



Agenda Date: 7/14/21
Agenda Item: 2A

STATE OF NEW JERSEY
Board of Public Utilities
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Post Office Box 350
Trenton, New Jersey 08625-0350
www.nj.gov/bpu/

ENERGY

IN THE MATTER OF THE PETITION OF ATLANTIC)
CITY ELECTRIC COMPANY FOR APPROVAL OF)
THE SMART ENERGY NETWORK PROGRAM AND)
COST RECOVERY MECHANISM AND OTHER)
RELATED RELIEF) DOCKET NO. EO20080541

Parties of Record:

Stefanie A. Brand, Esq., Director, New Jersey Division of Rate Counsel
Clark Stalker, Esq., Associate General Counsel and Philip J. Passanante, Esq., Assistant General Counsel, on behalf of Atlantic City Electric Company
Christopher E. Torkelson, Esq., Karen O. Moury, Esq., and Sarah C. Stoner, Esq., Eckert Seamans Cherin & Mellott, LLC on behalf of the Market Participants
William Harla Esq. and Alice M. Bergen, Esq., Decotiis, FitzPatrick, Cole & Giblin, LLP on behalf of Utilidata, Inc.

BY THE BOARD:

On August 26, 2020, Atlantic City Electric Company ("ACE" or "Company") filed a petition with the New Jersey Board of Public utilities ("Board" or "BPU") requesting approval of the Company's plan to deploy an Advanced Metering Infrastructure ("AMI") system throughout its service territory, referred to by the Company as the Smart Energy Network ("SEN"), including an associated cost recovery mechanism pursuant to N.J.S.A 48:2-21, N.J.S.A. 48:2-21.1, and N.J.A.C. 14:3-2A.1 ("Petition"). By this Decision and Order, the Board considers a stipulation of settlement ("Stipulation") executed by ACE, the New Jersey Division of Rate Counsel ("Rate Counsel"), Board Staff ("Staff"), and a group of entities consisting of Direct Energy Business, LLC, Direct Energy Business Marketing LLC, Direct Energy Services, LLC, Gateway Energy Services Corporation, NRG Energy, Inc., and Centrica Business Solutions ("Market Participants") (collectively, "Signatory Parties"), which addresses the Company's requests related to the above-captioned matter. Utilidata, Inc. ("Utilidata") filed a letter of opposition with the Board. The Market Participants subsequently filed a letter of support with the Board.

BACKGROUND

By Order dated February 19, 2020, the Board found that AMI is a means to achieve the objectives of the 2019 Energy Master Plan: Pathway to 2050 (“EMP”).¹ Accordingly, in the February 2020 AMI Order, the Board directed ACE, Jersey Central Power & Light Company (“JCP&L”) and Public Service Electric and Gas Company (“PSE&G”) to file petitions, or update previously filed petitions, for AMI implementation by August 27, 2020.

PETITION

In the Petition, the Company proposed to implement the SEN throughout its service territory over a 39-month period and install approximately 565,000 AMI meters and related infrastructure commencing January 2021 through early 2024. According to ACE, infrastructure deployment, including communications, information technology (“IT”) systems, and customer installations, would take approximately three (3) years to complete, with the initial meter and communications procurement phase taking place over the first 18 months.

The Company estimated that the capital investment component of SEN would be approximately \$177.0 million, and sought to recover approximately \$159.2 million through a proposed Rider IIP-SEN pursuant to the Infrastructure Investment and Recovery regulations (“IIR Regulation”) codified at N.J.A.C. 14:3-2A.2(c) and N.J.A.C. 14:3-2A.6(d) and any other provision deemed applicable by the Board. ACE also proposed to defer, as a regulatory asset, \$30.2 million of estimated incremental operations and maintenance (“O&M”) costs (net of O&M savings), and \$46 million in estimated net stranded costs. ACE proposed to recover the regulatory asset over a five (5)-year period in a future base rate case, and to record a carrying charge on the unrecovered balance of the regulatory asset equal to ACE’s authorized rate of return. As proposed, Rider IIP-SEN would recover costs through a separate customer charge applicable to the following customer classes: Residential, Monthly General Service Secondary and Primary, Annual General Secondary and Primary, and Transmission.

The Company proposed to include the following categories of costs it believes are necessary to deliver the SEN to ACE customers in its capital cost recovery mechanism: smart meter and communications network equipment and infrastructure, IT infrastructure and equipment, and capitalized deployment costs.

The proposed return on net investment would be the weighted average cost of capital approved in the Company’s most recent rate case. ACE proposed to recover the revenue requirement associated with the AMI program in an initial filing on May 1, 2022, approximately 21 months following commencement of the AMI program and semi-annually thereafter.

In the Petition, the Company also requested the following relief:

1. A temporary waiver of the Board’s meter replacement and testing regulations at N.J.A.C. 14:5-4.2, N.J.A.C. 14:5-4.3, and N.J.A.C. 14:5-4.5, among other provisions. The Company proposed to test only a sample of the legacy meters upon removal during deployment, as opposed to testing all of the legacy meters that are removed; and

¹ In re the Petition of Rockland Electric Company for Approval of an Advanced Metering Program; and for Other Relief, BPU Docket No. ER16060524, Order dated February 19, 2020 (“February 2020 AMI Order”).

2. A permanent waiver of the “door knock” requirement contained in N.J.A.C. 14:3-3A.2(d)(4) which requires ACE to “personally notify an adult occupant of the premises, or leave a sealed note in the event that no adult is on premises” prior to disconnection for non-payment. The Company proposed to retain all other steps and customer notifications in the disconnect process.

ACE proposed that customers not be offered the option to “opt-out” of the installation of a smart meter. The Company asserted that permitting customers to “opt-out” could create inefficiencies and unnecessary costs, and reduce the overall operational benefits and effectiveness of the SEN deployment.

According to the Petition, ACE estimated the total three (3) year cumulative impact of Rider-SEN on the monthly bill for a typical residential electric customer using approximately 679 kWh per month would be an increase of \$4.27 or 3.27% above present rates.

PROCEDURAL HISTORY

By Order dated September 23, 2020, the Board determined that the Petition should be retained by the Board for hearing and designated Commissioner Upendra J. Chivukula as the presiding officer authorized to rule on all motions and modify any schedules that may be set as necessary to secure a just and expeditious determination of the issues.² The September 2020 Order also directed any entities seeking to intervene or participate in this matter to file the appropriate application with the Board by October 14, 2020.

On January 13, 2021, Commissioner Chivukula issued a Prehearing Order in this matter.³ The Prehearing Order established a procedural schedule and ruled on motions for intervention and participation. Intervener status was granted to Utilidata and the Market Participants. Participant status was granted to the Energy Efficiency Alliance of New Jersey, South Jersey Gas Company, and PSE&G.

By Order dated March 10, 2021, Commissioner Chivukula approved a modification to the procedural schedule.⁴ By Order dated March 18, 2021, Commissioner Chivukula suspended the procedural schedule to allow for settlement negotiations to continue.⁵

Following publication of notice in newspapers of general circulation within ACE’s service territory, and the serving of notice upon affected municipalities and counties within the Company’s service area, two (2) telephonic public hearings were held at 4:30 p.m. and 5:30 p.m. on April 29, 2021.⁶

² In re the Petition of Atlantic City Electric Company for Approval of the Smart Energy Network Program and Cost Recovery Mechanism and Other Related Relief, BPU Docket No. EO20080541, Order dated September 23, 2020 (“September 2020 Order”).

³ In re the Petition of Atlantic City Electric Company for Approval of the Smart Energy Network Program and Cost Recovery Mechanism and Other Related Relief, BPU Docket No. EO20080541, Order dated January 13, 2021 (“Prehearing Order”).

⁴ In re the Petition of Atlantic City Electric Company for Approval of the Smart Energy Network Program and Cost Recovery Mechanism and Other Related Relief, BPU Docket No. EO20080541, Order dated March 10, 2021.

⁵ In re the petition of Atlantic City Electric Company for Approval of the Smart Energy Network Program and Cost Recovery Mechanism and Other Related Relief, Order Suspending Procedural Schedule, BPU Docket No. EO20080541, Order dated March 18, 2021.

⁶ Due to the COVID-19 pandemic, hearings were held virtually.

No members of the public attended. The Board received four (4) letters from constituents, three (3) in support of and one (1) in opposition to the Company's Petition.

STIPULATION

Following a review of the Petition, extensive discovery and settlement meetings, the Signatory Parties executed the Stipulation, which provides for the following:⁷

A. SEN Program Investment Levels and Implementation Plan

12. The Signatory Parties agree that the SEN will include the accelerated installation of approximately 568,000 AMI meters at an estimated investment cost of \$177 million for the advanced meters, network infrastructure, and associated IT ("SEN Program Costs") to be deployed. The SEN Program Costs will be deferred through the stipulated cost deferral mechanism described in the Stipulation. These SEN investments are anticipated to be made over a period of approximately 39 months beginning on the effective date of the Board's Order approving the Stipulation and authorizing the SEN Program.
13. ACE will implement the SEN Program as described in detail in the Petition and briefly summarized below:
 - **Initial Activities:** As part of the accelerated SEN deployment, ACE began the process of installing AMI meters as a normal business practice in February 2021.⁸ ACE has executed purchase orders to secure space in the meter vendor's production schedule and build up an AMI inventory. ACE will conduct initial customer outreach during this period. Upon Board approval of the Stipulation, ACE will continue its meter exchanges with AMI. Where practical and regardless of the age of any particular legacy meter at the time of its removal, ACE will replace all the meters at a premise to eliminate the need for additional premise visits in the future to complete the AMI installations.
 - **Procurement & Deployment Planning 2021-2022:** ACE intends to procure the SEN equipment with purchase orders to be completed by the end of 2022, with equipment deliveries scheduled throughout the duration of the project. Specifically, ACE will formalize its meter-related vendor contracts for deployment, confirm pricing processes, and order equipment. As equipment is delivered, the Company will conduct new meter acceptance testing in advance of the installation phase. Deployment design, communications network design and IT integration will run concurrently with equipment delivery and meter testing.
 - **Deployment 2022-2024:** In 2022 through 2024, ACE will install the SEN communications network and approximately 568,000 meters, less the number of meters installed during initial activities prior to deployment. This installation process will incorporate a regional deployment strategy, designed to maximize installation efficiency and customer satisfaction. To minimize the inefficiencies of sporadic meter deployment, this phase will proceed regardless of the age of any particular legacy

⁷ Although summarized in this Order, the detailed terms of the Stipulation are controlling, subject to the findings and conclusions in this Order. Each paragraph is numbered to coincide with the Stipulation.

⁸ ACE represents shipment of AMI meters was delayed by the manufacturer to January 26, 2021. Consequently, ACE received its initial complement of AMI meters on February 1, 2021, and commenced testing and installation of those meters immediately thereafter.

meter at the time of its removal. ACE will divide the service territory into two (2) to four (4) regions and as the first region nears completion, deployment for the second region will begin, and so on. Ahead of the meter installation, ACE will deploy a cross-region communications network throughout the service territory. Meters will be warehoused in multiple locations within the regions. In order to maximize the efficiencies of the deployment the Company may revise the deployment approach.

Within each region, a micro-geographic strategy will be employed to identify and group meters for replacement. ACE will utilize its existing manual meter reading routes as the foundational component of this deployment strategy. Where practical, installation schedules will be aligned with customer billing cycles, taking into account back office activities required to facilitate the meter change in the billing system and ensuring that the customer's old meter is read and closed out, and the new AMI meter reading is accurately applied to the customer's next bill. Similarly, customer communications will be executed at the manual meter reading route level.

- Trailing Work: Program completion will occur by mid-2024 with some relatively small amount of trailing work to be completed by the end of 2024.

14. The estimated breakdown of the Company's SEN project costs is set out in the table below, including SEN Program Costs of \$177 million as well as the associated \$35.7 million of incremental O&M expenses.⁹ Only actually incurred costs will be deferred as described in more detail below.

SEN Estimated Expenditures	\$M
Meter Infrastructure	112.2
Network	16.0
SEN Related IT Capital	48.8 ¹⁰
Total Investment	177.0
Incremental SEN O&M Expenses	35.7 ¹¹
Total Expenditures	\$212.7

⁹ Certain cost estimates set out in the table have been updated to reflect the approach to cost recovery agreed to by the Signatory Parties in this Stipulation. Specifically, the capital investment estimate reflects that the \$177 million capital investment will be sought to be recovered by the Company through the cost deferral and recovery mechanism described in Section D of the Stipulation. All costs will be subject to a prudence review. In addition, incremental O&M costs have been updated to reflect other provisions of this Stipulation.

¹⁰ The SEN related IT capital costs include the following general cost categories: \$15.6 million in infrastructure, \$11.8 million of labor, \$6.7 million of IT project management labor, and \$14.7 million in overhead and contingency.

¹¹ The Company's Petition reflected \$33.5 million in incremental O&M costs, but did not include \$2.2 million of meter testing costs due to ACE's request for a one-time waiver of the meter testing requirement. The Signatory Parties have agreed the one-time meter testing waiver shall not be implemented, resulting in an increase in the Company's estimated incremental O&M costs to \$35.7 million and an increase in the total estimated SEN cost to \$212.7 million.

15. Notwithstanding Paragraph 13 of the Stipulation, the Signatory Parties recognize that the SEN Program will be of such substantial scale and scope that there is uncertainty as to the precise timing and budget for each phase of AMI meter deployment. In particular, the ongoing COVID-19 pandemic and related health state-of-emergency is of unpredictable duration and may impact the Company's ability to access premises for meter installation work. Accordingly, the Signatory Parties agree that the Company may make adjustments to the AMI deployment schedule in response to real market and service conditions experienced.
16. The Signatory Parties agree that, other than opt-out situations, ACE has ceased installation of non-AMI meters, subject to the availability of sufficient AMI inventory.¹² The Company further agrees that any costs incurred for make-ready work on customer-owned equipment, arising from situations that require additional work to be performed on the customer side of the meter in order to accommodate the AMI meter installation, shall not be capitalized in rates or otherwise charged to ratepayers.¹³
17. ACE commits to implementing the specific Group 1 Use Cases identified in Attachment 1 of the Stipulation and ensuring those capabilities are realized. The Company intends to provide identified Group 1 Use Case capabilities within the budget set forth in the Stipulation.¹⁴ Although AMI meters will be used and useful once installed, the Signatory Parties recognize that these Group 1 Use Case capabilities may not be available until after the full deployment of the AMI meters is complete.

B. SEN Reporting and Performance Metrics

18. ACE will provide a semi-annual report on the SEN deployment process to Staff and Rate Counsel ("AMI Report"), setting forth the following information:
 - the estimated quantity of work and the quantity completed to date or, if the activity cannot be quantified with numbers, the major tasks completed, e.g., AMI meters deployed, year-to-date and total for both residential and commercial customers; average cost per residential and commercial installation, broken down by labor and meter costs; network deployment status by access points and relays/repeaters deployed;
 - the number of customers opting out each month and the total number of opt-out customers for the program-to-date;
 - the number of actual reads recorded from AMI meters each month;
 - the number of meter readers employed or under contract by ACE each month;¹⁵

¹² ACE notes that several factors, including the continuation of the COVID-19 pandemic, have the potential to disrupt global supply chains, and that such disruptions could impact the Company's ability to obtain AMI meters as planned. In that event, ACE will confer with the Signatory Parties.

¹³ ACE anticipates that additional incremental O&M costs may be incurred due to the need to make multiple visits to a single customer premise to complete the installation of an AMI meter. Such costs shall be subject to a prudence review upon a request for recovery.

¹⁴ ACE notes that the implementation of use case #22, Prepaid Power, is undergoing further review, and will be implemented contingent upon the launch of Prepaid Power at another PHI utility.

¹⁵ ACE has extended its existing contract with Millennium Account Services, LLC for the period January 1,

- the number of legacy meter tests performed in each report, and of those, how many were inaccurate;
- the number of unique page views¹⁶ who have accessed the MyAccount web portal each month;
- the number of customers identified to have received behavioral energy saving messaging each month;
- to commence following any Data Access Plan approved by the Board under Paragraph 31 of the Stipulation, customer energy usage data for each month in the previous semi-annual cycle and program-to-date provided to authorized third-party suppliers;
- the number of AMI meters replaced due to functioning errors for each month and program-to-date;
- the number of remote connects/disconnects performed each month and for the program-to-date;
- the number of AMI meter tampering cases found each month and for the program-to-date;
- the forecasted and actual SEN Program Costs to date for the reporting period and for the program-to-date;
- the forecasted and actual SEN O&M expenses to date for the reporting period and for the program-to-date;
- the forecasted and actual legacy meter stranded costs deferred to date for the reporting period and for the program-to-date; and
- the estimated SEN project completion date.

The SEN project costs, including capital and O&M costs, shall be broken out between labor, materials and other costs. This reporting will begin by March 1, 2022 based on actual results through December 31, 2021. The second semi-annual report will be submitted by September 1, 2022 based on actual results through June 30, 2022. The Company will continue to submit semi-annual reports by March 1st and September 1st of each year through the completion of the SEN meter deployment.

C. Prudency Review and Cost Deferral

19. The Company will invest in the accelerated deployment of AMI in accordance with the approach described in Paragraph 13 of the Stipulation. Until being rolled into base rates, as described further in the Stipulation, return on and of those SEN Program Costs, and return of legacy meter stranded costs shall be deferred to a regulatory asset, as separate and identifiable accounts, for recovery of the regulatory assets deemed prudent in the Company's next base rate case, anticipated to be filed in January 2023 ("Next Base Rate Case"). The SEN Program Costs, including all those deferred and placed in a regulatory asset, will be incurred for utility investment consistent with the Board's finding in the February 2020 AMI Order, wherein the Board found that AMI is a means to achieve the goals set forth in the Energy Master Plan. The prudency of the SEN Program Costs, including those deferred and placed in the regulatory asset, have not been agreed to in advance, but will be reserved for review and determination in the Company's Next Base Rate Case. The regulatory asset will include return on and of SEN Program Costs, and

2021 through December 31, 2022.

¹⁶ ACE notes that unique page view counts a user once per 30 minute session.

return of legacy meter stranded costs. Incremental SEN-related O&M costs will be deferred separately without a return, for recovery in the Company's Next Base Rate Case, if deemed reasonable and prudent. The Company will also include a revenue requirement reduction pro forma in the Next Base Rate Case for a like amount of future O&M savings.¹⁷ The O&M savings shall reflect estimated savings for meter reading costs and meter re-read truck rolls consistent with the Company's Petition. Nonetheless, all costs incurred in connection with this proceeding remain subject to prudence review in the Next Base Rate Case. Subject to the provisions of Paragraph 25 of the Stipulation, the Signatory Parties agree the Company may seek recovery of the SEN Program Costs, including those deferred to the regulatory assets, in its Next Base Rate Case notwithstanding that the SEN program may not yet be fully deployed at the time of the Next Base Rate Case, consistent with the Board's *Elizabethtown Water*¹⁸ standards.

20. In the Company's 2018 base rate case, the approved depreciation rate to be used for ACE's non-AMI legacy meters was increased to 6.61%, which equates to a current average service life of 15 years. As of December 31, 2020, the net book value of ACE's legacy electric meters was approximately \$45 million. The Signatory Parties acknowledge that approval of the Stipulation will be the first formal approval received by the Company to deploy AMI. The Signatory Parties recognize that accelerated AMI deployment will result in existing legacy and non-AMI meters being removed from service before they are fully depreciated, creating a stranded asset that the Company will place in a regulatory asset. The value of the regulatory asset is currently estimated to be approximately \$45 million. The actual stranded costs will be the value of the undepreciated net plant of retired meters at the time meters are removed from service. Each month, the stranded asset amount will be calculated by the Company's Property Accounting Group based upon the number of meters retired, with the unrecovered depreciation recorded to a regulatory asset account. ACE will implement the deployment in the manner described in the Petition and Paragraph 13 in the Stipulation. The prudence and future recovery of the stranded cost regulatory asset will be decided upon full deployment of the SEN, and consistent with Paragraph 21 of the Stipulation. The Signatory Parties agree that upon Board approval of the Stipulation, the Company will begin installing AMI meters on an accelerated basis, except for customers who opt-out, and subject to the availability of sufficient AMI inventory. The Signatory Parties further agree that these stranded costs being deferred would not be incurred but for the accelerated SEN program deployment.
21. The Signatory Parties acknowledge that the Company's Petition includes a 39-month deployment schedule, and the Signatory Parties agree that the Company will endeavor to meet that schedule. The Signatory Parties also agree that costs associated with the SEN Program Costs that are likely to be in-service by the end of six (6) months after the end of the test year in the Company's Next Base Rate Case shall be reflected in the rates established in that case, if deemed reasonable and prudent and consistent with the Board's *Elizabethtown Water*¹⁹ standards. Any SEN Program Costs placed in service more than six (6) months after the end of the test year in the Next Base Rate Case will be reviewed and recovered, if deemed reasonable and prudent, in the Company's base rate

¹⁷ The Signatory Parties understand that a like amount of O&M savings will equal the estimated reductions to existing O&M expense as a result of deployment of the SEN, per the savings categories advanced in the Company's business case analysis as part of the Petition.

¹⁸ *In re Elizabethtown Water Company Rate Case*, BPU Docket No. WR8504330, Decision on Motion for Determination of Test Year and Appropriate Time Period for Adjustments (May 23, 1985).

¹⁹ *Id.*

case immediately following the Next Base Rate Case (“Future Base Rate Case”). In the event that ACE is not able to implement the full SEN Program Costs within six (6) months of the end of the test year in the Future Base Rate Case for reasons beyond the Company’s control, including a continuation of the COVID-19 pandemic, ACE may request, in the Future Base Rate Case, that it be permitted to hold that base rate case open for the purpose of rolling those reasonable and prudent costs into rates as soon as practicable after the associated infrastructure has been placed into service and associated stranded costs have been incurred. The Signatory Parties reserve their rights to challenge the Company’s request if ACE requests to hold open the Future Base Rate Case, and acceptance of the terms of the Stipulation in this proceeding does not constitute acceptance of such a request.

D. Cost Deferral Mechanism Details

22. As noted in the Stipulation, the Company will book a regulatory asset (“SEN Regulatory Asset”) comprised of: 1) a return on and of its SEN Program Costs (“SEN Investment Deferral”), and 2) a return of the associated stranded costs (“Stranded Cost Deferral”) on legacy meters in accordance with Paragraphs 23 and 24 of the Stipulation.

23. The formula for the SEN Monthly Investment Deferral component of the SEN Regulatory Asset is:

*SEN Monthly Investment Deferral = ((Pre-Tax Cost of Capital /12) * Average Monthly Rate Base) + Monthly Depreciation and/or Amortization Expense) + (Average Monthly Investment Deferral Balance * (WACC /12))*

- a. The term “Pre-Tax Cost of Capital” means ACE’s pre-tax overall weighted annual average cost of capital (“WACC”) in effect at the time of the deferral as determined in the Company’s most recent base rate case.²⁰ The WACC is based on the return on equity, long-term debt and capital structure and customer deposits approved by the Board in ACE’s most recently approved base rate case. Any change in the WACC authorized by the Board in a subsequent base rate case will be applied to SEN additions in subsequent periods. Also, any change to current tax rates will be reflected in the WACC in a subsequent period.
- b. The term “Average Monthly Rate Base” refers to the total of the beginning and ending monthly balances for the following items, divided by two (2):
 - o SEN Program Costs in Service
 - o Less the associated Accumulated Depreciation and/or Amortization
 - o Less Accumulated Deferred Income Tax
 - o Plus Accumulated Deferred Cost of Removal
- c. The term “Depreciation and/or Amortization Expense” provides for the recovery of ACE’s SEN Program Costs over the useful book lives of the assets. The book depreciation rate for the smart meters will be based on a 20-year life. The book recovery for the Network and IT capital expenditures will be based on the Board-approved depreciation/amortization rates most recently approved in a base rate case

²⁰ As of the date of this Stipulation, the Company’s WACC is 7.08% as set in its most recently completed base rate case. See 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 (2018), BPU Docket No. ER18080925, Decision and Order Adopting Initial Decision and Stipulation of Settlement (dated March 13, 2019).

or in accordance with the Company's accounting policy. Any future changes in Board-approved depreciation/amortization rates will be reflected in the deferral during the corresponding future period.

- d. The term "Average Monthly Investment Deferral Balance" refers to the cumulative sum of the Monthly Investment Deferrals at the beginning and the end of each month divided by two (2). The term "WACC" refers to the Company's annual weighted average cost of capital from its most recently approved base rate case. Any change in the WACC authorized by the Board in a subsequent base rate case will be utilized.
24. The existing meter infrastructure will be replaced on an accelerated basis as a result of the SEN project. The Signatory Parties agree the Company will accelerate the depreciation expense on these assets to fully defer the remaining undepreciated amount by the end of the SEN implementation. The formula for the Stranded Cost Deferral component of the SEN Regulatory Asset is:

Stranded Cost Deferral = Accelerated Depreciation Expense Associated with Legacy Meters – Depreciation Expense on Legacy Meters at the Approved Depreciation Rate as Determined in ACE's Most Recently Approved Base Rate Case

25. ACE's Next Base Rate Case will include a request for recovery in base rates of all prudently incurred SEN Program Costs associated with the SEN Program implementation that have been placed into service or will be placed into service consistent with the Board's *Elizabethtown Water*²¹ standards. Those costs will include the SEN Regulatory Asset described above, actual costs of engineering, design and construction, and deferred cost of removal (net of salvage), including actual labor, materials, overhead, and capitalized Allowance for Funds Used During Construction associated with the projects ("Capital Investment Costs"). Capital Investment Costs will be recorded, during construction, in an associated Construction Work In Progress account or in a Plant In Service account upon the respective investment being deemed used and useful. The Company will follow its current policies and practices with regard to capitalizing costs, including overheads. All SEN investments not recovered through a base rate case proceeding will be tracked separately from all other base investments. The Stranded Cost Deferral component of the SEN Regulatory Asset shall be excluded from cost recovery in the Next Base Rate Case, but shall be subject to recovery in the Future Base Rate Case as described in Paragraph 26 of the Stipulation, if deemed reasonable and prudent.
26. The Future Base Rate Case following full deployment of the SEN will include all prudently incurred costs, including: a return on and of SEN Program Costs; a return on and of legacy meter stranded costs; and a return of deferred O&M costs. This request for recovery at full deployment of the SEN will be consistent with the terms of Paragraph 25 of the Stipulation. Overall, the Company's requests for recovery in the 1) Next Base Rate Case and 2) the Future Base Rate Case following the full deployment of the SEN will comprise all incurred capital expenditures, deferred O&M expenses, and stranded costs associated with the accelerated deployment of the SEN.
27. The Signatory Parties agree that the proposed revenue requirement in the Next Base Rate Case, the Future Base Rate Case, or a subsequent base rate case, as applicable, will include a return of and on the SEN Regulatory Asset defined in Paragraphs 22-24 of the Stipulation to the extent the costs deferred into the regulatory asset are deemed prudent.

²¹ Id.

28. The Signatory Parties agree that the Company will defer incremental AMI-related O&M costs associated with the SEN implementation into a separate regulatory asset ("SEN O&M Regulatory Asset"), without a return, for recovery in the Company's Next Base Rate Case, and subsequent Future Base Rate Case, if deemed reasonable and prudent. The Signatory Parties also agree that the Company will include a revenue requirement reduction pro forma in the Company's Next Base Rate Case, and subsequent Future Base Rate Case for a like amount of future O&M savings. The amortization period of the deferred incremental O&M costs and revenue reduction pro forma will be determined in the Next Base Rate Case.

29. The SEN investment that is placed into service, but not yet reflected in customer base rates, will record a monthly accrual of a deferred return that will be capitalized and included in the plant balance as described in Paragraph 23 of the Stipulation. Since depreciation expense must be booked when the investment is placed in service for tax and financial reporting purposes, the Company will defer the depreciation in the SEN investment regulatory asset.

E. Data Access Plan

30. Customers' usage data from the AMI meters belongs to the customer, who may choose to share such data with any licensed third-party supplier.

31. The development of a Data Access Plan shall be deferred pending the statewide proceeding in Docket No. EO20110716. If that statewide proceeding does not produce a Board-approved Data Access Plan by July 9, 2021, following a BPU Order approving the Stipulation, within 60 days after July 9, 2021 ACE will convene at least one meeting with the parties to discuss the data access issues raised by the Market Participants in this proceeding. The Signatory Parties agree to use best efforts to reach agreement on data access within 120 days of the initial stakeholder meeting. If there is no agreement on the data access issues within 120 days, this ACE SEN proceeding will be reopened for the limited purpose of adjudicating data access issues only, and the Signatory Parties may supplement the record on data access issues at that time.

F. AMI Opt-Out Fee

32. The recurring monthly fee for customers retaining their existing meter will be \$15.00, and the one-time opt-out fee for the removal of an AMI meter and the re-installation of a conventional meter will be \$45.00. ACE will provide testimony and actual cost information for these fees in its Next Base Rate Case, at which time these fees will be subject to review and modification. The ongoing review and assessment of these fees will take place in future rate cases.

Comments on the Stipulation

Utilidata

On June 18, 2021, Utilidata filed a letter opposing the Stipulation. Utilidata asserted that this proceeding was intended to ensure that AMI be used as "a means to achieve the goals provided in the Energy Master Plan ("EMP")." Utilidata argued that, with a cost of \$220 million to ratepayers, the Company's proposal provides no assurances that AMI will be used to achieve

New Jersey's goals related to clean energy, affordability, and resiliency. Utilidata further stated that this proceeding did not provide an opportunity for substantive discussion on the link between AMI and New Jersey's policy goals.

Utilidata asserted that the Board, stakeholders, and ratepayers have no assurances that ACE will pursue the benefits from the Group 2 and 3 use cases listed in the Petition, since there is no clear plan, milestones, deadlines, budgets or details. Utilidata recommended that ACE incorporate a Benefits Implementation Plan ("BIP") to set milestones and deadlines for achieving AMI benefits and include stakeholder input, which was not incorporated in the Stipulation executed by the Signatory Parties. Utilidata claimed that failing to plan for more than the qualified Group 1 use cases will lead to an AMI system that quickly becomes outdated, prematurely becomes a stranded asset, and makes decarbonization slow, expensive and unreliable. Utilidata claimed that this narrow focus will lead to a host of decisions that will hinder the achievement of further benefits, including:

- Purchasing legacy meters without sufficient grid-edge computing capabilities or the ability to host on-meter software;
- Procuring limited bandwidth AMI communications systems designed only for billing and outage detection that cannot provide data in real-time to support grid operations;
- Failing to procure software that can integrate meter data into real-time grid operations;
- Relying on single use software solutions, rather than a scalable platform that can support Group 1, 2 and 3 use cases; and
- Failing to integrate AMI into efforts to drive more clean energy, enable more DERs, accelerate electrification and modernize the distribution grid.

Utilidata argued that ACE's plan is an example of the kind of insufficient planning that has left stakeholders in other jurisdictions vastly underwhelmed with their AMI investment. Utilidata stated that it outlined in the AMI Infrastructure Working Session²² and the Solar Successor Program²³ how AMI can be an essential tool to operate a modern, clean grid with growing wholesale renewables, distributed energy resources and electrification, if executed correctly.

Utilidata urged the Board to require ACE to develop a specific plan, deadlines and budgetary commitments to deliver benefits that drive meaningful value around lower costs, increasing equity, promoting resiliency, and enabling clean energy. Utilidata further urged the Board to leverage other ongoing proceedings, such as the Solar Successor Program or Solar Interconnection, to set expectations for how AMI will be utilized to enable clean energy outcomes and achieve the EMP goals. Utilidata stated that it hoped that the Settlement Agreement would be amended to address its concerns.

Market Participants

On June 21, 2021, the Market Participants filed a letter noting their support for Paragraphs 30 and 31 of the Stipulation, which addressed the development of a Data Access Plan ("DAP"). In their comments, the Market Participants recognized that the Board is addressing data access

²² In re Notice of Advance Metering Infrastructure (AMI) Work Session, BPU Docket No. EO20110716 ("AMI Infrastructure Working Session").

²³ In re In the Matter of Solar Successor Incentive Program Pursuant to P.L. 2018, C.17, BPU Docket No. QO20020184 ("Solar Successor Program").

issues through a statewide proceeding in Docket No. EO20110716 and requested the Board approve the aforementioned paragraphs of the Stipulation, without modification.

DISCUSSION AND FINDINGS

The Board is cognizant that not all parties signed the Stipulation in this proceeding. 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).

With regard to Utilidata's concerns, the Board expects all utilities, including ACE, to be mindful of investments to ensure that appropriate capabilities are included and to minimize possible hardware and software constraints that may prematurely render investments obsolete and/or outdated in the coming years. The Work Session Notice in Docket No. EO20110716 noted that the purpose of the work session was to hear from interested stakeholders how the Board can ensure that AMI is cost-effectively leveraged to meet its full promise. The notice further stated that the work session would examine the critical capabilities AMI should enable for all customers, the key considerations for data access and data sharing, promotion of retail competition, and the role of AMI in achieving New Jersey's long-term clean energy and environmental objectives. The Board is **HEREBY SATISFIED** that the proceeding established in Docket No. EO20110716 will give Utilidata and all interested stakeholders adequate input to explore the concerns raised by Utilidata regarding future use cases and assurance that AMI will be used to achieve the State's goals regarding related to clean energy, affordability, and resiliency.

Furthermore, in the Board's decision in BPU Docket No. EO18101115, the Board noted it was reluctant to approve the Stipulation without providing a venue to resolve these critical data access issues which are essential to fulfilling the objectives of AMI, including improving the way customers engage with their energy usage.²⁴ The Board notes again that Staff is currently addressing the issues of data access, transparency, billing, and customer privacy in Docket No. EO20110716 and intends to use that proceeding to recommend to the Board a statewide approach to the data issues raised.

The February 2020 AMI Order found that it was appropriate to require the State's electric utilities to submit detailed proposals for AMI implementation designed to benefit the distribution system, streamline and modernize utility operations, provide an enhanced customer experience, enhance competition, and benefit the environment. After carefully considering the record in this proceeding including the terms of the Stipulation and comments received from Utilidata and the Market Participants, the Board is persuaded that the current settlement satisfies these goals as well as the directives of the February 2020 AMI Order. The Board is **HEREBY SATISFIED** that the Stipulation represents a reasonable disposition of the issues that balances the interests of the ratepayers, shareholders, and the Parties.

Additionally, the Board notes that the deployment of AMI is a critical step towards achieving the State's clean energy goals. As provided in the 2019 EMP:

²⁴ In re the Petition of Public Service Electric and Gas Company for Approval of its Clean Energy Future – Energy Cloud (“CEF-EC”) Program on a Regulated Basis, BPU Docket No. EO18101115, Order dated January 7, 2021.

AMI is a foundational component of a modernized electric distribution grid and uses an integrated system of smart meters, communications networks, and data management systems to enable two-way communication between utilities and customers. Statewide AMI installation is a prerequisite of many additional clean energy objectives as laid out in this EMP. Potential benefits include realization of potential gains in efficiencies and cost savings, accelerated service restoration during outages, better environmental outcomes, lower operations and maintenance costs, better demand-side customer engagement, and alternative rate designs.²⁵

AMI has the potential to reduce energy consumption by enabling customers to monitor their usage in real time, allowing them to fully engage and manage their own energy usage. Additionally, AMI will enable the deployment of other advanced technologies, such as voltage optimization, which could further reduce energy usage. Further, the deployment of AMI will result in immediate carbon emissions reductions by decreasing the number of truck rolls needed for meter readings, service connections/disconnections, and outage investigations. Therefore, the Board **HEREBY FINDS** that the deployment of AMI is in the public interest and meets the objectives of the EMP.

With respect to cost recovery, the Stipulation provides that all associated costs will be reviewed for recovery in ACE's next base rate case, which the Company has committed to filing no later than January 2023. The Board, in its discretion, may require ACE to file its next base rate case within a shorter period. In light of the recent economic downturn brought on by the COVID-19 pandemic, the Board is **HEREBY SATISFIED** that the implementation of the Program will support job growth, while the associated costs of the SEN Program will not be borne by ACE's customers until the conclusion of the Company's next base rate case(s) following AMI deployment. The Stipulation also mandates the Company to maintain certain reporting requirements, which provides additional protection to ratepayers.

Based upon 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, while promoting competition.

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 Chivukula during the pendency of this proceeding for the reasons stated in his decisions and Orders.

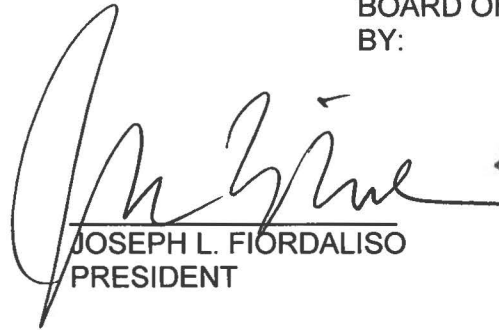
The Company's costs, including those related to the SEN Program, will remain subject to audit by the Board. This Decision and Order shall not preclude, nor prohibit, the Board from taking any actions determined to be appropriate as a result of any such audit.

²⁵ See EMP at Page 184.

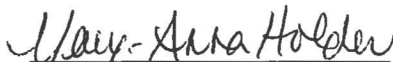
The effective date of this Order is July 21, 2021.

DATED: 7/14/21

BOARD OF PUBLIC UTILITIES
BY:



JOSEPH L. FIORDALISO
PRESIDENT



MARY-ANNA HOLDEN
COMMISSIONER



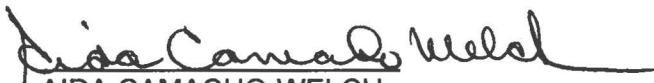
DIANNE SOLOMON
COMMISSIONER



UPENDRA J. CHIVUKULA
COMMISSIONER



ROBERT M. GORDON
COMMISSIONER

ATTEST: 
AIDA CAMACHO-WELCH
SECRETARY

**IN THE MATTER OF THE PETITION OF ATLANTIC CITY ELECTRIC COMPANY FOR
APPROVAL OF THE SMART ENERGY NETWORK PROGRAM AND COST RECOVERY
MECHANISM AND OTHER RELATED RELIEF**

BPU DOCKET NO. EO20080541

SERVICE LIST

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June 15, 2021

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

Aida Camacho-Welch
Secretary of the Board
Board of Public Utilities
44 South Clinton Avenue, 9th Floor
P.O. Box 350
Trenton, New Jersey 08625-0350

RE: In the Matter of the Petition of Atlantic City Electric Company for Approval of the Smart Energy Network Program and Cost Recovery Mechanism and Other Related Relief
BPU Docket No. EO20080541

Dear Secretary Camacho-Welch:

Enclosed herewith for filing is a fully executed Stipulation of Settlement (the “Stipulation”) in connection with the above-referenced matter.

Consistent with the Order issued by the Board of Public Utilities (the “Board” or “BPU”) in connection with *In the Matter of the New Jersey Board of Public Utilities’ Response to the COVID-19 Pandemic for a Temporary Waiver of Requirements for Certain Non-Essential Obligations*, BPU Docket No. EO20030254, Order dated March 19, 2020, this document is being electronically filed with the Secretary of the Board, the Division of Law, the New Jersey Division of Rate Counsel, and other parties to the proceeding. No paper copies will follow.

Please note that Utilidata, Inc. (“Utilidata”), an Intervenor in this proceeding, has indicated that it will not be signing the Stipulation, but intends to submit a comment letter to the Board. At this writing, Atlantic City Electric Company (“ACE”) has not received a comment letter from Utilidata or its counsel. In an effort to move the matter forward in as expeditious and efficient a fashion as possible, the fully executed Stipulation is attached. We are hopeful that Utilidata’s comments will follow shortly.

Aida Camacho-Welch

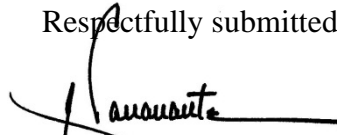
June 15, 2021

Page 2

We respectfully request that this matter be scheduled for consideration at the BPU's next available regular meeting, currently scheduled for Thursday, June 24, 2021.

Thank you for your cooperation and courtesies. Feel free to contact me with any questions or if I can be of further assistance.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Passanante", written over a horizontal line.

Philip J. Passanante
An Attorney at Law of the
State of New Jersey

Enclosure

cc: Service List

**IN THE MATTER OF THE PETITION OF
ATLANTIC CITY ELECTRIC COMPANY
FOR APPROVAL OF THE SMART
ENERGY NETWORK PROGRAM AND
COST RECOVERY MECHANISM AND
OTHER RELATED RELIEF**

**STATE OF NEW JERSEY
BOARD OF PUBLIC UTILITIES

BPU DOCKET NO. EO20080541

STIPULATION OF SETTLEMENT**

APPEARANCES:

Clark Stalker, Esq., Associate General Counsel, and Philip J. Passanante, Esq., Assistant General Counsel, for the Petitioner, Atlantic City Electric Company;

Colleen A. Foley, Esq., Saul Ewing Arnstein & Lehr LLP, on behalf of Atlantic City Electric Company;

Stefanie A. Brand, Esq., Director, Brian O. Lipman, Esq., Litigation Manager, T. David Wand, Esq., Deputy Rate Counsel, Christine Juarez, Esq., Assistant Deputy Rate Counsel, Maria Novas-Ruiz, Esq., Assistant Deputy Rate Counsel and Robert Glover, Esq., Assistant Deputy Rate Counsel for the New Jersey Division of Rate Counsel;

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

Christopher E. Torkelson, Esq., Karen O. Moury, Esq., and Sarah C. Stoner, Esq., Eckert Seamans Cherin & Mellott, LLC for Intervenors, Direct Energy Business, LLC; Direct Energy Business Marketing, LLC; Direct Energy Services, LLC; Gateway Energy Services Corporation; Centrica Business Solutions; and NRG Energy, Inc.;

Alice M. Bergen, Esq. and William Harla, Esq., DeCotiis, FitzPatrick, Cole & Giblin, LLP for Intervenor, Utilidata, Inc.;

TO THE HONORABLE BOARD OF PUBLIC UTILITIES:

It is hereby AGREED, by and between Atlantic City Electric Company (“ACE” or “Company”), the Staff of the New Jersey Board of Public Utilities (“Board Staff”), the New Jersey Division of Rate Counsel (“Rate Counsel”); and Direct Energy Business, LLC, Direct Energy Business Marketing, LLC, Direct Energy Services, LLC, Gateway Energy Services Corporation,

NRG Energy, Inc., and Centrica Business Solutions (collectively, “Market Participants”), the undersigned parties and intervenors (collectively, “Signatory Parties”), to execute this Stipulation of Settlement (“Stipulation”) resolving ACE’s Petition for approval of the Smart Energy Network (“SEN”) program (“Petition”). Utilidata, Inc. (“Utilidata”) has indicated that it will separately file comments regarding the Stipulation.

The Signatory Parties do hereby join in recommending that the Board issue a Final Decision and Order approving this Stipulation.

BACKGROUND

1. In July 2018, Board Staff issued an investigative report and recommendations regarding the performance of the State’s electric distribution companies (“EDCs”) during the March 2018 Nor’easters (“2018 Investigative Report”). Recommendation #12 of the 2018 Investigative Report required ACE, Public Service Electric and Gas Company (“PSE&G”), and Jersey Central Power & Light Company (“JCP&L”), all of whom were then without Advanced Metering Infrastructure (“AMI”), to “submit a plan and cost benefit analysis for the implementation of AMI.”¹ In January 2020, Governor Murphy unveiled New Jersey’s Energy Master Plan that described AMI as a “foundational component of a modernized electric distribution grid,” and noted that, “[s]tatewide AMI installation is a prerequisite to many additional clean energy objectives.”² The Board issued an Order in February 2020 finding that “AMI is a means to achieve the goals provided in the Energy Master Plan” and

¹ See *Order Accepting Staff’s Report Requiring Utilities to Implement Recommendations*, BPU Docket No. EO18030255, (July 25, 2018), at p. 13.

² Available at: <https://www.nj.gov/emp/>.

directing the EDCs that had not yet implemented AMI to file, or update previously filed, petitions for AMI implementation within 180 days of the effective date of the Order.³

2. On August 26, 2020, in compliance with the Board’s February 2020 AMI Order, ACE filed the Petition seeking Board approval of the Company’s plan to deploy an AMI system throughout its service territory, known as the SEN. Through the Petition, ACE sought approval of: 1) cost recovery related to approximately \$177 million of capital investment to deploy AMI over a period of approximately 39 months, through semi-annual base rate adjustment filings consistent with the Board’s Infrastructure Investment Program (“IIP”) regulations at *N.J.A.C. 14:3-2A.1 et seq.*; 2) deferral, as a regulatory asset, of approximately \$46 million in stranded costs associated with the removal of legacy meters prior to the end of those meters’ depreciable lives; 3) deferral, as a regulatory asset, of approximately \$30.2 million in incremental operations and maintenance (“O&M”) expenses incurred in implementing the SEN; 4) a temporary waiver for the duration of the SEN implementation process of *N.J.A.C. 14:5-4.2*, *N.J.A.C. 14:5-4.3*, and *N.J.A.C. 14:5-4.5*, and related provisions, that impose requirements on ACE for the routine replacement of meters, testing of meters and determination of meter accuracy; and 5) a permanent waiver of the “door knock” requirement contained in *N.J.A.C. 14:3-3A.2(d)(4)*. *See* Petition at Paragraphs 7, 8, 34 and 35.⁴

³ *See I/M/O the Petition of Rockland Electric Company for Approval of an Advanced Metering Program; and for Other Relief*, Docket No. ER16060524, Order dated, February 19, 2020 (“February 2020 AMI Order”). Consistent with the Board’s direction, ACE’s AMI filing was due no later than August 27, 2020.

⁴ The Company’s original proposal sought to recover 90% of the SEN program capital investment costs (i.e., \$159.2 million) through the proposed Rider IIP. The Company’s Petition included an estimate of \$30.2 net incremental O&M

3. As proposed, the SEN reflected a total of 56 potential applications or “use cases” for AMI meters that were split into three (3) deployment groups. In the Petition, ACE proposed a quantification of the benefits associated with certain SEN use cases in deployment group 1 (“Group 1”), comprised of use cases that are considered foundational in that they can be implemented with few or no upgrades beyond deployment of the SEN. Group 1 includes 23 of the 56 use cases identified by ACE. The 23 use cases in Group 1 focus on customer engagement, reduced O&M costs, network operations and planning, and new utility products and services.⁵
4. On September 23, 2020, the Board issued an Order retaining jurisdiction of the Petition and designating Commissioner Upendra Chivukula as the presiding officer in the matter with authority to rule on all motions that arose during the pendency of the proceeding, establish and modify any schedules that may be set as necessary, and conduct public and evidentiary hearings.
5. On January 13, 2021, Commissioner Chivukula issued a Prehearing Order in this matter. The Prehearing Order established a procedural schedule and ruled on motions for

costs, comprised of \$33.5 million in incremental O&M expenses, a \$6.6 million offset of projected savings related to reduced meter reading and meter re-read truck rolls, and \$3.3 million in costs related to the Company’s inclusion of a return (at 7.08%) on its O&M investment.

⁵ Specifically, the 23 Group 1 use cases described in the Petition are 1) Enhanced Customer Engagement and Communications; 2) Customer Segmentation and Behavioral Analysis; 3) Customer Power Quality; 4) Customer Energy Efficiency; 5) Customer Service and Call Center Performance; 6) Customer DER/PV/EV; 7) Customer Device Safety; 8) SEN and Data Operations; 9) Remote Move in/Move out; 10) Remote Disconnect/Reconnect; 11) Network Connectivity Analysis; 12) Outage Detection/Prediction and Analysis; 13) Outage Restoration and Notification/Estimated Time of Restoration; 14) Voltage Monitoring and Analysis (Power Quality); 15) Asset Load/Phase Management, Balancing and Power Analysis; 16) Load Profiling and Forecasting; 17) Distribution Technical Losses; 18) Revenue Protection and Assurance; 19) Conservation Voltage Reduction; 20) Innovative Rate Development; 21) EV/PIV/Storage Products and Services; 22) Customer Prepaid Power; and 23) Energy Trading and Market Efficiencies. Petition, Direct Testimony of David Schatz, Schedule (DSS)-1 at 27.

intervention and participation. Motion for Intervention was granted to Utilidata, and the Market Participants. Motion for Participation was granted to the Energy Efficiency Alliance of New Jersey (“EEANJ”), South Jersey Gas Company (“SJG”), and PSE&G.⁶

6. Notice of the Company’s Petition, including the date, time, and place of public comment hearings, was placed in newspapers having a circulation within the Company’s service territory and was served on the Clerks of the municipalities, the Clerks of the Board of County Commissioners, and the County Executives, as appropriate, within the Company’s service territory. As a result of the COVID-19 pandemic, and to comply with social distancing mandates issued by the Governor, and based upon further guidance from Staff, the public comment hearings were conducted telephonically in lieu of in-person hearings.
7. In accordance with the public notice, telephonic public comment hearings on the Petition were held at 4:30 pm and 5:30 pm on April 29, 2021. No members of the public appeared at either hearing to provide comments on the Petition. The Board Secretary received three (3) written comments in support of the Petition and one (1) written comment in opposition to the Petition.

⁶ In re the Petition of Atlantic City Electric Company for Approval of the Smart Energy Network Program and Cost Recovery Mechanism and Other Related Relief - Prehearing Order with Procedural Schedule and Order on Motions to Intervene or Participate and for Admission Pro Hac Vice, BPU Docket No. EO20080541, Order dated January 13, 2021 (“Prehearing Order”).

Discovery and Settlement Discussions

8. Discovery has been issued and responded to pursuant to a procedural schedule issued by Commissioner Chivukula.
9. Additionally, the parties engaged in multiple discovery/settlement conferences in order to facilitate information gathering and to discuss opportunities for settlement.
10. At the request of the parties and based on progress in settlement negotiations, on March 18, 2021, Commissioner Chivukula issued an Order in this matter suspending the procedural schedule.⁷
11. In this comprehensive Stipulation, the Signatory Parties agree, subject to submission of this Stipulation to the Board for approval, that: 1) ACE will invest in and put into service AMI infrastructure, including the accelerated installation of AMI meters and related networks and replacement of existing non-AMI meters; 2) associated SEN cost recovery and deferral mechanisms, modified from the mechanisms as-filed and as set forth herein, will be implemented as described herein; 3) the accelerated approach to AMI deployment agreed to by ACE in this proceeding will allow the Company to initiate the Program expeditiously and thereby begin to bring the benefits of AMI investment to its customers as identified in the Group 1 use cases set out in the Petition; 4) that ACE shall continue to comply with *N.J.A.C. 14:3-3A.2(d)(4)*, the “door knock” requirement; and 5) ACE shall continue to comply with the meter testing requirements during the SEN deployment. All

⁷ In re the Petition of Atlantic City Electric Company for Approval of Smart Energy Network Program and Cost Recovery Mechanism and Other Related Relief, Order Modifying Procedural Schedule, BPU Docket No. EO20080541, Order Dated March 18, 2021.

Signatory Parties reserve their rights if ACE seeks approval of further AMI use cases, and acceptance of the terms of this Stipulation in this proceeding does not constitute acceptance of the submission of a filing for a future release of AMI use cases or any specific measures recommended in that future submission.

In light of the foregoing, the Signatory Parties have agreed to submit this Stipulation, the terms of which are set forth below. Specifically, the Signatory Parties hereby **STIPULATE AND AGREE** to the following:

STIPULATED MATTERS

A. SEN Program Investment Levels and Implementation Plan

12. The Signatory Parties agree that the SEN will include the accelerated installation of approximately 568,000 AMI meters at an estimated investment cost of \$177 million for the advanced meters, network infrastructure, and associated information technology (“IT”) (“SEN Program Costs”) to be deployed. The SEN Program Costs will be deferred through the stipulated cost deferral mechanism described below. These SEN investments are anticipated to be made over a period of approximately 39 months beginning on the effective date of the Board’s Order approving this Stipulation and authorizing the SEN Program.
13. ACE will implement the SEN Program as described in detail in the Petition and briefly summarized below:

- Initial Activities: As part of the accelerated SEN deployment, ACE began the process of installing AMI meters as a normal business practice in February 2021.⁸ ACE has executed purchase orders to secure space in the meter vendor's production schedule and build up an AMI inventory. ACE will conduct initial customer outreach during this period. Upon Board approval of this Stipulation, ACE will continue its meter exchanges with AMI. Where practical and regardless of the age of any particular legacy meter at the time of its removal, ACE will replace all the meters at a premise to eliminate the need for additional premise visits in the future to complete the AMI installations.
- Procurement & Deployment Planning 2021-2022: ACE intends to procure the SEN equipment with purchase orders to be completed by the end of 2022, with equipment deliveries scheduled throughout the duration of the project. Specifically, ACE will formalize its meter-related vendor contracts for deployment, confirm pricing processes, and order equipment. As equipment is delivered, the Company will conduct new meter acceptance testing in advance of the installation phase. Deployment design, communications network design and IT integration will run concurrently with equipment delivery and meter testing.
- Deployment 2022-2024: In 2022 through 2024, ACE will install the SEN communications network and approximately 568,000 meters, less the number of meters

⁸ ACE represents shipment of AMI meters was delayed by the manufacturer to January 26, 2021. Consequently, ACE received its initial complement of AMI meters on February 1, 2021, and commenced testing and installation of those meters immediately thereafter.

installed during initial activities prior to deployment. This installation process will incorporate a regional deployment strategy, designed to maximize installation efficiency and customer satisfaction. To minimize the inefficiencies of sporadic meter deployment, this phase will proceed regardless of the age of any particular legacy meter at the time of its removal. ACE will divide the service territory into two (2) to four (4) regions and as the first region nears completion, deployment for the second region will begin, and so on. Ahead of the meter installation, ACE will deploy a cross-region communications network throughout the service territory. Meters will be warehoused in multiple locations within the regions. In order to maximize the efficiencies of the deployment the Company may revise the deployment approach.

Within each region, a micro-geographic strategy will be employed to identify and group meters for replacement. ACE will utilize its existing manual meter reading routes as the foundational component of this deployment strategy. Where practical, installation schedules will be aligned with customer billing cycles, taking into account back office activities required to facilitate the meter change in the billing system and ensuring that the customer's old meter is read and closed out, and the new AMI meter reading is accurately applied to the customer's next bill. Similarly, customer communications will be executed at the manual meter reading route level.

- Trailing Work: Program completion will occur by mid-2024 with some relatively small amount of trailing work to be completed by the end of 2024.

14. The estimated breakdown of the Company's SEN project costs is set out in the table below, including SEN Program Costs of \$177 million as well as the associated \$35.7 million of

incremental O&M expenses.⁹ Only actually incurred costs will be deferred as described in more detail below.

SEN Estimated Expenditures	\$M
Meter Infrastructure	112.2
Network	16.0
SEN Related IT Capital	48.8 ¹⁰
Total Investment	177.0
Incremental SEN O&M Expenses	35.7 ¹¹
Total Expenditures	\$212.7

15. Notwithstanding Paragraph 13 above, the Signatory Parties recognize that the SEN Program will be of such substantial scale and scope that there is uncertainty as to the precise timing and budget for each phase of AMI meter deployment. In particular, the ongoing COVID-19 pandemic and related health state-of-emergency is of unpredictable duration and may impact the Company's ability to access premises for meter installation work. Accordingly, the Signatory Parties agree that the Company may make adjustments to the AMI deployment schedule in response to real market and service conditions experienced.

⁹ Certain cost estimates set out in the table have been updated to reflect the approach to cost recovery agreed to by the Signatory Parties in this Stipulation. Specifically, the capital investment estimate reflects that the \$177 million capital investment will be sought to be recovered by the Company through the cost deferral and recovery mechanism described in Section D of this Stipulation. All costs will be subject to a prudence review. In addition, incremental O&M costs have been updated to reflect other provisions of this Stipulation.

¹⁰ The SEN related IT capital costs include the following general cost categories: \$15.6 million in infrastructure, \$11.8 million of labor, \$6.7 million of IT project management labor, and \$14.7 million in overhead and contingency.

¹¹ The Company's Petition reflected \$33.5 million in incremental O&M costs, but did not include \$2.2 million of meter testing costs due to ACE's request for a one-time waiver of the meter testing requirement. The Signatory Parties have agreed the one-time meter testing waiver shall not be implemented, resulting in an increase in the Company's estimated incremental O&M costs to \$35.7 million and an increase in the total estimated SEN cost to \$212.7 million.

16. The Signatory Parties agree that, other than opt-out situations, ACE has ceased installation of non-AMI meters, subject to the availability of sufficient AMI inventory.¹² The Company further agrees that any costs incurred for make-ready work on customer-owned equipment, arising from situations that require additional work to be performed on the customer side of the meter in order to accommodate the AMI meter installation, shall not be capitalized in rates or otherwise charged to ratepayers.¹³
17. ACE commits to implementing the specific Group 1 Use Cases identified in Attachment 1 and ensuring those capabilities are realized. The Company intends to provide identified Group 1 Use Case capabilities within the budget set forth in this Stipulation.¹⁴ Although AMI meters will be used and useful once installed, the Signatory Parties recognize that these Group 1 Use Case capabilities may not be available until after the full deployment of the AMI meters is complete.

B. SEN Reporting and Performance Metrics

18. ACE will provide a semi-annual report on the SEN deployment process to Board Staff and Rate Counsel (“AMI Report”), setting forth the following information:
- the estimated quantity of work and the quantity completed to date or, if the activity cannot be quantified with numbers, the major tasks completed, e.g., AMI meters deployed, year-to-date and total for both residential and commercial customers; average cost per residential and commercial

¹² ACE notes that several factors, including the continuation of the COVID-19 pandemic, have the potential to disrupt global supply chains, and that such disruptions could impact the Company’s ability to obtain AMI meters as planned. In that event, ACE will confer with the Signatory Parties.

¹³ ACE anticipates that additional incremental O&M costs may be incurred due to the need to make multiple visits to a single customer premise to complete the installation of an AMI meter. Such costs shall be subject to a prudence review upon a request for recovery.

¹⁴ ACE notes that the implementation of use case #22, Prepaid Power, is undergoing further review, and will be implemented contingent upon the launch of Prepaid Power at another PHI utility.

- installation, broken down by labor and meter costs; network deployment status by access points and relays/repeaters deployed;
- the number of customers opting out each month and the total number of opt-out customers for the program-to-date;
 - the number of actual reads recorded from AMI meters each month;
 - the number of meter readers employed or under contract by ACE each month;¹⁵
 - the number of legacy meter tests performed in each report, and of those, how many were inaccurate;
 - the number of unique page views¹⁶ who have accessed the MyAccount web portal each month;
 - the number of customers identified to have received behavioral energy saving messaging each month;
 - to commence following any Data Access Plan approved by the Board under Paragraph 31, customer energy usage data for each month in the previous semi-annual cycle and program-to-date provided to authorized third-party suppliers;
 - the number of AMI meters replaced due to functioning errors for each month and program-to-date;
 - the number of remote connects/disconnects performed each month and for the program-to-date;
 - the number of AMI meter tampering cases found each month and for the program-to-date;
 - the forecasted and actual SEN Program Costs to date for the reporting period and for the program-to-date;
 - the forecasted and actual SEN O&M expenses to date for the reporting period and for the program-to-date;
 - the forecasted and actual legacy meter stranded costs deferred to date for the reporting period and for the program-to-date; and
 - the estimated SEN project completion date.

¹⁵ ACE has extended its existing contract with Millennium Account Services, LLC for the period January 1, 2021 through December 31, 2022.

¹⁶ ACE notes that unique page view counts a user once per 30 minute session.

The SEN project costs, including capital and O&M costs, shall be broken out between labor, materials and other costs. This reporting will begin by March 1, 2022 based on actual results through December 31, 2021. The second semi-annual report will be submitted by September 1, 2022 based on actual results through June 30, 2022. The Company will continue to submit semi-annual reports by March 1st and September 1st of each year through the completion of the SEN meter deployment.

C. Prudency Review and Cost Deferral

19. The Company will invest in the accelerated deployment of AMI in accordance with the approach described in Paragraph 13. Until being rolled into base rates, as described further below, return on and of those SEN Program Costs, and return of legacy meter stranded costs shall be deferred to a regulatory asset, as separate and identifiable accounts, for recovery of the regulatory assets deemed prudent in the Company's next base rate case, anticipated to be filed in January 2023 ("Next Base Rate Case"). The SEN Program Costs, including all those deferred and placed in a regulatory asset, will be incurred for utility investment consistent with the Board's finding in the February 2020 AMI Order, wherein the Board found that AMI is a means to achieve the goals set forth in the Energy Master Plan. The prudency of the SEN Program Costs, including those deferred and placed in the regulatory asset, have not been agreed to in advance, but will be reserved for review and determination in the Company's Next Base Rate Case. The regulatory asset will include return on and of SEN Program Costs, and return of legacy meter stranded costs. Incremental SEN-related O&M costs will be deferred separately without a return, for recovery in the Company's Next Base Rate Case, if deemed reasonable and prudent. The

Company will also include a revenue requirement reduction pro forma in the Next Base Rate Case for a like amount of future O&M savings.¹⁷ The O&M savings shall reflect estimated savings for meter reading costs and meter re-read truck rolls consistent with the Company's Petition. Nonetheless, all costs incurred in connection with this proceeding remain subject to prudence review in the Next Base Rate Case. Subject to the provisions of Paragraph 25, the Signatory Parties agree the Company may seek recovery of the SEN Program Costs, including those deferred to the regulatory assets, in its Next Base Rate Case notwithstanding that the SEN program may not yet be fully deployed at the time of the Next Base Rate Case, consistent with the Board's *Elizabethtown Water*¹⁸ standards.

20. In the Company's 2018 base rate case, the approved depreciation rate to be used for ACE's non-AMI legacy meters was increased to 6.61%, which equates to a current average service life of 15 years. As of December 31, 2020, the net book value of ACE's legacy electric meters was approximately \$45 million. The Signatory Parties acknowledge that approval of this Stipulation will be the first formal approval received by the Company to deploy AMI. The Signatory Parties recognize that accelerated AMI deployment will result in existing legacy and non-AMI meters being removed from service before they are fully depreciated, creating a stranded asset that the Company will place in a regulatory asset. The value of the regulatory asset is currently estimated to be approximately \$45 million.

¹⁷ The Signatory Parties understand that a *like amount* of O&M savings will equal the estimated reductions to existing O&M expense as a result of deployment of the SEN, per the savings categories advanced in the Company's business case analysis as part of the Petition.

¹⁸ *In re Elizabethtown Water Company Rate Case*, BPU Docket No. WR8504330, Decision on Motion for Determination of Test Year and Appropriate Time Period for Adjustments (May 23, 1985).

The actual stranded costs will be the value of the undepreciated net plant of retired meters at the time meters are removed from service. Each month, the stranded asset amount will be calculated by the Company's Property Accounting Group based upon the number of meters retired, with the unrecovered depreciation recorded to a regulatory asset account. ACE will implement the deployment in the manner described in the Petition and Paragraph 13 above. The prudence and future recovery of the stranded cost regulatory asset will be decided upon full deployment of the SEN, and consistent with Paragraph 21 below. The Signatory Parties agree that upon Board approval of this Stipulation, the Company will begin installing AMI meters on an accelerated basis, except for customers who opt-out, and subject to the availability of sufficient AMI inventory. The Signatory Parties further agree that these stranded costs being deferred would not be incurred but for the accelerated SEN program deployment.

21. The Signatory Parties acknowledge that the Company's Petition includes a 39-month deployment schedule, and the Signatory Parties agree that the Company will endeavor to meet that schedule. The Signatory Parties also agree that costs associated with the SEN Program Costs that are likely to be in-service by the end of six (6) months after the end of the test year in the Company's Next Base Rate Case shall be reflected in the rates established in that case, if deemed reasonable and prudent and consistent with the Board's *Elizabethtown Water*¹⁹ standards. Any SEN Program Costs placed in service more than six (6) months after the end of the test year in the Next Base Rate Case will be reviewed

¹⁹ *Id.*

and recovered, if deemed reasonable and prudent, in the Company's base rate case immediately following the Next Base Rate Case ("Future Base Rate Case"). In the event that ACE is not able to implement the full SEN Program Costs within six (6) months of the end of the test year in the Future Base Rate Case for reasons beyond the Company's control, including a continuation of the COVID-19 pandemic, ACE may request, in the Future Base Rate Case, that it be permitted to hold that base rate case open for the purpose of rolling those reasonable and prudent costs into rates as soon as practicable after the associated infrastructure has been placed into service and associated stranded costs have been incurred. The Signatory Parties reserve their rights to challenge the Company's request if ACE requests to hold open the Future Base Rate Case, and acceptance of the terms of this Stipulation in this proceeding does not constitute acceptance of such a request.

D. Cost Deferral Mechanism Details

22. As noted above, the Company will book a regulatory asset ("SEN Regulatory Asset") comprised of: 1) a return on and of its SEN Program Costs ("SEN Investment Deferral"), and 2) a return of the associated stranded costs ("Stranded Cost Deferral") on legacy meters in accordance with Paragraphs 23 and 24 below.
23. The formula for the SEN Monthly Investment Deferral component of the SEN Regulatory Asset is:

$$\text{SEN Monthly Investment Deferral} = ((\text{Pre-Tax Cost of Capital} / 12) * \text{Average Monthly Rate Base}) + \text{Monthly Depreciation and/or Amortization Expense} + (\text{Average Monthly Investment Deferral Balance} * (\text{WACC} / 12))$$

- a. The term “Pre-Tax Cost of Capital” means ACE’s pre-tax overall weighted annual average cost of capital (“WACC”) in effect at the time of the deferral as determined in the Company’s most recent base rate case.²⁰ The WACC is based on the return on equity, long-term debt and capital structure and customer deposits approved by the Board in ACE’s most recently approved base rate case. Any change in the WACC authorized by the Board in a subsequent base rate case will be applied to SEN additions in subsequent periods. Also, any change to current tax rates will be reflected in the WACC in a subsequent period.
- b. The term “Average Monthly Rate Base” refers to the total of the beginning and ending monthly balances for the following items, divided by two (2):
- SEN Program Costs in Service
 - Less the associated Accumulated Depreciation and/or Amortization
 - Less Accumulated Deferred Income Tax
 - Plus Accumulated Deferred Cost of Removal
- c. The term “Depreciation and/or Amortization Expense” provides for the recovery of ACE’s SEN Program Costs over the useful book lives of the assets. The book depreciation rate for the smart meters will be based on a 20-year life. The book

²⁰ As of the date of this Stipulation, the Company’s WACC is 7.08% as set in its most recently completed base rate case. See *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 (2018)*, BPU Docket No. ER18080925, Decision and Order Adopting Initial Decision and Stipulation of Settlement (dated March 13, 2019).

recovery for the Network and IT capital expenditures will be based on the Board-approved depreciation/amortization rates most recently approved in a base rate case or in accordance with the Company's accounting policy. Any future changes in Board-approved depreciation/amortization rates will be reflected in the deferral during the corresponding future period.

- d. The term "Average Monthly Investment Deferral Balance" refers to the cumulative sum of the Monthly Investment Deferrals at the beginning and the end of each month divided by two (2). The term "WACC" refers to the Company's annual weighted average cost of capital from its most recently approved base rate case. Any change in the WACC authorized by the Board in a subsequent base rate case will be utilized.
24. The existing meter infrastructure will be replaced on an accelerated basis as a result of the SEN project. The Signatory Parties agree the Company will accelerate the depreciation expense on these assets to fully defer the remaining undepreciated amount by the end of the SEN implementation. The formula for the Stranded Cost Deferral component of the SEN Regulatory Asset is:
- Stranded Cost Deferral = Accelerated Depreciation Expense Associated with Legacy Meters – Depreciation Expense on Legacy Meters at the Approved Depreciation Rate as Determined in ACE's Most Recently Approved Base Rate Case*
25. ACE's Next Base Rate Case will include a request for recovery in base rates of all prudently incurred SEN Program Costs associated with the SEN Program implementation that have

been placed into service or will be placed into service consistent with the Board's *Elizabethtown Water*²¹ standards. Those costs will include the SEN Regulatory Asset described above, actual costs of engineering, design and construction, and deferred cost of removal (net of salvage), including actual labor, materials, overhead, and capitalized Allowance for Funds Used During Construction associated with the projects ("Capital Investment Costs"). Capital Investment Costs will be recorded, during construction, in an associated Construction Work In Progress account or in a Plant In Service account upon the respective investment being deemed used and useful. The Company will follow its current policies and practices with regard to capitalizing costs, including overheads. All SEN investments not recovered through a base rate case proceeding will be tracked separately from all other base investments. The Stranded Cost Deferral component of the SEN Regulatory Asset shall be excluded from cost recovery in the Next Base Rate Case, but shall be subject to recovery in the Future Base Rate Case as described in Paragraph 26, if deemed reasonable and prudent.

26. The Future Base Rate Case following full deployment of the SEN will include all prudently incurred costs, including: a return on and of SEN Program Costs; a return on and of legacy meter stranded costs; and a return of deferred O&M costs. This request for recovery at full deployment of the SEN will be consistent with the terms of Paragraph 25. Overall, the Company's requests for recovery in the 1) Next Base Rate Case and 2) the Future Base Rate Case following the full deployment of the SEN will comprise all incurred capital

²¹ *Id.*

expenditures, deferred O&M expenses, and stranded costs associated with the accelerated deployment of the SEN.

27. The Signatory Parties agree that the proposed revenue requirement in the Next Base Rate Case, the Future Base Rate Case, or a subsequent base rate case, as applicable, will include a return of and on the SEN Regulatory Asset defined in Paragraphs 22-24 above to the extent the costs deferred into the regulatory asset are deemed prudent.
28. The Signatory Parties agree that the Company will defer incremental AMI-related O&M costs associated with the SEN implementation into a separate regulatory asset (“SEN O&M Regulatory Asset”), without a return, for recovery in the Company’s Next Base Rate Case, and subsequent Future Base Rate Case, if deemed reasonable and prudent. The Signatory Parties also agree that the Company will include a revenue requirement reduction pro forma in the Company’s Next Base Rate Case, and subsequent Future Base Rate Case for a like amount of future O&M savings. The amortization period of the deferred incremental O&M costs and revenue reduction pro forma will be determined in the Next Base Rate Case.
29. The SEN investment that is placed into service, but not yet reflected in customer base rates, will record a monthly accrual of a deferred return that will be capitalized and included in the plant balance as described in Paragraph 23 above. Since depreciation expense must be booked when the investment is placed in service for tax and financial reporting purposes, the Company will defer the depreciation in the SEN investment regulatory asset.

E. Data Access Plan

30. Customers' usage data from the AMI meters belongs to the customer, who may choose to share such data with any licensed third-party supplier.
31. The development of a Data Access Plan shall be deferred pending the statewide proceeding in Docket No. EO20110716. If that statewide proceeding does not produce a Board-approved Data Access Plan by July 9, 2021, following a BPU Order approving this Stipulation, within 60 days after July 9, 2021 ACE will convene at least one meeting with the parties to discuss the data access issues raised by the Market Participants in this proceeding. The Signatory Parties agree to use best efforts to reach agreement on data access within 120 days of the initial stakeholder meeting. If there is no agreement on the data access issues within 120 days, this ACE SEN proceeding will be reopened for the limited purpose of adjudicating data access issues only, and the Signatory Parties may supplement the record on data access issues at that time.

F. AMI Opt-Out Fee

32. The recurring monthly fee for customers retaining their existing meter will be \$15.00, and the one-time opt-out fee for the removal of an AMI meter and the re-installation of a conventional meter will be \$45.00. ACE will provide testimony and actual cost information for these fees in its Next Base Rate Case, at which time these fees will be subject to review and modification. The ongoing review and assessment of these fees will take place in future rate cases.

FURTHER PROVISIONS

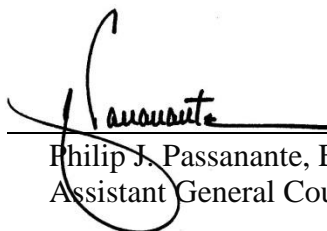
33. This Stipulation represents a mutual balancing of interests, contains interdependent provisions and, therefore, is intended to be accepted and approved in its entirety. In the event any particular aspect of this Stipulation is not accepted and approved in its entirety by the Board, any Signatory Party aggrieved thereby shall not be bound to proceed with this Stipulation and shall have the right to litigate all issues addressed herein to a conclusion. More particularly, in the event this Stipulation is not adopted in its entirety by the Board, in any applicable Order(s), then any Signatory Party hereto is free to pursue its then available legal remedies with respect to all issues addressed in this Stipulation as though this Stipulation had not been signed.
34. It is the intent of the Signatory Parties that the provisions herein be approved by the Board as being in the public interest. The Signatory Parties further agree that they consider the Stipulation to be binding on them for all purposes herein.
35. It is specifically understood and agreed that this Stipulation represents a negotiated agreement and has been made exclusively for the purpose of these proceedings. Except as expressly provided herein, the Signatory Parties shall not be deemed to have approved, agreed to, or consented to any principle or methodology underlying or supposed to underlie any agreement provided herein and, in total or by specific item. The Signatory Parties further agree that this Stipulation is in no way binding upon them in any other proceeding, except to enforce the terms of this Stipulation.

36. The Signatory Parties further acknowledge that a Board Order approving this Stipulation will become effective upon the service of said Board Order, or upon such date after the service thereof as the Board may specify, in accordance with *N.J.S.A. 48:2-40*.

WHEREFORE, the Signatory Parties hereto do respectfully submit this Stipulation and request that the Board issue a Decision and Order approving it in its entirety, in accordance with the terms hereof, as soon as reasonably possible.


ATLANTIC CITY ELECTRIC COMPANY

Dated: June 14, 2021

By: 
Philip J. Passanante, Esq.
Assistant General Counsel

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

Dated: June 14, 2021

By: 
Brandon Simmons
Deputy Attorney General

DIVISION OF RATE COUNSEL
STEFANIE A. BRAND, DIRECTOR

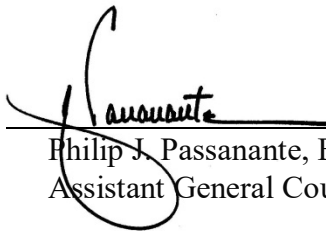
Dated: _____

By: _____
Brian O. Lipman, Esq.
Litigation Manager

WHEREFORE, the Signatory Parties hereto do respectfully submit this Stipulation and request that the Board issue a Decision and Order approving it in its entirety, in accordance with the terms hereof, as soon as reasonably possible.

ATLANTIC CITY ELECTRIC COMPANY

Dated: June 14, 2021

By: 
Philip J. Passanante, Esq.
Assistant General Counsel

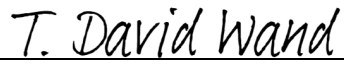
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By: _____
Brandon Simmons
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MARKET PARTICIPANTS

Dated: _____

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Christopher F. Torkelson, Esq.
Eckert Seamans Cherin & Mellot LLC

MARKET PARTICIPANTS

Dated: June 11, 2021

By: 

Karen O. Moury, Esq.
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Eckert Seamans Cherin & Mellot LLC

IMO the Petition of Atlantic City Electric Company for Approval of the Smart Energy Network
Program and Cost Recovery Mechanism and Other Related Relief
BPU Docket No. EO20080541

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