in the Atlantic City Electric Retirement Plan, is the only named executive officer eligible to receive these grandfathered benefits.

Participants in the Conectiv Cash Balance Sub-Plan are entitled to the greater of the benefit calculated under the Conectiv Cash Balance Sub-Plan or a benefit calculated using the Pepco Holdings Sub-Plan formula. In determining the benefit under the Pepco Holdings Sub-Plan, a participant's prior years of service are taken into account up to a maximum of 30 years of credited service. As of December 31, 2015, Mr. Rigby's benefits under the Conectiv Cash Balance Sub-Plan exceeded those under the Pepco Holdings Sub-Plan (which is described above). Mr. Velazquez's benefits under the Pepco Holdings Sub-Plan formula exceeded his benefits under the Conectiv Cash Balance Sub-Plan as of that date.

The present value of accumulated benefits shown in the 2015 Pension Benefits table for the Conectiv Cash Balance Sub-Plan reflects pension benefits that would be paid for Mr. Rigby's and Mr. Velazquez's respective lifetimes as an annuity commencing upon attainment of their eligibility to receive unreduced retirement benefits. Had either of them retired on December 31, 2015 and started receipt of their pension benefit amounts at that time (as an annuity or a lump sum, if available), the net present value of their pension benefit amounts under the Conectiv Cash Balance Sub-Plan for Mr. Rigby and Mr. Velazquez would be \$1,864,896, and \$1,406,601, respectively.

Supplemental Executive Retirement Plans

Pepco Holdings 2011 Supplemental Executive Retirement Plan

In 2011, the Company adopted the 2011 SERP, a nonqualified supplemental executive retirement plan, to supplement benefits paid from the Pepco Holdings Retirement Plan. The 2011 SERP replaces the Executive Retirement Plan and the Conectiv Supplemental Executive Retirement Plan (each as described below) as the supplemental retirement plan for new eligible employees of Pepco Holdings and its subsidiaries hired on or after August 1, 2011. The 2011 SERP also includes provisions that may augment the supplemental retirement benefits to which participants in the pre-existing plans, including each of the named executive officers, are entitled.

The principal purposes of the 2011 SERP are to provide competitive retirement benefits, to protect eligible participants against reductions in retirement benefits due to the qualified plan limitations (as defined below), to encourage the continued employment of and to attract new employees to work for the Company, and to establish a more unified approach to the Company's retirement programs. The establishment of the 2011 SERP is consistent with the Company's efforts to align retirement benefits provided by the Company and its subsidiaries with current market practices, as recommended by the Compensation Committee's independent compensation consultant.

The benefit formula under the 2011 SERP is 1.45% times final average pay (as determined in accordance with the terms of the 2011 SERP) times years of credited service. Benefits under the 2011 SERP are calculated without reduction for limitations placed by the Code on the computation of retirement benefits under a qualified benefit plan (the qualified plan limitations). These limitations cap both the amount of

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the annual retirement benefit and the amount of compensation that may be used to calculate the annual benefit and exclude from the benefit calculation compensation that is deferred under the terms of a nonqualified plan. Under the 2011 SERP, the supplemental retirement benefit is calculated by including in final average pay the average annual bonus (as determined in accordance with the terms of the 2011 SERP). Accordingly, if a participating executive's retirement benefit under the Pepco Holdings Retirement Plan is reduced by the qualified plan limitations or the Pepco Holdings Retirement Plan final average pay formula does not include EICP payments, the 2011 SERP will pay a supplemental retirement benefit equal to the difference between (i) the participant's actual benefit under the Pepco Holdings Retirement Plan and (ii) the participant's benefit as calculated under the terms of the 2011 SERP.

The 2011 SERP benefit formula, including its application to participants in the pre-existing supplemental retirement plans, is designed to provide executives with retirement benefits that in the aggregate target median peer group retirement benefits based upon the research provided by Pearl Meyer. Eligibility for participation in the 2011 SERP is determined by the Compensation Committee. Because the 2011 SERP is a nonqualified supplemental retirement plan, participation is limited to selected members of the Company's management.

For participants in the pre-existing supplemental executive retirement plans, in addition to the benefit under the pre-existing plan, the 2011 SERP provides a minimum supplemental retirement benefit equal to the amount, if any, by which the executive's benefit calculated under the 2011 SERP benefit formula exceeds the supplemental retirement benefit provided under the pre-existing plan. Where the pre-existing plan provides for a greater benefit, the executive will receive the benefit provided for under the pre-existing plan.

Generally, a participant will become vested in the 2011 SERP upon the later of attaining age 65 or having five years of service. Earlier vesting is permitted under the 2011 SERP when a participant attains age 55 and is credited with at least ten years of service under the 2011 SERP.

Generally, the only form of benefit intended to be provided under the 2011 SERP is a lifetime annuity, subject to certain exceptions, including after a change of control of the Company, in which case the benefit will be paid in a lump sum. Also, benefits under the 2011 SERP will be paid in a lump sum amount to any participant in the 2011 SERP who also participates in the Conectiv Supplemental Executive Retirement Plan (which itself pays benefits in the form of a lump sum) or to any participant in the 2011 SERP who does not participate in any other supplemental executive retirement plan, but only if the value of the benefit payable under the 2011 SERP is considered to be "de minimis" under the Code. Benefit payments will commence immediately following the participant's separation from service, subject to the requirements of Section 409A of the Code.

Executive Retirement Plan

The Executive Retirement Plan is a nonqualified supplemental executive retirement plan that combines two different retirement structures: the Supplemental Benefit Structure and the Executive Performance Supplemental Retirement Benefit Structure. The Executive Retirement Plan was closed to new participants effective August 1, 2011, and has been replaced by the 2011 SERP. The Executive Retirement Plan serves the same purpose as the 2011 SERP, as discussed above. Mr. Huffman is a participant in the Executive Retirement Plan.

Supplemental Benefit Structure

An executive's benefit under the Supplemental Benefit Structure is an amount equal to the additional retirement benefit the executive would have received under the Pepco General Retirement Sub-Plan, if

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the qualified plan limitations (as discussed in the description of the 2011 SERP above) were not taken into account in calculating the executive's benefit. Benefits under the Supplemental Benefit Structure are payable in the form of a monthly annuity following the termination of a participant's employment, subject to the requirements of Section 409A of the Code.

Executive Performance Supplemental Retirement Benefit Structure

An executive's benefit under the Executive Performance Supplemental Retirement Benefit Structure is the additional retirement benefit the executive would have received under the Pepco General Retirement Sub-Plan if final average salary had included the average annual bonus (as determined in accordance with the terms of the Pepco General Retirement Sub-Plan). Benefits under the Executive Performance Supplemental Retirement Benefit Structure are payable only to executives who remain employed through age 59, unless the termination of the executive's employment follows a change in control of the Company. Benefits are paid in the form of a monthly annuity, except that if the employment of a participant terminates following a change in control, the payments due will be paid in a lump sum amount equal to the present value of the annuity payments to which the participant otherwise would be entitled. The timing of benefit payments are subject to Section 409A of the Code.

Conectiv Supplemental Executive Retirement Plan

The Conectiv Supplemental Executive Retirement Plan (the Conectiv SERP) is a nonqualified supplemental executive retirement plan that provides a supplemental retirement benefit equal to the additional retirement benefit a participating executive would have received under the Conectiv Cash Balance Sub-Plan of the Pepco Holdings Retirement Plan, if the qualified plan limitations were not taken into account in the benefit calculation. As participants in the Conectiv Cash Balance Sub-Plan, Messrs. Rigby and Velazquez participate in the Conectiv SERP. In the case of Mr. Rigby, the Conectiv SERP benefit is based on his grandfathered benefit under the Atlantic City Electric Retirement Plan calculated without taking the qualified plan limitations into account. The benefit under the Conectiv SERP is payable in a lump sum following the termination of a participant's employment, subject to the requirements of Section 409A of the Code. If Messrs. Rigby or Velazquez had retired on December 31, 2015, the net present value of each of their retirement benefits as of that date under the Conectiv SERP would have been \$2,458,812 and \$609,470, respectively.

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Nonqualified Deferred Compensation

The following table provides certain information regarding the nonqualified deferred compensation benefits of each of the named executive officers at December 31, 2015.

Name	Executive Contributions in Last Fiscal Year (\$) ⁽¹⁾	Registrant Contributions in Last Fiscal Year (\$) ⁽²⁾	Aggregate Earnings in Last Fiscal Year (\$)	Aggregate Withdrawals/Distributions (\$)	Aggregate Balance at Last Fiscal Year End (\$) ⁽³⁾
Joseph M. Rigby					
Conectiv Deferred Compensation Plan	-	-	747	-	112,825
Pepco Holdings Deferred Compensation Plan	40,283	30,133	4,273	-	1,038,522
Deferred Settlement of Awards Pursuant to Employment Agreement	-	991,021	23,006	-	4,636,543
Frederick J. Boyle					
Pepco Holdings Deferred Compensation Plan	33,461	6,728	844	-	308,473
David M. Velazquez					
Pepco Holdings Deferred Compensation Plan	11,021	8,256	1,108	-	96,988
Kevin C. Fitzgerald					
Pepco Holdings Deferred Compensation Plan	11,864	8,747	(54)	-	65,034
Deferred Settlement of Awards Pursuant to Employment Agreement	-	672,351	51,368	-	1,537,113
John U. Huffman					
Pepco Holdings Deferred Compensation Plan	3,182	2,337	427	-	56,448

(1) All amounts shown are included in the "Salary" column of the Summary Compensation Table for the year 2015.

(2) All amounts shown with respect to the Pepco Holdings Deferred Compensation Plan and the Conectiv Deferred Compensation Plan are included in the "All Other Compensation" column of the Summary Compensation Table for the year 2015.

(3) Includes the following amounts reported as compensation in the Summary Compensation Table for years prior to 2015:

Name	Pepco Holdings Deferred Compensation Plan (\$)	Conectiv Deferred Compensation Plan (\$)	Deferred Settlement of Employment Agreement RSI Awards (\$)
Joseph M. Rigby	784,462	21,468	3,215,384
Frederick J. Boyle	239,860	—	—
David M. Velazquez	51,225	—	—
Kevin C. Fitzgerald	42,012	—	715,826
John U. Huffman	29,146	—	—

Description of Nonqualified Deferred Compensation Plans and Arrangements

The Company maintains the following nonqualified deferred compensation plans and arrangements, as to which one or more of the NEOs participate.

Pepco Holdings Deferred Compensation Plan

Under the Pepco Holdings Deferred Compensation Plan, participating executives (including each of the named executive officers) and directors (including each of our non-employee directors) are permitted to defer the receipt of all or any portion of their compensation, including, in the case of executives, incentive compensation. In addition, to the extent an executive is precluded from making contributions to the 401(k) Plan due to the qualified plan limitations, the executive is eligible to defer under the Pepco Holdings Deferred Compensation Plan an amount equal to the contribution the executive is prevented from contributing to the 401(k) Plan and receive an additional credit under the Pepco Holdings Deferred Compensation Plan equal to the matching contribution, if any, that we would have made to the executive's account under the 401(k) Plan. For a discussion of the 401(k) Plan's matching contributions, see "— Compensation Discussion and Analysis — Components of the Executive Compensation Program — Retirement Programs."

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The Pepco Holdings Deferred Compensation Plan permits participants to elect to defer compensation into one or more of three separate accounts, enabling the participant to earn a return on the deferred compensation: a prime rate account, an investment fund account and a Pepco Holdings phantom share account. However, we currently do not permit our executives to defer compensation into the Pepco Holdings phantom share account. We credit on a monthly basis to each participant's account balance an amount corresponding to, as elected by the participant:

- the interest at the prime rate that would have been paid on an amount equal to the participant's prime rate account balance;
- an amount equal to the return that the participant would have earned had his or her investment fund account balance been invested in any one or a combination of the investment funds selected by the Compensation Committee; and
- an amount equal to the return the participant would have earned had the phantom share account balance been invested in shares of common stock.

Subject to applicable law and Company policy, participants may change these elections as frequently as they wish.

Payment of benefits under the Pepco Holdings Deferred Compensation Plan begins when selected by the participant among various options, but subject to any limitation necessary to comply with the requirements of Section 409A of the Code. Once every 12 months, an executive may apply to the Compensation Committee for an early distribution of all or any part of the executive's accounts which are not subject to Section 409A of the Code. This early distribution, less a 10% penalty (which is reduced to 5% if the distribution is submitted within 60 days after a change in control), must be paid to the executive in a lump sum.

Eligibility of executives to participate in the Pepco Holdings Deferred Compensation Plan is determined by our chief executive officer pursuant to authority delegated by the Board (and, in the case of the chief executive officer, by the Board).

Conectiv Deferred Compensation Plan

Prior to the merger of Pepco and Conectiv, Conectiv maintained the Conectiv Deferred Compensation Plan. Under this plan, participating executives were permitted to defer the receipt of all or any portion of their compensation, including incentive compensation, and to receive employer matching credits on deferrals corresponding to contributions the executive was precluded from making to Conectiv's 401(k) Plan due to the qualified plan limitations. On August 1, 2002, employee deferrals and matching employer credits under the Conectiv Deferred Compensation Plan were discontinued.

Prior to August 1, 2002, participant deferrals and employer matching contributions were credited to a deferred compensation account and were deemed invested, as elected by the executive, in any of the investment options available to participants under the Conectiv 401(k) Plan as of August 1, 2002. Employer matching contributions were credited to an employer matching account in the form of Conectiv common stock equivalents, which at the time of the merger were converted into Company common stock equivalents on which additional credits were made when cash dividends were paid on the common stock based on the number of shares that could be purchased with the cash dividend. Of the named executive officers, only Mr. Rigby maintains an account balance under the Conectiv Deferred Compensation Plan.

Distributions under the Conectiv Deferred Compensation Plan commence at a time selected by the executive at the time of deferral from among various options.

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Deferred Settlement of Awards Pursuant to Employment Agreements

Each of Messrs. Rigby and Fitzgerald received a time-based award and performance-based awards pursuant to their respective employment agreements. Shares of the Company's common stock underlying the vested portion of these RSU awards may not be received by Mr. Rigby or Mr. Fitzgerald until the day after his employment with the Company terminates (subject to exceptions and the applicable terms of the Merger Agreement).

Termination of Employment and Change in Control Benefits

The following is a description of our plans and arrangements that provide for payments to the named executive officers, following or in connection with the termination of the executive's employment, a change in control of the Company or a change in the executive's responsibilities.

Rigby Extension Agreement

As of April 29, 2014, under the Employment Extension Agreement, Mr. Rigby is not entitled to any cash severance payments upon the termination of his employment. Also, Mr. Rigby is not entitled to receive any excise tax gross-up payments under any plan or agreement with us, and, consistent with the Rigby Extension Agreement, if Mr. Rigby receives any payments that would be subject to such excise tax and the net after-tax amount of such payments is not at least \$10,000 greater than the net after-tax amount he would receive had none of the payments been subject to such excise tax, the payments will be reduced to the greatest amount that would not give rise to such excise tax.

Mr. Rigby also agreed to a three-year post-termination non-compete covenant and two-year post-termination non-solicitation and non-hiring covenants.

The Employment Extension Agreement provides Mr. Rigby with limited benefits if his employment is terminated under various circumstances, as described below.

Termination by the Company Other than for Cause or by Mr. Rigby for Good Reason

If at any time during the Rigby Extension Period, Pepco Holdings terminates Mr. Rigby's employment, other than for cause, or Mr. Rigby terminates his employment with Pepco Holdings for good reason, Mr. Rigby will be entitled to the following:

- payment of unpaid salary and accrued vacation time through the date of termination, as well as any earned and unpaid bonus for the year prior to the year in which the termination occurs;
- with respect to the unvested portion of any time-based restricted stock or RSU awards under the 2012 LTIP:
 - if the award was granted prior to April 29, 2014, the award will vest on a prorated basis for the length of service through the date of termination, except that if the termination occurs within one year following a change in control (as defined in the Rigby Employment Agreement), the award will vest in full; and
 - if the award was granted on or after April 29, 2014 (other than with respect to the unvested restricted stock award granted to Mr. Rigby on April 30, 2014, which is covered below), the award will vest on a prorated basis for the length of his service through the date of termination;
- with respect to the unvested portion of all performance-based restricted stock or RSU awards under the 2012 LTIP:

**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, And For Other
Appropriate Relief (2017)**

BPU Docket No. ER17030308

Response to DRC Data Requests – Set DRC-1
06/01/2017

Question No: RCR-A-45

Provide the amount of expenses for memberships and dues included in the filing indicating the organization paid and the employees who participate (union, management, directors, etc.).

RESPONSE:

The following provides a breakdown of membership dues for August 1, 2016 to July 31, 2017. 2017 memberships in **bold** are organizations that ACE has historically held memberships in and anticipates dues payment by July 31, 2017. All memberships are corporate memberships.

Name	Amt. Paid
New Jersey Conference of Mayors	\$15,000
NJ Business & Industry Association	\$1,968
Salem County Chamber of Commerce	\$2,000
NJ Alliance for Action	\$3,600
Cape May County Chamber of Commerce	\$1,100
NJ Energy Coalition	\$12,000
African American Chamber of Commerce	\$6,550
NJ State Chamber of Commerce	\$5,231
New Jersey Utility Association	\$71,439
Southern Ocean County Chamber of Commerce	\$1,000
Atlantic City Chamber of Commerce -	\$2,188
Southern NJ Development Council	\$3,700
Chamber of Commerce of Southern NJ	\$6,016
Public Media NJ Inc	\$20,000
NJ Business & Industry Association	\$3,956
NJ Conference of Mayors	\$15,000
EI	\$201,564
EPRI	\$193,314

WITNESS: Jay C. Ziminsky

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, And For Other Appropriate Relief (2017)

BPU Docket No. ER17030308

Response to DRC Data Requests – Set DRC-1
06/01/2017

Question No: RCR-A-49

Provide the amount of meals expenses included in the test year but disallowed for tax purposes.

RESPONSE:

\$283,726 on a Total System basis; \$258,815 on a Distribution basis.

WITNESS: Jay C. Ziminsky

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*, And For Other Appropriate Relief (2017)

BPU Docket No. ER17030308

Response to DRC Data Requests – Set DRC-1
06/06/2017

Question No: RCR-A-75

Please explain the circumstances that gave rise to the write-off of software of \$116,662 shown in the response to P-AREV-23.

RESPONSE:

The \$116,662 shown in the response to P-AREV-23 was related to the Legal Document Management system and portions of the Energy Management system. These systems were written off because the associated Departments identified that the assets were no longer in use.

WITNESS: Jay C. Ziminsky

**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, And For Other
Appropriate Relief (2017)**

BPU Docket No. ER17030308

Response to DRC Data Requests – Set DRC-1
06/01/2017

Question No: RCR-A-86

Regarding Adjustment No. 16 to the filing, please provide the actual injury and damages expense for the twelve months ending July 2013 and July 2014.

RESPONSE:

See RCR-A-86, Attachment 1.

WITNESS: Kristin M. McEvoy

ATLANTIC CITY ELECTRIC COMPANY
Injuries & Damages Expense

12 ME July 2013

Aug 2012	\$	210,266
Sept 2012	\$	1,147,255
October 2012	\$	208,713
November 2012	\$	220,635
December 2012	\$	854,916
January 2013	\$	227,183
February 2013	\$	227,183
March 2013	\$	179,904
April 2013	\$	220,315
May 2013	\$	220,142
June 2013	\$	220,315
July 2013	\$	224,780

12 ME July 2013 \$ **346,801**

12 ME July 2014

Aug 2013	\$	224,145
Sept 2013	\$	475,777
October 2013	\$	229,784
November 2013	\$	235,083
December 2013	\$	1,166,222
January 2014	\$	222,543
February 2014	\$	226,105
March 2014	\$	867,609
April 2014	\$	217,705
May 2014	\$	218,705
June 2014	\$	217,705
July 2014	\$	214,949

12 ME July 2014 \$ **376,361**

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*, And For Other Appropriate Relief (2017)

BPU Docket No. ER17030308

Response to DRC Data Requests – Set DRC-1
06/01/2017

Question No: RCR-A-97

Regarding Adjustment No. 25, please itemize, by month, all costs incurred directly by ACE relating to the merger with Exelon. Please separately identify costs that were expensed on the Company's books and costs that were deferred, if applicable. Please include all actual costs to date as well as projected costs through the end of the Test Year.

RESPONSE:

See RCR-A-97, Attachment 1 for actual costs incurred directly by ACE relating to the merger with Exelon from March 2016 to March 2017 and projected costs from April to July 2017. These costs were expensed on the Company's books.

WITNESS: Jay C. Ziminsky

Atlantic City Electric
Cost To Achieve (CTA)
ACF Direct CTA

	Actual Apr-Jun 2016	Actual Jul-16	Actual Aug-16	Actual Sep-16	Actual Oct-16	Actual Nov-16	Actual Dec-16	Actual Jan-17	Actual Feb-17	Actual Mar-17	Forecast Apr-17	Forecast May-17	Forecast Jun-17	Forecast Jul-17	Total
BSC Allocated Costs	\$ 411,342	\$ 55,564	\$ 191,218	\$ 172,553	\$ 130,800	\$ 238,107	\$ 150,064	\$ 149,882	\$ 140,052	\$ 184,084	\$ 88,668	\$ 93,170	\$ 63,424	\$ 55,449	\$ 2,124,378
Distribution Allocator	91.22%	91.22%	91.22%	91.22%	91.22%	91.22%	91.22%	91.22%	91.22%	91.22%	91.22%	91.22%	91.22%	91.22%	
Dist - ACF CTA	\$ 375,226	\$ 50,685	\$ 174,429	\$ 157,403	\$ 119,315	\$ 217,201	\$ 136,889	\$ 136,723	\$ 127,755	\$ 167,921	\$ 80,883	\$ 84,990	\$ 57,856	\$ 50,581	\$ 1,937,857

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*, And For Other Appropriate Relief (2017)

BPU Docket No. ER17030308

Response to DRC Data Requests – Set DRC-1
06/01/2017

Question No: RCR-A-98

Regarding Adjustment No. 25, please itemize, by month, all costs incurred by other PHI/Exelon entities and allocated or directly charged to ACE relating to the merger with Exelon. Please separately identify costs that were expensed on the Company's books and costs that were deferred, if applicable. Please include all actual costs to date as well as projected costs through the end of the Test Year.

RESPONSE:

See RCR-A-98, Attachment 1 for actual costs incurred by other PHI/Exelon entities charged to ACE relating to the merger with Exelon from March 2016 to March 2017 and projected costs from April to July 2017. These costs were expensed on the Company's books.

WITNESS: Jay C. Ziminsky

Atlantic City Electric
Cost To Achieve (CTA)
PII/Exelon Allocated to ACI:

	Actual Apr-Jun 2016	Actual Jul-16	Actual Aug-16	Actual Sep-16	Actual Oct-16	Actual Nov-16	Actual Dec-16	Actual Jan-17	Actual Feb-17	Actual Mar-17	Forecast Apr-17	Forecast May-17	Forecast Jun-17	Forecast Jul-17	Total
Employee Severance	\$ 5,661,326	\$ -	\$ -	\$ 22,271	\$ 157,019	\$ 152,988	\$ 200,239	\$ 213,987	\$ 136,965	\$ (65,997)	\$ 173,638	\$ 182,455	\$ 124,204	\$ 108,586	\$ 5,817,839
BSC Allocated Costs	\$ 462,555	\$ 137,805	\$ 198,534	\$ 173,104	\$ 157,019	\$ 152,988	\$ 164,261	\$ 213,987	\$ 136,965	\$ 124,131	\$ 158,392	\$ 166,436	\$ 113,299	\$ 99,052	\$ 1,921,349
System Related costs	\$ 373,712	\$ 89,426	\$ 89,426	\$ 110,314	\$ 110,314	\$ 93,683	\$ 180,033	\$ 7,831	\$ 7,831	\$ 23,811	\$ 173,638	\$ 182,455	\$ 124,204	\$ 108,586	\$ 1,086,382
Facilities Improvements				\$ 134,820											\$ 134,820
Other Projects	\$ 240,516	\$ 38,988	\$ (2)	\$ 199,227	\$ 76,415	\$ (5,123)	\$ 130,333	\$ (7,901)		\$ 28,423	\$ 173,638	\$ 182,455	\$ 124,204	\$ 108,586	\$ 700,877
Total CTA	\$ 6,738,109	\$ 266,219	\$ 287,939	\$ 639,737	\$ 343,748	\$ 241,548	\$ 674,867	\$ 213,918	\$ 144,797	\$ 110,368	\$ 173,638	\$ 182,455	\$ 124,204	\$ 108,586	\$ 9,661,268

Distribution Allocator 91.22%

Total Dist ACI CTA \$ 6,146,503 \$ 242,845 \$ 262,676 \$ 583,568 \$ 313,567 \$ 220,340 \$ 615,613 \$ 195,136 \$ 152,083 \$ 100,678 \$ 158,392 \$ 166,436 \$ 113,299 \$ 99,052 \$ 8,813,009

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, And For Other Appropriate Relief (2017)

BPU Docket No. ER17030308

Response to DRC Data Requests – Set DRC-1
06/01/2017

Question No: RCR-A-103 (Confidential)

Please provide a copy of any tax sharing agreements between ACE and other members of the consolidated income tax group.

RESPONSE:

The Pepco Holdings, Inc. and Affiliated U.S. Corporations Federal and State Income Tax Allocation Agreement is attached as RCR-A-103, Confidential Attachment 1.

The Amended and Restated Tax Sharing Agreement between Exelon Corporation and each of its subsidiaries is attached as RCR-A-103, Confidential Attachment 2.

WITNESS: Jay C. Ziminsky

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*, And For Other Appropriate Relief (2017)

BPU Docket No. ER17030308

Response to DRC Data Requests – Set DRC-1
06/06/2017

Question No: RCR-A-109 (Confidential)

Please provide, for each year since 1996, the actual income taxes paid by the consolidated group to the IRS.

RESPONSE:

See RCR-A-109, Confidential Attachment 1.

WITNESS: Jay C. Ziminsky

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, And For Other Appropriate Relief (2017)

BPU Docket No. ER17030308

Response to DRC Data Requests – Set DRC-1
06/01/2017

Question No: RCR-A-112

Please quantify the amount of any tax loss carryforward currently available to the consolidated group, and identify the period(s) over which these tax loss carryforwards are available to be used by the consolidated group.

RESPONSE:

As of December 31, 2015, the following federal income tax loss carryforwards are available to the consolidated group:

<u>Year</u>	<u>Amount</u>	<u>Year of Expiration</u>
2012	(552,503,349)	2032
2014	(275,827,283)	2034
2015	<u>(41,889,537)</u>	2035
Total	<u>(870,220,169)</u>	

PHI and Exelon have not filed their 2016 consolidated federal income tax returns as of this date.

WITNESS: Jay C. Ziminsky

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*, And For Other Appropriate Relief (2017)

BPU Docket No. ER17030308

Response to DRC Data Requests – Set DRC-1
06/01/2017

Question No: RCR-A-114

Regarding the Company’s claim for a pension asset, for each year since SFAS 87 was adopted, please provide

- a. the actual pension cost booked by the Company,
- b. the amount of any contributions to the pension fund, and
- c. the amount collected from ratepayers relating to pension costs.

RESPONSE:

- a. The Company has provided data for the prior 10 years related to pension costs. The costs below reflect ACE’s total pension costs booked that are either capitalized or expensed.

<u>Year</u>	(000’s) <u>ACE Total</u>
2007	2,573
2008	2,454
2009	9,105
2010	11,956
2011	9,615
2012	13,370
2013	11,557
2014	10,137
2015	12,969
2016	12,837

- b. Pension contributions for the periods above were made as follows:

<u>Year</u>	(000s) <u>Amount</u>
2009	60,000
2011	30,000
2012	30,000
2013	30,000

Year	(000s) Amount
2014	\$ -
2015	-
2016	15,000

c. The Company does not “ear-mark” collections from customers to individual expense areas that are included in revenue requirement.

WITNESS: Jay C. Ziminsky

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, And For Other Appropriate Relief (2017)

BPU Docket No. ER17030308

Response to DRC Data Requests – Set DRC-5
July 6, 2017

Question No: RCR-A-134

The response to RCR-A-26, which is referenced in the response to RCR-A-24, did not provide the SERP expenses included in the Company's filing. Please provide the SERP expenses included in the Company's rate case filing in this case. Please include all supporting calculations showing how the amount of the claim was determined.

RESPONSE:

The SERP expenses included in the cost of service in this filing are based on:

SERP – Service Co. to ACE:	\$ 1,393,565
SERP – ACE Direct:	\$ 134,952
SERP – EBSC to ACE:	\$ <u>53,514</u>
ACE SERP Expense – Total:	\$ 1,582,030
Distribution Labor Allocation Percentage:	<u>91.22%</u>
ACE SERP Expense – Distribution	<u>\$ 1,443,128</u>

WITNESS: Jay C. Ziminsky

**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, And For Other
Appropriate Relief (2017)**

BPU Docket No. ER17030308

Response to DRC Data Requests – Set DRC-5
July 6, 2017

Question No: RCR-A-138

Regarding the entities shown in the response to RCR-A-45, has the Company excluded any membership dues related to these organizations from its rate case claim in this case? If so, please state if the amounts shown in this response are total membership dues (including amounts that may have been excluded from the Company's claim) or amounts net of any such exclusions? Also, for any organization for which dues have been excluded, please provide a) the gross membership dues and b) the amount that was excluded from the Company's claim.

RESPONSE:

The Company has not excluded any membership dues related to the organizations listed in the response to RCR-A-45. The amounts listed in RCR-A-45 were for membership dues only.

Organization	Total Membership Dues Gross	Net Membership Dues RCR-A-45	Amount excluded from Company's claim
EEI	\$214,800	\$201,564	\$13,236
NJ State Chamber	\$6,154	\$5,231	\$923
NJUA	\$81,180	\$71,439	\$9,741
Atlantic City Chamber of Commerce	\$4,688	\$2,188	\$2,500

WITNESS: Jay C. Ziminsky

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*, And For Other Appropriate Relief

BPU Docket No. ER17030308

Response to DRC Data Requests – Set DRC-5
July 6, 2017

Question No: RCR-A-148

Regarding the response to RCR-A-120, please identify, by year, a) the applicable credit balance and b) the minimum required contribution after application of the credit balance.

RESPONSE:

See RCR-A-148, Attachment 1.

WITNESS: Jay C. Ziminsky

-----RCR 148-----

Year	Minimum Contribution Before Credit Balance	Credit Balance Available Before Required Minimum Contribution	Cash Contribution required after use of available Credit Balance	Maximum Deductible Contribution
2001	-			-
2002	-			-
2003	25,668,194	143,614,349	-	88,352,549
2004	35,432,018	183,460,834	-	63,705,643
2005	33,673,097	171,466,467	-	117,435,582
2006	-	251,186,598	-	630,520,157
2007	29,279,263	271,909,492	-	820,503,751
2008	44,889,280	242,630,229	-	941,177,023
2009	36,461,986	230,408,956	-	577,957,585
2010	44,574,137	333,383,031	-	906,204,496
2011	34,869,045	382,922,285	-	914,477,815
2012	36,389,435	577,465,652	-	537,724,431
2013	44,297,508	737,192,252	-	1,024,647,393
2014	42,662,489	721,996,323	-	1,394,370,478
2015	44,778,373	768,870,033	-	1,388,638,548
2016	105,335,617	594,901,028	-	1,793,868,070

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, And For Other Appropriate Relief (2017)

BPU Docket No. ER17030308

Response to DRC Data Requests – Set DRC-5
July 6, 2017

Question No: RCR-A-152

Regarding the response to RCR-A-114 (c), for each year since FAS 87 was adopted, please provide the amount included in the Company's authorized annual revenue requirement relating to recovery of pension costs.

RESPONSE:

The Company does not “ear-mark” individual expense items that are authorized and/or included in revenue requirement as the stipulations of settlement in its rate case filings are silent on the amount of these costs in the approved revenue requirement.

WITNESS: Jay C. Ziminsky

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*, and for Other Appropriate Relief (2017)

BPU Docket No. ER17030308

Response(s) to Petitioner's Preliminary Data Submissions – Set P-1

Question No: P-AREV-23

Re: Operation & Maintenance (O&M) Expenses - Submit a detailed breakdown (including associated dollar amounts) of the components included in account 920.2 - "Miscellaneous General Expense" for the test year. Update this response with each set of updated workpapers you provide.

RESPONSE:

See P-AREV-23, Attachment 1 for a breakdown of the balances in ACE FERC account 930.2 – "Miscellaneous General Expense" for the five month period August through December 2016.

WITNESS: Jay C. Ziminsky

ACE FERC Account 930.2
5 Months Ended 12/31/16 (8/1/16 - 12/31/16)

Itemization of Account:

Trustee Fees	\$	26,520
Industry Association Dues		112,926
Labor and Other Related Charges		268
Board of Director Expenses		28,620
Research, Development and Demonstration, including org. memberships		80,979
Write-off of software		116,662
Miscellaneous		<u>426</u>
Total	\$	366,401

**In the Matter of the Petition of Atlantic City Electric Company for Approval of
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Electric Service Pursuant to N.J.S.A. 48:2-21 and N.J.S.A. 48:2-21.1, and for Other
Appropriate Relief (2017)**

BPU Docket No. ER17030308

Response(s) to Petitioner's Preliminary Data Submissions – Set P-1

Question No: P-AREV-34

Re: Rate Case Expenses – For each ACE rate case decided by the Board in the past ten years identifiable by case name, year, and BPU docket number, submit a detailed breakdown on each rate case of all rate case expenses actually incurred versus all rate case expenditures requested for cost recovery. The breakdown of all rate case expenditures for each historic rate case should be presented in the same manner as was in the workpapers supplied in the case at the time (i.e., legal expenses, Ratepayer Advocate's fees, etc.).

RESPONSE:

ACE's base case Order dated August 24, 2016 (BPU Docket No. ER16030252) was based upon a Stipulation of Settlement (the "2016 Stipulation") executed by the parties to the proceeding. The 2016 Stipulation did not detail the adjustments applied to test year Operating Income. As such, there is no quantification of the level of regulatory expenses used in this base case filing. See P-AREV-34, Attachment 1, page 1 for the level of rate case expenses requested in the Company's filing. See P-AREV-34, Attachment 1, page 2 for a detailed breakdown of the rate case expenses actually incurred.

ACE's base case Order dated August 20, 2014 (BPU Docket No. ER14030245) was based upon a Stipulation of Settlement (the "2014 Stipulation") executed by the parties to the proceeding. The 2014 Stipulation did not detail the adjustments applied to test year Operating Income. As such, there is no quantification of the level of regulatory expenses used in this base case filing. See P-AREV-34, Attachment 2, page 1 for the level of rate case expenses requested in the Company's filing. See P-AREV-34, Attachment 2, page 2 for a detailed breakdown of the rate case expenses actually incurred.

ACE's base case Order dated June 20, 2013 (BPU Docket No. ER12121071) was based upon a Stipulation of Settlement (the "2013 Stipulation") executed by the parties to the proceeding. The 2013 Stipulation did not detail the adjustments applied to test year Operating Income. As such, there is no quantification of the level of regulatory expenses used in this base case filing. See P-AREV-34, Attachment 3, page 1 for the level of rate case expenses requested in the Company's filing. See P-AREV-34, Attachment 3, page 2 for a detailed breakdown of the rate case expenses actually incurred.

ACE's base case Order dated October 12, 2012 (BPU Docket No. ER11080469) was based upon a Stipulation of Settlement (the "2012 Stipulation") executed by the parties to the proceeding.

The 2012 Stipulation did not detail the adjustments applied to test year Operating Income. As such, there is no quantification of the level of regulatory expenses used in this base case filing. *See* P-AREV-34, Attachment 4, page 1 for the level of rate case expenses requested in the Company's filing. *See* P-AREV-34, Attachment 4, page 2 for a detailed breakdown of the rate case expenses actually incurred.

ACE's base case Order dated May, 12, 2010 (BPU Docket No. ER09080664) was based upon a Stipulation of the parties to that proceeding (the "2010 Stipulation"). The 2010 Stipulation did not detail the adjustments applied to test year Operating Income. As such, there is no quantification of the level of regulatory expenses used in this base case filing. *See* P-AREV-34, Attachment 5, page 1 for the level of rate case expenses requested in the Company's filing. *See* P-AREV-34, Attachment 5, page 2 for a detailed breakdown of the rate case expenses actually incurred.

WITNESS: Kristin M. McEvoy

ATLANTIC CITY ELECTRIC COMPANY
12 Months Ending December, 2015
BPU Docket No. ER16030252
Proposed Rate Case Expenses

(1) Line No.	(2) Item	(3) Detail
1	Cost of outside counsel	\$ 325,000
2	Cost of capital witness	\$ 75,450
3	Public notices	\$ 15,000
4	Court reporters	\$ 30,000
5	Miscellaneous	\$ 8,500
6	Total incremental costs	<u>\$ 453,950</u>
7	3 Yr. Amort Company's Share of Base Rate Case	\$ 151,317

ATLANTIC CITY ELECTRIC COMPANY
12 Months Ending December, 2015
BPU Docket No. ER16030252
Actual Rate Case Expenses

(1) Line No.	(2) Item	(3)	Detail
1	Cost of outside counsel	\$ 203,816	
2	Cost of capital witness	\$ 28,194	
3	Public notices	\$ -	
4	Court reporters	\$ 813	
5	Contractor - internal support	\$ 46,841	
6	Miscellaneous	\$ 19,741	
7	Total incremental costs	\$ 299,405	

ATLANTIC CITY ELECTRIC COMPANY
12 Months Ending December, 2013
BPU Docket No. ER14030245
Proposed Rate Case Expenses

(1) Line No.	(2) Item	(3) Detail
1	Cost of outside counsel	\$ 300,000
2	Cost of capital witness	\$ 75,450
3	Consolidate tax adjustment witness	\$ 80,000
4	Public notices	\$ 15,000
5	Court reporters	\$ 30,000
6	Miscellaneous	\$ 8,500
7	Total incremental costs	<u>\$ 508,950</u>
8	3 Yr. Amort Company's Share of Base Rate Case	\$ 169,650

ATLANTIC CITY ELECTRIC COMPANY
12 Months Ending December, 2013
BPU Docket No. ER14030245
Actual Rate Case Expenses

(1) Line No.	(2) Item	(3) Detail
1	Cost of outside counsel	\$ 67,077
2	Cost of capital witness	\$ 25,723
3	Consolidate tax adjustment witness	\$ 15,650
4	Public notices	\$ 675
5	Court reporters	\$ 633
7	Miscellaneous	\$ 15,911
8	Total incremental costs	<u>\$ 125,670</u>

ATLANTIC CITY ELECTRIC COMPANY
12+0 Months Ending September 2012
BPU Docket No. ER12121071
Proposed Rate Case Expenses

(1) Line No.	(2) Item	(3) Detail
1	Cost of outside counsel	\$ 300,000
2	Cost of capital witness	\$ 92,600
3	Depreciation witness	\$ 60,000
4	Public notices	\$ 15,000
5	Court reporters	\$ 30,000
6	Miscellaneous	\$ 8,500
7	Total incremental costs	<u>\$ 506,100</u>
8	3 Yr. Amort Company's Share of Base Rate Case	\$ 168,700

ATLANTIC CITY ELECTRIC COMPANY
12+0 Months Ending September 2012
BPU Docket No. ER12121071
Actual Rate Case Expenses

(1) Line No.	(2) Item	(3) Detail
1	Cost of outside counsel	\$ 135,070
2	Cost of capital witness	\$ 28,825
3	Depreciation witness	\$ 27,884
4	Outside rate case support	\$ 9,817
5	Public notices	\$ 1,018
6	Court reporters	\$ -
7	Contractors - Internal Support	\$ 27,471
8	Miscellaneous	\$ 16,014
9	Total incremental costs	\$ 246,099

ATLANTIC CITY ELECTRIC COMPANY
12+0 Month Ending December, 2011
BPU Docket No. ER11080469
Proposed Rate Case Expenses

(1) Line No.	(2) Item	(3) Detail
1	Cost of outside counsel	\$ 300,000
2	Cost of capital witness	\$ 92,890
3	Cost of investor perspective witness	\$ 65,000
4	Public notices	\$ 15,000
5	Court reporters	\$ 30,000
6	Miscellaneous	\$ 8,500
7	Total incremental costs	<u>\$ 511,390</u>
8	3 Yr. Amort Company's Share of Base Rate Case	\$ 170,463

ATLANTIC CITY ELECTRIC COMPANY
12+0 Months Ending December, 2011
BPU Docket No. ER11080469
Actual Rate Case Expenses

(1) Line No.	(2) Item	(3) Detail
1	Cost of outside counsel	\$ 740,254
2	Cost of capital witness	\$ 126,985
3	Cost of investor perspective witness	\$ 27,000
4	Cost of consolidated tax adjustment witness	\$ 149,923
5	Regulatory lag consultant	\$ 80,865
6	Contractors - internal support	\$ 39,511
7	Public notices	\$ 10,967
8	Court reporters	\$ 8,284
9	Miscellaneous	\$ 21,188
10	Total incremental costs	\$ 1,204,978

**ATLANTIC CITY ELECTRIC COMPANY
3+9 Months Ending December, 2009
Proposed Rate Case Expenses**

(1) Line No.	(2) Item	(3) Test Year Expenses Detail
1	Cost of outside counsel	\$ 500,000
2	Cost of cost of capital witness	\$ 65,000
3	Cost of pricing witness	\$ 35,000
4	Cost of consolidated tax adjustment witness	\$ 50,000
5	Cost of depreciation witness	\$ 50,000
6	Public notices	\$ 15,000
7	Court reporters	\$ 30,000
8	Contractors	\$ 100,000
9	Miscellaneous	\$ 155,000
10	Total incremental costs	\$ 1,000,000
11	3 Yr. Amort Company's Share of Base Rate Case	\$ 166,667

Atlantic City Electric Company
3+9 Months Ending December, 2009
Actual Rate Case Expense

(1) Line No.	(2) Item	(3) Detail
1	Cost of outside counsel	\$ 453,975
2	Cost of cost of capital witness	\$ 40,443
3	Cost of consolidated tax adjustment witness	\$ 47,873
4	Cost of depreciation witness	\$ 30,681
5	Cost of rate design witness	\$ 16,815
6	Contractor - internal support	\$ 19,521
7	Miscellaneous	\$ 19,130
8	Total incremental costs	<u>\$ 628,437</u>

**In the Matter of the Petition of Atlantic City Electric Company for Approval of
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Appropriate Relief (2017)**

BPU Docket No. ER17030308

Response(s) to Petitioner's Preliminary Data Submissions – Set P-1

Question No: P-AREV-36

Re: Advertising - Provide a breakdown of all advertising costs of \$5,000 or more per advertisement stating the type and purpose of such advertising. Update this response with each set of updated workpapers you provide.

RESPONSE:

ACE does not have any costs related to advertising. However, the Company has incurred costs related to customer education. In 2016, as part of the Company's customer education program, ACE produced materials to educate its customers on: ways to prepare for potential outages from severe storms and ways to learn about infrastructure improvements. *See* P-AREV-36, Attachment 1 and P-AREV-36, Attachment 2. The cost to inform customers was \$166,886.30 and the breakdown is as follows:

Account Management/Production Costs:	\$28,794.61
Media Costs:	\$138,091.69

No additional customer education costs are included in the Company's COS for the Test Year.

WITNESS: Jay C. Ziminsky

MONTH	MEDIUM	MEDIA VEHICLE	SUBJECT	PRODUCT	AD DATES	COST	PRODUCT TOTAL
Mar-17	MAGAZINE	Hammonont Information Guide/Concepts	Customer Education	Customer Education	3/8/2017	\$ 519.35	
Aug-16	TV	NJTV	Customer Education	Customer Education	8/22-11/30	\$ 21,500.00	
Aug-16	WEB	politickernj.com	Customer Education	Customer Education	8/8-8/30	\$ 2,589.50	
Sep-16	WEB	politickernj.com	Customer Education	Customer Education	9/12-9/30	\$ 2,505.00	
Oct-16	WEB	politickernj.com	Customer Education	Customer Education	10/17-10/31	\$ 2,589.50	
Nov-16	WEB	politickernj.com	Customer Education	Customer Education	11/01-11/28	\$ 3,732.44	\$ 33,495.79
Nov-16	WEB	Accuweather	ERIP	ERIP	11/21-11/30	\$ 3,204.82	
Dec-16	WEB	Accuweather	ERIP	ERIP	12/01-12/18	\$ 8,178.05	
Nov-16	WEB	weather.com	ERIP	ERIP	11/21-11/30	\$ 10,421.75	
Dec-16	WEB	weather.com	ERIP	ERIP	12/01-12/18	\$ 31,361.64	
Nov-16	WEB	WeatherBug	ERIP	ERIP	11/21-11/30	\$ 5,474.40	
Dec-16	WEB	WeatherBug	ERIP	ERIP	12/01-12/18	\$ 21,389.53	
Sep-16	WEB	Accuweather	ERIP Hurricane Hermine	ERIP Hurricane Hermine	9/2-9/8	\$ 4,955.75	
Sep-16	WEB	Weather.com	ERIP Hurricane Hermine	ERIP Hurricane Hermine	9/2-9/8	\$ 5,643.75	
Sep-16	WEB	Weatherbug	ERIP Hurricane Hermine	ERIP Hurricane Hermine	9/2-9/8	\$ 6,349.22	
Sep-16	WEB	WPVI 6ABC.com	ERIP Hurricane Hermine	ERIP Hurricane Hermine	9/2-9/8	\$ 7,697.00	\$ 104,595.90
							\$ 138,091.69
Sep-16	NEWSPAPER	Burlington County Times	Legal	Legal - BPU Docket # ER16	7-Sep	\$ 16.97	
Sep-16	NEWSPAPER	South Jersey Times	Legal	Legal - BPU Docket # ER16	7-Sep	\$ 13.11	
Sep-16	NEWSPAPER	The Press of Atlantic City	Legal	Legal - BPU Docket # ER16	7-Sep	\$ 9.36	\$ 39.44 Star fee only
Aug-16	NEWSPAPER	Burlington County Times	Legal	Legal - BPU Docket # ER16	9-Aug	\$ 24.31	
Aug-16	NEWSPAPER	South Jersey Times	Legal	Legal - BPU Docket # ER16	9-Aug	\$ 21.43	
Aug-16	NEWSPAPER	The Press of Atlantic City	Legal	Legal - BPU Docket # ER16	9-Aug	\$ 13.33	\$ 59.07 Star fee only
Mar-17	WEB	Accuweather	March 14 Storm	March 14 Storm	3/14/17-3/17/17	\$ 2,099.50	
Mar-17	WEB	weather.com	March 14 Storm	March 14 Storm	3/15/17-3/17/17	\$ 1,401.92	
Mar-17	WEB	Weatherbug	March 14 Storm	March 14 Storm	3/14/17-3/17/17	\$ 3,143.13	
Mar-17	WEB	WPVI 6ABC.com	March 14 Storm	March 14 Storm	3/14/17-3/17/17	\$ 3,408.04	\$ 10,052.59
Mar-17	MAGAZINE	NJ Municipalities	Reliability	Reliability	5/1/2017	\$ 538.19	
Sep-16	WEB	pressofatlanticcity.com	Reliability	Reliability	9/2-9/5	\$ 967.50	
Oct-16	WEB	Cape Atlantic League Sponsorship	Reliability	Reliability	Fall 2016	\$ 913.75	
Sep-16	MAGAZINE	South Jersey Journal	Reliability	Reliability	24-Sep	\$ 645.00	
Feb-17	MAGAZINE	South Jersey Journal	Reliability	Reliability	2/7/2017	\$ 2,762.50	
Sep-16	NEWSPAPER	The Press of Atlantic City	Reliability	Reliability	5-Sep	\$ 3,546.53	
Aug-16	RADIO	WPG Townsquare Media Atlantic City	Reliability	Reliability	8/17/2016	\$ 537.50	
Aug-16	RADIO	WPG Townsquare Media Atlantic City	Reliability	Reliability	8/1-8/31	\$ 331.50	
Sep-16	RADIO	WPG Townsquare Media Atlantic City	Reliability	Reliability	9/1-9/30	\$ 331.50	
Oct-16	RADIO	WPG Townsquare Media Atlantic City	Reliability	Reliability	10/1-10/31	\$ 331.50	
Nov-16	RADIO	WPG Townsquare Media Atlantic City	Reliability	Reliability	11/1-11/31	\$ 331.50	
Nov-16	RADIO	WPG Townsquare Media Atlantic City	Reliability	Reliability	11/24/2017	\$ 542.50	
Dec-16	RADIO	WPG Townsquare Media Atlantic City	Reliability	Reliability	12/1-12/31	\$ 331.50	
Jan-17	RADIO	WPG Townsquare Media Atlantic City	Reliability	Reliability	1/1-1/31/2017	\$ 331.50	
Feb-17	RADIO	WPG Townsquare Media Atlantic City	Reliability	Reliability	2/1-2/28/2017	\$ 331.50	
Mar-17	RADIO	WPG Townsquare Media Atlantic City	Reliability	Reliability	3/1-3/31/2017	\$ 331.50	
Mar-17	MAGAZINE	South Jersey Journal	Reliability	Women's History Month	3/7/2017	\$ 1,436.50	\$ 14,541.97

BUDGET	DIVISION	JOB NUMBER	JOB TYPE	PROGRAM	DESCRIPTION/JOB NAME	Creative Cost	Notes	
Image	ACE	PHI1092	Ad	Image	Hammonton Info Guide Ad	\$1,897.50	Unbilled Charges to date - In progress	2017
Image	ACE	PHI1087	Ad	Other	NJ League of Municipalities Ad	\$1,938.75	Will be billed 4/13/17	2017
Image	A/D/P	PHI1028	Print Ads	Image	2016 Labor Day Print Ads	\$3,753.75	Cost is for all three jurisdictions	2016
Image	ACE	PHI1001	Campaign	ACE Image	ACE Educational Campaign 2016 - Phase 1	\$22,277.11		2016
Image	ACE	PHI1027	Radio Script	Image	ACE NJTV 30 Script	\$4,620.00		2016

\$28,794.61

**In the Matter of the Petition of Atlantic City Electric Company for Approval of
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Appropriate Relief (2017)**

BPU Docket No. ER17030308

Response(s) to Petitioner's Preliminary Data Submissions – Set P-1

Question No: P-AREV-68

Re: C CWIP/AFUDC – Submit the following information regarding Petitioner's Construction Work in Progress(CWIP) and Allowance for Funds Used During Construction (AFUDC):

- a. Management summary of current accounting and rate-making treatment for CWIP and associated AFUDC.
- b. CWIP elements that do not accrue AFUDC.
- c. Method of AFUDC compounding, if any.
- d. AFUDC rates in effect during the year prior to the test year, in the test year and as anticipated for the year after the test year. In addition, explain the basis of formula used for the determination of the AFUDC rate

RESPONSE:

- (a) through (c): See P-AREV-68, Attachment 1.
(d) The projected 2017 rate is 7.49%. AFUDC rates in effect:

In the Test Year - 2016

January through March	7.64%
April through June	7.65%
July through September	7.62%
October through December	7.70%

The Prior Year - 2015

January through March	3.59%
April through June	2.89%
July through September	1.03%
October through December	0.51%

See P-AREV-68, Attachment 2 for the calculation using the formula in the FERC Plant Instructions in the Uniform System of Accounts.

WITNESS: Jay C. Ziminsky

Allowance for Funds Used During Construction

Allowance for Funds Used during Construction (AFUDC) is defined by FERC as a component of construction cost that represents the net cost of borrowed funds and a reasonable rate on other funds. The calculation is defined in FERC guidelines and is determined annually using historic balances and weighted average cost rates as described in the instructions.

The criteria for a project to be eligible for AFUDC are:

1. Project estimate must be \geq \$25,000;
2. Project must be for construction and not for direct purchase; and.
3. Project must have AFUDC charge triggers defined as non-design internal labor or contractor labor.

Exceptions for project cost that is not eligible for AFUDC:

1. Billable Order Types: Defined based on work request having a billing type value
2. Direct Purchases: Examples are tools, equipment, meters, hardware that requires minimal installation labor, land, and land rights. These projects are identified based on SAP project types.

The calculation for the application of AFUDC is performed monthly. The basis is the beginning Construction Work In Progress balance plus $\frac{1}{2}$ of the current month expenditures. Every January and July the interest is compounded. The work order receives $\frac{1}{2}$ month AFUDC in the month placed in service.

Per FERC guidelines, interest can be capitalized starting from the date that construction costs are continuously incurred on a planned progressive basis. No interest should be accrued during periods of interrupted construction unless the interruption is justified as being reasonable, for example a work stoppage. Asset Accounting should be notified when construction on a project is stopped to determine if AFUDC should be suspended.

At the point that a project or portion of a project is substantially complete and placed in or ready for service, the project engineer/analyst should mark the work request/project Construction or Technically Complete. At that point, the accrual of AFUDC is stopped.

ATLANTIC ELECTRIC NJ	(Mo, Da, Yr) Jan 1 2017
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(DOLLAR AMOUNTS IN THOUSANDS)

	SHORT-TERM DEBT AND CAPITAL STRUCTURE		CAPITAL STRUCTURE RATIOS		SHORT-TERM DEBT AND CAPITAL RATIOS		UNWEIGHTED COSTS		WEIGHTED COST BEFORE TAX		
	\$	BASIS			%	BASIS	TOTAL	DEBT	EQUITY		
SHORT TERM DEBT	4,252	2017 Plan & actual			0.850%		0.021%				
CWIP	172,146	2017 Plan & actual			2.47						
CAPITAL STRUCTURE:											
LONG TERM DEBT	1,024,724	2017 Plan & actual	49.264	48.633	5.56%		2.704%	2.704%			
COMMON EQUITY	1,030,301	2017 Plan & actual	50.136	48.247	9.75%		4.767%		4.767%		
TOTAL	2,055,025		100.000	100.000	GROSS RATE		7.492%	2.72497%	4.767%		
					EFFECTIVE RATE 01/01/2017		7.49246%	2.72497%	4.767%		
					EQUITY				43.63		
					DEBT				36.37		
									100.00		

COMPUTATION OF ALLOWANCE FOR FUNDS USED DURING CONSTRUCTION RATES

For line 1(5), column (4) below, enter the rate granted in the contract preceding the construction period. Use the average rate earned during the preceding three years.

1. Components of Formula (Derived from actual bank balances and actual contract rates):

Line No.	Title (a)	Amount (b)	Capitalization Ratio (Percent) (c)	Contract Rate Percentage (d)
(1)	Average Short-Term Debt	S 4,252		
(2)	Short-Term Interest			r 0.850%
(3)	Long-Term Debt	1,024,724	49.264	d 5.560%
(4)	Preferred Stock	P 0	0.000	p 0.000%
(5)	Common Equity	1,030,301	50.136	e 9.750%
(6)	Total Capitalization	2,055,025	1.000	
(7)	Average Construction Work in Progress Balance	W 172,146		

2. Gross Rate for Borrowed Funds

$$r = \left(\frac{d}{D} \right) \times \left[\frac{S}{D+P+O} \times (1 + \dots) \right]$$

Result: 2.725%

3. Rate for Other Funds

$$[1 + \dots] \times \left[\frac{P}{D+P+O} \times \dots + \frac{O}{D+P+O} \times \dots \right]$$

Result: 4.767%

4. Weighted Average Rate Actually Used for the Year:

a. Rate for Borrowed Funds -- 2.725%

b. Rate for Other Funds -- 4.767%

Month	E/A ST Debt	E/A ST Int	E/A CWIP	
Dec 16			169,019	Actual
Jan 17	0	0	163,360	Estimate
Feb	0	0	166,359	Estimate
Mar	0	0	179,346	Estimate
Apr	0	0	201,087	Estimate
May	12,602	3	160,470	Estimate
Jun	25,239	18	148,975	Estimate
Jul	7,026	5	153,273	Estimate
Aug	0	0	165,260	Estimate
Sept	0	0	176,995	Estimate
Oct	0	0	185,882	Estimate
Nov	0	0	193,306	Estimate
Dec	6,160	4	174,594	Estimate
Total	51,026	36	2,237,326	
Average	4.252	0.850%	172,148	

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, And For Other Appropriate Relief (2017)

BPU Docket No. ER17030308

Response to BPU Staff Data Requests – Set BPU-2
June 7, 2017

Question No: S-AREV-2

Re: Schedules (JCZ)-4, (JCZ)-5, and (JCZ)-6: Please provide the calculation of the revenue taxes shown on these schedules. Please include the revenue tax rate used and backup in support of the revenue tax used.

RESPONSE

See S-AREV-2, Attachment 1 for the calculation of revenue tax shown on Schedules (JCZ)-4, (JCZ)-5, and (JCZ)-6. See S-AREV-2, Attachment 2 for the support of revenue tax used.

WITNESS: Jay C. Ziminsky

Atlantic City Electric Company
5+7 Months Ending July 2017
5 Months Ending December 31, 2016 Test Year
Weather Normalization Adjustment
Adjustment No. 1

(1) Line No.	(2) <u>Item</u>	(3) <u>\$</u>
1	Change in Distribution Revenue	\$ (3,730,274)
2		
3	Revenue Tax	\$ (10,669)
4		
5	State Income Tax	\$ (334,764)
6		
7	Federal Income Tax	\$ (1,184,694)
8		
9	Total Expense	<u>\$ (1,530,127)</u>
10		
11	Earnings	<u>\$ (2,200,146)</u>

Atlantic City Electric Company
5+7 Months Ending July 2017
Proform Customer Count and Customer Usage as of January 31, 2018
Adjustment No. 2

(1) Line No.	(2) <u>Item</u>	(3) \$
1	Revenues from Customers as of July 31, 2017	\$ 776,495
2		
3	Revenue from Customers as of January 31, 2018	\$ (355,089)
4		
5	Revenue from Change Customer Usage as of January 31, 2018	<u>\$ (665,943)</u>
6		
7	Revenue	\$ (244,537)
8		
9	Revenue Tax	\$ (699)
10		
11	State Income Tax	\$ (21,945)
12		
13	Federal Income Tax	\$ (77,662)
14		
15	Total Expense	<u>\$ (100,307)</u>
16		
17	Earnings	<u>\$ (144,230)</u>

Atlantic City Electric Company
5+7 Months Ending July 2017
Impact of Declining Sales Revenue in Rate Effective Period (February 2018 - December 2018)

(1) Line No.	(2) <u>Item</u>	(3) <u>Amount (\$)</u>		
1	<u>ACE Distribution Revenues</u>			
2	2018 Forecasted Revenues - Net	\$ 321,509,637		
3	2017 Forecasted Revenues - Net	<u>\$ 326,240,992</u>		
4	2018 vs. 2017 - Annual Forecasted Net Distribution Revenue Variance	\$ (4,731,355)		
5				
6	<u>Declining Revenue Adjustment Calculation</u>			
7	2018 vs. 2017 - Annual Forecasted Net Distribution Revenue Variance	\$ (4,731,355)		
8	2018 vs. 2017 - Monthly Forecasted Distribution Revenue Variance	\$ (394,280)		
9	Number of applicable months	<u>11</u>		
10	Declining Sales Revenue (February 2018 - December 2018)	\$ (4,337,075)		
11				
12	Revenue tax	\$ (12,404)		
13	State Income Tax	\$ (389,220)		
14	Federal Income Tax	<u>\$ (1,377,408)</u>		
15	Total Expense	\$ (1,779,032)		
16				
17	Earnings	<u>\$ (2,558,043)</u>		
18				
19				
20				
21	<u>Revenue Forecast</u>			
22	<u>Item</u>	<u>2017</u>	<u>2018</u>	<u>2018 vs. 2017 %</u>
23	Total Revenues	\$ 365,567,771	\$ 360,836,416	
24	Realized Revenues - Docket No. ER16030252	<u>\$ 39,326,779</u>	<u>\$ 39,326,779</u>	
25	Net Revenues	<u>\$ 326,240,992</u>	<u>\$ 321,509,637</u>	
26				
27	Variance Versus Prior Year	\$ (3,548,011)	\$ (4,731,355)	-1.45%
28				
29	Usage/Customer/Load (1)	\$ 4,190,472	\$ 2,444,892	0.75%
30	Casinos (2)	\$ (1,026,518)	\$ (1,202,909)	-0.37%
31	Energy Efficiency/Demand Side Management (3)	\$ (2,335,508)	\$ (2,989,933)	-0.92%
32	Distributed Generation (4)	\$ (4,376,458)	\$ (2,983,405)	-0.91%
33	Total	<u>\$ (3,548,011)</u>	<u>\$ (4,731,355)</u>	<u>-1.45%</u>
34				
35	<u>Notes</u>			
36	(1): includes impact of economic conditions, price changes, customer growth and other load growth			
37	(2): includes net impact of 2016 closure of Trump Taj Mahal and Casino as well as reopening of Showboat as a hotel only, including direct and indirect multiple			
38	(3): estimates based on state level program spend allocated to Atlantic City Electric			
39	(4): represents load changes from photovoltaic solar installations			

Atlantic City Electric Company
 BPU and Public Advocate Assessment Rate Calculation
 For the Period March 2017 through February 2018 ✓

BPU Assessment		Data	Calculation Step
7/1/16 thru 6/30/17 Assessment Amount per Invoice	2A	\$ 3,069,803.15 ✓	A
Gross Intra-State Revenue per Invoice	2B	\$ 1,308,492,264.00 ✓	B
Assessment Rate		0.002346061 ✓	C = A / B

Division of Public Advocate Assessment		Data	Calculation Step
7/1/16 thru 6/30/17 Assessment Amount per Invoice	3A	\$ 672,678.69 ✓	D
Gross Intra-State Revenue per Invoice	3B	\$ 1,308,492,264.00 ✓	E
Assessment Rate		0.000514087 ✓	F = D / E

Assessment Rate for Deferral (Round to 5 Decimals) 0.00286 ✓ $G = (A + D) / ((B + E) / 2)$

Alternative Method of Assessment Rate for Deferral (Round to 5 Decimals) 0.00286 ✓ $H = C + F$

Variance In Rate Calculation Methodology 0.00000 ✓ $I = G - H$

Notes: Step G is the preferred methodology for the assessment rate calculation. Step H is performed only as a check to ensure the preferred methodology is calculating the assessment rate as expected. The step H check will provide a 0.00 variance only if the invoices provided by the BPU and Public Advocate use the identical amount for intra-state revenues and if the revenues amounts are identical the 0.00 variance will confirm the invoice data has been entered correctly. Any variance other than 0.00 will be investigated. ✓

KB
 2/16/17
 TH
 2/22/17



**STATE OF NEW JERSEY
BOARD OF PUBLIC UTILITIES
2017 ASSESSMENT INVOICE**

Invoice No: 2166

Acct. No.	Billing Date	Due Date	Amount Due
2166	12/23/2016	1/22/2017	\$3,069,803.15

Company Name Atlantic City Electric Company		Account Summary	
2015 Gross Intrastate Revenue \$1,308,492,264 B		2017 Fiscal Year Assessment = \$3,069,803.15	A
Assessment Rate 0.00234606138372			
<p>MESSAGES: This fiscal year 2017 assessment is based on calendar year 2016 revenues as reported on a "Statement of Gross Intrastate Revenues from Operations" form or from your 2016 Annual Report. Under N.J. Statutes, all utilities subject to the New Jersey Board of Public Utilities jurisdiction are required to pay the annual assessment. Should you contest the amount assessed, you must file an objection within 15 days of the Billing Date on this statement. If you did not submit a "Statement of Gross Intrastate Revenues from Operations" form for the year ended December 31, 2016 or your 2016 Annual Report, you were billed either a minimum of \$500.00 or assessed based on a prior year filing. If you filed a "Statement of Gross Intrastate Revenues from Operations" form for the year ended December 31, 2016 or the 2016 Annual Report and your Gross Intrastate Revenues from Operations are less than \$212,858.00, you were billed the minimum of \$500.00.</p>			
<p>REMINDER: Please write Acct. No. and invoice No. on your check or money order. Return the BOTTOM PORTION OF THIS INVOICE WITH YOUR PAYMENT</p>			

Send Billing Inquiries to: **New Jersey Board of Public Utilities
Bureau of Financial Management
P.O. Box 350
44 South Clinton Ave., 3rd flr., Suite 314
Trenton, New Jersey 08625-0350**

or contact:
Naren.Ravaliya@bpu.nj.gov



**STATE OF NEW JERSEY
BOARD OF PUBLIC UTILITIES
2017 ASSESSMENT INVOICE**

EL

Invoice No: 2166

Acct. No.	Billing Date	Due Date	Amount Due
2166	12/23/2016	1/22/2017	\$3,069,803.15

If there are changes to your Mailing Name or Address, check here _____ and print the change on the back of the invoice.

Enter Payment
Amount Here --> \$ _____

MAKE CHECKS PAYABLE TO:
TREASURER-STATE OF NEW JERSEY

**Atlantic City Electric Company
Attn: Tax Department
C/o. Delmarva Power & Light Company
Post Office Box 231
Wilmington, Delaware 19899-0231**

**Mail to: Attn: Michael Greco, CFO
New Jersey Board of Public Utilities
Bureau of Financial Management
P.O. Box 350
44 South Clinton Ave., 3rd flr., Suite 314
Trenton, New Jersey 08625-0350**

TYPE OF NOTICE	N.J. FISCAL BILLING PERIOD	COMPANY NAME	SUMMARY	
ASSESSMENT	7/1/2016 to 6/30/2017	Atlantic City Electric Company	2017 Fiscal Year Assessment =	\$672,678.69
			TOTAL AMOUNT DUE =	\$672,678.69

MESSAGES:

This Fiscal Year 2017 assessment is based on calendar year 2015 gross revenues as reported in your Annual Report. Under N.J. Statutes, all utilities subject to the Division's jurisdiction are required to pay the annual assessment. The minimum annual assessment is \$500.00

2015 Gross Intra-State Revenue for EL \$1,308,492,264.00
 ASSESSMENT RATE: 0.000614088669749 5

REMINDER:

- Please write the ACCT NO. on your check or money order.
- Return the BOTTOM PORTION of this INVOICE with your PAYMENT

STATE OF NEW JERSEY
 DIVISION OF RATE COUNSEL
 2017 ASSESSMENT INVOICE

<u>ACCT. NO.</u>	<u>Billing Date</u>	<u>Due Date</u>	<u>Amount Due</u>
2166	1/18/2017	2/20/2017	\$672,678.69

If there are changes to your Mailing Name or Address, Check this box [] and print the change on the back of this invoice.

Enter the Amount of your payment



\$672,678.69

RETURN THIS PORTION

with your check made payable to:
TREASURER - STATE OF NEW JERSEY
Remit to:
 State of New Jersey-Rate Counsel
 50 W. State Street - 8th Floor
 PO BOX 211
 Trenton, NJ 08625-0211
 Attn: Dee Haker

Attn: Tax Department
 Atlantic City Electric Company
 C/o. Delmarva Power & Light Company
 Post Office Box 231
 Wilmington Delaware 19899-0231

2/17



STATE OF NEW JERSEY
 DIVISION OF RATE COUNSEL
 2017 ASSESSMENT INVOICE



State of New Jersey

DEPARTMENT OF THE TREASURY
DIVISION OF ADMINISTRATION
P.O. BOX 211
TRENTON, NJ 08625-0211

CHRIS CHRISTIE
Governor
KIM GUADAGNO
Lt. Governor

FORD M. SCUDDER
State Treasurer

January 18, 2017

Attn: Tax Department
Atlantic City Electric Company
C/o. Delmarva Power & Light Company
Post Office Box 231
Wilmington, Delaware 19899-0231

Re: Division of Rate Counsel FY 2017 Assessment - Account Number 2166

Attn: Tax Department:

Enclosed please find the assessment of your company for the expenses of the Division of Rate Counsel for Fiscal Year 2017 sent pursuant to N.J.S.A. 52:27EE-52.

Please make your company's check payable to: *Treasurer, State of New Jersey* and forward it to the State of New Jersey – Rate Counsel, 50 W. State Street – 8th Floor, PO Box 211, Trenton, NJ 08625-0211 within 30 days of the date of the assessment as required by *N.J.S.A. 52:27EE-1 et seq.* This annual assessment is calculated as follows:

The annual assessment shall be equal to a percentage of the gross operating revenue of the public utilities under the jurisdiction of the Board of Public Utilities derived from intrastate operations during the preceding calendar year at a rate determined annually by the Director of the Division of Rate Counsel in the manner set forth in section 2 of P.L. 1968, c. 173 (C. 48:2-60), except that the total amount assessed to any public utility shall not exceed 1/4 of 1% of the gross operating revenue subject to assessment hereunder. The minimum annual assessment under this section shall not be less than \$500.00. *N.J.S.A. 52:27EE-1 et seq.*

The Department of the Treasury is administering the billing and collection process. If you have questions relative to the billing process, please contact Ms. Dee Haker at (609) 292-8818. If you have questions relative to the assessment amount or the Division of Rate Counsel, please contact Ms. Kimberly K. Holmes, Esq., Chief of Staff for the Division at (609) 984-1460. Thank you for your attention and assistance.

Sincerely,

Stefanie A. Brand
Director
Division of Rate Counsel

Enclosure

c: Kimberly K. Holmes, Esq., Chief of Staff – Division of Rate Counsel

**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**

BPU Docket No. ER16030252

Response to DRC Data Requests – Set DRC-5
06/16/2016

Question No: RCR-A-139

Regarding the Company's claim for a pension asset, for each year since SFAS 87 was adopted, please provide

- a. the actual pension cost booked by the Company,
- b. the amount of any contributions to the pension fund, and
- c. the amount collected from ratepayers relating to pension costs.

RESPONSE:

- a. The Company has provided data for the prior 10 years related to pension costs. The costs below reflect ACE's total pension costs booked that are either capitalized or expensed.

<u>Year</u>	<u>(000's) Total</u>
2006	\$4,829
2007	2,573
2008	2,454
2009	9,105
2010	11,956
2011	9,615
2012	13,370
2013	11,557
2014	10,137
2015	12,969

- b. Pension contributions for the prior 10 years were made as follows:

<u>Year</u>	<u>(000s) Total</u>
2005	\$60,000
2009	60,000
2011	30,000
2012	30,000
2013	30,000

- c. The Company does not “ear-mark” collections from customers to individual expense areas that are included in revenue requirement.

WITNESS: Atlantic City Electric