

February 11, 2016

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Via E-Mail

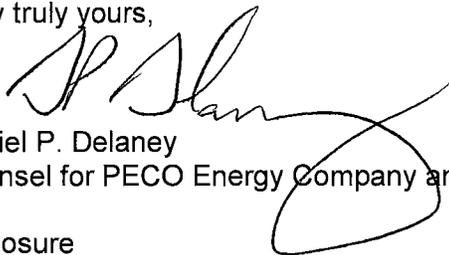
Nancy Brockway
Hearing Officer
10 Allen Street
Boston, MA 02131

Re: Application of the Philadelphia Water Department for Increased
Rates and Related Charges - Fiscal Years 2017-2018

Dear Hearing Officer Brockway:

Enclosed please find Set I Interrogatories on behalf of PECO Energy Company and Exelon Generation Company LLC in the above-captioned matter. A copy of these interrogatories have been served by e-mail on the parties listed on the enclosed certificate of service.

Very truly yours,



Daniel P. Delaney
Counsel for PECO Energy Company and Exelon Generation Company

Enclosure

c: Service List
H. Alfred Ryan, Esq.

Definitions and Instructions

1. In answering these interrogatories, please furnish all information that is known or available to you, regardless of whether the information is possessed directly by you or by your agents, representatives, consultants, or, unless privileged, by your attorneys or their agents, employees, representatives, or consultants.

2. If any of these interrogatories cannot be answered in full at this time, please answer the interrogatory to the extent possible and specify the reason for your inability to answer the remainder of the interrogatory.

3. If you withhold any requested information on a claim of privilege or work-product protection, or for any reason, state with respect to such information: (1) the substance of the information, (2) the nature and basis of the privilege asserted or any other reason for withholding the information, and provide an answer containing the information which is required by the interrogatory and which is not subject to the claimed privilege or protection.

4. The terms "identify" or "identification" and "describe":

- a. When used in reference to an individual, shall mean to state his or her full name, present or last known residence and business address (by street, city and state), present or last known residence and business phone number, and present or last known job classification;
- b. When used in reference to a document, shall mean to state the type of document, the date, the author, the addressee, title, its present location and a name and address of its custodian;
- c. When used in reference to any act, occurrence, occasion, meeting, communication, statement, discussion, inspection, transaction or conduct, shall mean to set forth in the event or events constituting such act, occurrence, etc., and with regard to a communication, statement or discussion, the substance thereof.

5. Unless otherwise indicated, "Department" or "PWD" refer to the Philadelphia Water Department, its parents, subsidiaries, affiliates, predecessors, and successors and each of their

respective past or present officers, directors, employees, consultants and agents, and any person acting or purporting to act on their behalf.

6. Unless otherwise indicated, "PECO" refers to PECO Energy Company and "Exelon" refers to Exelon Generation Company.

7. These interrogatories shall be deemed to be continuing. PWD is obliged to change, supplement and correct all answers to interrogatories to conform to available information, including such information as first becomes available to PWD after the answers hereto are filed.

8. The answers provided should first restate the question asked and also identify the person(s) supplying the information.

9. All information is to be divulged that is within the knowledge, possession, control, or custody of PWD or may be reasonably ascertained thereby.

10. As used herein the word "document" or "workpaper" includes, but is not limited to, the original and all copies (regardless of origin and whether or not including additional writing thereon or attached thereto) of memoranda, reports, books, manuals, instructions, directives, records, forms, notes, letters, notices, confirmations, telegrams, pamphlets, notations of any sort concerning conversations, telephone calls, meetings or other communications, bulletins, transcripts, diaries, analyses, summaries, correspondence and enclosures, circulars, opinions, studies, investigations, questionnaires and surveys, worksheets, and all drafts, preliminary versions, alterations, modifications, revisions, changes, amendments and written comments concerning the foregoing, in whatever form, stored or contained in or on whatever medium including computerized memory or magnetic media.

11. If any objection is raised to any part of these interrogatories, all other unobjected to subparts of that interrogatory, or other interrogatories and their subparts must be answered within the time limits set.

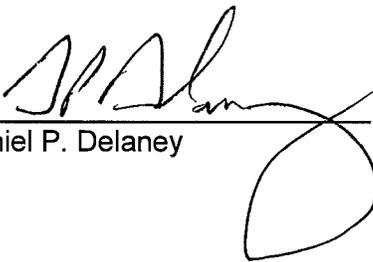
12. If any requested information is subject to a previously issued protective order limiting disclosure, provide a copy of that protective order and a proposed confidentiality agreement for purposes of disclosing the requested information subject to the terms of that protective order.

13. If the information requested by an interrogatory of this Set I is included in the answer to a prior interrogatory, please specifically identify the prior interrogatory and answer and indicate which portion of that answer is also responsive to the subsequent interrogatory.

Set I Interrogatories

- I-1. Reference Exhibit BV-E1, Table W-3: Please document and explain the large water meter replacement program \$20,000,000 per year expansion from 2018-2020 and why it needs an additional 4 % inflation adjustment.
- I-2. Reference Exhibit BV-E1, Table W-13: Please provide the derivation, calculation and support for the "allocated investment return of 7.5%."
- I-3. Reference Exhibit BV-E1, Table W-15: Please provide the derivation, calculation, support and choice for the retail water rate of return of 3.3314%. in Test Year 2017.
- I-4. Reference Exhibit BV-E1, Table WW-11: Please provide the derivation, calculation, support and choice for the retail wastewater rate of return of 5.1629%. in Test Year 2017.
- I-5. Reference Exhibit BV-E3, Table SW-2: Please provide the source and support for the growth in residential appeals/data adjustments and decline in non-residential appeals/data adjustments shown in the table.
- I-6. Reference Exhibit BV-E3, Table SW-3 & SW-4: Please provide the source information for the calculation net impact in note 2.
- I-7. What opportunities other than liens has the department explored to improve retail storm water only collection factors?
- I-8. Reference BV-S1 – Appendix 3: Please explain why the 5% escalation rate was applied to power costs when such a rate had not been experienced in 10 years.
- I-9. Reference BV-S1 – Appendix 5: Please provide the source material and derivation for the 5.25% and 5.5% interest rates used for future debt series.

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Dated: February 11, 2016

**BEFORE THE
PHILADELPHIA WATER, SEWER AND STORMWATER RATE BOARD**

Re: Application of the Philadelphia Water :
Department for Increased Rates and :
Related Charges : Fiscal Years 2017-2018

CERTIFICATE OF SERVICE

I hereby certify that I have this day served a true and correct copy of the foregoing document by e-mail upon the parties listed below.

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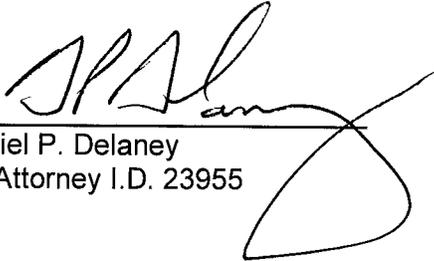
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