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February 4, 2022

VIA ELECTRONIC MAIL
aida.camacho@bpu.nj.gov
board.secretary@bpu.nj.gov

Aida Camacho-Welch
Secretary of the Board
Board of Public Utilities
44 South Clinton Avenue, 1st Floor
P.O. Box 350
Trenton, New Jersey 08625-0350

RE: In the Matter of the Petition of Atlantic City Electric Company for Authority to Issue Up to \$700 million of Long-Term Debt Securities Pursuant to N.J.S.A. 48:3-9 (2022 - 2024)
BPU Docket No. EF22020044

Dear Secretary Camacho-Welch:

Attached is the Certified Petition of Atlantic City Electric Company (“ACE” or the “Company”) for Authority to Issue Up to \$700 Million of Long-Term Debt Securities Pursuant to N.J.S.A. 48:3-9.¹

The Company respectfully requests that New Jersey Board of Public Utilities (the “Board” or “BPU”) retain jurisdiction over this filing and complete its review of the renewed authority requested herein by **August 1, 2022**.

Although ACE’s current long-term debt authorization expires at the end of December 2022, the Company has determined that an earlier renewal of its long-term debt authority is appropriate. ACE respectfully requests, therefore, that any Order granting the relief requested herein be effective as of the date of issuance of such Order or the Effective Date established in that Order, at the Board’s discretion.

¹ In light of the COVID-19 pandemic and the government directives resulting therefrom, this filing is made under Certification of a corporate officer of ACE in lieu of an Affidavit of Verification.

**IN THE MATTER OF THE PETITION
OF ATLANTIC CITY ELECTRIC
COMPANY FOR AUTHORITY TO
ISSUE UP TO \$700 MILLION OF LONG-
TERM DEBT SECURITIES PURSUANT
TO N.J.S.A. 48:3-9 (2022 – 2024)**

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

BPU DOCKET NO. ____ () ____

CERTIFIED PETITION¹

Petitioner, ATLANTIC CITY ELECTRIC COMPANY (“Petitioner,” “ACE” or the “Company”), a public utility corporation of the State of New Jersey, having an office and mailing address of 5100 Harding Highway, Mays Landing, in the State of New Jersey 08330, and an office at 500 N. Wakefield Drive, in the City of Newark, State of Delaware 19702-5440, respectfully submits this Petition to the New Jersey Board of Public Utilities (the “Board” or “BPU”) pursuant to N.J.S.A. 48:3-9 and states that:

1. The Company is a public utility corporation organized and existing under the laws of the State of New Jersey and is engaged in the purchase, transmission, distribution, and sale of electric power to approximately 560,000 residential, commercial, and industrial customers in southern New Jersey. The Company provides default electricity supply to retail customers who do not choose a competitive supplier.

2. Petitioner is a wholly owned subsidiary of Pepco Holdings LLC (“PHI”), a limited liability company organized and existing under the laws of the State of Delaware. PHI is, in turn, a wholly owned subsidiary of PH Holdco LLC (“PHLLC”), a limited liability company organized and existing under the laws of the State of Delaware. PHLLC is 99.9% owned by Exelon Energy Delivery Company, LLC (“EEDC”), a limited liability company organized and existing under the laws of the State of Delaware. EEDC is, in turn, a limited liability company wholly owned by Exelon Corporation.

¹ In light of exigencies created by the COVID-19 pandemic and the Executive Orders issued pursuant thereto, this Petition is being submitted under Certification in lieu of an Affidavit of Verification. The Petition has been executed by an officer of the Petitioner.

3. Petitioner is engaged in a construction program with estimated expenditures of \$1.4 billion for the years 2022 – 2024, designed to improve and extend its facilities to enable it to better serve the public. Information with respect to Petitioner's construction program for 2022 - 2024, containing general categories of the work to be done and estimates of the costs thereof, is attached hereto as **Exhibit A**. The Company seeks the flexibility to issue long-term debt to permanently finance up to \$700 million of short-term debt anticipated to be incurred for outlays associated with its 2022 - 2024 construction program.

4. The Company has \$150 million in taxable bonds scheduled to mature during 2022 – 2024 as shown in **Exhibit B**.

5. The Company respectfully requests authorization to issue and sell through one or more transactions and from time to time, but not later than December 31, 2024, debt securities (referred to herein generally as “Debt Securities”) in an aggregate principal amount of not more than \$700 million to: (i) refund maturing debt securities; (ii) finance a portion of ACE’s 2022 - 2024 construction program; and (iii) convert a portion of its short-term debt expected to be incurred associated with its capital expenditure program to permanent financing.²

6. The Debt Securities may consist of First Mortgage Bonds issued under the Company’s Mortgage and Deed of Trust dated January 15, 1937, or any successor mortgage thereto; Senior Notes issued under the Company’s Indenture (for Senior Debt Securities) dated as of April 1, 2004; or unsecured Notes, issued under the Company’s Indenture dated March 1, 1997.

² ACE’s existing long-term debt authorization was approved and authorized by the Board in *In the Matter of the Petition of Atlantic City Electric Company for Authority to Issue Up to \$600 Million of Long-Term Debt Securities Pursuant to N.J.S.A. 48:3-9 (2021 – 2022)*, BPU Docket No. EF20080522, Order issued December 2, 2020 (the “2020 LTD Order”). Although the 2020 LTD Order grants the Company authority through December 31, 2022, Petitioner respectfully requests that any Board Order issued pursuant to this request be effective as of the date of issuance of such Order or the Effective Date established in that Order, in and at the Board’s discretion.

7. The Debt Securities may be sold in transactions as to which a registration statement filed with the United States (“U.S.”) Securities and Exchange Commission (the “SEC”) under the Securities Act of 1933, as amended is in effect.

8. The Debt Securities may be issued and sold publicly or in private placements directly to prospective purchasers through one or more underwriters or placement agents to be selected by the Company. The arrangements between ACE and the underwriters or placement agents, if any, regarding the issuance and sale of the Debt Securities will be set forth in one or more agreements to be executed at the time of issuance. Forms of such agreements will be provided to the Board upon request.

9. The Debt Securities may be issued in one or more series and will have maturities between 12 months and 40 years from the date of issuance. Other terms of the Debt Securities, including call provisions and interest rates, will be determined depending on the maturities selected and market conditions at the time such terms and rates are set. Based on current and historical market conditions, the Company anticipates that the maximum coupon spread over U.S. Treasury securities for the Debt Securities will be consistent with the Market Yield Spread Table attached hereto as **Exhibit C**.

10. The spreads set forth in **Exhibit C** are based upon the difference between the market yield of corporate debt securities having ratings comparable to Petitioner’s Debt Securities and U.S. Treasury securities with like maturities. If market conditions change materially, Petitioner acknowledges that it will seek Board approval for an updated yield spread schedule.

11. Debt Securities may include tax-exempt bonds issued through a governmental authority and/or may be issued as credit enhancement for such tax-exempt bonds.

12. Debt Securities may include secured or unsecured bank loans (“Bank Loans”). Bank Loans would carry interest rates (fixed or variable) and maturities, and other terms and conditions, all of which would be dependent upon market conditions prevailing at the time of execution.

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

Philip J. Passanante, Esquire
Assistant General Counsel
Atlantic City Electric Company
Mail Code 92DC42
500 North Wakefield Drive
Newark, Delaware 19714-6066
Direct Dial: (609) 909-7034 (Trenton Office)
(302) 429-3105 (Newark, DE Office)
(302) 853-0569 (Mobile)
Facsimile: (302) 429-3801
E-mail: philip.passanante@pepcoholdings.com

with a copy to the following representatives of the Company:

Ryan Brown
Assistant Treasurer
Atlantic City Electric Company
10 South Dearborn Street, 54th Floor
Chicago, Illinois 60603
Direct Dial: (312) 394-2091
Facsimile: (312) 394-8867
E-mail: ryan.brown@exeloncorp.com

Heather Hall
Manager, New Jersey Regulatory Affairs
Atlantic City Electric Company – 92DC42
500 North Wakefield Drive
P.O. Box 6066
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and

Diana DeAngelis
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14. Information relating to the current financial condition of Petitioner is contained in the Annual Report of Petitioner to the Board for the quarter ended September 30, 2021, which information is incorporated herein by reference.

15. A certified copy of the resolution(s) of the Board of Directors of Petitioner authorizing the filing of this Petition is attached hereto as **Exhibit D**.

16. Petitioner acknowledges that any Order issued in connection with this filing will not be construed as directly or indirectly fixing, for any purpose whatsoever, any value of the tangible or intangible assets now owned or hereafter to be owned by Petitioner.

17. Petitioner acknowledges that any Order issued in connection with this filing will not be construed as certification that any Debt Securities herein authorized will be represented by tangible or intangible assets of commensurate value or investment cost.

18. Petitioner acknowledges that any Order issued by the Board in connection with this filing will neither affect nor in any way limit the exercise of the authority of the Board or of the State of New Jersey in any future petition or in any future proceeding with respect to rates, franchises, services, financing (including method of sale of securities), accounting, capitalization or any other matters affecting Petitioner, the New Jersey Division of Rate Counsel (“Rate Counsel”) or Board Staff, and that said parties reserve the right to examine the transaction and its impact on rates in the context of the Company’s next base rate case.

