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June 21, 2016

VIA eFILING

Rosemary Chiavetta, Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street
P.O. Box 3265
Harrisburg, PA 17105-3265

**Re: Petition of PECO Energy Company For: (1) Approval of its Microgrid Integrated Technology Pilot Plan And (2) Issuance Of A Declaratory Order Regarding the Recovery of Microgrid Costs
Docket No. P-2016-2546452**

**Re: Application For Construction Of Microgrid Distributed Energy Resources Fueled By Natural Gas
Docket No. A-2016-2546450**

Dear Secretary Chiavetta:

On behalf of **PECO Energy Company**, enclosed is the **Prehearing Conference Memorandum** for filing in the above-captioned matter. A copy has been served on the presiding Administrative Law Judges and the parties of record in accordance with the attached Certificate of Service.

If you have any questions, please do not hesitate to contact me directly at 215.963.5384.

Very truly yours,



Kenneth M. Kulak

c: The Honorable Cynthia Williams Fordham (w/encls.)
The Honorable Eranda Vero (w/encls.)
Per Certificate of Service (w/encls.)

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**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

PETITION OF PECO ENERGY	:	DOCKET NO. P-2016-2546452
COMPANY FOR: (1) APPROVAL OF	:	
ITS MICROGRID INTEGRATED	:	
TECHNOLOGY PILOT PLAN AND (2)	:	
ISSUANCE OF A DECLARATORY	:	
ORDER REGARDING THE	:	
RECOVERY OF MICROGRID COSTS	:	
	:	
APPLICATION FOR CONSTRUCTION	:	DOCKET NO. A-2016-2546450
OF MICROGRID DISTRIBUTED	:	
ENERGY RESOURCES FUELED BY	:	
NATURAL GAS	:	

CERTIFICATE OF SERVICE

I hereby certify and affirm that I have this day served copies of the **Prehearing Conference Memorandum on behalf of PECO Energy Company**, on the following persons, in the manner specified below, in accordance with the requirements of 52 Pa. Code § 1.54:

VIA ELECTRONIC AND FIRST CLASS MAIL

The Honorable Cynthia Williams Fordham
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Respectfully submitted,



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Dated: June 21, 2016

For PECO Energy Company

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

PETITION OF PECO ENERGY	:	
COMPANY FOR: (1) APPROVAL OF ITS	:	
MICROGRID INTEGRATED	:	DOCKET NO. P-2016-2546452
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APPLICATION FOR CONSTRUCTION	:	DOCKET NO. A-2016-2546450
OF MICROGRID DISTRIBUTED	:	
ENERGY RESOURCES FUELED BY	:	
NATURAL GAS	:	

**PREHEARING CONFERENCE MEMORANDUM OF
PECO ENERGY COMPANY**

Pursuant to the June 10, 2016 Prehearing Conference Order issued by Administrative Law Judges Cynthia W. Fordham and Eranda Vero (the “ALJs”) and the Pennsylvania Public Utility Commission’s (“Commission”) regulations at 52 Pa. Code § 5.222(d), PECO Energy Company (“PECO” or the “Company”) hereby submits its Prehearing Conference Memorandum in the above-captioned proceeding.

I. PROCEDURAL HISTORY

On October 22, 2015, the Commission approved PECO’s electric Long-Term Infrastructure Improvement Plan (“LTIIIP”) to invest an additional \$274 million over a five-year period (2016 through 2020) for infrastructure improvements designed to enhance reliability by

strengthening and modernizing PECO's electric distribution system.¹ In its LTIIIP, PECO indicated that it intended to develop one or more microgrid projects in the 2017-2020 period.²

A microgrid is a group of interconnected loads and distributed energy resources ("DERs") which can operate both in parallel with the larger distribution system and as a self-supplying island. Microgrids offer a variety of benefits to utility customers, including most significantly, enhanced distribution system reliability and resiliency. With the ability to disconnect critical portions of the electric distribution grid and rapidly restore power to them, microgrids can ensure that first responders, medical providers, and other essential services remain up and running during major outages and emergencies.

Consistent with its electric LTIIIP, PECO is now proposing to develop and deploy a community microgrid in Concord Township, Pennsylvania ("Concord Township Project" or "Project") which will be integrated with PECO's distribution system. The Project will focus on improving the distribution system's ability to sustain and recover from adverse events (including severe weather) and on providing reliable access to essential services during power outages. The information produced by the Project, in turn, will be shared with the Commission and other stakeholders through annual reporting to facilitate the successful deployment of additional microgrids and DERs in the Commonwealth.

Accordingly, on May 18, 2016, PECO filed the above-captioned Petition ("Petition") and the related Application ("Application") as the basis for PECO's Microgrid Integrated Technology Pilot ("Microgrid Pilot" or "Pilot") in which PECO will construct, own and operate a community microgrid in its service territory. In the Petition, PECO requests that the

¹ See *Petition of PECO Energy Co. For Approval Of Its Long-Term Infrastructure Improvement Plan And To Establish A Distribution System Improvement Charge For Its Electric Operations*, Docket No. P-2015-2471423 (Order entered Oct. 22, 2015) ("LTIIIP Order").

² See LTIIIP Order, p. 7.

Commission: (1) approve PECO’s Microgrid Pilot as being in the public interest; and (2) issue a declaratory order that PECO may seek to recover the costs of the Pilot that are not recoverable through its electric Distribution System Improvement Charge (“DSIC”) in a future distribution base rate case filed under Section 1308 of the Pennsylvania Public Utility Code (“Public Utility Code”), 66 Pa.C.S. § 1308. Because PECO is proposing to construct, own and operate DERs to power the proposed microgrid which will include natural gas engines, PECO also filed the Application to request approval to construct generation fueled by natural gas in accordance with Section 519 of the Public Utility Code, 66 Pa.C.S. § 519.

The Petition and Application were served on the Office of Consumer Advocate (“OCA”), the Office of Small Business Advocate (“OSBA”), the Bureau of Investigation & Enforcement (“I&E”), and all parties of record in PECO’s electric LTIP proceeding at Docket No. P-2015-2471423 and PECO’s most recent electric base rate case proceeding at Docket No. P-2015-2468981. As of this date, Answers to PECO’s Petition have been submitted by the OSBA on June 7, 2016, and the OCA on June 20, 2016. A Notice of Appearance was filed by the OSBA on June 7, 2016 and I&E on June 14, 2016.

In addition, the following parties filed Petitions to Intervene:

OCA	June 20, 2016
OSBA	June 7, 2016
The Philadelphia Area Industrial Energy Users Group	June 20, 2016
The Retail Supply Association	June 20, 2016

II. STATEMENT OF ISSUES

The three principal issues before the Commission in this proceeding are: (1) whether the Microgrid Pilot – a voluntary initiative by PECO to evaluate the potential of microgrids to enhance distribution system reliability and resiliency – is in the public interest; (2) whether utility-owned DERs, installed as part of a microgrid, constitute distribution plant assets that may lawfully be included in a public utility’s distribution rate base in a rate case filed under Section 1308 of the Public Utility Code, 66 Pa.C.S. § 1308 (subject to the same review conducted, and approval granted, by the Commission with respect to any other distribution plant asset claimed for inclusion in a public utility’s rate base); and (3) whether PECO’s Application for construction of the proposed natural gas engines necessary to power the microgrid should be approved under 66 Pa.C.S. § 519.

Issue 1 – Is PECO’s Microgrid in the Public Interest?

With respect to the first issue, PECO has submitted direct testimony and exhibits with its Petition demonstrating that its Microgrid Pilot is in the public interest. As explained therein, the proposed microgrid will be able to separate from PECO’s distribution system in response to external faults, including those arising from severe weather. As a result, critical government services and public accommodations accessible to and relied upon by more than 86,000 Commonwealth residents who live within a five-mile radius of the major traffic routes within the microgrid footprint will be able to continue to operate during widespread power interruptions (even during peak demand conditions). In addition to ensuring customers access to these essential services during power outages, the Project will provide a significant improvement in reliability within the microgrid footprint in terms of the duration of power outages (i.e., a 90 percent improvement in the Customer Average Interruption Duration Index and System Average

Interruption Duration Index), which cannot be achieved solely through system hardening or other similar investments.

PECO's Microgrid Pilot is designed to obtain "real world" results through testing and integration of new technologies and microgrid operations architecture at the proposed site, including investigating the integration of DERs owned and operated by customers and third parties with the microgrid. The lessons learned from PECO's Microgrid Pilot will create a roadmap for the deployment of microgrids and integration of DERs in the Commonwealth that maximizes public benefits.

Issue 2 – May PECO Recover its Microgrid Pilot Costs Through its DSIC and Base Rates?

As to the second issue and as explained in the Petition and accompanying direct testimony, PECO proposes to recover Microgrid Pilot costs through two different mechanisms. First, in accordance with its electric LTIP, PECO will seek to recover the costs incurred to repair, improve or replace property that is part of the Company's distribution system, along with the Company's other electric LTIP investments approved by the Commission in Docket No. P-2015-2471423, through the Company's DSIC. PECO proposes to recover the remaining Pilot costs, including the DERs that are able to provide power when the microgrid is in island mode, in a subsequent electric distribution base rate case. Such DERs are narrowly tailored to achieve the Pilot's goals and maintain electric service when customers cannot receive default service supply from PECO or generation supply from their electric generation suppliers. While PECO believes that the inclusion in distribution base rates of the costs of DERs necessary to operate a microgrid is appropriate given the benefits of the Microgrid Pilot for all distribution customers, there is no existing Commission precedent which clearly authorizes such rate treatment. Accordingly, PECO is requesting a declaratory order from the Commission to provide certainty

that recovery of DER costs in distribution rates is permissible under the Public Utility Code before PECO incurs the expense associated with construction of the Project.

Issue 3 – What Bearing Does Section 519 of the Public Utility Code Have on the Construction of Natural Gas Generators Needed to Power the Microgrid?

The third issue relates to the approval required by Section 519 of the Public Utility Code prior to construction of a generation facility fueled by natural gas. As explained in the Application, the small generation systems fueled by natural gas that will be used in the Pilot have no relation to possible coal-fired generation envisioned by Section 519.³ Nonetheless, PECO is requesting approval to construct the 10 MW of natural gas reciprocating engines, which will be integrated into the Project in order to comply with the express statutory requirements of Section 519.⁴

In sum, PECO's Microgrid Pilot will create the first community microgrid in the Commonwealth, provide valuable insight regarding best practices for integration of microgrids and DERs with electric distribution systems in Pennsylvania, and deliver enhanced reliability and resiliency for customers that cannot be achieved solely through system hardening and other existing projects. Because the Project would be the first community microgrid under the Public Utility Code, approval of the Pilot by the Commission and issuance of a declaratory order that utility-owned DERs, installed as part of a microgrid, constitute public utility distribution plant assets are appropriate and necessary for the Project to proceed.

³ The purpose of Section 519 is to promote coal-fired generation. *See Diamond Energy, Inc. v. Pa. P.U.C.*, 653 A.2d 1360, 1366 (Pa. Cmwlth. 1995).

⁴ Section 519(d) provides that "[i]f the commission fails to approve or disapprove an [application under Section 519] within six months of the date on which the application is filed, it shall be lawful for the affected utility to construct the proposed electric generating unit as though the commission had approved the application." PECO believes that its proposed schedule, which provides for a Commission decision in February 2017, is more appropriate for consideration of the issues presented in both the Petition and the Application instead of the shorter time period for consideration of the Application established by Section 519(d). Accordingly, on May 25, 2016, PECO submitted a letter to the Secretary of the Commission waiving PECO's right to a decision within six months of the filing of the Application.

III. WITNESSES

As previously explained, on May 18, 2016, PECO submitted its Petition and Application along with the direct testimony and accompanying exhibits of the following witnesses:

- **William J. Patterer** – Mr. Patterer is PECO’s Director of Regulatory Strategy and Revenue Policy. Mr. Patterer’s business address is 2301 Market Street, Philadelphia, PA, 19103. He discusses the objectives and key components of PECO’s Microgrid Pilot, including the site selection process, conceptual design, implementation plan and estimated costs, and describes the proposed litigation schedule for these proceedings and public notice.
- **Dr. John Caldwell** – Dr. Caldwell is the Director of Economics for the Edison Electric Institute. Dr. Caldwell’s business address is 701 Pennsylvania Avenue NW, Washington, DC 20004-2696. Dr. Caldwell describes the growth of microgrids in the United States, the benefits of pilot programs and utility involvement, and the ways in which PECO’s Microgrid Pilot will provide important experience, data and other information to support future microgrid deployment.
- **Alan B. Cohn** – Mr. Cohn is PECO’s Manager of Regulatory Strategy. Mr. Cohn’s business address is 2301 Market Street, Philadelphia, PA, 19103. Mr. Cohn presents PECO’s proposed mechanisms to allocate and recover the costs associated with the Microgrid Pilot.

PECO may present additional witnesses in rebuttal of the direct testimony of other parties. However, such witnesses cannot be identified until other parties file their testimony and

the issues raised in that testimony have been evaluated.

IV. DISCOVERY

PECO will work with the other parties and the ALJs to develop a reasonable schedule for ongoing discovery. To that end, PECO proposes modifications to the Commission's discovery regulations as shown in Appendix "A." The proposed discovery modifications are identical to modifications approved in PECO's most recent default service proceeding at Docket No. P-2016-2534980 ("DSP IV Proceeding"). Furthermore, PECO proposes that a Protective Order be adopted in this case to protect sensitive information from public disclosure. Therefore, PECO respectfully requests that the ALJs approve the proposed Protective Order attached hereto as Appendix "B," which is similar to the Protective Order entered in PECO's DSP IV proceeding.

V. SERVICE LIST

Pursuant to 52 Pa. Code § 1.55, PECO hereby designates the following individual for the service list in this proceeding:

Michael S. Swerling, Esquire
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Parties are requested to also serve documents on the following attorneys as a courtesy:

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VI. PROPOSED SCHEDULE

PECO will cooperate with the ALJs and other parties to facilitate the orderly conduct and disposition of this proceeding. To that end, PECO proposes the following schedule for this proceeding, which is identical to the schedule proposed in the Petition and Application except for the Prehearing Conference date.

May 18, 2016	Petition Filing
June 22, 2016	Prehearing Conference
August 4, 2016	Other Parties' Direct Testimony Due
August 25, 2016	Rebuttal Testimony Due
September 8, 2016	Surrebuttal Testimony Due
September 12-14, 2016	Oral Rejoinder and Hearings
October 6, 2016	Initial Briefs
October 20, 2016	Reply Briefs
December 8, 2016	Recommended Decision
February 2017	Commission Order

All proposed dates for submission of testimony and briefs are for "in-hand" delivery, which may be satisfied by an e-mail or fax copy of the relevant documents.

VII. POSSIBILITY OF SETTLEMENT

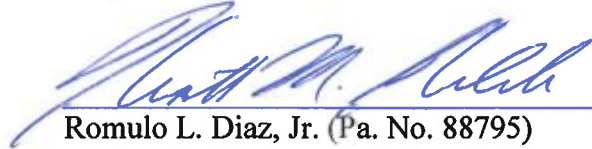
PECO intends to engage in settlement discussions with the other parties in this

proceeding with the goal of facilitating an effective and timely implementation of PECO's Microgrid Pilot.

VIII. CONCLUSION

WHEREFORE, PECO Energy Company respectfully submits this Prehearing Conference Memorandum.

Respectfully submitted,



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For PECO Energy Company

Dated: June 21, 2016

APPENDIX A

PROPOSED DISCOVERY PROCEDURE MODIFICATIONS

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

PETITION OF PECO ENERGY	:	
COMPANY FOR: (1) APPROVAL OF ITS	:	
MICROGRID INTEGRATED	:	DOCKET NO. P-2016-2546452
TECHNOLOGY PILOT PLAN AND (2)	:	
ISSUANCE OF A DECLARATORY	:	
ORDER REGARDING THE RECOVERY	:	
OF MICROGRID COSTS	:	
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OF MICROGRID DISTRIBUTED	:	
ENERGY RESOURCES FUELED BY	:	
NATURAL GAS	:	

PECO PROPOSED DISCOVERY PROCEDURE MODIFICATIONS

1. Answers to written interrogatories are to be served in-hand within ten (10) calendar days of service of the interrogatories.
2. Objections to interrogatories are to be communicated orally within three (3) days of service; unresolved objections are to be served on the Administrative Law Judges in writing within five (5) days of service of the interrogatories.
3. Motions to dismiss objections and/or direct the answering of interrogatories are to be filed within three (3) calendar days of service of written objections.
4. Answers to motions to dismiss objections and/or directing the answering of interrogatories shall be filed within three (3) calendar days of service of such motions.
5. Responses to requests for documents production, entry for inspection, or other purposes are to be served in-hand within ten (10) calendar days of service.
6. Requests for admission are deemed admitted unless answered within ten (10) calendar days or objected to within five (5) calendar days of service.

7. When an interrogatory, request for production, request for admission or motion is served after 12:00 p.m. on a Friday or the day before a holiday, the appropriate response period is deemed to start on the next business day.
8. Interrogatories, requests for production and requests for admissions that are objected to but which are not made the subject of a motion to compel will be deemed withdrawn.
9. Pursuant to 52 Pa. Code §5.341(b), neither discovery requests nor responses thereto are to be served on the Commission or the Administrative Law Judges, although a certificate of service may be filed with the Commission's Secretary.
10. Discovery requests, motions to compel and responses are to be served electronically as well as on paper.

APPENDIX B

PROPOSED PROTECTIVE ORDER

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

PETITION OF PECO ENERGY	:	
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OF MICROGRID DISTRIBUTED	:	
ENERGY RESOURCES FUELED BY	:	
NATURAL GAS	:	

PROTECTIVE ORDER

IT IS ORDERED THAT:

1. This Protective Order is hereby GRANTED and shall establish procedures for the protection of all materials and information identified in Paragraphs 2 and 3 below, which are or will be filed with the Commission, produced in discovery, or otherwise presented during the above-captioned proceeding and all proceedings consolidated with it. All persons now or hereafter granted access to the materials and information identified in Paragraph 2 of this Protective Order shall use and disclose such information only in accordance with this Order.

2. The information subject to this Protective Order is all correspondence, documents, data, information, studies, methodologies and other materials, whether produced or reproduced or stored on paper, cards, tape, disk, film, electronic facsimile, magnetic or optical memory, computer storage devices or any other devices or media, including, but not limited to, electronic mail (e-mail), furnished in this proceeding that the producing party believes to be of a proprietary or confidential nature and are so designated by being stamped "CONFIDENTIAL" or "HIGHLY CONFIDENTIAL" protected material. Such materials are referred to in this Order as

“Proprietary Information.” When a statement or exhibit is identified for the record, the portions thereof that constitute Proprietary Information shall be designated as such for the record.

3. For purposes of this Protective Order there are two categories of Proprietary Information: “CONFIDENTIAL” and “HIGHLY CONFIDENTIAL” protected material. A producing party may designate as “CONFIDENTIAL” those materials that are customarily treated by that party as sensitive or proprietary, that are not available to the public, and that, if generally disclosed, would subject that party or its clients to the risk of competitive disadvantage or other business injury. A producing party may designate as “HIGHLY CONFIDENTIAL” those materials that are of such a commercially sensitive nature, relative to the business interests of parties to this proceeding, or of such a private or personal nature, that the producing party determined that a heightened level of confidential protection with respect to those materials is appropriate. The parties shall endeavor to limit the information designated as “HIGHLY CONFIDENTIAL” protected material.

4. Subject to the terms of this Protective Order, Proprietary Information shall be provided to counsel for a party who meets the criteria of a “Reviewing Representative” as set forth below. Such counsel shall use or disclose the Proprietary Information only for purposes of preparing or presenting evidence, testimony, cross examination or argument in this proceeding. To the extent required for participation in this proceeding, such counsel may allow others to have access to Proprietary Information only in accordance with the conditions and limitations set forth in this Protective Order.

5. Information deemed “CONFIDENTIAL” shall be provided to a “Reviewing Representative.” For purposes of “CONFIDENTIAL” Proprietary Information, a “Reviewing Representative” is a person who has signed a Non-Disclosure Certificate and is:

- i. A statutory advocate, or an attorney for a statutory advocate pursuant to 52 Pa. Code § 1.8 or an attorney who has formally entered an appearance in this proceeding on behalf of a party;
- ii. An attorney, paralegal, or other employee associated for purposes of this case with an attorney described in subparagraph (i) above;
- iii. An expert or an employee of an expert retained by a party for the purpose of advising that party or testifying in this proceeding on behalf of that party; or
- iv. Employees or other representatives of a party to this proceeding who have significant responsibility for developing or presenting the party's positions in this docket.

6. Information deemed "HIGHLY CONFIDENTIAL" protected material shall be provided to a Reviewing Representative, provided, however that a Reviewing Representative, for purposes of "HIGHLY CONFIDENTIAL" protected material, is limited to a person who has signed a Non-Disclosure Certificate and is:

- i. A statutory advocate, or an attorney for a statutory advocate, pursuant to 52 Pa. Code § 1.8 or an attorney who has formally entered an appearance in this proceeding on behalf of a party;
- ii. An attorney, paralegal, or other employee associated for purposes of this case with an attorney described in subparagraph (i);
- iii. An outside expert or an employee of an outside expert retained by a party for the purposes of advising that party or testifying in this proceeding on behalf of that party; or
- iv. A person designated as a Reviewing Representative for purposes of HIGHLY CONFIDENTIAL protected material pursuant to paragraph 11.

Provided, further, that in accordance with the provisions of Sections 5.362 and 5.365(e) of the Commission's Rules of Practice and Procedure (52 Pa. Code §§ 5.362, 5.365(e)) any party may, by objection or motion, seek further protection with respect to HIGHLY CONFIDENTIAL protected material, including, but not limited to, total prohibition of disclosure or limitation of disclosure only to particular parties.

7. For purposes of this Protective Order, a Reviewing Representative may not be a "Restricted Person" absent agreement of the party producing the Proprietary Information pursuant to Paragraph 11. A "Restricted Person" shall mean: (a) an officer, director, stockholder, partner, or owner of any competitor of the parties or an employee of such an entity if the employee's duties involve marketing or pricing of the competitor's products or services or advising another person who has such duties; (b) an officer, director, stockholder, partner, or owner of any affiliate of a competitor of the parties (including any association of competitors of the parties) or an employee of such an entity if the employee's duties involve marketing or pricing of the competitor's products or services or advising another person who has such duties; (c) an officer, director, stockholder, owner, agent (excluding any person under Paragraph 6.i or 6.ii), or employee of a competitor of a customer of the parties or of a competitor of a vendor of the parties if the Proprietary Information concerns a specific, identifiable customer or vendor of the parties; and (d) an officer, director, stockholder, owner or employee of an affiliate of a competitor of a customer of the parties if the Proprietary Information concerns a specific, identifiable customer of the parties; provided, however, that no expert shall be disqualified on account of being a stockholder, partner, or owner unless that expert's interest in the business would provide a significant motive for violating the limitations of permissible use of the Proprietary Information. For purposes of this Protective Order, stocks, partnership or other ownership interests valued at more than \$10,000 or constituting more than a 1% interest in a business establish a significant motive for violation. A "Restricted Person" shall not include an expert for the Office of Small Business Advocate or Office of Consumer Advocate.

8. If an expert for a party, another member of the expert's firm or the expert's firm generally also serves as an expert for, or as a consultant or advisor to, a Restricted Person (other than an expert or expert firm retained by the Office of Small Business Advocate or Office of

Consumer Advocate), that expert must: (1) identify for the parties each Restricted Person and all personnel in or associated with the expert's firm that work on behalf of the Restricted Person; (2) take all reasonable steps to segregate those personnel assisting in the expert's participation in this proceeding from those personnel working on behalf of a Restricted Person; and (3) if segregation of such personnel is impractical, the expert shall give to the producing party written assurances that the lack of segregation will in no way adversely affect the interests of the parties or their customers. The parties retain the right to challenge the adequacy of the written assurances that the parties' or their customers' interests will not be adversely affected. No other persons may have access to the Proprietary Information except as authorized by order of the Commission.

9. Reviewing Representatives qualified to receive "HIGHLY CONFIDENTIAL" protected material may discuss HIGHLY CONFIDENTIAL protected material with their client or with the entity with which they are employed or associated, to the extent that the client or entity is not a "Restricted Person," but may not share with, or permit the client or entity to review or have access to, the HIGHLY CONFIDENTIAL protected material. Counsel for the Office of Consumer Advocate and Office of Small Business Advocate may share Proprietary Information with the Consumer Advocate and Small Business Advocate, respectively, without obtaining a Non-Disclosure Certificate from these individuals, provided however, that these individuals otherwise abide by the terms of the Protective Order.

10. Proprietary Information shall be treated by the parties and by the Reviewing Representative in accordance with the terms of this Protective Order, which are hereby expressly incorporated into the certificate that must be executed pursuant to Paragraph 12(a). Proprietary Information shall be used as necessary, for the conduct of this proceeding and for no other purpose. Proprietary Information shall not be disclosed in any manner to any person except a Reviewing Representative who is engaged in the conduct of this proceeding and who needs to

know the information in order to carry out that person's responsibilities in this proceeding.

11. Reviewing Representatives may not use anything contained in any Proprietary Information obtained through this proceeding to give any party or any competitor of any party a commercial advantage. In the event that a party wishes to designate as a Reviewing Representative a person not described in paragraph 6 (i) through (iii) above, the party must first seek agreement to do so from the party providing the Proprietary Information. If an agreement is reached, the designated individual shall be a Reviewing Representative pursuant to Paragraph 6 (iv) above with respect to those materials. If no agreement is reached, the party seeking to have a person designated a Reviewing Representative shall submit the disputed designation to the presiding Administrative Law Judges for resolution.

12. (a) A Reviewing Representative shall not be permitted to inspect, participate in discussions regarding, or otherwise be permitted access to Proprietary Information pursuant to this Protective Order unless that Reviewing Representative has first executed a Non-Disclosure Certificate in the form provided in Appendix A, provided, however, that if an attorney or expert qualified as a Reviewing Representative has executed such a certificate, the paralegals, secretarial and clerical personnel under his or her instruction, supervision or control need not do so. A copy of each executed Non-Disclosure Certificate shall be provided to counsel for the party asserting confidentiality prior to disclosure of any Proprietary Information to that Reviewing Representative.

(b) Attorneys and outside experts qualified as Reviewing Representatives are responsible for ensuring that persons under their supervision or control comply with the Protective Order.

13. The parties shall designate data or documents as constituting or containing Proprietary Information by stamping the documents "CONFIDENTIAL" or "HIGHLY

17. The parties shall retain the right to object to the production of Proprietary Information on any proper ground, and to refuse to produce Proprietary Information pending the adjudication of the objection.

18. Within 30 days after a Commission final order is entered in the above-captioned proceeding, or in the event of appeals, within thirty days after appeals are finally decided, the receiving party, upon request, shall either destroy or return to the parties all copies of all documents and other materials not entered into the record, including notes, which contain any Proprietary Information. In its request, a providing party may specify whether such materials should be destroyed or returned. In the event that the materials are destroyed instead of returned, the receiving party shall certify in writing to the providing party that the Proprietary Information has been destroyed. In the event that the materials are returned instead of destroyed, the receiving party shall certify in writing to the providing party that no copies of materials containing the Proprietary Information have been retained.

Date: _____, 2016

Cynthia W. Fordham
Administrative Law Judge

Eranda Vero
Administrative Law Judge

APPENDIX A

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

PETITION OF PECO ENERGY :
COMPANY FOR: (1) APPROVAL OF ITS :
MICROGRID INTEGRATED : **DOCKET NO. P-2016-2546452**
TECHNOLOGY PILOT PLAN AND (2) :
ISSUANCE OF A DECLARATORY :
ORDER REGARDING THE RECOVERY :
OF MICROGRID COSTS :

APPLICATION FOR CONSTRUCTION : **DOCKET NO. A-2016-2546450**
OF MICROGRID DISTRIBUTED :
ENERGY RESOURCES FUELED BY :
NATURAL GAS :

NON-DISCLOSURE CERTIFICATE

TO WHOM IT MAY CONCERN:

The undersigned is the _____ of _____
(the receiving party).

The undersigned has read and understands the Protective Order deals with the treatment of Proprietary Information. The undersigned agrees to be bound by, and comply with, the terms and conditions of said Order, which are incorporated herein by reference.

SIGNATURE

PRINT NAME

ADDRESS

EMPLOYER

DATE: _____