



Agenda Date: 6/21/13  
Agenda Item: LSA

**STATE OF NEW JERSEY**  
**Board of Public Utilities**  
44 South Clinton Avenue, 9<sup>th</sup> Floor  
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 )  
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 AND FOR OTHER APPROPRIATE )  
RELIEF ) **ORDER APPROVING STIPULATIONS**  
  
BPU DOCKET NO. ER12121071

IN THE MATTER OF THE BOARD )  
ESTABLISHING A GENERIC PROCEEDING TO )  
REVIEW THE PRUDENCY OF COSTS )  
INCURRED BY NJ UTILITY COMPANIES IN )  
RESPONSE TO MAJOR STORM EVENTS IN )  
2011 AND 2012 - ATLANTIC CITY ELECTRIC )  
COMPANY'S PETITION FOR STORM COST )  
RECOVERY ) **BPU DOCKET NOS. AX13030196 and**  
**EO13040365**

**Parties of Record:**

**Colleen A. Foley, Esq.**, on behalf of Atlantic City Electric Company  
**Stefanie A. Brand, Esq., Director**, New Jersey Division of Rate Counsel  
**Linda R. Evers, Esq.**, on behalf of Wal-Mart Stores East, LP and Sam's East, Inc.  
**Ira G. Megdal, Esq.**, on behalf of Marina Energy, LLC and ACR Energy Partners, LLC

**BY THE BOARD:**

Pursuant to N.J.S.A. 48:2-21 and N.J.S.A. 48:2-21.1, on December 11, 2012, Atlantic City Electric Company ("ACE" or "Company") filed a petition with the New Jersey Board of Public Utilities ("BPU" or "Board") seeking a \$71.431 million [exclusive of Sales and Use Tax ("SUT")] increase in its base rates for electric service, and an approximate \$1.732 (excluding SUT) decrease in the Company's Regulatory Asset Recovery Charge ("RARC"). In addition, the Company also requested other changes to its tariff.

The Company's filing was based on a test year of the twelve months ending September 30, 2012, with three months of estimated data and nine months of actual data. The petition was accompanied by exhibits and pre-filed testimony.

On January 4, 2013, the Company updated its test year data to reflect twelve months of actual data which reflected a total requested increase in retail base rates of \$72.131 million, exclusive of SUT, and a decrease of \$1.732 million (exclusive of SUT) in its RARC claim. The net combined effect of the updated filing would be a base rate increase of approximately \$70.398 million, exclusive of SUT.

On January 14, 2013, the matter was transmitted to the Office of Administrative Law ("OAL") as a contested case, and was assigned to Administrative Law Judge ("ALJ") Gail M. Cookson. On February 14, 2013, ALJ Cookson issued a pre-hearing order.

On January 16, 2013, Public Service Electric and Gas Company ("PSE&G") filed a motion for participant status in this matter. On January 24, 2013, Wal-Mart Stores East, LP and Sam's East, Inc. (collectively, "Walmart") filed a motion to intervene in this matter. On February 14, 2013, ALJ Cookson issued an order granting the Motion to Intervene filed by Walmart and the Motion to Participate filed by PSE&G. On May 3, 2013, as amended on May 10, 2013, Marina Energy, LLC and ACR Energy Partners (collectively, "Standby Service Customers") filed a motion to intervene in the base rate case, which was granted by ALJ Cookson by order dated May 28, 2013.

By Order dated March 20, 2013, the Board suspended the proposed rates and charges pursuant to N.J.S.A. 48:2-21(d). By Order dated May 31, 2013, the Board further suspended the proposed rates and charges until the earlier of September 7, 2013 or a decision on the petition.

On March 20, 2013, the Board issued an Order establishing a generic proceeding to examine the prudence of costs incurred by New Jersey utilities in response to Major Storm Events in 2011 and 2012.<sup>1</sup> On April 4, 2013, the Board filed a letter with the OAL in the Company's base rate proceeding (BPU Docket No. ER12121071) directing that those portions of the Company's pending base rate case pertaining to the recovery of Major Storm Event<sup>2</sup> expenditures be returned to the Board for consideration in the separate, generic proceeding.

On April 9, 2013, the Company filed a petition requesting recovery of certain of its Major Storm Event costs related to the derecho and Superstorm Sandy, which was assigned BPU Docket No. EO13040365. Specifically, the Company requested recovery of Operations and Maintenance ("O&M") costs of approximately \$13,943,000 related to the derecho. The Company also requested recovery of O&M costs of approximately \$12,149,000, and capital costs of \$21,237,000 both related to Superstorm Sandy. Subsequently, the Company provided updated information demonstrating what the Company maintains are the actual capital costs of

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<sup>1</sup> In re the Board's Establishing a Generic Proceeding to Review the Prudence of Costs Incurred by NJ Utility Companies in Response to Major Storm Events in 2011 and 2012, BPU Docket No. AX13030196, March 20, 2013. ("March 20 Order")

<sup>2</sup> Major Storm Event is defined as sustained impact on or interruption of utility service resulting from conditions beyond the control of the utility that affect at least 10 percent of the customers in an operating area. March 20 Order at 2.

\$21,662,252 and actual O&M costs of \$13,939,840 related to the derecho, and actual capital costs of \$22,550,110 and actual O&M costs of \$11,863,626 related to Superstorm Sandy. The Company confirmed that it had received no insurance proceeds or funds from any governmental program or third party to cover any portion of these costs. The filing included other information required by the March 20 Order including proposed tax treatment and copies of the Company's Major Event Reports filed with the Board pursuant to N.J.A.C. 14:5-8.8, detailing the impact of the Major Storm Events on ACE's system, and the associated restoration efforts. The Company proposed to amortize the incremental expenses over a three-year period, and requested expedited review of these costs to allow recovery within the pending rate case.

After notice in publications in general circulation in ACE's service territories, two public hearings on the base rate case were held on April 4, 2013 in Hammonton, New Jersey with ALJ W. Todd Miller presiding. Approximately fifty (50) people attended the hearings, and nineteen (19) spoke. The AARP and a number of customers described the difficulties faced by ratepayers on fixed incomes dealing with rate increases. Additionally, they expressed concerns about the storm related expenses and had questions about ACE's investments in its infrastructure. IBEW Local Union 210 and the New Jersey Energy Coalition spoke in favor of increases that continue efforts to update the Company's infrastructure to make the system more reliable. AARP also asked for additional public hearings in other locations more convenient for customers, and for notice of those hearings to be included as bill inserts by the Company.

After engaging in discovery and settlement negotiations, on June 20, 2013, the Company, BPU Staff ("Staff"), the New Jersey Division of Rate Counsel ("Rate Counsel"), Walmart and the Standby Service Customers (collectively, the "Stipulating Parties") executed a stipulation of settlement of the base rate case petition ("Rate Case Stipulation")<sup>3</sup>. The Company, Rate Counsel and Staff also executed a separate stipulation for the Major Storm Costs proceeding ("Storm Costs Stipulation").

#### **THE PROPOSED STIPULATIONS** <sup>4</sup>

The key provisions of the Stipulations are as follows:

Storm Costs Stipulation:

1. The Signatory Parties agree that the Company's Major Storm Event costs related to the Derecho and Superstorm Sandy are \$70,015,828, which consists of \$44,212,362 in capital costs, and \$25,803,466 in O&M costs. After review and analysis, the Stipulating Parties further agree that the costs expended by the Company in connection with the Derecho and Superstorm Sandy storm response and recovery are reasonable and prudent, and should be eligible for recovery in the Company's distribution base rate case pending before the Board in BPU Docket No. ER12121071.

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<sup>3</sup> By letter dated June 20, 2013, participant PSE&G notified ALJ Cookson and the Board that it did not object to the Rate Case Stipulation.

<sup>4</sup> Although described at some length in this Order, should there be any conflict between this summary and the stipulations, the terms of the stipulations control, subject to the findings and conclusions in this Order.

2. The Signatory Parties agree and recommend that the Board immediately return the Company's Major Storm Event costs of \$70,015,828 to the Company's pending base rate proceeding (Docket No. ER12121071), and that the Board authorize their recovery in the rates to be set in that matter.
3. The Signatory Parties further agree that the Company's Major Storm Event expenses should be recovered via a three-year amortization with no rate base treatment of the unamortized balance.
4. The Signatory Parties acknowledge that the revenue requirement associated with the recovery of the Company's Major Storm Event costs herein is included as a part of the \$25.5 million revenue requirement resulting from the pending Base Rate Case stipulation before the Board. The Stipulating Parties agree that this Stipulation and the Base Rate Case stipulation resolve all issues related to the 2012 Derecho and Superstorm Sandy and that the Company will not seek recovery for any additional costs associated with these two storms in any future rate proceeding.

Rate Case Stipulation:

1. For the purposes of this proceeding only, the Signatory Parties agree the Company's filed rate base as reflected in the Company's 12 + 0 updates is deemed to be \$1,008,969,000 with a test year ending on September 30, 2012. This rate base amount does not reflect any particular ratemaking adjustment proposed by any Signatory Party for incorporation into the overall revenue requirement calculation.
2. The Signatory Parties agree that, for the purposes of resolving this proceeding, the Company shall have an overall rate of return of 8.04 percent, which is based on an authorized return on equity of 9.75 percent and a capital structure of 48.70 percent equity and 51.30 percent long-term debt with a cost rate of 6.41 percent. The Company shall continue to, on a quarterly basis, calculate its Allowance for Funds Used During Construction ("AFUDC") rate pursuant to the Federal Energy Regulatory Commission ("FERC") formula. This FERC formula can be found at 18 C.F.R. Part 101, Electric Plant Instruction No. 3A.(17).
3. The Signatory Parties stipulate that a revenue increase for the Company of \$25.5 million, exclusive of SUT and inclusive of recovery of the Company's Major Storm Event costs as discussed in Paragraph 5 of the Rate Case Stipulation and the RARC as discussed in Paragraph 8 of the Rate Case Stipulation, is an appropriate resolution of this matter. The effective date of any authorized rate increase will be the effective date of the Board's Order or a date determined by the Board, consistent with the requirements contained in N.J.S.A. 48:2-40. The Signatory Parties agree that an increase in base revenues of \$25.5 million is just and reasonable.

4. The Signatory Parties acknowledge that the stipulated revenue increase includes a consolidated tax adjustment.
5. As noted above, certain storm costs were removed from this docket by the Board and have been considered in a separate Generic Storm Proceeding (BPU Dkt. No. EO13040365). On June 20, 2013, a Stipulation of Settlement was filed with the Board in Docket No. EO13040365, identifying \$70.015 million in Major Storm Event costs incurred by the Company, and resolving all matters at issue in that proceeding. Capital costs of \$44.212 million related to Major Storm Events are included in the rate base resulting from this proceeding. Operating and Maintenance costs related to Major Storm Events of \$25.803 million will be recovered in base rates via a three year amortization with no rate base treatment of the unamortized balance. In the event the Board approves the Rate Case Stipulation, the Stipulating Parties agree the Company's total authorized rate increase, inclusive of Major Storm Event costs and RARC but exclusive of SUT, will be \$25.5 million. The Signatory Parties agree that the Rate Case Stipulation and the Storm Costs Stipulation resolve all issues related to the 2012 Derecho and Superstorm Sandy, and that the Company will not seek recovery for any additional costs associated with these two storms in any future rate proceeding.
6. The Signatory Parties agree and recommend that the Board should authorize the Company to implement new rates, based upon a total increase in distribution base rate revenues, inclusive of Major Storm Event costs and the RARC but exclusive of SUT, of \$25.5 million. The Signatory Parties agree that this increase in base rate revenues should be implemented as indicated on the tariff pages (included as Exhibit A to the Rate Case Stipulation) implementing the terms of the Rate Case Stipulation, and should be adopted by the Board in their entirety. The tariff pages included as Exhibit A to the Rate Case Stipulation also reflect a change in the rate design applicable to the Transmission General Service (TGS) Rate Schedule, and elimination of the declining block rate design for the winter rate applicable for the residential class, as agreed to by the Signatory Parties. Attached as Exhibit B to the Rate Case Stipulation are the rate design work papers. Based on this rate design, the overall annual average monthly impact of this rate change on the total bill for a typical residential customer using 1000 kWh per month, inclusive of Major Storm Event and RARC costs, is \$4.44 or 2.4 percent.
7. The Signatory Parties acknowledge that, in compliance with the Board's decision in BPU Docket No. ER11080469, the Company submitted in this proceeding a Depreciation Study which proposed updated depreciation and net salvage accrual rates by distribution and general plant account. Attached as Exhibit C to the Rate Case Stipulation is a schedule setting out the updated depreciation and net salvage accrual rates agreed to by the Signatory Parties. The Company's current practice is to stop

depreciating an account when the accumulated depreciation reserve for that account reaches a certain level. For example, for account 392, Transportation Equipment, when the accumulated depreciation reserve is 80% of the plant value the Company ceases depreciating that account. The Company agrees that it will discontinue this practice and in the future will continue to depreciate each Distribution and General Plant account regardless of its accumulated depreciation reserve level. This practice can be modified by the Board based on a depreciation study filed in a future base rate case. The Signatory Parties reserve their rights to take any position regarding this practice at that time. In addition, the Company agrees that it will continue to credit the accumulated depreciation reserve by plant account within the functional classification, and any accumulated depreciation reserve rebalancing will be evaluated in the context of depreciation studies filed in future distribution base rate cases. The next depreciation study should be filed within five years from the date of the Board Order approving the Rate Case Stipulation.

8. As part of its petition in the base rate case, the Company proposed a series of adjustments to its RARC. As part of this settlement, the Signatory Parties agree that the RARC will be eliminated upon the effective date of the rates authorized by the Board's approval of the Rate Case Stipulation, and the costs identified in Exhibit D to the Rate Case Stipulation will be recovered in base rates.
9. With respect to Rate Counsel's request that the Company obtain additional contact information from customers, the Company states that its current system allows for customers to store up to 4 phone numbers as contact information, and that the Company currently only allows customers to use their service location phone number to report an outage or get outage status. As part of the settlement, the Company agrees to enable customers to use any of the phone numbers stored as their primary contact, which includes outbound calls for outage reporting and lookup. The Company agrees to have this in place by October 1, 2013. The Company further agrees that this functionality will remain in place under the new Customer Service system. With respect to storm notification for customers with third party notification and with respect to the procedures used by the Company to comply with the FACTA Red Flags Identity Theft regulations, the Signatory Parties agree to continue to discuss these issues in the context of the Company's Customer Service Improvement Plan.
10. The Signatory Parties reserve their rights to raise arguments regarding the prudence and recovery of labor costs in the Basic Generation Service, Societal Benefits Charge, System Control Charge, and Non-Utility Generation Charge rider clauses.

By letter dated June 20, 2013, the Board requested return of the base rate case from the OAL pursuant to N.J.A.C. 1:1-3.3(a) so that the Rate Case Stipulation could be considered at the June 21, 2013 agenda meeting.

## **DISCUSSION AND FINDINGS**

In evaluating a proposed settlement, the Board must review the record, balance the interests of the ratepayers and the shareholders, and determine whether the settlement represents a reasonable disposition of the issues that will enable the company to provide its customers in this State with safe, adequate and proper service at just and reasonable rates. In re Petition of Pub. Serv. Elec. & Gas, 304 N.J. Super. 247 (App. Div.), cert. denied, 152 N.J. 12 (1997). The Board recognizes that the parties worked diligently to negotiate a compromise that attempts to meet the needs of as many stakeholders as possible. The Board further recognizes that the Stipulations represent a balanced solution considering the many complex issues that were addressed during the proceedings. Therefore, based on the Board's review and consideration of the record in these proceedings including the Storm Costs Stipulation and the Rate Case Stipulation, the petitions and testimony, the Board **HEREBY FINDS** the Storm Costs and Rate Case Stipulations to be reasonable, in the public interest and in accordance with the law.

The March 20 Order required certain information to be filed by the utilities which would be reviewed by Staff and other interested parties to determine if the preparation, recovery and restoration costs associated with the Major Storm Events were prudent. According to the Storm Costs Stipulation, the Major Storm Events costs have been reviewed by the Signatory Parties, and it has been determined that the costs incurred by ACE for the Major Storm Events are reasonable and prudent. Based on the Board's review of the petition and stipulation, the Board **FINDS** that the requirements of the March 20 have been satisfied, and the costs may be recovered within the base rate case.

Accordingly, the Board **FINDS** that the revenue requirement increases are fair and reasonable and reflect the increase in capital investments for infrastructure and increases in other costs and expenses that ACE is incurring to provide safe, adequate and reliable service, including costs related to major storms in 2011 and 2012. The Board notes that the stipulated increase in electric distribution rates of \$25.5 million, inclusive of Major Storm Event costs, but exclusive of SUT is substantially less than the \$70.398 million sought by the Company in its 12 & 0 update to the petition. Additionally, the Company has agreed that it will not seek to recover any additional costs associated with Superstorm Sandy or the Derecho in any future rate proceeding.

Accordingly, the Board **HEREBY ADOPTS** the attached Storm Costs and Rate Case Stipulations in their entirety, and **HEREBY INCORPORATES** their terms and conditions as though fully set forth herein.

In accordance with N.J.S.A. 48:2-40, the rates approved by this Order will become effective on the later of July 1, 2013 or the date of service of this Order. As a result of these changes, the overall annual average monthly bill impact for a typical residential customer using 1,000 kWh per month will be an increase of \$4.46 or 2.5 percent.

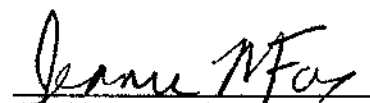
The Company is **HEREBY DIRECTED** to file the appropriate tariff pages that conform to the terms and conditions of this Order within five (5) business days from the date of service of this Order.

The Company's base rates will remain subject to audit by the Board. This Decision and Order shall not preclude the Board from taking any actions deemed to be appropriate as a result of any Board audit.

DATED: 6/21/13

BOARD OF PUBLIC UTILITIES  
BY:

  
ROBERT M. HANNA  
PRESIDENT

  
JEANNE M. FOX  
COMMISSIONER

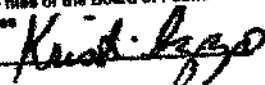
  
JOSEPH L. FIORDALISO  
COMMISSIONER

  
MARY-ANNA HOLDEN  
COMMISSIONER

ATTEST:

  
KRISTI IZZO  
SECRETARY

I HEREBY CERTIFY that the within  
document is a true copy of the original  
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 AND FOR OTHER APPROPRIATE RELIEF  
 BPU Docket No. ER12121071

and

IN THE MATTER OF THE BOARD'S ESTABLISHING A GENERIC PROCEEDING TO  
 REVIEW THE PRUDENCY OF COSTS INCURRED BY NJ UTILITY COMPANIES IN  
 RESPONSE TO MAJOR STORM EVENTS IN 2011 AND 2012- ACE'S PETITION FOR  
 STORM COST RECOVERY  
 BPU Docket Nos. AX13030196 and EO13040365

NOTIFICATION LIST

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June 20, 2013

**Via Electronic Mail & Hand Delivery**

Honorable Gail M. Cookson,  
Administrative Law Judge  
State of New Jersey  
Office of Administrative Law  
33 Washington Street  
Newark, New Jersey 07102

Re: I/M/O 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 and for  
Other Appropriate Relief (2012)  
BPU Docket No. ER12121071  
OAL Docket No. PUC00617-13

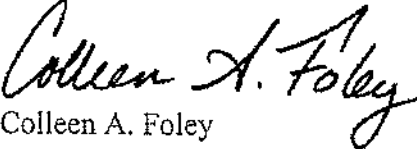
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Dear Judge Cookson:

Enclosed please find a Stipulation of Settlement which has been executed on behalf of Petitioner, Atlantic City Electric Company, the Staff of the Board of Public Utilities, the Division of Rate Counsel, and Intervenors, Wal-Mart Stores East, LP, Sam's East, Inc., Marina Energy, LLC and ACR Energy Partners LLC, in the above-referenced matter. This Stipulation of Settlement fully resolves all issues in this proceeding. Also, please note that Participant, Public Service Electric and Gas Company has indicated it will separately provide a letter stating that it does not oppose the proposed settlement.

Petitioner respectfully requests that an Initial Decision be issued as soon as possible. Thank you for your attention to this matter.

Respectfully submitted,

  
Colleen A. Foley

Enclosures

Cc: Hon. Kristi Izzo, Secretary (via email & hand delivery)  
Service list (via email only)

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*  
and for Other Appropriate Relief (2012)  
BPU Docket No. ER12121071  
OAL Docket No. PUC 00617-2013

Service List

**OAL** ■

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

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<b>IN THE MATTER OF THE PETITION</b>	:	
<b>OF ATLANTIC CITY ELECTRIC</b>	:	
<b>COMPANY FOR APPROVAL OF</b>	:	<b>BPU DOCKET NO. ER12121071</b>
<b>AMENDMENTS TO ITS TARIFF TO</b>	:	<b>OAL DKT. NO. PUC-00617-2013</b>
<b>PROVIDE FOR AN INCREASE IN RATES</b>	:	
<b>AND CHARGES FOR ELECTRIC</b>	:	<b>STIPULATION OF SETTLEMENT</b>
<b>SERVICE PURSUANT TO <u>N.J.S.A. 48:2-21</u></b>	:	
<b>AND <u>N.J.S.A. 48:2-21.1</u> AND FOR OTHER</b>	:	
<b>APPROPRIATE RELIEF (2012)</b>	:	

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**APPEARANCES:**

Philip J. Passanante, Esq., Associate General Counsel, Wendy E. Stark, Esq., Deputy General Counsel, and Colleen A. Foley, Esq. (Saul Ewing LLP), on behalf of Atlantic City Electric Company, Petitioner

Alex Moreau, Deputy Attorney General, and T. David Wand, Deputy Attorney General (John J. Hoffman, Acting Attorney General of New Jersey), on behalf of the Staff of the Board of Public Utilities

Stefanie A. Brand, Esq., Director, Ami Morita, Esq., Deputy Rate Counsel, Diane Schulze, Esq., Assistant Deputy Rate Counsel, James Glassen, Esq., Assistant Deputy Rate Counsel, and Brian Weeks, Esq., Deputy Rate Counsel, on behalf of the Division of Rate Counsel

Linda R. Evers, Esq. and Michael A. Gruin, Esq. (Stevens & Lee), on behalf of Intervenor, Wal-Mart Stores East, LP and Sam's East, Inc.

Ira G. Megdal, Esq. and Shari Shapiro, Esq. (Cozen O'Connor) on behalf of Intervenor, Marina Energy, LLC and ACR Energy Partners, LLC

Martin C. Rothfelder, Esq. Associate General Regulatory Counsel, on behalf of Participant, Public Service Electric and Gas Company

**TO THE HONORABLE BOARD OF PUBLIC UTILITIES:**

The Parties to this proceeding are as follows: Atlantic City Electric Company (the "Company" or "Petitioner"), the Division of Rate Counsel ("Rate Counsel"), the Staff of the

Board of Public Utilities (“Board Staff” or “Staff”), and Intervenors, Wal-Mart Stores East, LP and Sam’s East, Inc. (together, “Wal-Mart”), Marina Energy, LLC (“Marina”) and ACR Energy Partners, LLC (“ACR”), and Participant, Public Service Electric and Gas Company (“PSE&G”).

### PROCEDURAL HISTORY

Petitioner is a corporation organized and existing under the laws of the State of New Jersey, subject to the jurisdiction of the Board of Public Utilities (the “Board”), with a regional office located at 5100 Harding Highway, Mays Landing, New Jersey 08330. On December 11, 2012, the Company filed a Petition with the Board pursuant to N.J.S.A. 48:2-21 and N.J.S.A. 48:2-21.1 seeking a net annual increase in the Company’s base rates for electric distribution service of approximately \$69.7 million, excluding New Jersey Sales and Use Tax (“SUT”), and to make other tariff changes.<sup>1</sup> On January 4, 2013, the Company filed its 12 + 0 update to the Petition (providing actual data for the full test year, ending September 30, 2012), which had the effect of increasing the requested base rate increase to approximately \$70.398 million, exclusive of SUT.<sup>2</sup>

On January 14, 2013, the Board transmitted the matter to the New Jersey Office of Administrative Law (“OAL”) as a contested case, and Administrative Law Judge (“ALJ”) Gail M. Cookson was assigned to hear the case. A telephone Pre-Hearing Conference was convened by ALJ Cookson on February 12, 2013, and a Pre-Hearing Order issued on February 14, 2013. Also on February 14, 2013, ALJ Cookson issued an order granting the Motion to

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<sup>1</sup> Specifically, the Company requested an increase in distribution rates of \$71.431 million (\$76.432 million including SUT) and a net decrease in its Regulatory Asset Recovery Charge (“RARC”) of \$1.732 million (\$1.853 million including SUT), resulting in the requested net increase of \$69.7 million (\$74.579 million including SUT).

<sup>2</sup> This requested increase includes a proposed increase in distribution rates of \$72.131 million (\$77.180 million including SUT) and the proposed net decrease in the Company’s RARC of \$1.732 million (\$1.853 million including SUT).



Intervene filed jointly by Wal-Mart Stores East, LP and Sam's East, Inc., and the Motion to Participate filed by PSE&G.

On March 20, 2013, the Board issued an Order suspending until May 10, 2013, the implementation of the changes the Company sought to make to its base rates. An Order further suspending the implementation of the Company's proposed rate increase was issued on May 31, 2013. Pursuant to that Order, the Company may not implement its proposed rates until September 7, 2013, absent a Board Order implementing modified rates at an earlier time.

Also on March 20, 2013, the Board issued an Order establishing a generic proceeding to examine the prudence of costs incurred by New Jersey utilities in response to Major Storm Events in 2011 and 2012.<sup>3</sup> On April 4, 2013, the Board filed a letter with the OAL in this docket directing that the portions of the Company's pending base rate case pertaining to the recovery of Major Storm Event expenditures be returned to the Board for consideration in the separate, generic proceeding. On April 9, 2013, the Company filed a Petition in the generic storm proceeding docket requesting recovery of certain of its Major Storm Event costs related to the June 30, 2012 derecho wind storm ("Derecho") and Superstorm Sandy. That matter was separately docketed as BPU Docket No. EO13040365.

After proper notice, two public hearings were held in Hammonton, New Jersey on April 4, 2013. The hearings were presided over by ALJ W. Todd Miller. Approximately fifty members of the public appeared at the hearings. Some of the individuals providing comments expressed concerns regarding the magnitude of the proposed rate increase, while other individuals spoke in favor of the increase on the basis of additional jobs and investment in New Jersey. All comments were transcribed and made a part of the record.

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<sup>3</sup> 1/M/O The Board's Establishing A Generic Proceeding To Review The Prudence of Costs Incurred By NJ Utility Companies In Response To Major Storm Events in 2011 and 2012, BPU Docket No. AX13030196, Order Establishing Generic Proceeding (dated March 20, 2013).

Discovery was conducted by the Parties and numerous settlement discussions were held. The Company, Board Staff, Rate Counsel, Wal-Mart, Marina and ACR (collectively, the "Signatory Parties") have come to an agreement on all of the factual and legal issues arising in this matter. PSE&G, while not a Signatory Party, has indicated that it does not object to the terms of this Stipulation. Therefore, the Signatory Parties hereto agree and stipulate as follows:

1. For the purposes of this proceeding only, the Signatory Parties agree the Company's filed rate base as reflected in the Company's 12 + 0 updates is deemed to be \$1,008,969,000 with a test year ending on September 30, 2012. The Signatory Parties further agree that this rate base amount does not reflect any particular ratemaking adjustment proposed by any Signatory Party for incorporation into the overall revenue requirement calculation.

2. The Signatory Parties agree that, for the purposes of resolving this proceeding, the Company shall have an overall rate of return of 8.04 percent, which is based on an authorized return on equity of 9.75 percent and a capital structure of 48.70 percent equity and 51.30 percent long-term debt with a cost rate of 6.41 percent. The Signatory Parties agree that the Company shall continue to, on a quarterly basis, calculate its Allowance for Funds Used During Construction ("AFUDC") rate pursuant to the Federal Energy Regulatory Commission ("FERC") formula. This FERC formula can be found at 18 C.F.R., Part 101, Electric Plant Instruction No. 3A.(17).

3. The Signatory Parties stipulate that a revenue increase for the Company of \$25.5 million, exclusive of SUT and inclusive of recovery of the Company's Major Storm Event costs as discussed in Paragraph 5 below and Regulatory Asset Recovery Charge ("RARC") as discussed in Paragraph 8 below, is an appropriate resolution of this matter. The effective date of any authorized rate increase will be the effective date of the Board's Order or a date determined

by the Board, consistent with the requirements contained in N.J.S.A. 48:2-40. The Signatory Parties agree that an increase in base revenues of \$25.5 million is just and reasonable.

4. The Signatory Parties acknowledge that the stipulated revenue increase includes a consolidated tax adjustment.

5. As noted above, certain storm costs were removed from this docket by the Board and have been considered in a separate Generic Storm Proceeding (BPU Dkt. No. EO13040365). On June 20, 2013, a Stipulation of Settlement was filed with the Board in Docket No. EO13040365, identifying \$70.015 million<sup>4</sup> in Major Storm Event costs incurred by the Company, and resolving all matters at issue in that proceeding. Capital costs of \$44.212 million related to Major Storm Events are included in the rate base resulting from this proceeding. Operating and Maintenance costs related to Major Storm Events of \$25.803 million will be recovered in base rates via a three year amortization with no rate base treatment of the unamortized balance. In the event the Board approves this Stipulation, the Signatory Parties agree the Company's total authorized rate increase, inclusive of Major Storm Event costs and RARC but exclusive of SUT, will be \$25.5 million. The Signatory Parties agree that this Stipulation and the stipulation in the Generic Storm Proceeding resolve all issues related to the 2012 Derecho and Superstorm Sandy, and that the Company will not seek recovery for any additional costs associated with these two storms in any future rate proceeding.

6. The Signatory Parties agree and recommend that the Board should authorize the Company to implement new rates, based upon a total increase in distribution base rate revenues, inclusive of Major Storm Event costs and RARC but exclusive of SUT, of \$25.5 million. The Signatory Parties agree that this increase in base rate revenues should be implemented as

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<sup>4</sup> As identified in BPU Docket No. EO13040365, the Company's Major Storm Event costs include \$44.212 million in capital costs and \$25.803 million in Operations & Maintenance costs.

indicated on the attached tariff pages (included as Exhibit A) implementing the terms of this Stipulation, and should be adopted by the Board in their entirety. The tariff pages included as Exhibit A also reflect a change in the rate design applicable to the Transmission General Service (TGS) Rate Schedule, and elimination of the declining block rate design for the winter rate applicable for the residential class, as agreed to by the Signatory Parties. Attached as Exhibit B are the rate design work papers. Based on this rate design, the overall annual average monthly impact of this rate change on the total bill for a typical residential customer using 1000 kWh per month, inclusive of Major Storm Event and RARC costs, is \$4.44 or 2.4 percent.

7. The Signatory Parties acknowledge that, in compliance with the Board's decision in BPU Docket No. ER11080469, the Company submitted in this proceeding a Depreciation Study which proposed updated depreciation and net salvage accrual rates by distribution and general plant account. Attached as Exhibit C is a schedule setting out the updated depreciation and net salvage accrual rates agreed to by the Signatory Parties. The Company's current practice is to stop depreciating an account when the accumulated depreciation reserve for that account reaches a certain level. For example, for account 392, Transportation Equipment, when the accumulated depreciation reserve is 80% of the plant value the Company ceases depreciating that account. The Company agrees that it will discontinue this practice and in the future will continue to depreciate each Distribution and General Plant account regardless of its accumulated depreciation reserve level. This practice can be modified by the Board based on a depreciation study filed in a future base rate case. The Signatory Parties reserve their rights to take any position regarding this practice at that time. In addition, the Company agrees that it will continue to credit the accumulated depreciation reserve by plant account within the functional classification, and any accumulated depreciation reserve rebalancing will be evaluated in the

context of depreciation studies filed in future distribution base rate cases. The next depreciation study should be filed within five years from the date of the Board Order approving this Stipulation.

8. As part of its Petition in this matter, the Company proposed a series of adjustments to its RARC. As part of this settlement, the Signatory Parties agree that the RARC will be eliminated upon the effective date of the rates authorized by the Board's approval of this Stipulation of Settlement, and the costs identified in Exhibit D will be recovered in base rates.

9. With respect to Rate Counsel's request that the Company obtain additional contact information from customers, the Company states that its current system allows for customers to store up to 4 phone numbers as contact information, and that the Company currently only allows customers to use their service location phone number to report an outage or get outage status. As part of this settlement, the Company agrees to enable customers to use any of the phone numbers stored as their primary contact, which includes outbound calls for outage reporting and lookup. The Company agrees to have this in place by October 1, 2013. The Company further agrees that this functionality will remain in place under the new Customer Service system. With respect to storm notification for customers with third party notification and with respect to the procedures used by the Company to comply with the FACTA Red Flags Identity Theft regulations, the Signatory Parties agree to continue to discuss these issues in the context of the Company's Customer Service Improvement Plan.

10. The Signatory Parties reserve their rights to raise arguments regarding the prudence and recovery of labor costs in the BGS, SBC, SCC and NGC rider clauses.

11. This Stipulation shall be binding on the Stipulating Parties upon approval by the Board. This Stipulation shall bind the Signatory Parties in this matter only and shall have no

precedential value. This Stipulation contains terms, each of which is interdependent with the others and essential in its own right to the signing of this Stipulation. Each term is vital to the agreement as a whole, since the Stipulating Parties expressly and jointly state that they would not have signed the Stipulation had any term been modified in any way. Since the Signatory Parties have compromised in numerous areas, each is entitled to certain procedures in the event that any modifications whatsoever are made to the Stipulation. If, upon consideration of this Stipulation, the Board were to modify any of the terms described above, the Stipulating Parties each must be given the right to be placed in the position it was before the Stipulation was entered into. It is essential that each Signatory Party be afforded the option, prior to the implementation of any new rate resulting from any modification of this Stipulation, either to modify its own position to accept the proposed change(s) or to resume the proceeding as if no agreement had been reached. This proceeding, under such circumstance, would resume at the point where it was terminated. The Signatory Parties agree that these procedures are fair to all concerned, and therefore, they are made an integral and essential element of this Stipulation. None of the Signatory Parties shall be prohibited from or prejudiced in arguing a different policy or position before the Board in any other proceeding, as such agreements pertain only to this matter and to no other matter.

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

ATLANTIC CITY ELECTRIC COMPANY

June 20, 2013  
Date

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Michael A. Gruin, Esq.  
Stevens & Lee

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

ATLANTIC CITY ELECTRIC COMPANY

\_\_\_\_\_  
Date

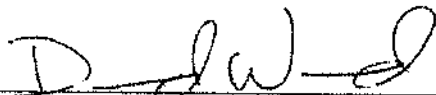
By: \_\_\_\_\_

Colleen A. Foley, Esq.  
Saul Ewing LLP  
Attorney for Petitioner

JOHN J. HOFFMAN  
ACTING ATTORNEY GENERAL OF NEW JERSEY

6/20/13  
Date

By: \_\_\_\_\_

  
Alex Moreau  
T. David Wand  
Deputy Attorney General

STEFANIE A. BRAND, ESQ.  
DIRECTOR – DIVISION OF RATE COUNSEL

\_\_\_\_\_  
Date

By: \_\_\_\_\_

Stefanie A. Brand, Esq.  
Director, Division of Rate Counsel

WAL-MART STORES EAST, LP and  
SAM'S EAST, INC.

\_\_\_\_\_  
Date

By: \_\_\_\_\_

Linda R. Evers, Esq.  
Michael A. Gruin, Esq.  
Stevens & Lee



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

ATLANTIC CITY ELECTRIC COMPANY

June 20, 2013  
Date

By:

Colleen A. Foley  
Colleen A. Foley, Esq.  
Saul Ewing LLP  
Attorney for Petitioner

JOHN J. HOFFMAN  
ACTING ATTORNEY GENERAL OF NEW JERSEY

\_\_\_\_\_  
Date

By:

\_\_\_\_\_  
Alex Moreau  
T. David Wand  
Deputy Attorney General

STEFANIE A. BRAND, ESQ.  
DIRECTOR - DIVISION OF RATE COUNSEL

June 20, 2013  
Date

By:

Stefanie A. Brand  
Stefanie A. Brand, Esq.  
Director, Division of Rate Counsel

WAL-MART STORES EAST, LP and  
SAM'S EAST, INC.

\_\_\_\_\_  
Date

By:

\_\_\_\_\_  
Linda R. Evers, Esq.  
Michael A. Gruin, Esq.  
Stevens & Lee

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

ATLANTIC CITY ELECTRIC COMPANY

\_\_\_\_\_  
Date

By: \_\_\_\_\_  
Colleen A. Foley, Esq.  
Saul Ewing LLP  
Attorney for Petitioner

JOHN J. HOFFMAN  
ACTING ATTORNEY GENERAL OF NEW JERSEY

\_\_\_\_\_  
Date

By: \_\_\_\_\_  
Alex Morcau  
T. David Wand  
Deputy Attorney General

STEFANIE A. BRAND, ESQ.  
DIRECTOR – DIVISION OF RATE COUNSEL

\_\_\_\_\_  
Date

By: \_\_\_\_\_  
Stefanie A. Brand, Esq.  
Director, Division of Rate Counsel

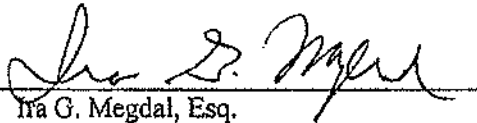
WAL-MART STORES EAST, LP and  
SAM'S EAST, INC.

6/20/13  
Date

By: \_\_\_\_\_  
Linda R. Evers, Esq.  
Michael A. Guin, Esq.  
Stevens & Lee

MARINA ENERGY, LLC and  
ACR ENERGY PARTNERS, LLC

6/20/2013  
Date

By:   
Ira G. Megdal, Esq.  
Shari Shapiro, Esq.  
Cozen O'Connor

**Atlantic City Electric Company  
Base Rate Case  
BPU Docket No. ER12121071  
OAL Dkt. No. PUC-00617-2013**

**Stipulation of Settlement  
Exhibit A  
Tariff Sheets**

ATLANTIC CITY ELECTRIC COMPANY

BPU NJ No. 11 ELECTRIC SERVICE - SECTION III

Sheet No. 7a

RATE SCHEDULE CLE (Continued)  
(Contributed Lighting Extension)

<b>Light Emitting Diode</b>		
Cobra Head	50 W	\$ 626.73
	70 W	\$ 616.87
	100 W	\$ 629.19
	150 W	\$ 762.70
	250 W	\$ 931.59
Tear Drop Decorative	100 W	\$ 1,389.45
	150 W	\$ 1,677.85
Decorative Post Top	150 W	\$ 1,429.21
Colonial Style Post Top	70 W	\$ 1,064.27
	100 W	\$ 1,066.51
Shoe Box	100 W	\$ 805.55
	150 W	\$ 872.01
	250 W	\$ 1,076.22

\*Plus \$73.88 if existing incandescent HID fixture is removed.

\*Plus \$57.03 if existing mercury vapor HID fixture is removed.

\*Less \$25.14 (bracket credit) if existing HID fixture is removed but existing bracket is reused.

Plus additional charges for:

14 Ft. Bracket	\$145.47
24 Ft. Ornamental standard (single bracket)	\$2,385.98
24 Ft. Ornamental standard (double bracket)	\$3,302.20
25 Ft. Bracket	\$1,140.68
26 Ft. Tangent ornamental standard (single bracket)	\$2,989.51
26 Ft. Tangent ornamental standard (double bracket)	\$3,709.66
26 Ft. Corner ornamental standard	\$2,975.48
25 Ft. Square aluminum ornamental standard	\$3,001.55

\*These items are considered a reimbursement of capital without any tax liability associated with the Tax Reform Act of 1986 and the Revenue Reconciliation Act of 1993.

Date of Issue:

Effective Date:

Issued by:

**ATLANTIC CITY ELECTRIC COMPANY**

**BPU NJ No. 11 Electric Service - Section IV**

**Revised Sheet Replaces Revised Sheet No. 5**

**RATE SCHEDULE RS  
(Residential Service)**

**AVAILABILITY**

Available for full domestic service to individually metered residential customers, including rural domestic customers, engaged principally in agricultural pursuits.

	<b>SUMMER</b> June Through September	<b>WINTER</b> October Through May
<b>Delivery Service Charges:</b>		
Customer Charge (\$/Month)	\$3.00	\$3.00
<b>Distribution Rates (\$/kWh)</b>		
First Block (Summer <= 750 kWh; Winter <= 500kWh)	\$0.041540	\$0.038330
Excess kWh	\$0.047756	\$0.038330
<b>Non-Utility Generation Charge (NGC) (\$/kWh)</b>	See Rider NGC	
<b>Societal Benefits Charge (\$/kWh)</b>		
Consumer Education Program Charge	See Rider SBC	
Clean Energy Program	See Rider SBC	
Universal Service Fund	See Rider SBC	
Lifeline	See Rider SBC	
Uncollectible Accounts	See Rider SBC	
<b>Transition Bond Charge (TBC) (\$/kWh)</b>	See Rider SEC	
<b>Market Transition Charge Tax (MTC-Tax) (\$/kWh)</b>	See Rider SEC	
<b>System Control Charge (SCC) (\$/kWh)</b>	See Rider BGS	
<b>Transmission Service Charges (\$/kWh):</b>		
Transmission Rate	\$0.010143	\$0.010143
Reliability Must Run Transmission Surcharge	\$0.000000	\$0.000000
Transmission Enhancement Charge (\$/kWh)	See Rider BGS	
<b>Basic Generation Service Charge (\$/kWh)</b>	See Rider BGS	
<b>Regional Greenhouse Gas Initiative Recovery Charge (\$/kWh)</b>	See Rider RGGI	
<b>Infrastructure Investment Surcharge</b>	See Rider IIS	

**TRANSITION ENERGY FACILITY ASSESSMENT (TEFA)**

Energy charges (kWh) under this rate schedule shall be adjusted as set forth in Rider TEFA.

**CORPORATE BUSINESS TAX (CBT)**

Charges under this rate schedule include a component for Corporate Business Taxes as set forth in Rider CBT.

**NEW JERSEY SALES AND USE TAX (SUT)**

Charges under this rate schedule include a component for New Jersey Sales and Use Tax as set forth in Rider SUT.

**Date of Issue:**

**Effective Date:**

**Issued by:**

**ATLANTIC CITY ELECTRIC COMPANY**

**BPU NJ No. 11 Electric Service - Section IV Revised Sheet Replaces Revised Sheet No. 11**

**RATE SCHEDULE MGS-SECONDARY  
(Monthly General Service)**

**AVAILABILITY**

Available at any point of Company's system where facilities of adequate character and capacity exist for the entire electric service requirements of any customer delivered at one point and metered at or compensated to the voltage of delivery. This schedule is not available to residential customers.

	<b>SUMMER</b> June Through September	<b>WINTER</b> October Through May
<b>Delivery Service Charges:</b>		
Customer Charge		
Single Phase	\$5.21	\$5.21
Three Phase	\$6.51	\$6.51
<b>Distribution Demand Charge (per kW)</b>	<b>\$1.69</b>	<b>\$1.39</b>
<b>Reactive Demand Charge</b>	<b>\$0.43</b>	<b>\$0.43</b>
(For each kvar over one-third of kW demand)		
<b>Distribution Rates (\$/kWh)</b>	<b>\$0.044267</b>	<b>\$0.039987</b>
<b>Non-Utility Generation Charge (NGC) (\$/kWh)</b>	See Rider NGC	
<b>Societal Benefits Charge (\$/kWh)</b>		
Consumer Education Program Charge	See Rider SBC	
Clean Energy Program	See Rider SBC	
Universal Service Fund	See Rider SBC	
Lifeline	See Rider SBC	
Uncollectible Accounts	See Rider SBC	
<b>Transition Bond Charge (TBC) (\$/kWh)</b>	See Rider SEC	
<b>Market Transition Charge Tax (MTC-Tax) (\$/kWh)</b>	See Rider SEC	
<b>System Control Charge (SCC) (\$/kWh)</b>	See Rider BGS	
<b>CIEP Standby Fee (\$/kWh)</b>	See Rider BGS	
<b>Transmission Demand Charge (\$/kW for each kW in excess of 3 kW)</b>	<b>\$5.46</b>	<b>\$5.07</b>
<b>Reliability Must Run Transmission Surcharge (\$/kWh)</b>	<b>\$0.000000</b>	<b>\$0.000000</b>
<b>Transmission Enhancement Charge (\$/kWh)</b>	See Rider BGS	
<b>Basic Generation Service Charge (\$/kWh)</b>	See Rider BGS	
<b>Regional Greenhouse Gas Initiative Recovery Charge (\$/kWh)</b>	See Rider RGGI	
<b>Infrastructure Investment Surcharge</b>	See Rider IIS	

The minimum monthly bill will be \$6.51 per month plus any applicable adjustment.

**TRANSITION ENERGY FACILITY ASSESSMENT (TEFA)**

Energy charges (kWh) under this rate schedule shall be adjusted as set forth in Rider TEFA.

**Date of Issue:**

**Effective Date:**

**Issued by:**

**ATLANTIC CITY ELECTRIC COMPANY**

**BPU NJ No. 11 Electric Service - Section IV Revised Sheet Replaces Revised Sheet No. 14**

**RATE SCHEDULE MGS-PRIMARY  
(Monthly General Service)**

**AVAILABILITY**

Available at any point of Company's system where facilities of adequate character and capacity exist for the entire electric service requirements of any customer delivered at one point and metered at or compensated to the voltage of delivery. This schedule is not available to residential customers.

	<b>SUMMER</b>	<b>WINTER</b>
	June Through September	October Through May
<b>Delivery Service Charges:</b>		
Customer Charge		
Single Phase	\$5.21	\$5.21
Three Phase	\$6.51	\$6.51
<b>Distribution Demand Charge (per kW)</b>	<b>\$1.49</b>	<b>\$1.16</b>
<b>Reactive Demand Charge</b>	<b>\$0.42</b>	<b>\$0.42</b>
(For each kvar over one-third of kW demand)		
<b>Distribution Rates (\$/kWh)</b>	<b>\$0.042092</b>	<b>\$0.040880</b>
<b>Non-Utility Generation Charge (NGC) (\$/kWh)</b>	See Rider NGC	
<b>Societal Benefits Charge (\$/kWh)</b>		
Consumer Education Program Charge	See Rider SBC	
Clean Energy Program	See Rider SBC	
Universal Service Fund	See Rider SBC	
Lifeline	See Rider SBC	
Uncollectible Accounts	See Rider SBC	
<b>Transition Bond Charge (TBC) (\$/kWh)</b>	See Rider SEC	
<b>Market Transition Charge Tax (MTC-Tax) (\$/kWh)</b>	See Rider SEC	
<b>System Control Charge (SCC) (\$/kWh)</b>	See Rider BGS	
<b>CIEP Standby Fee (\$/kWh)</b>	See Rider BGS	
<b>Transmission Demand Charge</b>	<b>\$5.99</b>	<b>\$5.65</b>
(\$/kW for each kW in excess of 3 kW)		
<b>Reliability Must Run Transmission Surcharge (\$/kWh)</b>	<b>\$0.000000</b>	<b>\$0.000000</b>
<b>Transmission Enhancement Charge (\$/kWh)</b>	See Rider BGS	
<b>Basic Generation Service Charge (\$/kWh)</b>	See Rider BGS	
<b>Regional Greenhouse Gas Initiative</b>		
<b>Recovery Charge (\$/kWh)</b>	See Rider RGGI	
<b>Infrastructure Investment Surcharge</b>	See Rider IIS	

The minimum monthly bill will be \$6.51 per month plus any applicable adjustment.

**TRANSITION ENERGY FACILITY ASSESSMENT (TEFA)**

Energy charges (kWh) under this rate schedule shall be adjusted as set forth in Rider TEFA.

**Date of Issue:**

**Effective Date**

**Issued by:**



**ATLANTIC CITY ELECTRIC COMPANY**

**BPU NJ No. 11 Electric Service - Section IV Revised Sheet Replaces Revised Sheet No. 17**

**RATE SCHEDULE AGS-SECONDARY  
(Annual General Service)**

**AVAILABILITY**

Available at any point of Company's system where facilities of adequate character and capacity exist for the entire electric service requirements of any customer contracting for annual service delivered at one point and metered at or compensated to the voltage of delivery.

**MONTHLY RATE**

**Delivery Service Charges:**

Customer Charge		\$145.42	
Distribution Demand Charge (\$/kW)		\$7.17	
Reactive Demand (for each kvar over one-third of kW demand)		\$0.55	
Non-Utility Generation Charge (NGC) (\$/kWh)		See Rider NGC	
Societal Benefits Charge (\$/kWh)			
Consumer Education Program Charge		See Rider SBC	
Clean Energy Program		See Rider SBC	
Universal Service Fund		See Rider SBC	
Lifeline		See Rider SBC	
Uncollectible Accounts		See Rider SBC	
Transition Bond Charge (TBC) (\$/kWh)		See Rider SEC	
Market Transition Charge Tax (MTC-Tax) (\$/kWh)		See Rider SEC	
System Control Charge (SCC) (\$/kWh)		See Rider BGS	
CIEP Standby Fee (\$/kWh)		See Rider BGS	
Transmission Demand Charge (\$/kW)		\$1.90	
Reliability Must Run Transmission Surcharge (\$/kWh)	\$0.000000		\$0.000000
Transmission Enhancement Charge (\$/kWh)		See Rider BGS	
Basic Generation Service Charge (\$/kWh)		See Rider BGS	
Regional Greenhouse Gas Initiative Recovery Charge (\$/kWh)		See Rider RGGI	
Infrastructure Investment Surcharge		See Rider IIS	

Date of Issue:

Effective Date:

Issued by:

**ATLANTIC CITY ELECTRIC COMPANY**

**BPU NJ No. 11 Electric Service - Section IV Revised Sheet Replaces Revised Sheet No. 19**

**RATE SCHEDULE AGS-PRIMARY  
(Annual General Service)**

**AVAILABILITY**

Available at any point of Company's system where facilities of adequate character and capacity exist for the entire electric service requirements of any customer contracting for annual service delivered at one point and metered at or compensated to the voltage of delivery.

**MONTHLY RATE**

**Delivery Service Charges:**

Customer Charge \$509.33

Distribution Demand Charge (\$/kW) \$6.26

Reactive Demand (for each kvar over one-third of kW demand) \$0.46

Non-Utility Generation Charge (NGC) (\$/kWh) See Rider NGC

**Societal Benefits Charge (\$/kWh)**

Consumer Education Program Charge See Rider SBC

Clean Energy Program See Rider SBC

Universal Service Fund See Rider SBC

Lifeline See Rider SBC

Uncollectible Accounts See Rider SBC

Transition Bond Charge (TBC) (\$/kWh) See Rider SEC

Market Transition Charge Tax (MTC-Tax) (\$/kWh) See Rider SEC

System Control Charge (SCC) (\$/kWh) See Rider BGS

CIEP Standby Fee (\$/kWh) See Rider BGS

Transmission Demand Charge (\$/kW) \$1.96

Reliability Must Run Transmission Surcharge (\$/kWh) \$0.000000 \$0.000000

Transmission Enhancement Charge (\$/kWh) See Rider BGS

Basic Generation Service Charge (\$/kWh) See Rider BGS

Regional Greenhouse Gas Initiative Recovery Charge (\$/kWh) See Rider RGGI

Infrastructure Investment Surcharge See Rider IIS

Date of Issue:

Effective Date:

Issued by:

**ATLANTIC CITY ELECTRIC COMPANY**

**BPU NJ No. 11 Electric Service - Section IV Revised Sheet Replaces Revised Sheet No. 29**

**RATE SCHEDULE TGS**  
(Transmission General Service)  
(Sub Transmission Service Taken at 23kV and 34.5 kV)

**AVAILABILITY**

Available at any point of Company's system where facilities of adequate character and capacity exist for the entire electric service requirements of any customer contracting for annual service delivered at one point and metered at or compensated to the voltage subtransmission level (23 or 34.5 kV).

**MONTHLY RATE**

**Delivery Service Charges:**

**Customer Charge**

Maximum billed demand within the most recent 12 billing months.

Less than 5,000 kW	\$133.76
5,000 – 9,000 kW	\$4,430.04
Greater than 9,000 kW	\$8,041.69

**Distribution Demand Charge (\$/kW)**

Maximum billed demand within the most recent 12 billing months.

Less than 5,000 kW	\$3.84
5,000 – 9,000 kW	\$2.95
Greater than 9,000 kW	\$1.48

**Reactive Demand (for each kvar over one-third of kW demand)**

\$0.52

**Non-Utility Generation Charge (NGC) (\$/kWh)**

See Rider NGC

**Societal Benefits Charge (\$/kWh)**

Consumer Education Program Charge	See Rider SBC
Clean Energy Program	See Rider SBC
Universal Service Fund	See Rider SBC
Lifeline	See Rider SBC
Uncollectible Accounts	See Rider SBC

**Transition Bond Charge (TBC) (\$/kWh)**

See Rider SEC

**Market Transition Charge Tax (MTC-Tax) (\$/kWh)**

See Rider SEC

**System Control Charge (SCC) (\$/kWh)**

See Rider BGS

**CIEP Standby Fee (\$/kWh)**

See Rider BGS

**Transmission Demand Charge (\$/kW)**

\$2.02

**Reliability Must Run Transmission Surcharge (\$/kWh)**

\$0.000000                      \$0.000000

**Transmission Enhancement Charge (\$/kWh)**

See Rider BGS

**Basic Generation Service Charge (\$/kWh)**

See Rider BGS

**Regional Greenhouse Gas Initiative Recovery Charge (\$/kWh)**

See Rider RGGI

**Infrastructure Investment Surcharge**

See Rider IIS

**Date of Issue:**

**Effective Date:**

**Issued by:**

**ATLANTIC CITY ELECTRIC COMPANY**

**BPU NJ No. 11 Electric Service - Section IV**

**Sheet No. 29a**

**RATE SCHEDULE TGS  
(Transmission General Service)  
(Transmission Service Taken at or above 69kV)**

**AVAILABILITY**

Available at any point of Company's system where facilities of adequate character and capacity exist for the entire electric service requirements of any customer contracting for annual service delivered at one point and metered at or compensated to the voltage at transmission level (69 kV or higher).

**MONTHLY RATE**

**Delivery Service Charges:**

**Customer Charge**

Maximum billed demand within the most recent 12 billing months.

Less than 5,000 kW	\$133.76
5,000 – 9,000 kW	\$4,430.04
Greater than 9,000 kW	\$20,104.24

**Distribution Demand Charge (\$/kW)**

Maximum billed demand within the most recent 12 billing months.

Less than 5,000 kW	\$3.07
5,000 – 9,000 kW	\$2.36
Greater than 9,000 kW	\$0.15

**Reactive Demand (for each kvar over one-third of kW demand)**

**\$0.52**

**Non-Utility Generation Charge (NGC) (\$/kWh)**

See Rider NGC

**Societal Benefits Charge (\$/kWh)**

Consumer Education Program Charge	See Rider SBC
Clean Energy Program	See Rider SBC
Universal Service Fund	See Rider SBC
Lifeline	See Rider SBC
Uncollectible Accounts	See Rider SBC

**Transition Bond Charge (TBC) (\$/kWh)**

See Rider SEC

**Market Transition Charge Tax (MTC-Tax) (\$/kWh)**

See Rider SEC

**System Control Charge (SCC) (\$/kWh)**

See Rider BGS

**CIEP Standby Fee (\$/kWh)**

See Rider BGS

**Transmission Demand Charge (\$/kW)**

\$2.02

**Reliability Must Run Transmission Surcharge (\$/kWh)**

\$0.000000                      \$0.000000

**Transmission Enhancement Charge (\$/kWh)**

See Rider BGS

**Basic Generation Service Charge (\$/kWh)**

See Rider BGS

**Regional Greenhouse Gas Initiative Recovery Charge (\$/kWh)**

See Rider RGGI

**Infrastructure Investment Surcharge**

See Rider IIS

**Date of Issue:**

**Effective Date:**

**Issued by:**

**ATLANTIC CITY ELECTRIC COMPANY**

**BPU NJ No. 11 Electric Service – Section IV Revised Sheet Replaces Revised Sheet No. 31**

**RATE SCHEDULE DDC  
(Direct Distribution Connection)**

**AVAILABILITY**

Available at any point of the Company's existing distribution system where facilities of adequate character exist for the connection of fixed, constant and predictable non-residential loads not to exceed one kilowatt

**MONTHLY RATES**

**Distribution:**

Service and Demand (per day per connection) \$0.168098  
Energy (per day for each kW of effective load) \$0.809664

**Non-Utility Generation Charge (NGC) (\$/kWh)** See Rider NGC  
**Societal Benefits Charge (\$/kWh)**  
Consumer Education Program Charge See Rider SBC  
Clean Energy Program See Rider SBC  
Universal Service Fund See Rider SBC  
Lifeline See Rider SBC  
Uncollectible Accounts See Rider SBC  
**Transition Bond Charge (TBC) (\$/kWh)** See Rider SEC  
**Market Transition Charge Tax (MTC-Tax) (\$/kWh)** See Rider SEC  
**System Control Charge (SCC) (\$/kWh)** See Rider BGS  
**Transmission Rate (\$/kWh)** \$0.003406  
**Reliability Must Run Transmission Surcharge (\$/kWh)** \$0.000000  
**Transmission Enhancement Charge (\$/kWh)** See Rider BGS  
**Basic Generation Service Charge (\$/kWh)** See Rider BGS  
**Regional Greenhouse Gas Initiative Recovery Charge (\$/kWh)** See Rider RGGI  
**Infrastructure Investment Surcharge** See Rider IIS

**TRANSITION ENERGY FACILITY ASSESSMENT (TEFA)**

Energy charges (kWh) under this rate schedule shall be adjusted as set forth in Rider TEFA.

**CORPORATE BUSINESS TAX (CBT)**

Charges under this rate schedule include a component for Corporate Business Taxes as set forth in Rider CBT.

**NEW JERSEY SALES AND USE TAX (SUT)**

Charges under this rate schedule include a component for New Jersey Sales and Use Tax as set forth in Rider SUT.

**LOAD CONSUMPTION**

Effective load shall be determined by the Company and be specified in the contract. Effective load is defined as the sum of the products of the connected load in kilowatts times the percent load on at one time. No changes in attached load may be made by the customer without the permission of the Company and customer shall allow the Company access to his premises to assure conformance with this provision.

Date of Issue:

Effective Date:

Issued by:

**ATLANTIC CITY ELECTRIC COMPANY**

**BPU NJ No. 11 Electric Service - Section IV**

**Revised Sheet Replaces Revised Sheet No. 35**

**RATE SCHEDULE SPL  
(Street and Private Lighting)**

**AVAILABILITY OF SERVICE**

Available for general lighting service in service by December 14, 1982, new lights requested for installation before January 1, 1983 or high pressure sodium fixtures in the area served by the Company.

The Company will provide and maintain a lighting system and provide fixture and electric energy sufficient to operate said fixture continuously, automatically controlled, from approximately one-half hour after sunset until approximately one-half-hour before sunrise, every night and all night, approximately forty-two hundred (4200) hours per annum during the term of years hereinafter set forth.

The following rates shall be applied to the kWh Usage for the particular light type and size to determine the monthly charge per light.

Distribution charges are billed on a monthly per light basis in accordance with the rates specified on the Tables on Sheets 36, 36a and 37.

<b>Non-Utility Generation Charge (NGC) (\$/kWh)</b>	See Rider NGC
<b>Societal Benefits Charge (\$/kWh)</b>	
Consumer Education Program Charge	See Rider SBC
Clean Energy Program	See Rider SBC
Universal Service Fund	See Rider SBC
Lifeline	See Rider SBC
Uncollectible Accounts	See Rider SBC
<b>Transition Bond Charge (TBC) (\$/kWh)</b>	See Rider SEC
<b>System Control Charge (SCC) (\$/kWh)</b>	See Rider BGS
<b>Market Transition Charge Tax (MTC-Tax) (\$/kWh)</b>	See Rider SEC
<b>Transmission Rate (\$/kWh)</b>	\$0.000000
<b>Reliability Must Run Transmission Surcharge (\$/kWh)</b>	\$0.000000
<b>Transmission Enhancement Charge (\$/kWh)</b>	See Rider BGS
<b>Basic Generation Service Charge (\$/kWh)</b>	See Rider BGS
<b>Regional Greenhouse Gas Initiative</b>	
<b>Recovery Charge (\$/kWh)</b>	See Rider RGGI
<b>Infrastructure Investment Surcharge</b>	See Rider IIS

Date of Issue:

Effective Date:

Issued by:

ATLANTIC CITY ELECTRIC COMPANY

BPU NJ No. 11 Electric Service - Section IV Revised Sheet Replaces Revised Sheet No. 36

RATE SCHEDULE SPL (Continued)  
(Street and Private Lighting)

RATE (Mounted on Existing Pole)

	<u>WATTS</u>	<u>LUMENS</u>	<u>MONTHLY DISTRIBUTION CHARGE</u>	<u>STATUS</u>
<u>INCANDESCENT</u>				
Standard	103	1,000	\$ 5.09	Closed
Standard	202	2,500	\$ 8.86	Closed
Standard	327	4,000	\$ 12.34	Closed
Standard	448	6,000	\$ 16.51	Closed
<u>MERCURY VAPOR</u>				
Standard	100	3,500	\$ 8.56	Closed
Standard	175	6,800	\$ 11.46	Closed
Standard	250	11,000	\$ 14.53	Closed
Standard	400	20,000	\$ 20.94	Closed
Standard	700	35,000	\$ 33.44	Closed
Standard	1,000	55,000	\$ 45.49	Closed
<u>HIGH PRESSURE SODIUM</u>				
Retrofit	150	11,000	\$ 10.50	Closed
Retrofit	360	30,000	\$ 19.60	Closed

RATE (Overhead/RUE)

	<u>WATTS</u>	<u>LUMENS</u>	<u>MONTHLY DISTRIBUTION CHARGE</u>	<u>STATUS</u>
<u>HIGH PRESSURE SODIUM</u>				
Cobra Head	50	3,600	\$ 9.34	Open
Cobra Head	70	5,500	\$ 9.67	Open
Cobra Head	100	8,500	\$ 10.20	Open
Cobra Head	150	14,000	\$ 11.11	Open
Cobra Head	250	24,750	\$ 15.76	Open
Cobra Head	400	45,000	\$ 18.26	Open
Shoe Box	150	14,000	\$ 13.56	Open
Shoe Box	250	24,750	\$ 17.60	Open
Shoe Box	400	45,000	\$ 20.35	Open
Post Top	50	3,600	\$ 10.38	Open
Post Top	100	8,500	\$ 11.30	Open
Post Top	150	14,000	\$ 13.33	Open
Flood/Profile	150	14,000	\$ 10.87	Open
Flood/Profile	250	24,750	\$ 13.76	Open
Flood/Profile	400	45,000	\$ 17.61	Open
<u>METAL HALIDE</u>				
Flood/Profile	400	31,000	\$ 21.65	Open
Flood/Profile	1,000	96,000	\$ 36.95	Open

Date of Issue:

Effective Date:

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ATLANTIC CITY ELECTRIC COMPANY

BPU NJ No. 11 Electric Service - Section IV

Revised Sheet Replaces

Revised Sheet No. 37

RATE SCHEDULE SPL (Continued)  
(Street and Private Lighting)

	<u>WATTS</u>	<u>LUMENS</u>	<u>MONTHLY DISTRIBUTION CHARGE</u>	<u>STATUS</u>
<u>Experimental</u>				
<u>LIGHT EMITTING DIODE</u>				
<u>(LED)</u>				
Cobra Head	50	3,000	\$ 8.81	Open
Cobra Head	70	4,000	\$ 8.70	Open
Cobra Head	100	7,000	\$ 8.84	Open
Cobra Head	150	10,000	\$ 10.35	Open
Cobra Head	250	17,000	\$ 12.25	Open
Post Top	150	10,000	\$ 17.87	Open
Colonial Post Top	70	4,000	\$ 13.75	Open
Colonial Post Top	100	7,000	\$ 13.77	Open
Shoe Box	100	7,000	\$ 10.83	Open
Shoe Box	150	10,000	\$ 11.58	Open
Shoe Box	250	17,000	\$ 13.88	Open
Tear Drop	100	7,000	\$ 17.42	Open
Tear Drop	150	10,000	\$ 20.68	Open
<u>Experimental</u>				
<u>INDUCTION</u>				
Cobra Head	40	3,000	\$ 8.22	Open
Cobra Head	80	6,300	\$ 8.72	Open
Cobra Head	150	11,500	\$ 8.99	Open
Cobra Head	250	21,000	\$ 10.20	Open

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**ATLANTIC CITY ELECTRIC COMPANY**  
**BPU NJ No. 11 Electric Service - Section IV**

Sheet No. 37a

**RATE SCHEDULE SPL (Continued)**  
**(Street and Private Lighting)**

**RATE (Underground)**

	<u>WATTS</u>	<u>LUMENS</u>	<u>MONTHLY DISTRIBUTION CHARGE</u>	<u>STATUS</u>
<b>HIGH PRESSURE</b>				
<b>SODIUM</b>				
Cobra Head	50	3,600	\$ 14.38	Open
Cobra Head	70	5,500	\$ 14.71	Open
Cobra Head	100	8,500	\$ 15.21	Open
Cobra Head	150	14,000	\$ 16.15	Open
Cobra Head	250	24,750	\$ 19.55	Open
Cobra Head	400	45,000	\$ 22.03	Open
Shoe Box	150	14,000	\$ 18.62	Open
Shoe Box	250	24,750	\$ 22.62	Open
Shoe Box	400	45,000	\$ 25.39	Open
Post Top	50	3,600	\$ 12.73	Open
Post Top	100	8,500	\$ 13.67	Open
Post Top	150	14,000	\$ 18.66	Open
Flood/Profile	150	14,000	\$ 17.03	Open
Flood/Profile	250	24,750	\$ 19.91	Open
Flood/Profile	400	45,000	\$ 22.67	Open
Flood/Profile	400	31,000	\$ 26.81	Open
Flood/Profile	1000	96,000	\$ 42.10	Open

Bill will be rendered monthly and be prorated based on the billing cycle

Lamp sizes listed are standard ratings. Actual output shall be within commercial tolerances. The mercury vapor post standard (no longer available) will be supplied at an annual cost of \$23.09 in addition to the appropriate rate for the facility mounted on an existing pole. For installations on or before January 17, 1986, or lamp sizes 3500 Lumen or greater, an ornamental standard will be supplied at an annual cost of \$76.71 in addition to the appropriate rate for the fixture mounted on an existing pole. For standards installed after January 17, 1986, non-ornamental standards are available at an annual cost of \$112.13 in addition to the appropriate rate for the fixture mounted on an existing pole. Installation charges may be required for new construction. Ornamental standards are available under the CLE rate schedule.

**UPGRADES TO EXISTING FIXTURES**

Customers may upgrade existing lighting fixtures to fixtures of higher wattage subject to payment of the following charges which provide for labor to replace the light fixture and the differential cost of the light fixture:

Lamp Size up to 150W: \$339.80 plus applicable income tax gross up  
Lamp Size greater than 150W: \$430.74 plus applicable income tax gross up

**TRANSITION ENERGY FACILITY ASSESSMENT (TEFA)**

Energy charges (kWh) under this rate schedule shall be adjusted as set forth in Rider TEFA.

**CORPORATE BUSINESS TAX (CBT)**

Charges under this rate schedule include a component for Corporate Business Taxes as set forth in Rider CBT.

**NEW JERSEY SALES AND USE TAX (SUT)**

Charges under this rate schedule include a component for New Jersey Sales and Use Tax as set forth in Rider SUT.

Date of Issue:

Effective Date:

Issued by:

**ATLANTIC CITY ELECTRIC COMPANY**  
**BPU NJ No. 11 Electric Service - Section IV**      **Revised Sheet Replaces Revised Sheet No. 39**

**RATE SCHEDULE CSL**  
**(Contributed Street Lighting)**

**AVAILABILITY**

Available for general lighting service in the service area of the Company  
The Company will install and maintain a lighting system and provide electric energy sufficient to operate fixtures continuously, automatically controlled, for approximately one-half-hour after sunset until approximately one-half-hour before sunrise, every night and all night, approximately forty-two hundred (4200) hours per annum during the term of years hereinafter set forth. The installed cost of the fixtures, standards, and other installed equipment (if necessary) shall be paid by the customer upon installation. All equipment shall be the property of the Company (see Rate Schedule CLE). The rates below provide for ordinary maintenance and replacement of lamps and automatic controls. The rates below do not provide for replacement due to expiration of the service life of installed fixtures, standards or other equipment.

The following rates shall be applied to the kWh Usage for the particular light type and size to determine the monthly charge per light.

Delivery charges are billed on a monthly per light basis in accordance with the rates specified on the Tables on Sheets 40 and 40a.

<b>Non-Utility Generation Charge (NGC) (\$/kWh)</b>	See Rider NGC
<b>Societal Benefits Charge (\$/kWh)</b>	
Consumer Education Program Charge	See Rider SBC
Clean Energy Program	See Rider SBC
Universal Service Fund	See Rider SBC
Lifeline	See Rider SBC
Uncollectible Accounts	See Rider SBC
<b>Transition Bond Charge (TBC) (\$/kWh)</b>	See Rider SEC
<b>System Control Charge (SCC) (\$/kWh)</b>	See Rider BGS
<b>Market Transition Charge Tax (MTC-Tax) (\$/kWh)</b>	See Rider SEC
<b>Transmission Rate (\$/kWh)</b>	\$0.000000
<b>Reliability Must Run Transmission Surcharge (\$/kWh)</b>	\$0.000000
<b>Transmission Enhancement Charge (\$/kWh)</b>	See Rider BGS
<b>Basic Generation Service Charge (\$/kWh)</b>	See Rider BGS
<b>Regional Greenhouse Gas Initiative</b>	
<b>Recovery Charge (\$/kWh)</b>	See Rider RGGI
<b>Infrastructure Investment Surcharge</b>	See Rider IIS

**TRANSITION ENERGY FACILITY ASSESSMENT (TEFA)**

Energy charges (kWh) under this rate schedule shall be adjusted as set forth in Rider TEFA.

**CORPORATE BUSINESS TAX (CBT)**

Charges under this rate schedule include a component for Corporate Business Taxes as set forth in Rider CBT.

**NEW JERSEY SALES AND USE TAX (SUT)**

Charges under this rate schedule include a component for New Jersey Sales and Use Tax as set forth in Rider SUT.

**PRICE TO COMPARE**

A customer may choose to receive electric supply from a third party supplier as defined in Section 11 of the Standard Terms and Conditions of this Tariff. A customer who receives electric supply from a third party supplier will not be billed the Basic Generation Service Charges or the Transmission Service Charges. Customers who receive electric supply from a third party supplier will continue to be billed the System Control Charge (SCC) and, as applicable to customers eligible for BGS CIEP, the CIEP Standby Fee.

Date of Issue:

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ATLANTIC CITY ELECTRIC COMPANY  
BPU NJ No. 11 Electric Service - Section IV Revised Sheet Replaces Revised Sheet No. 40

RATE SCHEDULE CSL (continued)  
(Contributed Street Lighting)  
RATE (Mounted on Existing Pole)

	<u>WATTS</u>	<u>LUMENS</u>	<u>MONTHLY DISTRIBUTION CHARGE</u>	<u>STATUS</u>
<u>HIGH PRESSURE SODIUM</u>				
All	50	3,600	\$ 3.95	Open
All	70	5,500	\$ 4.30	Open
All	100	8,500	\$ 4.80	Open
All	150	14,000	\$ 5.74	Open
All	250	24,750	\$ 7.82	Open
All	400	45,000	\$ 10.36	Open
<u>Experimental</u>				
<u>LIGHT EMITTING DIODE (LED)</u>				
Cobra Head	50	3,000	\$ 1.74	Open
Cobra Head	70	4,000	\$ 1.74	Open
Cobra Head	100	7,000	\$ 1.74	Open
Cobra Head	150	10,000	\$ 1.74	Open
Cobra Head	250	17,000	\$ 1.74	Open
Post Top	150	10,000	\$ 1.74	Open
Colonial Post Top	70	4,000	\$ 1.74	Open
Colonial Post Top	100	7,000	\$ 1.74	Open
Shoe Box	100	7,000	\$ 1.74	Open
Shoe Box	150	10,000	\$ 1.74	Open
Shoe Box	250	17,000	\$ 1.74	Open
Tear Drop	100	7,000	\$ 1.74	Open
Tear Drop	150	10,000	\$ 1.74	Open
<u>Experimental</u>				
<u>INDUCTION</u>				
Cobra Head	40	3,000	\$ 1.74	Open
Cobra Head	80	6,300	\$ 1.74	Open
Cobra Head	150	11,500	\$ 1.74	Open
Cobra Head	250	21,000	\$ 1.74	Open

Bill will be rendered monthly and be prorated based on the billing cycle

Lamp sizes listed are standard ratings. Actual output shall be within commercial tolerances.  
For fixtures mounted on an existing ornamental standard, the existing standard will continue to be supplied at an annual cost of \$65.81 until the expiration of its service life in addition to the appropriate rate for the fixtures on an existing pole.

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**ATLANTIC CITY ELECTRIC COMPANY**

**BPU NJ No. 11 Electric Service - Section IV Revised Sheet Replaces Revised Sheet No. 44**

**RIDER STB-STANDBY SERVICE**

**(Applicable to MGS, AGS, TGS and SPP Rate Schedules)**

**AVAILABILITY**

This rider is available to customers having other sources of electrical energy supply, but who desire to purchase Standby Service from the Company. The terms of this rider shall not be available in any month when the customer's Generation Availability for the current and preceding five (5) months does not exceed 50%.

**DEFINITIONS**

Standby Service:

Standby Service is defined as the additional electrical capacity available to a customer in the event of a forced outage and during a mutually agreed upon customer's scheduled maintenance shutdown of the customer owned electrical energy source.

Standby Service Capacity:

The Standby Service Capacity shall be the maximum electrical capacity in kW supplied by the customer owned electrical energy source during the current and preceding five (5) months. Such Standby Service Capacity may be revised with Company approval as changes in the customer's load conditions warrant.

Generation Availability:

Generation Availability is defined as the availability of the customer owned electrical energy source during the current and preceding five (5) months and shall be determined by dividing the Kwhrs produced during this period by the product of the Standby Service Capacity times 4380 hours.

**MODIFICATION OF DEMAND DETERMINATION**

The monthly billing demand shall be as defined under the "Demand Determination" section of the applicable rate schedule.

The Standby Service Demand shall be the "Standby Service Capacity" as defined above.

During the billing months in which a forced outage or mutually agreed upon customer's scheduled maintenance shutdown occurs, the billing demand will be determined by subtracting the Standby Service Capacity from the total demand and waives the minimum charge provision of the applicable rate schedule. Electric service is provided under the terms of the applicable rate schedule. Total demand is defined as the sum of the Company's demand meter plus demand supplied by the other sources of electrical energy, all computed to the nearest whole kilowatt during a fifteen minute period.

**STANDBY SERVICE CHARGE**

This rider imposes a Standby Service Charge at the following voltage levels:

<u>Tariff</u>	<u>Transmission Stand By Rate</u>	<u>Distribution Stand By Rate</u>
	<u>(\$/kW)</u>	<u>(\$/kW)</u>
MGS-Secondary	\$0.55	\$0.09
MGS Primary	\$0.61	\$0.13
AGS Secondary	\$0.19	\$0.73
AGS Primary	\$0.20	\$0.64
TGS Sub Transmission	\$0.21	\$0.00
TGS Transmission	\$0.21	\$0.00

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ATLANTIC CITY ELECTRIC COMPANY

BPU NJ No. 11 Electric Service - Section IV

Revised Replaces

Revised Sheet No. 59

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**Atlantic City Electric Company  
Base Rate Case  
BPU Docket No. ER12121071  
OAL Dkt. No. PUC-00617-2013**

**Stipulation of Settlement  
Exhibit B  
Rate Design Work Papers**

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

Surplus Provision	\$ 1,008,969,000
Rate Base	\$ 25,500,000
Revenue Requirement	1.6944
Operating Income Deficiency	15,049,575
FOR	8.04%

Proposed Revenue Allocation	TOTAL ACE RETAIL	RESIDENTIAL	MONTHLY GENERAL SERV		ANNUAL GENERAL SERV		STREET LIGHTING SERVICE	TRANSMISSION GENERAL SERV and SUB-TRANSMISSION TRANSMISSION		DIRECT DISTRIBUTION CONNECTION
			GENERAL SERV SECONDARY	GENERAL SERV PRIMARY	GENERAL SERV SECONDARY	GENERAL SERV PRIMARY		GENERAL SERV SECONDARY	GENERAL SERV PRIMARY	
Step 1 23% of Revenue Requirement	\$ 8,375,500	\$ 5,683,881	\$ 3,651,328	\$ 54,431	\$ 2,084,548	\$ 539,714	\$ 511,119	\$ -	\$ -	\$ 35,418
Step 2 Balance of Revenue Requirement - Allocated on Revenue	\$ 16,279,869	\$ 10,961,026	\$ 3,651,328	\$ 54,431	\$ 2,084,548	\$ 539,714	\$ 955,406	\$ -	\$ -	\$ 35,418
Step 3 Final Residual Allocation	\$ 845,131	\$ 777,373	\$ 3,651,328	\$ 54,431	\$ 2,084,548	\$ 539,714	\$ 67,759	\$ -	\$ -	\$ 35,418
Revenue Requirement	\$ 25,500,000	\$ 17,602,280	\$ 3,651,328	\$ 54,431	\$ 2,084,548	\$ 539,714	\$ 1,594,284	\$ -	\$ -	\$ 35,418
Incremental Income	\$ 15,049,575	\$ 10,389,503	\$ 2,154,939	\$ 30,944	\$ 1,230,256	\$ 318,528	\$ 905,503	\$ -	\$ -	\$ 20,903
FOR										

Rate Schedule Specific Revenue Increase Allocation

Rate Schedule	Total	MONTHLY GENERAL SERV		ANNUAL GENERAL SERV		STREET LIGHTING SERVICE	TRANSMISSION GENERAL SERV and SUB-TRANSMISSION TRANSMISSION		DIRECT DISTRIBUTION CONNECTION
		GENERAL SERV SECONDARY	GENERAL SERV PRIMARY	GENERAL SERV SECONDARY	GENERAL SERV PRIMARY		GENERAL SERV SECONDARY	GENERAL SERV PRIMARY	
Annualized Current Distribution Revenue	\$ 295,243,424	\$ 163,452,418	\$ 787,854	\$ 43,687,776	\$ 8,048,287	\$ 14,247,453	\$ 8,048,642	\$ 528,761	\$ 35,418
Revenue Change (\$)	\$ 25,500,000	\$ 17,602,280	\$ 3,651,328	\$ 2,084,548	\$ 539,714	\$ 1,594,284	\$ -	\$ -	\$ 35,418
Proposed Revenue	\$ 316,743,424	\$ 181,054,698	\$ 834,284	\$ 45,772,322	\$ 8,588,000	\$ 15,761,436	\$ 8,048,642	\$ 563,579	\$ 70,836
Revenue Change based on Annualized Current Revenue (%)	8.7%	10.8%	6.7%	4.8%	6.7%	10.8%	0.0%	6.7%	6.7%
Rate Class Revenue Allocation Ratio		1.24	0.77	0.56	0.77	1.24	0.00	0.77	0.77

Atlantic City Electric Company  
Department of Proposed Distribution Rate  
Rate Design Worksheet

Rate Schedule  
Distribution Functional Revenue Requirements Total (w/o SUT) RS  
Distribution Functional Revenue Requirements Total (w/ SUT) 181,054,698  
193,728,526

1	2	3	4	5	6	7	8	9	10	11		
Blocks	Billing Determinants	Current Distribution Rates (including SUT)	Current Distribution Rates (w/o SUT)	Calculated Rate Class Revenue under Current Distribution Rates (w/o SUT)	Proposed Distribution Rates (w/o SUT)	Winter First Block Adjustment Factor	Proposed Distribution Rates (w/o SUT)	Recovery under Proposed Distribution Rates (w/o SUT)	Proposed Rate (including SUT)	Recovery under Proposed Distribution Rates (including SUT)	Distribution Rate Change %	Winter Block Increase Ratio
CUSTOMER	481,560	\$ 3.00	\$ 2.80	\$ 16,180,422	\$ 2.80		\$ 2.60	\$ 16,180,422	\$ 3.00	\$ 17,386,166	0%	
SUM First 750 KWh	1,150,020,292	\$ 0.037104	\$ 0.034677	\$ 39,879,254	\$ 0.035822		\$ 0.036822	\$ 44,646,098	\$ 0.041540	\$ 47,771,843	12%	
WIN First 500 KWh	1,446,510,779	\$ 0.035328	\$ 0.033851	\$ 49,110,487	\$ 0.035822		\$ 0.035822	\$ 51,816,909	\$ 0.038330	\$ 55,444,758	6%	
SUM > 750 KWh	771,890,154	\$ 0.042658	\$ 0.039367	\$ 30,760,985	\$ 0.044632		\$ 0.044632	\$ 34,437,612	\$ 0.047756	\$ 36,848,059	12%	
WIN > 500 KWh	949,387,951	\$ 0.031050	\$ 0.029019	\$ 27,521,270	\$ 0.035822		\$ 0.035822	\$ 33,973,867	\$ 0.038330	\$ 36,351,711	23%	1.96
TOTAL ENERGY	4,316,508,196			\$ 147,271,996				\$ 164,874,276		\$ 176,616,371		
TOTAL REVENUE				\$ 183,452,418				\$ 181,054,698		\$ 193,728,526		
										\$ (24,011)		

Winter First Block Adjustment Level Winter Rate \$ 0.035822



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

Rate Schedule  
Distribution Functional Revenue Requirements Total (w/o SUT) \$ 58,100,463  
Distribution Functional Revenue Requirements Total (w/ SUT) \$ 62,167,495

MGS SECONDARY

BLOCK	1	2	3	4	5	B	9	10	11	12
	Billing Determinants	Current Distribution Rates	Current Distribution Rates (w/o SUT)	Calculated Rate under Current Distribution Rates (w/o SUT)	Recovery under Proposed Distribution Rates (w/o SUT)	Proposed Distribution Rates (w/o SUT)	Recovery under Proposed Distribution Rates (w/o SUT)	Proposed Rate (including SUT)	Recovery under Proposed Distribution Rates (including SUT)	Distribution Rate Change %
CUSTOMER										
Single Phase Service	484,702 \$	5.21 \$	4.87	2,360,499 \$	2,360,499 \$	4.87 \$	2,360,499 \$	5.21 \$	2,525,297	0.0%
3 Phase Service	162,343 \$	6.51 \$	6.08	987,045 \$	987,045 \$	6.08 \$	987,045 \$	6.51 \$	1,056,853	0.0%
DEMAND CHARGE - All RWS										
Summer	2,264,207 \$	1.57 \$	1.47	3,326,384 \$	3,577,447 \$	1.58 \$	3,577,447 \$	1.69 \$	3,827,868	7.7%
Winter	3,519,952 \$	1.29 \$	1.21	4,259,142 \$	4,575,938 \$	1.30 \$	4,575,938 \$	1.39 \$	4,896,254	7.8%
REACTIVE DEMAND	147,743 \$	0.40 \$	0.37	54,665 \$	59,097 \$	0.40 \$	59,097 \$	0.43 \$	63,234	7.0%
ENERGY CHARGE										
Summer	504,297,736 \$	0.041315 \$	0.038612	19,471,944 \$	20,863,302 \$	0.041371 \$	20,863,302 \$	0.044267 \$	22,323,733	7.1%
Winter	667,793,448 \$	0.037321 \$	0.034879	23,987,455 \$	25,701,287 \$	0.037371 \$	25,701,287 \$	0.039987 \$	27,500,377	7.1%
TOTAL	1,192,031,184			54,449,135	58,124,615		58,124,615		62,193,616	
Annualized Current Revenue	\$	54,449,135								
Less Annualized Customer Revenue	\$	(3,347,544)								
Net Energy and Demand Related Revenue	\$	51,101,590								
Proposed Revenue Increase	\$	3,651,328								
Demand And Energy Rate Increase (%)		7.15%								

Annualized Current Revenue \$ 54,449,135  
Less Annualized Customer Revenue \$ (3,347,544)  
Net Energy and Demand Related Revenue \$ 51,101,590  
Proposed Revenue Increase \$ 3,651,328  
Demand And Energy Rate Increase (%) 7.15%

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

Rate Schedule	MGS PRIMARY		Distribution Functional Revenue Requirements Total (w/o SUT)												Distribution Functional Revenue Requirements Total (w/ SUT)	
	834,284	892,684	1	2	3	4	5	6	8	9	10	11	12	11	12	
BLOCK	Billing Determinants	Current Distribution Rates	Current Distribution Rates (w/o SUT)	Calculated Rate Class Revenue under Current Distribution Rates (w/o SUT)	Proposed Distribution Rates (w/o SUT)	Proposed Distribution Rates (w/o SUT)	Recovery under Proposed Distribution Rates (w/o SUT)	Proposed Rate (including SUT)	Recovery under Proposed Distribution Rates (including SUT)	Proposed Rate (including SUT)	Recovery under Proposed Distribution Rates (including SUT)	Proposed Rate (including SUT)	Recovery under Proposed Distribution Rates (including SUT)	Distribution Rate Change %		
CUSTOMER																
Single Phase Service	213 \$	5.21 \$	4.87 \$	1,037 \$	4.87 \$	1,037 \$	1,037 \$	5.21 \$	1,110 \$	5.21 \$	1,110 \$	1,110 \$	1,110 \$	0.0%		
3 Phase Service	385 \$	6.51 \$	6.08 \$	2,341 \$	6.08 \$	2,341 \$	2,341 \$	6.51 \$	2,506 \$	6.51 \$	2,506 \$	2,506 \$	2,506 \$	0.0%		
DEMAND CHARGE																
SUM > 3 KW	34,952 \$	1.39 \$	1.30 \$	45,438 \$	1.39 \$	45,438 \$	48,583 \$	1.49 \$	52,078 \$	1.49 \$	52,078 \$	52,078 \$	52,078 \$	7.2%		
WIN > 3 KW	59,143 \$	1.08 \$	1.01 \$	59,734 \$	1.08 \$	59,734 \$	63,874 \$	1.16 \$	68,606 \$	1.16 \$	68,606 \$	68,606 \$	68,606 \$	7.4%		
REACTIVE DEMAND	47,942 \$	0.40 \$	0.37 \$	17,739 \$	0.39 \$	17,739 \$	18,698 \$	0.42 \$	20,136 \$	0.42 \$	20,136 \$	20,136 \$	20,136 \$	5.0%		
ENERGY CHARGE																
SUM < 300KWh	7,685,530 \$	0.038436 \$	0.036556 \$	283,258 \$	0.039338 \$	283,258 \$	302,333 \$	0.042092 \$	323,499 \$	0.042092 \$	323,499 \$	323,499 \$	323,499 \$	6.7%		
WIN < 300 KWh	10,401,095 \$	0.038301 \$	0.035785 \$	372,307 \$	0.038206 \$	372,307 \$	397,384 \$	0.040880 \$	425,197 \$	0.040880 \$	425,197 \$	425,197 \$	425,197 \$	6.7%		
TOTAL	18,086,625			781,854			834,251		893,132							
Annualized Current Revenue	\$	\$	\$	781,854	\$	\$	781,854	\$	834,251	\$	\$	\$	893,132			
Less Annualized Customer Revenue	\$	\$	\$	(3,376)	\$	\$	(3,376)	\$	(3,376)	\$	\$	\$	(3,376)			
Net Energy and Demand Related Revenue	\$	\$	\$	778,478	\$	\$	778,478	\$	830,875	\$	\$	\$	889,756			
Proposed Revenue Increase	\$	\$	\$	52,431	\$	\$	52,431	\$	52,431	\$	\$	\$	52,431			
Demand And Energy Rate Increase (%)				6.74%			6.74%		6.74%				6.74%			

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

		AGS SECONDARY											
Rate Schedule													
Distribution Functional Revenue Requirements Total (w/o SUT)		\$ 45,772,322											
Distribution Functional Revenue Requirements Total (w/ SUT)		\$ 48,976,385											
		1	2	3	4	5	6	7	8	9	10	11	12
BLOCK	Billing Determinants	Current Distribution Rates	Current Distribution Rates	Current Distribution Rates (w/o SUT)	Calculated Rate Class Revenue under Current Distribution Rates (w/o SUT)	Preliminary Distribution Rate (w/o SUT)	Preliminary Distribution Rate (w/o SUT)	Recovery under Preliminary Distribution Rates (w/o SUT)	Proposed Rate (including SUT)	Proposed Rate (including SUT)	Recovery under Proposed Distribution Rates (including SUT)	Recovery under Proposed Distribution Rates (including SUT)	Distribution Rate Change %
CUSTOMER	44,071	\$ 152.46	\$ 142.49	\$ 135.91	\$ 6,279,677	\$ 135.91	\$ 5,989,690	\$ 6,408,805	\$ 145.42	\$ 6,408,805	\$ 6,408,805	\$ 6,408,805	-4.6%
DEMAND CHARGE	5,845,734	\$ 6.74	\$ 6.30	\$ 6.70	\$ 35,828,126	\$ 6.70	\$ 39,166,419	\$ 41,913,914	\$ 7.17	\$ 41,913,914	\$ 41,913,914	\$ 41,913,914	6.4%
REACTIVE DEMAND	1,208,279	\$ 0.51	\$ 0.48	\$ 0.51	\$ 579,974	\$ 0.51	\$ 616,222	\$ 664,553	\$ 0.55	\$ 664,553	\$ 664,553	\$ 664,553	7.8%
<b>TOTAL REVENUE</b>					<b>\$ 43,687,776</b>		<b>\$ 45,772,331</b>	<b>\$ 48,987,273</b>					
<u>Customer Charge Rate Design</u>													
Cust Charge at Full Cost (w/o SUT)		\$				\$ 135.91							
Proposed Distribution Rate Increase						4.8%							
Customer Charge at Proposed Increase %		\$				\$ 149.29							
Proposed Customer Charge (Minimum of Full Cost Charge or Charge at % increase)		\$				\$ 135.91							
Proposed Customer Charge Revenue		\$				\$ 5,989,690							
Proposed Demand Related Revenue		\$				\$ 39,782,633							
Demand Related Revenue Increase (\$)		\$				\$ 2,374,533							
Demand Related Revenue Increase (%)						6.3%							

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

Rate Schedule	AGS PRIMARY		1	2	3	4	5	6	7	8	9	10	11	12
	Distribution Functional Revenue Requirements Total (w/o SUT)	Distribution Functional Revenue Requirements Total (w/ SUT)												
BLOCK	Billing Determinants	Current Distribution Rates	Current Distribution Rates (w/o SUT)	Calculated Rate Class Revenue under Current Distribution Rates (w/o SUT)	Preliminary Distribution Rate (w/o SUT)	Recovery under Preliminary Distribution Rates (w/o SUT)	Proposed Rate (including SUT)	Recovery under Proposed Distribution Rates (including SUT)	Distribution Rate Change	%				
CUSTOMER	1,447	\$ 698.21	\$ 652.53	\$ 944,211	\$ 476.01	\$ 688,786	\$ 508.33	\$ 737,001		-27.1%				
DEMAND CHARGE	1,297,669	\$ 5.63	\$ 5.26	\$ 6,825,737	\$ 5.85	\$ 7,591,362	\$ 6.26	\$ 8,123,406		11.2%				
REACTIVE DEMAND	713,689	\$ 0.42	\$ 0.39	\$ 278,339	\$ 0.43	\$ 306,886	\$ 0.46	\$ 328,296.80		9.5%				
<b>TOTAL REVENUE</b>			<b>\$ 8,048,287</b>		<b>\$ 8,587,034</b>		<b>\$ 9,188,703</b>							
<b>Customer Charge Rate Design</b>														
Cust Charge at Full Cost (w/o SUT)			\$ 476.01											
Proposed Distribution Rate Increase			6.7%											
Customer Charge at Proposed Increase %			\$ 696.29											
Proposed Customer Charge (Minimum of Full Cost Charge or Charge at % increase)			\$ 476.01											
Proposed Customer Charge Revenue			\$ 688,786											
Proposed Demand Related Revenue			\$ 7,899,214											
Demand Related Revenue Increase (\$)			\$ 795,138											
Demand Related Revenue Increase (%)			11.2%											

(See Note f)

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

Rate Schedule	1	2	3	4	5	6	7	8	9	10	11
<u>PROPOSED RATE DESIGN</u>											
BLOCK	Billing Determinants	Billing Determinants	Current Distribution Rates (w/o SUT)	Current Distribution Rates (w/o SUT)	Calculated Rate Class Revenue under Current Distribution Rates (w/o SUT)	BLOCK	Billing Determinants	Preliminary Distribution Rate (w/o SUT)	Recovery under Preliminary Distribution Rates (w/o SUT)	Proposed Rate (including SUT)	Recovery under Proposed Distribution Rates (including SUT)
<u>TGS SUB TRANSMISSION/TGS TRANSMISSION</u>											
Distribution Functional Requirements Total (w/o SUT) \$ 8,048,642											
Distribution Functional Requirements Total (w/ SUT) \$ 8,612,047											
<u>TGS Subtransmission</u>											
<u>TGS &lt;5000</u>											
Customer	312 \$	312 \$	5,827.01 \$	5,445.80 \$	1,699,090	Customer	312 \$	125.01 \$	39,002 \$	133.76 \$	41,733
Demand	376,855 \$	376,855 \$	0.94 \$	0.88 \$	331,632	Demand	376,855 \$	3.59 \$	1,352,227 \$	3.84 \$	1,447,122
Reactive Demand	214,239 \$	214,239 \$	0.17 \$	0.16 \$	34,278	Reactive Demand	214,239 \$	0.48 \$	103,483 \$	0.52 \$	111,404.18
<u>TGS 5000 - 9000</u>											
Customer	72 \$	72 \$	5,827.01 \$	5,445.80 \$	392,098	Customer	72 \$	4,140.22 \$	298,096 \$	4,430.04 \$	318,963
Demand	417,565 \$	417,565 \$	0.94 \$	0.88 \$	367,457	Demand	417,565 \$	2.76 \$	1,152,541 \$	2.95 \$	1,231,817
Reactive Demand	225,214 \$	225,214 \$	0.17 \$	0.16 \$	36,034	Reactive Demand	225,214 \$	0.48 \$	108,784 \$	0.52 \$	117,111
<u>TGS &gt;9000</u>											
Customer	60 \$	60 \$	5,827.01 \$	5,445.80 \$	326,748	Customer	60 \$	7,515.60 \$	450,936 \$	8,041.68 \$	482,501
Demand	611,671 \$	611,671 \$	0.94 \$	0.88 \$	538,271	Demand	611,671 \$	1.38 \$	844,151 \$	1.48 \$	905,274
Reactive Demand	258,972 \$	258,972 \$	0.17 \$	0.16 \$	41,435	Reactive Demand	258,972 \$	0.48 \$	125,080 \$	0.52 \$	134,665
<u>TGS Transmission</u>											
<u>TGS &lt;5000</u>											
Customer	120 \$	120 \$	20,093.47 \$	18,776.94 \$	2,253,473	Customer	120 \$	125.01 \$	15,001 \$	133.76 \$	16,061
Demand	205,707 \$	205,707 \$	- \$	- \$	-	Demand	205,707 \$	2.87 \$	590,493 \$	3.07 \$	631,521
Reactive Demand	1,159,274 \$	1,159,274 \$	- \$	- \$	-	Reactive Demand	1,159,274 \$	0.48 \$	559,959 \$	0.52 \$	602,822.34
<u>TGS 5000 - 9000</u>											
Customer	36 \$	36 \$	20,093.47 \$	18,776.94 \$	676,042	Customer	36 \$	4,140.22 \$	149,048 \$	4,430.04 \$	159,481
Demand	197,721 \$	197,721 \$	- \$	- \$	-	Demand	197,721 \$	2.21 \$	438,591 \$	2.36 \$	466,621
Reactive Demand	105,913 \$	105,913 \$	- \$	- \$	-	Reactive Demand	105,913 \$	0.48 \$	51,159 \$	0.52 \$	55,075
<u>TGS &gt;9000</u>											
Customer	72 \$	72 \$	20,093.47 \$	18,776.94 \$	1,352,084	Customer	72 \$	16,789.01 \$	1,352,808 \$	20,104.24 \$	1,447,505
Demand	1,038,803 \$	1,038,803 \$	- \$	- \$	-	Demand	1,038,803 \$	0.14 \$	143,362 \$	0.15 \$	155,820
Reactive Demand	571,214 \$	571,214 \$	- \$	- \$	-	Reactive Demand	571,214 \$	0.48 \$	275,911 \$	0.52 \$	297,031
<u>TOTAL</u>											
<u>\$ 8,048,642</u>											
<u>\$ 8,612,047</u>											

Atlantic City Electric Company  
Development of Proposed Distribution Rate Design Worksheet

Rate Schedule: SPL CSL DDC  
Distribution Functional Requirements Total

W/SUT \$ 13,623,652 \$ 14,277,286  
SPL \$ 2,157,804 \$ 2,308,680  
CSL \$ 563,573 \$ 603,030  
DDC \$ - \$ -

TARIFF	BLOCKS	Billing Determinants	Current Distribution Rates			Proposed Distribution Rates			Recovery under Current Rates (w/o SUT)			Recovery under Proposed Rates (w/o SUT)			Distribution Rates (including SUT)			Recovery under Processed Distribution Rates (w/ SUT)						
			Energy	Equip/Cust	Total	Energy	Equip/Cust	Total	Energy	Equip/Cust	Total	Energy	Equip/Cust	Total	Energy	Equip/Cust	Total	Energy	Equip/Cust	Total				
SPL	1000 LUMENS-AC	1,048	4.33	0.26	4.59	4.49	0.27	4.76	53,951	4.49	0.27	4.76	53,951	4.49	0.27	4.76	8.30	0.29	8.59	59,852	8.30	0.29	8.59	66,012
	2500 LUMENS-AC	159	7.51	0.48	7.99	7.78	0.50	8.28	15,149	7.78	0.50	8.28	15,149	7.78	0.50	8.28	16.72	0.54	17.26	16.72	0.54	17.26	17,968	
	4000 LUMENS-AC	28	10.36	0.78	11.14	10.72	0.81	11.53	3,498	10.72	0.81	11.53	3,498	10.72	0.81	11.53	11.47	0.87	12.34	3,674	11.47	0.87	12.34	14,146
	6000 LUMENS-AC	10	13.84	1.07	14.91	14.32	1.11	15.43	1,672	14.32	1.11	15.43	1,672	14.32	1.11	15.43	15.32	1.19	16.51	1,852	15.32	1.19	16.51	19,811
	3600 LUMENS-AY	7,120	7.43	0.30	7.73	7.69	0.31	8.00	81,677	7.69	0.31	8.00	81,677	7.69	0.31	8.00	8.23	0.33	8.56	80,520	8.23	0.33	8.56	721,366
	5000 LUMENS-AY	1,139	9.45	0.49	9.94	9.20	0.51	10.71	132,170	9.20	0.51	10.71	132,170	9.20	0.51	10.71	10.91	0.55	11.46	146,384	10.91	0.55	11.46	156,605
	11000 LUMENS-AY	399	12.44	0.67	13.11	12.06	0.70	12.76	58,554	12.06	0.70	12.76	58,554	12.06	0.70	12.76	13.78	0.75	14.53	64,868	13.78	0.75	14.53	69,395
	20000 LUMENS-AY	310	17.63	1.09	18.72	16.45	1.12	17.57	65,732	16.45	1.12	17.57	65,732	16.45	1.12	17.57	19.74	1.20	20.94	72,000	19.74	1.20	20.94	77,897
	30000 LUMENS-AY	2	28.31	1.87	30.18	28.31	1.94	30.25	677	28.31	1.94	30.25	677	28.31	1.94	30.25	31.26	2.09	33.34	750	31.26	2.09	33.34	803
	1000 LUMENS-ARS	39	38.43	2.63	41.06	39.79	2.72	42.51	17,962	39.79	2.72	42.51	17,962	39.79	2.72	42.51	42.58	2.91	45.49	19,895	42.58	2.91	45.49	21,289
	3000 LUMENS-ARS	358	9.25	0.47	9.72	9.37	0.44	9.81	382,529	9.37	0.44	9.81	382,529	9.37	0.44	9.81	10.03	0.47	10.50	420,957	10.03	0.47	10.50	453,340
	50 WATT-HPS-COBRAND-OVHD	637	16.69	1.01	17.70	17.28	1.04	18.32	126,432	17.28	1.04	18.32	126,432	17.28	1.04	18.32	18.17	1.11	19.28	140,998	18.17	1.11	19.28	157,322
	70 WATT-HPS-COBRAND-OVHD	21,347	8.23	0.15	8.38	8.31	0.16	8.47	2,018,931	8.31	0.16	8.47	2,018,931	8.31	0.16	8.47	8.47	0.17	8.64	2,203,867	8.47	0.17	8.64	2,393,723
	100 WATT-HPS-COBRAND-OVHD	10,386	8.33	0.20	8.53	8.31	0.21	8.52	1,040,381	8.31	0.21	8.52	1,040,381	8.31	0.21	8.52	8.49	0.22	8.71	1,152,470	8.49	0.22	8.71	1,233,941
	150 WATT-HPS-COBRAND-OVHD	7,585	8.50	0.23	8.73	8.38	0.24	8.62	848,662	8.38	0.24	8.62	848,662	8.38	0.24	8.62	8.68	0.25	8.93	949,808	8.68	0.25	8.93	1,031,296
	200 WATT-HPS-COBRAND-OVHD	5	13.52	0.71	14.23	14.00	0.73	14.73	821	14.00	0.73	14.73	821	14.00	0.73	14.73	14.98	0.75	15.73	909	14.98	0.75	15.73	973
	400 WATT-HPS-COBRAND-OVHD	1,824	15.38	1.09	16.47	15.99	1.13	17.06	333,350	15.99	1.13	17.06	333,350	15.99	1.13	17.06	17.05	1.21	18.26	369,203	17.05	1.21	18.26	395,250
	150 WATT-HPS-SHOEBOX-OVHD	63	11.83	0.72	12.55	12.25	0.74	13.06	13,708	12.25	0.74	13.06	13,708	12.25	0.74	13.06	13.11	0.75	13.86	14,874	13.11	0.75	13.86	15,863
	250 WATT-HPS-SHOEBOX-OVHD	2,821	15.17	1.09	16.26	15.71	1.13	17.02	502,673	15.71	1.13	17.02	502,673	15.71	1.13	17.02	16.81	1.21	18.02	556,833	16.81	1.21	18.02	595,761
	400 WATT-HPS-SHOEBOX-OVHD	634	17.28	1.59	18.87	17.69	1.66	19.35	136,598	17.69	1.66	19.35	136,598	17.69	1.66	19.35	18.14	1.71	19.85	144,871	18.14	1.71	19.85	154,757
	50 WATT-HPS-POSTTOP-OVHD	144	9.21	0.28	9.49	9.21	0.29	9.50	15,320	9.29	0.30	9.59	15,320	9.29	0.30	9.59	10.21	0.32	10.53	16,781	10.21	0.32	10.53	17,937
	100 WATT-HPS-POSTTOP-OVHD	433	9.81	0.31	10.12	9.81	0.32	10.13	49,550	9.81	0.32	10.13	49,550	9.81	0.32	10.13	10.26	0.34	10.60	54,906	10.26	0.34	10.60	58,753
	150 WATT-HPS-POSTTOP-OVHD	7,209	11.63	0.41	12.04	11.63	0.42	12.05	185,908	11.63	0.42	12.05	185,908	11.63	0.42	12.05	12.08	0.45	12.53	205,974	12.08	0.45	12.53	219,143
	250 WATT-HPS-FLOOD-OVHD	1,699	9.41	0.31	9.72	9.26	0.32	9.58	87,320	9.26	0.32	9.58	87,320	9.26	0.32	9.58	10.42	0.35	10.77	94,748	10.42	0.35	10.77	101,994
	400 WATT-HPS-FLOOD-OVHD	2,791	11.72	0.71	12.43	11.72	0.72	13.14	368,575	11.72	0.72	13.14	368,575	11.72	0.72	13.14	12.98	0.78	13.76	430,748	12.98	0.78	13.76	469,994
	100 WATT-MH-FLOOD-OVHD	4,225	14.61	1.09	15.70	14.61	1.10	16.80	153,371	14.61	1.10	16.80	153,371	14.61	1.10	16.80	16.40	1.21	17.61	172,876	16.40	1.21	17.61	187,791
	150 WATT-MH-FLOOD-OVHD	963	16.44	1.19	17.63	16.44	1.20	18.83	251,131	16.44	1.20	18.83	251,131	16.44	1.20	18.83	18.43	1.22	19.65	283,776	18.43	1.22	19.65	309,564
	200 WATT-MH-FLOOD-OVHD	690	30.76	2.87	33.63	28.77	2.40	31.17	11,911	28.77	2.40	31.17	11,911	28.77	2.40	31.17	34.21	2.17	36.38	36,266	34.21	2.17	36.38	41,932
	50 WATT-HPS-COBRAND-UGRD	243	12.83	0.15	12.98	12.83	0.16	13.04	35,271	12.83	0.16	13.04	35,271	12.83	0.16	13.04	14.49	0.22	14.71	38,286	14.49	0.22	14.71	41,342
	70 WATT-HPS-COBRAND-UGRD	474	13.08	0.29	13.37	13.08	0.30	13.67	45,274	13.08	0.30	13.67	45,274	13.08	0.30	13.67	14.88	0.32	15.20	48,047	14.88	0.32	15.20	51,746
	100 WATT-HPS-COBRAND-UGRD	282	13.45	0.29	13.74	13.45	0.30	13.74	35,271	13.45	0.30	13.74	35,271	13.45	0.30	13.74	15.70	0.35	16.05	38,286	15.70	0.35	16.05	41,342
	150 WATT-HPS-COBRAND-UGRD	604	16.94	0.71	17.65	16.94	0.72	18.67	94,764	16.94	0.72	18.67	94,764	16.94	0.72	18.67	18.49	0.75	19.24	102,423	18.49	0.75	19.24	111,110
	250 WATT-HPS-COBRAND-UGRD	216	16.94	0.71	17.65	16.94	0.72	18.67	94,764	16.94	0.72	18.67	94,764	16.94	0.72	18.67	18.49	0.75	19.24	102,423	18.49	0.75	19.24	111,110
	400 WATT-HPS-COBRAND-UGRD	589	16.38	0.42	16.80	16.38	0.43	17.21	67,925	16.38	0.43	17.21	67,925	16.38	0.43	17.21	18.76	0.48	19.24	75,298	18.76	0.48	19.24	82,554
	150 WATT-HPS-SHOEBOX-UGRD	480	19.71	0.72	20.43	19.71	0.73	21.14	112,805	19.71	0.73	21.14	112,805	19.71	0.73	21.14	20.81	0.79	21.60	124,918	20.81	0.79	21.60	133,664
250 WATT-HPS-SHOEBOX-UGRD	589	16.38	0.42	16.80	16.38	0.43	17.21	67,925	16.38	0.43	17.21	67,925	16.38	0.43	17.21	18.76	0.48	19.24	75,298	18.76	0.48	19.24	82,554	
400 WATT-HPS-SHOEBOX-UGRD	507	21.80	1.10	22.90	21.80	1.11	24.01	185,895	21.80	1.11	24.01	185,895	21.80	1.11	24.01	21.63	1.22	22.85	202,827	21.63	1.22	22.85	218,696	
100 WATT-HPS-POSTTOP-UGRD	825	11.34	0.15	11.49	11.34	0.16	11.65	106,380	11.34	0.16	11.65	106,380	11.34	0.16	11.65	12.95	0.17	13.12	111,870	12.95	0.17	13.12	126,092	
150 WATT-HPS-POSTTOP-UGRD	2,764	12.66	0.29	12.95	12.66	0.30	13.25	382,795	12.66	0.30	13.25	382,795	12.66	0.30	13.25	13.50	0.32	13.82	423,928	13.50	0.32	13.82	453,456	
250 WATT-HPS-POSTTOP-UGRD	897	16.44	0.42	16.86	16.44	0.43	17.28	189,613	16.44	0.43	17.28	189,613	16.44	0.43	17.28	18.20	0.48	18.68	209,951	18.20	0.48	18.68	219,951	
400 WATT-HPS-FLOOD-UGRD	132	14.96	0.42	15.38	14.96	0.43	15.81	22,436	14.96	0.43	15.81	22,436	14.96	0.43	15.81	16.57	0.49	17.06	24,299	16.57	0.49	17.06	26,062	
600 WATT-HPS-FLOOD-UGRD	229	17.26	0.72	17.98	17.26	0.73	18.71	46,137	17.26	0.73	18.71	46,137	17.26	0.73	18.71	19.12	0.79	19.91	51,109	19.12	0.79	19.91	54,976	
1000 WATT-HPS-FLOOD-UGRD	593	19.37	1.10	20.47	19.37	1.11	21.58	136,063	19.37	1.11	21.58	136,063	19.37	1.11	21.58	21.45	1.22	22.67	150,714	21.45	1.22	22.67	161,250	

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

Rate Schedule	Demand Rates (\$/kW)	Standby Rates (\$/kW)	Distribution Standby Factor
	Distribution	Distribution	
MGS Secondary	\$ 1.51	\$ 0.09	0.06097561
MGS Primary	\$ 1.28	\$ 0.13	0.101604278
AGS Secondary	\$ 7.17	\$ 0.73	0.101604278
AGS Primary	\$ 6.26	\$ 0.64	0.101604278
TGS - Sub Transmission	\$ -	\$ -	0.101604278
TGS Transmission	\$ -	\$ -	

**Atlantic City Electric Company  
Base Rate Case  
BPU Docket No. ER12121071  
OAL Dkt. No. PUC-00617-2013**

**Stipulation of Settlement  
Exhibit C  
Depreciation & Net Salvage Accrual Rates**



Atlantic City Electric Company  
ER 12121071  
Depreciation Accrual Rates by Plant Account

(1) Line No.	(2) Plant Account	(3) Plant	(4) Net Salvage	(5) Total
<u>Plant Depreciation Accrual rates</u>				
1	361.00 STRUCTURES AND IMPROVEMENTS	1.63%	0.06%	1.68%
2	362.00 STATION EQUIPMENT	1.73%	0.20%	1.93%
3	364.00 POLES, TOWERS AND FIXTURES	1.66%	0.61%	2.27%
4	365.00 OVERHEAD CONDUCTORS AND DEVICES	1.67%	0.65%	2.32%
5	366.00 UNDERGROUND CONDUIT	1.15%	0.00%	1.15%
6	367.00 UNDERGROUND CONDUCTORS AND DEVICES	1.75%	0.08%	1.83%
7	368.00 LINE TRANSFORMERS	2.88%	0.62%	3.50%
8	369.10 SERVICES - OVERHEAD	1.45%	0.52%	1.97%
9	369.20 SERVICES - UNDERGROUND	1.75%	0.04%	1.79%
10	370.00 METERS	3.30%	0.51%	3.81%
11	371.10 INSTALLATIONS ON CUSTOMER PREMISES	2.33%	0.54%	2.87%
12	371.20 PRIVATE AREA LIGHTING	2.62%	0.25%	2.87%
13	372.00 LEASED PROPERTY ON CUSTOMER PREMISES	7.56%	0.00%	7.56%
14	373.10 STREET LIGHTING - OVERHEAD	1.59%	1.15%	2.74%
15	373.20 STREET LIGHTING - UNDERGROUND	2.60%	0.14%	2.74%
16				
17				
18				
19	390.00 <u>STRUCTURES AND IMPROVEMENTS</u>			
20	GLASSBORO OPERATIONS OFFICE	2.51%	0.00%	2.51%
21	PLEASANTVILLE OPERATIONS OFFICE	2.69%	0.00%	2.69%
22	WINSLOW OPERATIONS OFFICE	2.37%	0.00%	2.37%
23	OTHER STRUCTURES	2.17%	0.01%	2.19%
24				
25				
26	<u>OFFICE FURNITURE AND EQUIPMENT</u>			
27	391.10 OFFICE FURNITURE	0.73%	0.00%	0.73%
28	391.30 INFORMATION SYSTEMS	4.10%	0.00%	4.10%
29	391.31 INFORMATION SYSTEMS - (RESERVE AMORT)		See Note 1	
30	391.50 DATA HANDLING EQUIPMENT	0.00%	0.00%	0.00%
31				
32				
33	392.00 TRANSPORTATION EQUIPMENT	14.10%	-0.31%	13.79%
34	393.00 STORES EQUIPMENT	5.71%	0.00%	5.71%
35	394.00 TOOLS, SHOP AND GARAGE EQUIPMENT	4.62%	0.00%	4.62%
36	395.00 LABORATORY EQUIPMENT	2.28%	0.00%	2.28%
37	396.00 POWER OPERATED EQUIPMENT	8.24%	0.00%	8.24%
38				
39	397.10 COMMUNICATION EQUIPMENT	3.94%	0.00%	3.94%
40	397.20 MICROWAVE EQUIPMENT AND TOWERS	3.28%	0.00%	3.28%
41				
42				
43	398.00 MISCELLANEOUS EQUIPMENT	3.32%	0.00%	3.32%
44				
45	Note 1: Annual Amortization for Account 391.31 is \$2,460,000			

**Atlantic City Electric Company  
Base Rate Case  
BPU Docket No. ER12121071  
OAL Dkt. No. PUC-00617-2013**

**Stipulation of Settlement  
Exhibit D  
Regulatory Asset Recovery Charge**

	Original Amount to be Amortized	Balance @ June 30, 2013	Recovery Period	Annual Amortization
Asbestos Removal Costs	\$ 10,036,000	\$ 4,679,257	37 Years Beginning August 1993	\$ 271,243
Preferred Stock Redemption	\$ 167,231	\$ 159,799	15 Years beginning November 1, 2012	\$ 11,149
Total		<u>\$ 4,839,055</u>		

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January 20, 2013

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  
and for Other Appropriate Relief (2012)  
BPU Docket No. ER12121071

***VIA E-MAIL AND REGULAR MAIL***

Honorable Gail M. Cookson  
Administrative Law Judge  
Office of Administrative Law  
33 Washington Avenue  
Newark, New Jersey 07102

Dear Judge Cookson:

This letter, of which 3 additional copies are enclosed, is to advise that Public Service Electric and Gas Company ("PSE&G"), a participant in this proceeding, has no objection to the Stipulation Of Settlement between the Parties which was provided to PSE&G via e-mail by Atlantic City Electric Company counsel on June 20, 2013 and which we anticipate has been filed or will be filed shortly.

Copies of this letter are being forwarded this date via electronic mail to all persons whose name appear on the attached distribution list.

Respectfully submitted,

A handwritten signature in black ink that reads "Martin C. Rothfelder".

C Attached Service List (E-Mail Only)

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  
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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* and for Other Appropriate Relief (2012)  
BPU Docket No. ER12121071

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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 and for Other Appropriate Relief (2012)  
BPU Docket No. ER12121071

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June 20, 2013

**Via Electronic Mail & Hand Delivery**

Hon. Kristi Izzo, Secretary  
New Jersey Board of Public Utilities  
44 South Clinton Avenue, 9<sup>th</sup> floor  
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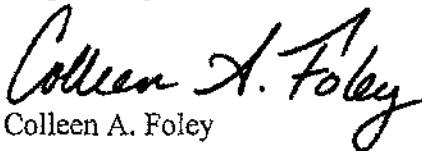
Re: In the Matter of the Board's Establishment of a Generic Proceeding to  
Review the Prudence of Costs Incurred by New Jersey Utility Companies  
in Response to Major Storm Events in 2011 and 2012  
BPU Docket Nos. AX13030196 and EO13040365

Dear Secretary Izzo:

Enclosed please find a Stipulation of Settlement which has been executed on behalf of Petitioner, Atlantic City Electric Company, the Staff of the Board of Public Utilities, and the Division of Rate Counsel, in the above-referenced matter. This Stipulation of Settlement fully resolves all issues in this proceeding. Petitioner respectfully requests that the Board of Public Utilities decide this matter at its June 21, 2013 public agenda meeting, and issue an order of approval as soon as practicable thereafter.

Thank you for your consideration in this matter. Should you have any questions, please do not hesitate to contact me.

Respectfully submitted,

  
Colleen A. Foley

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A DELAWARE LIMITED LIABILITY PARTNERSHIP



## SERVICE LIST

### **In the Matter of the Board's Establishing a Generic Proceeding to Review the Prudence of Costs Incurred by NJ Utility Companies in Response to Major Storm Events in 2011 and 2012 BPU Docket No. AX13030196**

### **Atlantic City Electric Company's Petition for Storm Cost Recovery BPU Docket No. EO13040365**

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

<b>I/M/O THE BOARD'S ESTABLISHING A GENERIC PROCEEDING TO REVIEW THE PRUDENCY OF COSTS INCURRED BY NJ UTILITY COMPANIES IN RESPONSE TO MAJOR STORM EVENTS IN 2011 AND 2012</b>	<b>BPU DOCKET NO. AX13030196</b>  <b>Atlantic City Electric Company's Petition for Storm Cost Recovery BPU DOCKET NO. EO13040365</b>
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**APPEARANCES:**

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Alex Moreau, Deputy Attorney General, and T. David Wand, Deputy Attorney General (John J. Hoffman, Acting Attorney General of New Jersey), on behalf of the Staff of the Board of Public Utilities

Stefanie A. Brand, Esq., Director, Ami Morita, Esq., Deputy Rate Counsel, and Diane Schulze, Esq., Assistant Deputy Rate Counsel and Brian Weeks, Esq., Deputy Rate Counsel, on behalf of the Division of Rate Counsel

**TO THE HONORABLE BOARD OF PUBLIC UTILITIES:**

The Parties to this proceeding are as follows: Atlantic City Electric Company (the "Company" or "Petitioner"), the Division of Rate Counsel ("Rate Counsel"), and the Staff of the Board of Public Utilities ("Board Staff" or "Staff"). As a result of an analysis of Company's Petition for Storm Cost Recovery and accompanying exhibits, the Company, Board Staff, and Rate Counsel (collectively, the "Signatory Parties") have come to an agreement on all of the factual and legal issues arising in this matter.

## PROCEDURAL HISTORY

Petitioner is a corporation organized and existing under the laws of the State of New Jersey, subject to the jurisdiction of the Board of Public Utilities (the "Board"), with a regional office located at 5100 Harding Highway, Mays Landing, New Jersey 08330. On December 11, 2012, Petitioner filed a Petition with the Board seeking a net annual increase in the Company's base rates for electric distribution service of approximately \$69.7 million, excluding New Jersey Sales and Use Tax ("SUT"), and to make other tariff changes.<sup>1</sup> That matter was assigned BPU Docket No. ER12121071. Included in that filing was a request to recover certain costs related to Major Storm Events, including the 2012 Derecho and Superstorm Sandy. On January 14, 2013, the Board transmitted the matter to the New Jersey Office of Administrative Law ("OAL") as a contested case.

On March 20, 2013, the Board issued an Order establishing a generic proceeding to examine the prudence of costs incurred by New Jersey utilities in response to Major Storm Events in 2011 and 2012.<sup>2</sup> On April 4, 2013, the Board filed a letter with the OAL in the Company's base rate proceeding (BPU Docket No. ER12121071) directing that the portions of the Company's pending base rate case pertaining to the recovery of Major Storm Event expenditures be returned to the Board for consideration in the separate, generic proceeding.

On April 9, 2013, the Company filed a Petition initiating this proceeding and requesting recovery of certain of its Major Storm Event costs related to the Derecho and Superstorm Sandy. Specifically, the Company requested recovery of Operations and

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<sup>1</sup> Specifically, the Company requested an increase in distribution rates of \$71.431 million (\$76.432 million including SUT) and a net decrease in its Regulatory Asset Recovery Charge ("RARAC") of \$1.732 million (\$1.853 million including SUT), resulting in the requested net increase of \$69.7 million (\$74.579 million including SUT).

<sup>2</sup> I/M/O The Board's Establishing A Generic Proceeding To Review The Prudency of Costs Incurred By NJ Utility Companies In Response To Major Storm Events in 2011 and 2012, BPU Docket No. AX13030196, Order Establishing Generic Proceeding (dated March 20, 2013).

Maintenance ("O&M") costs of approximately \$13,943,000 related to the Derecho. The Company also requested recovery of O&M costs of approximately \$12,149,000, and capital costs of \$21,237,000 both related to Superstorm Sandy. Subsequently, the Company provided the Signatory Parties with updated information demonstrating actual capital costs of \$21,662,252 and actual O&M costs of \$13,939,840 related to the Derecho and actual capital costs of \$22,550,110 and actual O&M costs of \$11,863,626 related to Superstorm Sandy.

In support of its request, the Company provided information as required by the Board's Order in the Generic Storm Proceeding, BPU Dkt. No. AX13030196, dated March 20, 2013, identifying various types of extraordinary preparation, recovery and restoration costs incurred in connection with the Derecho and Superstorm Sandy. Specifically, the Company provided a Major Storm Event report for each of the Derecho and Superstorm Sandy which described the impact of each Major Storm Event on the Company and its customers, and detailed the Company's efforts to restore service to customers. In addition, the Company responded to multiple requests by Staff and Rate Counsel seeking further detailed information regarding specific storm-related costs, as well as the Company's policies and procedures for addressing Major Storm Events.

Rate Counsel and Board Staff investigated and reviewed the information provided by the Company. Numerous settlement discussions were held, and the agreements reached during those discussions have resulted in the following stipulation by the Signatory Parties. Therefore, the Signatory Parties hereto agree and stipulate as follows:

1. The Signatory Parties agree that the Company's Major Storm Event costs related to the Derecho and Superstorm Sandy are \$70,015,828, which consists of \$44,212,362 in capital costs, and \$25,803,466 in O&M costs. After review and analysis, the Signatory Parties further

agree that the costs expended by the Company in connection with the Derecho and Superstorm Sandy storm response and recovery are reasonable and prudent, and should be eligible for recovery in the Company's distribution base rate case pending before the Board in BPU Docket No. ER12121071 (the "Base Rate Case").

2. The Signatory Parties agree and recommend that the Board immediately return the Company's Major Storm Event costs of \$70,015,828 to the Company's pending base rate proceeding (Docket No. ER12121071), and that the Board authorize their recovery in the rates to be set in that matter.

3. The Signatory Parties further agree that the Company's Major Storm Event expenses should be recovered via a three-year amortization with no rate base treatment of the unamortized balance.

4. The Signatory Parties acknowledge that the revenue requirement associated with the recovery of the Company's Major Storm Event costs herein is included as a part of the \$25.5 million revenue requirement resulting from the pending Base Rate Case stipulation before the Board. The Signatory Parties agree that this Stipulation and the Base Rate Case stipulation resolve all issues related to the 2012 Derecho and Superstorm Sandy and that the Company will not seek recovery for any additional costs associated with these two storms in any future rate proceeding.

5. This Stipulation shall be binding on the Stipulating Parties upon approval by the Board. This Stipulation shall bind the Signatory Parties in this matter only and shall have no precedential value. This Stipulation contains terms, each of which is interdependent with the others and essential in its own right to the signing of this Stipulation. Each term is vital to the agreement as a whole, since the Stipulating Parties expressly and jointly state that they would not

have signed the Stipulation had any term been modified in any way. Since the Signatory Parties have compromised in numerous areas, each is entitled to certain procedures in the event that any modifications whatsoever are made to the Stipulation. If, upon consideration of this Stipulation, the Board were to modify any of the terms described above, the Stipulating Parties each must be given the right to be placed in the position it was before the Stipulation was entered into. It is essential that each Signatory Party be afforded the option, prior to the implementation of any new rate resulting from any modification of this Stipulation, either to modify its own position to accept the proposed change(s) or to resume the proceeding as if no agreement had been reached. This proceeding, under such circumstance, would resume at the point where it was terminated. The Signatory Parties agree that these procedures are fair to all concerned, and therefore, they are made an integral and essential element of this Stipulation. None of the Signatory Parties shall be prohibited from or prejudiced in arguing a different policy or position before the Board in any other proceeding, as such agreements pertain only to this matter and to no other matter.

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

ATLANTIC CITY ELECTRIC COMPANY

June 20, 2013  
Date

By: Colleen A. Foley  
Colleen A. Foley, Esq.  
Saul Ewing LLP  
Attorney for Petitioner

JOHN J. HOFFMAN  
ACTING ATTORNEY GENERAL OF NEW JERSEY

\_\_\_\_\_  
Date

By: \_\_\_\_\_  
Alex Moreau  
T. David Wand  
Deputy Attorney General

STEFANIE A. BRAND, ESQ.  
DIRECTOR – DIVISION OF RATE COUNSEL

June 20, 2013  
Date

By: Stefanie A. Brand  
Stefanie A. Brand, Esq.  
Director, Division of Rate Counsel

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ATLANTIC CITY ELECTRIC COMPANY

\_\_\_\_\_  
Date


By: \_\_\_\_\_

Colleen A. Foley, Esq.  
Saul Ewing LLP  
Attorney for Petitioner

JOHN J. HOFFMAN  
ACTING ATTORNEY GENERAL OF NEW JERSEY

6/20/13  
Date

By: \_\_\_\_\_

  
Alex Moreau  
T. David Wand  
Deputy Attorney General

STEFANIE A. BRAND, ESQ.  
DIRECTOR - DIVISION OF RATE COUNSEL

\_\_\_\_\_  
Date

By: \_\_\_\_\_

Stefanie A. Brand, Esq.  
Director, Division of Rate Counsel