

**NOTICE OF  
FILING OF ELECTRIC RATE INCREASE  
AND PUBLIC HEARINGS  
TO CUSTOMERS OF  
ATLANTIC CITY ELECTRIC COMPANY  
BPU Docket No. ER18080925  
OAL Docket No. PUC 14569-2018S**

**PLEASE TAKE NOTICE** that, on or about August 21, 2018, Atlantic City Electric Company (“ACE” or the “Company”), a New Jersey public utility, filed a Petition (the “Petition”) with the New Jersey Board of Public Utilities (the “Board” or “BPU”), which has been docketed as BPU Docket No. ER18080925, seeking the Board's approval of (i) proposed changes to certain elements of the Company's tariff and (ii) propose a new revenue decoupling mechanism which decouples base distribution revenue from the volume of sales and level of billed demand. Specifically, the Company is seeking an increase in distribution-related charges. If approved, the request would increase the net annual revenues of the Company by \$121.9 million (\$129.9 million, including Sales and Use Tax). The Company is requesting the rate increase due to increases in operating expenses and investments in plant and equipment made since the Company’s last base rate case. In order to maintain and enhance the reliability of service to all ACE customers and improve the resiliency of the distribution system in severe weather events, the Company has continued to invest heavily in its distribution system. The costs of these investments, along with other cost increases experienced since ACE’s last base rate case, are not reflected in the Company’s current rates. The current rate filing requests recognition in rates of these costs.

The Company has requested that all of the rates shown below become effective for service rendered on and after May 21, 2019 (that is, following the anticipated expiration of two statutory, BPU-adopted suspension periods). If this filing is not resolved within the nine-month time period set forth under applicable law, ACE, consistent with N.J.A.C. 14:1-5.12, intends to implement the rate changes set out in the Petition on an interim basis, subject to refund once the case is finally resolved by the Board.

If the Board approves this request, the total monthly bill for a typical residential customer (using approximately 679 kWh/month) will increase by \$12.92 or approximately 10.8%. The exact amount that your bill will increase depends upon the amount of electricity you use. A chart is included with this notice to help residential customers assess the impact of the new rates on their monthly bills.

The Company has filed the following changes to its existing rates with the BPU. Any final rate adjustments found by the Board to be just and reasonable may be modified and/or allocated by the Board in accordance with the provisions of N.J.S.A. 48:3-4, and for other good and legally sufficient reasons, to any class or classes of customers of the Company. Therefore, the above-described changes may increase or decrease based upon the Board's decision.

	<b>Residential Service (RS)</b>
Customer Charge:	\$6.93
Distribution Charges (\$/kWh):	
0 – 750 Summer	\$0.072381
0 – 500 Winter	\$0.066243
Over 750 Summer	\$0.084261
Over 500 Winter	\$0.066243

<b>Delivery Charges</b>	<b>Monthly General Service – Secondary (MGS-SEC)</b>	<b>Monthly General Service – Primary (MGS-Prim)</b>
Customer Charge – Single Phase		
Single Phase	\$11.20	\$14.70
Three Phase	\$13.04	\$15.97
Distribution Demand Charges:		
Demand Charge Summer (\$/kW)	\$3.15	\$1.57
Demand Charge Winter (\$/kW)	\$2.58	\$1.22
Reactive Demand Charge (\$/kVAR)	\$0.65	\$0.43
Distribution kWh Charges		
Summer (\$/kWh)	\$0.063238	\$0.044214
Winter (\$/kWh)	\$0.056462	\$0.042941

	<b>Annual General Service – Secondary (AGS-SEC)</b>	<b>Annual General Service – Primary (AGS-Prim)</b>	<b>Transmission General Service (TGS) Subtransmission &lt; 5,000 kW</b>	<b>Transmission General Service (TGS) Subtransmission 5,000 – 9,000 kW</b>	<b>Transmission General Service (TGS) Subtransmission &gt;9,000 kW</b>
Customer Charge	\$216.26	\$798.23	\$131.75	\$4,363.57	\$7,921.01
Distribution Demand Charges (\$/kW):	\$12.30	\$10.08	\$3.78	\$2.91	\$1.45
Reactive Demand Charge (\$/kVAR)	\$0.81	\$0.60	\$0.52	\$0.52	\$0.52

	<b>Transmission General Service (TGS) &lt; 5,000 kW</b>	<b>Transmission General Service (TGS) 5,000 – 9,000 kW</b>	<b>Transmission General Service (TGS) &gt;9,000 kW</b>
Customer Charge	\$128.91	\$4,246.42	\$19,316.15
Distribution Demand Charges (\$/kW):	\$2.94	\$2.27	\$0.14
Reactive Demand Charge (\$/kVAR)	\$0.50	\$0.50	\$0.50

<b>Delivery Charges</b>	<b>Direct Distribution Connection (DDC)</b>	<b>Street &amp; Private Lighting (SPL)*</b>	<b>Contributed Street Lighting (CSL)*</b>
Distribution: Service & Demand (per day per connection)	\$0.161131	-	-
Energy (per day for each KW of effective load)	\$0.776105	-	-

\* See Rate Schedules for details of monthly charges per fixture.

Residential customers can compare their monthly usage with the chart below to see how these rate changes, as proposed, will affect their bills:

<b>Charges Under Previous Rates</b>		
Monthly kWh Use	Winter	Summer
100	\$21.87	\$21.48
300	\$56.01	\$54.85
500	\$90.15	\$88.23
750	\$132.82	\$129.94
1000	\$175.50	\$176.23
1500	\$260.85	\$268.79
2000	\$346.20	\$361.36
3000	\$516.90	\$546.48
<b>Charges Under Proposed Rates</b>		
Monthly kWh Use	Winter	Summer
100	\$25.53	\$25.33
300	\$62.73	\$62.13
500	\$99.92	\$98.93
750	\$146.41	\$144.93
1000	\$192.91	\$196.41
1500	\$285.90	\$299.35
2000	\$378.88	\$402.30

3000	\$564.86	\$608.19
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The above assumes that customers take their electric supply from the Company and do not engage the services of a third party supplier.

The chart below provides information as to the percentage rate change by customer class:

**PERCENT CHANGE BY CUSTOMER CLASS**

<b>Rate Schedule</b>	<b>Percent Change by Customer Class</b>
Residential	11.1%
Monthly General Service Secondary	17.9%
Monthly General Service Primary	0.0%
Annual General Service Secondary	8.1%
Annual General Service Primary	9.7%
Transmission General Service	0.0%
Street and Private Lighting/ Contributed Street Lighting	29.8%
Direct Distribution Connection	0.0%

A copy of this Notice of Filing and Public Hearings on the Petition is being served upon the clerk, executive or administrator of each municipality and county within the Company's service territory. The Petition and this Notice have also been served upon the Director of the Division of Rate Counsel (Rate Counsel), who will represent the interests of all ACE customers in this proceeding. Copies of ACE's Petition are available for public inspection at ACE's business office (5100 Harding Highway, Mays Landing, New Jersey 08330) during normal business hours and on ACE's website at [www.atlanticcityelectric.com/home/choice/nj/public/](http://www.atlanticcityelectric.com/home/choice/nj/public/). Copies are also available at the Board's main office, 44 South Clinton Avenue, 7th Floor, Trenton, New Jersey 08625.

**PLEASE TAKE FURTHER NOTICE** that the Board has transmitted the Company's Petition to the Office of Administrative Law (OAL) for the purpose of conducting public and evidentiary hearings thereon. The Petition has been docketed as OAL Docket No. PUC 14569-2018S. The OAL has scheduled public hearings before an Administrative Law Judge at the following times and place:

<b>Date:</b> Tuesday, January 8, 2019*	<b>Date:</b> Tuesday, January 8, 2019*
<b>Time:</b> 3:30 P.M.	<b>Time:</b> 5:30 P.M.
<b>Location:</b> Atlantic City Electric Company Offices 1 <sup>st</sup> Floor Conference Room 5100 Harding Highway Mays Landing, New Jersey 08330	<b>Location:</b> Atlantic City Electric Company Offices 1 <sup>st</sup> Floor Conference Room 5100 Harding Highway Mays Landing, New Jersey 08330

\*Please note that in the event of inclement weather, the public comment hearings will be rescheduled to Tuesday, January 15, 2019, at 3:30 P.M. and 5:30 P.M. at the location noted immediately above.

A BPU Staff representative and a representative from Rate Counsel will be present at the public hearings. 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 prior to voting on the matter. The public hearings will continue at the foregoing date, times, and location until all persons timely appearing have had a reasonable opportunity to be heard. Regardless of whether they attend the public hearings, members of the public may file written comments with the Board at 44 South Clinton Avenue, 3<sup>rd</sup> Floor, Suite 314, P.O. Box 350, Trenton, New Jersey 08625-0350, Attention: Aida Camacho-Welch., Secretary of the Board, and with the Office of Administrative Law, Attention: Administrative Law Judge Tricia M. Caliguire, at the Office of Administrative Law, P.O. Box 49, Trenton, New Jersey 08625-0049. Please include BPU Docket No. ER18080925 and OAL Docket No. PUC 14569-2018S in any written comments.

Dated: December 19, 2018

**Atlantic City Electric Company**