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February 1, 2019

**VIA FEDERAL EXPRESS and  
ELECTRONIC MAIL**

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

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

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

**RE:** In the Matter of the Petition of Atlantic City Electric Company to Reconcile and Update the Level of Its Non-Utility Generation Charge and Its Societal Benefits Charge (2019)  
BPU Docket No. ER19021046

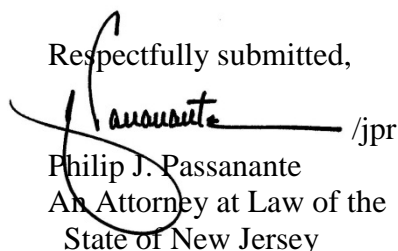
Dear Secretary Camacho-Welch:

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, 2019.

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

Enclosures

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, and consistent with regulatory changes promulgated thereafter.

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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 (2019)**

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

**BPU Docket No.** ER19020146

**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 New Jersey 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 increase of approximately \$18.420 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 550,000 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

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<sup>1</sup> The anticipated increase is based upon actual data through December 31, 2018, and estimated data for the period January 1, 2019 through March 31, 2020, and is subject to true up for actual data through March 31, 2019.

Non-Utility Generation Charge (“NNC”), and the SBC as rate 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.

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, 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.

9. On February 6, 2018, the Company filed its Reconciliation and Update Petition for the period ending March 31, 2018, and for revised NGC and SBC rates to become effective June 1, 2018. By Board Order dated May 22, 2018 in BPU Docket No. ER18020120 (the “May 2018 Order”), 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, 2018, based upon the Company’s February 6, 2018 Petition, as subsequently updated with actual data through March 31, 2018. By further Board Order dated December 18, 2018 (the “December 2018 Order”), following a Stipulation of the Parties dated November 19, 2018, the Company was authorized to implement the previously approved provisional rates on a permanent basis effective on and after December 28, 2018.

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

10. The purpose of the instant Petition is to reconcile the current NGC and SBC, and reset the levels of (i) the NGC; and (ii) the two components of the SBC, to be effective on and after June 1, 2019. The SBC components to be changed include the Clean Energy Program (“CEP”) and the Uncollectible Accounts (“UNC”) charges.

11. 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 non-utility generation (“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

12. The Company is proposing to reset the NGC for the period June 1, 2019 through May 31, 2020 based on actual data through December 31, 2018, and projected expenses for the period January 1, 2019 through March 31, 2020. The detailed rate design for the proposed NGC rate is attached as Schedule TMH-1, page 1 of 2, of **Exhibit A**. The 2016 NGC/SBC Order modified the Company's 2017 NGC and SBC reconciliation period to end on March 31, 2017, and similarly on March 31 for each year thereafter.

13. 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 \$105.015 million for the period of April 1, 2019 through March 31, 2020. It will also return the projected net over-recovered balance of \$8.720 million, which is the projected under-recovered balance of \$1.563 million at March 31, 2019, inclusive of the projected retail customer revenue in April and May 2019 of \$10.282 million. Schedule TMH-1, page 2 of 2, provides the detailed estimate of the NGC projected deferred balance through March 31, 2019, as well as projected retail customer revenue for April and May 2019. The projected net over-recovered balance of \$8.720 million, subject to a true-up, is currently based on actual data through December 31, 2018, and projected data for the period of January 1, 2019 through May 31, 2019. The total forecasted recovery for this period is \$96.295 million, which is an increase of approximately 21% from the prior year's total forecasted recovery of \$79.321 million.

14. As noted in Company Witness Hahn's Direct Testimony, the primary drivers of the increase in the forecasted recovery of the NGC are (i) the increase of \$11.663 million in projected 2019 above market costs as compared to the projected 2018 above market costs, and (ii) the swing in the NGC balance from a projected **over-recovered** position of \$14.031 million at April 1, 2018,

inclusive of the projected retail customer revenue in April and May 2018, to a projected **over-recovered** position of \$8.720 million at March 31, 2019, inclusive of the projected retail customer revenue in April and May 2019. The \$11.663 million increase in projected 2019 above market costs is primarily driven by a decrease in projected capacity revenue in 2019 as compared to projected capacity revenue in 2018. The PJM capacity market revenue paid in the Base Residual Auction (“BRA”) for the planning year 2018/2019 for both Chambers and Logan NUGs was \$225.42 megawatt (“MW”)/day compared to \$119.77 MW/day for planning year 2019/2020. Pursuant to PJM’s 2019/2020 Reliability Pricing Model Base Residual Auction Executive Summary, there were several drivers for the decrease in clearing price. These include over 5,000 MW of new combined cycle natural gas units, 5.9% higher than the target reserve margin of 16.5%, and an increase in wind and solar resources that effect the supply curve downward, lowering prices. Given those factors, the BRA price was lower for planning year 2019/2020, which will decrease ACE’s total capacity revenue for the period to \$22.791 million compared to \$34.404 million for planning year 2018/2019, representing a total revenue decrease of \$11.614 million or 33.76% to offset capacity PPA’s costs for the 2019/2020 planning period. The swing in the NGC balance from a projected **over-recovered** position of \$14.031 million at April 1, 2018, inclusive of projected retail customer revenue for April and May 2018, to a projected **over-recovered** position of \$8.720 million at March 31, 2019, inclusive of projected retail customer revenue for April and May 2019, is primarily driven as follows. Pursuant to the Stipulation of the Parties – which was approved by the December 2018 Order – rates effective June 1, 2018 were set in a manner designed to fully return the \$14.031 million to ratepayers, and thereby reduce the deferred balance to \$0 at June 1, 2019. In addition, based on the timing of revenues and expenses during that rate recovery period, it was projected that the balance at March

31, 2019 would be an approximate under-recovery of \$10.710 million. Currently, with actuals through December 31, 2018 and projections through March 31, 2019, that under-recovery balance is now at \$1.563 million, a decrease of approximately \$9.147 million. This decrease in the under-recovery was primarily driven by actual PJM Market Based revenues greater than forecasted.<sup>2</sup>

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

15. Petitioner proposes to modify specific cost components of the SBC, i.e., the UNC and the CEP, as noted below:

a. The current UNC rate was put into effect on a provisional basis on June 1, 2018, pursuant to the May 2018 Order and was made final pursuant to the December 2018 Order. The Company is proposing to reset the UNC for the period June 1, 2019 through May 31, 2020. The detailed rate design for the UNC is provided in Schedule TMH-3, page 1 of 3. The proposed rate is designed to recover forecasted uncollectible expense for the period of April 1, 2019 through March 31, 2020, totaling \$9.646 million. It will also return the net projected over-recovered balance of \$1.137 million, which is the projected over-recovered balance of \$0.112 million at March 31, 2019, inclusive of the projected retail customer revenue in April and May 2019 of \$1.025 million. Although the reconciliation period is April 2018 through March 2019, the rate period for collection of those costs was set for June 2018 through May 2019. As a result, the April and May 2019 projected retail revenue is credited against the projected March 2019 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, 2019, as well as the projected retail customer revenue for April and May 2019. The projected net over-recovered deferred balance of \$1.137 million, subject to a true-up, is currently based on actual data through December

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<sup>2</sup> See Table I at page 7 of Company Witness Hahn's Direct testimony



31, 2018, and projected data for the period of January 1, 2019 through May 31, 2019. The total forecasted amount to be recovered during the period is \$8.509 million.

b. As noted in the Direct Testimony of Company Witness Hahn, the primary driver of the increase in the forecasted recovery of the UNC component of the SBC is (i) the swing in the UNC balance from a projected over-recovered position of \$7.513 million at April 1, 2018, inclusive of the projected retail customer revenue in April and May 2018, to a projected over-recovered position of \$1.137 million at March 31, 2019, inclusive of the projected retail customer revenue in April and May 2019; offset by (ii) the decrease of \$5.768 million in projected 2019 uncollectible expenses as compared to the projected 2018 uncollectible expenses. The swing in the UNC balance from a projected over-recovered position of \$7.513 million at April 1, 2018, inclusive of the projected retail customer revenue in April and May 2018, to a projected over-recovered position of \$1.137 million at March 31, 2019, inclusive of the projected retail customer revenue in April and May 2019 is primarily driven by the following. Pursuant to the Stipulation of the Parties – which was approved by the December 2018 Order – rates effective June 1, 2018 were set in a manner designed to fully return the \$7.513 million to ratepayers, and thereby reduce the deferred balance to \$0 at June 1, 2019. Based on the timing of revenues and expenses during that rate recovery period, it was projected that the balance at March 31, 2019 would be an approximate under-recovery of \$1.067 million. Currently, with actuals through December 31, 2018 and projections through March 31, 2019, that balance is now an over-recovery of \$0.112 million, a decrease of approximately \$1.179 million. This decrease was primarily driven by actual sales higher than forecasted. The \$5.768 million decrease in projected 2019 uncollectible expenses

is primarily driven by lower revenues, lower delinquencies, lower average balances going to write-offs, and lower overall write-offs.<sup>3</sup>

c. The CEP is designed to recover costs associated with the Company's New Jersey Clean Energy Program obligations. The current CEP rate was put into effect on a provisional basis on June 1, 2018, pursuant to the May 2018 Order. The CEP rate was made final pursuant to the December 2018 Order. In the instant filing, the Company is proposing to reset the CEP charge to reflect the projected deferred balance as of March 31, 2019, and forecasted costs for the period April 1, 2019 through March 31, 2020, based on the projected funding levels approved by the Board on June 22, 2018 for fiscal year 2019 (July 2018 – June 2019) in BPU Docket No. QO18040392. The funding levels for January 1, 2019 to June 30, 2019, as provided in the aforementioned Board Order, have been used for projections in the filing for those periods. In addition, monthly expenditures from the fiscal year 2019 projected funding levels as found in the approved Order were used to develop the monthly expenditures for the period from July 2019 to March 2020, as the Board will not have issued funding levels for time periods after June 2019 as of the date of this filing. The detailed rate design is provided in Schedule TMH-2, page 1 of 2, and includes \$29.390 million of projected expenses for the period April 1, 2019 to March 31, 2020. Schedule TMH-2, page 2 of 2, provides an estimate of the net over-recovered CEP deferred balance of \$1.150 million, which is the projected under-recovered balance of \$2.493 million at March 31, 2019, inclusive of the projected retail customer revenue in April and May 2019 of \$3.643 million. Although the reconciliation period is April 2018 through March 2019, the rate period for collection of those costs was set for June 2018 through May 2019. As a result, the April and May 2019 projected retail revenue is credited against the projected March 2019 balance

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<sup>3</sup> See Table II at page 10 of Company Witness Hahn's Direct testimony

resulting in the net balance after the recovery period. The total forecasted recovery for this period is \$28.240 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 increase of approximately \$18.420 million. This amount includes the return of the NGC, UNC, and CEP deferred balances at March 31, 2019, inclusive of the projected retail customer revenue for April and May 2019, and the going-forward recovery of all components for the period April 1, 2019 through March 31, 2020. This is summarized on Schedule TMH-4, page 1 of 4.

For an average residential customer using approximately 679 kWh per month, this represents an increase of approximately \$1.44 or 1.21% on a total monthly bill as shown in Schedule TMH-4, page 4 of 4. 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

Heather Hall  
Manager, Regulatory Affairs (New Jersey)  
Pepco Holdings, LLC – 92DC56  
500 N. Wakefield Drive  
P.O. Box 6066  
Newark, Delaware 19714-6066

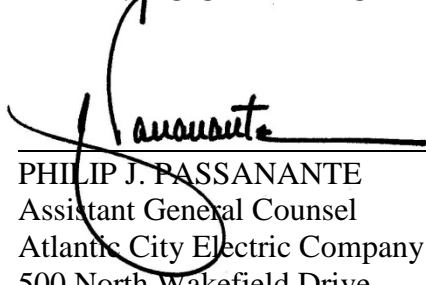
19. A proposed Public Notice to be published in local newspapers serving Petitioner's service territory and outlining rate impacts associated with this filing is attached as **Exhibit B**.

**WHEREFORE**, the Petitioner, **ATLANTIC CITY ELECTRIC COMPANY**, respectfully requests that the New Jersey 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, 2019; 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 1, 2019

  
\_\_\_\_\_/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  
ITS SOCIETAL BENEFITS CHARGE  
(2019)**

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

**AFFIDAVIT OF VERIFICATION**

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

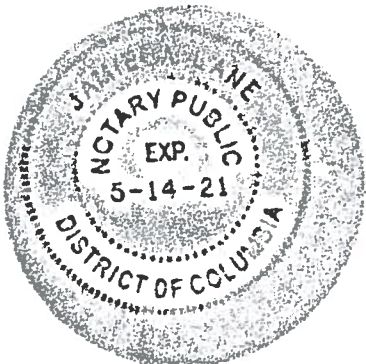
1. I am the Vice President of Regulatory Policy and Strategy of and for Atlantic City Electric Company ("ACE"), the Petitioner named in the foregoing Verified Petition. I am duly authorized to make this Affidavit of Verification on ACE's behalf.

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 1 day of February, 2019.



My Commission Expires: May 14, 2021

District of Columbia: SS  
Subscribed and sworn to before me, in my presence,  
this 1 day of February, 2019  
  
Jamiela Lane, Notary Public, D.C.  
My commission expires May 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 (2019)**

**February 1, 2019**

**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 “Company”).

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

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

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

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

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

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



1 components to be adjusted include the Clean Energy Program (“CEP”) and the  
2 Uncollectible Accounts Charges (“UNC”). If approved by the New Jersey Board  
3 of Public Utilities (the “Board” or “BPU”) as proposed in my testimony and in the  
4 Petition of which this testimony is a part, these changes will result in an annual  
5 increase in customer rates of approximately \$18.420 million.

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

7 **A.** The current NGC rate was put into effect on a provisional basis, effective  
8 June 1, 2018, pursuant to an Order issued by the Board dated May 22, 2018 in BPU  
9 Docket No. ER18020120 (the “May 22, 2018 Order”). The NGC is designed to  
10 recover the above-market payments made pursuant to BPU approved Purchase  
11 Power Agreements (“PPAs”) with Non-Utility Generators (“NUGs”) (i.e., the PPA  
12 payments less the revenue received from the sale of the NUG energy and capacity  
13 into the PJM market). The current NGC rate was made final by BPU Order, in the  
14 aforementioned docket, dated December 18, 2018 (the “December 18, 2018  
15 Order”), which approved a Stipulation of Settlement that was entered into by and  
16 among the Company, Board Staff, and the Division of Rate Counsel (“Rate  
17 Counsel”) (collectively, the “Parties”).

18 **Q. Please provide a summary of the mechanism approved in BPU Docket No.  
19 ER18020120 for updating the NGC and SBC rates.**

20 **A.** The rates that were put into effect pursuant to the aforementioned Orders of  
21 the Board in BPU Docket No. ER18020120 included forecasted costs for the NGC,  
22 CEP, and UNC components for the period of April 1, 2018 through May 31, 2019.  
23 These rates also included the then projected net over-recovered balances for the

1 NGC, CEP, and UNC components as of March 31, 2018, inclusive of the projected  
2 April and May 2018 retail customer revenues. As part of the Board's  
3 aforementioned Orders, ACE was also required to submit to the Board, Board Staff,  
4 and Rate Counsel quarterly reports showing the actual NGC and SBC deferred  
5 balances, a forecast of the deferred balances as of March 31, 2019, a variance  
6 analysis, including a narrative description, of the monthly projected versus actual  
7 updated deferred balances, and an update regarding opportunities to mitigate costs  
8 of the NUG contracts.<sup>1</sup> To the extent that the forecast at March 31, 2019 shows an  
9 under- or over-recovered deferred balance of more than \$50 million, the Company  
10 agreed that it would file a petition to update the NGC and SBC with an effective  
11 date prior to June 1, 2019. The Parties also agreed that the Company's next  
12 NGC/SBC update/reconciliation Petition would be filed with the Board no later  
13 than February 1, 2019, with a proposed effective date of June 1, 2019.

14 **Q. Please explain if the Company's approach in this filing is consistent with the**  
15 **terms of the Stipulation of Settlement and the revised mechanism for**  
16 **reconciling historical NGC/SBC costs as approved in the December 18, 2018**  
17 **Order.**

18 **A.** Yes, the Company's approach is consistent with the requirements of the  
19 December 18, 2018 Order. ACE has continued to monitor the forecasted deferred  
20 balances and has kept the Board, Board Staff, and Rate Counsel (i) advised of the  
21 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, 2018 is due to be submitted to the Board on or by January 31, 2019.

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 December 18, 2018  
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, 2019.

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, 2019  
8 through May 31, 2020 based upon current forecasts of revenues and expenses, as  
9 well as sales projections for the period of April 1, 2019 through March 31, 2020.  
10 The detailed rate design for the NGC is provided in Schedule TMH-1, page 1 of 2.  
11 The proposed rate is designed to recover forecasted above-market NUG costs of  
12 \$105.015 million for the period of April 1, 2019 through March 31, 2020. It will  
13 also return the projected net over-recovered balance of \$8.720 million, which is the  
14 projected under-recovered balance of \$1.563 million at March 31, 2019, inclusive  
15 of the projected retail customer revenue in April and May 2019 of \$10.282 million.  
16 Although the reconciliation period is April 2018 through March 2019, the rate  
17 period for collection of those costs was set for June 2018 through May 2019. As a  
18 result, the April and May 2019 projected retail revenue is credited against the  
19 projected March 31, 2019 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, 2019, as well as the projected retail  
22 customer revenue for April and May 2019. The projected net over-recovered  
23 deferred balance of \$8.720 million, subject to a true-up, is currently based on actual

1 data through December 31, 2018, and projected data for the period of January 1,  
2 2019 through May 31, 2019. The total forecasted recovery for this period is  
3 \$96.295 million, which is an increase of approximately 21% from last year's total  
4 forecasted recovery of \$79.321 million, as explained in greater detail below.

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

7 **A.** The primary drivers of the increase in the forecasted recovery of the NGC  
8 are (i) the increase of \$11.663 million in projected 2019 above market costs as  
9 compared to the projected 2018 above market costs, and (ii) the swing in the NGC  
10 balance from a projected **over-recovered** position of \$14.031 million at April 1,  
11 2018, inclusive of the projected retail customer revenue in April and May 2018, to  
12 a projected **over-recovered** position of \$8.720 million at March 31, 2019, inclusive  
13 of the projected retail customer revenue in April and May 2019. The \$11.663  
14 million increase in projected 2019 above market costs is primarily driven by a  
15 decrease in projected capacity revenue in 2019 as compared to projected capacity  
16 revenue in 2018. The PJM capacity market revenue paid in the Base Residual  
17 Auction ("BRA") for the planning year 2018/2019 for both Chambers and Logan  
18 NUGs was \$225.42 megawatt ("MW") MW/day compared to \$119.77 MW/day for  
19 planning year 2019/2020. Pursuant to PJM's 2019/2020 Reliability Pricing Model  
20 ("RPM") Base Residual Auction Executive Summary, there were several drivers  
21 for the decrease in clearing price. These include over 5,000 MW of new combined  
22 cycle natural gas units, 5.9% higher than the target reserve margin of 16.5%, and  
23 an increase in wind and solar resources which effect the supply curve downward,

1 lowering prices. Given those factors, the BRA price was lower for planning year  
2 2019/2020, which will decrease ACE's total capacity revenue for the period to  
3 \$22.791 million compared to \$34.404 million for planning year 2018/2019,  
4 representing a total revenue decrease of \$11.614 million or 33.76% to offset  
5 capacity PPA's costs for the 2019/2020 planning period. The swing in the NGC  
6 balance from a projected **over-recovered** position of \$14.031 million at April 1,  
7 2018, inclusive of projected retail customer revenue for April and May 2018, to a  
8 projected **over-recovered** position of \$8.720 million at March 31, 2019, inclusive  
9 of projected retail customer revenue for April and May 2019, is primarily driven as  
10 follows. Pursuant to the Stipulation of the Parties – which was approved by the  
11 December 18, 2018 Order – rates effective June 1, 2018 were set in a manner  
12 designed to fully return the \$14.031 million to ratepayers, and thereby reduce the  
13 deferred balance to \$0 at June 1, 2019. In addition, based on the timing of revenues  
14 and expenses during that rate recovery period, it was projected that the balance at  
15 March 31, 2019 would be an approximate under-recovery of \$10.710 million.  
16 Currently, with actuals through December 31, 2018 and projections through March  
17 31, 2019, that under-recovery balance is now at \$1.563 million, a decrease of  
18 approximately \$9.147 million. This decrease in the under-recovery was primarily  
19 driven by actual PJM Market Based revenues greater than forecasted.

**Table I – Drivers of Increase in Total NGC Forecasted Recovery**

	2018 Settlement	vs.	2019 Filing	Variance	
NUGS Projected Above Market Cost	93.3		105.0	11.7	Lower Capacity Revenue
Return of April 1, 2018 Over-Recovery	(14.0)		0.0	14.0	Rates on June 1, 2018 set to return this to ratepayers
Projected March 31, 2019 Under-Recovered Balance	10.7		1.6	(9.1)	Driven by higher than projected PJM revenue
Projected April and May 2019 Ratepayer Revenue	(10.7)		(10.3)	0.4	Driven by lower projected sales for these months
	79.3		96.3	17.0	

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

**A.** The CEP is designed to recover costs related to the Company’s New Jersey Clean Energy Program obligations. The current CEP rate was put into effect on a provisional basis on June 1, 2018, pursuant to the May 22, 2018 Order. The CEP rate was made final pursuant to the December 18, 2018 Order. In the instant filing, the Company is proposing to reset the CEP charge to reflect the projected deferred balance as of March 31, 2019, and forecasted costs for the period April 1, 2019 through March 31, 2020, based on the projected funding levels approved by the Board on June 22, 2018 for fiscal year 2019 (July 2018 – June 2019) in BPU Docket No. QO18040392. The funding levels for January 1, 2019 to June 30, 2019, as provided in the aforementioned Board Order, have been used for projections in the filing for those periods. In addition, monthly expenditures from the fiscal year 2019 projected funding levels as found in the approved Order were used to develop the monthly expenditures for the period from July 2019 to March 2020, as the Board will not have issued funding levels for time periods after June 2019 as of the date of this filing. The detailed rate design is provided in Schedule TMH-2, page 1 of 2, and includes \$29.390 million of projected expenses for the period April 1, 2019 to March 31, 2020. Schedule TMH-2, page 2 of 2, provides an estimate of the net over-recovered CEP deferred balance of \$1.150 million, which is the projected under-recovered balance of \$2.493 million at March 31, 2019, inclusive of the

1 projected retail customer revenue in April and May 2019 of \$3.643 million.  
2 Although the reconciliation period is April 2018 through March 2019, the rate  
3 period for collection of those costs was set for June 2018 through May 2019. As a  
4 result, the April and May 2019 projected retail revenue is credited against the  
5 projected March 2019 balance resulting in the net balance after the recovery period.  
6 The total forecasted recovery for this period is \$28.240 million.

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

8 **A.** The current UNC rate was put into effect on a provisional basis on June 1,  
9 2018, pursuant to the May 22, 2018 Order and was made final pursuant to the  
10 December 18, 2018 Order. The Company is proposing to reset the UNC for the  
11 period June 1, 2019 through May 31, 2020. The detailed rate design for the UNC  
12 is provided in Schedule TMH-3, page 1 of 3. The proposed rate is designed to  
13 recover forecasted uncollectible expense for the period of April 1, 2019 through  
14 March 31, 2020, totaling \$9.646 million. It will also return the net projected over-  
15 recovered balance of \$1.137 million, which is the projected over-recovered balance  
16 of \$0.112 million at March 31, 2019, inclusive of the projected retail customer  
17 revenue in April and May 2019 of \$1.025 million. Although the reconciliation  
18 period is April 2018 through March 2019, the rate period for collection of those  
19 costs was set for June 2018 through May 2019. As a result, the April and May 2019  
20 projected retail revenue is credited against the projected March 2019 balance  
21 resulting in the net balance after the recovery period. Schedule TMH-3, page 2 of  
22 3, provides the detailed estimate of the UNC deferred balance through March 31,  
23 2019, as well as the projected retail customer revenue for April and May 2019. The

1 projected net over-recovered deferred balance of \$1.137 million, subject to a true-  
2 up, is currently based on actual data through December 31, 2018, and projected data  
3 for the period of January 1, 2019 through May 31, 2019. The total forecasted  
4 amount to be recovered during the period is \$8.509 million.

5 **Q. Please describe the primary drivers for the increase to the forecasted recovery**  
6 **in the UNC component of the SBC.**

7 **A.** The primary driver of the increase in the forecasted recovery of the UNC  
8 component of the SBC is (i) the swing in the UNC balance from a projected **over-**  
9 **recovered** position of \$7.513 million at April 1, 2018, inclusive of the projected  
10 retail customer revenue in April and May 2018, to a projected **over-recovered**  
11 position of \$1.137 million at March 31, 2019, inclusive of the projected retail  
12 customer revenue in April and May 2019; offset by (ii) the decrease of \$5.768  
13 million in projected 2019 uncollectible expenses as compared to the projected 2018  
14 uncollectible expenses. The swing in the UNC balance from a projected **over-**  
15 **recovered** position of \$7.513 million at April 1, 2018, inclusive of the projected  
16 retail customer revenue in April and May 2018, to a projected **over-recovered**  
17 position of \$1.137 million at March 31, 2019, inclusive of the projected retail  
18 customer revenue in April and May 2019 is primarily driven as follows. Pursuant  
19 to the Stipulation of the Parties – which was approved by the December 18, 2018  
20 Order – rates effective June 1, 2018 were set in a manner designed to fully return  
21 the \$7.513 million to ratepayers, and thereby reduce the deferred balance to \$0 at  
22 June 1, 2019. Based on the timing of revenues and expenses during that rate  
23 recovery period, it was projected that the balance at March 31, 2019 would be an



1 approximate under-recovery of \$1.067 million. Currently, with actuals through  
 2 December 31, 2018 and projections through March 31, 2019, that balance is now  
 3 an over-recovery of \$0.112 million, a decrease of approximately \$1.179 million.  
 4 This decrease was primarily driven by actual sales higher than forecasted. The  
 5 \$5.768 million decrease in projected 2019 uncollectible expenses is primarily  
 6 driven by lower revenues, lower delinquencies, lower average balances going to  
 7 write-offs, and lower overall write-offs.

8 **Table II – Drivers of Increase in Total UNC Forecasted Recovery**

	2018 Settlement	vs.	2019 Filing	Variance	
Projected Uncollectible Expense	15.4		9.6	(5.8)	Lower revenues, delinquencies, average balances, and write-offs
Return of April 1, 2018 Over-Recovery	(7.5)		0.0	7.5	Rates on June 1, 2018 set to return this to ratepayers
Projected March 31, 2019 Under/(Over)-Recovered Balance	1.1		(0.1)	(1.2)	Driven by higher than projected sales
Projected April and May 2019 Ratepayer Revenue	(1.1)		(1.0)	0.1	Driven by lower projected sales for these months
	7.9		8.5	0.6	

9  
 10 **Q. What is the overall impact of the rate changes being proposed in this filing?**

11 **A.** The net impact of adjusting the NGC, CEP, and UNC rate(s), including  
 12 associated changes in Sales and Use Tax, is an overall annual increase in rates and  
 13 charges of approximately \$18.420 million. This amount includes the return of the  
 14 NGC, CEP, and UNC deferred balances at March 31, 2019, inclusive of the  
 15 projected retail customer revenue for April and May 2019, and the going-forward  
 16 recovery of all components for the period April 1, 2019 through March 31, 2020.  
 17 This is summarized on Schedule TMH-4, page 1 of 4.

18 For an average residential customer using approximately 679 kWh per  
 19 month, this represents an increase of approximately \$1.44 or 1.21% on a total  
 20 monthly bill as shown in Schedule TMH-4, page 4 of 4. Schedule TMH-4, pages  
 21 2 of 4 through 4 of 4, provide(s) a calculation of the residential bill impact by season  
 22 and annually.

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

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

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

5 **A.** Yes, it does.

# Schedule TMH-1

Line	Table 1	Forecasted NUG Costs							
		Apr 19	May 19	Jun-19	Jul-19	Aug-19	Sep-19		
5	NGC Costs	\$ 12,642,102	\$ 11,967,432	\$ 13,172,904	\$ 13,929,333	\$ 13,923,082	\$ 13,395,259		
6	Market -Based Revenue (\$000)	\$ 5,116,951	\$ 4,921,726	\$ 4,284,933	\$ 5,454,568	\$ 5,102,647	\$ 4,172,524		
7	Above Market NUG Costs (\$000)	\$ 7,525,151	\$ 7,045,706	\$ 8,887,971	\$ 8,474,765	\$ 8,820,435	\$ 9,222,735		
		Oct-19	Nov-19	Dec-19	Jan-20	Feb-20	Mar-20	Apr-19 to Mar-20	
11	NGC Costs	\$ 12,620,304	\$ 12,460,834	\$ 13,876,872	\$ 15,814,499	\$ 12,886,148	\$ 15,952,159	\$ 162,640,929	
12	Market -Based Revenue (\$000)	\$ 3,763,125	\$ 3,825,189	\$ 5,359,979	\$ 7,164,985	\$ 3,835,661	\$ 4,623,841	\$ 57,626,129	
13	Above Market NUG Costs (\$000)	\$ 8,857,179	\$ 8,635,645	\$ 8,516,893	\$ 8,649,514	\$ 9,050,487	\$ 11,328,318	\$ 105,014,800	
16	Projected Contract Cost (\$000)			\$ 162,640,929	= Line 5 + Line 11				
17	Forecasted Market -Based Revenue (\$000)			\$ 57,626,129	= Line 6 + Line 12				
18	Forecasted Above Market NUG Costs (\$000)			\$ 105,014,800	= Line 16 - Line 17				
20	Projected (Over)/Under Recovered Balance At April 1, 2019			\$ 1,562,638	Schedule TMH-1 Page 2 Col 8 Line 15				
21	Projected Retail NGC Revenue - Apr. & May 2019			\$ (10,282,267)	Schedule TMH-1 Page 2 Col 8 Line 16				
22	Net Projected (Over)/Under Recovered Balance			\$ (8,719,630)	= Line 20 + Line 21				
24	Total Period NGC Costs			\$ 96,295,170	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/(1-0.00245))-1) BPU Assessment	= Col. 6 + Col. 7 Final NGC Rate	= Col. 8 x 1.06625 Final NGC Rate w/ SUT(\$/kWh)
	Rate Class	Loss Factor	Sales @ Customer (kWh)	Sales @ Bulk System - Including Losses	Allocation Factor	Allocated Revenue Requirements	NGC Rate (\$/kWh)	(\$/kWh)	(\$/kWh)	(\$/kWh)
36	RS	1.07149	4,080,911,660	4,372,656,035	0.4691	\$ 45,175,571	\$ 0.011070	\$ 0.000027	\$ 0.011097	\$ 0.011832
37	MGS Secondary	1.07149	1,251,541,658	1,341,014,371	0.1439	\$ 13,854,529	\$ 0.011070	\$ 0.000027	\$ 0.011097	\$ 0.011832
38	MGS Primary	1.04345	27,739,655	28,944,943	0.0031	\$ 299,041	\$ 0.010780	\$ 0.000026	\$ 0.010807	\$ 0.011523
39	AGS Secondary	1.07149	1,833,118,746	1,964,168,405	0.2107	\$ 20,292,570	\$ 0.011070	\$ 0.000027	\$ 0.011097	\$ 0.011832
40	AGS Primary	1.04345	556,105,782	580,268,578	0.0623	\$ 5,994,975	\$ 0.010780	\$ 0.000026	\$ 0.010807	\$ 0.011523
41	TGS	1.02150	926,628,369	946,550,879	0.1016	\$ 9,779,177	\$ 0.010554	\$ 0.000026	\$ 0.010579	\$ 0.011280
42	SPL/CSL	1.07149	67,696,364	72,535,977	0.0078	\$ 749,397	\$ 0.011070	\$ 0.000027	\$ 0.011097	\$ 0.011832
43	DDC	1.07149	13,542,140	14,510,267	0.0016	\$ 149,911	\$ 0.011070	\$ 0.000027	\$ 0.011097	\$ 0.011832
44	Total		8,757,284,374	9,320,649,456	1.0000	\$ 96,295,170				

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
			Retail NGC	PJM Interchange	Expenses	Prior Period & Balance Transfer	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
Line No.	Month		Revenues	Revenues		Rev=+ Exp=-								
1	Actual	Apr-18	\$ 6,465,122	\$ 5,038,801	\$ 13,493,674		\$ (1,989,750)	\$ (363,030)	\$ 2,361,700		\$ 1,436,843	\$ 2,152,059	2.33%	\$ 4,180
2	Actual	May-18	\$ 6,050,598	\$ 3,730,874	\$ 12,065,441		\$ (2,283,970)	\$ (2,647,000)	\$ 2,361,700		\$ (205,102)	\$ 615,871	2.25%	\$ 1,153
3	Actual	Jun-18	\$ 7,276,165	\$ 6,093,396	\$ 13,445,023		\$ (75,463)	\$ (2,722,463)	\$ -		\$ (1,957,178)	\$ (1,081,140)	2.31%	\$ (2,083)
4	Actual	Jul-18	\$ 8,332,958	\$ 6,896,614	\$ 13,652,917		\$ 1,576,655	\$ (1,145,808)	\$ -		\$ (823,721)	\$ (1,390,450)	2.35%	\$ (2,721)
5	Actual	Aug-18	\$ 9,315,016	\$ 7,316,435	\$ 14,062,474		\$ 2,568,977	\$ 1,445,752	\$ -	\$ 22,582	\$ 1,039,351	\$ 107,815	2.24%	\$ 201
6	Actual	Sep-18	\$ 9,131,503	\$ 6,205,519	\$ 14,165,645		\$ 1,171,377	\$ 2,617,129	\$ -		\$ 1,881,454	\$ 1,460,403	2.24%	\$ 2,732
7	Actual	Oct-18	\$ 6,732,344	\$ 5,542,854	\$ 12,487,213		\$ (212,015)	\$ 2,405,114	\$ -		\$ 1,729,036	\$ 1,805,245	2.40%	\$ 3,612
8	Actual	Nov-18	\$ 5,748,067	\$ 6,329,435	\$ 12,832,453		\$ (754,952)	\$ 1,650,162	\$ -		\$ 1,186,302	\$ 1,457,669	2.44%	\$ 2,969
9	Actual	Dec-18	\$ 6,138,932	\$ 6,271,983	\$ 13,463,474		\$ (1,052,559)	\$ 597,604	\$ -		\$ 429,617	\$ 807,959	2.58%	\$ 1,738
10	Projected	Jan-19	\$ 6,777,595	\$ 12,149,569	\$ 15,997,080		\$ 2,930,083	\$ 3,527,687	\$ -		\$ 2,536,054	\$ 1,482,836	2.58%	\$ 3,189
11	Projected	Feb-19	\$ 6,499,600	\$ 5,176,575	\$ 13,051,060		\$ (1,374,885)	\$ 2,152,802	\$ -		\$ 1,547,649	\$ 2,041,852	2.58%	\$ 4,391
12	Projected	Mar-19	\$ 6,291,603	\$ 6,108,425	\$ 16,134,741		\$ (3,734,712)	\$ (1,581,911)	\$ -		\$ (1,137,236)	\$ 205,207	2.58%	\$ 441
13														
14								\$ 19,273						\$ 19,273
15								\$ (1,562,638)						
16								\$ 10,282,267						
17								\$ 8,719,630						

# Schedule TMH-2

Line No.	<b>Table 1 Projected Comprehensive Resource Analysis Program Expenditures April 2019 - March 2020</b>	
	<b>Month</b>	<b>Projected Expenditure</b>
1		
2		
3		
4		
5	Apr-19	\$ 2,257,825
6	May-19	\$ 1,678,113
7	Jun-19	\$ 2,299,610
8	Jul-19	\$ 3,040,129
9	Aug-19	\$ 3,298,576
10	Sep-19	\$ 2,979,171
11	Oct-19	\$ 2,296,585
12	Nov-19	\$ 2,009,335
13	Dec-19	\$ 2,230,777
14	Jan-20	\$ 2,385,797
15	Feb-20	\$ 2,663,852
16	Mar-20	\$ 2,250,475
17		
18	Total	<u>\$ 29,390,245</u>

*Projected based on NJBPU QO18040392 Order dated 6/22/2018 FY2019 Annual Expenditures*

Line No.	<b>Table 2 Clean Energy Program Funding Rate Design June 2019 - May 2020</b>		
21			
22			
23	Total Period Expenditures	\$ 29,390,245	=Line 18
24	Projected (Over)/Under Recovered Balance At April 1, 2019	\$ 2,492,535	Schedule TMH-2, Page 2, Col. 7 Row 15
25	Projected Retail CE Revenue - Apr. & May 2019	\$ (3,642,699)	Schedule TMH-2, Page 2, Col. 7 Row 16
26	Total Clean Energy Program Recovery	\$ 28,240,081	=Line 23 + Line 24 + Line 25
27	Projected Delivered Sales June 2019 - May 2020	8,757,284,374	
28	Clean Energy Program Funding Rate (\$/kWh)	\$ 0.003225	
29	BPU Assessment	\$ 0.000008	
30	Rate without SUT (\$/kWh)	\$ 0.003233	
31	Rate Including SUT (\$/kWh)	\$ 0.003447	

**Atlantic City Electric Company**  
 Summary of Clean Energy Program Deferral  
 Rates Effective For Period June 2019 - May 2020  
 Updated for Actuals through December 2018

<u>Col. 1</u>	<u>Col. 2</u>	<u>Col. 3</u>	<u>Col. 4</u>	<u>Col. 5</u>	<u>Col. 6</u>	<u>Col. 7</u>	<u>Col. 8</u>	<u>Col. 9</u>	<u>Col. 10</u>	<u>Col. 11</u>	<u>Col. 12</u>
Line No.	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-18	\$ 1,956,299	\$ 2,181,371	\$ (225,072)	\$ (2,606,672)		\$ (1,873,937)	\$ (1,793,035)	2.33%	\$ (3,482)
2	Actual	May-18	\$ 1,830,919	\$ 1,883,690	\$ (52,771)	\$ (2,659,443)		\$ (1,911,874)	\$ (1,892,905)	2.25%	\$ (3,545)
3	Actual	Jun-18	\$ 2,330,212	\$ 2,203,183	\$ 127,029	\$ (2,532,414)		\$ (1,820,553)	\$ (1,866,213)	2.31%	\$ (3,595)
4	Actual	Jul-18	\$ 2,974,024	\$ 1,807,244	\$ 1,166,780	\$ (1,365,634)		\$ (981,755)	\$ (1,401,154)	2.35%	\$ (2,742)
5	Actual	Aug-18	\$ 3,323,640	\$ 4,518,256	\$ (1,194,616)	\$ (2,585,493)	\$ (25,243)	\$ (1,858,711)	\$ (1,420,233)	2.24%	\$ (2,652)
6	Actual	Sep-18	\$ 3,263,475	\$ 2,854,915	\$ 408,560	\$ (2,176,934)		\$ (1,564,998)	\$ (1,711,854)	2.24%	\$ (3,202)
7	Actual	Oct-18	\$ 2,415,725	\$ 2,513,348	\$ (97,623)	\$ (2,274,556)		\$ (1,635,179)	\$ (1,600,088)	2.40%	\$ (3,202)
8	Actual	Nov-18	\$ 2,060,678	\$ 1,847,794	\$ 212,884	\$ (2,061,673)		\$ (1,482,137)	\$ (1,558,658)	2.44%	\$ (3,175)
9	Actual	Dec-18	\$ 2,189,107	\$ 2,222,922	\$ (33,815)	\$ (2,095,487)		\$ (1,506,446)	\$ (1,494,291)	2.58%	\$ (3,213)
10	Projected	Jan-19	\$ 2,399,326	\$ 2,385,797	\$ 13,529	\$ (2,081,958)		\$ (1,496,720)	\$ (1,501,583)	2.58%	\$ (3,229)
11	Projected	Feb-19	\$ 2,302,081	\$ 2,663,852	\$ (361,771)	\$ (2,443,729)		\$ (1,756,797)	\$ (1,626,758)	2.58%	\$ (3,498)
12	Projected	Mar-19	\$ 2,227,636	\$ 2,250,475	\$ (22,839)	\$ (2,466,568)		\$ (1,773,216)	\$ (1,765,006)	2.58%	\$ (3,796)
13											
14						\$ (25,967)					\$ (25,967)
15						\$ (2,492,535)					
16						\$ 3,642,699					
17						\$ 1,150,164					



# Schedule TMH-3

Line No.			
1	Projected Uncollectible Expense (April 2019 - March 2020)	\$	9,645,674 Schedule TMH-3, Page 3 Line 15
2			
3	Projected (Over)/Under Recovered Balance At April 1, 2019	\$	(111,801) Schedule TMH-3 Page 2, Column 7 Line 15
4	Projected Retail UNC Revenue - Apr. & May 2019	\$	(1,024,863) Schedule TMH-3 Page 2, Column 7 Line 16
5	Net Projected (Over)/Under Recovered Balance	\$	(1,136,665) = Line 3 + Line 4
6			
7	Total Uncollectible Recovery	\$	8,509,010 Line 1 + Line 5
8			
9	Projected Delivered Sales June 2019 - May 2020		8,757,284,374
10	Uncollectible Rate (\$/kWh)	\$	0.000972
11	BPU/RPA Revenue Assessment	\$	0.000002
12	Final Uncollectible Rate (\$/kWh)	\$	0.000974
13	Final Uncollectible Rate including SUT (\$/kWh)	\$	0.001038



**Atlantic City Electric Company**  
Uncollectible Charge Rate Design  
Rates Effective For Period June 2019 - May 2020  
Updated for Actuals through December 2018

Forecasted Uncollectible Expense

Line No.	Month	Uncollectible Expense
1		
2	Apr-19 \$	(3,723,875)
3	May-19 \$	(1,637,137)
4	Jun-19 \$	18,033
5	Jul-19 \$	2,234,599
6	Aug-19 \$	1,977,783
7	Sep-19 \$	1,908,858
8	Oct-19 \$	(2,502,520)
9	Nov-19 \$	1,097,718
10	Dec-19 \$	2,608,058
11	Jan-20 \$	2,738,903
12	Feb-20 \$	4,827,262
13	Mar-20 \$	97,993
14		
15	Total Period	<u>\$9,645,674</u>

# Schedule TMH-4

Rate Class	Annualized Sales @ Customer (kWh)	Present Rates (Effective Date: Jan. 1, 2019)			Proposed Rates			Overall Rate Change	Annualized Overall Revenue			
		NGC	Clean Energy	Uncollectible	NGC	Clean Energy	Uncollectible		NGC	Clean Energy	Uncollectible	Change
RS	4,080,911,660	\$ 0.009789	\$ 0.003443	\$ 0.000968	\$ 0.011832	\$ 0.003447	\$ 0.001038	\$ 0.002117	\$ 8,337,303	\$ 16,324	\$ 285,664	\$ 8,639,290
MGS Secondary	1,251,541,658	\$ 0.009789	\$ 0.003443	\$ 0.000968	\$ 0.011832	\$ 0.003447	\$ 0.001038	\$ 0.002117	\$ 2,556,900	\$ 5,006	\$ 87,608	\$ 2,649,514
MGS Primary	27,739,655	\$ 0.009533	\$ 0.003443	\$ 0.000968	\$ 0.011523	\$ 0.003447	\$ 0.001038	\$ 0.002064	\$ 55,202	\$ 111	\$ 1,942	\$ 57,255
AGS Secondary	1,833,118,746	\$ 0.009789	\$ 0.003443	\$ 0.000968	\$ 0.011832	\$ 0.003447	\$ 0.001038	\$ 0.002117	\$ 3,745,062	\$ 7,332	\$ 128,318	\$ 3,880,712
AGS Primary	556,105,782	\$ 0.009533	\$ 0.003443	\$ 0.000968	\$ 0.011523	\$ 0.003447	\$ 0.001038	\$ 0.002064	\$ 1,106,651	\$ 2,224	\$ 38,927	\$ 1,147,802
TGS	926,628,369	\$ 0.009332	\$ 0.003443	\$ 0.000968	\$ 0.011280	\$ 0.003447	\$ 0.001038	\$ 0.002022	\$ 1,805,072	\$ 3,707	\$ 64,864	\$ 1,873,643
SPL/CSL	67,696,364	\$ 0.009789	\$ 0.003443	\$ 0.000968	\$ 0.011832	\$ 0.003447	\$ 0.001038	\$ 0.002117	\$ 138,304	\$ 271	\$ 4,739	\$ 143,313
DDC	13,542,140	\$ 0.009789	\$ 0.003443	\$ 0.000968	\$ 0.011832	\$ 0.003447	\$ 0.001038	\$ 0.002117	\$ 27,667	\$ 54	\$ 948	\$ 28,669
Total	8,757,284,374								\$ 17,772,158	\$ 35,029	\$ 613,010	\$ 18,420,198

**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, 2019**

Monthly Usage (kWh)	Present Delivery (\$)	Present Supply+T (\$)	Present Total (\$)	New Delivery (\$)	New Supply+T (\$)	New Total (\$)	Difference		Total	(%)
							Delivery (\$)	Supply+T (\$)	Difference (\$)	
0	\$ 4.80	\$ -	\$ 4.80	\$ 4.80	\$ -	\$ 4.80	\$ -	\$ -	\$ -	0.00%
25	\$ 6.51	\$ 2.52	\$ 9.03	\$ 6.57	\$ 2.52	\$ 9.09	\$ 0.06	\$ -	\$ 0.06	0.66%
50	\$ 8.23	\$ 5.04	\$ 13.27	\$ 8.33	\$ 5.04	\$ 13.37	\$ 0.10	\$ -	\$ 0.10	0.75%
75	\$ 9.94	\$ 7.56	\$ 17.50	\$ 10.10	\$ 7.56	\$ 17.66	\$ 0.16	\$ -	\$ 0.16	0.91%
100	\$ 11.66	\$ 10.08	\$ 21.74	\$ 11.87	\$ 10.08	\$ 21.95	\$ 0.21	\$ -	\$ 0.21	0.97%
150	\$ 15.09	\$ 15.11	\$ 30.20	\$ 15.40	\$ 15.11	\$ 30.51	\$ 0.31	\$ -	\$ 0.31	1.03%
200	\$ 18.51	\$ 20.15	\$ 38.66	\$ 18.94	\$ 20.15	\$ 39.09	\$ 0.43	\$ -	\$ 0.43	1.11%
250	\$ 21.94	\$ 25.19	\$ 47.13	\$ 22.47	\$ 25.19	\$ 47.66	\$ 0.53	\$ -	\$ 0.53	1.12%
300	\$ 25.37	\$ 30.23	\$ 55.60	\$ 26.01	\$ 30.23	\$ 56.24	\$ 0.64	\$ -	\$ 0.64	1.15%
350	\$ 28.80	\$ 35.26	\$ 64.06	\$ 29.54	\$ 35.26	\$ 64.80	\$ 0.74	\$ -	\$ 0.74	1.16%
400	\$ 32.23	\$ 40.30	\$ 72.53	\$ 33.08	\$ 40.30	\$ 73.38	\$ 0.85	\$ -	\$ 0.85	1.17%
450	\$ 35.66	\$ 45.34	\$ 81.00	\$ 36.61	\$ 45.34	\$ 81.95	\$ 0.95	\$ -	\$ 0.95	1.17%
500	\$ 39.09	\$ 50.38	\$ 89.47	\$ 40.15	\$ 50.38	\$ 90.53	\$ 1.06	\$ -	\$ 1.06	1.18%
600	\$ 45.94	\$ 60.45	\$ 106.39	\$ 47.21	\$ 60.45	\$ 107.66	\$ 1.27	\$ -	\$ 1.27	1.19%
<b>679</b>	<b>\$ 51.36</b>	<b>\$ 68.41</b>	<b>\$ 119.77</b>	<b>\$ 52.80</b>	<b>\$ 68.41</b>	<b>\$ 121.21</b>	<b>\$ 1.44</b>	<b>\$ -</b>	<b>\$ 1.44</b>	<b>1.20%</b>
700	\$ 52.80	\$ 70.53	\$ 123.33	\$ 54.28	\$ 70.53	\$ 124.81	\$ 1.48	\$ -	\$ 1.48	1.20%
750	\$ 56.23	\$ 75.56	\$ 131.79	\$ 57.82	\$ 75.56	\$ 133.38	\$ 1.59	\$ -	\$ 1.59	1.21%
800	\$ 59.66	\$ 80.60	\$ 140.26	\$ 61.35	\$ 80.60	\$ 141.95	\$ 1.69	\$ -	\$ 1.69	1.20%
900	\$ 66.52	\$ 90.68	\$ 157.20	\$ 68.42	\$ 90.68	\$ 159.10	\$ 1.90	\$ -	\$ 1.90	1.21%
1000	\$ 73.37	\$ 100.75	\$ 174.12	\$ 75.49	\$ 100.75	\$ 176.24	\$ 2.12	\$ -	\$ 2.12	1.22%
1200	\$ 87.09	\$ 120.90	\$ 207.99	\$ 89.63	\$ 120.90	\$ 210.53	\$ 2.54	\$ -	\$ 2.54	1.22%
1500	\$ 107.66	\$ 151.13	\$ 258.79	\$ 110.84	\$ 151.13	\$ 261.97	\$ 3.18	\$ -	\$ 3.18	1.23%
2000	\$ 141.95	\$ 201.50	\$ 343.45	\$ 146.18	\$ 201.50	\$ 347.68	\$ 4.23	\$ -	\$ 4.23	1.23%
2500	\$ 176.23	\$ 251.88	\$ 428.11	\$ 181.53	\$ 251.88	\$ 433.41	\$ 5.30	\$ -	\$ 5.30	1.24%
3000	\$ 210.52	\$ 302.25	\$ 512.77	\$ 216.87	\$ 302.25	\$ 519.12	\$ 6.35	\$ -	\$ 6.35	1.24%
3500	\$ 244.81	\$ 352.63	\$ 597.44	\$ 252.22	\$ 352.63	\$ 604.85	\$ 7.41	\$ -	\$ 7.41	1.24%
4000	\$ 279.09	\$ 403.00	\$ 682.09	\$ 287.56	\$ 403.00	\$ 690.56	\$ 8.47	\$ -	\$ 8.47	1.24%

**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, 2019**

Monthly Usage (kWh)	Present Delivery (\$)	Present Supply+T (\$)	Present Total (\$)	New Delivery (\$)	New Supply+T (\$)	New Total (\$)	Difference		Total Difference	
							Delivery (\$)	Supply+T (\$)	(\$)	(%)
0	\$ 4.80	\$ -	\$ 4.80	\$ 4.80	\$ -	\$ 4.80	\$ -	\$ -	\$ -	0.00%
25	\$ 6.62	\$ 2.32	\$ 8.94	\$ 6.67	\$ 2.32	\$ 8.99	\$ 0.05	\$ -	\$ 0.05	0.56%
50	\$ 8.44	\$ 4.63	\$ 13.07	\$ 8.55	\$ 4.63	\$ 13.18	\$ 0.11	\$ -	\$ 0.11	0.84%
75	\$ 10.26	\$ 6.95	\$ 17.21	\$ 10.42	\$ 6.95	\$ 17.37	\$ 0.16	\$ -	\$ 0.16	0.93%
100	\$ 12.08	\$ 9.26	\$ 21.34	\$ 12.30	\$ 9.26	\$ 21.56	\$ 0.22	\$ -	\$ 0.22	1.03%
150	\$ 15.73	\$ 13.90	\$ 29.63	\$ 16.04	\$ 13.90	\$ 29.94	\$ 0.31	\$ -	\$ 0.31	1.05%
200	\$ 19.37	\$ 18.53	\$ 37.90	\$ 19.79	\$ 18.53	\$ 38.32	\$ 0.42	\$ -	\$ 0.42	1.11%
250	\$ 23.01	\$ 23.16	\$ 46.17	\$ 23.54	\$ 23.16	\$ 46.70	\$ 0.53	\$ -	\$ 0.53	1.15%
300	\$ 26.65	\$ 27.79	\$ 54.44	\$ 27.29	\$ 27.79	\$ 55.08	\$ 0.64	\$ -	\$ 0.64	1.18%
350	\$ 30.30	\$ 32.42	\$ 62.72	\$ 31.04	\$ 32.42	\$ 63.46	\$ 0.74	\$ -	\$ 0.74	1.18%
400	\$ 33.94	\$ 37.06	\$ 71.00	\$ 34.78	\$ 37.06	\$ 71.84	\$ 0.84	\$ -	\$ 0.84	1.18%
450	\$ 37.58	\$ 41.69	\$ 79.27	\$ 38.53	\$ 41.69	\$ 80.22	\$ 0.95	\$ -	\$ 0.95	1.20%
500	\$ 41.22	\$ 46.32	\$ 87.54	\$ 42.28	\$ 46.32	\$ 88.60	\$ 1.06	\$ -	\$ 1.06	1.21%
600	\$ 48.51	\$ 55.58	\$ 104.09	\$ 49.78	\$ 55.58	\$ 105.36	\$ 1.27	\$ -	\$ 1.27	1.22%
<b>679</b>	<b>\$ 54.26</b>	<b>\$ 62.90</b>	<b>\$ 117.16</b>	<b>\$ 55.70</b>	<b>\$ 62.90</b>	<b>\$ 118.60</b>	<b>\$ 1.44</b>	<b>\$ -</b>	<b>\$ 1.44</b>	<b>1.23%</b>
700	\$ 55.79	\$ 64.85	\$ 120.64	\$ 57.27	\$ 64.85	\$ 122.12	\$ 1.48	\$ -	\$ 1.48	1.23%
750	\$ 59.43	\$ 69.48	\$ 128.91	\$ 61.02	\$ 69.48	\$ 130.50	\$ 1.59	\$ -	\$ 1.59	1.23%
800	\$ 63.49	\$ 74.61	\$ 138.10	\$ 65.18	\$ 74.61	\$ 139.79	\$ 1.69	\$ -	\$ 1.69	1.22%
900	\$ 71.60	\$ 84.88	\$ 156.48	\$ 73.50	\$ 84.88	\$ 158.38	\$ 1.90	\$ -	\$ 1.90	1.21%
1000	\$ 79.71	\$ 95.14	\$ 174.85	\$ 81.83	\$ 95.14	\$ 176.97	\$ 2.12	\$ -	\$ 2.12	1.21%
1200	\$ 95.93	\$ 115.67	\$ 211.60	\$ 98.47	\$ 115.67	\$ 214.14	\$ 2.54	\$ -	\$ 2.54	1.20%
1500	\$ 120.26	\$ 146.47	\$ 266.73	\$ 123.44	\$ 146.47	\$ 269.91	\$ 3.18	\$ -	\$ 3.18	1.19%
2000	\$ 160.82	\$ 197.79	\$ 358.61	\$ 165.05	\$ 197.79	\$ 362.84	\$ 4.23	\$ -	\$ 4.23	1.18%
2500	\$ 201.37	\$ 249.11	\$ 450.48	\$ 206.66	\$ 249.11	\$ 455.77	\$ 5.29	\$ -	\$ 5.29	1.17%
3000	\$ 241.92	\$ 300.44	\$ 542.36	\$ 248.27	\$ 300.44	\$ 548.71	\$ 6.35	\$ -	\$ 6.35	1.17%
3500	\$ 282.48	\$ 351.76	\$ 634.24	\$ 289.89	\$ 351.76	\$ 641.65	\$ 7.41	\$ -	\$ 7.41	1.17%
4000	\$ 323.03	\$ 403.09	\$ 726.12	\$ 331.50	\$ 403.09	\$ 734.59	\$ 8.47	\$ -	\$ 8.47	1.17%



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

**Present Rates**

vs.

**Proposed Rates with NGC/SBC Adjustments Effective June 01, 2019**

Monthly Usage (kWh)	Present Delivery (\$)	Present Supply+T (\$)	Present Total (\$)	New Delivery (\$)	New Supply+T (\$)	New Total (\$)	Difference		Total Difference	
							Delivery (\$)	Supply+T (\$)	(\$)	(%)
0	\$ 4.80	\$ -	\$ 4.80	\$ 4.80	\$ -	\$ 4.80	\$ -	\$ -	\$ -	0.00%
25	\$ 6.55	\$ 2.45	\$ 9.00	\$ 6.60	\$ 2.45	\$ 9.05	\$ 0.05	\$ -	\$ 0.05	0.56%
50	\$ 8.30	\$ 4.90	\$ 13.20	\$ 8.40	\$ 4.90	\$ 13.30	\$ 0.10	\$ -	\$ 0.10	0.76%
75	\$ 10.05	\$ 7.36	\$ 17.41	\$ 10.21	\$ 7.36	\$ 17.57	\$ 0.16	\$ -	\$ 0.16	0.92%
100	\$ 11.80	\$ 9.81	\$ 21.61	\$ 12.01	\$ 9.81	\$ 21.82	\$ 0.21	\$ -	\$ 0.21	0.97%
150	\$ 15.30	\$ 14.71	\$ 30.01	\$ 15.61	\$ 14.71	\$ 30.32	\$ 0.31	\$ -	\$ 0.31	1.03%
200	\$ 18.80	\$ 19.61	\$ 38.41	\$ 19.22	\$ 19.61	\$ 38.83	\$ 0.42	\$ -	\$ 0.42	1.09%
250	\$ 22.30	\$ 24.51	\$ 46.81	\$ 22.83	\$ 24.51	\$ 47.34	\$ 0.53	\$ -	\$ 0.53	1.13%
300	\$ 25.80	\$ 29.42	\$ 55.22	\$ 26.44	\$ 29.42	\$ 55.86	\$ 0.64	\$ -	\$ 0.64	1.16%
350	\$ 29.30	\$ 34.31	\$ 63.61	\$ 30.04	\$ 34.31	\$ 64.35	\$ 0.74	\$ -	\$ 0.74	1.16%
400	\$ 32.80	\$ 39.22	\$ 72.02	\$ 33.65	\$ 39.22	\$ 72.87	\$ 0.85	\$ -	\$ 0.85	1.18%
450	\$ 36.30	\$ 44.12	\$ 80.42	\$ 37.25	\$ 44.12	\$ 81.37	\$ 0.95	\$ -	\$ 0.95	1.18%
500	\$ 39.80	\$ 49.03	\$ 88.83	\$ 40.86	\$ 49.03	\$ 89.89	\$ 1.06	\$ -	\$ 1.06	1.19%
600	\$ 46.80	\$ 58.83	\$ 105.63	\$ 48.07	\$ 58.83	\$ 106.90	\$ 1.27	\$ -	\$ 1.27	1.20%
<b>679</b>	<b>\$ 52.33</b>	<b>\$ 66.57</b>	<b>\$ 118.90</b>	<b>\$ 53.77</b>	<b>\$ 66.57</b>	<b>\$ 120.34</b>	<b>\$ 1.44</b>	<b>\$ -</b>	<b>\$ 1.44</b>	<b>1.21%</b>
700	\$ 53.80	\$ 68.64	\$ 122.44	\$ 55.28	\$ 68.64	\$ 123.92	\$ 1.48	\$ -	\$ 1.48	1.21%
750	\$ 57.30	\$ 73.53	\$ 130.83	\$ 58.89	\$ 73.53	\$ 132.42	\$ 1.59	\$ -	\$ 1.59	1.22%
800	\$ 60.94	\$ 78.60	\$ 139.54	\$ 62.63	\$ 78.60	\$ 141.23	\$ 1.69	\$ -	\$ 1.69	1.21%
900	\$ 68.21	\$ 88.75	\$ 156.96	\$ 70.11	\$ 88.75	\$ 158.86	\$ 1.90	\$ -	\$ 1.90	1.21%
1000	\$ 75.48	\$ 98.88	\$ 174.36	\$ 77.60	\$ 98.88	\$ 176.48	\$ 2.12	\$ -	\$ 2.12	1.22%
1200	\$ 90.04	\$ 119.16	\$ 209.20	\$ 92.58	\$ 119.16	\$ 211.74	\$ 2.54	\$ -	\$ 2.54	1.21%
1500	\$ 111.86	\$ 149.58	\$ 261.44	\$ 115.04	\$ 149.58	\$ 264.62	\$ 3.18	\$ -	\$ 3.18	1.22%
2000	\$ 148.24	\$ 200.26	\$ 348.50	\$ 152.47	\$ 200.26	\$ 352.73	\$ 4.23	\$ -	\$ 4.23	1.21%
2500	\$ 184.61	\$ 250.96	\$ 435.57	\$ 189.91	\$ 250.96	\$ 440.87	\$ 5.30	\$ -	\$ 5.30	1.22%
3000	\$ 220.99	\$ 301.65	\$ 522.64	\$ 227.34	\$ 301.65	\$ 528.99	\$ 6.35	\$ -	\$ 6.35	1.21%
3500	\$ 257.37	\$ 352.34	\$ 609.71	\$ 264.78	\$ 352.34	\$ 617.12	\$ 7.41	\$ -	\$ 7.41	1.22%
4000	\$ 293.74	\$ 403.03	\$ 696.77	\$ 302.21	\$ 403.03	\$ 705.24	\$ 8.47	\$ -	\$ 8.47	1.22%

# Schedule TMH-5

**ATLANTIC CITY ELECTRIC COMPANY**  
**BPU NJ No. 11 Electric Service - Section IV ~~Nineteenth~~ Revised Sheet Replaces ~~Eighteenth~~ 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>	St. Lawrence NYPA Credit (effective through May 31, 2019) <u>RS*</u>	Non-Utility Generation above market costs	<u>Total NGC</u>
RS	(\$0.000024)	\$ 0. <a href="#">009789011832</a>	\$ 0. <a href="#">009765011808</a>
MGS Secondary		\$ 0. <a href="#">009789011832</a>	\$ 0. <a href="#">009789011832</a>
MGS Primary		\$ 0. <a href="#">009533011523</a>	\$ 0. <a href="#">009533011523</a>
AGS Secondary		\$ 0. <a href="#">009789011832</a>	\$ 0. <a href="#">009789011832</a>
AGS Primary		\$ 0. <a href="#">009533011523</a>	\$ 0. <a href="#">009533011523</a>
TGS		\$ 0. <a href="#">009332011280</a>	\$ 0. <a href="#">009332011280</a>
SPL/CSL		\$ 0. <a href="#">009789011832</a>	\$ 0. <a href="#">009789011832</a>
DDC		\$ 0. <a href="#">009789011832</a>	\$ 0. <a href="#">009789011832</a>

\*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:** [January 2, 2019](#)

**Effective Date:** [December 28, 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. ER18020120](#)

[Issued by:](#)

ATLANTIC CITY ELECTRIC COMPANY  
BPU NJ No. 11 Electric Service - Section IV ~~Thirty-Fourth~~ Revised Sheet Replaces ~~Thirty-Third~~ 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>003443</del> <u>003447</u> per kWh
Uncollectible Accounts	\$0. <del>000968</del> <u>001038</u> per kWh
Universal Service Fund	\$0.001338 per kWh
Lifeline	\$0.000753 per kWh

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Date of Issue: ~~January 2, 2019~~

Effective Date: ~~December 28, 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. ER18020120~~  
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>	St. Lawrence NYPA Credit (effective through May 31, 2019) <u>RS*</u>	<u>Non-Utility Generation above market costs</u>	<u>Total NGC</u>
RS	(\$0.000024)	\$ 0.011832	\$ 0.011808
MGS Secondary		\$ 0.011832	\$ 0.011832
MGS Primary		\$ 0.011523	\$ 0.011523
AGS Secondary		\$ 0.011832	\$ 0.011832
AGS Primary		\$ 0.011523	\$ 0.011523
TGS		\$ 0.011280	\$ 0.011280
SPL/CSL		\$ 0.011832	\$ 0.011832
DDC		\$ 0.011832	\$ 0.011832

\*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	\$0.003447 per kWh
Uncollectible Accounts	\$0.001038 per kWh
Universal Service Fund	\$0.001338 per kWh
Lifeline	\$0.000753 per kWh

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**Date of Issue:**

**Effective Date:**

**Issued by:**

# Exhibit B

Proposed 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 (2019)  
BPU Docket No. \_\_\_\_\_**

**PLEASE TAKE NOTICE** that, on or about February 1, 2019, 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, 2019 through May 31, 2020, based upon a projected deferred balance on March 31, 2019, inclusive of projected customer revenue through May 31, 2019, and associated forecasted above market NUG costs for the period April 1, 2019 through March 31, 2020. 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, 2019, inclusive of projected customer revenue through May 31, 2019, and the projected expenses for the period April 1, 2019 through March 31, 2020.

As set forth in the Stipulation of Settlement and confirmed by Order of the Board issued in connection with BPU Docket No. ER18020120, 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 over-recovered balance as of March 31, 2019, inclusive of projected customer revenue through May 31, 2019, was scheduled to be submitted on or by January 31, 2019.

The NGC component is based on actual expenditures through December 31, 2018, and projected data through March 31, 2020. The effect of the change in the NGC component for this period results in a \$16.974 million increase to be recovered over the period June 1, 2019 through May 31, 2020.

The UNC component is based on actual expenditures through December 31, 2018 and projected data through March 31, 2020. The effect of the change in the UNC component for this period results in an increase of \$0.608 million to be recovered over the period June 1, 2019 through May 31, 2020.

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, 2018, and projected data through March

31, 2020. The effect of the change in the CEP component for this period results in an increase of \$0.158 million to be recovered over the period June 1, 2019 through May 31, 2020.

The following table demonstrates the Company's proposed rates:

Rate Schedule	NGC	SBC
Residential	\$0.011808	\$0.004485
MGS Secondary	\$0.011832	\$0.004485
MGS Primary	\$0.011523	\$0.004485
AGS Secondary	\$0.011832	\$0.004485
AGS Primary	\$0.011523	\$0.004485
TGS	\$0.011280	\$0.004485
SPL/CSL	\$0.011832	\$0.004485
DDC	\$0.011832	\$0.004485

The effect of the changes in the NGC and SBC charges on typical residential customer's monthly electric bill using 679 kWh represents an increase of approximately \$1.44 or 1.21 percent. Residential customers using other monthly usage amounts, based on the Company's proposed rates, are illustrated below:

Monthly kWh Use	Present Bill	Proposed Bill	Decrease (\$)	Decrease (%)
100	\$21.61	\$21.82	\$0.21	0.97%
300	\$55.22	\$55.86	\$0.64	1.16%
500	\$88.83	\$89.89	\$1.06	1.19%
750	\$130.83	\$132.42	\$1.59	1.22%
1000	\$174.36	\$176.48	\$2.12	1.22%
2000	\$348.50	\$352.73	\$4.23	1.21%
2500	\$435.57	\$440.87	\$5.30	1.22%
3000	\$522.64	\$528.99	\$6.35	1.21%

**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: TBD</b>	<b>Date: TBD</b>
<b>Time: TBD</b>	<b>Time: TBD</b>
<b>Location:</b> TBD	<b>Location:</b> TBD

Representatives of the Board's Staff and Rate Counsel are expected to 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  
(2019)**

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

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**CERTIFICATION OF SERVICE**

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

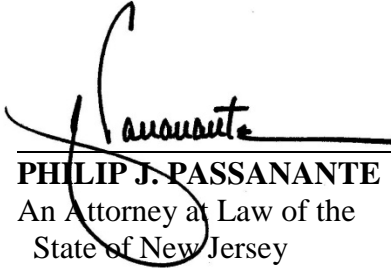
1. I am an attorney at law of the State of New Jersey and am Assistant General Counsel to Atlantic City Electric Company, the Petitioner in the within matter, with which I am familiar.

2. I hereby certify that, on February 1, 2019, 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-Welch. I also caused an electronic copy to be sent to the Board Secretary's office at [aida.camacho@bpu.nj.gov](mailto:aida.camacho@bpu.nj.gov) and [board.secretary@bpu.nj.gov](mailto:board.secretary@bpu.nj.gov).

3. I further certify that, on February 1, 2019, 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 1, 2019

 /jpr  
**PHILIP J. PASSANANTE**  
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I/M/O the Petition of Atlantic City Electric Company to Reconcile and Update the Level of Its  
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BPU Docket No. ER19020146

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