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February 5, 2018

**VIA FEDERAL EXPRESS and  
ELECTRONIC MAIL**  
[board.secretary@bpu.nj.gov](mailto:board.secretary@bpu.nj.gov)

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

**RE:** In the Matter of the Petition of Atlantic City Electric Company to Reconcile and Update the Level of Its Non-Utility Generation Charge and Its Societal Benefits Charge (2018)  
BPU Docket No. \_\_\_\_\_

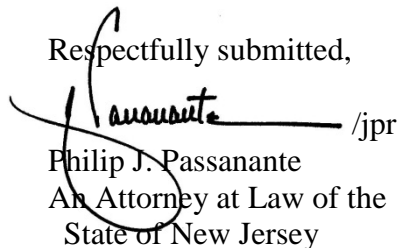
Dear Ms. Camacho:

On behalf of Atlantic City Electric Company (“ACE”), enclosed herewith for filing are three conformed copies of a Verified Petition and supporting testimony (and Schedules thereto) seeking to reconcile and update ACE’s Non-Utility Generation Charge and Societal Benefits Charge tariff charges.<sup>1</sup> A draft Public Notice is also attached to the Petition as **Exhibit B**.

ACE respectfully requests that the Board retain jurisdiction of this matter and render a decision thereon so that final rates can be put into effect by no later than June 1, 2018.

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

Respectfully submitted,



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

Enclosure  
cc: Service List

<sup>1</sup>This filing has been made consistent with the Board’s Order Waiving Provisions of N.J.A.C. 14:4-2, N.J.A.C. 14:17-4.2(a), N.J.A.C. 14:1-1.6(c), and N.J.A.C. 14:17-1.6(d), issued on July 29, 2016 in connection with *In the Matter of the Board’s E-Filing Program*, BPU Docket No. AX16020100.

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**IN THE MATTER OF THE PETITION OF  
ATLANTIC CITY ELECTRIC COMPANY  
TO RECONCILE AND UPDATE THE  
LEVEL OF ITS NON-UTILITY  
GENERATION CHARGE AND ITS  
SOCIETAL BENEFITS CHARGE (2018)**

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

**BPU Docket No. \_\_\_\_\_**

**VERIFIED PETITION**

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**ATLANTIC CITY ELECTRIC COMPANY** (hereinafter referred to as “Petitioner,” “ACE” or the “Company”), a public utility corporation of the State of New Jersey, respectfully requests that the Board of Public Utilities (herein, the “BPU” or the “Board”) approve proposed changes to the Company’s Non-Utility Generation Charge (“NGC”), and two of its Societal Benefits Charge (“SBC”) components, as proposed and outlined herein. The net effect of adjusting the rate components as proposed herein, including associated changes in Sales and Use Tax, is an overall annual rate decrease of approximately \$18.952 million<sup>1</sup>. In support thereof, Petitioner states as follows:

1. The Company is engaged in the purchase, transmission, distribution, and sale of electric energy to residential, commercial, and industrial customers. ACE’s service territory comprises eight counties located in southern New Jersey and includes approximately 547,000 customers.

**Brief Historical Summary of the SBC and the NGC**

2. As a result of the Board’s Final Decision and Order issued in connection with a matter entitled *In the Matter of Atlantic City Electric Company - Rate Unbundling, Stranded Costs, and Restructuring Filing*, BPU Docket Nos. EO97070455, EO97070456, and EO97090457, the Company implemented unbundled rates that included a Market Transition Charge (“MTC”), a Net Non-Utility Generation Charge (“NNC”), and the SBC as rate

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<sup>1</sup> The anticipated decrease is based upon actual data through December 31, 2017, and estimated data for the period January 1, 2018 through March 31, 2018, and is subject to true up for actual data through March 31, 2018.

components. Those rates were changed as a result of a Summary Order issued by the Board on July 31, 2003, in connection with BPU Docket No. ER02080510. The Board's Order in BPU Docket No. ER02080510, dated July 8, 2004, maintained the NNC and MTC rates approved in the Summary Order.

3. The Company filed for an adjustment to the NNC and MTC on or about June 1, 2004. Changes to the NNC and the SBC were approved and implemented pursuant to the Board Order Adopting Initial Decision and Stipulation of Settlement issued in connection with Petitioner's 2003 base rate case, BPU Docket Nos. ER04060423, ER03020110, EO03020091, and EM0209033 (OAL Docket No. PUC06061-2003S) (released May 26, 2005), pursuant to which the NNC and MTC rates were adjusted and combined into the NGC, effective June 1, 2005. The NGC was further adjusted effective October 1, 2006, pursuant to the Board's Order in BPU Docket No. EM05121058 (dated July 21, 2006), approving the sale of the Company's Keystone and Conemaugh generating station assets.

4. The NGC and SBC were further reconciled and updated pursuant to a Board Order issued in connection with *In the Matter of the Petition of Atlantic City Electric Company to Reconcile and Update the Level of Its Non-Utility Generation Charge and Its Societal Benefits Charge*, BPU Docket No. ER07060356 (dated May 20, 2008). The NGC was reconciled again and put into effect on January 1, 2011, pursuant to the Board's Order dated December 22, 2010, in BPU Docket No. ER09050387.

5. The NGC was subject to regulatory review and reconciliation pursuant to a Board Order dated February 19, 2014, and issued jointly in connection with BPU Docket Nos. ER12020173 and ER13030186. The next revision to the NGC was put into effect on a provisional basis on June 1, 2014, pursuant to a Board Order dated May 21, 2014 in BPU Docket

No. ER14030209, and was subsequently made final by Board Order in the aforementioned docket dated January 21, 2015, which approved a Stipulation of Settlement that was entered into between the Company, Board Staff, and the Division of Rate Counsel (collectively, the “Parties”).

6. In 2015, an adjustment to the NGC and SBC was put into effect on a provisional basis on June 1, 2015 pursuant to a Board Order dated May 19, 2015 in BPU Docket No. ER15030277, and was made final by a Board Order in the aforementioned docket dated September 11, 2015 (the “September 2015 Order”).

7. A further adjustment to the NGC and SBC was put into effect on January 1, 2017 pursuant to an Order of the Board dated November 30, 2016 (the “2016 NGC/SBC Order”) in BPU Docket No. ER16020099. In addition to adjusting the Company’s rates associated with the NGC, and the components of the SBC, referenced in paragraph 9 hereof, the 2016 NGC/SBC Order modified the reconciliation period included in the filing to provide that future NGC/SBC filings provide estimated data through December 31 of the prior year, and actual data through March 31 of the filing year, rather than May 31 as had previously been the case.

8. On February 1, 2017, the Company filed its Reconciliation and Update Petition for the period ending March 31, 2017, and for revised NGC and SBC rates to become effective June 1, 2017. By Board Order dated May 31, 2017 in BPU Docket No. ER17020091, following a Stipulation of the Parties, the Company was authorized to implement on a provisional basis revised NGC and SBC rates to be effective June 1, 2017, based upon the Company’s February 1, 2017 Petition, as subsequently updated with actual data through March 31, 2017. By further Board Order dated November 21, 2017, following a Stipulation of the Parties, the Company was

authorized to implement the previously approved provisional rates on a permanent basis effective on and after December 1, 2017.

### **Purpose of the Instant Petition**

9. The purpose of the instant Petition is to reconcile and reset the levels of (i) the NGC; and (ii) the two components of the SBC. The SBC components to be changed include the Clean Energy Program (“CEP”) and the Uncollectible Accounts (“UNC”) charges.

10. The purpose of the NGC and SBC rate components is to allow the Company to recover, on an unbundled basis, certain utility costs and expenses. The NGC provides for recovery of the above-market component of payments made under a utility’s NUG contracts and stranded costs associated with such commitments. The SBC is intended to assist the Company to recover costs related to (i) the Universal Service Fund and Lifeline social programs; (ii) the CEP obligations; and (iii) the UNC.

### **Proposed Adjustment of the NGC Component**

11. The Company is proposing to reset the NGC for the period June 1, 2018 through May 31, 2019 based on actual data through December 31, 2017, and projected expenses for the period January 1, 2018 through March 31, 2018. The detailed rate design for the proposed NGC rate is attached as Schedule TMH-1, page 1 of 2, of **Exhibit A**. As noted in the Direct Testimony of Company Witness Thomas M. Hahn, the 2016 NGC and SBC Order modified the Company’s 2017 NGC and SBC reconciliation period to end on March 31, 2017, and similarly for each year thereafter. As a result, the April and May 2018 projected retail revenue is credited against the projected March 31, 2018 balance resulting in the net balance after the recovery period.

12. The detailed rate design for the NGC is provided in Schedule TMH-1, page 1 of 2 of **Exhibit A**. The proposed rate is designed to recover forecasted above-market NUG costs of \$93.352 million for the period of April 1, 2018 through March 31, 2019. It will also return the projected net over-recovered balance of \$1.185 million, which is the projected under-recovered balance of \$11.197 million at March 31, 2018, less the projected retail customer revenue in April and May 2018 of \$12.382 million. Schedule TMH-1, page 2 of 2, provides the detailed estimate of the NGC projected deferred balance through March 31, 2018, as well as projected retail customer revenue for April and May 2018. The projected net over-recovered balance of \$1.185 million, subject to a true-up, is currently based on actual data through December 31, 2017, and projected data for the period of January 1, 2018 through May 31, 2018. The total forecasted recovery for this period is \$92.166 million, which is a decrease of approximately 0.5% from the prior year's total forecasted recovery of \$92.611 million.

13. As noted in Company Witness Hahn's Direct Testimony, the primary drivers of the decrease in the forecasted recovery of the NGC are (i) the swing in the NGC balance from a projected under-recovered position of \$1.288 million at April 1, 2017 to a projected over-recovered position of \$1.185 million at May 31, 2018, offset by (ii) the increase of \$2.028 million in projected above market costs as compared to the projected 2017 above market costs. The swing in the NGC balance from a projected under-recovered position of \$1.288 million at April 1, 2017 to a projected over-recovered position of \$1.185 million at May 31, 2018 is primarily driven by the following. Pursuant to the Stipulation of the Parties -- which was approved by the November 21, 2017 Order -- rates effective June 1, 2017 were set in a manner designed to fully recover the \$1.288 million to ratepayers, and thereby reduce the deferred balance to \$0 at June 1, 2018. Based on the timing of revenues and expenses during that rate

recovery period, it was projected that the balance at March 31, 2018 would be an approximate under-recovery of \$12.777 million. Currently, with actuals through December 31, 2017 and projections through March 31, 2018, that under-recovery balance is now at \$11.197 million, a decrease of approximately \$1.580 million. This decrease in the under-recovery was primarily driven by actual PJM Market Based Revenue greater than forecasted. The \$2.028 million increase in projected above market costs is primarily driven by the previous filings transition from a June 1 to May 31 reconciliation period to an April 1 to March 31 reconciliation period. Since rates approved in the November 30, 2016 Order were designed to recover costs through May 31, 2017, there were two months in the transition period of April 2017 – March 2018, where revenue was collected from ratepayers and applied to those costs (April and May 2017). The projected April and May 2017 revenue included in the previous filing was \$18.616 million. This current filing would not have that same revenue applied since costs for April and May 2018 were not included in the previous filings forecasted costs. The \$18.616 million was offset by a decrease of \$16.588 million in the projected 2018 above market costs, excluding the transition revenue described above, as compared to the projected 2017 above market costs resulting in a net \$2.028 million increase.

14. As set forth in the Board's Order dated October 31, 2016 captioned "In the Matter of the Merger of Exelon Corporation and Pepco Holdings, Inc." ("the MFN Order"), the Company agreed to create a Rate Credit Offset Account ("RCOA") in the amount of \$22,001,538 (the "Rate Credit") to offset monthly increases in base rates authorized in BPU Docket No. ER16030252. In compliance with the MFN Order, the Company provides monthly reports to the Board and Parties on the status of the utilization of the RCOA until the full amount of the Rate Credit has been fully utilized. As of December 31, 2017, the Company has credited

to customers \$22,301,113.46, Therefore, as of December 31, 2017, the Company has over-credited customers \$299,575.46. As noted in Company Witness Hahn's Direct Testimony, the Company is proposing to collect the over-credited amount as part of this current NGC filing. This over-credited amount will not be subject to interest. In addition, the over-credited amount is subject to further adjustment for customer billings that were not included as part of the December 31, 2017 reconciliation, which adjustment will be provided as part of the Company's update submittals related to this filing. This amount is currently projected to be approximately \$2.0 million dollars.

#### **Adjusting the SBC and Its Specific Cost Components**

15. Petitioner proposes to modify specific cost components of the SBC as follows:

a. The current UNC rate was put into effect on a provisional basis on June 1, 2017, pursuant to the May 31, 2017 Order and was made final pursuant to the November 21, 2017 Order. The Company is proposing to reset the UNC for the period June 1, 2018 through May 31, 2019. The detailed rate design for the UNC is provided in Schedule TMH-3, page 1 of 3 of **Exhibit A**. The proposed rate is designed to recover forecasted uncollectible expense for the period of April 1, 2018 through March 31, 2019, totaling \$15.413 million. It will also return the net projected over-recovered balance of \$7.311 million, which is the projected over-recovered balance of \$3.557 million at March 31, 2018 plus the projected retail customer revenue in April and May 2018 of \$3.754 million. Although the reconciliation period is April 2017 through March 2018, the rate period for collection of those costs was set for June 2017 through May 2018. As a result, the April and May 2018 projected retail revenue is credited against the projected March 2018 balance resulting in the net balance after the recovery period.



Schedule TMH-3, page 2 of 3, provides the detailed estimate of the UNC deferred balance through March 31, 2018, as well as the projected retail customer revenue for April and May 2018. The projected net over-recovered deferred balance of \$7.311 million, subject to a true-up, is currently based on actual data through December 31, 2017, and projected data for the period of January 1, 2018 through May 31, 2018. The total forecasted amount to be recovered during the period is \$8.102 million.

b. As noted in the Direct Testimony of Company Witness Hahn, the primary driver of the decrease in the forecasted recovery of the UNC component of the SBC is the swing in the UNC balance from a projected under-recovered position of \$10.629 million at April 1, 2017 to a projected over-recovered position of \$7.311 million at May 31, 2018. Pursuant to the Stipulation of the Parties, approved by the November 21, 2017 Order, rates to be effective June 1, 2017 were set in a manner designed to fully return the \$10.629 million to ratepayers, thereby reducing the deferred balance to \$0 at June 1, 2018. Based on the timing of revenues and expenses during that rate recovery period, it was projected that the balance at March 31, 2018 would be an approximate under-recovery of \$3.875 million. Currently, with actuals through December 31, 2017 and projections through March 31, 2018, that balance is now an over-recovery of \$3.557 million, a decrease of approximately \$7.432 million. This decrease was primarily driven by actual uncollectible expenses lower than forecasted.

c. The CEP is designed to recover costs associated with the Company's New Jersey Clean Energy Program obligations. The CEP charge is being adjusted to reflect the projected deferred balances as of March 31, 2018, and forecasted costs for the period of April 1, 2018 through March 31, 2019. It is based upon actual expenditures through December 31, 2017 and projected expenses for the period January 1, 2018 through March 31,

2018, based on projected funding levels approved by the Board for fiscal year 2018 (July 2017 – June 2018) in an Order dated June 30, 2017, in connection with BPU Docket No. QO17050464. January 1, 2018 to June 30, 2018 projections have been used as provided in the aforementioned Board Order. The monthly expenditures from the fiscal year 2018 projected funding levels as found in the approved Order were used to develop the monthly expenditures for the periods July 2018 to March 2019 as the Board will not have issued funding levels for time periods after June 2018 as of the date of this filing. The detailed rate design is provided in Schedule TMH-2, page 1 of 2, of **Exhibit A**, and includes \$29.389 million of projected expenses for the period April 1, 2018 to March 31, 2019. Schedule TMH-2, page 2 of 2, of **Exhibit A** provides an estimate of the net over-recovered CEP deferred balance of \$1.216 million, which indicates a projected under-recovery balance of \$2.485 million at March 31, 2018, less the projected retail customer revenue in April and May 2018 of \$3.701 million. Since the reconciliation period is April 2017 through March 2018, the rate period for collection of those costs was set for June 2017 through May 2018. As a result, the April and May 2018 projected retail revenue is credited against the projected March 2018 balance resulting in the net balance after the recovery period. The total forecasted recovery for this period is \$28.173 million.

16. As stated in the Direct Testimony of Company Witness Hahn, the net impact of adjusting the NGC, CEP, and UNC rate(s), including associated changes in Sales and Use Tax, is an overall annual rate decrease of approximately \$18.952 million. This amount includes the return of the NGC, UNC, and CEP deferred balances at May 31, 2018, and the going-forward cost recovery of all components for the period April 1, 2018 through March 31, 2019. This is summarized on Schedule TMH-4, page 1 of 4 of **Exhibit A**.

For an average residential customer using approximately 716 kWh per month, this filing, once implemented, represents a decrease of approximately \$1.56 or 1.13 percent on a total monthly bill as shown in Schedule TMH-4, page 4 of 4, of **Exhibit A**. Schedule TMH-4, pages 2 of 4 through 4 of 4, provide(s) a calculation of the residential bill impact by season and annually.

17. Proposed tariff sheet revisions reflecting the changes outlined in this Petition are attached as Schedules TMH-5 and TMH-6 of **Exhibit A**, in redline and clean versions, respectively.

18. Communications and correspondence regarding this matter should be sent to Petitioner and its counsel at the following address:

Philip J. Passanante, Esquire  
Assistant General Counsel  
Atlantic City Electric Company – 92DC42  
500 North Wakefield Drive  
Post Office Box 6066  
Newark, Delaware 19714-6066

with copies to the following representatives of the Company:

Thomas M. Hahn  
Principal Rate Analyst  
Atlantic City Electric Company – 63ML38  
5100 Harding Highway  
Mays Landing, New Jersey 08330

and

Roger E. Pedersen  
Manager, Regulatory Affairs (New Jersey)  
Atlantic City Electric Company – 63ML38  
5100 Harding Highway  
Mays Landing, New Jersey 08330

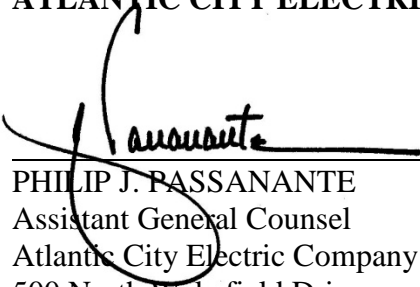
19. A proposed Public Notice to be published in local newspapers serving Petitioner's service territory and outlining rate impacts associated with this filing is attached hereto as **Exhibit B**.

**WHEREFORE**, the Petitioner, **ATLANTIC CITY ELECTRIC COMPANY**, respectfully requests that the Board of Public Utilities:

- A. approve the requested changes to the SBC and NGC as detailed in this filing for implementation by no later than June 1, 2018; and
- B. grant such other or further relief as the Board may deem just and reasonable.

Respectfully submitted,  
on behalf of  
**ATLANTIC CITY ELECTRIC COMPANY**

Dated: February 5, 2018

  
\_\_\_\_\_/jpr  
PHILIP J. PASSANANTE  
Assistant General Counsel  
Atlantic City Electric Company – 92DC42  
500 North Wakefield Drive  
Post Office Box 6066  
Newark, Delaware 19714-6066  
(302) 429-3105 – Telephone (Delaware)  
(609) 909-7034 – Telephone (Trenton)  
[philip.passanante@pepcoholdings.com](mailto:philip.passanante@pepcoholdings.com)

**IN THE MATTER OF THE PETITION OF  
ATLANTIC CITY ELECTRIC COMPANY  
TO RECONCILE AND UPDATE THE  
LEVEL OF ITS NON-UTILITY  
GENERATION CHARGE AND THE  
CLEAN ENERGY COMPONENT OF ITS  
SOCIETAL BENEFITS CHARGE (2018)**

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

**AFFIDAVIT OF VERIFICATION**

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

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

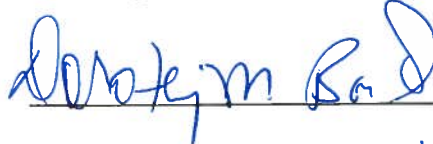
2. I have read the contents of the foregoing Verified Petition to Reconcile and Update the Level of ACE's Non-Utility Generation Charge and Societal Benefits Charge. I verify that the statement of facts and other information contained therein are true and correct to the best of my knowledge, information, and belief.



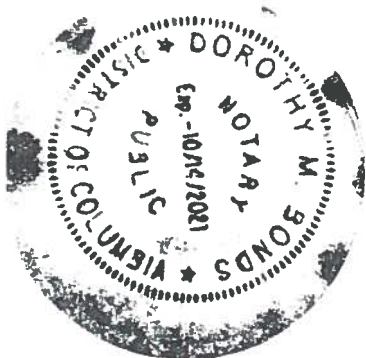
**KEVIN M. McGOWAN**

**WASHINGTON, D.C. ) SS:**

**SWORN TO AND SUBSCRIBED** before me this 31<sup>st</sup> day of January, 2018.



My Commission Expires: 10/14/2021



# Exhibit A

Testimony and Schedules

of

Thomas M. Hahn

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

**IN THE MATTER OF THE PETITION OF ATLANTIC CITY ELECTRIC  
COMPANY TO RECONCILE AND UPDATE THE LEVEL OF ITS NON-  
UTILITY GENERATION CHARGE AND ITS SOCIETAL BENEFITS  
CHARGE (2018)**

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

**February 5, 2018**

**TESTIMONY OF**

**Thomas M. Hahn**

**ON BEHALF OF  
ATLANTIC CITY ELECTRIC COMPANY**

1 **Q. Please state your name and position.**

2 **A.** My name is Thomas M. Hahn. I am a Principal Rate Analyst in the  
3 Regulatory Compliance Pricing Department of Pepco Holdings LLC (“PHI”), an  
4 indirect, wholly owned subsidiary of Exelon Corporation (“Exelon”). I am  
5 testifying on behalf of Atlantic City Electric Company (“ACE” or the  
6 “Company”).

7 **Q. What is your educational and professional background?**

8 **A.** I possess a Bachelor of Science degree in Business Administration with a  
9 specialization in Accounting from Rowan College of New Jersey. I am also a  
10 Certified Public Accountant licensed in the State of New Jersey.

11 **Q. Please describe and summarize your employment experience in the utility  
12 industry.**

13 **A.** I joined PHI in 2005 as a Senior Accountant in the Revenue Accounting  
14 Department. Since that time, I have held positions as Accounting Coordinator,  
15 Revenue Accounting Supervisor, and Senior Account Manager – Supplier  
16 Relations. In September 2012, I transferred into the Regulatory Compliance  
17 Pricing Department in the position of Regulatory Affairs Lead. In June 2014, I  
18 was promoted to Senior Regulatory Affairs Coordinator. As a result of the merger  
19 of Exelon and PHI, my title was changed to my current position of Principal Rate  
20 Analyst.

21 **Q. What is the purpose of your testimony?**

22 **A.** The purpose of my testimony is to describe the Company's proposed  
23 changes to the levels of the (i) Non-Utility Generation Charge (“NGC”); and (ii)



1 the two components of the Societal Benefits Charge (“SBC”). The SBC  
2 components to be adjusted include the Clean Energy Program (“CEP”) and the  
3 Uncollectible Accounts Charges (“UNC”). If approved by the Board of Public  
4 Utilities (the “Board” or “BPU”) as proposed in my testimony and in the Petition  
5 of which this testimony is a part, these changes will result in an annual decrease in  
6 customer rates of approximately \$18.952 million.

7 **Q. Please provide a summary of the NGC.**

8 **A.** The current NGC rate was put into effect on a provisional basis, effective  
9 June 1, 2017, pursuant to an Order issued by the Board dated May 31, 2017 in  
10 BPU Docket No. ER17020091 (the “May 31, 2017 Order”). The NGC is  
11 designed to recover the above-market payments made pursuant to BPU approved  
12 Purchase Power Agreements (“PPAs”) with Non-Utility Generators (“NUGs”)  
13 (i.e., the PPA payments less the revenue received from the sale of the NUG  
14 energy and capacity into the PJM market). The current NGC rate was made final  
15 by BPU Order, in the aforementioned Docket, dated November 21, 2017 (the  
16 “November 21, 2017 Order”), which approved a Stipulation of Settlement that  
17 was entered into by and among the Company, Board Staff, and the Division of  
18 Rate Counsel (“Rate Counsel”) (collectively, the “Parties”).

19 **Q. Please provide a summary of the mechanism approved in BPU Docket No.**  
20 **ER17020091 for updating the NGC and SBC rates.**

21 **A.** The rates that were put in to effect pursuant to the aforementioned Orders  
22 of the Board in BPU Docket No. ER17020091 included forecasted costs for the  
23 NGC, CEP, and UNC components for the period of April 1, 2017 through May

1 31, 2018. These rates also included the then projected net under-recovered  
2 balances for the NGC, CEP, and UNC components as of March 31, 2017. As part  
3 of the Board's aforementioned Orders, ACE was also required to submit to the  
4 Board, Board Staff, and Rate Counsel quarterly reports showing the actual NGC  
5 and SBC deferred balances, a forecast of the deferred balances as of March 31,  
6 2018, a variance analysis, including a narrative description, of the monthly  
7 projected versus actual updated deferred balances, and an update regarding  
8 opportunities to mitigate costs of the NUG contracts.<sup>1</sup> To the extent that the  
9 forecast at March 31, 2018 shows an under- or over-recovered deferred balance of  
10 more than \$50 million, the Company agreed that it would file a petition to update  
11 the NGC and SBC with an effective date prior to June 1, 2018. The Parties also  
12 agreed that the Company's next NGC/SBC update/reconciliation Petition would  
13 be filed with the Board no later than February 1, 2018, with a proposed effective  
14 date of June 1, 2018.

15 **Q. Please explain if the Company's approach in this filing is consistent with the**  
16 **terms of the Stipulation of Settlement and the revised mechanism for**  
17 **reconciling historical NGC/SBC costs as approved in the November 21, 2017**  
18 **Order.**

19 **A.** Yes, the Company's approach is consistent with the requirements of the  
20 November 21, 2017 Order. ACE has continued to monitor the forecasted deferred  
21 balances and has kept the Board, Board Staff, and Rate Counsel (i) advised of the  
22 status of the balances; (ii) provided a variance analysis of actual data to that

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<sup>1</sup> The most recent quarterly report with actual data through December 31, 2017 will be submitted to the Board on or around January 31, 2018.

1 forecasted for the NGC and SBC in its quarterly reports; and (iii) provided written  
2 updates regarding possible opportunities for mitigation of the costs of the NUG  
3 contracts. The filing of this Petition also complies with the November 21, 2017  
4 Order that ACE's annual update/reconciliation Petition be filed with the Board at  
5 least 120 days prior to the proposed effective date – in this case, June 1, 2018.

6 **Q. What specific modifications is the Company proposing to the NGC rate?**

7 **A.** The Company is proposing to reset the NGC for the period June 1, 2018  
8 through May 31, 2019 based upon current forecasts of revenues and expenses, as  
9 well as sales projections for the period of April 1, 2018 through March 31, 2019.  
10 The detailed rate design for the NGC is provided in Schedule TMH-1, page 1 of  
11 2. The proposed rate is designed to recover forecasted above-market NUG costs  
12 of \$93.352 million for the period of April 1, 2018 through March 31, 2019. It will  
13 also return the projected net over-recovered balance of \$1.185 million, which is  
14 the projected under-recovered balance of \$11.197 million at March 31, 2018 less  
15 the projected retail customer revenue in April and May 2018 of \$12.382 million.  
16 Although the reconciliation period is April 2017 through March 2018, the rate  
17 period for collection of those costs was set for June 2017 through May 2018. As  
18 a result, the April and May 2018 projected retail revenue is credited against the  
19 projected March 31, 2018 balance resulting in the net balance after the recovery  
20 period. Schedule TMH-1, page 2 of 2, provides the detailed estimate of the NGC  
21 projected deferred balance through March 31, 2018, as well as the projected retail  
22 customer revenue for April and May 2018. The projected net over-recovered  
23 deferred balance of \$1.185 million, subject to a true-up, is currently based on

1 actual data through December 31, 2017, and projected data for the period of  
2 January 1, 2018 through May 31, 2018. The total forecasted recovery for this  
3 period is \$92.166 million, which is a decrease of approximately 0.5% from last  
4 year's total forecasted recovery of \$92.611 million.

5 **Q. Please describe the primary drivers which result in a decrease to the**  
6 **forecasted recovery in the NGC.**

7 **A.** The primary drivers of the decrease in the forecasted recovery of the NGC  
8 are (i) the swing in the NGC balance from a projected **under-recovered** position  
9 of \$1.288 million at April 1, 2017 to a projected **over-recovered** position of  
10 \$1.185 million at May 31, 2018, offset by (ii) the increase of \$2.028 million in  
11 projected above market costs as compared to the projected 2017 above market  
12 costs. The swing in the NGC balance from a projected **under-recovered** position  
13 of \$1.288 million at April 1, 2017 to a projected **over-recovered** position of  
14 \$1.185 million at May 31, 2018 is primarily driven by the following. Pursuant to  
15 the Stipulation of the Parties -- which was approved by the November 21, 2017  
16 Order -- rates effective June 1, 2017 were set in a manner designed to fully  
17 recover the \$1.288 million to ratepayers, and thereby reduce the deferred balance  
18 to \$0 at June 1, 2018. Based on the timing of revenues and expenses during that  
19 rate recovery period, it was projected that the balance at March 31, 2018 would be  
20 an approximate under-recovery of \$12.777 million. Currently, with actuals  
21 through December 31, 2017 and projections through March 31, 2018, that under-  
22 recovery balance is now at \$11.197 million, a decrease of approximately \$1.580  
23 million. This decrease in the under-recovery was primarily driven by actual PJM

1 Market Based Revenue greater than forecasted. The \$2.028 million increase in  
2 projected above market costs is primarily driven by the previous filings transition  
3 from a June 1 to May 31 reconciliation period to an April 1 to March 31  
4 reconciliation period. Since rates approved in the November 30, 2016 Order were  
5 designed to recover costs through May 31, 2017, there were two months in the  
6 transition period of April 2017 – March 2018, where revenue was collected from  
7 ratepayers and applied to those costs (April and May 2017). The projected April  
8 and May 2017 revenue included in the previous filing was \$18.616 million. This  
9 current filing would not have that same revenue applied since costs for April and  
10 May 2018 were not included in the previous filings forecasted costs. The 18.616  
11 million was offset by a decrease of \$16.588 million in the projected 2018 above  
12 market costs, excluding the transition revenue described above, as compared to  
13 the projected 2017 above market costs resulting in a net \$2.028 million increase.

14 **Q. Please explain the basis for the proposed Most Favored Nations (“MFN”)**  
15 **rate credit balance recovery identified in Schedule TMH-1, page 2 of 2, line 9**  
16 **and 10, Col. 6a.**

17 **A.** As set forth in the Board’s Order dated October 31, 2016 captioned “In the  
18 Matter of the Merger of Exelon Corporation and Pepco Holdings, Inc.” (“the  
19 MFN Order”) the Company agreed to create a Rate Credit Offset Account  
20 (“RCOA”) in the amount of \$22,001,538 (the “Rate Credit”) to offset the increase  
21 in bases rates authorized by the Board in BPU Docket No. 16030252. In  
22 compliance with the MFN Order, the Company provides monthly reports to the  
23 Board and Parties on the status of the utilization of the RCOA until the full

1 amount of the Rate Credit has been fully utilized. As of December 31, 2017, the  
2 Company has credited to customers \$22,301,113. Therefore, as of December 31,  
3 2017, the Company has over credited customers \$299,575. The Company is  
4 proposing to recover this over credited amount as part of this current NGC filing.  
5 This over-credited amount will not be subject to interest and is reflected as such in  
6 the aforementioned Schedule. This over credit amount is subject to further  
7 adjustments for customer billings that were not included as part of the December  
8 31, 2017 reconciliation, which adjustments will be provided as part of the  
9 Company's update submittals related to this filing. This amount is projected to be  
10 approximately \$2.0 million dollars and is reflected in the aforementioned  
11 Schedule.

12 **Q. Please detail the proposed change to the CEP component of the SBC.**

13 **A.** The CEP is designed to recover costs related to the Company's New  
14 Jersey Clean Energy Program obligations. The current CEP rate was put into  
15 effect on a provisional basis on June 1, 2017, pursuant to the May 31, 2017 Order.  
16 The CEP rate was made final pursuant to the November 21, 2017 Order. In the  
17 instant filing, the Company is proposing to reset the CEP charge to reflect the  
18 projected deferred balance as of March 31, 2018, and forecasted costs for the  
19 period April 1, 2018 through March 31, 2019, based on the projected funding  
20 levels approved by the Board on June 30, 2017 for fiscal year 2018 (July 2017 –  
21 June 2018) in BPU Docket No. QO17050464. The funding levels for January 1,  
22 2018 to June 30, 2018, as provided in the aforementioned Board Order, have been  
23 used for projections in the filing for those periods. In addition, monthly

1 expenditures from the fiscal year 2018 projected funding levels as found in the  
2 approved Order were used to develop the monthly expenditures for the period  
3 from July 2018 to March 2019, as the Board will not have issued funding levels  
4 for time periods after June 2018 as of the date of this filing. The detailed rate  
5 design is provided in Schedule TMH-2, page 1 of 2, and includes \$29.389 million  
6 of projected expenses for the period April 1, 2018 to March 31, 2019. Schedule  
7 TMH-2, page 2 of 2, provides an estimate of the net over-recovered CEP deferred  
8 balance of \$1.216 million, which is the projected under-recovered balance of  
9 \$2.485 million at March 31, 2018 less the projected retail customer revenue in  
10 April and May 2018 of \$3.701 million. Although the reconciliation period is  
11 April 2017 through March 2018, the rate period for collection of those costs was  
12 set for June 2017 through May 2018. As a result, the April and May 2018  
13 projected retail revenue is credited against the projected March 2018 balance  
14 resulting in the net balance after the recovery period. The total forecasted  
15 recovery for this period is \$28.173 million.

16 **Q. Please detail the proposed change to the UNC component of the SBC.**

17 **A.** The current UNC rate was put into effect on a provisional basis on June 1,  
18 2017, pursuant to the May 31, 2017 Order and was made final pursuant to the  
19 November 21, 2017 Order. The Company is proposing to reset the UNC for the  
20 period June 1, 2018 through May 31, 2019. The detailed rate design for the UNC  
21 is provided in Schedule TMH-3, page 1 of 3. The proposed rate is designed to  
22 recover forecasted uncollectible expense for the period of April 1, 2018 through  
23 March 31, 2019, totaling \$15.413 million. It will also return the net projected

1 over-recovered balance of \$7.311 million, which is the projected over-recovered  
2 balance of \$3.557 million at March 31, 2018 plus the projected retail customer  
3 revenue in April and May 2018 of \$3.754 million. Although the reconciliation  
4 period is April 2017 through March 2018, the rate period for collection of those  
5 costs was set for June 2017 through May 2018. As a result, the April and May  
6 2018 projected retail revenue is credited against the projected March 2018  
7 balance resulting in the net balance after the recovery period. Schedule TMH-3,  
8 page 2 of 3, provides the detailed estimate of the UNC deferred balance through  
9 March 31, 2018, as well as the projected retail customer revenue for April and  
10 May 2018. The projected net over-recovered deferred balance of \$7.311 million,  
11 subject to a true-up, is currently based on actual data through December 31, 2017,  
12 and projected data for the period of January 1, 2018 through May 31, 2018. The  
13 total forecasted amount to be recovered during the period is \$8.102 million.

14 **Q. Please describe the primary driver for the decrease to the forecasted**  
15 **recovery in the UNC component of the SBC.**

16 **A.** The primary driver of the decrease in the forecasted recovery of the UNC  
17 component of the SBC is the swing in the UNC balance from a projected **under-**  
18 **recovered** position of \$10.629 million at April 1, 2017 to a projected **over-**  
19 **recovered** position of \$7.311 million at May 31, 2018. Pursuant to the  
20 Stipulation of the Parties -- which was approved by the November 21, 2017 Order  
21 -- rates effective June 1, 2017 were set in a manner designed to fully recover the  
22 \$10.629 million to ratepayers, and thereby reduce the deferred balance to \$0 at  
23 June 1, 2018. Based on the timing of revenues and expenses during that rate



1 recovery period, it was projected that the balance at March 31, 2018 would be an  
2 approximate under-recovery of \$3.875 million. Currently, with actuals through  
3 December 31, 2017 and projections through March 31, 2018, that balance is now  
4 an over-recovery of \$3.557 million, a decrease of approximately \$7.432 million.  
5 This decrease was primarily driven by actual uncollectible expenses lower than  
6 forecasted.

7 **Q. What is the overall impact of the rate changes being proposed in this filing?**

8 **A.** The net impact of adjusting the NGC, CEP, and UNC rate(s), including  
9 associated changes in Sales and Use Tax, is an overall annual decrease in rates  
10 and charges of approximately \$18.952 million. This amount includes the return  
11 of the NGC, CEP, and UNC net deferred balances at May 31, 2018, and the  
12 going-forward recovery of all components for the period April 1, 2018 through  
13 March 31, 2019. This is summarized on Schedule TMH-4, page 1 of 4.

14 For an average residential customer using approximately 716 kWh per  
15 month, this represents a decrease of approximately \$1.56 or 1.13% on a total  
16 monthly bill as shown in Schedule TMH-4, page 4 of 4. Schedule TMH-4, pages  
17 2 of 4 through 4 of 4, provide(s) a calculation of the residential bill impact by  
18 season and annually.

19 **Q. Are there any other attachments to your testimony?**

20 **A.** Yes. Schedule TMH-5 and Schedule TMH-6 provide proposed Tariff  
21 Sheet revisions in redline and clean versions, respectively.

22 **Q. Does this conclude your testimony?**

23 **A.** Yes, it does.

# Schedule TMH-1

Line	Table 1	Forecasted NUG Costs							
		Apr 18	May 18	Jun-18	Jul-18	Aug-18	Sep-18		
5	NGC Costs	\$ 12,148,645	\$ 12,977,939	\$ 13,116,039	\$ 14,105,468	\$ 13,432,610	\$ 13,541,955		
6	Market -Based Revenue (\$000)	\$ 3,332,864	\$ 4,256,994	\$ 5,783,980	\$ 7,008,031	\$ 6,474,098	\$ 5,636,085		
7	Above Market NUG Costs (\$000)	\$ 8,815,781	\$ 8,720,945	\$ 7,332,059	\$ 7,097,438	\$ 6,958,511	\$ 7,905,871		
		Oct-18	Nov-18	Dec-18	Jan-19	Feb-19	Mar-19	Apr-18 to Mar-19	
11	NGC Costs	\$ 12,233,448	\$ 11,422,479	\$ 13,383,818	\$ 14,626,101	\$ 13,052,642	\$ 16,675,305	\$ 160,716,449	
12	Market -Based Revenue (\$000)	\$ 4,870,871	\$ 4,626,427	\$ 5,883,253	\$ 7,938,581	\$ 5,200,244	\$ 6,353,282	\$ 67,364,710	
13	Above Market NUG Costs (\$000)	\$ 7,362,577	\$ 6,796,051	\$ 7,500,565	\$ 6,687,520	\$ 7,852,398	\$ 10,322,023	\$ 93,351,739	
16	Projected Contract Cost (\$000)			\$ 160,716,449	= Line 5 + Line 11				
17	Forecasted Market -Based Revenue (\$000)			\$ 67,364,710	= Line 6 + Line 12				
18	Forecasted Above Market NUG Costs (\$000)			\$ 93,351,739	= Line 16 - Line 17				
20	Projected (Over)/Under Recovered Balance At April 1, 2018			\$ 11,197,066	Schedule TMH-1 Page 2 Col 8 Line 15				
21	Projected Retail NGC Revenue - Apr. & May 2018			\$ (12,382,413)	Schedule TMH-1 Page 2 Col 8 Line 16				
22	Net Projected (Over)/Under Recovered Balance			\$ (1,185,347)	= Line 20 + Line 21				
24	Total Period NGC Costs			\$ 92,166,391	Line 18 + Line 22				

Line	Table 2	NGC Rate with Voltage Level Loss Adjustment									
		Col. 1	Col. 2	Col. 3	Col. 4	Col. 5	Col. 6	Col. 7	Col. 8	Col. 9	
					= Col. 3 Lines 36 - 43 / Col. 3 Line 44	= Col. 4 x Sum (Lines 18 + 22)	= Col. 5 / Col. 2	= Col. 6 x ((1/(1-0.00286))-1) BPU Assessment	= Col. 6 + Col. 7	= Col. 8 x 1.06625	
		Loss Factor	Sales @ Customer (kWh)	Sales @ Bulk System - Including Losses	Allocation Factor	Allocated Revenue Requirements	NGC Rate (\$/kWh)	(\$/kWh)	Final NGC Rate (\$/kWh)	Final NGC Rate w/ SUT(\$/kWh)	
27	Voltage Level										
28	Secondary (120 - 480 Volts)	1.07149									
29	Primary (4,000 & 12,000 Volts)	1.04345									
30	Subtransmission (23,000 & 34,500 Volts)	1.03160									
31	Transmission (69,000 Volts)	1.02150									
36	RS	1.07149	4,059,095,046	4,349,279,751	0.4687	\$ 43,194,112	\$ 0.010641	\$ 0.000031	\$ 0.010672	\$ 0.011379	
37	MGS Secondary	1.07149	1,208,290,228	1,294,670,896	0.1395	\$ 12,857,798	\$ 0.010641	\$ 0.000031	\$ 0.010672	\$ 0.011379	
38	MGS Primary	1.04345	30,079,842	31,386,811	0.0034	\$ 311,713	\$ 0.010363	\$ 0.000030	\$ 0.010393	\$ 0.011081	
39	AGS Secondary	1.07149	1,873,810,489	2,007,769,201	0.2163	\$ 19,939,809	\$ 0.010641	\$ 0.000031	\$ 0.010672	\$ 0.011379	
40	AGS Primary	1.04345	576,381,592	601,425,372	0.0648	\$ 5,972,951	\$ 0.010363	\$ 0.000030	\$ 0.010393	\$ 0.011081	
41	TGS	1.02150	888,340,177	907,439,491	0.0978	\$ 9,012,077	\$ 0.010145	\$ 0.000029	\$ 0.010174	\$ 0.010848	
42	SPL/CSL	1.07149	69,443,692	74,408,222	0.0080	\$ 738,972	\$ 0.010641	\$ 0.000031	\$ 0.010672	\$ 0.011379	
43	DDC	1.07149	13,058,581	13,992,139	0.0015	\$ 138,960	\$ 0.010641	\$ 0.000031	\$ 0.010672	\$ 0.011379	
44	Total		8,718,499,648	9,280,371,884	1.0000	\$ 92,166,391					

Atlantic City Electric Company  
 Summary of Non Utility Generation (NGC) Deferral  
 Rates Effective For Period June 2018 - May 2019  
 Updated for Actuals through December 2017

Col. 1	Col. 2	Col. 3	Col. 4	Col. 5	Col. 6	Col. 6a	Col. 7	Col. 8	Col. 8a	Col. 9	Col. 10	Col. 11	Col. 12	Col. 13
Line No.	Month	Retail NGC Revenues	PJM Interchange Revenues	Expenses	MFN Rate Credit Balance Transfer Rev=+ Exp=-	Deferral	Pre-Tax Cumulative Deferral	Pre-Tax Adjustments for Interest Basis	Interest Rollover	After-Tax Cumulative Deferral	After-Tax Average Monthly Balance	Annual Interest Rate	Interest	
1	Actual	Apr-17	\$ 9,197,243	\$ 3,528,685	\$ 11,916,010	\$ 809,917	\$ (469,520)	\$ -	\$ -	\$ (277,721)	\$ (517,254)	0.60%	\$ (259)	
2	Actual	May-17	\$ 8,587,260	\$ 4,203,456	\$ 12,593,225	\$ 197,491	\$ (272,029)	\$ -	\$ -	\$ (160,905)	\$ (219,313)	1.14%	\$ (208)	
3	Actual	Jun-17	\$ 9,413,158	\$ 4,346,472	\$ 13,339,200	\$ 420,430	\$ 148,401	\$ -	\$ -	\$ 87,779	\$ (36,563)	1.32%	\$ (40)	
4	Actual	Jul-17	\$ 9,711,650	\$ 5,506,142	\$ 14,203,148	\$ 1,014,645	\$ 1,163,046	\$ -	\$ -	\$ 687,942	\$ 387,861	1.41%	\$ 456	
5	Actual	Aug-17	\$ 10,000,390	\$ 4,569,691	\$ 13,590,773	\$ 979,308	\$ 2,133,861	\$ -	\$ (8,493)	\$ 1,262,179	\$ 975,060	1.40%	\$ 1,140	
6	Actual	Sep-17	\$ 9,001,699	\$ 4,594,445	\$ 14,054,097	\$ (457,952)	\$ 1,675,909	\$ -	\$ -	\$ 991,300	\$ 1,126,740	1.43%	\$ 1,340	
7	Actual	Oct-17	\$ 7,045,946	\$ 4,106,207	\$ 13,442,983	\$ (2,290,830)	\$ (614,921)	\$ -	\$ -	\$ (363,726)	\$ 313,787	1.42%	\$ 370	
8	Actual	Nov-17	\$ 6,463,017	\$ 3,897,748	\$ 12,441,490	\$ (2,080,725)	\$ (2,695,646)	\$ -	\$ -	\$ (1,594,475)	\$ (979,100)	1.40%	\$ (1,141)	
9	Actual	Dec-17	\$ 6,620,133	\$ 7,558,440	\$ 13,823,454	\$ (299,575)	\$ 55,544	\$ (2,640,102)	\$ 299,575	\$ (1,384,422)	\$ (1,489,448)	1.70%	\$ (2,114)	
10	Projected	Jan-18	\$ 7,839,403	\$ 6,483,439	\$ 14,487,685	\$ (2,000,000)	\$ (2,164,842)	\$ (4,804,945)	\$ 2,299,575	\$ (1,801,110)	\$ (1,592,766)	1.70%	\$ (2,261)	
11	Projected	Feb-18	\$ 7,488,153	\$ 3,885,922	\$ 12,912,376	\$ -	\$ (1,538,301)	\$ (6,343,246)	\$ 2,299,575	\$ (2,906,995)	\$ (2,354,052)	1.70%	\$ (3,342)	
12	Projected	Mar-18	\$ 6,797,535	\$ 4,898,141	\$ 16,536,889	\$ -	\$ (4,841,213)	\$ (11,184,459)	\$ 2,299,575	\$ (6,387,343)	\$ (4,647,169)	1.70%	\$ (6,597)	
13														
14								\$ (12,607)					\$ (12,607)	
15								\$ (11,197,066)						
16								\$ 12,382,413						
17								\$ 1,185,347						

# Schedule TMH-2

Line No.	<b>Table 1 Projected Comprehensive Resource Analysis Program Expenditures April 2018 - March 2019</b>		
	<u>Month</u>	<u>Projected Expenditure</u>	
1			
2			
3			
4			
5	Apr-18	\$ 2,257,759	
6	May-18	\$ 1,678,065	
7	Jun-18	\$ 2,299,543	
8	Jul-18	\$ 3,040,041	<b>Projected based on NJBPU QO17050464 Order dated 6/30/2017 FY2018 Annual Expenditures</b>
9	Aug-18	\$ 3,298,481	
10	Sep-18	\$ 2,979,085	
11	Oct-18	\$ 2,296,518	
12	Nov-18	\$ 2,009,276	
13	Dec-18	\$ 2,230,712	
14	Jan-19	\$ 2,385,728	
15	Feb-19	\$ 2,663,775	
16	Mar-19	\$ 2,250,410	
17			
18	Total	<u>\$ 29,389,392</u>	

Line No.	<b>Table 2 Clean Energy Program Funding Rate Design June 2018 - May 2019</b>		
23	Total Period Expenditures	\$ 29,389,392	=Line 18
24	Projected (Over)/Under Recovered Balance At April 1, 2018	\$ 2,484,829	Schedule TMH-2, Page 2, Col. 7 Row 15
25	Projected Retail CE Revenue - Apr. & May 2018	\$ (3,700,953)	Schedule TMH-2, Page 2, Col. 7 Row 16
26	Total Clean Energy Program Recovery	\$ 28,173,268	=Line 23 + Line 24 + Line 25
27	Projected Delivered Sales June 2018 - May 2019	8,718,499,648	
28	Clean Energy Program Funding Rate (\$/kWh)	\$ 0.003231	
29	BPU Assessment	\$ 0.000009	
30	Rate without SUT (\$/kWh)	\$ 0.003241	
31	Rate Including SUT (\$/kWh)	\$ 0.003455	

Line No.	Col. 1	Col. 2	Col. 3	Col. 4	Col. 5	Col. 6	Col. 7	Col. 8	Col. 9	Col. 10	Col. 11	Col. 12
	Month	Revenues	Expenses	Deferral	Pre-Tax Deferral Cumulative	Interest Rollover	After-Tax Deferral Cumulative	After-Tax Average Monthly Balance	Annual Interest Rate	Interest		
1	Actual	Apr-17	\$ 2,257,984	\$ 2,131,606	\$ 126,378	\$ (359,746)	\$ (212,790)	\$ (250,166)	0.60%	\$ (125)		
2	Actual	May-17	\$ 2,103,535	\$ 2,288,881	\$ (185,346)	\$ (545,092)	\$ (322,422)	\$ (267,606)	1.14%	\$ (254)		
3	Actual	Jun-17	\$ 2,460,143	\$ 2,567,407	\$ (107,264)	\$ (652,356)	\$ (385,869)	\$ (354,145)	1.32%	\$ (389)		
4	Actual	Jul-17	\$ 2,921,982	\$ 3,040,898	\$ (118,916)	\$ (771,272)	\$ (456,207)	\$ (421,038)	1.41%	\$ (495)		
5	Actual	Aug-17	\$ 3,012,232	\$ 3,306,639	\$ (294,407)	\$ (1,066,803)	\$ (631,014)	\$ (543,611)	1.40%	\$ (635)		
6	Actual	Sep-17	\$ 2,713,838	\$ 2,920,420	\$ (206,583)	\$ (1,273,385)	\$ (753,207)	\$ (692,111)	1.43%	\$ (823)		
7	Actual	Oct-17	\$ 2,131,227	\$ 2,368,032	\$ (236,805)	\$ (1,510,190)	\$ (893,277)	\$ (823,242)	1.42%	\$ (971)		
8	Actual	Nov-17	\$ 1,954,654	\$ 1,989,432	\$ (34,778)	\$ (1,544,968)	\$ (913,849)	\$ (903,563)	1.40%	\$ (1,053)		
9	Actual	Dec-17	\$ 2,004,274	\$ 2,245,213	\$ (240,938)	\$ (1,785,906)	\$ (1,056,364)	\$ (985,106)	1.70%	\$ (1,398)		
10	Projected	Jan-18	\$ 2,342,550	\$ 2,385,728	\$ (43,178)	\$ (1,829,084)	\$ (1,314,929)	\$ (1,185,646)	1.70%	\$ (1,683)		
11	Projected	Feb-18	\$ 2,238,677	\$ 2,663,775	\$ (425,097)	\$ (2,254,182)	\$ (1,620,531)	\$ (1,467,730)	1.70%	\$ (2,084)		
12	Projected	Mar-18	\$ 2,030,824	\$ 2,250,410	\$ (219,586)	\$ (2,473,768)	\$ (1,778,392)	\$ (1,699,461)	1.70%	\$ (2,413)		
13												
14							\$ (11,061)				\$ (11,061)	
15							\$ (2,484,829)					
16							\$ 3,700,953					
17							\$ 1,216,124					

# Schedule TMH-3



Line No.			
1	Projected Uncollectible Expense (April 2018 - March 2019)	\$ 15,413,384	Schedule TMH-3, Page 3 Line 15
2			
3	Projected (Over)/Under Recovered Balance At April 1, 2018	\$ (3,556,975)	Schedule TMH-3 Page 2, Column 7 Line 15
4	Projected Retail UNC Revenue - Apr. & May 2018	\$ (3,753,976)	Schedule TMH-3 Page 2, Column 7 Line 16
5	Net Projected (Over)/Under Recovered Balance	\$ (7,310,951)	= Line 3 + Line 4
6			
7	Total Uncollectible Recovery	\$ 8,102,433	Line 1 + Line 5
8			
9	Projected Delivered Sales June 2018 - May 2019	8,718,499,648	
10	Uncollectible Rate (\$/kWh)	\$ 0.000929	
11	BPU/RPA Revenue Assessment	\$ 0.000003	
12	Final Uncollectible Rate (\$/kWh)	\$ 0.000932	
13	Final Uncollectible Rate including SUT (\$/kWh)	\$ 0.000994	



**Atlantic City Electric Company**  
Uncollectible Charge Rate Design  
Rates Effective For Period June 2018 - May 2019  
Updated for Actuals through December 2017

Forecasted Uncollectible Expense

Line No.	Month	Uncollectible Expense
1		
2	Apr-18 \$	147,350
3	May-18 \$	(4,367,356)
4	Jun-18 \$	3,143,265
5	Jul-18 \$	9,000,232
6	Aug-18 \$	1,807,921
7	Sep-18 \$	2,148,920
8	Oct-18 \$	(4,521,623)
9	Nov-18 \$	(1,664,898)
10	Dec-18 \$	4,656,461
11	Jan-19 \$	3,793,857
12	Feb-19 \$	2,245,074
13	Mar-19 \$	(975,817)
14		
15	Total Period	<u>\$15,413,384</u>

# Schedule TMH-4

Rate Class	Annualized Sales @ Customer (kWh)	Present Rates (Effective Date: Jan. 1, 2018)			Proposed Rates			Overall Rate Change	Annualized Overall Revenue			Annualized Overall Revenue Change
		NGC	Clean Energy	Uncollectible	NGC	Clean Energy	Uncollectible		NGC	Clean Energy	Uncollectible	
RS	4,059,095,046	\$ 0.011265	\$ 0.003344	\$ 0.003392	\$ 0.011379	\$ 0.003455	\$ 0.000994	\$ (0.002173)	\$ 462,737	\$ 450,560	\$ (9,733,710)	\$ (8,820,414)
MGS Secondary	1,208,290,228	\$ 0.011265	\$ 0.003344	\$ 0.003392	\$ 0.011379	\$ 0.003455	\$ 0.000994	\$ (0.002173)	\$ 137,745	\$ 134,120	\$ (2,897,480)	\$ (2,625,615)
MGS Primary	30,079,842	\$ 0.010970	\$ 0.003344	\$ 0.003392	\$ 0.011081	\$ 0.003455	\$ 0.000994	\$ (0.002176)	\$ 3,339	\$ 3,339	\$ (72,131)	\$ (65,454)
AGS Secondary	1,873,810,489	\$ 0.011265	\$ 0.003344	\$ 0.003392	\$ 0.011379	\$ 0.003455	\$ 0.000994	\$ (0.002173)	\$ 213,614	\$ 207,993	\$ (4,493,398)	\$ (4,071,790)
AGS Primary	576,381,592	\$ 0.010970	\$ 0.003344	\$ 0.003392	\$ 0.011081	\$ 0.003455	\$ 0.000994	\$ (0.002176)	\$ 63,978	\$ 63,978	\$ (1,382,163)	\$ (1,254,206)
TGS	888,340,177	\$ 0.010740	\$ 0.003344	\$ 0.003392	\$ 0.010848	\$ 0.003455	\$ 0.000994	\$ (0.002179)	\$ 95,941	\$ 98,606	\$ (2,130,240)	\$ (1,935,693)
SPL/CSL	69,443,692	\$ 0.011265	\$ 0.003344	\$ 0.003392	\$ 0.011379	\$ 0.003455	\$ 0.000994	\$ (0.002173)	\$ 7,917	\$ 7,708	\$ (166,526)	\$ (150,901)
DDC	13,058,581	\$ 0.011265	\$ 0.003344	\$ 0.003392	\$ 0.011379	\$ 0.003455	\$ 0.000994	\$ (0.002173)	\$ 1,489	\$ 1,450	\$ (31,314)	\$ (28,376)
Total	8,718,499,648								\$ 986,760	\$ 967,753	\$ (20,906,962)	\$ (18,952,449)

**ATLANTIC CITY ELECTRIC COMPANY  
RESIDENTIAL SERVICE ("RS")  
8 WINTER MONTHS (October Through May)**

**Present Rates  
vs.  
Proposed Rates with NGC/SBC Adjustments Effective June 01, 2018**

Monthly Usage (kWh)	Present Delivery	Present Supply+T	Present Total	New Delivery	New Supply+T	New Total	Difference		Total Difference	(%)
	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	Delivery (\$)	Supply+T (\$)	(\$)	
0	\$ 4.99	\$ -	\$ 4.99	\$ 4.99	\$ -	\$ 4.99	\$ -	\$ -	\$ -	0.00%
25	\$ 7.04	\$ 2.62	\$ 9.66	\$ 6.99	\$ 2.62	\$ 9.61	\$ (0.05)	\$ -	\$ (0.05)	-0.52%
50	\$ 9.09	\$ 5.25	\$ 14.34	\$ 8.99	\$ 5.25	\$ 14.24	\$ (0.10)	\$ -	\$ (0.10)	-0.70%
75	\$ 11.15	\$ 7.87	\$ 19.02	\$ 10.98	\$ 7.87	\$ 18.85	\$ (0.17)	\$ -	\$ (0.17)	-0.89%
100	\$ 13.20	\$ 10.50	\$ 23.70	\$ 12.98	\$ 10.50	\$ 23.48	\$ (0.22)	\$ -	\$ (0.22)	-0.93%
150	\$ 17.30	\$ 15.75	\$ 33.05	\$ 16.98	\$ 15.75	\$ 32.73	\$ (0.32)	\$ -	\$ (0.32)	-0.97%
200	\$ 21.41	\$ 21.00	\$ 42.41	\$ 20.97	\$ 21.00	\$ 41.97	\$ (0.44)	\$ -	\$ (0.44)	-1.04%
250	\$ 25.51	\$ 26.25	\$ 51.76	\$ 24.97	\$ 26.25	\$ 51.22	\$ (0.54)	\$ -	\$ (0.54)	-1.04%
300	\$ 29.61	\$ 31.50	\$ 61.11	\$ 28.96	\$ 31.50	\$ 60.46	\$ (0.65)	\$ -	\$ (0.65)	-1.06%
350	\$ 33.72	\$ 36.75	\$ 70.47	\$ 32.96	\$ 36.75	\$ 69.71	\$ (0.76)	\$ -	\$ (0.76)	-1.08%
400	\$ 37.82	\$ 41.99	\$ 79.81	\$ 36.95	\$ 41.99	\$ 78.94	\$ (0.87)	\$ -	\$ (0.87)	-1.09%
450	\$ 41.93	\$ 47.24	\$ 89.17	\$ 40.95	\$ 47.24	\$ 88.19	\$ (0.98)	\$ -	\$ (0.98)	-1.10%
500	\$ 46.03	\$ 52.49	\$ 98.52	\$ 44.94	\$ 52.49	\$ 97.43	\$ (1.09)	\$ -	\$ (1.09)	-1.11%
600	\$ 54.24	\$ 62.99	\$ 117.23	\$ 52.94	\$ 62.99	\$ 115.93	\$ (1.30)	\$ -	\$ (1.30)	-1.11%
700	\$ 62.45	\$ 73.49	\$ 135.94	\$ 60.93	\$ 73.49	\$ 134.42	\$ (1.52)	\$ -	\$ (1.52)	-1.12%
<b>716</b>	<b>\$ 63.76</b>	<b>\$ 75.17</b>	<b>\$ 138.93</b>	<b>\$ 62.20</b>	<b>\$ 75.17</b>	<b>\$ 137.37</b>	<b>\$ (1.56)</b>	<b>\$ -</b>	<b>\$ (1.56)</b>	<b>-1.12%</b>
750	\$ 66.55	\$ 78.74	\$ 145.29	\$ 64.92	\$ 78.74	\$ 143.66	\$ (1.63)	\$ -	\$ (1.63)	-1.12%
800	\$ 70.66	\$ 83.99	\$ 154.65	\$ 68.92	\$ 83.99	\$ 152.91	\$ (1.74)	\$ -	\$ (1.74)	-1.13%
900	\$ 78.86	\$ 94.49	\$ 173.35	\$ 76.91	\$ 94.49	\$ 171.40	\$ (1.95)	\$ -	\$ (1.95)	-1.12%
1000	\$ 87.07	\$ 104.99	\$ 192.06	\$ 84.90	\$ 104.99	\$ 189.89	\$ (2.17)	\$ -	\$ (2.17)	-1.13%
1200	\$ 103.49	\$ 125.98	\$ 229.47	\$ 100.88	\$ 125.98	\$ 226.86	\$ (2.61)	\$ -	\$ (2.61)	-1.14%
1500	\$ 128.11	\$ 157.48	\$ 285.59	\$ 124.85	\$ 157.48	\$ 282.33	\$ (3.26)	\$ -	\$ (3.26)	-1.14%
2000	\$ 169.15	\$ 209.97	\$ 379.12	\$ 164.81	\$ 209.97	\$ 374.78	\$ (4.34)	\$ -	\$ (4.34)	-1.14%
2500	\$ 210.20	\$ 262.46	\$ 472.66	\$ 204.76	\$ 262.46	\$ 467.22	\$ (5.44)	\$ -	\$ (5.44)	-1.15%
3000	\$ 251.24	\$ 314.96	\$ 566.20	\$ 244.72	\$ 314.96	\$ 559.68	\$ (6.52)	\$ -	\$ (6.52)	-1.15%
3500	\$ 292.28	\$ 367.45	\$ 659.73	\$ 284.67	\$ 367.45	\$ 652.12	\$ (7.61)	\$ -	\$ (7.61)	-1.15%
4000	\$ 333.32	\$ 419.94	\$ 753.26	\$ 324.63	\$ 419.94	\$ 744.57	\$ (8.69)	\$ -	\$ (8.69)	-1.15%

**ATLANTIC CITY ELECTRIC COMPANY**  
**RESIDENTIAL SERVICE ("RS")**  
**4 SUMMER MONTHS (June Through September)**

**Present Rates**

vs.

**Proposed Rates with NGC/SBC Adjustments Effective June 01, 2018**

Monthly Usage (kWh)	Present Delivery (\$)	Present Supply+T (\$)	Present Total (\$)	New Delivery (\$)	New Supply+T (\$)	New Total (\$)	Difference		Total Difference	
							Delivery (\$)	Supply+T (\$)	(\$)	(%)
0	\$ 4.99	\$ -	\$ 4.99	\$ 4.99	\$ -	\$ 4.99	\$ -	\$ -	\$ -	0.00%
25	\$ 7.15	\$ 2.44	\$ 9.59	\$ 7.10	\$ 2.44	\$ 9.54	\$ (0.05)	\$ -	\$ (0.05)	-0.52%
50	\$ 9.32	\$ 4.89	\$ 14.21	\$ 9.21	\$ 4.89	\$ 14.10	\$ (0.11)	\$ -	\$ (0.11)	-0.77%
75	\$ 11.48	\$ 7.33	\$ 18.81	\$ 11.32	\$ 7.33	\$ 18.65	\$ (0.16)	\$ -	\$ (0.16)	-0.85%
100	\$ 13.64	\$ 9.77	\$ 23.41	\$ 13.42	\$ 9.77	\$ 23.19	\$ (0.22)	\$ -	\$ (0.22)	-0.94%
150	\$ 17.97	\$ 14.66	\$ 32.63	\$ 17.64	\$ 14.66	\$ 32.30	\$ (0.33)	\$ -	\$ (0.33)	-1.01%
200	\$ 22.29	\$ 19.54	\$ 41.83	\$ 21.86	\$ 19.54	\$ 41.40	\$ (0.43)	\$ -	\$ (0.43)	-1.03%
250	\$ 26.62	\$ 24.43	\$ 51.05	\$ 26.08	\$ 24.43	\$ 50.51	\$ (0.54)	\$ -	\$ (0.54)	-1.06%
300	\$ 30.95	\$ 29.31	\$ 60.26	\$ 30.29	\$ 29.31	\$ 59.60	\$ (0.66)	\$ -	\$ (0.66)	-1.10%
350	\$ 35.27	\$ 34.20	\$ 69.47	\$ 34.51	\$ 34.20	\$ 68.71	\$ (0.76)	\$ -	\$ (0.76)	-1.09%
400	\$ 39.60	\$ 39.08	\$ 78.68	\$ 38.73	\$ 39.08	\$ 77.81	\$ (0.87)	\$ -	\$ (0.87)	-1.11%
450	\$ 43.92	\$ 43.97	\$ 87.89	\$ 42.95	\$ 43.97	\$ 86.92	\$ (0.97)	\$ -	\$ (0.97)	-1.10%
500	\$ 48.25	\$ 48.86	\$ 97.11	\$ 47.16	\$ 48.86	\$ 96.02	\$ (1.09)	\$ -	\$ (1.09)	-1.12%
600	\$ 56.90	\$ 58.63	\$ 115.53	\$ 55.60	\$ 58.63	\$ 114.23	\$ (1.30)	\$ -	\$ (1.30)	-1.13%
700	\$ 65.55	\$ 68.40	\$ 133.95	\$ 64.03	\$ 68.40	\$ 132.43	\$ (1.52)	\$ -	\$ (1.52)	-1.13%
<b>716</b>	<b>\$ 66.94</b>	<b>\$ 69.96</b>	<b>\$ 136.90</b>	<b>\$ 65.38</b>	<b>\$ 69.96</b>	<b>\$ 135.34</b>	<b>\$ (1.56)</b>	<b>\$ -</b>	<b>\$ (1.56)</b>	<b>-1.14%</b>
750	\$ 69.88	\$ 73.28	\$ 143.16	\$ 68.25	\$ 73.28	\$ 141.53	\$ (1.63)	\$ -	\$ (1.63)	-1.14%
800	\$ 74.64	\$ 78.66	\$ 153.30	\$ 72.90	\$ 78.66	\$ 151.56	\$ (1.74)	\$ -	\$ (1.74)	-1.14%
900	\$ 84.15	\$ 89.43	\$ 173.58	\$ 82.19	\$ 89.43	\$ 171.62	\$ (1.96)	\$ -	\$ (1.96)	-1.13%
1000	\$ 93.66	\$ 100.19	\$ 193.85	\$ 91.49	\$ 100.19	\$ 191.68	\$ (2.17)	\$ -	\$ (2.17)	-1.12%
1200	\$ 112.68	\$ 121.71	\$ 234.39	\$ 110.07	\$ 121.71	\$ 231.78	\$ (2.61)	\$ -	\$ (2.61)	-1.11%
1500	\$ 141.22	\$ 154.00	\$ 295.22	\$ 137.96	\$ 154.00	\$ 291.96	\$ (3.26)	\$ -	\$ (3.26)	-1.10%
2000	\$ 188.77	\$ 207.80	\$ 396.57	\$ 184.43	\$ 207.80	\$ 392.23	\$ (4.34)	\$ -	\$ (4.34)	-1.09%
2500	\$ 236.33	\$ 261.61	\$ 497.94	\$ 230.90	\$ 261.61	\$ 492.51	\$ (5.43)	\$ -	\$ (5.43)	-1.09%
3000	\$ 283.89	\$ 315.42	\$ 599.31	\$ 277.37	\$ 315.42	\$ 592.79	\$ (6.52)	\$ -	\$ (6.52)	-1.09%
3500	\$ 331.44	\$ 369.23	\$ 700.67	\$ 323.84	\$ 369.23	\$ 693.07	\$ (7.60)	\$ -	\$ (7.60)	-1.08%
4000	\$ 379.00	\$ 423.04	\$ 802.04	\$ 370.31	\$ 423.04	\$ 793.35	\$ (8.69)	\$ -	\$ (8.69)	-1.08%

**ATLANTIC CITY ELECTRIC COMPANY**  
**RESIDENTIAL SERVICE ("RS")**  
**Annual Average**

**Present Rates**

vs.

**Proposed Rates with NGC/SBC Adjustments Effective June 01, 2018**

Monthly Usage (kWh)	Present Delivery (\$)	Present Supply+T (\$)	Present Total (\$)	New Delivery (\$)	New Supply+T (\$)	New Total (\$)	Difference		Total Difference	
							Delivery (\$)	Supply+T (\$)	(\$)	(%)
0	\$ 4.99	\$ -	\$ 4.99	\$ 4.99	\$ -	\$ 4.99	\$ -	\$ -	\$ -	0.00%
25	\$ 7.08	\$ 2.56	\$ 9.64	\$ 7.03	\$ 2.56	\$ 9.59	\$ (0.05)	\$ -	\$ (0.05)	-0.52%
50	\$ 9.17	\$ 5.13	\$ 14.30	\$ 9.06	\$ 5.13	\$ 14.19	\$ (0.11)	\$ -	\$ (0.11)	-0.77%
75	\$ 11.26	\$ 7.69	\$ 18.95	\$ 11.09	\$ 7.69	\$ 18.78	\$ (0.17)	\$ -	\$ (0.17)	-0.90%
100	\$ 13.35	\$ 10.26	\$ 23.61	\$ 13.13	\$ 10.26	\$ 23.39	\$ (0.22)	\$ -	\$ (0.22)	-0.93%
150	\$ 17.52	\$ 15.39	\$ 32.91	\$ 17.20	\$ 15.39	\$ 32.59	\$ (0.32)	\$ -	\$ (0.32)	-0.97%
200	\$ 21.70	\$ 20.51	\$ 42.21	\$ 21.27	\$ 20.51	\$ 41.78	\$ (0.43)	\$ -	\$ (0.43)	-1.02%
250	\$ 25.88	\$ 25.64	\$ 51.52	\$ 25.34	\$ 25.64	\$ 50.98	\$ (0.54)	\$ -	\$ (0.54)	-1.05%
300	\$ 30.06	\$ 30.77	\$ 60.83	\$ 29.40	\$ 30.77	\$ 60.17	\$ (0.66)	\$ -	\$ (0.66)	-1.08%
350	\$ 34.24	\$ 35.90	\$ 70.14	\$ 33.48	\$ 35.90	\$ 69.38	\$ (0.76)	\$ -	\$ (0.76)	-1.08%
400	\$ 38.41	\$ 41.02	\$ 79.43	\$ 37.54	\$ 41.02	\$ 78.56	\$ (0.87)	\$ -	\$ (0.87)	-1.10%
450	\$ 42.59	\$ 46.15	\$ 88.74	\$ 41.62	\$ 46.15	\$ 87.77	\$ (0.97)	\$ -	\$ (0.97)	-1.09%
500	\$ 46.77	\$ 51.28	\$ 98.05	\$ 45.68	\$ 51.28	\$ 96.96	\$ (1.09)	\$ -	\$ (1.09)	-1.11%
600	\$ 55.13	\$ 61.54	\$ 116.67	\$ 53.83	\$ 61.54	\$ 115.37	\$ (1.30)	\$ -	\$ (1.30)	-1.11%
700	\$ 63.48	\$ 71.79	\$ 135.27	\$ 61.96	\$ 71.79	\$ 133.75	\$ (1.52)	\$ -	\$ (1.52)	-1.12%
<b>716</b>	<b>\$ 64.82</b>	<b>\$ 73.43</b>	<b>\$ 138.25</b>	<b>\$ 63.26</b>	<b>\$ 73.43</b>	<b>\$ 136.69</b>	<b>\$ (1.56)</b>	<b>\$ -</b>	<b>\$ (1.56)</b>	<b>-1.13%</b>
750	\$ 67.66	\$ 76.92	\$ 144.58	\$ 66.03	\$ 76.92	\$ 142.95	\$ (1.63)	\$ -	\$ (1.63)	-1.13%
800	\$ 71.99	\$ 82.21	\$ 154.20	\$ 70.25	\$ 82.21	\$ 152.46	\$ (1.74)	\$ -	\$ (1.74)	-1.13%
900	\$ 80.62	\$ 92.80	\$ 173.42	\$ 78.67	\$ 92.80	\$ 171.47	\$ (1.95)	\$ -	\$ (1.95)	-1.12%
1000	\$ 89.27	\$ 103.39	\$ 192.66	\$ 87.10	\$ 103.39	\$ 190.49	\$ (2.17)	\$ -	\$ (2.17)	-1.13%
1200	\$ 106.55	\$ 124.56	\$ 231.11	\$ 103.94	\$ 124.56	\$ 228.50	\$ (2.61)	\$ -	\$ (2.61)	-1.13%
1500	\$ 132.48	\$ 156.32	\$ 288.80	\$ 129.22	\$ 156.32	\$ 285.54	\$ (3.26)	\$ -	\$ (3.26)	-1.13%
2000	\$ 175.69	\$ 209.25	\$ 384.94	\$ 171.35	\$ 209.25	\$ 380.60	\$ (4.34)	\$ -	\$ (4.34)	-1.13%
2500	\$ 218.91	\$ 262.18	\$ 481.09	\$ 213.47	\$ 262.18	\$ 475.65	\$ (5.44)	\$ -	\$ (5.44)	-1.13%
3000	\$ 262.12	\$ 315.11	\$ 577.23	\$ 255.60	\$ 315.11	\$ 570.71	\$ (6.52)	\$ -	\$ (6.52)	-1.13%
3500	\$ 305.33	\$ 368.04	\$ 673.37	\$ 297.73	\$ 368.04	\$ 665.77	\$ (7.60)	\$ -	\$ (7.60)	-1.13%
4000	\$ 348.55	\$ 420.97	\$ 769.52	\$ 339.86	\$ 420.97	\$ 760.83	\$ (8.69)	\$ -	\$ (8.69)	-1.13%



# Schedule TMH-5

**ATLANTIC CITY ELECTRIC COMPANY**  
**BPU NJ No. 11 Electric Service - Section IV ~~Seventeenth~~-Revised Sheet Replaces ~~Sixteenth~~-Revised Sheet**  
**No. 57**

**Rider (NGC)**  
**Non-Utility Generation Charge (NGC)**

Applicable to customers receiving service under Electric Rate Schedules RS, MGS, AGS, TS, TGS, DDC, SPL, CSL, STB, SPP are subject to a non-bypassable Non-Utility Generation Charge (NGC).

This charge provided for the full and timely recovery of the following costs:

1. Costs associated with the Company's purchase power contracts with non-utility generators, which are intended recover the stranded costs associated with such commitments. The costs recovered via the NGC are based on the difference between the average estimated cost of energy and capacity in the regional market and the associated costs provided in existing power purchase contracts with non-utility generators. Differences between actual and estimated costs occurring under previously approved rates shall be added or subtracted as appropriate to the estimated costs.
2. Costs associated with the transition to a competitive electric market and the restructuring of the electric utility industry in the State of New Jersey.
3. Costs associated with the Company's generation facilities, net of any revenue received from the sale of energy, capacity and ancillary services associated with these units.

The following table provides the component rates of the NGC charge for each rate schedule based on the cost categories listed above in \$ per kWh.

<u>Rate Schedule</u>	<u>St. Lawrence NYPA Credit (effective through May 31, 2018) RS*</u>	<u>Non-Utility Generation above market costs</u>	<u>Total NGC</u>
RS	(\$0.000012)	\$ 0. <del>011265011379</del>	\$ 0. <del>011253011367</del>
MGS Secondary		\$ 0. <del>011265011379</del>	\$ 0. <del>011265011379</del>
MGS Primary		\$ 0. <del>010970011081</del>	\$ 0. <del>010970011081</del>
AGS Secondary		\$ 0. <del>011265011379</del>	\$ 0. <del>011265011379</del>
AGS Primary		\$ 0. <del>010970011081</del>	\$ 0. <del>010970011081</del>
TGS		\$ 0. <del>010740010848</del>	\$ 0. <del>010740010848</del>
SPL/CSL		\$ 0. <del>011265011379</del>	\$ 0. <del>011265011379</del>
DDC		\$ 0. <del>011265011379</del>	\$ 0. <del>011265011379</del>

\*The St. Lawrence New York Power Authority (NYPA) Annual Benefit Allocation credit reflects the annual Economic Benefit Allocation for New Jersey's investor owned utilities to supply residential customers' load. The NYPA credit amount is adjusted annually, on June 1 of each year, to reflect the amount of the credit received.

**Date of Issue: ~~December 22, 2017~~** **Effective Date: ~~January 1, 2018~~**  
**Issued by: ~~David M. Velazquez, President and Chief Executive Officer – Atlantic City Electric Company~~**  
**Filed pursuant to ~~Board of Public Utilities of the State of New Jersey directives associated with the BPU~~**  
**Docket No. ~~ER17090984~~**  
**Issued by:**

**ATLANTIC CITY ELECTRIC COMPANY**  
**BPU NJ No. 11 Electric Service - Section IV ~~Thirty-First~~ Revised Sheet Replaces ~~Thirtieth~~ Revised Sheet No. 58**

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**RIDER (SBC)**  
**Societal Benefits Charge (SBC)**

Applicable to customers receiving service under Electric Rate Schedules RS, MGS, AGS, TS, TGS, DDC, SPL, and CSL and any customer taking service under special contractual arrangements.

In accordance with the New Jersey Electric Discount and Energy Competition Act, Societal Benefits Charges include:

- Clean Energy Program Costs
- Uncollectible Accounts
- Universal Service Fund
- Lifeline

The Company's Societal Benefits Charges to be effective on and after the date indicated below are as follows:

Clean Energy Program	\$0. <del>003344</del> <u>003455</u> per kWh
Uncollectible Accounts	\$0. <del>003392</del> <u>000994</u> per kWh
Universal Service Fund	\$0.001483 per kWh
Lifeline	\$0.000775 per kWh

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**Date of Issue: ~~December 22, 2017~~**

**Effective Date: ~~January 1, 2018~~**

**~~Issued by: David M. Velazquez, President and Chief Executive Officer – Atlantic City Electric Company~~**  
**~~Filed pursuant to Board of Public Utilities of the State of New Jersey directives associated with the BPU~~**  
**~~Docket No. ER17090984~~**  
**Issued by:**

# Schedule TMH-6

**ATLANTIC CITY ELECTRIC COMPANY**  
**BPU NJ No. 11 Electric Service - Section IV Revised Sheet Replaces Revised Sheet No. 57**

**Rider (NGC)**  
**Non-Utility Generation Charge (NGC)**

Applicable to customers receiving service under Electric Rate Schedules RS, MGS, AGS, TS, TGS, DDC, SPL, CSL, STB, SPP are subject to a non-bypassable Non-Utility Generation Charge (NGC).

This charge provided for the full and timely recovery of the following costs:

1. Costs associated with the Company's purchase power contracts with non-utility generators, which are intended recover the stranded costs associated with such commitments. The costs recovered via the NGC are based on the difference between the average estimated cost of energy and capacity in the regional market and the associated costs provided in existing power purchase contracts with non-utility generators. Differences between actual and estimated costs occurring under previously approved rates shall be added or subtracted as appropriate to the estimated costs.
2. Costs associated with the transition to a competitive electric market and the restructuring of the electric utility industry in the State of New Jersey.
3. Costs associated with the Company's generation facilities, net of any revenue received from the sale of energy, capacity and ancillary services associated with these units.

The following table provides the component rates of the NGC charge for each rate schedule based on the cost categories listed above in \$ per kWh.

<u>Rate Schedule</u>	<u>St. Lawrence NYPA Credit (effective through May 31, 2018) RS*</u>	<u>Non-Utility Generation above market costs</u>	<u>Total NGC</u>
RS	(\$0.000012)	\$ 0.011379	\$ 0.011367
MGS Secondary		\$ 0.011379	\$ 0.011379
MGS Primary		\$ 0.011081	\$ 0.011081
AGS Secondary		\$ 0.011379	\$ 0.011379
AGS Primary		\$ 0.011081	\$ 0.011081
TGS		\$ 0.010848	\$ 0.010848
SPL/CSL		\$ 0.011379	\$ 0.011379
DDC		\$ 0.011379	\$ 0.011379

\*The St. Lawrence New York Power Authority (NYPA) Annual Benefit Allocation credit reflects the annual Economic Benefit Allocation for New Jersey's investor owned utilities to supply residential customers' load. The NYPA credit amount is adjusted annually, on June 1 of each year, to reflect the amount of the credit received.

**Date of Issue:**

**Effective Date:**

**Issued by:**

**ATLANTIC CITY ELECTRIC COMPANY**  
**BPU NJ No. 11 Electric Service - Section IV Revised Sheet Replaces Revised Sheet No. 58**

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**RIDER (SBC)**  
**Societal Benefits Charge (SBC)**

Applicable to customers receiving service under Electric Rate Schedules RS, MGS, AGS, TS, TGS, DDC, SPL, and CSL and any customer taking service under special contractual arrangements.

In accordance with the New Jersey Electric Discount and Energy Competition Act, Societal Benefits Charges include:

- Clean Energy Program Costs
- Uncollectible Accounts
- Universal Service Fund
- Lifeline

The Company's Societal Benefits Charges to be effective on and after the date indicated below are as follows:

Clean Energy Program	\$0.003455 per kWh
Uncollectible Accounts	\$0.000994 per kWh
Universal Service Fund	\$0.001483 per kWh
Lifeline	\$0.000775 per kWh

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**Date of Issue:**

**Effective Date:**

**Issued by:**

# Exhibit B

Draft Public Notice

**NOTICE OF  
FILING AND PUBLIC HEARING  
TO CUSTOMERS OF  
ATLANTIC CITY ELECTRIC COMPANY**

**In the Matter of the Petition of Atlantic City Electric Company to Reconcile  
and Update the Level of Its Non-Utility Generation Charge and Its Societal  
Benefits Charge (2018)  
BPU Docket No. \_\_\_\_\_**

**PLEASE TAKE NOTICE** that, on or about February 1, 2018, Atlantic City Electric Company (“ACE” or the “Company”) filed a Petition (the “Petition”) with the New Jersey Board of Public Utilities (the “Board” or “BPU”) to reconcile, update, and approve proposed changes to the Company’s Non-Utility Generation Charge (“NGC”), and Societal Benefits Charge (“SBC”). ACE’s NGC provides for recovery of the above-market portion of payments made under the Company’s non-utility generation (“NUG”) contracts and certain costs associated with such commitments. ACE’s SBC was established by the Board pursuant to the Electric Discount and Energy Competition Act, N.J.S.A. 48:3-49 et seq., to recover costs related to the Universal Service Fund and Lifeline social programs, the Board’s Clean Energy Program (“CEP”), and the Company’s Uncollectible Accounts Charges (“UNC”).

As filed, the Petition proposed to reset the NGC for the period June 1, 2018 through May 31, 2019, based upon a projected deferred balance on March 31, 2018, net of projected customer revenue through May 31, 2018, and associated forecasted above market NUG costs for the period April 1, 2018 through March 31, 2019. The Company has also proposed to modify specific cost components of the SBC by adjusting the UNC and CEP components of the SBC based upon projected deferred balances as of March 31, 2018, net of projected customer revenue through May 31, 2018, and the projected expenses for the period April 1, 2018 through March 31, 2019.

As set forth in the Stipulation of Settlement, and confirmed by Order of the Board issued in connection with BPU Docket No. ER17020091, the Company has provided periodic formal updates to the Board, Board Staff, and the New Jersey Division of Rate Counsel (“Rate Counsel”) with respect to the balances in the NGC and SBC. The Company’s latest quarterly report, which highlighted the projected over-recovered balance as of March 31, 2018, net of projected customer revenue through May 31, 2018, was submitted prior to February 1, 2018.

The NGC component is based on actual expenditures through December 31, 2017, and projected data through March 31, 2019. It includes a projected over-recovery as of March 31, 2018, net of projected customer revenue through May 31, 2018, of approximately \$1.185 million including interest, to be returned over the period June 1, 2018 through May 31, 2019.

The UNC component is based on actual expenditures through December 31, 2017 and projected data through March 31, 2019. It includes a projected over-recovery as of March 31, 2018, net of projected customer revenue through May 31, 2018, of approximately \$7.311 million, including interest, to be returned over the period June 1, 2018 through May 31, 2019.



The Company's Petition also included ACE's proposed adjustments to the CEP component of the SBC based upon actual expenditures as of December 31, 2017, and projected data through March 31, 2019. It includes a projected over-recovery as of March 31, 2018, net of projected customer revenue through May 31, 2018, of approximately \$1.216 million, including interest, to be recovered over the period June 1, 2018 through May 31, 2019.

The following table demonstrates the Company's proposed rates:

<b>Rate Schedule</b>	<b>NGC</b>	<b>SBC</b>
Residential	\$0.011367	\$0.004449
MGS Secondary	\$0.011379	\$0.004449
MGS Primary	\$0.011081	\$0.004449
AGS Secondary	\$0.011379	\$0.004449
AGS Primary	\$0.011081	\$0.004449
TGS	\$0.010848	\$0.004449
SPL/CSL	\$0.011379	\$0.004449
DDC	\$0.011379	\$0.004449

The effect of the changes in the NGC and SBC charges on typical residential customer's monthly electric bill using 716 kWh represents a decrease of approximately \$1.56 or 1.13 percent. Residential customers using other monthly usage amounts, based on the Company's proposed rates, are illustrated below. Note, however, that, while the combined effect of the proposed changes in the NGC and SBC result in a net decrease to all classes of customers, the proposed changes in the NGC and CEP components, including projections through March 31, 2019, if considered on a stand-alone basis, will result in an increase in the charge for those components of the Company's Petition:

<b>Monthly kWh Use</b>	<b>Present Bill</b>	<b>Proposed Bill</b>	<b>Decrease (\$)</b>	<b>Decrease (%)</b>
100	\$23.61	\$23.39	-\$0.22	-0.93%
300	\$60.83	\$60.17	-\$0.66	-1.08%
500	\$98.05	\$96.96	-\$1.09	-1.11%
750	\$144.58	\$142.95	-\$1.63	-1.13%
1000	\$192.66	\$190.49	-\$2.17	-1.13%
2000	\$384.94	\$380.60	-\$4.34	-1.13%
2500	\$481.09	\$475.65	-\$5.44	-1.13%
3000	\$577.23	\$570.71	-\$6.52	-1.13%

**It is important to note that the resolution of this Petition and the reconciliation of these accounts will not result in any profit to the Company.**

The Board has the statutory and regulatory authority to approve and establish the reconciliation of these accounts and charges at levels it finds just and reasonable. Therefore, the BPU may determine and establish these charges at levels other than those proposed by ACE.

This Petition was filed with the Board and copies were also served upon Rate Counsel. Copies of the Petition are available for public inspection at ACE's business office (5100 Harding Highway, Mays Landing, New Jersey 08330) during normal business hours. The Petition and any updates are posted on ACE's website at [www.atlanticcityelectric.com/home/choice/nj/public/](http://www.atlanticcityelectric.com/home/choice/nj/public/). The filing is also available at the Board of Public Utilities, 44 South Clinton Avenue, 7th Floor, Trenton, New Jersey 08625-0350.

The following date, time(s), and location for public hearings have been scheduled on the Petition so that members of the public may present their views:

<b>Date:</b> TBD	<b>Date:</b> TBD
<b>Time:</b> 3:30 P.M.	<b>Time:</b> 5:30 P.M.
<b>Location:</b> TBD	<b>Location:</b> TBD

A BPU Staff representative and a representative from Rate Counsel will be present at the public hearing. Members of the public are invited to attend and express their views on this filing. Such comments will be made a part of the final record of the proceeding to be considered by the Board. In order to encourage full participation in this opportunity for public comment, please submit any requests for needed accommodations, including interpreters, listening devices or mobility assistance, 48 hours prior to the above hearings. Customers may file written comments with the Secretary of the Board of Public Utilities at 44 South Clinton Avenue, 3<sup>rd</sup> Floor, Suite 314, Trenton, New Jersey 08625-0350, whether or not they attend the public hearings.

**Atlantic City Electric Company**

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**IN THE MATTER OF THE PETITION OF  
ATLANTIC CITY ELECTRIC COMPANY  
TO RECONCILE AND UPDATE THE  
LEVEL OF ITS NON-UTILITY  
GENERATION CHARGE AND ITS  
SOCIETAL BENEFITS CHARGE (2018)**

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

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**CERTIFICATION OF SERVICE**

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

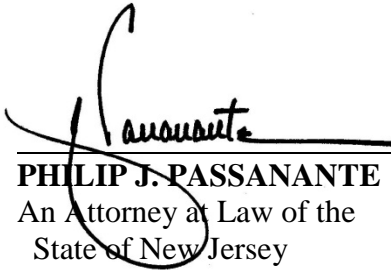
1. I am an attorney at law of the State of New Jersey and am Assistant General Counsel to Atlantic City Electric Company, the Petitioner in the within matter, with which I am familiar.

2. I hereby certify that, on February 5, 2018, I caused the within Verified Petition and supporting testimony and schedules thereto to be filed with the New Jersey Board of Public Utilities through its eFiling Portal and three conformed copies to be sent by overnight courier service to the Office of the Secretary to the Board, Board of Public Utilities, 44 South Clinton Avenue, 3<sup>rd</sup> Floor, Suite 314, Trenton, New Jersey 08625-0350, Attention: Aida Camacho. I also caused an electronic copy to be sent to the Board Secretary's office at [board.secretary@bpu.state.nj.us](mailto:board.secretary@bpu.state.nj.us).

3. I further certify that, on February 5, 2018, I caused a complete copy of the Verified Petition and supporting testimony and schedules thereto to be sent by First Class Mail to each of the parties listed in the attached Service List, except for any copies that were directed to the Division of Rate Counsel. Copies directed to the Division of Rate Counsel were sent by electronic mail and overnight courier service.

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

Dated: February 5, 2018

 /jpr  
**PHILIP J. PASSANANTE**  
An Attorney at Law of the  
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I/M/O the Petition of Atlantic City Electric Company to Reconcile and Update the Level of Its  
Non-Utility Generation Charge and Its Societal Benefits Charge (2018)

BPU Docket No. \_\_\_\_\_

**Service List**

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