



Agenda Date: 4/27/2016
Agenda Item: IIA

STATE OF NEW JERSEY
Board of Public Utilities
44 South Clinton Avenue, 3RD Floor, Suite 314
Post Office Box 350
Trenton, New Jersey 08625-0350
www.nj.gov/bpu/

ENERGY

IN THE MATTER OF THE PETITION OF ATLANTIC)	ORDER SUSPENDING INCREASES,
CITY ELECTRIC COMPANY FOR APPROVAL OF)	CHANGES OR ALTERATIONS IN
AMENDMENTS TO ITS TARIFF TO PROVIDE FOR AN)	RATES FOR SERVICE
INCREASE IN RATES AND CHARGES FOR ELECTRIC)	
SERVICE PURSUANT TO <u>N.J.S.A. 48:2-21</u> AND)	
<u>N.J.S.A. 48:2-21.1</u> , FOR APPROVAL OF A GRID)	
RESILIENCY INITIATIVE AND COST RECOVERY)	
RELATED THERETO, AND FOR OTHER)	
APPROPRIATE RELIEF (2016))	BPU DOCKET NO. ER16030252

Parties of Record:

Phillip J. Passanante, Esq., on behalf of Atlantic City Electric Company, Petitioner
Stefanie A. Brand, Esq., Director, Division of Rate Counsel

BY THE BOARD:

On March 22, 2016, pursuant to N.J.S.A. 48:2-21 and N.J.A.C. 14:1-5.12, Atlantic City Electric Company ("ACE" or "Company"), a public utility of the State of New Jersey subject to the jurisdiction of the New Jersey Board of Public Utilities ("Board"), filed a petition for approval of an increase in its current base rates for electric service of approximately \$84.4 million, including Sales and Use Tax, to be effective for electric service provided on or after April 22, 2016. The Company is also requesting a return on equity of 10.60%. According to the petition, the primary reason for the requested increase is that Company's current base rates do not (i) provide sufficient operating revenues to reflect increased investment in the Company's rate base, meet operating expenses, taxes, and fixed charges; and (ii) provide an opportunity to earn a reasonable rate of return on the fair value of the Company's property.

In addition, ACE is seeking authority to implement a grid resiliency program, the PowerAhead Program, with an associated cost recovery mechanism. The Company proposes to implement the program over a five year period at a total approximately capital investment of \$176 million. According to the petition, the PowerAhead Program is designed to modernize the electric grid through energy efficiency, increased distribution generation, and resiliency, all geared toward improving the distribution system's ability to withstand major storm events.

Additionally, the Company is requesting that the Board relieve it of the obligation to file an alternative rate design using Peak and Average Coincident Peak method as required by the Board in the Order issued in connection with in Docket No. ER03020110. ACE is also seeking approval of its proposed economic development riders to promote economic development in its service territory.

By letter dated April 6, 2016, ACE notified the Board that given that the regular agenda meeting scheduled April 27, 2016 is beyond the Company's proposed implementation date, it would not implement rates on an interim basis prior to the effective date of the Board's Suspension Order resulting from the April 27, 2016 meeting.

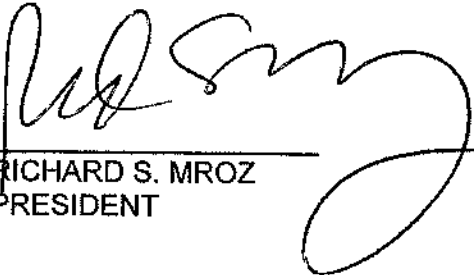
It appearing that the proposed revisions, if approved, will increase existing rates and change or alter existing classifications in the Company's tariff, it is **HEREBY ORDERED** that:

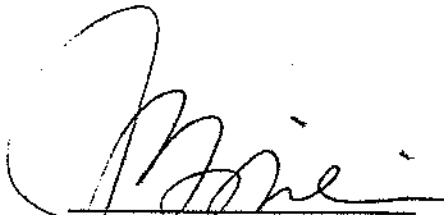
- (1) Pursuant to N.J.S.A. 48:2-21(d), the proposed revisions are suspended until August 22, 2016, unless prior to that date the Board makes a determination disposing of the petition or enters an Order further suspending the proposed revisions;
- (2) ACE shall, at least ten (10) days prior to the date set for hearing on the petition by the Office of Administrative Law, file with this Board and with the Office of Administrative Law, proof of compliance with the notice provisions of N.J.S.A. 48:2-32.2 and N.J.A.C. 14:1-5.12(b) and (c), which notice shall include a statement that any relief found by the Board to be just and reasonable may be allocated by the Board to any class or classes of customers on any rate or schedule as the Board may determine; and
- (3) ACE shall serve copies of this Order upon the Office of Administrative Law, the Division of Rate Counsel (140 East Front Street, 4th Floor, Post Office Box 003, Trenton, N.J. 08625), the clerk of each affected municipality, the clerk of the Boards of Chosen Freeholders of the affected county, and where appropriate, the executive officer of the affected county within its service area. Service of the petition, notice of hearings and this Order may be made simultaneously. Proof of service of this Order shall be filed with the Board within fifteen (15) days of the effective date of this Order.

This Order shall be effective on May 7, 2016.

DATED: 4/27/16

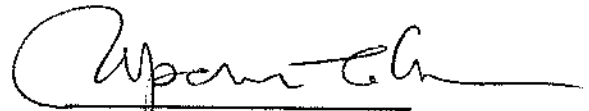
BOARD OF PUBLIC UTILITIES
BY:

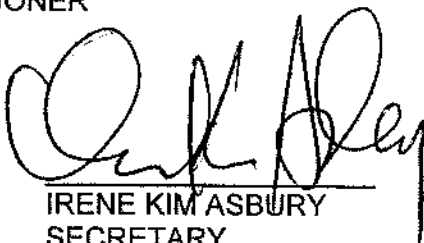

RICHARD S. MROZ
PRESIDENT


JOSEPH L. FIORDALISO
COMMISSIONER

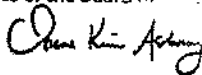

MARY-ANNA HOLDEN
COMMISSIONER


DIANNE SOLOMON
COMMISSIONER


UPENDRA J. CHIVUKULA
COMMISSIONER

ATTEST: 
IRENE KIM ASBURY
SECRETARY

I HEREBY CERTIFY that this document is a true copy in the files of the Board of Public Utilities.



IN THE MATTER OF THE PETITION OF ATLANTIC CITY ELECTRIC COMPANY FOR APPROVAL OF AMENDMENTS TO ITS TARIFF TO PROVIDE FOR AN INCREASE IN RATES AND CHARGES FOR ELECTRIC SERVICE PURSUANT TO N.J.S.A. 48:2-21 AND N.J.S.A. 48:2-21.1, FOR APPROVAL OF A GRID RESILIENCY INITIATIVE AND COST RECOVERY RELATED THERETO, AND FOR OTHER APPROPRIATE RELIEF (2016)
BPU DOCKET NO. ER16030252

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