

## NOTICE TO ATLANTIC CITY ELECTRIC COMPANY CUSTOMERS

In the Matter of the 2019/2020 Annual Compliance Filings for a Change in the Statewide Electric and Gas Permanent Universal Service Fund Program Factors Within the Electric and Gas Societal Benefits Charge Rates Pursuant to *N.J.S.A. 48:2-21* and *N.J.S.A. 48:2-21.1*

BPU Docket No. ER19060736

### Notice of Filing and Public Hearings

**PLEASE TAKE NOTICE** that, on June 24, 2019, Atlantic City Electric Company (“ACE” or “Company”) made an Annual Compliance Filing and provided supporting documentation for changes in the Universal Service Fund (“USF”) and Lifeline components of ACE’s Societal Benefits Charge (“SBC”). The requested program changes result in a *decrease* to the USF component and an *increase* to the Lifeline component of the SBC. The requested change in the USF and Lifeline components is made pursuant to the New Jersey Board of Public Utilities’ (“Board” or “BPU”) Orders and includes the recovery of funding for the USF Program through uniform statewide rates.

The USF Program was established by the Board, pursuant to the Electric Discount and Energy Competition Act, N.J.S.A. 48:3-49, *et seq.*, to provide funds to assist qualifying low-income individuals in paying their energy bills. The State of New Jersey’s Department of Community Affairs is the Administrator of the USF Program and the New Jersey Department of Health and Senior Services is the Administrator of the Lifeline program and authorizes the disbursement of benefits to eligible customers in the respective programs.

Based upon the results and available estimates known to date for the 2018/2019 USF program year and the available estimates for the 2019/2020 USF Program year, it is anticipated that the USF rates will be set to collect \$111.4 million, of which \$83.0 million would be recovered through electric rates with the remaining \$28.4 million recovered through gas rates on a statewide basis. The Lifeline rates are anticipated to be set to collect \$74.6 million, of which \$50.7 million would be recovered through electric rates with the remaining \$23.9 million recovered through gas rates on a statewide basis.

In its June 22, 2005 USF Order, the BPU directed that the filing requirements for rate setting, including notice of filing, notice of public hearings, and tariffs, should be made by July 1, 2006, and each year thereafter. In accordance with the USF Order, the Company made a filing with the Board on June 24, 2019, requesting to change its current USF/Lifeline program charges, as described below, to become effective on October 1, 2019.

The proposed charges for electric customers are as follows:

<b>USF/Lifeline Fund Components of Societal Benefits Charge</b>				
	<b>Present</b>	<b>Present (Including Sales and Use Tax)</b>	<b>Proposed</b>	<b>Proposed (Including Sales and Use Tax)</b>
USF-Electric per kWh	\$0.001255	\$0.001338	\$0.001159	\$0.001236
Lifeline-Electric per kWh	\$0.000706	\$0.000753	\$0.000708	\$0.000755

**It is important to note that the above requests will not result in any profit to ACE.** The revenues received under the proposed USF and Lifeline program factors are designed to permit ACE to recover its costs associated with these programs. Actual program costs will be reconciled with the revenues received through the USF and Lifeline program charges in the next scheduled annual USF and Lifeline filing to be made on or before July 1, 2020.

If approved by the Board, the effect of the proposed changes in the electric USF/Lifeline program charge on typical residential electric bills is illustrated below:

<b>Impact of Proposed USF and Lifeline Charges on Typical Residential Electric Service Bills</b>				
Typical Average Monthly Bill (Includes Sales and Use Tax)				
			Decrease	
	Present Charges (1)	Proposed Charges (2)	Amount	Percent
100 kWh average monthly use	\$24.11	\$24.10	(\$-0.01)	(-0.04%)
300 kWh average monthly use	\$60.81	\$60.78	(\$-0.03)	(-0.05%)
500 kWh average monthly use	\$97.51	\$97.46	(\$-0.05)	(-0.05%)
650 kWh average monthly use	\$125.03	\$124.97	(\$-0.06)	(-0.05%)
679 kWh average monthly use	\$130.36	\$130.29	(\$-0.07)	(-0.05%)
1,000 kWh average monthly use	\$190.97	\$190.87	(\$-0.10)	(-0.05%)
1,500 kWh average monthly use	\$286.15	\$286.00	(\$-0.15)	(-0.05%)
2,500 kWh average monthly use	\$476.51	\$476.26	(\$-0.25)	(-0.05%)

- (1) Based upon Basic Generation Service Residential Small Commercial Pricing (BGS-RSCP) and Delivery Rates in effect July 1, 2019 and assumes that the customer receives BGS-RSCP service from ACE.
- (2) Same as (1) except includes change in USF/Lifeline.

Based on ACE’s June 24, 2019 filing, the typical residential customer using 679 kWh per month and 8,148 kilowatt hours on an annual basis would see a *decrease* of \$0.07 in the annual bill from \$130.36 to \$130.29 or approximately -0.05%. The percentage change applicable to specific customers will vary according to the applicable service classification and the level of the customer’s usage.

The Board has the statutory authority to establish the USF and Lifeline charges at levels it finds just and reasonable. Therefore, the Board may establish the USF and Lifeline charges at levels other than those proposed by ACE. Therefore, the above described charges may increase or decrease based upon the Board’s decision.

This Petition was filed with the Board and copies were also served upon the New Jersey Division of Rate Counsel (“Rate Counsel”). Copies 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, 2nd Floor, Trenton, New Jersey 08625-0350. Any member of the public who wants 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 dates, times and locations for public hearings have been scheduled on the Company’s Petition so that members of the public may present their views. Information provided at the public hearings will become part of the record of this case and will be considered by the Board in making its decision.

<b>Date:</b> Tuesday, August 27, 2019	<b>Date:</b> Tuesday, August 27, 2019
<b>Time:</b> 4:30 P.M.	<b>Time:</b> 5:30 P.M.
<b>Location:</b> Atlantic City Electric Company Regional Office 5100 Harding Highway Mays Landing, New Jersey 08330	<b>Location:</b> Atlantic City Electric Company Regional Office 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. 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, P.O. Box 350, Trenton, New Jersey 08625-0350 or by email to [board.secretary@bpu.nj.gov](mailto:board.secretary@bpu.nj.gov), whether or not they attend the public hearings.

**Atlantic City Electric Company**