



Agenda Date: 4/18/19
Agenda Item: 2D

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

ENERGY

IN THE MATTER OF THE PETITION OF)
ATLANTIC CITY ELECTRIC COMPANY FOR)
APPROVAL OF AN INFRASTRUCTURE)
INVESTMENT PROGRAM, AND RELATED)
COST RECOVERY MECHANISM, PURSUANT)
TO N.J.A.C. 14:3-2A.1, et seq.)

DECISION AND ORDER
APPROVING STIPULATION
OF SETTLEMENT

DOCKET NO. EO18020196

Parties of Record:

Philip J. Passanante, Esq., Atlantic City Electric Company
Stefanie A. Brand, Esq., Director, New Jersey Division of Rate Counsel

BY THE BOARD:

By this Decision and Order, the New Jersey Board of Public Utilities ("Board" or "BPU") considers a Stipulation of Settlement ("Stipulation") executed by Atlantic City Electric Company ("ACE" or "Company"), the New Jersey Division of Rate Counsel ("Rate Counsel") and Board Staff ("Staff") (collectively, "Parties"), which resolves the above-captioned matter.

BACKGROUND

By Order¹ dated May 16, 2011, the Board authorized ACE to implement its Reliability Improvement Plan ("RIP") to improve its service reliability to its customers. The RIP targeted six (6) areas for improvement: enhanced vegetation management, priority feeders, load growth, distribution automation, feeder improvements, and substation improvements. Following implementation of the RIP, ACE's reliability metrics have significantly improved.

On December 19, 2017, pursuant to subchapter N.J.A.C. 14:3-2A.1 et seq. ("II&R Rules"), the Board established a regulatory mechanism supporting Infrastructure Investment Programs ("IIPs"), which allows a utility to accelerate its investment in the construction, installation, and rehabilitation of certain non-revenue producing utility plant and facilities. The II&R Rules allow a utility to accelerate recovery of qualifying incremental investments, subject to the terms of the subchapter, and any other condition set forth by the Board in approving an individual utility's IIP.

¹ In re the Petition of Atlantic City Electric Company for Approval of Amendments to its Tariff to Provide for an Increase in Rates and Charges for Electric Service Pursuant to N.J.S.A. 48:2-21 and N.J.S.A. 48:2-21.1 and for Other Appropriate Relief, BPU Docket No. ER09080664 (Order dated May 16, 2011).

The II&R Rules provide for IIP costs to be recovered through a separate clause of the utility's Board approved tariff. The II&R Rules became effective on January 16, 2018.

ACE 2018 INFRASTRUCTURE INVESTMENT PROGRAM PETITION

On March 1, 2018, ACE filed a petition ("IIP Petition") for approval of an Infrastructure Investment Program ("ACE IIP" or "Program") and a related accelerated cost recovery mechanism, pursuant to the II&R Rules and any other provision deemed applicable by the Board. The Company proposed a four (4) year program, with a total investment level of approximately \$338.2 million, to be implemented in the 2019 to 2022 time period. The Company also proposed a baseline spending level of \$60 million, which is the Company's annual depreciation expense. According to ACE, the Program was designed to support and enhance the ACE distribution system's reliability, resiliency and safety.

Based on its proposed program, the Company estimated that typical residential customers would experience an increase in their bills of less than one percent (1%) per year over the life of the program. ACE proposed making semi-annual filings to recover revenue requirements for plant placed in service, but not yet placed in rates. The projects were grouped into five (5) categories: Targeted Reliability (\$66 million), Distribution Automation/Telecommunications (\$93 million), Infrastructure Renewal (\$103 million), Emergency (\$46 million), and Facilities (\$29 million).

By Order dated March 26, 2018 ("March 26 Order"), the Board determined that the ACE IIP Petition should be retained by the Board for hearing and, pursuant to N.J.S.A. 48:2-32, designated Commissioner Dianne Solomon as the presiding officer authorized to rule on all motions that arise during the pendency of these proceedings and modify any schedules. Further, the March 26 Order directed that any entities seeking to intervene or participate in this matter file the appropriate application with the Board by April 13, 2018.

Motions to participate were filed by Public Service Electric and Gas Company ("PSE&G") on March 14, 2018 and Jersey Central Power & Light Company ("JCP&L") on April 4, 2018.

By Order ("Prehearing Order") dated June 6, 2018, Commissioner Solomon issued a Prehearing Order establishing the schedule in this matter. The Prehearing Order also granted the motions to participate filed by PSE&G and JCP&L.

Following proper public notice, two (2) public hearings were held in Mays Landing, New Jersey on July 12, 2018. Two (2) members of the public appeared at the public hearings in support of the Petition. The Board also received one (1) letter from IBEW Local 210 in support of the Petition.

STIPULATION

Following the review of discovery and testimony, the Parties held numerous in-person and telephonic meetings to discuss issues in this matter. Subsequently, on April 15, 2019, the Parties executed the Stipulation. The Stipulation provides for the following:²

² Although described at some length in this Order, should there be any conflict between this summary and the Settlement, the terms of the Settlement control, subject to the findings and conclusion in this Order. Paragraphs are numbered to coincide with the Stipulation.

IIP – Overall Investment Levels

1. The Parties agree that ACE may implement an IIP pursuant to the terms of the II&R Rules, subject to the terms of the Stipulation. The Company's IIP will include accelerated capital investment in the ACE electric distribution system, and a related cost recovery mechanism. In addition, the Stipulation provides for an annual minimum baseline capital spending amount to be made by the Company and recovered in the ordinary course through base rates.
2. The ACE IIP shall consist of the capital investment of up to \$96,461,222 in the Company's electric distribution system over the period beginning July 1, 2019 through June 30, 2023, and may be recovered through the IIP cost recovery mechanism permitted pursuant to N.J.A.C. 14:3-2A.6. Provided the minimum spending requirements contained in N.J.A.C. 14:3-2A.6(b) have been met, the Company may file for rate recovery for facilities constructed and placed into service based on the filing schedule provided in Exhibit C of the Stipulation.
3. The Signatory Parties agree that the specific IIP investment projects to be recovered through the IIP cost recovery mechanism are set out in Exhibit A of the Stipulation. Those projects include significant investments in substations, communications networks, distributed automation, and reclosers. The projects are intended to improve distribution system safety, reliability and resiliency to the benefit of ACE's customers, and to help sustain economic growth in the Company's service territory. These projects and amounts are incremental to the Company's normal capital spending budget.
4. The chart in Exhibit A of the Stipulation summarizes the projected IIP capital investment per project per year and in total.
5. The Parties recognize that the initiatives included in the IIP are significant in scale and scope, and that some flexibility in budgeting the IIP is appropriate. Accordingly, consistent with the provisions of N.J.A.C. 14:3-2A.4(f), year-to-year variations in the IIP approved annual budget of up to 10% shall be permitted, provided the total IIP budget is not exceeded. To the extent that year-to-year variations in the IIP budget exceed 10%, ACE shall seek Board approval of the amount in excess of 10%.

IIP Baseline Capital Expenditures

6. In addition to the IIP expenditures described in the Stipulation, over the four-year IIP investment period July 1, 2019 through June 30, 2023, the Company agrees to maintain both the Total Annual Baseline Spend and the Net Distribution Spend minimum capital expenditure levels set forth in Exhibit B of the Stipulation, which were determined based on consideration of historic and projected capital expenditures. The specific capital investments made by the Company as part of its minimum baseline capital expenditure requirement pursuant to N.J.A.C. 14:3-2A.3 are within the discretion of the Company. ACE shall seek recovery of these capital investments in a base rate case subject to N.J.A.C. 14:3-2A.1 *et seq.* In addition to the minimum baseline capital expenditure levels, the Company shall continue its Reliability Improvement Plan ("RIP") capital expenditures through 2021, pursuant to the terms of the Exelon Merger Order (in BPU Docket No.

EM14060581) and the Order resolving its most recent base rate case (in BPU Docket No. ER18080925); capital additions pursuant to its PowerAhead program; as well as prudent and reasonable Customer Driven and Emergency capital expenditures. The Company shall also remain subject to the SAIFI and CAIDI requirements set forth in the Exelon Merger Order.

Term

7. The Parties respectfully request that the Board approve the Stipulation of Settlement at its April 18, 2019 public agenda meeting so that the IIP investment period may commence on July 1, 2019 and end on June 30, 2023. The Company acknowledges that capital spending eligible for inclusion in the IIP cost recovery mechanism cannot commence until such time as the Board approves the Stipulation.

IIP – Cost Recovery Mechanism

8. The Parties agree that ACE shall be permitted to recover the revenue requirement associated with a maximum of \$96,461,222 in IIP investments as set out in Exhibit A of the Stipulation, plus the associated Allowance for Funds Used During Construction (“AFUDC”), through the Rider IIP as described in the Stipulation. The prudence of these programs will be reviewed in the Company’s subsequent base rate proceedings. If the cost of a particular project exceeds the amount allowable under the IIP, the Parties agree that ACE may seek recovery of those additional costs, not subject to recovery in the IIP cost recovery mechanism, in a subsequent base rate case. The Company agrees that any such additional cost included by the Company in the revenue requirement in any base rate case shall be specifically identified in such filing.
9. The Company may seek cost recovery for completed projects pursuant to the filing schedule in Exhibit C of the Stipulation provided the plant-in-service additions during any filing period are at least \$9.6 million, and the Company is not over-earning as set forth in N.J.A.C. 14:3-2A.6(h) and (i). The detailed schedule for rate filings is contained in Exhibit C of the Stipulation, and the cost recovery filing requirements are set out in the IIP Regulations, with Minimum Filing Requirements contained in Exhibit D of the Stipulation. Should recoverable plant-in-service additions not exceed \$9.6 million during any filing period, then costs associated with those plant-in-service additions shall be included and recovered in the next recovery period through the cost recovery mechanism described herein. Costs to be recovered include the return on net plant-in-service as of the end of the reporting period. The rate of return shall be calculated based on the overall rate of return approved in ACE’s most recent base rate case. AFUDC included in plant-in-service additions will be calculated using a return on equity (“ROE”) that is no higher than the ROE authorized in the Company’s most recent base rate case. Net plant in-service will be calculated as gross plant in service less associated accumulated depreciation less applicable Accumulated Deferred Income Taxes. The revenue requirement will also include depreciation expense, income taxes, the associated interest synchronization adjustment, and the BPU and Rate Counsel assessments. Depreciation expense will be included in the revenue requirement using depreciation rates established for each asset class in ACE’s most recently approved base rate

case. The Company will begin to depreciate an asset once it is placed into service. Operations and Maintenance expenses associated with the IIP will not be included in the revenue requirement calculations and will not be subject to deferral. Exhibit C of the Stipulation contains a detailed explanation of how the IIP revenue requirement shall be calculated, and a schedule of filing dates and rate effective dates. ACE acknowledges that cost recovery under the IIP is contingent on an earnings test. If the product of the calculation set forth in N.J.A.C. 14:3-2A.6(h) exceeds the Company's most recently approved ROE by 50 (fifty) basis points or more, cost recovery under the IIP shall not be allowed for the applicable filing period pursuant to N.J.A.C. 14:3-2A.6(i).

IIP – Rate Design

10. The rate design for the IIP recovery mechanism will utilize the rate design methodology approved by the Board in BPU Docket No. ER18080925. The Parties acknowledge that ACE may file base rate proceedings during the term of the IIP and may propose a rate design methodology that differs from the rate design methodology used to set base rates in BPU Docket No. ER18080925. In the event an alternative rate design methodology is adopted in a future base rate proceeding during the term of the IIP, then that rate design shall be utilized for the IIP recovery mechanism in subsequent IIP filings.

IIP – Program Review

11. Board Staff and Rate Counsel will have the opportunity to request discovery on the information provided by the Company in its periodic IIP rate filings. The Company agrees that any Party may ask in discovery for, and the Company will respond to financial information with and without adjustments to reflect its results of operations on a ratemaking basis and included annualized, normalization, and ratemaking adjustments that are consistent with current Board policy and practices. The Parties agree, and ACE understands, that the review of the prudence of the projects undertaken in the IIP will be determined in the Company's future base rate cases. Nothing in the Stipulation will preclude any party from raising in the base rate case prudence review any objection that could have been raised in a prior IIP rate filing. ACE agrees that the rate adjustments established in the rate recovery filings are provisional and subject to refund in the event the Board determines that such costs have been imprudently incurred under the IIP. Upon completion of the base rate case review of the IIP projects, the approved Rider IIP surcharge associated with those projects will be rolled into base distribution rates when new rates go into effect at the conclusion of the base rate case. ACE further agrees that it will file a base rate case no later than five years from the effective date of the Board Order approving the Stipulation and the IIP.

IIP Reporting Requirements

12. The Company agrees to file a semi-annual status report for project management and oversight purposes that contains the following requirements consistent with N.J.A.C. 14:3-2A.5(e):

- a) Forecasted and actual costs of the IIP for the applicable reporting period, and for the IIP to date, where IIP projects are identified by major category (with the actual variances from forecasted amounts expressed in dollar and percentage terms);
- b) The estimated total quantity of work completed under the IIP identified by major category. In the event that the work cannot be quantified, major tasks completed shall be provided;
- c) Estimated completion dates for the IIP as a whole, and estimated completion dates for each major IIP sub-category;
- d) Anticipated changes to IIP projects, if any;
- e) Actual capital expenditures made by ACE in the normal course of business on similar projects, identified by major category; and
- f) Any other performance metrics concerning the Infrastructure Investment Program required by the Board.

In addition to the above requirements, the Company agrees to specify in their semiannual status report the cost of removal and the amount of allocated overhead included in each completed project.

On April 16, 2019, PSE&G and JCP&L filed letters indicating that they did not object to the Stipulation executed by the Parties.

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. The I&R Rules were created to provide a rate recovery mechanism that encourages and supports all necessary accelerated construction, installation, and rehabilitation of certain utility plants and equipment. The Board believes that IIPs are important for continued system safety, reliability, resiliency, and sustained economic growth. After carefully considering the record in this proceeding and the terms of the Stipulation, the Board is persuaded that the current settlement satisfies these goals.

The Board agrees that replacement of aging infrastructure, as well as the implementation of certain investments in the Company's system, if properly executed, should mitigate potential damage to the system, as well as enhance public safety and result in increased long-term reliability.

With respect to the stipulated cost recovery mechanism, the Board is persuaded that the mechanism proposed in the Stipulation allows the Company rate recovery for all expenditures related to plant that have been placed in service, but on a provisional basis, subject to refund. These costs will be subject to review in the next base rate case, which the Company has committed to filing no later than five (5) years after the Board's approval of the Program's start date. The Board, in its discretion, may require ACE to file its next base rate case within a shorter period. The Board believes the cost recovery mechanism adopted in the Stipulation strikes an effective balance between giving the Company a reasonable opportunity to earn its allowed rate of return over the life of the investment while still protecting ratepayers from paying more than reasonably necessary. No rates will be charged to customers until the facilities for which the

rates are being charged are in service. The Stipulation also mandates the Company to maintain certain reporting requirements, which provides for additional protection to ratepayers.

Based on the Board's careful review and consideration of the record in this proceeding, the Board **HEREBY FINDS** the Stipulation to be reasonable and in accordance with the law, striking an appropriate balance between the needs of customers and of the Company.

Accordingly, the Board **HEREBY ADOPTS** the Stipulation in its entirety, and **HEREBY INCORPORATES** its terms and conditions as though fully set forth herein, subject to any terms and conditions set forth in this Order.

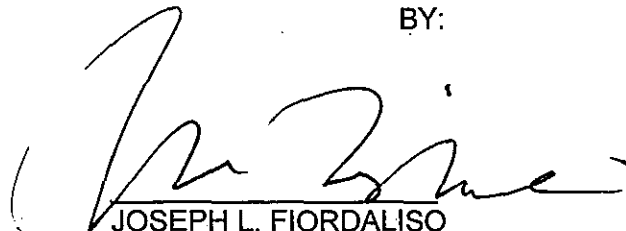
The Board **HEREBY RATIFIES** the decisions made by Commissioner Solomon during the pendency of this proceeding for the reasons stated in her decisions and Orders.

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

This Order shall be effective on April 28, 2019.


DATED: 4/18/19

BOARD OF PUBLIC UTILITIES
BY:

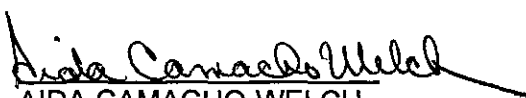

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ROBERT M. GORDON
COMMISSIONER

ATTEST: 
AIDA CAMACHO-WELCH
SECRETARY

IN THE MATTER OF THE PETITION OF ATLANTIC CITY ELECTRIC COMPANY FOR
APPROVAL OF AN INFRASTRUCTURE INVESTMENT PROGRAM, AND RELATED COST
RECOVERY MECHANISM, PURSUANT TO N.J.A.C. 14:3-2A.1 et seq.
BPU DOCKET NO. EO18020196

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April 15, 2019

**VIA FEDERAL EXPRESS &
ELECTRONIC MAIL**

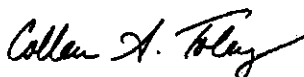
Hon. Dianne Solomon, Commissioner
New Jersey Board of Public Utilities
44 South Clinton Avenue, 3rd Floor, Suite 314
Trenton, New Jersey 08625-350

RE: In the Matter of the Petition of Atlantic City Electric Company For Approval of
an Infrastructure Investment Program, and Related Cost Recovery Mechanism,
Pursuant to *N.J.A.C. 14:3-2A.1 Et Seq.*
BPU Docket No. EO18020196

Dear Commissioner Solomon:

The undersigned represents Atlantic City Electric Company (the "Company"), the
Petitioner in the above-referenced matter. Enclosed for filing please find a fully executed
Stipulation of Settlement resolving all matters at issue in this proceeding. The Company
respectfully requests that the Board of Public Utilities review and approve this matter on April
18, 2019 at its regularly schedule public agenda meeting. Thank you.

Respectfully submitted,


Colleen A. Foley, Esq.

CC: Secretary Camacho-Welch
Service List (electronic mail only)

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A DELAWARE LIMITED LIABILITY PARTNERSHIP

In the Matter of the Petition of
Atlantic City Electric Company for Approval of Infrastructure Investment Program,
and Related Cost Recover Mechanism Pursuant to N.J.A.C. 14:3-2A.1 *et seq.*
BPU Docket No. EO18020196
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**STATE OF NEW JERSEY
BOARD OF PUBLIC UTILITIES**

IN THE MATTER OF THE PETITION OF	:	
ATLANTIC CITY ELECTRIC COMPANY	:	BPU DOCKET NO. EO18020196
FOR APPROVAL OF AN	:	
INFRASTRUCTURE INVESTMENT	:	
PROGRAM, AND RELATED COST	:	STIPULATION OF SETTLEMENT
RECOVERY MECHANISM PURSUANT	:	
TO N.J.A.C. 14:3-2A.1 et seq.	:	

APPEARANCES:

Clark M. Stalker, Esq., Associate General Counsel, Philip J. Passanante, Esq., Assistant General Counsel, and Colleen A. Foley, Esq. (Saul Ewing Arnstein & Lehr LLP), on behalf of Atlantic City Electric Company, Petitioner

Alex Moreau and Peter Van Brunt, Deputy Attorneys General (Gurbir S. Grewal, Attorney General of New Jersey), on behalf of the Staff of the New Jersey Board of Public Utilities

Stefanie A. Brand, Esq., Director, Brian O. Lipman, Deputy Rate Counsel, Ami Morita, Esq., Deputy Rate Counsel, Diane Schulze, Esq., Assistant Deputy Rate Counsel, James W. Glassen, Esq., Assistant Deputy Rate Counsel, Kurt Lewandowski, Esq., Assistant Deputy Rate Counsel, and Maria Novas-Ruiz, Assistant Deputy Rate Counsel, on behalf of the New Jersey Division of Rate Counsel

Lauren M. Lepkoski, Esq., on behalf of Participant, Jersey Central Power and Light Company

Joseph F. Accardo, Jr., Esq. and Justin B. Incardone, Esq., 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," "Petitioner" or "ACE"), the Division of Rate Counsel ("Rate Counsel"), the Staff of the New Jersey Board of Public Utilities ("Board Staff" or "Staff"), and Participants, Jersey Central Power and Light Company ("JCP&L") and Public Service Electric and Gas Company ("PSE&G"). The New Jersey Board of Public Utilities shall be referred to in this Stipulation of

Settlement (the “Stipulation”) as the “Board” or “BPU.” The settlement memorialized in this Stipulation regarding the Petitioner’s Infrastructure Investment Program (“IIP”) proposal shall sometimes be referred to herein as the “Settlement.”

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, with a regional office located at 5100 Harding Highway, Mays Landing, New Jersey 08330. On March 1, 2018, the Company filed a petition with the Board pursuant to N.J.A.C. 14:3-2A.1 *et seq.* (the “IIP Regulations”) requesting approval of an IIP and a related cost recovery mechanism. As described in the Company’s petition, the IIP was proposed as a four-year, \$338.2 million program with a stated focus on system reliability, storm resiliency and safety, as well as the assertion that the filing would support economic growth in the State of New Jersey and ACE’s service territory. ACE’s petition was supported by the Direct Testimony of Kevin McGowan, Bryan Clark and Joseph Janocha. Pursuant to the IIP Regulations, the Company proposed to recover the revenue requirements associated with plant placed into service under the IIP through semi-annual filings that would adjust rates in a separate clause of the Company’s tariff.

By Order dated March 26, 2018, the Board retained the matter and designated Commissioner Dianne Solomon as the presiding officer. The Board further directed that motions to intervene or participate be filed with the Board by April 13, 2018. Motions to Participate were subsequently filed by PSE&G and JCP&L. The Company did not oppose the granting of either Motion. By Order dated June 6, 2018, Commissioner Solomon issued a Prehearing Order setting forth the procedural schedule, and granted participant status to PSE&G and JCP&L.

Following the timely publication of appropriate notices in newspapers of general circulation throughout the Company's service territory, and in accordance with the requirement contained in N.J.A.C. 14:3-2A.5(d) that the notice indicate the maximum dollar amount ACE sought to recover through its IIP, two public hearings were held in Mays Landing, New Jersey at 3:30 P.M. and 5:30 P.M. on July 12, 2018, with Legal Specialist Andrea Hart presiding. Representatives of the New Jersey Energy Coalition and the New Jersey Alliance for Action appeared at the 3:30 P.M. hearing and spoke in favor of the Company's proposal. In addition, written comments in favor of ACE's request were submitted to the Board by the International Brotherhood of Electrical Workers Local Union 210. No members of the public submitted written comments or appeared at the hearings to oppose the Company's proposed request.

Consistent with the procedural schedule, on September 4, 2018, Rate Counsel filed the Direct Testimony of Charles Salamone and Maximilian Chang (jointly), David Peterson, and Dr. Marlon Griffing. On October 17, 2018, the Company filed the Rebuttal Testimony of Kevin McGowan, Bryan Clark, Joseph Janocha and Robert Hevert (of ScottMadden, Inc.).

On November 21, 2018 and January 28, 2019, at the request of the Parties, Commissioner Solomon issued orders modifying the procedural schedule to permit additional time for settlement discussions.

Extensive discovery was conducted and multiple settlement discussions were held. The Company, Board Staff, and Rate Counsel (collectively, the "Signatory Parties" and each a "Signatory Party") have come to an agreement on the matters set forth in this Stipulation. PSE&G and JCP&L, while not Signatory Parties, have indicated that they do not object to the terms of this Stipulation. Therefore, the Signatory Parties hereto agree and stipulate as follows:

STIPULATED MATTERS

IIP – Overall Investment Levels

1. The Signatory Parties agree that ACE may implement an IIP pursuant to the terms of the IIP Regulations, subject to the terms of this Stipulation of Settlement. The Company's IIP will include accelerated capital investment in the ACE electric distribution system, and a related cost recovery mechanism. In addition, this Stipulation provides for an annual minimum baseline capital spending amount to be made by the Company and recovered in the ordinary course through base rates.

2. The ACE IIP shall consist of the capital investment of up to \$96,461,222 in the Company's electric distribution system over the period beginning July 1, 2019 through June 30, 2023, and may be recovered through the IIP cost recovery mechanism permitted pursuant to N.J.A.C. 14:3-2A.6. Provided the minimum spending requirements contained in N.J.A.C. 14:3-2A.6(b) have been met, the Company may file for rate recovery for facilities constructed and placed into service based on the filing schedule provided in Exhibit C.

3. The Signatory Parties agree that the specific IIP investment projects to be recovered through the IIP cost recovery mechanism are set out in Exhibit A. Those projects include significant investments in substations, communications networks, distributed automation, and reclosers. The projects are intended to improve distribution system safety, reliability and resiliency to the benefit of ACE's customers, and to help sustain economic growth in the Company's service territory. These projects and amounts are incremental to the Company's normal capital spending budget.

4. The chart in Exhibit A summarizes the projected IIP capital investment per project per year and in total.

5. The Signatory Parties recognize that the initiatives included in the IIP are significant in scale and scope, and that some flexibility in budgeting the IIP is appropriate. Accordingly, consistent with the provisions of N.J.A.C. 14:3-2A.4(f), year-to-year variations in the IIP approved annual budget of up to 10% shall be permitted, provided the total IIP budget is not exceeded. To the extent that year-to-year variations in the IIP budget exceed 10%, ACE shall seek Board approval of the amount in excess of 10%.

IIP Baseline Capital Expenditures

6. In addition to the IIP expenditures described above, over the four-year IIP investment period July 1, 2019 through June 30, 2023, the Company agrees to maintain both the Total Annual Baseline Spend and the Net Distribution Spend minimum capital expenditure levels set forth in Exhibit B, which were determined based on consideration of historic and projected capital expenditures. The specific capital investments made by the Company as part of its minimum baseline capital expenditure requirement pursuant to N.J.A.C. 14:3-2A.3 are within the discretion of the Company. ACE shall seek recovery of these capital investments in a base rate case subject to N.J.A.C. 14:3-2A.1 *et seq.* In addition to the minimum baseline capital expenditure levels, the Company shall continue its Reliability Improvement Plan (“RIP”) capital expenditures through 2021, pursuant to the terms of the Exelon Merger Order (in BPU Docket No. EM14060581) and the Order resolving its most recent base rate case (in BPU Docket No. ER18080925); capital additions pursuant to its PowerAhead program; as well as prudent and reasonable Customer Driven and Emergency capital expenditures. The Company shall also remain subject to the SAIFI and CAIDI requirements set forth in the Exelon Merger Order.

Term

7. The Signatory Parties respectfully request that the Board approve this Stipulation of Settlement at its April 18, 2019 public agenda meeting so that the IIP investment period may commence on July 1, 2019 and end on June 30, 2023. The Company acknowledges that capital spending eligible for inclusion in the IIP cost recovery mechanism cannot commence until such time as the Board approves this Stipulation.

IIP – Cost Recovery Mechanism

8. The Signatory Parties agree that ACE shall be permitted to recover the revenue requirement associated with a maximum of \$96,461,222 in IIP investments as set out in Exhibit A, plus the associated Allowance for Funds Used During Construction (“AFUDC”), through the Rider IIP as described below. The prudence of these programs will be reviewed in the Company’s subsequent base rate proceedings. If the cost of a particular project exceeds the amount allowable under the IIP, the Signatory Parties agree that ACE may seek recovery of those additional costs, not subject to recovery in the IIP cost recovery mechanism, in a subsequent base rate case. The Company agrees that any such additional cost included by the Company in the revenue requirement in any base rate case shall be specifically identified in such filing.

9. The Company may seek cost recovery for completed projects pursuant to the filing schedule in Exhibit C provided the plant-in-service additions during any filing period are at least \$9.6 million, and the Company is not over-earning as set forth in N.J.A.C. 14:3-2A.6(h) and (i). The detailed schedule for rate filings is contained in Exhibit C, and the cost recovery filing requirements are set out in the IIP Regulations, with Minimum Filing Requirements contained in Exhibit D. Should recoverable plant-in-service additions not exceed \$9.6 million during any

filing period, then costs associated with those plant-in-service additions shall be included and recovered in the next recovery period through the cost recovery mechanism described herein. Costs to be recovered include the return on net plant-in-service as of the end of the reporting period. The rate of return shall be calculated based on the overall rate of return approved in ACE's most recent base rate case. AFUDC included in plant-in-service additions will be calculated using a return on equity ("ROE") that is no higher than the ROE authorized in the Company's most recent base rate case. Net plant in-service will be calculated as gross plant in-service less associated accumulated depreciation less applicable Accumulated Deferred Income Taxes. The revenue requirement will also include depreciation expense, income taxes, the associated interest synchronization adjustment, and the BPU and Rate Counsel assessments. Depreciation expense will be included in the revenue requirement using depreciation rates established for each asset class in ACE's most recently approved base rate case. The Company will begin to depreciate an asset once it is placed into service. Operations and Maintenance expenses associated with the IIP will not be included in the revenue requirement calculations and will not be subject to deferral. Exhibit C contains a detailed explanation of how the IIP revenue requirement shall be calculated, and a schedule of filing dates and rate effective dates.

ACE acknowledges that cost recovery under the IIP is contingent on an earnings test. If the product of the calculation set forth in N.J.A.C. 14:3-2A.6(h) exceeds the Company's most recently approved ROE by 50 (fifty) basis points or more, cost recovery under the IIP shall not be allowed for the applicable filing period pursuant to N.J.A.C. 14:3-2A.6(i).

IIP – Rate Design

10. The rate design for the IIP recovery mechanism will utilize the rate design methodology approved by the Board in BPU Docket No. ER18080925. The Signatory Parties

acknowledge that ACE may file base rate proceedings during the term of the IIP and may propose a rate design methodology that differs from the rate design methodology used to set base rates in BPU Docket No. ER18080925. In the event an alternative rate design methodology is adopted in a future base rate proceeding during the term of the IIP, then that rate design shall be utilized for the IIP recovery mechanism in subsequent IIP filings.

IIP – Program Review

11. Board Staff and Rate Counsel will have the opportunity to request discovery on the information provided by the Company in its periodic IIP rate filings. The Company agrees that any Party may ask in discovery for, and the Company will respond to financial information with and without adjustments to reflect its results of operations on a ratemaking basis and included annualized, normalization, and ratemaking adjustments that are consistent with current Board policy and practices. The Signatory Parties agree, and ACE understands, that the review of the prudence of the projects undertaken in the IIP will be determined in the Company's future base rate cases. Nothing herein will preclude any party from raising in the base rate case prudence review any objection that could have been raised in a prior IIP rate filing. ACE agrees that the rate adjustments established in the rate recovery filings are provisional and subject to refund in the event the Board determines that such costs have been imprudently incurred under the IIP. Upon completion of the base rate case review of the IIP projects, the approved Rider IIP surcharge associated with those projects will be rolled into base distribution rates when new rates go into effect at the conclusion of the base rate case. ACE further agrees that it will file a base rate case no later than five years from the effective date of the Board Order approving this Stipulation and the IIP.

IIP Reporting Requirements

12. The Company agrees to file a semi-annual status report for project management and oversight purposes that contains the following requirements consistent with N.J.A.C. 14:3-

2A.5(e):

- a. Forecasted and actual costs of the IIP for the applicable reporting period, and for the IIP to date, where IIP projects are identified by major category (with the actual variances from forecasted amounts expressed in dollar and percentage terms);
- b. The estimated total quantity of work completed under the IIP identified by major category. In the event that the work cannot be quantified, major tasks completed shall be provided;
- c. Estimated completion dates for the IIP as a whole, and estimated completion dates for each major IIP sub-category;
- d. Anticipated changes to IIP projects, if any;
- e. Actual capital expenditures made by ACE in the normal course of business on similar projects, identified by major category; and
- f. Any other performance metrics concerning the Infrastructure Investment Program required by the Board.

In addition to the above requirements, the Company agrees to specify in their semi-annual status report the cost of removal and the amount of allocated overhead included in each completed project.

Additional Provisions

13. Each Signatory Party agrees to use its best efforts to ensure that this Stipulation shall be presented to the Board for approval at the Board's April 18, 2019 public agenda meeting. Each Signatory Party understands that a Board Order adopting this Stipulation will become effective in accordance with N.J.S.A. 48:2-40.

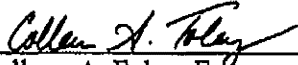
14. This Stipulation shall be binding on the Signatory Parties upon approval by the Board. This Stipulation shall bind the Signatory Parties in this matter only and shall have no precedential value. This Stipulation contains terms, each of which is interdependent with the others and essential in its own right to the signing of this Stipulation. Each term is vital to the agreement as a whole, since the Signatory 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, each Signatory Party must be given the right to be placed in the position it was in before this 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 circumstances, 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.

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

16. 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.

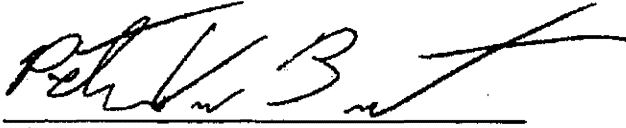
ATLANTIC CITY ELECTRIC COMPANY

April 15, 2019
Date

By: 
Colleen A. Foley, Esq.
Saul Ewing Arnstein & Lehr LLP
Attorneys for Petitioner

GURBIR S. GREWAL
ATTORNEY GENERAL OF NEW JERSEY
Attorney for the Staff of the Board of Public Utilities

4-15-2019
Date

By: 
Peter Van Brunt
Deputy Attorney General

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

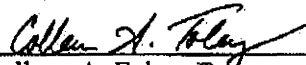
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Stefanie A. Brand, Esq.
Director, Division of Rate Counsel

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ATLANTIC CITY ELECTRIC COMPANY

April 15, 2019
Date

By: 
Colleen A. Foley, Esq.
Saul Ewing Arnstein & Lehr LLP
Attorneys for Petitioner

GURBIR S. GREWAL
ATTORNEY GENERAL OF NEW JERSEY
Attorney for the Staff of the Board of Public Utilities

Date

By: _____
Peter Van Brunt
Deputy Attorney General

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

4/15/19
Date


By: 
Stefanie A. Brand, Esq.
Director, Division of Rate Counsel
AMI MORITA
DEPUTY RATE COUNSEL

Exhibit A

Project ID	Work Items	Forecasted Spend	In-Service Date	2019 July - Dec. Forecast	2020 Forecast	2021 Forecast	2022 Forecast	2023 Jan-Jun. Forecast
UDLARDA1	DA ATL DISTRIBUTION AUTOMATION	\$ 7,319,731	Various	\$ 1,800,890	\$ 1,363,919	\$ 2,154,922	\$ 2,000,000	\$ -
UDLARM4A2X	Recloser Installation ACE	\$ 25,390,168	Various	\$ 4,990,168	\$ 14,400,000	\$ 4,500,000	\$ 1,500,000	\$ -
UDLARM4AG	Paulsboro Sub: 4 kV to 12 kV Feeder Re-insulation/Conversion	\$ 4,349,470	Q2 2021	\$ 1,663,457	\$ 1,250,359	\$ 1,435,654	\$ -	\$ -
UDLARM4PS3	Motts Farm Sub: Dist Line Modifications for New SWGR	\$ 2,187,092	Q2 2023	\$ -	\$ -	\$ 100,000	\$ 1,000,000	\$ 1,087,092
UDLARM4WS	Stratford Sub: Dist Line Modifications for SWGR	\$ 1,450,000	Q4 2022	\$ -	\$ 10,000	\$ 240,000	\$ 1,200,000	\$ -
UDSALM78I	Mickleton Sub: Upgrade 12 kV Xfmrs and Feeder Bays	\$ 4,401,768	Q3 2020	\$ 2,546,705	\$ 1,855,063	\$ -	\$ -	\$ -
UDSARD7S	Newport Sub: Establish New 69/12 kV Sub	\$ 9,436,231	Q2 2023	\$ 63,072	\$ 633,289	\$ 2,478,244	\$ 3,528,691	\$ 2,732,935
UDSARD8A12	Stratford Sub: Replace T3 and both SWGR	\$ 6,444,144	Q4 2022	\$ -	\$ 10,000	\$ 450,000	\$ 5,984,144	\$ -
UDSARD8A6	Motts Farm Sub: Upgrade 15 kV Switchgear	\$ 4,095,978	Q2 2023	\$ 572	\$ 933	\$ 361,282	\$ 1,673,618	\$ 2,059,573
UDSARD8SE	Add Redclose Control Capability	\$ 523,821	Various	\$ -	\$ 176,015	\$ 173,630	\$ 174,176	\$ -
UDSARDA1	UF Atl Region: Distribution Automation	\$ 5,507,465	Various	\$ 740,507	\$ 1,743,444	\$ 1,623,514	\$ 1,400,000	\$ -
UOFAOF2	Atlantic Region Substation FO Entrances	\$ 1,925,877	Various	\$ 481,469	\$ 481,469	\$ 481,469	\$ 481,470	\$ -
UOFAOF25	ACE Communications Work: Data Network	\$ 700,000	Various	\$ 100,000	\$ 200,000	\$ 200,000	\$ 200,000	\$ -
UOFAOF32	Router Upgrades Cores and Edges ALT	\$ 3,652,272	Various	\$ 1,060,623	\$ 1,296,784	\$ 621,507	\$ 673,358	\$ -
UOFAOLF8	Pitman to Lamb Fiber Build	\$ 340,089	Q1 2021	\$ -	\$ 340,089	\$ -	\$ -	\$ -
UOFAOMSFE	Monroe/Tansboro Substation Fiber Entrances	\$ 85,000	Q3 2019	\$ 85,000	\$ -	\$ -	\$ -	\$ -
UOFAOWC	Motts Farm to West Creek OPS fiber build	\$ 414,864	Q1 2020	\$ 414,864	\$ -	\$ -	\$ -	\$ -
UORAO2015	ACE Telemetrics Replacement	\$ 109,224	Various	\$ 109,224	\$ -	\$ -	\$ -	\$ -
UORAOAPCM	Replace SSN Access Point and Repeater Batteries, Cape May ACE-CM	\$ 20,000	Various	\$ 5,000	\$ 5,000	\$ 10,000	\$ -	\$ -
UORAOAPWL	Replace SSN Access Point and Repeater Batteries Winslow ACE-WL	\$ 20,000	Various	\$ 5,000	\$ 5,000	\$ 10,000	\$ -	\$ -
UORAODA1Z	Install Radio Control ACE Reclosers	\$ 11,345,347	Various	\$ 2,673,973	\$ 5,836,627	\$ 1,867,416	\$ 967,331	\$ -
UORAORBAZ	Repl Batteries AutoFldDvc ACE	\$ 1,445,180	Various	\$ 87,093	\$ 313,246	\$ 519,123	\$ 525,718	\$ -
UORAORBTZ	DA Radio ACE	\$ 3,125,000	Various	\$ 725,000	\$ 900,000	\$ 750,000	\$ 750,000	\$ -
UORAORCZ	Install Radio Control ACE Capacitors	\$ 2,172,501	Various	\$ 338,269	\$ 609,730	\$ 609,410	\$ 615,092	\$ -
Total Projects Amount		\$ 96,461,222		\$ 17,890,886	\$ 31,430,967	\$ 18,586,171	\$ 22,673,598	\$ 5,879,600

EXHIBIT B

**MINIMUM ANNUAL
BASELINE SPENDING CALCULATION**

Project Category	2019 Forecast¹	2020 Forecast	2021 Forecast	2022 Forecast	2023 Forecast¹	2019-2023 Forecast
2019 CapEx LRP 2.0 ACE Distribution Projects	\$ 151.8	\$ 187.3	\$ 154.1	\$ 125.6	\$ 95.4	\$ 714.3
Less: IIP Projects	\$ 26.9	\$ 30.3	\$ 17.2	\$ 16.1	\$ 5.9	\$ 96.3
Less: PowerAhead Projects	\$ 18.7	\$ 22.6	\$ 19.2	\$ 0.7	\$ -	\$ 61.2
Less: RIP Projects	\$ 17.2	\$ 24.1	\$ 17.0	\$ 14.2	\$ -	\$ 72.5
Less: Customer Driven	\$ 22.5	\$ 23.6	\$ 23.7	\$ 23.8	\$ 23.8	\$ 117.3
Less: Emergency	\$ 33.9	\$ 33.8	\$ 33.8	\$ 33.8	\$ 33.8	\$ 168.9
Less: Eliminated Level 1	\$ 6.4	\$ 24.3	\$ 22.8	\$ 19.6	\$ 16.4	\$ 89.5
Less: Eliminated Level 2	\$ 4.1	\$ 1.4	\$ 2.2	\$ 1.5	\$ 1.6	\$ 10.8
Total Net Distribution Spend (Minimum)²	\$ 22.1	\$ 27.2	\$ 18.2	\$ 16.2	\$ 14.0	\$ 97.7
2019 and 2023 Adjusted Net Distribution Spend³	\$ 11.0	\$ 27.2	\$ 18.2	\$ 16.2	\$ 7.0	\$ 79.6
Total Annual Spend (All Categories)⁴	\$ 141.3	\$ 161.6	\$ 129.1	\$ 104.5	\$ 77.4	\$ 613.9
Less: IIP Projects	\$ 26.9	\$ 30.3	\$ 17.2	\$ 16.1	\$ 5.9	\$ 96.3
Less: 75% of Customer Driven	\$ 16.9	\$ 17.7	\$ 17.8	\$ 17.8	\$ 17.8	\$ 88.0
Less: 75% of Emergency	\$ 25.4	\$ 25.3	\$ 25.3	\$ 25.3	\$ 25.3	\$ 126.7
Total Annual Baseline Spend (Minimum)	\$ 72.1	\$ 88.3	\$ 68.8	\$ 45.3	\$ 28.4	\$ 302.9
Notes						
1) 2019 and 2023 spending reflects full year of spending. Net Distribution Spending adjusted for six months timing of IIP						
2) Total Net Distribution Spend (Minimum) reflects net forecasted spending following adjustments for IIP, PowerAhead, RIP, Customer Driven, and Emergency forecasted spending.						
3) 2019 and 2023 Adjusted Net Distribution Spend adjusted for six months of Total Net Distribution Spend for 2019 and 2023.						
4) Total Annual Spend (All Categories) reflects CapEx LRP2.0 Distribution Projects less eliminated Level 1 and 2 Projects.						

EXHIBIT C

IIP Cost Recovery Mechanism

The Rider IIP rate adjustments provided for in paragraphs eight and nine above, shall be calculated as summarized below.

- a. IIP Investment Costs – All qualifying IIP capital expenditures, including actual costs of engineering, design and construction, and property acquisitions, including actual labor, materials, overhead, and capitalized AFUDC associated with the projects (“IIP Investment Costs”), will be recovered through Rider IIP and ultimately rolled into base rates as described in this Stipulation of Settlement. The IIP Investment Costs will be recorded, during construction, in a Construction Work In Progress (“CWIP”) account or in a Plant In-Service account upon the respective project being deemed used and useful. The Company will follow its current policies and practices with regard to capitalizing costs, including overheads.

Net Investment – Is equal to the IIP Investment Costs related to projects that have been placed into service less the associated accumulated depreciation less applicable accumulated deferred income taxes.

Weighted Average Cost of Capital (“WACC”) – ACE agrees that the return on the incremental investments undertaken in the IIP shall be at the Board-approved WACC (including the authorized return on equity and capital structure) as determined in the Company’s most recent base rate.

The rate base roll-ins will be calculated using the following formula:

Revenue Requirement = ((IIP Rate Base * After Tax WACC) + Depreciation Expense (net of tax) + Tax Adjustments)* Revenue Factor. The Company will also apply the appropriate factor to collect applicable sales and use tax (“SUT”).

- i. IIP Rate Base – The IIP Rate Base will be calculated as Plant In-Service, including CWIP transferred into service and associated AFUDC, less the associated accumulated depreciation and less associated accumulated deferred income taxes. AFUDC will be calculated using the same methodology used for current distribution assets consistent with the Company’s AFUDC policy, and as permitted by FERC Order 561, which includes compounding AFUDC on a semi-annual basis. The AFUDC rate will include the cost of equity approved in the Company’s most recent base rate case.

- ii. Depreciation Expense – Depreciation expense will be calculated as the IIP Investment Costs by asset class multiplied by the associated depreciation rate applied to the same asset in current base rates and then calculated net of tax.
- iii. Tax Adjustments – Includes the effects of any flow through items and any tax law changes codified by the Internal Revenue Service, the State of New Jersey or any other taxing authority.
- iv. Revenue Factor – The Revenue Factor adjusts the Revenue Requirement Net of Tax for federal and state income taxes and the costs associated with the BPU and Rate Counsel Annual Assessments. The then-current statutory state and federal income tax rates and then-current BPU/Rate Counsel Assessment rates will be utilized.

The revenue requirement reflects the new federal corporate tax rate of 21%. Future changes to federal or state tax laws will be reflected in the revenue requirement calculations, in the first rate adjustment filing subsequent to the effective date of the change.

IIP Rate Recovery Filing Schedule

ACE shall proceed on the following schedule, recognizing that the prudence of the IIP projects shall be reviewed in the Company’s next base rate case:

IIP Filing Schedule				
Filing	Initial Filing	Investment as of	Update for Actuals	Rates Effective on or before
1	November 1, 2019	December 31, 2019	January 21, 2020	April 1, 2020
2	November 1, 2020	December 31, 2020	January 21, 2021	April 1, 2021
3	November 1, 2021	December 31, 2021	January 21, 2022	April 1, 2022
4	November 1, 2022	December 31, 2022	January 21, 2023	April 1, 2023
5	May 1, 2023	June 30, 2023	July 21, 2023	October 1, 2023

The Company acknowledges and agrees that any unreasonable delay in the initial filing or receipt of discovery responses from the Company may push out the rate effective date. The Parties agree that rates will not be in effect until after public notice and public hearing.

EXHIBIT D

Minimum Filing Requirements

For each filing seeking recovery of IIP investments, the Company shall provide the following:

- 1) ACE's income statement for the most recent 12 month period ended on a quarter, as filed with the Board.
- 2) ACE's balance sheet for the most recent quarter, as filed with the Board.
- 3) ACE's actual baseline capital spending for both the recovery period and the prior calendar year.
- 4) ACE's overall approved IIP capital budget broken down by major categories, both budgeted and actual amounts.
- 5) Distribution system and District Level CAIDI and SAIFI for the most recent 12 month period:
 - a. Including Major Events;
 - b. Excluding Major Events; and
 - c. Major Events only.
- 6) For each IIP project:
 - a. The original project budget;
 - b. Expenditures incurred to date;
 - c. Work completed, including identified tasks completed, e.g. design phase, material procurement, permit gathering, phases of construction, etc.;
 - d. Anticipated project timeline, including estimated completion date, with updates and expected and unanticipated changes, along with an explanation of the reasons for any changes; and
 - e. A narrative discussion of the effectiveness of the project in improving system performance; including identification of improved facilities (including specific feeders), where appropriate.
- 7) Consistent with the methodology set out in Exhibit C, a calculation of the proposed Rider IIP related to the IIP projects included in Plant-in-Service in that rate recovery period. The calculation should show the actual capital expenditure for the period for which the filing is made, as well as supporting calculations.

- 8) A calculation of the associated depreciation expense, based on those projects closed to Plant-in-Service during the period.
- 9) A list of any and all funds or credits received from the United States government, the State of New Jersey, a county or a municipality, for work related to any of the IIP projects, such as relocation, reimbursement, or stimulus money, and an explanation of the financial treatment associated with the receipt of the government funds or credits.
- 10) Pursuant to N.J.A.C. 14:3-2A.6(h), the results of an earnings test calculation where ROE shall be determined based on the actual net income of the Company for the most recent 12-month period ended on a calendar quarter divided by the average of the beginning and ending common equity balances for the corresponding period.
- 11) The earnings test calculation described in Paragraph 10 immediately above is a requirement under the IIP regulations and is used to determine if it is appropriate for the Company to recover, or continue to recover, IIP costs. The following information shall be provided to the Board Staff and Rate Counsel with each earnings review:
 - a. The earnings test shall contain information from the Company's official books and records, and shall be consistent with the Company's independently audited results of operations and its most recent annual report to the Board, and shall include the most recent 12 months of actual financial information ended on a calendar quarter (i.e., net income and rate of return on the average balance of common equity, per books); and
 - b. Rate base (completed IIP net plant additions that have been deemed used and useful but are not yet included in rate base), revenues (including approved IIP revenues not yet in base revenues), expenses, taxes, capital structure, weighted average cost of capital, approved net IIP plant additions not yet in rate base, and other such relevant financial information as may be known to the Company in determining the calculation in Paragraph 11(a) above.