



**STATE OF NEW JERSEY**  
**Board of Public Utilities**  
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**Post Office Box 350**  
**Trenton, New Jersey 08625-0350**  
[www.nj.gov/bpu/](http://www.nj.gov/bpu/)

ENERGY

IN THE MATTER OF THE PETITION OF	)	ORDER APPROVING
ATLANTIC CITY ELECTRIC COMPANY FOR	)	STIPULATION OF SETTLEMENT
APPROVAL OF ELECTRIC BASE RATE	)	
ADJUSTMENTS TO THE POWERAHEAD	)	
PROGRAM (11/2019)	)	DOCKET NO. ER19111434

**Parties of Record:**

**Andrew J. McNally, Esq.**, on behalf of Atlantic City Electric Company  
**Stefanie A. Brand, Esq., Director**, New Jersey Division of Rate Counsel

BY THE BOARD:

On November 1, 2019, Atlantic City Electric Company (“ACE” or “Company”) filed a verified petition with the New Jersey Board of Public Utilities (“Board” or “BPU”) seeking the review and approval of plant investments made pursuant to its PowerAhead Program (“PowerAhead” or “Program”) (“November 2019 Petition”). By this Decision and Order, the Board considers a stipulation of settlement (“Stipulation”) executed by ACE, Board Staff (“Staff”), and the New Jersey Division of Rate Counsel (“Rate Counsel”) (collectively, “Parties”) resolving the November 2019 Petition.

**BACKGROUND AND PROCEDURAL HISTORY**

By Order dated May 31, 2017, the Board authorized ACE to implement the Program.<sup>1</sup> The PowerAhead projects were intended to improve the storm resiliency and hardening, as well as add grid modernization for the Company’s distribution infrastructure to benefit its customers. The total investment level to be recovered through the cost recovery mechanism approved by the May 2017 Order was \$79.0 million with semi-annual recovery provided that the plant-in service additions during the period were at least \$7.0 million.

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<sup>1</sup> In re 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 48:2-21.1, for Approval of a Grid Resiliency Initiative and Cost Recovery Related Thereto; and for Other Appropriate Relief (2016) – Phase II, BPU Docket No. ER16030252, Order dated May 31, 2017, (“May 2017 Order”).

The following is a breakdown of the approved investments and investment levels:

1.	Structural and Electrical Hardening:	\$24.0 million
2.	Selective Underground:	\$11.0 million
3.	Barrier Island ("BI") Feeder Ties:	\$13.0 million
4.	Distribution Automation ("DA"):	\$15.0 million
5.	Electronic Fusing:	\$ 2.0 million
6.	New Substation – Harbor Beach	<u>\$14.0 million</u>
	Total	\$79.0 million

In May 2019, ACE made its first PowerAhead recovery filing ("May 2019 PowerAhead Filing"). ACE's May 2019 PowerAhead Filing sought Board approval to recover the revenue requirements associated with certain capitalized electric investment costs of PowerAhead between January 1, 2019 through and including June 30, 2019 ("First Roll-In Period"). Consistent with the stipulation approved in the May 2017 Order, ACE's May 2019 PowerAhead Filing sought recovery of costs associated with its plant-in-service additions during the First Roll-In Period, inclusive of a return on those investments, calculated using the overall rate of return approved in ACE's most recent base rate case (i.e., 7.08%, pursuant to Board Order's March 13, 2019 Order in BPU Docket No. ER18080925).<sup>2</sup> Additionally, ACE's May 2019 PowerAhead Filing utilized the rate design methodology approved in the 2019 Rate Case Order.

By Order dated September 27, 2019, the Board approved a stipulation executed by the Parties resolving the May 2019 PowerAhead Filing.<sup>3</sup> The September 2019 Order authorized ACE to implement an increase in rates related to the First Roll-In Period, effective October 1, 2019.

As set forth in the September 2019 Order, the increase in rates reflected an increase in the electric revenue requirement of approximately \$251,970 over a six (6) month period beginning October 1, 2019. The \$251,970 increase represented approximately one-half of the revenue requirement that ACE intended to collect over the six (6) month period. Since annual billing determinants were used in the rate design, ACE should have annualized the semi-annual revenue requirement of \$503,941. Consequently, the semi-annual revenue requirement, combined with the use of annual billing determinants, resulting in ACE recovering the \$503,941 revenue requirement over a 12-month, not a six (6) month, period. In the stipulation approved by the September 2019 Order, the Parties agreed that the \$503,941 semi-annual revenue requirement should have been annualized by ACE in order for it to be recovered over the six (6) month period beginning October 1, 2019.

## **NOVEMBER 2019 PETITION**

On November 1, 2019, ACE filed the November 2019 Petition seeking review and approval of the capital investments related to PowerAhead that were placed in service from July 1, 2019 through

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<sup>2</sup>In re 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. 48:221.1 and for other Appropriate Relief (2018), BPU Docket No. ER18080925, Order dated March 13, 2019, ("2019 Rate Case Order").

<sup>3</sup>In re the Petition of Atlantic City Electric Company for Approval of Electric Base Rate Adjustments to the PowerAhead Program (5/2019), BPU Docket No. ER19050550, Order dated September 27, 2019, ("September 2019 Order").

December 31, 2019 ("Second Roll-In Period"). In the November 2019 Petition, ACE sought to recover revenue requirements of \$1,502,097 associated with \$12,197,527 of plant-in-service investments and was based upon actual data through September 30, 2019, and projected information for the period October 1, 2019 through December 31, 2019.

In addition, ACE also sought to remedy the under-recovery associated with the First Roll-In Period, i.e., the electric revenue requirement that was not recovered through the September 2019 Order, via two (2) steps: (1) a rate adjustment that would prevent future under-recovery associated with the First Roll-In Period starting April 1, 2020 and going forward; and (2) a rate adjustment to recover the under-recovered amount of \$251,971 for the period of October 1, 2019 through March 31, 2020.

The first adjustment would be annual and remain in place going forward to correct for the under recovery and would prevent any "future under-recovery" that would otherwise result from the cost recovery mismatch associated with the May 2019 PowerAhead Filing.

For the second adjustment, ACE requested authorization to implement an additional, one-time adjustment to allow ACE to recover the \$251,971 that the Company did not recover beginning October 1, 2019 and ending March 31, 2020. The second adjustment would collect \$251,971 over a six (6) month period when new rates go into effect. To prevent any over-recovery associated with the second adjustment, ACE proposed to eliminate the revenue requirement associated with the second adjustment, effective October 1, 2020, in its next PowerAhead recovery filing, anticipated to be made on or about May 1, 2020.

Collectively, in the November 2019 Petition, ACE sought an increase in the annual electric revenue requirement of \$2,509,979, which includes both the annual electric revenue requirement associated with ACE's PowerAhead Expenditures from the Second Roll-In Period and the two (2) adjustments to remedy the under-recovery associated with the First Roll-In Period.

On January 16, 2020, ACE updated its filing with actual data through December 31, 2019 ("January 2020 Update"). Based upon the January 2020 Update, the Company updated its proposed revenue requirement to \$1,349,628 associated with \$10,835,869 of plant-in-service investments which incurred in the Second Roll-In Period. The updated total revenue requirement request was for \$2,357,511, including the two (2) proposed adjustments related to the First Roll-In Period.

On January 28, 2020, the Company issued a Notice regarding the Transfer of Funding within certain PowerAhead subprograms. ACE pointed out that in the January 2020 Update, ACE represented that the total budgeted spending amount for the DA sub-program was \$16.38 million. The sub-program, however, is only funded up to \$15.9 million. ACE also represented the total budgeted spending amount for the BI Feeder Ties sub-program as \$14.18 million though the sub-program is only funded up to \$13 million. However, ACE indicated that the Company would be transferring funding amounts between projects within each sub-program, which, according to the Company, amounted to a "net zero" transfer of funding, and align with each sub-program's respective authorized spends. On February 5, 2020, Rate Counsel filed a letter objecting to the Company implementing the changes without further clarification.

Following a discussion among the Parties, on February 19, 2020, the Company submitted correspondence withdrawing its January 28, 2020 Notice of Transfer of Funding. Additionally, because ACE's January 2020 Update incorporated certain funding transfers, the Company updated the actual filing ("February Update"). In the February Update, the Company updated its

proposed revenue requirement to \$1,221,710 associated with \$9,801,163 in gross plant-in-service investments. The updated total revenue requirement request was for \$2,229,592, including the two (2) proposed adjustments related to the First Roll-In Period.

After publication of notice in newspapers of general circulation in the Company's service territory, two (2) public hearings (one in the afternoon and one in the evening) were held at the Company's Offices in Mays Landing, New Jersey on February 25, 2020. No member of the public attended or provided written comments.

## **STIPULATION**

Following discovery, the Parties discussed the issues in this matter. As a result, on March 16, 2020, the Parties executed the Stipulation, which provides for the following:<sup>4</sup>

1. The Parties agree that ACE shall receive in rates, as described in the Stipulation, an increase in the annual electric revenue requirement of approximately \$1,725,651 (see Second Revised Supplemental Schedule (CJV-2RS)-1 annexed to the Stipulation as Attachment A; Second Revised Supplemental Schedule (CJV-2RS)-2, annexed to the Stipulation as Attachment B) starting April 1, 2020. The increase represents the sum total of: (1) the increase in annual revenue requirement associated with the Second Roll-In Period of \$1,221,710; and (2) the increase in annual revenue requirement to remedy the "future under-recovery" associated with the First Roll-In Period of \$503,941.
2. ACE may implement the proposed rates associated with the increase in the electric revenue requirement referenced above (reflected in Second Revised Supplemental Schedule (CJV-2RS)-1, at 1, Attachment A of the Stipulation), pursuant to ACE's proposed rate design methodology (reflected in Second Revised Supplemental Schedule (CJV-2RS)-2, Attachment B of the Stipulation). These Schedules reflect the annual revenue requirement of \$1,725,651 being collected over annual billing determinants.
3. ACE shall implement the electric rates addressed in the paragraph 2 of the Stipulation effective April 1, 2020 on an interim basis subject to prudence review in the next ACE base rate case.
4. The impact of the proposed rates to the typical residential electric customer that uses an average of 679 kilowatt hours per month will be an increase of \$0.19 per month or approximately 0.15 percent.
5. Consistent with the 2017 PowerAhead Stipulation and the May 2017 PowerAhead Order, the prudence of the execution of the projects that are the subject of the rate adjustments provided for under the Stipulation will be reviewed in ACE's subsequent base rate proceedings, as appropriate, including but not limited to a review of whether the Company has met its obligations under the PowerAhead Program and to ensure that ACE's expenses are distribution, not transmission, investments. Attachment C,

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<sup>4</sup> Although summarized in this Order, the detailed terms of the Stipulation are controlling, subject to the findings and conclusions of this Order. Each paragraph is numbered to coincide with the Stipulation.

annexed to the Stipulation, identifies the PowerAhead projects, their original investment levels per the 2017 PowerAhead Stipulation, any applicable funding transfers authorized to date, and the actual or anticipated spending on each such project as of the date of the Stipulation. The Company affirms that the information contained in Attachment C of the Stipulation is true and accurate to the best of its knowledge, and reflects current anticipated spending, where applicable, as of the date of the Stipulation. The Company agrees to notify Staff and Rate Counsel, in writing and electronically, within a month of any change in the current anticipated project budget of 5% or more for each of the PowerAhead projects providing a detailed explanation supporting the budget change. Going forward, each PowerAhead Roll-In petition shall include an updated table in a form materially similar to Attachment C of the Stipulation. Nothing in the stipulation shall allow the Company to exceed the \$79 million investment level for PowerAhead recovery. With respect to [certain projects]<sup>5</sup>, the Parties acknowledge that the project plans are being reevaluated by the Company. The Company agrees it will not commence work on [these projects] until the Company submits a proposal to Staff and Rate Counsel for those projects, and until Staff and Rate Counsel conclude their evaluations of the proposals. Pursuant to Paragraph 13 of the 2017 PowerAhead Stipulation, Rate Counsel reserves all rights and remedies to argue prudence in the Company's next base rate case or prior thereto, as it deems appropriate. To the extent the Company decides to not proceed with any project identified in Confidential Appendix One to the 2017 PowerAhead Stipulation, the allowed investment level of \$79 million identified in Paragraph 1 of the 2017 PowerAhead Stipulation shall be reduced by the budgeted amount identified in Confidential Appendix One for that specific project. Accordingly, the rate adjustments agreed to pursuant to the Stipulation shall be provisional, and subject to refund. Nothing in the Stipulation will preclude any Party in ACE's next base rate case from raising any objection that could have been raised in the present proceeding.

6. As noted in the Stipulation, the Parties acknowledge that prior to the execution of the September 2019 PowerAhead Stipulation and issuance of the September 2019 Order, the Company identified an issue with the rate design included in the May 2019 PowerAhead Filing, which resulted in the Company failing to recover \$251,971 over the period October 1, 2019 to March 31, 2020. ACE shall be permitted to seek recovery of this amount in its next filed base rate case.

## **DISCUSSION AND FINDINGS**

The Board carefully reviewed the record in this proceeding, including the November 2019 Petition, the subsequent updates, and the attached Stipulation. The Board **HEREBY FINDS** the Stipulation to be reasonable, in the public interest, and in accordance with the law. Therefore, the Board **HEREBY ADOPTS** the attached Stipulation in its entirety, and incorporates its terms and conditions as if fully stated in this Order.

The Board **HEREBY AUTHORIZES** the Company to recover the rate adjustments reflected in the Stipulation, on a provisional basis, subject to refund with interest and review for prudence in a future ACE base rate case. As a result of the Stipulation, an average residential customer using

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<sup>5</sup> A portion of Paragraph 5 of the Stipulation recited herein is redacted as confidential and proprietary. The redacted portions are indicated in brackets.

approximately 679 kilowatt hours per month, will see an increase of \$0.19 per month or approximately 0.15%.

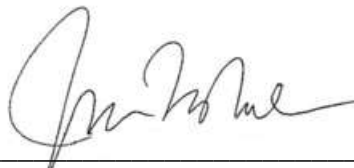
The Board **HEREBY ORDERS** ACE to file revised tariff sheets conforming to the terms of the Stipulation by April 1, 2020.

The Company's costs, including those related to PowerAhead, remain subject to audit by the Board. This Decision and Order shall not preclude, nor prohibit, the Board from taking any actions determined to be appropriate as a result of any such audit.

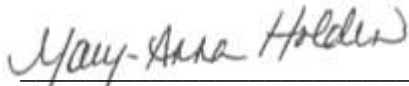
The effective date of this Order is March 27, 2020.

DATED: March 27, 2020

BOARD OF PUBLIC UTILITIES  
BY:



JOSEPH L. FIORDALISO  
PRESIDENT



MARY-ANNA HOLDEN  
COMMISSIONER



DIANNE SOLOMON  
COMMISSIONER

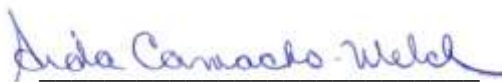


UPENDRA J. CHIVUKULA  
COMMISSIONER



ROBERT M. GORDON  
COMMISSIONER

ATTEST:



AIDA CAMACHO-WELCH  
SECRETARY

IN THE MATTER OF THE PETITION OF ATLANTIC CITY ELECTRIC COMPANY FOR  
APPROVAL OF ELECTRIC BASE RATE ADJUSTMENTS TO THE POWERAHEAD  
PROGRAM (11/2019) - BPU DOCKET NO. ER19111434

SERVICE LIST

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March 16, 2020

**VIA ELECTRONIC MAIL**  
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Aida Camacho-Welch  
Secretary of the Board  
Board of Public Utilities  
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**RE:** In the Matter of the Petition of Atlantic City Electric Company for Approval of  
Electric Base Rate Adjustments to the PowerAhead Program (11/2019)  
BPU Docket No. ER19111434

Dear Secretary Camacho-Welch:

Enclosed herewith, please find a fully-executed, public, redacted version of the Stipulation of Settlement, including all relevant Schedules (the “Stipulation”), in connection with the above-referenced matter. It is Atlantic City Electric Company’s (“ACE” or “the Company”) understanding that the Stipulation will be placed on the agenda for consideration at the regular meeting currently scheduled for Wednesday, March 25, 2020.

Ordinarily, the Company would file the original and ten paper copies of this Stipulation, and request the return of a date-stamped, “filed” copy. However, due to the ongoing coronavirus outbreak, and the associated curtailment of normal operations, including as a result of Executive Orders 103 and 104, ACE hereby requests a waiver of the requirement that paper versions of this Stipulation be filed with the Board. Accordingly, ACE submits this signed Stipulation via electronic means only. Should paper copies nonetheless be required, please let me know and the Company will make appropriate arrangements.

Notwithstanding the foregoing, please be advised that ACE has mailed a fully-executed, confidential, and unredacted version of this Stipulation to the Board Secretary, and has distributed an electronic copy of the same to the service list. Thank you for your cooperation and courtesies. Feel free to contact me with any questions or if I can be of further assistance.

Respectfully submitted,

*Andrew J. McNally*  
Andrew J. McNally

Enclosure

cc: Service List

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**IN THE MATTER OF THE PETITION  
OF ATLANTIC CITY ELECTRIC  
COMPANY FOR APPROVAL OF  
ELECTRIC BASE RATE  
ADJUSTMENTS TO THE  
POWERAHEAD PROGRAM (11/2019)**

**STATE OF NEW JERSEY  
BOARD OF PUBLIC UTILITIES  
  
BPU DOCKET NO. ER19111434  
  
STIPULATION OF SETTLEMENT**

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**APPEARANCES:**

**Andrew J. McNally, Assistant General Counsel, and Philip J. Passanante, Assistant General Counsel, for Atlantic City Electric Company**

**Ami Morita, Managing Attorney - Electric; T. David Wand, Assistant Deputy Rate Counsel Maria Novas-Ruiz Assistant Deputy Rate Counsel, on behalf of the Division of Rate Counsel (Stefanie A. Brand, Director, Division of Rate Counsel)**

**Brandon Simmons, Deputy Attorney General, on behalf of the Staff of the New Jersey Board of Public Utilities (Gurbir S. Grewal, Attorney General of New Jersey)**

This Stipulation of Settlement (“Stipulation”) is hereby made and executed as of this 16th day of March, 2020, by and among Atlantic City Electric Company (“ACE” or “Company”), the Staff of the New Jersey Board of Public Utilities (“Board Staff” or “Staff”), and the New Jersey Division of Rate Counsel (“Rate Counsel”) (individually, “Party” and collectively, “Parties”), in settlement of all factual and legal issues pertaining to the above-captioned Verified Petition (the “November 2019 PowerAhead Petition”) filed by the Company on November 1, 2019 (BPU Docket No. ER19111434).

**BACKGROUND**

**A. Approval of the PowerAhead Program**

On March 22, 2016, ACE filed a Verified Petition with the New Jersey Board of Public Utilities (“Board” or “BPU”) seeking, among other things, approval of the storm resiliency and grid modernization initiative known as PowerAhead, and approval of a cost recovery mechanism

related to PowerAhead. ACE's PowerAhead proposal focused on storm resiliency, hardening, and grid modernization. Following discovery, the Parties reached a settlement regarding PowerAhead, resulting in a stipulation ("2017 PowerAhead Stipulation") approved by the Board via an Order ("May 2017 PowerAhead Order") dated May 31, 2017, and made effective on June 10, 2017 (BPU Docket No. ER16030252). The 2017 PowerAhead Stipulation, and the subsequent May 2017 PowerAhead Order, provided that the PowerAhead program would include an investment level of up to \$79 million, plus associated Allowance for Funds Used During Construction, to be recovered through the stipulated cost recovery mechanism described in the 2017 PowerAhead Stipulation. Under the terms of the 2017 PowerAhead Stipulation, the identified projects within the PowerAhead program and investment amounts associated therewith were to be incremental to the Company's normal capital spending budget. The 2017 PowerAhead Stipulation also provided that the PowerAhead program was to run over a five (5)-year period beginning on the effective date of the Order approving the program (*i.e.*, June 10, 2017).

**B. Settlement of the May 2019 PowerAhead Petition**

On or about May 2, 2019, ACE filed a petition ("May 2019 PowerAhead Petition") with the Board seeking approval to recover the revenue requirement associated with certain capitalized electric investment costs of the PowerAhead Program from January 1, 2019 through and including June 30, 2019 ("First Roll-in Period"). Consistent with the 2017 PowerAhead Stipulation, ACE's May 2019 PowerAhead Petition sought recovery of costs associated with its plant-in-service additions during the First Roll-in Period, inclusive of a return on those investments calculated using the overall rate of return approved in ACE's most recent base rate case [*i.e.*, 7.08%, pursuant to a Board Order dated March 13, 2019 (BPU Docket No. ER18080925)].

As updated with actual data for the entire First Roll-in Period, ACE's May 2019 PowerAhead Petition sought recovery related to \$9,068,936 in gross plant-in-service investments

made under the PowerAhead Program during the First Roll-In Period. After two (2) public comment hearings were held at the Company's Offices in Mays Landing, New Jersey, the Parties agreed to settle issues raised in the May 2019 PowerAhead Petition, executing a Stipulation of Settlement as of September 13, 2019 ("September 2019 PowerAhead Stipulation"). The September 2019 PowerAhead Stipulation was subsequently adopted by the Board pursuant to a Board Order dated September 27, 2019 ("September 2019 PowerAhead Order"). Rates approved pursuant to the September 2019 PowerAhead Order were put into effect October 1, 2019.

The September 2019 PowerAhead Stipulation and the corresponding Order, however, did not approve the entirety of the recovery that ACE intended to seek through the May 2019 PowerAhead Petition, due to an error in the rate design proposed by the Company.<sup>1</sup> Under the September 2019 PowerAhead Stipulation, which expressly acknowledged the aforementioned error, the Parties agreed that ACE would receive in rates an increase in the electric revenue requirement of approximately \$251,970 over a six-month period starting October 1, 2019. The \$251,970 increase, however, represented only approximately one-half of the revenue requirement that ACE had intended to collect over the six (6) month period. As a result of the foregoing, the Parties agreed within the September 2019 PowerAhead Stipulation that ACE would be permitted to seek recovery of the under-recovered revenue requirement associated with its May 2019 PowerAhead Petition within its next subsequent PowerAhead filing (*i.e.*, the presently-pending November 2019 PowerAhead Petition).

### **C. ACE's November 2019 PowerAhead Petition**

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<sup>1</sup> In its May 2019 PowerAhead Petition, ACE should have annualized the semi-annual revenue requirement of \$503,941, since annual billing determinants were used in the rate design, as acknowledged within the September 2019 PowerAhead Stipulation. The semi-annual revenue requirement, combined with the use of annual billing determinants, resulted in recovering a \$503,941 revenue requirement over a 12-month, not a six-month, period.

On November 1, 2019, ACE filed the November 2019 PowerAhead Petition with the Board, first seeking the Board's approval to recover the revenue requirement associated with certain capitalized electric investment costs of the PowerAhead Program from July 1, 2019 through and including December 31, 2019 (the "Second Roll-in Period"). Consistent with the 2017 PowerAhead Stipulation, ACE's November 2019 PowerAhead Petition sought recovery of costs associated with its plant-in-service additions during the Second Roll-in Period, inclusive of a return on those investments calculated using the overall rate of return approved in ACE's most recent base rate case [*i.e.*, 7.08%, pursuant to a Board Order dated March 13, 2019 (BPU Docket No. ER18080925)]. ACE's November 2019 PowerAhead Petition utilized the rate design methodology from its most recent base rate case, in accordance with the 2017 PowerAhead Stipulation. On or about January 16, 2020, the Company updated its filing to include ACE's actual capital expenditures for the October 1, 2019 to December 31, 2019 period. On or about February 18, 2020, following discussions with Board Staff and Rate Counsel, ACE revised its actual data to reverse certain funding transfers that were proposed in the January 16, 2020 update for actuals. As updated with revised, actual data for the entire Second Roll-in Period, ACE's November 1, 2019 PowerAhead Petition sought recovery related to \$9,801,163 in gross plant-in-service investments made under the PowerAhead Program during the Second Roll-In Period, and sought an increase in ACE's annual revenue requirement of \$1,221,710 related to those gross plant-in-service investments for the Second Roll-In Period.

In addition, ACE's November 2019 PowerAhead Petition also sought to remedy the under-recovery associated with the First Roll-In Period, *i.e.*, the electric revenue requirement that was not recovered through the September 2019 PowerAhead Stipulation and the accompanying September 2019 PowerAhead Order. To this end, ACE proposed two (2) rate adjustments. First, the Company proposed an annual rate adjustment of \$503,941, to remain in effect on a going-

forward basis (to remedy the “future under-recovery” referred to in the November 2019 PowerAhead Petition). The proposed adjustment would allow the Company to recoup an additional \$251,971 every six-months once the rate adjustment is put into effect. This proposed adjustment, coupled with the \$251,970 the Company is already collecting every six months pursuant to the September 2019 PowerAhead Order and accompanying stipulation, would allow the Company to collect \$503,941 every six (6) months going forward (or \$1,007,882 annually), for gross plant-in-service investments made during the First Roll-In period.

Furthermore, the November 2019 PowerAhead Petition proposed an additional, “one-time” annualized adjustment of \$503,941 (to collect \$251,971 over a six-month period). This proposal was made by ACE to correct for the fact that ACE did not collect \$251,971 during the six (6) month period beginning October 1, 2019 through March 31, 2020 (referred to as the “historic under-recovery” in the November 2019 PowerAhead Petition). The proposal sought to allow ACE to collect \$251,971 over a six-month period beginning April 1, 2020 and ending September 30, 2020 (to remedy the “historic under-recovery” referred to in the November 2019 PowerAhead Petition). To ensure that ACE would not receive any over-recovery associated with this additional adjustment, the Company proposed that it would seek to eliminate this adjustment beginning October 1, 2020, by way of its next PowerAhead recovery filing (expected to be made on or about May 1, 2020). To account for the possibility ACE may not make a PowerAhead recovery filing on or about May 1, 2020, ACE proposed that it would nonetheless make a stand-alone filing with the Board proposing to eliminate this additional rate adjustment beginning October 1, 2020.

In summary, ACE’s November 2019 PowerAhead Petition (as updated with revised, actual data) sought: (1) an increase in the Company’s annual revenue requirement of \$1,221,710, for gross plant-in-service investments made during the Second Roll-In Period; (2) an additional increase in the Company’s annual revenue requirement of \$503,941 to remedy the aforementioned

“future under-recovery” associated with the First Roll-In Period; and (3) a one-time increase in the Company’s annual revenue requirement of \$503,941 (to collect \$251,971 over six months) to remedy the aforementioned “historic under-recovery” associated with the First Roll-In Period (which the Company will seek to eliminate beginning October 1, 2020 through a filing made on or about May 1, 2020). In total, ACE’s November 2019 PowerAhead Petition, as updated with revised actual data, seeks an increase in the Company’s annual revenue requirement of \$2,229,592.

Notice of ACE’s November 2019 PowerAhead Petition, including the date, time, and place of public hearings, was placed in newspapers having a circulation within the Company's electric service territory, and was duly served on the Clerks of the municipalities, the Clerks of the Board of Chosen Freeholders, and the County Executives within the Company's electric service territory. In accordance with that notice, two (2) public comment hearings (one in the afternoon and one in the evening) were held at the Company’s Offices in Mays Landing, New Jersey on February 25, 2020. No members of the public provided comments at the hearings.

**STIPULATION**

Representatives from ACE, Board Staff, and Rate Counsel have reviewed the Company’s November 2019 PowerAhead Petition, the update and revision thereto, as well as ACE’s responses to discovery requests, and have discussed the facts and issues in this matter. As a result, the Parties to this Stipulation HEREBY STIPULATE AND AGREE to the following findings, conclusions, and determinations for purposes of a full, final, and complete resolution of the issues raised in the November 2019 PowerAhead Petition, inclusive of its update:

1. The Parties agree that ACE shall receive in rates, as described below, an increase in the annual electric revenue requirement of approximately \$1,725,651 (see Second Revised Supplemental Schedule (CJV-2RS)-1 annexed hereto as **Attachment A**; Second Revised Supplemental Schedule (CJV-2RS)-2, annexed hereto as **Attachment B**) starting April 1, 2020.



The increase represents the sum total of: (1) the increase in annual revenue requirement associated with the Second Roll-In Period of \$1,221,710; and (2) the increase in annual revenue requirement to remedy the “future under-recovery” associated with the First Roll-In Period of \$503,941.

2. ACE may implement the proposed rates associated with the increase in the electric revenue requirement referenced above (reflected in Second Revised Supplemental Schedule (CJV-2RS)-1, at 1, **Attachment A**), pursuant to ACE’s proposed rate design methodology (reflected in Second Revised Supplemental Schedule (CJV-2RS)-2, **Attachment B**). These Schedules reflect the annual revenue requirement of \$1,725,651 being collected over annual billing determinants.

3. ACE shall implement the electric rates addressed in the preceding paragraph effective April 1, 2020 on an interim basis subject to prudence review in the next ACE base rate case.

4. The impact of the proposed rates to the typical residential electric customer that uses an average of 679 kilowatt hours per month will be an increase of \$0.19 per month or approximately 0.15 percent.

5. Consistent with the 2017 PowerAhead Stipulation and the May 2017 PowerAhead Order, the prudence of the execution of the projects that are the subject of the rate adjustments provided for under this Stipulation will be reviewed in ACE’s subsequent base rate proceedings, as appropriate, including but not limited to a review of whether the Company has met its obligations under the PowerAhead Program and to ensure that ACE’s expenses are distribution, not transmission, investments. **Attachment C**, annexed hereto, identifies the PowerAhead projects, their original investment levels per the 2017 PowerAhead Stipulation, any applicable funding transfers authorized to date, and the actual or anticipated spending on each such project as of the date of the instant stipulation. The Company affirms that the information contained in Attachment C is true and accurate to the best of its knowledge, and reflects current anticipated

spending, where applicable, as of the date of the instant stipulation. The Company agrees to notify Staff and Rate Counsel, in writing and electronically, within a month of any change in the current anticipated project budget of 5% or more for each of the PowerAhead projects providing a detailed explanation supporting the budget change. Going forward, each PowerAhead Roll-In petition shall include an updated table in a form materially similar to Attachment C. Nothing in this stipulation shall allow the Company to exceed the \$79 million investment level for PowerAhead recovery. With respect to [REDACTED], the Parties acknowledge that the project plans are being reevaluated by the Company. The Company agrees it will not commence work on [REDACTED] or [REDACTED] [REDACTED] projects until the Company submits a proposal to Staff and Rate Counsel for those projects, and until Staff and Rate Counsel conclude their evaluations of the proposals. Pursuant to Paragraph 13 of the 2017 PowerAhead Stipulation, Rate Counsel reserves all rights and remedies to argue prudence in the Company's next base rate case or prior thereto, as it deems appropriate. To the extent the Company decides to not proceed with any project identified in Confidential Appendix One to the 2017 PowerAhead Stipulation, the allowed investment level of \$79 million identified in Paragraph 1 of the 2017 PowerAhead Stipulation shall be reduced by the budgeted amount identified in Confidential Appendix One for that specific project. Accordingly, the rate adjustments agreed to pursuant to the instant Stipulation shall be provisional, and subject to refund. Nothing herein will preclude any Party in ACE's next base rate case from raising any objection that could have been raised in the present proceeding.

6. As noted above, the Parties acknowledge that prior to the execution of the September 2019 PowerAhead Stipulation and issuance of the September 2019 PowerAhead Order, the Company identified an issue with the rate design included in the May 2019 PowerAhead Petition, which resulted in the Company failing to recover \$251,971 over the period October 1,

2019 to March 31, 2020. ACE shall be permitted to seek recovery of this amount in its next filed base rate case.

7. It is a condition of this Stipulation that the Board issue an Order approving the provisional rates agreed upon in this Stipulation on an interim basis without change or further conditions. Should the Board fail to issue such an Order, this Stipulation shall be deemed null and void and of no force and effect. Any Party, thereafter, shall not be bound to proceed with this Stipulation and shall have the right to litigate all issues raised by the Petition to conclusion. In the event this condition is not satisfied for any reason, then neither the existence of this Stipulation nor its provisions shall be disclosed or utilized by any Party for any purpose whatsoever, including in this or any other proceeding.

8. The Parties agree that this Stipulation is a negotiated agreement and represents a reasonable balance of the competing interests involved in this proceeding. The contents of this Stipulation shall not in any way be considered, cited, or used by any Party as an indication of any Party's position on any related or other issue litigated in any other proceeding or forum, except to enforce the terms of this Stipulation. Notwithstanding anything to the contrary set forth herein, upon the occurrence of any of the following, this Stipulation shall terminate:

- (a) if the Board issues a decision disapproving the Stipulation; or
- (b) if the Board issues a written Order approving this Stipulation subject to any condition or modification of the terms set forth herein that an adversely affected Party, in its discretion, finds unacceptable, then such Party shall serve notice of unacceptability on the other Parties within seven business days following receipt of such Board Order. Absent such notification, the Parties shall be deemed to have waived their respective rights to object to or appeal the acceptability of such conditions or

modifications contained in the Board Order, which shall thereupon become binding on all Parties.

9. The Parties agree that they consider the Stipulation to be binding on them for the purposes set forth herein.

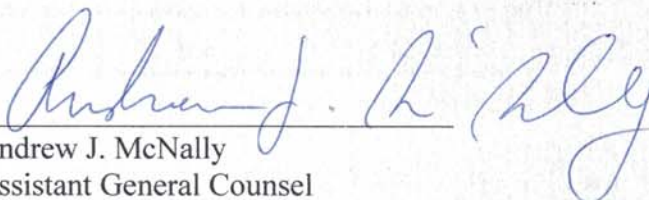
10. Each Party understands that a Board Order adopting this Stipulation will become effective in accordance with N.J.S.A. 48:2-40.

11. This Stipulation represents the full scope of the agreement between the Parties. This Stipulation may only be modified by a further written agreement executed by all of the Parties to this Stipulation.

12. This Stipulation may be executed in as many counterparts as there are Parties to this Stipulation, and each counterpart shall be an original, but all of which shall constitute one and the same instrument.

**ATLANTIC CITY ELECTRIC COMPANY**


Dated: 3/16/20

By: 

Andrew J. McNally  
Assistant General Counsel  
500 North Wakefield Drive  
P.O. Box 6066  
Newark, Delaware 19714-6066  
609.909.7034 – Telephone  
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**GURBIR S. GREWAL**  
**ATTORNEY GENERAL OF NEW JERSEY**  
Attorney for the Staff of the  
New Jersey Board of Public Utilities

Dated: 3/16/2020

By:   
Brandon Simmons  
Deputy Attorney General

**DIVISION OF RATE COUNSEL**  
**STEFANIE A. BRAND, DIRECTOR**

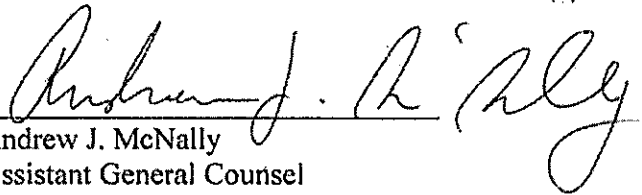
Dated: \_\_\_\_\_

By: \_\_\_\_\_  
Ami Morita  
Managing Attorney - Electric

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**ATLANTIC CITY ELECTRIC COMPANY**

Dated: 3/16/20

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Andrew J. McNally  
Assistant General Counsel  
500 North Wakefield Drive  
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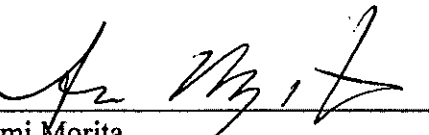
**GURBIR S. GREWAL**  
**ATTORNEY GENERAL OF NEW JERSEY**  
Attorney for the Staff of the  
New Jersey Board of Public Utilities

Dated: \_\_\_\_\_

By: \_\_\_\_\_  
Brandon Simmons  
Deputy Attorney General

**DIVISION OF RATE COUNSEL**  
**STEFANIE A. BRAND, DIRECTOR**

Dated: 3/16/20

By:   
Ami Morita  
Managing Attorney - Electric

# Attachment A

**Atlantic City Electric Company**

Development of PowerAhead Revenue Requirements  
Annualized Revenue Requirement

		(1)
<b>Filing Date</b>		<b>November 1, 2019</b>
<b>Recovery Period</b>		<b>July 2019 - December 2019</b>
		<b>PowerAhead Roll-in #2</b>
Rate Base:		
Gross Plant	\$	9,801,163
Accumulated Depreciation	\$	64,158
Deferred Taxes	\$	5,781
Net Rate Base	\$	9,731,224
Operating Income:		
Depreciation	\$	346,979
SIT-Current	\$	(53,135)
FIT-Current	\$	(112,823)
Deferred Taxes	\$	5,781
Total Operating Expenses	\$	186,801
Return Required	\$	688,971
Required Oper. Income	\$	875,772
Revenue Conversion Factor		1.39501
<b>Revenue Requirement</b>	<b>\$</b>	<b>1,221,710</b>
<b>PowerAhead Roll-in #1 Underrecovery - Post April 1, 2020 (Step 1)</b>	<b>\$</b>	<b>503,941</b>
<b>Adjusted Revenue Requirement</b>	<b>\$</b>	<b>1,725,651</b>
<b><u>Income Statement Check</u></b>		
Revenue	\$	1,221,710
Depreciation & Amortization	\$	346,979
Other Taxes	\$	3,499
Interest Expense	\$	222,845
Net income before Taxes	\$	648,387
Income Tax - Current	\$	176,481
Income Tax - Deferred	\$	5,781
Earnings	\$	466,126
Return on Equity per WACC	\$	466,126
MACRS	\$	367,544



**Atlantic City Electric Company  
Depreciation Accrual Rates & Actual Closings by Plant Account**

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
Line No.	FERC/NARUC	Plant Account	Distribution Allocation	Plant	Net Salvage	Total	Jul-19 CLOSINGS	Aug-19 CLOSINGS	Sep-19 CLOSINGS	Oct-19 CLOSINGS	Nov-19 CLOSINGS	Dec-19 CLOSINGS
1	361.00	STRUCTURES AND IMPROVEMENTS	100.00%	1.77%	0.13%	1.90%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2	362.00	STATION EQUIPMENT	100.00%	2.13%	0.41%	2.54%	\$ -	\$ -	\$ -	\$ -	\$ 379,492	\$ (29,297)
3	364.00	POLES, TOWERS, AND FIXTURES	100.00%	1.68%	0.74%	2.42%	\$ 73,727	\$ 3,165	\$ 775,761	\$ 547,065	\$ 122,130	\$ 142,765
4	365.00	OVERHEAD CONDUCTORS AND DEVICES	100.00%	1.86%	1.59%	3.45%	\$ 564,887	\$ 394,739	\$ 299,038	\$ 587,936	\$ 1,369,093	\$ 82,167
5	366.00	UNDERGROUND CONDUIT	100.00%	1.11%	0.01%	1.12%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
6	367.00	UNDERGROUND CONDUCTORS AND DEVICES	100.00%	1.50%	0.13%	1.63%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,162,050
7	368.00	LINE TRANSFORMERS	100.00%	3.22%	1.15%	4.37%	\$ 61,371	\$ 7,969	\$ 168,375	\$ 1,693	\$ 43,866	\$ 49,906
8	369.10	SERVICES-OVERHEAD	100.00%	1.73%	1.22%	2.95%	\$ -	\$ 0	\$ -	\$ -	\$ (34,210)	\$ -
9	369.20	SERVICES-UNDERGROUND	100.00%	2.29%	0.13%	2.42%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
10	370.00	METERS	100.00%	6.61%	0.00%	6.61%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
11	371.10	INSTALLATIONS ON CUSTOMER PREMISES	100.00%	6.93%	0.00%	6.93%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
12	371.20	PRIVATE AREA LIGHTING	100.00%	2.33%	1.40%	3.73%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
13	372.00	LEASED PROPERTY ON CUSTOMER PREMISES	100.00%	9.63%	0.00%	9.63%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
14	373.10	STREET LIGHTING - OVERHEAD	100.00%	4.28%	2.09%	6.37%	\$ 72	\$ 4	\$ 271	\$ -	\$ -	\$ -
15	373.20	STREET LIGHTING - UNDERGROUND	100.00%	1.74%	1.08%	2.82%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
16												
17												
18												
19	390.00	<b>STRUCTURES AND IMPROVEMENTS</b>										
20		GLASSBORO OPERATIONS OFFICE	93.45%	2.40%	0.00%	2.40%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
21		PLEASANTVILLE OPERATIONS OFFICE	93.45%	3.59%	0.00%	3.59%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
22		WINSLOW OPERATIONS OFFICE	93.45%	2.48%	0.00%	2.48%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
23		OTHER STRUCTURES	93.45%	1.16%	0.13%	1.29%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
24												
25	392.00	TRANSPORTATION EQUIPMENT	93.45%	9.21%	-0.13%	9.08%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
26	397.20	MICROWAVE EQUIPMENT AND TOWERS	93.45%	4.00%	0.78%	4.78%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
27												
28		<b>OFFICE FURNITURE AND EQUIPMENT</b>										
29	391.10	OFFICE FURNITURE	93.45%	5.00%	0.00%	5.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
30	391.30	INFORMATION SYSTEMS	93.45%	20.00%	0.00%	20.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
31												
32												
33	393.00	STORES EQUIPMENT	93.45%	4.00%	0.00%	4.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
34	394.00	TOOLS, SHOP AND GARAGE EQUIPMENT	93.45%	4.00%	0.00%	4.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
35	397.10	COMMUNICATION EQUIPMENT	93.45%	6.67%	0.00%	6.67%	\$ 11,096	\$ -	\$ 1,547	\$ 2,894	\$ 78,333	\$ 1,933,259
36	398.00	MISCELLANEOUS EQUIPMENT	93.45%	5.00%	0.01%	5.01%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
37												
38												
39												
							(1)	(2)	(3)	(4)	(5)	(6)
Total							\$ 711,153	\$ 405,878	\$ 1,244,992	\$ 1,139,588	\$ 1,958,703	\$ 4,340,849

**Atlantic City Electric Company****Tax Depreciation**

			(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
			2019	2019	2019	2019	2019	2019	Period 1	Annual Depreciation
			July	August	September	October	November	December	Jul - Dec 2019	Year 1 Run Rate
<b>20 YR MACRS Depreciation Rates</b>			3.75%	3.75%	3.75%	3.75%	3.75%	3.75%	3.75%	3.75%
Investment Year	Investment Month	Investment Amount	1	2	3	4	5	6		
2019	July	\$ 711,153	\$2,222	\$2,222	\$2,222	\$2,222	\$2,222	\$2,222	\$13,334	\$26,668
2019	August	\$ 405,878		\$1,268	\$1,268	\$1,268	\$1,268	\$1,268	\$6,342	\$15,220
2019	September	\$ 1,244,992			\$3,891	\$3,891	\$3,891	\$3,891	\$15,562	\$46,687
2019	October	\$ 1,139,588				\$3,561	\$3,561	\$3,561	\$10,684	\$42,735
2019	November	\$ 1,958,703					\$6,121	\$6,121	\$12,242	\$73,451
2019	December	\$ 4,340,849						\$13,565	\$13,565	\$162,782
<b>6 m/e December 2019</b>		<b>\$ 9,801,163</b>	<b>\$2,222</b>	<b>\$3,491</b>	<b>\$7,381</b>	<b>\$10,943</b>	<b>\$17,063</b>	<b>\$30,629</b>	<b>\$71,729</b>	<b>\$367,544</b>

**Book Depreciation**

			(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
			2019	2019	2019	2019	2019	2019	Period 1	Annual Depreciation
			July	August	September	October	November	December	Jul - Dec 2019	Year 1 Run Rate
<b>Book Depreciation Rate</b>										
Investment Year	Investment Month	Investment Amount	1	2	3	4	5	6		
2019	July	\$ 711,153	\$2,058	\$2,058	\$2,058	\$2,058	\$2,058	\$2,058	\$12,350	\$24,699
2019	August	\$ 405,878		\$1,170	\$1,170	\$1,170	\$1,170	\$1,170	\$5,852	\$14,044
2019	September	\$ 1,244,992			\$3,047	\$3,047	\$3,047	\$3,047	\$12,190	\$36,569
2019	October	\$ 1,139,588				\$2,816	\$2,816	\$2,816	\$8,447	\$33,790
2019	November	\$ 1,958,703					\$5,497	\$5,497	\$10,993	\$65,961
2019	December	\$ 4,340,849						\$14,326	\$14,326	\$171,916
<b>6 m/e December 2019</b>		<b>\$ 9,801,163</b>	<b>\$2,058</b>	<b>\$3,229</b>	<b>\$6,276</b>	<b>\$9,092</b>	<b>\$14,589</b>	<b>\$28,915</b>	<b>\$64,158</b>	<b>\$346,979</b>

**Atlantic City Electric Company**  
**2018 ACE BRC Stipulation and Settlement**  
**Weighted Average Cost of Capital (WACC)**

(1) <b>Line No.</b>	(2) <b><u>Capital Structure</u></b>	(3) <b><u>Weight</u></b>	(4) <b><u>Rate</u></b>	(5) <b><u>Overall Cost of Capital</u></b>
1	Long-Term Debt	50.06%	4.58%	2.29%
2	Common Stock	49.94%	9.60%	4.79%
3	Total	100.00%		7.08%

**Atlantic City Electric Company**  
**Development of Revenue Conversion Factor**

(1) <b>Line No.</b>	(2) <b><u>Particulars</u></b>	(3) <b>w/ Assessments <u>Factor</u></b>	(4) <b>w/o Assessments <u>Factor</u></b>
1	<b><u>Tax Rates</u></b>		
2	Federal Income Tax	0.210000	0.210000
3	State Income Tax	0.090000	0.090000
4			
5	BPU Assessment	0.002311	0.000000
6	DRC Assessment	<u>0.000553</u>	<u>0.000000</u>
7			
8	<b><u>Conversion Factor</u></b>		
9	Revenue Increase	<b>X</b>	<b>X</b>
10			
11	BPU Assessment	0.002311	0.000000
12	DRC Assessment	<u>0.000553</u>	<u>0.000000</u>
13			
14	Total Other Tax	0.002864	0.000000
15			
16	State Taxable Income	0.997136	1.000000
17	State Income Tax	0.089742	0.090000
18			
19	Federal Taxable Income	0.907394	0.910000
20	Federal Income Tax	0.190553	0.191100
21			
22	Total Additional Taxes	0.283159	0.281100
23			
24	Increase in Earnings (1 - additional taxes)	0.716841	0.718900
25			
26	Revenue Conversion Factor (1/Incr in Earnings)	1.395009	1.391014

**Atlantic City Electric Company**

Development of PowerAhead Revenue Requirements

Plant Closing Schedule

	(1) <b>Jul-19</b>	(2) <b>Aug-19</b>	(3) <b>Sep-19</b>	(4) <b>Oct-19</b>	(5) <b>Nov-19</b>	(6) <b>Dec-19</b>	(7) <b>Total</b>
Plant Closings	\$ 711,153	\$ 405,878	\$ 1,244,992	\$ 1,139,588	\$ 1,958,703	\$ 4,340,849	\$ 9,801,163
Total	<u>\$ 711,153</u>	<u>\$ 405,878</u>	<u>\$ 1,244,992</u>	<u>\$ 1,139,588</u>	<u>\$ 1,958,703</u>	<u>\$ 4,340,849</u>	<u>\$ 9,801,163</u>
Cumulative	<u>\$ 711,153</u>	<u>\$ 1,117,031</u>	<u>\$ 2,362,022</u>	<u>\$ 3,501,610</u>	<u>\$ 5,460,314</u>	<u>\$ 9,801,163</u>	<u>\$ 9,801,163</u>

**Atlantic City Electric Company**  
 MACRS Tax Depreciation Rates

(1) Recovery Year	(2) 3-Year	(3) 5-Year	(4) 7-Year	(5) 10-Year	(6) 15-Year	(7) 20-Year
1	33.33	20	14.29	10	5	3.75
2	44.45	32	24.49	18	9.5	7.219
3	14.81	19.2	17.49	14.4	8.55	6.677
4	7.41	11.52	12.49	11.52	7.7	6.177
5		11.52	8.93	9.22	6.93	5.713
6		5.76	8.92	7.37	6.23	5.285
7			8.93	6.55	5.9	4.888
8			4.46	6.55	5.9	4.522
9				6.56	5.91	4.462
10				6.55	5.9	4.461
11				3.28	5.91	4.462
12					5.9	4.461
13					5.91	4.462
14					5.9	4.461
15					5.91	4.462
16					2.95	4.461
17						4.462
18						4.461
19						4.462
20						4.461
21						2.231

# Attachment B

**Atlantic City Electric Company**  
**Development of Proposed Distribution Rate**  
**Rate Class Allocation of Distribution Revenue Requirements**

Revenue Requirement - PowerAhead 1 Annualization & Correction	\$ 503,941
Revenue Requirement - PowerAhead 2	\$ 1,221,710
Revenue Requirement	<u>\$ 1,725,651</u>

**Rate Schedule Specific Revenue Increase Allocation**

Rate Schedule	Total	RESIDENTIAL	MONTHLY GENERAL SERV SECONDARY	MONTHLY GENERAL SERV PRIMARY	ANNUAL GENERAL SERV SECONDARY	ANNUAL GENERAL SERV PRIMARY	TRANSMISSION GENERAL SERV SUB -TRANSMISSION	TRANSMISSION GENERAL SERV TRANSMISSION	STREET LIGHTING SERVICE	DIRECT DISTRIBUTION CONNECTION
Annualized Current Distribution Revenue <sup>1</sup>	\$ 426,146,445	\$ 253,156,309	\$ 76,215,537	\$ 1,441,232	\$ 59,392,577	\$ 11,500,545	\$ 3,529,624	\$ 2,143,996	\$ 18,204,399	\$ 562,226
Revenue Change (\$) - PowerAhead 1 Annualization & Correction <sup>2</sup>	\$ 503,941	\$ 299,371	\$ 90,129	\$ 1,704	\$ 70,235	\$ 13,600	\$ 4,174	\$ 2,535	\$ 21,528	\$ 665
Revenue Change (\$) - PowerAhead 2 <sup>2</sup>	<u>\$ 1,221,710</u>	<u>\$ 725,768</u>	<u>\$ 218,501</u>	<u>\$ 4,132</u>	<u>\$ 170,271</u>	<u>\$ 32,971</u>	<u>\$ 10,119</u>	<u>\$ 6,147</u>	<u>\$ 52,190</u>	<u>\$ 1,612</u>
Proposed Revenue	<u>\$ 427,872,096</u>	<u>\$ 254,181,448</u>	<u>\$ 76,524,166</u>	<u>\$ 1,447,068</u>	<u>\$ 59,633,084</u>	<u>\$ 11,547,116</u>	<u>\$ 3,543,917</u>	<u>\$ 2,152,678</u>	<u>\$ 18,278,117</u>	<u>\$ 564,503</u>
Revenue Change based on Annualized Current Revenue (%)	0.4049%	0.4049%	0.4049%	0.4049%	0.4049%	0.4049%	0.4049%	0.4049%	0.4049%	0.4049%

<sup>1</sup> Represents the sum of approved revenues in BPU Docket Nos. ER18080925 and ER19050550.

<sup>2</sup> See Schedule (CJV-2RS)-1, Page 1



**Atlantic City Electric Company**  
Development of Proposed Distribution Rate  
Rate Design Worksheet

Rate Schedule	<b>RS</b>
Distribution Functional Revenue Requirements Total (w/o SUT)	\$ 254,181,448
Distribution Functional Revenue Requirements Total (w/ SUT)	\$ 271,020,969

1	2	3	4	5	6	7 = 2 x (4+6)	8	9	10	11 = 2 x (8+10)	12	13 = 2 x (9+12)	
Blocks	Normalized Billing Determinants	Current Distribution Rates (including SUT)	Current Distribution Rates (w/o SUT)	EDIT Credit (including SUT)	EDIT Credit (w/o SUT)	Calculated Rate Class Revenue under Current Distribution Rates (w/o SUT)	Proposed Distribution Rates (w/o SUT)	EDIT Credit (including SUT)	EDIT Credit (w/o SUT)	Recovery under Proposed Distribution Rates (w/o SUT)	Proposed Distribution Rates (including SUT)	Recovery under Proposed Distribution Rates (including SUT)	Revenue Change %
CUSTOMER	5,874,548	\$ 5.77	\$ 5.410000			\$ 31,781,305	\$ 5.41			\$ 31,781,305	\$ 5.77	\$ 33,896,142	
SUM First 750 KWh	1,042,134,494	\$ 0.065547	\$ 0.061474	\$ (0.004884)	\$ (0.004581)	\$ 59,290,804	\$ 0.061732	\$ (0.004884)	\$ (0.004581)	\$ 59,559,017	\$ 0.065821	\$ 63,504,550	
SUM > 750 KWh	659,045,318	\$ 0.076291	\$ 0.071551	\$ (0.004884)	\$ (0.004581)	\$ 44,136,674	\$ 0.071809	\$ (0.004884)	\$ (0.004581)	\$ 44,306,291	\$ 0.076566	\$ 47,241,686	
WIN	2,281,974,074	\$ 0.059995	\$ 0.056267	\$ (0.004884)	\$ (0.004581)	\$ 117,947,527	\$ 0.056525	\$ (0.004884)	\$ (0.004581)	\$ 118,534,836	\$ 0.060269	\$ 126,387,134	
TOTAL ENERGY	3,983,153,885					\$ 221,375,004				\$ 222,400,143		\$ 237,133,370	
<b>TOTAL REVENUE</b>						<u><u>\$ 253,156,309</u></u>				<u><u>\$ 254,181,448</u></u>		<u><u>\$ 271,029,512</u></u>	0.4049%
										-		\$ (8,543)	

**Atlantic City Electric Company**  
Development of Proposed Distribution Rate  
Rate Design Worksheet

Rate Schedule	<b>MGS SECONDARY</b>
Distribution Functional Revenue Requirements Total (w/o SUT)	\$ 76,524,166
Distribution Functional Revenue Requirements Total (w/ SUT)	\$ 81,593,892

	1	2	3	4	5	6	7 = 2 x (4+6) Calculated Rate Class Revenue under Current Distribution Rates (w/o SUT)	8	9	10	11 = 2 x (8+10)	12	13 = 2 x (9+12)	
BLOCK	Billing Determinants		Current Distribution Rates (including SUT)	Current Distribution Rates (w/o SUT)	EDIT Credit (including SUT)	EDIT Credit (w/o SUT)	Proposed Distribution Rates (w/o SUT)	EDIT Credit (including SUT)	EDIT Credit (w/o SUT)	Recovery under Proposed Distribution Rates (w/o SUT)	Proposed Rate (including SUT)	Recovery under Proposed Distribution Rates (including SUT)	Revenue Change %	
CUSTOMER														
Single Phase Service	448,562	\$	9.96	\$ 9.34			\$ 4,189,097	\$ 9.34		\$	4,189,097	\$ 9.96	\$ 4,467,678	
3 Phase Service	159,641	\$	11.59	\$ 10.87			\$ 1,735,462	\$ 10.87		\$	1,735,462	\$ 11.59	\$ 1,850,239	
DEMAND CHARGE - All kW's														
Summer	2,183,636	\$	2.68	\$ 2.52			\$ 5,497,622	\$ 2.53		\$	5,517,536	\$ 2.69	\$ 5,873,980	
Winter	3,281,892	\$	2.20	\$ 2.07			\$ 6,780,146	\$ 2.08		\$	6,810,075	\$ 2.21	\$ 7,252,980	
REACTIVE DEMAND	49,310	\$	0.58	\$ 0.54			\$ 26,664	\$ 0.54		\$	26,664	\$ 0.58	\$ 28,600	
ENERGY CHARGE														
Summer	505,480,023	\$	0.057459	\$ 0.053888	(0.004789)	\$ (0.004491)	\$ 24,969,203	\$ 0.054093	(0.004789)	\$ (0.004491)	\$ 25,072,837	\$ 0.057677	\$ 26,733,827	
Winter	756,777,190	\$	0.051308	\$ 0.048120	(0.004789)	\$ (0.004491)	\$ 33,017,342	\$ 0.048325	(0.004789)	\$ (0.004491)	\$ 33,172,497	\$ 0.051527	\$ 35,370,252	
<b>TOTAL</b>	<u><u>1,262,257,212</u></u>						<u><u>\$ 76,215,537</u></u>			<u><u>\$ 76,524,166</u></u>		<u><u>\$ 81,577,557</u></u>	0.4049%	
										\$ -		\$ 16,335		

**Atlantic City Electric Company**  
Development of Proposed Distribution Rate  
Rate Design Worksheet

Rate Schedule	<b>MGS PRIMARY</b>
Distribution Functional Revenue Requirements Total (w/o SUT)	\$ 1,447,068
Distribution Functional Revenue Requirements Total (w/ SUT)	\$ 1,542,937

	1	2	3	4	5	6	7 = 2 x (4+6) Calculated Rate Class Revenue under Current Distribution Rates (w/o SUT)	8	9	10	11 = 2 x (8+10) Recovery under Proposed Distribution Rates (w/o SUT)	12	13 = 2 x (9+12) Recovery under Proposed Distribution Rates (including SUT)	Revenue Change %
BLOCK	Billing Determinants		Current Distribution Rates	Current Distribution Rates (w/o SUT)	EDIT Credit (including SUT)	EDIT Credit (w/o SUT)	Proposed Distribution Rates (w/o SUT)	Proposed Distribution Rates (w/o SUT)	EDIT Credit (including SUT)	EDIT Credit (w/o SUT)	Proposed Rate (including SUT)	Proposed Rate (including SUT)		
CUSTOMER														
Single Phase Service		558 \$	14.70 \$	13.79			7,693 \$	13.79			7,693 \$	14.70 \$	8,203	
3 Phase Service		573 \$	15.97 \$	14.98			8,582 \$	14.98			8,582 \$	15.97 \$	9,151	
DEMAND CHARGE														
SUM > 3 KW		60,159 \$	1.57 \$	1.47			88,666 \$	1.48			88,958 \$	1.58 \$	95,051	
WIN > 3 KW		97,120 \$	1.22 \$	1.15			111,262 \$	1.15			111,733 \$	1.23 \$	119,457	
REACTIVE DEMAND		53,681 \$	0.43 \$	0.40			21,649 \$	0.40			21,649 \$	0.43 \$	23,083	
ENERGY CHARGE														
SUM < 300KWh		11,180,577 \$	0.044262 \$	0.041512 \$	(0.004098) \$	(0.003843) \$	421,160 \$	0.041668 \$	(0.004098) \$	(0.003843) \$	422,898 \$	0.044428 \$	453,760	
WIN < 300 KWh		21,445,422 \$	0.042989 \$	0.040318 \$	(0.004098) \$	(0.003843) \$	782,221 \$	0.040474 \$	(0.004098) \$	(0.003843) \$	785,556 \$	0.043155 \$	843,054	
<b>TOTAL</b>		<u><u>32,625,999</u></u>					<u><u>\$ 1,441,232</u></u>				<u><u>\$ 1,447,068</u></u>		<u><u>\$ 1,551,759</u></u>	0.4049%
											\$ -		\$ (8,822)	

**Atlantic City Electric Company**  
Development of Proposed Distribution Rate  
Rate Design Worksheet

Rate Schedule **AGS SECONDARY**  
Distribution Functional Revenue Requirements Total (w/o SUT) \$ 59,633,084  
Distribution Functional Revenue Requirements Total (w/ SUT) \$ 63,583,775

	1	2	3	4	5	6	7	8	9	10	11	12	13	14
<b>BLOCK</b>	<b>Billing Determinants</b>	<b>Current Distribution Rates</b>	<b>Current Distribution Rates (w/o SUT)</b>	<b>EDIT Credit (including SUT)</b>	<b>EDIT Credit (w/o SUT)</b>	<b>Calculated Rate Class Revenue under Current Distribution Rates (w/o SUT)</b>	<b>Preliminary Distribution Rate (w/o SUT)</b>	<b>Recovery under Preliminary Distribution Rates (w/o SUT)</b>	<b>Proposed Rate (including SUT)</b>	<b>EDIT Credit (including SUT)</b>	<b>EDIT Credit (w/o SUT)</b>	<b>Recovery under Proposed Distribution Rates (including SUT)</b>	<b>Revenue Change %</b>	
CUSTOMER	40,934	\$ 193.22	\$ 181.21			\$ 7,417,809	\$ 181.21	\$ 7,417,809	\$ 193.22			\$ 7,909,267		
DEMAND CHARGE	5,438,743	\$ 11.09	\$ 10.40			\$ 56,552,129	\$ 10.44	\$ 56,792,635	\$ 11.13			\$ 60,533,209		
REACTIVE DEMAND	418,768	\$ 0.86	\$ 0.81			\$ 339,202	\$ 0.81	\$ 339,202	\$ 0.86			\$ 360,141		
ENERGY CHARGE	1,882,328,532			\$ (0.002785)	\$ (0.002612)	\$ (4,916,563)		\$ (4,916,563)		\$ (0.002785)	\$ (0.002612)	\$ (5,242,285)		
<b>TOTAL REVENUE</b>						<b>\$ 59,392,577</b>		<b>\$ 59,633,084</b>				<b>\$ 63,560,332</b>	0.4049%	
								\$ -				\$ 23,443		

**Atlantic City Electric Company**  
Development of Proposed Distribution Rate  
Rate Design Worksheet

Rate Schedule **AGS PRIMARY**  
Distribution Functional Revenue Requirements Total (w/o SUT) \$ 11,547,116  
Distribution Functional Revenue Requirements Total (w/ SUT) \$ 12,312,112

	1	2	3	4	5	6	7	8	9	10	11	12	13	14
<b>BLOCK</b>	<b>Billing Determinants</b>	<b>Current Distribution Rates</b>	<b>Current Distribution Rates (w/o SUT)</b>	<b>EDIT Credit (including SUT)</b>	<b>EDIT Credit (w/o SUT)</b>	<b>Calculated Rate Class Revenue under Current Distribution Rates (w/o SUT) (See Note 1)</b>	<b>Preliminary Distribution Rate (w/o SUT)</b>	<b>Recovery under Preliminary Distribution Rates (w/o SUT)</b>	<b>Proposed Rate (including SUT)</b>	<b>EDIT Credit (including SUT)</b>	<b>EDIT Credit (w/o SUT)</b>	<b>Recovery under Proposed Distribution Rates (including SUT)</b>	<b>Revenue Change</b>	<b>%</b>
CUSTOMER	1,498	\$ 744.15	\$ 697.91			\$ 1,045,473	\$ 697.91	\$ 1,045,473	\$ 744.15			\$ 1,114,737		
DEMAND CHARGE	1,351,130	\$ 8.83	\$ 8.28			\$ 11,186,078	\$ 8.31	\$ 11,232,648	\$ 8.86			\$ 11,971,014		
REACTIVE DEMAND	247,802	\$ 0.67	\$ 0.63			\$ 156,115	\$ 0.63	\$ 156,115	\$ 0.67			\$ 166,027.27		
ENERGY CHARGE	583,524,109			\$ (0.001621)	\$ (0.001520)	\$ (887,121)		\$ (887,121)		\$ (0.001621)	\$ (0.001520)	\$ (945,892.58)		
<b>TOTAL REVENUE</b>						<b>\$ 11,500,545</b>		<b>\$ 11,547,116</b>				<b>\$ 12,305,885</b>	0.4049%	
							\$ -					\$ 6,227		

**Atlantic City Electric Company**  
Development of Proposed Distribution Rate  
Rate Design Worksheet

Rate Schedule **TGS SUB TRANSMISSION**  
Distribution Functional Revenue Requirements Total (w/o SUT) \$ 3,543,917  
Distribution Functional Revenue Requirements Total (w/ SUT) \$ 3,778,701

	1	2	3	4	5	6	7	8	9	10	11	12	13	14
<b>BLOCK</b>	<b>Billing Determinants</b>	<b>Current Distribution Rates</b>	<b>Current Distribution Rates (w/o SUT)</b>	<b>EDIT Credit (including SUT)</b>	<b>EDIT Credit (w/o SUT)</b>	<b>Calculated Rate Class Revenue under Current Distribution Rates (w/o SUT)</b> (See Note 1)	<b>Preliminary Distribution Rate (w/o SUT)</b>	<b>Recovery under Preliminary Distribution Rates (w/o SUT)</b>	<b>Proposed Rate (including SUT)</b>	<b>EDIT Credit (including SUT)</b>	<b>EDIT Credit (w/o SUT)</b>	<b>Recovery under Proposed Distribution Rates (including SUT)</b>	<b>Revenue Change</b>	<b>%</b>
<b>CUSTOMER</b>														
<5000 KW	317	\$ 131.75	\$ 123.56			\$ 39,170	\$ 123.56	\$ 39,170	\$ 131.75			\$ 41,765		
5000 - 9000 KW	75	\$ 4,363.57	\$ 4,092.45			\$ 306,933	\$ 4,092.45	\$ 306,933	\$ 4,363.57			\$ 327,268		
>9000 KW	39	\$ 7,921.01	\$ 7,428.85			\$ 289,725	\$ 7,428.85	\$ 289,725	\$ 7,921.01			\$ 308,919		
<b>DEMAND CHARGE</b>														
<5000 KW	449,777	\$ 3.78	\$ 3.55			\$ 1,596,140	\$ 3.56	\$ 1,601,688	\$ 3.80			\$ 1,709,152		
5000 - 9000 KW	392,725	\$ 2.91	\$ 2.73			\$ 1,073,237	\$ 2.75	\$ 1,078,081	\$ 2.93			\$ 1,150,685		
>9000 KW	316,183	\$ 1.45	\$ 1.36			\$ 431,118	\$ 1.38	\$ 435,018	\$ 1.47			\$ 464,789		
<b>REACTIVE DEMAND</b>														
<5000 KW	113,948	\$ 0.52	\$ 0.49			\$ 55,571	\$ 0.49	\$ 55,571	\$ 0.52			\$ 59,252.99		
5000 - 9000 KW	71,151	\$ 0.52	\$ 0.49			\$ 34,700	\$ 0.49	\$ 34,700	\$ 0.52			\$ 36,998.75		
>9000 KW	60,239	\$ 0.52	\$ 0.49			\$ 29,378	\$ 0.49	\$ 29,378	\$ 0.52			\$ 31,324.50		
<b>ENERGY CHARGE</b>	575,156,494			\$ (0.000605)	\$ (0.000567)	\$ (326,349)		\$ (326,349)		\$ (0.000605)	\$ (0.000567)	\$ (347,970)		
<b>TOTAL REVENUE</b>						<b>\$ 3,529,624</b>		<b>\$ 3,543,917</b>				<b>\$ 3,782,184</b>	0.4049%	
							\$	-				\$ (3,483)		

**Atlantic City Electric Company**  
Development of Proposed Distribution Rate  
Rate Design Worksheet

Rate Schedule **TGS TRANSMISSION**  
Distribution Functional Revenue Requirements Total (w/o SUT) \$ 2,152,678  
Distribution Functional Revenue Requirements Total (w/ SUT) \$ 2,295,292

	1	2	3	4	5	6	7	8	9	10	11	12	13	14
<b>BLOCK</b>	<b>Billing Determinants</b>	<b>Current Distribution Rates</b>	<b>Current Distribution Rates (w/o SUT)</b>	<b>EDIT Credit (including SUT)</b>	<b>EDIT Credit (w/o SUT)</b>	<b>Calculated Rate Class Revenue under Current Distribution Rates (w/o SUT)</b> (See Note 1)	<b>Preliminary Distribution Rate (w/o SUT)</b>	<b>Recovery under Preliminary Distribution Rates (w/o SUT)</b>	<b>Proposed Rate (including SUT)</b>	<b>EDIT Credit (including SUT)</b>	<b>EDIT Credit (w/o SUT)</b>	<b>Recovery under Proposed Distribution Rates (including SUT)</b>	<b>Revenue Change</b>	<b>%</b>
<b>CUSTOMER</b>														
<5000 KW	75	\$ 128.21	\$ 120.24			\$ 9,018	\$ 120.24	\$ 9,018	\$ 128.21			\$ 9,616		
5000 - 9000 KW	57	\$ 4,246.42	\$ 3,982.57			\$ 227,007	\$ 3,982.57	\$ 227,007	\$ 4,246.42			\$ 242,046		
>9000 KW	51	\$ 19,316.15	\$ 18,115.97			\$ 923,914	\$ 18,115.97	\$ 923,914	\$ 19,316.15			\$ 985,124		
<b>DEMAND CHARGE</b>														
<5000 KW	223,373	\$ 2.94	\$ 2.76			\$ 616,637	\$ 2.77	\$ 619,118	\$ 2.96			\$ 661,184		
5000 - 9000 KW	221,139	\$ 2.27	\$ 2.13			\$ 471,513	\$ 2.14	\$ 473,970	\$ 2.29			\$ 506,409		
>9000 KW	337,169	\$ 0.14	\$ 0.13			\$ 45,364	\$ 0.15	\$ 49,109	\$ 0.16			\$ 53,947		
<b>REACTIVE DEMAND</b>														
<5000 KW	86,421	\$ 0.50	\$ 0.47			\$ 40,526	\$ 0.47	\$ 40,526	\$ 0.50			\$ 43,210		
5000 - 9000 KW	71,851	\$ 0.50	\$ 0.47			\$ 33,693	\$ 0.47	\$ 33,693	\$ 0.50			\$ 35,926		
>9000 KW	110,424	\$ 0.50	\$ 0.47			\$ 51,782	\$ 0.47	\$ 51,782	\$ 0.50			\$ 55,212		
<b>ENERGY CHARGE</b>	466,202,972			\$ (0.000630)	\$ (0.000591)	\$ (275,459)		\$ (275,459)		\$ (0.000630)	\$ (0.000591)	\$ (293,708)		
<b>TOTAL REVENUE</b>						<b>\$ 2,143,996</b>		<b>\$ 2,152,678</b>				<b>\$ 2,298,966</b>	0.4049%	
								\$ -				\$ (3,673)		

**Atlantic City Electric Company**  
Development of Proposed Distribution Rate  
Rate Design Worksheet

Rate Schedule	SPL CSL DDC	w/EDIT credit	EDIT Credit	w/o EDIT Credit
Distribution Functional Revenue Requirements Total		w/o SUT		w/o SUT
SPL		\$ 15,340,176	\$ (1,058,187)	\$ 16,398,363
CSL		\$ 2,937,941	\$ (306,393)	\$ 3,244,334
DDC		\$ 564,503	\$ (48,365)	\$ 612,867

Rate Schedule SPL (Street and Private Lighting)				Current Rate	Current Rate	Current Annualized Revenue	Proposed Rate	Proposed Rate	Proposed Annualized Revenue		
Lamp Code	Watts	Type	Style	(w/ SUT)	(w/o SUT)	Number of Lights	(w/ SUT)	(w/ SUT)	Number of Lights		
10	103	INCANDESCENT	Standard	\$ 7.49	\$ 7.02	1,002	\$ 84,467.36	\$ 7.08	\$ 7.54	1,002	\$ 85,080.70
50	202	INCANDESCENT	Standard	\$ 13.01	\$ 12.20	166	\$ 24,312.15	\$ 12.26	\$ 13.07	166	\$ 24,413.77
160	327	INCANDESCENT	Standard	\$ 18.12	\$ 16.99	21	\$ 4,282.71	\$ 17.05	\$ 18.18	21	\$ 4,295.57
210	448	INCANDESCENT	Standard	\$ 24.26	\$ 22.75	10	\$ 2,730.59	\$ 22.81	\$ 24.32	10	\$ 2,736.71
100	100	MERCURY VAPOR	Standard	\$ 12.59	\$ 11.80	7,004	\$ 992,177.94	\$ 11.86	\$ 12.64	7,004	\$ 996,465.24
300	175	MERCURY VAPOR	Standard	\$ 16.83	\$ 15.78	1,016	\$ 192,449.46	\$ 15.84	\$ 16.89	1,016	\$ 193,071.37
400	250	MERCURY VAPOR	Standard	\$ 21.34	\$ 20.91	317	\$ 76,136.67	\$ 20.07	\$ 21.40	317	\$ 76,330.71
510	400	MERCURY VAPOR	Standard	\$ 30.75	\$ 28.83	248	\$ 85,812.65	\$ 28.89	\$ 30.80	248	\$ 85,964.46
730	700	MERCURY VAPOR	Standard	\$ 49.11	\$ 46.05	2	\$ 1,105.32	\$ 46.11	\$ 49.16	2	\$ 1,106.54
881	1000	MERCURY VAPOR	Standard	\$ 84.83	\$ 79.55	35	\$ 33,413.06	\$ 79.61	\$ 84.88	35	\$ 33,434.48
450	150	HPS	Retrofit	\$ 15.41	\$ 14.45	8,314	\$ 1,442,215.62	\$ 14.51	\$ 15.47	8,314	\$ 1,447,305.09
630	360	HPS	Retrofit	\$ 28.76	\$ 26.97	1,082	\$ 350,403.21	\$ 27.03	\$ 28.82	1,082	\$ 351,065.84
14	50	HPS OH	Cobra Head	\$ 13.73	\$ 12.87	17,375	\$ 2,684,359.91	\$ 12.93	\$ 13.78	17,375	\$ 2,694,995.31
15	70	HPS OH	Cobra Head	\$ 14.23	\$ 13.34	9,379	\$ 1,502,015.28	\$ 13.40	\$ 14.28	9,379	\$ 1,507,756.66
16	100	HPS OH	Cobra Head	\$ 14.90	\$ 14.05	7,822	\$ 1,319,318.61	\$ 14.11	\$ 15.04	7,822	\$ 1,324,106.88
17	150	HPS OH	Cobra Head	\$ 16.33	\$ 15.31	5,716	\$ 1,050,564.56	\$ 15.37	\$ 16.38	5,716	\$ 1,054,063.73
18	250	HPS OH	Cobra Head	\$ 23.15	\$ 21.71	1,964	\$ 511,725.66	\$ 21.77	\$ 23.21	1,964	\$ 512,927.75
19	400	HPS OH	Cobra Head	\$ 26.81	\$ 25.14	1,115	\$ 336,529.49	\$ 25.20	\$ 26.87	1,115	\$ 337,212.19
26	150	HPS OH	Shoe Box	\$ 19.90	\$ 18.66	79	\$ 17,633.20	\$ 18.72	\$ 19.96	79	\$ 17,681.39
27	250	HPS OH	Shoe Box	\$ 25.84	\$ 24.23	58	\$ 16,853.50	\$ 24.29	\$ 25.89	58	\$ 16,888.97
28	400	HPS OH	Shoe Box	\$ 29.88	\$ 28.02	44	\$ 14,708.80	\$ 28.08	\$ 29.94	44	\$ 14,735.57
63	150	HPS OH	Post Top	\$ 15.15	\$ 14.31	15	\$ 25,529.35	\$ 14.37	\$ 15.32	73	\$ 12,629.35
64	100	HPS OH	Post Top	\$ 16.63	\$ 15.59	365	\$ 68,344.26	\$ 15.65	\$ 16.68	365	\$ 68,567.81
65	150	HPS OH	Post Top	\$ 19.59	\$ 18.37	45	\$ 9,885.12	\$ 18.43	\$ 19.65	45	\$ 9,912.56
69	150	HPS OH	Flood/Profile	\$ 15.98	\$ 14.98	1,304	\$ 234,567.20	\$ 15.04	\$ 16.03	1,304	\$ 235,365.70
70	250	HPS OH	Flood/Profile	\$ 20.21	\$ 18.95	2,115	\$ 481,006.55	\$ 19.01	\$ 20.27	2,115	\$ 482,301.00
71	400	HPS OH	Flood/Profile	\$ 25.85	\$ 24.24	3,192	\$ 928,597.54	\$ 24.30	\$ 25.91	3,192	\$ 930,551.27
800	50/70	HPS OH	Decorative 50/70 OH	\$ 18.74	\$ 17.57	2	\$ 461.21	\$ 17.63	\$ 18.79	2	\$ 462.55
801	100	HPS OH	Decorative 100 OH	\$ 21.12	\$ 19.80	5	\$ 12,213.60	\$ 21.17	\$ 22.51	5	\$ 12,245.05
802	150	HPS OH	Decorative 150 OH	\$ 23.29	\$ 21.84	9	\$ 2,293.05	\$ 21.90	\$ 23.35	9	\$ 2,298.40
106	400	METAL HALIDE	Flood/Profile	\$ 31.80	\$ 29.82	611	\$ 218,757.95	\$ 29.88	\$ 31.86	611	\$ 219,132.10
107	1000	METAL HALIDE	Flood/Profile	\$ 54.26	\$ 50.88	592	\$ 361,209.58	\$ 50.94	\$ 54.31	592	\$ 361,571.68
1	50	HPS UG	Cobra Head	\$ 21.15	\$ 19.83	880	\$ 209,507.18	\$ 19.89	\$ 21.20	880	\$ 210,045.98
2	70	HPS UG	Cobra Head	\$ 21.63	\$ 20.28	436	\$ 106,198.60	\$ 20.34	\$ 21.68	436	\$ 106,465.66
3	100	HPS UG	Cobra Head	\$ 22.33	\$ 20.94	300	\$ 75,301.20	\$ 21.00	\$ 22.39	300	\$ 75,484.59
4	150	HPS UG	Cobra Head	\$ 23.73	\$ 22.25	911	\$ 243,244.86	\$ 22.31	\$ 23.78	911	\$ 243,892.40
5	250	HPS UG	Cobra Head	\$ 28.73	\$ 26.94	687	\$ 222,028.78	\$ 27.00	\$ 28.78	687	\$ 222,449.10
6	400	HPS UG	Cobra Head	\$ 32.36	\$ 30.34	485	\$ 176,783.50	\$ 30.40	\$ 32.41	485	\$ 177,080.68
51	150	HPS UG	Shoe Box	\$ 27.33	\$ 25.63	445	\$ 136,898.62	\$ 25.69	\$ 27.39	445	\$ 137,171.03
52	250	HPS UG	Shoe Box	\$ 33.23	\$ 31.16	366	\$ 136,988.34	\$ 31.22	\$ 33.28	366	\$ 137,212.56
53	400	HPS UG	Shoe Box	\$ 37.28	\$ 34.96	389	\$ 163,326.01	\$ 35.02	\$ 37.34	389	\$ 163,564.28
66	50	HPS UG	Post Top	\$ 18.72	\$ 17.55	684	\$ 144,193.51	\$ 17.61	\$ 18.77	684	\$ 144,612.50
67	100	HPS UG	Post Top	\$ 20.07	\$ 18.82	2,239	\$ 503,866.19	\$ 18.88	\$ 20.13	2,239	\$ 507,236.94
68	150	HPS UG	Post Top	\$ 27.41	\$ 25.70	749	\$ 231,036.93	\$ 25.69	\$ 27.46	749	\$ 231,494.41
93	150	HPS UG	Flood/Profile	\$ 25.03	\$ 23.47	107	\$ 30,185.81	\$ 23.53	\$ 25.08	107	\$ 30,251.40
94	250	HPS UG	Flood/Profile	\$ 29.24	\$ 27.42	185	\$ 60,814.17	\$ 27.48	\$ 29.30	185	\$ 60,927.29
95	400	HPS UG	Flood/Profile	\$ 33.29	\$ 31.22	459	\$ 172,077.23	\$ 31.28	\$ 33.35	459	\$ 172,358.34
115	400	HPS UG	Flood/Profile	\$ 39.38	\$ 36.93	108	\$ 47,978.34	\$ 36.99	\$ 39.44	108	\$ 48,044.60
116	1000	HPS UG	Flood/Profile	\$ 81.82	\$ 57.97	112	\$ 77,591.34	\$ 58.03	\$ 81.87	112	\$ 77,659.61
811	50/70	HPS UG	Decorative 50/70 UG	\$ 24.98	\$ 23.42	66	\$ 16,441.75	\$ 23.48	\$ 25.03	66	\$ 16,481.90
812	100	HPS UG	Decorative 100 UG	\$ 27.33	\$ 25.63	289	\$ 88,759.11	\$ 25.69	\$ 27.39	289	\$ 88,975.81
813	150	HPS UG	Decorative 150 UG	\$ 35.76	\$ 33.53	333	\$ 134,205.38	\$ 33.59	\$ 35.81	333	\$ 134,409.52
Wood/Decorative Poles						81,361	\$ 16,054,602.14				\$ 16,104,405.02
						53,770	\$ 369,750.52				\$ 369,750.52
							\$ 16,424,352.67				\$ 16,474,155.54

Rate Schedule CSL (Contributed Street Lighting)				Current Rate	Current Rate	Annualized Revenue	Proposed Rate	Proposed Rate	Annualized Revenue		
Lamp Code	Watts	Type	Style	(w/ SUT)	(w/o SUT)	Number of Lights	(w/ SUT)	(w/ SUT)	Number of Lights		
201	50	HPS	All	\$ 5.95	\$ 5.58	17,318	\$ 1,160,616.04	\$ 5.64	\$ 6.01	17,318	\$ 1,171,216.64
202	70	HPS	All	\$ 6.48	\$ 6.07	6,422	\$ 468,135.94	\$ 6.13	\$ 6.53	6,422	\$ 472,066.82
203	100	HPS	All	\$ 7.26	\$ 6.80	7,998	\$ 653,144.02	\$ 6.86	\$ 7.31	7,998	\$ 658,040.05
204	150	HPS	All	\$ 8.65	\$ 8.11	5,710	\$ 556,023.25	\$ 8.17	\$ 8.71	5,710	\$ 559,518.41
205	250	HPS	All	\$ 11.80	\$ 11.06	760	\$ 100,903.27	\$ 11.12	\$ 11.85	760	\$ 101,368.45
67	400	HPS	All	\$ 15.60	\$ 14.63	569	\$ 90,060.04	\$ 14.68	\$ 15.66	569	\$ 90,430.04
271	1000	MH	Flood	\$ 11.80	\$ 11.06	9	\$ 1,161.48	\$ 11.12	\$ 11.85	9	\$ 1,166.83
286	175	MH	Flood	\$ 11.14	\$ 10.44	49	\$ 6,167.22	\$ 10.50	\$ 11.19	49	\$ 6,197.34
308	175	MH	Decorative - Two Lights	\$ 37.76	\$ 35.41	231	\$ 98,048.63	\$ 35.47	\$ 37.82	231	\$ 98,189.86
309	175	MH	Decorative	\$ 26.65	\$ 24.99	8	\$ 2,295.74	\$ 25.05	\$ 26.71	8	\$ 2,300.42
						39,068	\$ 3,145,581.63			39,068	\$ 3,169,496.22
							\$ 19,569,934.29				\$ 19,643,651.76

DDC	Current Rate	Current Rate	Proposed Rate	Proposed Rate				
	(w/ SUT)	(w/o SUT)	(w/o SUT)	(w/ SUT)				
Service and Demand (per day per connection)	943,067	\$ 0.161335	\$ 0.151311	\$ 142,696	\$ 0.151967	\$ 143,315	\$ 0.162035	\$ 152,810
Energy (per day for each kW of effective load)	524,396	\$ 0.777090	\$ 0.728806	\$ 382,183	\$ 0.731967	\$ 383,841	\$ 0.780460	\$ 409,270
			\$ 524,879		\$ 527,156		\$ 562,080	



**Atlantic City Electric Company**

Development of Proposed Distribution Rate

Rate Design Worksheet

Stand By Rate

<b>Rate Schedule</b>	Demand Rates (\$/kW)		Standby Rates (\$/kW)		Distribution
		<b>Distribution</b>		<b>Distribution</b>	Standby
					<b>Factor</b>
MGS Secondary	\$	2.40	\$	0.15	0.060975610
MGS Primary	\$	1.36	\$	0.14	0.101604278
AGS Secondary	\$	11.13	\$	1.13	0.101604278
AGS Primary	\$	8.86	\$	0.90	0.101604278
TGS - Sub Transmission	\$	-	\$	-	0.101604278
TGS Transmission	\$	-	\$	-	

**Atlantic City Electric Company**  
LED Street Lighting Rate Design

**SPL**

	<b>Cobra Head</b>					<b>Decorative</b>	<b>Post Top</b>		<b>Shoe Box</b>			<b>Tear Drop</b>		<b>Floodlighting</b>				
	50 W	Equivalent Light Size (Watts)			250 W	150 W	Equivalent Light Size (Watts)		Equivalent Light Size (Watts)			100 W	150 W	150 W	250 W	400 W	1000 W	
	70 W	100 W	150 W			70 W	100 W	100 W	150 W	250 W								
Distribution System Fixed Charge	\$ 2.70	\$ 2.70	\$ 2.70	\$ 2.70	\$ 2.70	\$ 2.70	\$ 2.70	\$ 2.70	\$ 2.70	\$ 2.70	\$ 2.70	\$ 2.70	\$ 2.70	\$ 2.70	\$ 2.70	\$ 2.70	\$ 2.70	\$ 2.70
Monthly Light Fixture Fixed Charge	\$ 4.58	\$ 4.83	\$ 5.04	\$ 5.49	\$ 6.67	\$ 14.58	\$ 6.89	\$ 7.34	\$ 5.81	\$ 6.57	\$ 6.99	\$ 13.26	\$ 13.26	\$ 11.50	\$ 12.09	\$ 14.36	\$ 15.06	
Monthly O&M Charge - Non-Luminaire Overhead/Underground	\$ 0.25	\$ 0.25	\$ 0.25	\$ 0.25	\$ 0.25	\$ 0.25	\$ 0.25	\$ 0.25	\$ 0.25	\$ 0.25	\$ 0.25	\$ 0.25	\$ 0.25	\$ 0.25	\$ 0.25	\$ 0.25	\$ 0.25	
Total Charge - Overhead	\$ 7.53	\$ 7.78	\$ 7.99	\$ 8.44	\$ 9.62	\$ 17.53	\$ 9.84	\$ 10.29	\$ 8.76	\$ 9.52	\$ 9.94	\$ 16.21	\$ 16.21	\$ 14.45	\$ 15.04	\$ 17.31	\$ 18.01	
Regulatory Assessment	\$ 0.02	\$ 0.02	\$ 0.02	\$ 0.02	\$ 0.02	\$ 0.04	\$ 0.02	\$ 0.03	\$ 0.02	\$ 0.02	\$ 0.02	\$ 0.04	\$ 0.04	\$ 0.04	\$ 0.04	\$ 0.04	\$ 0.04	
PowerAhead Impact	\$ 0.01	\$ 0.01	\$ 0.01	\$ 0.01	\$ 0.01	\$ 0.02	\$ 0.01	\$ 0.01	\$ 0.01	\$ 0.01	\$ 0.01	\$ 0.02	\$ 0.02	\$ 0.02	\$ 0.02	\$ 0.02	\$ 0.02	
Total Rate without SUT	\$ 7.55	\$ 7.81	\$ 8.01	\$ 8.47	\$ 9.65	\$ 17.60	\$ 9.87	\$ 10.33	\$ 8.79	\$ 9.56	\$ 9.97	\$ 16.26	\$ 16.26	\$ 14.50	\$ 15.10	\$ 17.37	\$ 18.07	
Total Rate with SUT (6.625%)	\$ 8.05	\$ 8.33	\$ 8.55	\$ 9.04	\$ 10.29	\$ 18.76	\$ 10.53	\$ 11.02	\$ 9.37	\$ 10.19	\$ 10.63	\$ 17.34	\$ 17.34	\$ 15.46	\$ 16.10	\$ 18.52	\$ 19.27	
Total Rate After PowerAhead without SUT	\$ 7.59	\$ 7.84	\$ 8.05	\$ 8.51	\$ 9.69	\$ 17.67	\$ 9.91	\$ 10.37	\$ 8.82	\$ 9.60	\$ 10.01	\$ 16.33	\$ 16.33	\$ 14.56	\$ 15.16	\$ 17.44	\$ 18.15	
Total Rate After PowerAhead with SUT (6.625%)	\$ 8.09	\$ 8.36	\$ 8.58	\$ 9.07	\$ 10.33	\$ 18.84	\$ 10.57	\$ 11.06	\$ 9.41	\$ 10.23	\$ 10.68	\$ 17.41	\$ 17.41	\$ 15.52	\$ 16.16	\$ 18.59	\$ 19.35	
<b>Underground Offerings</b>																		
Total Rate without SUT	\$14.19	\$14.45	\$14.65	\$15.11	\$16.29	\$24.24	\$16.51	\$16.97	\$15.42	\$16.20	\$16.61	\$22.90	\$22.90	\$21.14	\$21.73	\$24.01	\$24.71	
Total Rate with SUT (6.625%)	\$15.13	\$15.41	\$15.62	\$16.11	\$17.37	\$25.84	\$17.60	\$18.09	\$16.45	\$17.27	\$17.71	\$24.42	\$24.42	\$22.54	\$23.17	\$25.60	\$26.35	
Total Rate After PowerAhead without SUT	\$14.25	\$14.51	\$14.71	\$15.17	\$16.35	\$24.33	\$16.58	\$17.04	\$15.49	\$16.26	\$16.68	\$22.99	\$22.99	\$21.22	\$21.82	\$24.10	\$24.81	
Total Rate After PowerAhead with SUT (6.625%)	\$15.19	\$15.47	\$15.68	\$16.18	\$17.44	\$25.95	\$17.67	\$18.17	\$16.51	\$17.34	\$17.78	\$24.52	\$24.52	\$22.63	\$23.27	\$25.70	\$26.45	



**Atlantic City Electric Company**  
Induction Street Lighting Rate Design

**SPL**

	<b>Induction OH</b>				<b>Induction UG</b>			
	Equivalent Light Size (Watts)				Equivalent Light Size (Watts)			
	50 W	70 W	150	250	50 W	70 W	150	250
Total Rate without SUT	\$ 9.22	\$ 9.75	\$ 10.03	\$ 11.32	\$ 15.68	\$ 16.22	\$ 16.51	\$ 17.80
Total Rate with SUT (6.625%)	\$ 9.83	\$ 10.39	\$ 10.69	\$ 12.07	\$ 16.72	\$ 17.29	\$ 17.60	\$ 18.98
Total Rate After PowerAhead without SUT	\$ 9.26	\$ 9.79	\$ 10.07	\$ 11.37	\$ 15.74	\$ 16.28	\$ 16.57	\$ 17.88
Total Rate After PowerAhead with SUT (6.625%)	\$ 9.87	\$ 10.43	\$ 10.74	\$ 12.12	\$ 16.79	\$ 17.36	\$ 17.67	\$ 19.06

**CSL**

	<b>Induction OH</b>			
	Equivalent Light Size (Watts)			
	50 W	70 W	150	250
Total Rate without SUT	\$ 2.96	\$ 2.96	\$ 2.96	\$ 2.96
Total Rate with SUT (6.625%)	\$ 3.16	\$ 3.16	\$ 3.16	\$ 3.16
Total Rate After PowerAhead without SUT	\$ 2.97	\$ 2.97	\$ 2.97	\$ 2.97
Total Rate After PowerAhead with SUT (6.625%)	\$ 3.17	\$ 3.17	\$ 3.17	\$ 3.17

# Attachment C

Program	Substation	2017 Stipulation Amount	Adjusted Amount (if applicable)*	Current Spending to Date	Anticipated/Completed Total Project Cost
Selective Hardening		\$2	1.52	\$1.52	\$1.52**
		\$2	1.60	\$1.60	\$1.60**
		\$2	1.66	\$1.66	\$1.66**
		\$2	2.27	\$1.86	\$2.27
		\$2	1.67	\$0.80	\$1.67
		\$2	2.98	\$2.98	\$2.98**
		\$2	2.14	\$0.04	\$2.14
		\$2	1.86	\$0.00	\$1.86
		\$2	1.80	\$0.68	\$1.80
		\$2	1.86	\$0.00	\$1.86
		\$2	1.84	\$0.00	\$1.84
	\$2	1.87	\$0.00	\$1.87	
	<b>Subtotal</b>	<b>\$24</b>	<b>\$23.07</b>	<b>\$11.14</b>	<b>\$23.07</b>
Undergrounding		\$1.0	\$1.00	\$0.79	\$0.79**
		\$5.0	\$5.00	\$0.12	\$5.00
		\$4.0	\$4.00	\$0.86	\$4.00
		\$1.0	\$1.00	\$0.19	\$1.40
	<b>Subtotal</b>	<b>\$11</b>	<b>\$11</b>	<b>\$1.96</b>	<b>\$11.19</b>
Barrier Island Ties		\$4.5		\$5.84	\$5.89**
		\$3.0		\$0.39	\$3.00
		\$3.0		\$0.00	\$3.00
		\$2.5		\$2.38	\$2.78
		\$0			
	<b>Subtotal</b>	<b>\$13</b>		<b>\$8.61</b>	<b>\$14.67</b>
DA Reconductoring		\$0.31	\$1.24	\$1.24	\$1.24**
		\$2.45		\$2.49	\$2.50**
		\$0.36		\$1.04	\$1.04**
		\$0.04		\$0.00	\$0.04
		\$0.04		\$0.00	\$0.04
		\$0.26		\$0.52	\$0.52**
		\$0.86		\$0.45	\$0.45**
		\$0.64		\$0.00	\$0.64
	\$1.06		\$1.12	\$1.12**	
	<b>Subtotal</b>	<b>\$6</b>	<b>\$6.93</b>	<b>\$6.86</b>	<b>\$7.59</b>
DA Substation Upgrades		\$1.6		\$0.59	\$1.60
		\$0.4		\$0.39	\$0.39
		\$1.0		\$0.41	\$1.00
	<b>Subtotal</b>	<b>\$3</b>		<b>\$1.39</b>	<b>\$2.99</b>
DA Recloser Additions		\$0.25		\$0.90	\$0.90**
		\$1.0		\$0.20	\$0.20
		\$0.65		\$0.77	\$0.85
		\$1.35		\$0.00	\$1.20
		\$1.3		\$0.00	\$1.60
	<b>Subtotal</b>	<b>\$4.5</b>		<b>\$1.87</b>	<b>\$4.75</b>
DA Recloser Communication	All Installations	\$1.5		\$1.10	\$1.5
Distribution Automation	<b>Subtotal</b>	\$15		\$11.22	\$16.83
Harbor Beach		\$14		\$2.11	\$14
Electric Fusing	Electric Fusing	\$2		\$2.0	\$2.0
ACE PowerAhead	<b>Total</b>	<b>\$79</b>		<b>37.04</b>	<b>81.76***</b>

Notes:

All figures above are in millions.

\* Company shall note any changes in investment level allocation, including but not limited to the investment level allocation change from the Selective Hardening program to Distribution Automation program.

\*\* Denotes projects that have been completed.

\*\*\* This total does not imply that recovery is available through the PowerAhead mechanism for amounts beyond the aggregate PowerAhead investment level.