

**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. ER19020146**

PLEASE TAKE NOTICE that, on or about February 4, 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 CEP & UNC
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 proposed changes in the NGC and SBC charges on a 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	Increase (\$)	Increase (%)
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 updates are posted on ACE’s website at www.atlanticcityelectric.com/home/choice/nj/public/. Copies of the Petition are also available at the Board of Public Utilities, 44 South Clinton Avenue, 2nd floor, Trenton, New Jersey. Any members of the public who want to inspect the Petition at the Board may contact the Board’s Division of Case Management at (609) 292-0806 to schedule an appointment.

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:

Date: Tuesday, April 30, 2019	Date: Tuesday, April 30, 2019
Time: 3:30 P.M.	Time: 5:30 P.M.
Location: Atlantic City Electric Company Offices 1 st Floor Conference Room 5100 Harding Highway Mays Landing, New Jersey 08330	Location: Atlantic City Electric Company Offices 1 st Floor Conference Room 5100 Harding Highway Mays Landing, New Jersey 08330

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, 3rd Floor, Suite 314, Post Office Box 350, Trenton, New Jersey 08625-0350, whether or not they attend the public hearings.

Atlantic City Electric Company