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February 1, 2024

**VIA ELECTRONIC MAIL**  
[sherri.golden@bpu.nj.gov](mailto:sherri.golden@bpu.nj.gov)  
[board.secretary@bpu.nj.gov](mailto:board.secretary@bpu.nj.gov)

Sherri L. Golden, RMC  
Secretary of the Board  
Board of Public Utilities  
44 South Clinton Avenue, 1<sup>st</sup> Floor  
P.O. Box 350  
Trenton, New Jersey 08625-0350

**RE:** In the Matter of the Petition of Atlantic City Electric Company to Reconcile and  
Update the Level of Its Non-Utility Generation Charge and Its Societal Benefits  
Charge (2024)  
BPU Docket No. ER24020074

Dear Secretary Golden:

On behalf of Atlantic City Electric Company (“ACE”), enclosed herewith for filing is a Certified Petition and supporting testimony (and Schedules thereto) seeking to reconcile and update ACE’s Non-Utility Generation Charge and Societal Benefits Charge tariff charges.

Since this filing proposes an adjustment to rates, public hearings will be required. A form of Public Notice is attached.

ACE respectfully requests that the New Jersey Board of Public Utilities (the “Board” or “BPU”) retain jurisdiction of this matter and render a decision thereon so that final rates can be put into effect by no later than June 1, 2024.

Pursuant to the Order issued by the Board 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 petition is being electronically filed with the Secretary of the Board, the Division of Law, and the New Jersey Division of Rate Counsel. No paper copies will follow.

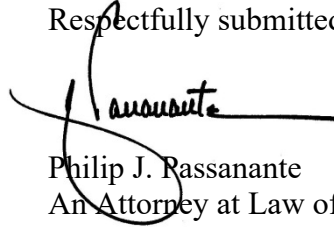
Sherri L. Golden, RMC

February 1, 2024

Page 2

Thank you for your consideration 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 "Rasanante", with a long horizontal stroke extending to the right.

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

Enclosures

cc: Service List

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**IN THE MATTER OF THE PETITION OF  
ATLANTIC CITY ELECTRIC COMPANY  
TO RECONCILE AND UPDATE THE  
LEVEL OF ITS NON-UTILITY  
GENERATION CHARGE AND ITS  
SOCIETAL BENEFITS CHARGE (2024)**

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**STATE OF NEW JERSEY  
BOARD OF PUBLIC UTILITIES  
BPU DOCKET NO. ER24020074  
CERTIFIED PETITION<sup>1</sup>**

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**ATLANTIC CITY ELECTRIC COMPANY** (hereinafter referred to as “Petitioner,” “ACE” or the “Company”), a public utility corporation of the State of New Jersey, respectfully requests that the New Jersey Board of Public Utilities (herein, the “BPU” or the “Board”) approve proposed changes to the Company’s Non-Utility Generation Charge (“NGC”), and two of its Societal Benefits Charge (“SBC”) components, as proposed and outlined herein. The net effect of adjusting the rate components as proposed herein, including associated changes in New Jersey Sales and Use Tax (“SUT”), is an overall annual rate decrease of approximately \$23.746 million when compared with current rates in effect.<sup>2</sup> In support thereof, Petitioner states as follows:

1. The Company is engaged in the purchase, transmission, distribution, and sale of electric energy to residential, commercial, and industrial customers. ACE’s service territory comprises eight counties located in southern New Jersey and includes approximately 568,000 customers.<sup>3</sup>

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<sup>1</sup> This filing is being made under Certification in lieu of oath or affidavit by an officer of the Petitioner. The Certification is consistent with the New Jersey Rules of Court, R. 1:4-4.

<sup>2</sup> The anticipated decrease is based upon actual data through December 31, 2023, and estimated data for the period January 1, 2024 through March 31, 2025, and is subject to true up for actual data through March 31, 2024.

<sup>3</sup> ACE is a direct, wholly owned subsidiary of Pepco Holdings LLC (“PHILLC”), a limited liability company under the laws of the State of Delaware. PHILLC is, in turn, a wholly owned subsidiary of PH Holdco LLC (“PHLLC”), a limited liability company, existing under the laws of the State of Delaware. PHLLC is, in turn, 99.9 percent owned by Exelon Energy Delivery Company, LLC (“EEDC”), a Delaware limited liability company, existing under the laws of the State of Delaware. EEDC is, in turn, a limited liability company wholly owned by Exelon Corporation.

## **BRIEF HISTORICAL SUMMARY OF THE SBC AND THE NGC**

2. As a result of the Board's Final Decision and Order issued in connection with a matter titled *In the Matter of Atlantic City Electric Company - Rate Unbundling, Stranded Costs, and Restructuring Filing*, BPU Docket Nos. EO97070455, EO97070456, and EO97090457, the Company implemented unbundled rates that included a Market Transition Charge ("MTC"), a Net Non-Utility Generation Charge ("NNC"), and the SBC as rate components. Those rates were changed as a result of a Summary Order issued by the Board on July 31, 2003, in connection with BPU Docket No. ER02080510. The Board's Order in BPU Docket No. ER02080510, dated July 8, 2004, maintained the NNC and MTC rates approved in the Summary Order.

3. The Company filed for an adjustment to the NNC and MTC on or about June 1, 2004. Changes to the NNC and the SBC were approved and implemented pursuant to the Board Order Adopting Initial Decision and Stipulation of Settlement issued in connection with Petitioner's 2003 base rate case, BPU Docket Nos. ER04060423, ER03020110, EO03020091, and EM0209033 (OAL Docket No. PUC06061-2003S) (released May 26, 2005), pursuant to which the NNC and MTC rates were adjusted and combined into the NGC, effective June 1, 2005. The NGC was further adjusted effective October 1, 2006, pursuant to the Board's Order in BPU Docket No. EM05121058 (dated July 21, 2006), approving the sale of the Company's Keystone and Conemaugh generating station assets.

4. The NGC and SBC were further reconciled and updated pursuant to a Board Order issued in connection with *In the Matter of the Petition of Atlantic City Electric Company to Reconcile and Update the Level of Its Non-Utility Generation Charge and Its Societal Benefits Charge*, BPU Docket No. ER07060356 (dated May 20, 2008). The NGC was reconciled again

and put into effect on January 1, 2011, pursuant to the Board's Order dated December 22, 2010, in BPU Docket No. ER09050387.

5. The NGC was subject to regulatory review and reconciliation pursuant to a Board Order dated February 19, 2014 and issued jointly in connection with BPU Docket Nos. ER12020173 and ER13030186. The next revision to the NGC was put into effect on a provisional basis on June 1, 2014, pursuant to a Board Order dated May 21, 2014 in BPU Docket No. ER14030209, and was subsequently made final by Board Order in the aforementioned docket dated January 21, 2015, which approved a Stipulation of Settlement that was entered into between the Company, the Board's Staff, and the New Jersey Division of Rate Counsel ("Rate Counsel") (collectively, the "Parties").

6. In 2015, an adjustment to the NGC and SBC was put into effect on a provisional basis on June 1, 2015 pursuant to a Board Order dated May 19, 2015 in BPU Docket No. ER15030277 and was made final by a Board Order in the aforementioned docket dated September 11, 2015.

7. A further adjustment to the NGC and SBC was put into effect on January 1, 2017 pursuant to an Order of the Board dated November 30, 2016 (the "2016 NGC/SBC Order") in BPU Docket No. ER16020099. In addition to adjusting the Company's rates associated with the NGC, and the components of the SBC, the 2016 NGC/SBC Order modified the reconciliation period included in the filing to provide that future NGC/SBC filings provide estimated data through December 31 of the prior year, and actual data through March 31 of the filing year, rather than May 31, as had previously been the case.

8. On February 1, 2017, the Company filed its Reconciliation and Update Petition for the period ending March 31, 2017, and for revised NGC and SBC rates to become effective June

1, 2017 (the “February 1, 2017 Petition”). By Board Order dated May 31, 2017 in BPU Docket No. ER17020091, following a Stipulation of Settlement entered into by the Parties, the Company was authorized to implement on a provisional basis revised NGC and SBC rates to be effective June 1, 2017, based upon the Company’s February 1, 2017 Petition, as subsequently updated with actual data through March 31, 2017. By further Board Order dated November 21, 2017, following a Stipulation entered into by the Parties, the Company was authorized to implement the previously approved provisional rates on a final basis effective on and after December 1, 2017.

9. On February 6, 2018, the Company filed its annual reconciliation and update Petition for the period ending March 31, 2018, and for revised NGC and SBC rates to become effective June 1, 2018 (the “February 6, 2018 Petition”). By Board Order dated May 22, 2018 in BPU Docket No. ER18020120, following a Stipulation of Settlement entered into by the Parties, the Company was authorized to implement revised NGC and SBC rates on a provisional basis to be effective June 1, 2018, based upon the Company’s February 6, 2018 Petition, as subsequently updated with actual data through March 31, 2018. By further Board Order dated December 18, 2018, following a Stipulation of Settlement entered into by the Parties dated November 19, 2018, the Company was authorized to implement the previously approved provisional rates on a final basis effective on and after December 28, 2018.

10. On February 1, 2019, the Company filed its annual reconciliation and update Petition for the period ending March 31, 2019, and for revised NGC and SBC rates to become effective June 1, 2019 (the “February 1, 2019 Petition”). By Board Order dated May 28, 2019 in BPU Docket No. ER19020146, following a Stipulation of Settlement of the Parties, the Company was authorized to implement revised NGC and SBC rates on a provisional basis to be effective June 1, 2019, based upon the Company’s February 1, 2019 Petition, as subsequently updated with

actual data through March 31, 2019. By further Board Order dated October 25, 2019, approving a Stipulation of Settlement of the Parties dated September 16, 2019, the Company was authorized to implement the previously approved provisional rates on a final basis effective on and after November 4, 2019.

11. On January 31, 2020, the Company filed its annual reconciliation and update Petition for the period ending March 31, 2020, and for revised NGC and SBC rates to become effective June 1, 2020 (the “January 31, 2020 Petition”). By Board Order dated August 12, 2020 in BPU Docket No. ER20010088, following a Stipulation of Settlement of the Parties dated June 26, 2020, the Company was authorized to implement revised NGC and SBC rates on a final basis effective September 1, 2020, based upon the Company’s January 31, 2020 Petition, as subsequently updated with actual data through March 31, 2020. The delay from June 1, 2020 to September 1, 2020 negatively impacted the recovery of the authorized NGC and SBC expenses by approximately \$6 million and increased the amount to be recovered through this Petition by a like amount.

12. On February 1, 2021, the Company filed its annual reconciliation and update Petition for the period ending March 31, 2021, and for revised NGC and SBC rates to become effective June 1, 2021 (the “February 1, 2021 Petition”). By Board Order dated June 9, 2021 in BPU Docket No. ER21020088 (the “June 2021 Order”), following a Stipulation of Settlement of the Parties dated May 19, 2021, the Company was authorized to implement revised NGC and SBC rates on a provisional basis effective June 15, 2021, based upon the Company’s February 1, 2021 Petition, as subsequently updated with actual data through March 31, 2021. As approved by the June 2021 Order, ACE was authorized to commence recovery of its NGC and SBC costs on a provisional basis, effective on and after June 15, 2021, while the Parties continued to review the

matter. With respect to the Uncollectible Accounts (“UNC”) component of the SBC, the Parties recommended a modified provisional UNC rate, subject to refund with interest. The stipulated revenue requirement associated with UNC would recover \$13.719 million. The remaining \$15.735 million would be deferred for recovery in a future SBC filing. Subsequently, by Board Order dated October 6, 2021 (the “October 2021 Order”), following a Stipulation of Settlement of the Parties dated September 22, 2021, the Company was authorized to implement the provisional rates on a final basis. The June 2021 Order and the October 2021 Order are jointly referred to herein as the “June and October 2021 Orders.”

13. On February 1, 2022, the Company filed its annual reconciliation petition with the Board seeking revised NGC and SBC rates to become effective June 1, 2022 (the “February 2022 Petition”). By Board Order dated May 18, 2022 in BPU Docket No. ER22020038 (the “May 2022 Order”), following a Stipulation of Settlement of the Parties dated May 11, 2022, the Company was authorized to implement revised NGC and SBC rates on a provisional basis effective June 1, 2022, based upon the Company’s February 2022 Petition, as subsequently updated with actual data through March 31, 2022. As approved by the May 2022 Order, ACE was authorized to commence recovery of its NGC and SBC costs on a provisional basis, effective on and after June 1, 2022, while the Parties continued to review the matter. With respect to the UNC component, the Parties recommended a modified provisional UNC rate, subject to refund with interest. The stipulated revenue requirement associated with UNC would recover \$13.719 million. Pursuant to the October 2021 Order \$15.735 million associated with the UNC component of the SBC costs would be deferred for recovery in a future SBC filing. As part of the May 2022 Order, the Company was directed to defer an additional \$9.331 million of UNC costs, bringing the total UNC deferred costs to be recovered in the future to \$25.066 million (“the UNC Deferral”).



With respect to the determination of the NGC, the May 2022 Order provided that the Company defer \$10.559 million of the overall NGC over-recovery of \$22.093 million. As directed by the Board in the May 2022 Order, such deferred amount is being applied as a credit to the NGC component in the Company's 2023 SBC/NGC filing. Additionally, as part of the Board's Orders, ACE was also required to submit to the Board, Staff, and Rate Counsel quarterly reports showing the actual NGC and SBC deferred balances, a forecast of the deferred balances as of March 31, 2023 and May 31, 2023, and a variance analysis, including a narrative description, of the monthly projected versus actual updated deferred balances.<sup>4</sup>

14. Finally, on February 1, 2023, the Company filed its 2023 annual reconciliation petition with the Board seeking revised NGC and SBC rates to become effective June 1, 2023 (the "February 2023 Petition"). As part of the February 2023 Petition, the Company sought to commence recovery of the UNC Deferral to be recovered over a three-year amortization period. On October 4, 2023 the Company participated in a conference call (the "October 4 conference call") with Board Staff and Rate Counsel to discuss the disposition of the February 2023 Petition. As a result of the October 4 conference call, the Parties agreed to prepare a Stipulation<sup>5</sup> that included: (a) a provision that the Company would remove from the February 2023 Petition its request to commence an amortization for the recovery of the UNC Deferral and to include that request in a subsequent NGC/SBC reconciliation petition; (b) to continue discovery with respect to the UNC Deferral as well as any other costs for which the Company seeks rate recovery that are

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<sup>4</sup> The most recent quarterly report with actual data through December 31, 2023 was submitted to the Board on or about January 31, 2024.

<sup>5</sup> As of the date of the filing of this February 2024 Petition, the Parties have not concluded negotiations with respect to the Stipulation contemplated by the October 4 conference call. Notwithstanding, the data provided herein and the requested adjustments to the rates and charges contained in this Petition are premised upon the expectation that the Parties will execute a stipulation for the February 2023 Petition and the Board issue an Order approving that Stipulation to be effective March 1, 2024. Should a Board Order approving a stipulation not be received prior to the submission of the March 2024 Updates, the Company reserves the right to amend the February 2024 Petition accordingly.

attributable to COVID-19 Pandemic (the "Pandemic")<sup>6</sup>; and (c) to recommend to the Board authorization for the Company to commence final rate recovery of all remaining non-Pandemic expenses included as part of the February 2023 Petition.

### **THE COVID-19 PANDEMIC**

15. Starting in 2020 and continuing into and through 2021, the State of New Jersey began to experience the global impact of the Pandemic upon the health and well-being of the State's citizens. In addition to the health concerns associated with the Pandemic, the negative economic impact on businesses and residential customers who rely upon essential utility services became evident. On March 9, 2020, New Jersey's Governor Philip D. Murphy issued Executive Order ("EO") 103, declaring a Public Health Emergency and State of Emergency. Working in coordination with the Board, the State's electric and gas utilities began to implement steps to address the needs of impacted utility customers, including a voluntary extension of the traditional Winter moratorium on service curtailments. On August 21, 2020, Governor Murphy announced the utilities' commitment to extend the moratorium to October 15, 2020. On October 15, 2020, Governor Murphy signed EO 190, which further extended the declaration of a Public Health Emergency and the moratorium on customer curtailments to March 15, 2021. Subsequently, on March 3, 2021 Governor Murphy signed EO 229, which further extended the moratorium on utility disconnections to June 30, 2021. On December 31, 2021, Governor Murphy signed EO 246 which reiterated the termination of the Public Health Emergency and further authorized the termination of the moratorium on utility disconnections previously imposed for gas, electric, water utilities and internet disconnections established in Executive Order 190. As noted in the Direct

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<sup>6</sup> To date, Rate Counsel has submitted one set of additional discovery as contemplated by the October 4 conference call, which discovery shall be responded to by the Company upon the Board's approval of the proposed stipulation provided for on the October 4 conference call. Rate Counsel and Staff can submit further discovery with respect to Pandemic-related costs and expenses in the context of the February 2024 Petition.

Testimony of Company Witness Peter K. Samuel, attached hereto as **Exhibit A** and discussed further herein, the schedules contained therein reflect the fact that the Public Health Emergency and the moratorium on customer curtailments resulting from the Pandemic have been terminated and the Company should now be allowed to commence recovery of its deferred regulatory asset<sup>7</sup> associated with the UNC component of the SBC. The Company is proposing that the UNC deferred balances in 2021 and 2022 be recovered over a three-year amortization period.

### **NON-UTILITY GENERATION CONTRACT RESTRUCTURING**

16. By Petition dated December 22, 2021 and assigned BPU Docket No. EM21121253 (the “December 2021 Restructuring Petition”), ACE sought Board approval of the renegotiation, restructuring, and/or termination of its existing long-term Non-Utility Generation (“NUG”) contracts with Chambers Cogeneration Limited Partnership (“Chambers”) and Logan Generating Company, L.P. (“Logan”). The December 2021 Restructuring Petition stated that such approval by the Board would result in a substantial reduction in the total stranded costs of the utility, which resulting savings would be passed through to ratepayers. By Order dated March 23, 2022 the Board approved the December 2021 Restructuring Petition (the “March 2022 Restructuring Order”). The benefits to the Company’s customers resulting from the restructuring of the Logan and Chambers contracts were first recognized in the Company’s updated February 2022 Petition and were included as part of the May 2022 Order for Provisional Rates.

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<sup>7</sup> As noted in Board Order dated December 21, 2022, BPU Docket No. AO20060471 and captioned *In the Matter of the New Jersey Board of Public Utilities’ Response to the COVID-19 Pandemic*, the Board stated: “[t]he Board FURTHER ORDERS that nothing in this Order shall prevent the utilities from seeking recovery of the regulatory asset balance prior to the expiration of the extension of the Regulatory Asset Period. Utilities filing to recover their COVID-19 regulatory asset costs before the end of the extended regulatory asset period must verify that it is no longer accruing any more COVID-19 related costs after its filing.”

### **PURPOSE OF THE INSTANT PETITION**

17. The purpose of the instant Petition is to reconcile the current NGC and SBC and reset the levels of (i) the NGC; and (ii) the two components of the SBC, to be effective on and after June 1, 2024. The SBC components to be changed include the Clean Energy Program (“CEP”) and the UNC charges. The current NGC and SBC rates were put in effect as of June 1, 2022 and have not been updated since. Accordingly, ACE has been collecting revenues based on the June 2022 rates. Further, the rates that the Company has been collecting for the CEP and the NUG contract restructuring payments have not been adjusted for nearly two years. The impact of this continued deferral based on those rates is reflected in this Petition.

18. The purpose of the NGC and SBC rate components is to allow the Company to recover, on an unbundled basis, certain utility costs and expenses. The NGC provides for recovery of the settlement payments made to the NUGs under the March 2022 Restructuring Order. The SBC is intended to assist the Company to recover costs related to (i) the Universal Service Fund and Lifeline social programs; (ii) the CEP obligations; and (iii) the UNC, including recovery of any amounts previously deferred from recovery because of the Pandemic.

### **PROPOSED ADJUSTMENT OF THE NGC COMPONENT**

19. The Company is proposing to reset the NGC for the period June 1, 2024 through May 31, 2025 based on actual data through December 31, 2023, and projected expenses for the period January 1, 2024 through March 31, 2025. The detailed rate design for the proposed NGC rate is attached as Schedule PKS-1, page 1 of 2, of **Exhibit A**. The 2016 NGC/SBC Order modified the Company’s 2017 NGC and SBC reconciliation period to end on March 31, 2017, and similarly on March 31 for each year thereafter.

20. The proposed NGC rate is designed to recover costs associated with the restructuring of the Company's NUG costs as approved and provided for in the March 2022 Restructuring Order. Included as part of this Petition, customers will be returned the previously deferred amount of \$10.559 million from the Company's 2022 NGC/SBC filing as provided for in the May 2022 Order. The projected net over-recovered balance of \$2.606 million is inclusive of the deferred \$10.559 million referenced above. Schedule PKS-1, page 2 of 2, provides the detailed estimate of the NGC projected deferred balance through March 31, 2024, as well as projected retail customer revenue for April and May 2024. The projected net over-recovered balance of \$2.606 million, subject to true-up through March 31, 2024, is currently based on actual data through December 31, 2023, and projected data for the period of January 1, 2024 through May 31, 2024. The total recovery for this period is \$28.855 million, which is a decrease of approximately 63 percent from the 2022 settlement total forecasted recovery of \$78.184 million. If approved by the Board, these changes to the NGC component of the rate will be an annual decrease of approximately \$50.940 million.

21. As noted in Company Witness Samuel's Direct Testimony, the primary drivers of the decrease in the NGC cost component are (i) the swing in the NGC balance from a projected **over-recovered** position of \$11.534 million as of April 1, 2023, inclusive of the projected retail customer revenue in April and May 2022, and \$10.559 2022 over-recovery deferred to the 2024 filing, to a projected **over-recovered** position of \$2.606 million as of March 31, 2024, inclusive of the projected retail customer revenue in April and May 2024 and (ii) the decrease of \$58.257 million in the 2024 fixed settlement payments as compared to the 2022 fixed settlement payments.

## **ADJUSTING THE SBC AND ITS SPECIFIC COST COMPONENTS**

22. Petitioner proposes to modify specific cost components of the SBC, *i.e.*, the UNC and the CEP, as noted below:

a. The current UNC rate was put into effect on a provisional basis on June 1, 2022, pursuant to the May 2022 Order<sup>8</sup>. The detailed rate design for the UNC is provided in Schedule PKS-3, page 1 of 3. The proposed rate is designed to recover forecasted uncollectible expenses for the period of April 1, 2024 through March 31, 2025, totaling \$17.379 million. It will also recover a net projected under-recovered balance of \$16.652 million, which is the projected under-recovered balance of \$35.173 million as of March 31, 2024, inclusive of the projected retail customer revenue in April and May 2024 of \$1.810 million, less the UNC Deferral<sup>9</sup>, plus \$8.355 million, which represents one year of amortization of the UNC Deferral.

As part of the settlements in the June and October 2021 Orders and the May 2022 Order, due to the impacts of the Pandemic, the UNC Deferral amount of \$25.066 million was deferred to a future SBC filing. The Company is proposing to commence recovery of the UNC Deferral over a three-year period starting with the implementation of revised SBC rates pursuant to this Petition. Schedule PKS-3, page 2 of 3, provides the detailed estimate of the UNC deferred balance through March 31, 2024, as well as the projected retail customer revenue for April and May 2024. The projected net under-recovered deferred balance of \$16.652 million, subject to a true-up, is currently based on actual data through December 31, 2023, and projected data for the period of January 1, 2024 through May 31, 2024. The total forecasted amount to be recovered during the

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<sup>8</sup> As noted earlier in this Petition, as of the date of the filing hereof, the Company's February 2023 Petition remains open.

<sup>9</sup> In anticipation of a successful resolution of the February 2023 Petition, the Company has advised the Parties as part of the October 4 conference call that it would defer recovery of UNC Deferral for consideration in this February 2024 Petition.

period is \$34.031 million. If approved by the Board, these changes will result in an annual increase to the UNC component of the SBC customer rates of approximately \$22.029 million.

b. As noted in the Direct Testimony of Company Witness Samuel, the primary drivers of the forecasted recovery of the UNC component of the SBC include (i) \$8.355 million of proposed amortization of the UNC Deferral of \$25.066 million that were deferred due to the Pandemic; (ii) as shown in Company Witness Samuel's Testimony at Table II, the increase of \$12.775 million in projected 2024 uncollectible expenses as compared to the projected 2022 uncollectible expenses; (iii) the swing in the UNC balance from a projected under-recovered position of \$34.181 million as of April 1, 2022, inclusive of the projected retail customer revenue in April and May 2022, to a projected under-recovered position of \$33.363 million as of March 31, 2024, inclusive of the projected retail customer revenue in April 2024 and May 2024.

The swing in the UNC balance from a projected under-recovered position of \$34.181 million as of April 1, 2022, inclusive of the projected retail customer revenue in April and May 2022, to a projected under-recovered position of \$33.363 million as of March 31, 2024, inclusive of the projected retail customer revenue in April 2024 and May 2024 is primarily driven by the following. Pursuant to the May 2022 Order, rates proposed June 1, 2022 were set in a manner designed to fully recover \$9.115 million of the total \$34.181 million under-recovery from ratepayers, and thereby reduce the deferred balance to \$25.066 million as of June 1, 2023. As part of the May 2022 Order, due to the impacts of the Pandemic, \$15.735 million of the 2021 under-recovery and \$9.331 million of the 2022 under-recovery were deferred to a future SBC filing. Based on the timing of revenues and expenses during that rate recovery period, it was projected that the balance as of March 31, 2023 would be an approximate under-recovery of \$26.845 million, including the deferred \$25.066 million. Currently, with actuals through December 31, 2023 and

projections through March 31, 2024, that balance is now an under-recovery of \$35.173 million, including the deferred \$25.066 million, an increase of approximately \$8.328 million. This increase was primarily driven by an increase in commodity prices which contributed to higher Accounts Receivable (“AR”) balances and consequently higher bad debt expense reserves.

The \$12.774 million increase in projected 2024 uncollectible expenses is primarily driven by the impact of increased commodity prices and ACE’s ability to collect on higher AR balances within regulatory guidelines as noted above.

The amortization of \$8.355 million is what the Company is proposing to recover in this February 2024 Petition from the UNC Deferral, based on a proposed three-year amortization period.

c. As described in the Direct Testimony of Company Witness Samuel, the CEP is designed to recover costs related to the Company’s New Jersey Clean Energy Program obligations. The current CEP rate was put into effect on June 1, 2022, pursuant to the May 2022 Order. In the instant filing, the Company is proposing to reset the CEP charge to reflect the projected deferred balance as of March 31, 2024, and forecasted costs for the period April 1, 2024 through March 31, 2025, based on the projected funding levels approved by the Board on June 29, 2023 for fiscal year 2024 (July 2023 – June 2024) in BPU Docket No. QO23040235 (the “CEP Order”). The funding levels for January 1, 2024 to June 30, 2024, as provided in the CEP Order, have been used for projections in the filing for those periods. In addition, monthly expenditures from the fiscal year 2024 projected funding levels as found in the CEP Order were used to develop the monthly expenditures for the period from July 2024 to March 2025, as the Board will not have issued funding levels for time periods after June 2024 as of the date of this filing. The detailed rate design is provided in Schedule PKS-2, page 1 of 2, and includes \$29.007 million of projected expenses



for the period April 1, 2024 to March 31, 2025. Schedule PKS-2, page 2 of 2, provides an estimate of the net under-recovered CEP deferred balance of \$1.321 million, which is the projected under-recovered balance of \$4.978 million as of March 31, 2024, inclusive of the projected retail customer revenue in April and May 2024 of \$3.656 million. Although the reconciliation period is April 2023 through March 2024, the rate period for collection of those costs was proposed for June 2023 through May 2024. As a result, the April and May 2024 projected retail revenue is credited against the projected March 2024 balance resulting in the net over-recovered balance after the recovery period. The total forecasted recovery for this period is \$30.329 million. If approved by the Board, these changes will result in an annual increase to the CEP component of the SBC customer rates of approximately \$5.166 million. This is primarily driven by the following: (i) a swing in the projected over-recovered position of \$1.851 million as of April 1, 2022, inclusive of the projected retail customer revenue in April and May 2022, to a projected under-recovered position of \$1.322 million as of March 31, 2024, inclusive of the projected retail customer revenue in April and May 2024 and (ii) an increase of \$1.110 million in projected 2024 expenses as compared to the projected 2022 expenses.

23. As stated in the Direct Testimony of Company Witness Samuel, the net impact of adjusting the NGC, CEP, and UNC rate(s), including associated changes in SUT, is an overall annual rate decrease of approximately \$23.746 million. This amount includes the recovery of the UNC and CEP, and return of the NGC deferred balances, as of March 31, 2024, and the going-forward recovery of all components for the period April 1, 2024 through March 31, 2025. This is summarized on Schedule PKS-4, page 1 of 4. The recovery of the UNC deferred balance includes a proposed \$8.355 million amortization related to the UNC Deferral but continues the deferral of \$16.711 million of the unrecovered remaining balance of the UNC Deferral.

24. For an average residential customer using approximately 643 kWh per month, this represents a decrease of approximately \$1.85 or 1.23 percent on a total monthly bill as shown in Schedule PKS-4, page 4 of 4. Schedule PKS-4, pages 2 of 4 through 4 of 4, provide(s) a calculation of the residential bill impact by season and annually.

25. As noted on the proposed tariff sheets provided herewith, the per kWh charges for the UNC and CEP are proposed to be increased from the current levels in effect. Accordingly, as proposed, there is a requirement for a Public Notice and hearings associated with this filing. A copy of the proposed Public Notice to be filed is attached hereto as **Exhibit B**. Mindful of public safety considerations, the Company respectfully requests that such hearings be conducted virtually.

26. Proposed tariff sheet revisions reflecting the changes outlined in this Petition are attached as Schedules PKS-5 and PKS-6 of **Exhibit A**, in redline and clean versions, respectively.

27. Communications and correspondence regarding this matter should be sent to Petitioner at the following address:

Philip J. Passanante, Esquire  
Assistant General Counsel  
Atlantic City Electric Company – 92DC42  
500 North Wakefield Drive  
Post Office Box 6066  
Newark, Delaware 19714-6066  
E-Mail: [philip.passanante@pepcoholdings.com](mailto:philip.passanante@pepcoholdings.com)  
Telephone: (667) 313-0418 (Teams)

with copies to the following representatives of the Company:

Peter K. Samuel  
Manager of Revenue Requirements  
Atlantic City Electric Company – 92DC56  
500 North Wakefield Drive  
Post Office Box 6066  
Newark, Delaware 19714-6066  
E-Mail: [peter.samuel@pepcoholdings.com](mailto:peter.samuel@pepcoholdings.com)

and

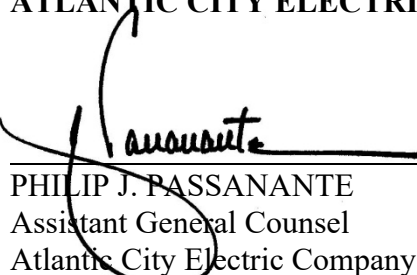
Heather Hall  
Manager, Regulatory Affairs (New Jersey)  
Pepco Holdings, LLC – 92DC56  
500 N. Wakefield Drive  
Post Office Box 6066  
Newark, Delaware 19714-6066  
E-Mail: [heather.hall@pepcoholdings.com](mailto:heather.hall@pepcoholdings.com)

**WHEREFORE**, the Petitioner, **ATLANTIC CITY ELECTRIC COMPANY**, respectfully requests that the New Jersey Board of Public Utilities:

- A. approve the requested changes to the SBC and NGC as detailed in this filing for implementation by no later than June 1, 2024; and
- B. grant such other or further relief as the Board may deem just and reasonable.

Respectfully submitted,  
on behalf of  
**ATLANTIC CITY ELECTRIC COMPANY**

Dated: February 1, 2024

  
\_\_\_\_\_  
PHILIP J. PASSANANTE  
Assistant General Counsel  
Atlantic City Electric Company – 92DC42  
500 North Wakefield Drive  
Post Office Box 6066  
Newark, Delaware 19714-6066  
(667) 313-0418 – Telephone (Teams)  
[philip.passanante@pepcoholdings.com](mailto:philip.passanante@pepcoholdings.com)

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**IN THE MATTER OF THE PETITION OF  
ATLANTIC CITY ELECTRIC COMPANY  
TO RECONCILE AND UPDATE THE  
LEVEL OF ITS NON-UTILITY  
GENERATION CHARGE AND ITS  
SOCIETAL BENEFITS CHARGE (2024)**

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

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**CERTIFICATION IN SUPPORT OF PETITION**

**AMBER M. PERRY**, of full age, certifies as follows:

1. I am the Vice President of Regulatory Policy and Strategy of and for Atlantic City Electric Company (“ACE”), the Petitioner named in the foregoing Petition. I am duly authorized to make this Certification on ACE’s behalf.

2. I hereby certify that I have read the contents of the foregoing Petition and supporting documents thereto.

3. I further and finally certify that the information contained therein is true and correct to the best of my knowledge, information, and belief. I am aware that, if any of the foregoing statements made by me are willfully false, I am subject to punishment.

Dated: 1/31/2024

*Amber M. Perry*  
**AMBER M. PERRY**

# Exhibit A

# Schedule PKS-1

1	Table 1	NUG Costs													
2															
3		Apr 24		May 24		Jun-24		Jul-24		Aug-24		Sep-24			
4															
5	NUG Settlement Payments	\$	3,738,499	\$	3,792,627	\$	3,619,671	\$	3,136,516	\$	3,473,140	\$	3,669,700		
6															
7		Oct-24		Nov-24		Dec-24		Apr-24 to Dec-24							
8															
9	NUG Settlement Payments	\$	3,029,030	\$	3,647,427	\$	3,354,308	\$	-	\$	-	\$	-	\$	31,460,917
10															
11															
12	Settlement Payments					\$	31,460,917	= Line 5 + Line 9							
13															
14	Projected (Over)/Under Recovered Balance At April 1, 2024					\$	7,087,874	Schedule PKS-1 Page 2 Col 8 Line 15							
15	Projected Retail NGC Revenue - Apr. & May 2024					\$	(9,694,245)	Schedule PKS-1 Page 2 Col 8 Line 16							
16	Net Projected (Over)/Under Recovered Balance					\$	(2,606,372)	= Line 14 + Line 15							
17															
18	Total Period NGC Costs					\$	28,854,545	= Line 12 + Line 17							
19															
20	Table 2	NGC Rate with Voltage Level Loss Adjustment													
21	Voltage Level	Loss Factor													
22	Secondary (120 - 480 Volts)	1.07149													
23	Primary (4,000 & 12,000 Volts)	1.04345													
24	Subtransmission (23,000 & 34,500 Volts)	1.03160													
25	Transmission (69,000 Volts)	1.02150													
26															
27		Col. 1	Col. 2	Col. 3	Col. 4	Col. 5	Col. 6	Col. 7	Col. 8	Col. 9					
28				= Col. 1 x Col. 2	= Col. 3 Lines 30 - 37 / Col. 3 Line 38	= Col. 4 x Sum (Lines 12 + 16)	= Col. 5 / Col. 2	= Col. 6 x ((1/(1-0.00263))-1)	= Col. 6 + Col. 7	= Col. 8 x 1.06625					
29	Rate Class	Loss Factor	Sales @ Customer (kWh)	Sales @ Bulk System - Including Losses	Allocation Factor	Allocated Revenue Requirements	NGC Rate (\$/kWh)	BPU Assessment (\$/kWh)	Final NGC Rate (\$/kWh)	Final NGC Rate w/ SUT(\$/kWh)					
30	RS	1.07149	3,869,788,464	4,146,439,641	0.4650	\$ 13,416,656	\$ 0.003467	\$ 0.000009	\$ 0.003476	\$ 0.003706					
31	MGS Secondary	1.07149	1,336,717,494	1,432,279,427	0.1606	\$ 4,634,434	\$ 0.003467	\$ 0.000009	\$ 0.003476	\$ 0.003706					
32	MGS Primary	1.04345	88,754,650	92,611,039	0.0104	\$ 299,662	\$ 0.003376	\$ 0.000009	\$ 0.003385	\$ 0.003609					
33	AGS Secondary	1.07149	1,472,654,710	1,577,934,796	0.1769	\$ 5,105,732	\$ 0.003467	\$ 0.000009	\$ 0.003476	\$ 0.003706					
34	AGS Primary	1.04345	532,181,110	555,304,379	0.0623	\$ 1,796,801	\$ 0.003376	\$ 0.000009	\$ 0.003385	\$ 0.003609					
35	TGS	1.02150	1,003,676,053	1,025,255,088	0.1150	\$ 3,317,423	\$ 0.003305	\$ 0.000009	\$ 0.003314	\$ 0.003534					
36	SPL/CSL	1.07149	67,350,627	72,165,524	0.0081	\$ 233,506	\$ 0.003467	\$ 0.000009	\$ 0.003476	\$ 0.003706					
37	DDC	1.07149	14,517,080	15,554,906	0.0017	\$ 50,331	\$ 0.003467	\$ 0.000009	\$ 0.003476	\$ 0.003706					
38	Total		8,385,640,189	8,917,544,801	1.0000	\$ 28,854,545									

Summary of Non Utility Generation (NGC) Deferral Rates Effective For Period June 2024 - May 2025  
Updated for Actuals through December 2023

ends here for filing

<u>Col. 1</u>	<u>Col. 2</u>	<u>Col. 3</u>	<u>Col. 4</u>	<u>Col. 5</u>	<u>Col. 6</u>	<u>Col. 7</u>	<u>Col. 8</u>	<u>Col. 9</u>	<u>Col. 10</u>	<u>Col. 11</u>	<u>Col. 12</u>	<u>Col. 13</u>
			Retail NGC Revenues	TBC Expenses	Balance Transfer	Deferral	Pre-Tax Cumulative Deferral	Interest Rollover	After-Tax Cumulative Deferral	After-Tax Average Monthly Balance	Annual Interest Rate	Interest
Line No.	Month											
1	Actual	Apr-23	\$ 5,289,876	\$ 8,319,500		\$ (3,029,624)	\$ 668,362		\$ 480,485	\$ 1,569,483	4.92%	\$ 6,429
2	Actual	May-23	\$ 4,987,712	\$ 8,388,657		\$ (3,400,945)	\$ (2,732,584)		\$ (1,964,454)	\$ (741,985)	5.09%	\$ (3,150)
3	Actual	Jun-23	\$ 6,044,649	\$ 7,994,553		\$ (1,949,905)	\$ (4,682,488)		\$ (3,366,241)	\$ (2,665,348)	5.12%	\$ (11,374)
4	Actual	Jul-23	\$ 7,922,272	\$ 7,381,108		\$ 541,165	\$ (4,141,324)		\$ (2,977,198)	\$ (3,171,719)	5.21%	\$ (13,763)
5	Actual	Aug-23	\$ 9,275,838	\$ 7,545,416		\$ 1,730,421	\$ (2,296,319)	\$ 114,583	\$ (1,650,824)	\$ (2,314,011)	5.32%	\$ (10,253)
6	Actual	Sep-23	\$ 8,474,151	\$ 8,135,870		\$ 338,281	\$ (1,958,038)		\$ (1,407,633)	\$ (1,529,229)	5.34%	\$ (6,800)
7	Actual	Oct-23	\$ 6,073,009	\$ 6,959,682		\$ (886,673)	\$ (2,844,711)		\$ (2,045,063)	\$ (1,726,348)	5.33%	\$ (7,662)
8	Actual	Nov-23	\$ 5,215,228	\$ 8,034,883		\$ (2,819,655)	\$ (5,664,366)		\$ (4,072,112)	\$ (3,058,588)	5.33%	\$ (13,573)
9	Actual	Dec-23	\$ 5,601,058	\$ 7,477,532	\$ 550,456	\$ (1,326,018)	\$ (6,990,384)		\$ (5,025,387)	\$ (4,350,888)	5.35%	\$ (19,388)
10	Projected	Jan-24	\$ 6,767,787	\$ 5,232,268		\$ 1,535,520	\$ (5,454,864)		\$ (3,921,502)	\$ (4,473,444)	5.35%	\$ (19,934)
11	Projected	Feb-24	\$ 6,333,517	\$ 6,411,437		\$ (77,920)	\$ (5,532,785)		\$ (3,977,519)	\$ (3,949,510)	5.35%	\$ (17,599)
12	Projected	Mar-24	\$ 5,412,840	\$ 6,852,689		\$ (1,439,849)	\$ (6,972,634)		\$ (5,012,626)	\$ (4,495,073)	5.35%	\$ (20,030)
13						\$ -						
14	Total Interest Aug2023-Mar2024						\$ (115,240)					\$ (115,240)
15	Total Over/(Under) Recovered Balance at April 1, 2024 >>>>>>>>>>>>>>>>>>>>>>>>>						\$ (7,087,874)					
16	Projected Retail NGC Revenues in Aprl & May 2024 for April 23 - March 24 Reconciliation Period						\$ 9,694,245					
17	Total Projected Over/(Under) Recovered Balance at End of Rate Collection Period						\$ 2,606,372					



# Schedule PKS-2

Line No.	
1	<b>Table 1    <i>Projected Comprehensive Resource Analysis Program Expenditures April 2024 - March 2025</i></b>
2	
3	<b>Month                      Projected Expenditure</b>
4	
5	Apr-24            \$                      1,854,912
6	May-24           \$                      1,896,259
7	Jun-24            \$                      2,370,311
8	Jul-24             \$                      3,034,609
9	Aug-24            \$                      3,271,765
10	Sep-24            \$                      2,887,021
11	Oct-24            \$                      2,367,792
12	Nov-24            \$                      2,119,636
13	Dec-24            \$                      2,278,731
14	Jan-25            \$                      2,399,977
15	Feb-25            \$                      2,312,907
16	Mar-25            \$                      2,213,501
17	
18	Total                \$                      29,007,422

***Projected based on NJBPU QO23040235 Order  
dated 6/29/2023 FY2024 Annual Expenditures***

19			
20			
21	<b>Table 2    <i>Clean Energy Program Funding Rate Design June 2024 - May 2025</i></b>		
22			
23	Total Period Expenditures	\$                      29,007,422	=Line 18
24	Projected (Over)/Under Recovered Balance At April 1, 2024	\$                      4,978,441	Schedule PKS-2, Page 2, Col. 7 Row 15
25	Projected Retail CE Revenue - Apr. & May 2024	\$                      (3,656,494)	Schedule PKS-2, Page 2, Col. 7 Row 16
26	Total Clean Energy Program Recovery	\$                      30,329,369	=Line 23 + Line 24 + Line 25
27	Projected Delivered Sales June 2024 - May 2025	8,385,640,189	
28	Clean Energy Program Funding Rate (\$/kWh)	\$                      0.003617	
29	BPU Assessment	\$                      0.000010	
30	Rate without SUT (\$/kWh)	\$                      0.003626	
31	Rate Including SUT (\$/kWh)	\$                      0.003867	

Summary of Clean Energy Program Deferral  
Rates Effective For Period June 2024 - May 2025  
Updated for Actuals through December 2023

Col. 1	Col. 2	Col. 3	Col. 4	Col. 5	Col. 6	Col. 7	Col. 8	Col. 9	Col. 10	Col. 11	Col. 12
						Pre-Tax Deferral Cumulative	Interest Rollover	After-Tax Deferral Cumulative	After-Tax Average Monthly Balance	Annual Interest Rate	Interest
Line No.	Month		Revenues	Expenses	Deferral						
1	Actual	Apr-23	\$ 1,764,353	\$ 2,091,591	\$ (327,237)	\$ (3,273,432)		\$ (2,353,270)	\$ (2,235,645)	4.92%	\$ (9,157)
2	Actual	May-23	\$ 1,664,935	\$ 1,967,137	\$ (302,201)	\$ (3,575,633)		\$ (2,570,523)	\$ (2,461,897)	5.09%	\$ (10,450)
3	Actual	Jun-23	\$ 2,014,064	\$ 2,160,094	\$ (146,030)	\$ (3,721,663)		\$ (2,675,504)	\$ (2,623,013)	5.12%	\$ (11,193)
4	Actual	Jul-23	\$ 2,638,148	\$ 3,023,454	\$ (385,307)	\$ (4,106,970)		\$ (2,952,501)	\$ (2,814,002)	5.21%	\$ (12,211)
5	Actual	Aug-23	\$ 3,088,597	\$ 3,261,008	\$ (172,411)	\$ (4,357,611)	\$ (78,230)	\$ (3,132,686)	\$ (3,042,593)	5.32%	\$ (13,481)
6	Actual	Sep-23	\$ 2,820,651	\$ 2,870,464	\$ (49,813)	\$ (4,407,423)		\$ (3,168,497)	\$ (3,150,591)	5.34%	\$ (14,010)
7	Actual	Oct-23	\$ 2,026,387	\$ (344,511)	\$ 2,370,898	\$ (2,036,526)		\$ (1,464,058)	\$ (2,316,277)	5.33%	\$ (10,281)
8	Actual	Nov-23	\$ 1,739,531	\$ 4,807,637	\$ (3,068,106)	\$ (5,104,631)		\$ (3,669,719)	\$ (2,566,889)	5.33%	\$ (11,391)
9	Actual	Dec-23	\$ 1,867,638	\$ 1,112,521	\$ 755,117	\$ (4,349,515)		\$ (3,126,866)	\$ (3,398,293)	5.35%	\$ (15,143)
10	Projected	Jan-24	\$ 2,255,052	\$ 2,399,977	\$ (144,925)	\$ (4,494,439)		\$ (3,231,053)	\$ (3,178,959)	5.35%	\$ (14,166)
11	Projected	Feb-24	\$ 2,111,004	\$ 2,312,907	\$ (201,903)	\$ (4,696,343)		\$ (3,376,201)	\$ (3,303,627)	5.35%	\$ (14,721)
12	Projected	Mar-24	\$ 2,039,917	\$ 2,213,501	\$ (173,584)	\$ (4,869,926)		\$ (3,500,990)	\$ (3,438,595)	5.35%	\$ (15,323)
13											
14	Total Interest Aug2023-Mar2024						\$ (108,515)				\$ (108,515)
15	Total Over/(Under) Recovered Balance at April 1, 2024 >>>&gt										

# Schedule PKS-3

Line No.		
1	Projected Uncollectible Expense (April 2024 - March 2025)	\$ 17,378,844 Schedule PKS-3, Page 3 Line 15
2		
3	Projected (Over)/Under Recovered Balance At April 1, 2024	\$ 35,173,158 Schedule PKS-3 Page 2, Column 8 Line 15
4	Projected Retail UNC Revenue - Apr.& May 2024	\$ (1,810,168) Schedule PKS-3 Page 2, Column 8 Line 16
5	Net Projected (Over)/Under Recovered Balance	\$ 33,362,990 = Line 3 + Line 4
6		
7	Total Uncollectible Recovery	\$ 50,741,835 Line 1 + Line 5
8		
9	Deferred amounts from prior year filings	\$ (15,735,101) 2021 Settlement Deferred Amount
10		\$ (9,331,377) 2022 Settlement Deferred Amount
11		
12	Amortization of deferred amounts from prior filings (proposed 3 year amortization)	\$ 8,355,493 = -(Line 9 + Line 10)/3
13		
14	Final Uncollectible Recovery	\$ 34,030,849 =Line 7 + Line 9 + Line 10 +Line 12 + Line14
15		
16	Projected Delivered Sales June 2024 - May 2025	8,385,640,189
17	Uncollectible Rate (\$/kWh)	\$ 0.004058
18	BPU/RPA Revenue Assessment	\$ 0.000011
19	Final Uncollectible Rate (\$/kWh)	\$ 0.004069
20	Final Uncollectible Rate including SUT (\$/kWh)	\$ 0.004339

Summary of Uncollectible Account Deferral  
Rates Effective For Period June 2024 - May 2025  
Updated for Actuals through December 2023

<u>Col. 1</u>	<u>Col. 2</u>	<u>Col. 3</u>	<u>Col. 4</u>	<u>Col. 5</u>	<u>Col. 6</u>	<u>Col. 7</u>	<u>Col. 8</u>	<u>Col. 9</u>	<u>Col. 10</u>	<u>Col. 11</u>	<u>Col. 12</u>
Line No.	Month		Uncollectible Accounts Revenues	Uncollectible Accounts Expenses	Net Uncollectible Deferral	Pre-Tax Cumulative Deferral	Interest Rollover	After-Tax Deferral Cumulative	After-Tax Average Monthly Balance	Annual Interest Rate	Interest
1	Actual	Apr-23	\$ 929,239	\$ 868,781	\$ 60,458	\$ (30,756,233)		\$ (22,110,656)	\$ (22,132,388)	4.92%	\$ (90,657)
2	Actual	May-23	\$ 876,734	\$ (1,395,303)	\$ 2,272,037	\$ (28,484,196)		\$ (20,477,289)	\$ (21,293,972)	5.09%	\$ (90,391)
3	Actual	Jun-23	\$ 1,060,686	\$ 1,272,681	\$ (211,995)	\$ (28,696,192)		\$ (20,629,692)	\$ (20,553,490)	5.12%	\$ (87,706)
4	Actual	Jul-23	\$ 1,389,326	\$ 3,152,846	\$ (1,763,519)	\$ (30,459,711)		\$ (21,897,486)	\$ (21,263,589)	5.21%	\$ (92,268)
5	Actual	Aug-23	\$ 1,626,427	\$ 2,889,775	\$ (1,263,348)	\$ (32,648,745)	\$ (925,685)	\$ (23,471,183)	\$ (22,684,334)	5.32%	\$ (100,506)
6	Actual	Sep-23	\$ 1,485,341	\$ 3,390,988	\$ (1,905,647)	\$ (34,554,392)		\$ (24,841,152)	\$ (24,156,167)	5.34%	\$ (107,414)
7	Actual	Oct-23	\$ 1,067,140	\$ (931,688)	\$ 1,998,827	\$ (32,555,564)		\$ (23,404,195)	\$ (24,122,674)	5.33%	\$ (107,067)
8	Actual	Nov-23	\$ 916,095	\$ 125,207	\$ 790,888	\$ (31,764,676)		\$ (22,835,626)	\$ (23,119,910)	5.33%	\$ (102,601)
9	Actual	Dec-23	\$ 983,549	\$ 2,581,595	\$ (1,598,045)	\$ (33,362,722)		\$ (23,984,461)	\$ (23,410,043)	5.35%	\$ (104,317)
10	Projected	Jan-24	\$ 1,187,611	\$ 2,382,266	\$ (1,194,655)	\$ (34,557,377)		\$ (24,843,298)	\$ (24,413,879)	5.35%	\$ (108,790)
11	Projected	Feb-24	\$ 1,111,749	\$ 1,033,837	\$ 77,912	\$ (34,479,464)		\$ (24,787,287)	\$ (24,815,292)	5.35%	\$ (110,579)
12	Projected	Mar-24	\$ 1,009,872	\$ 852,089	\$ 157,783	\$ (34,321,681)		\$ (24,673,857)	\$ (24,730,572)	5.35%	\$ (110,202)
13											
14	Total Interest Aug2023-Mar2024					\$ (851,477)					\$ (851,477)
15	Total Over/(Under) Recovered Balance at April 1, 2024 >>>>>>>>>>>>>>>>>>>>>>					\$ (35,173,158)					
16	Projected Retail UNC Revenues in April & May 2024 for April 23 - March 24 Reconciliation Period					\$ 1,810,168					
17	Total Projected Over/(Under) Recovered Balance at End of Rate Collection Period					\$ (33,362,990)					

**Atlantic City Electric Company**

Uncollectible Charge Rate Design

Rates Effective For Period June 2024 - May 2025

Updated for Actuals through December 2023

Forecasted Uncollectible Expense

Line No.	Month	Uncollectible Expense
1		
2	Apr-24	\$ 1,137,259
3	May-24	\$ (1,807,111)
4	Jun-24	\$ 2,959,959
5	Jul-24	\$ 2,898,578
6	Aug-24	\$ 1,876,002
7	Sep-24	\$ 1,904,800
8	Oct-24	\$ (732,912)
9	Nov-24	\$ 1,336,152
10	Dec-24	\$ 3,091,599
11	Jan-25	\$ 1,899,997
12	Feb-25	\$ 1,267,711
13	Mar-25	\$ 1,546,810
14		
15	Total Period	<u>\$17,378,844</u>

# Schedule PKS-4



Present Rates (Effective Date: June 1, 2022)					Proposed Rates									
Rate Class	Annualized Sales @ Customer													Annualized
	(kWh)	NGC	Clean Energy	Uncollectible	NGC	Clean Energy	Uncollectible	Overall Rate Change	NGC	Clean Energy	Uncollectible	Overall Revenue Change		
RS	3,869,788,464	\$ 0.009827	\$ 0.003251	\$ 0.001712	\$ 0.003706	\$ 0.003867	\$ 0.004339	\$ (0.002878)	\$ (23,686,975)	\$ 2,383,790	\$ 10,165,934	\$ (11,137,251)		
MGS Secondary	1,336,717,494	\$ 0.009827	\$ 0.003251	\$ 0.001712	\$ 0.003706	\$ 0.003867	\$ 0.004339	\$ (0.002878)	\$ (8,182,048)	\$ 823,418	\$ 3,511,557	\$ (3,847,073)		
MGS Primary	88,754,650	\$ 0.009569	\$ 0.003251	\$ 0.001712	\$ 0.003609	\$ 0.003867	\$ 0.004339	\$ (0.002717)	\$ (528,978)	\$ 54,673	\$ 233,158	\$ (241,146)		
AGS Secondary	1,472,654,710	\$ 0.009827	\$ 0.003251	\$ 0.001712	\$ 0.003706	\$ 0.003867	\$ 0.004339	\$ (0.002878)	\$ (9,014,119)	\$ 907,155	\$ 3,868,664	\$ (4,238,300)		
AGS Primary	532,181,110	\$ 0.009569	\$ 0.003251	\$ 0.001712	\$ 0.003609	\$ 0.003867	\$ 0.004339	\$ (0.002717)	\$ (3,171,799)	\$ 327,824	\$ 1,398,040	\$ (1,445,936)		
TGS	1,003,676,053	\$ 0.009368	\$ 0.003251	\$ 0.001712	\$ 0.003534	\$ 0.003867	\$ 0.004339	\$ (0.002591)	\$ (5,855,446)	\$ 618,264	\$ 2,636,657	\$ (2,600,525)		
SPL/CSL	67,350,627	\$ 0.009827	\$ 0.003251	\$ 0.001712	\$ 0.003706	\$ 0.003867	\$ 0.004339	\$ (0.002878)	\$ (412,253)	\$ 41,488	\$ 176,930	\$ (193,835)		
DDC	14,517,080	\$ 0.009827	\$ 0.003251	\$ 0.001712	\$ 0.003706	\$ 0.003867	\$ 0.004339	\$ (0.002878)	\$ (88,859)	\$ 8,943	\$ 38,136	\$ (41,780)		
Total	8,385,640,189								\$ (50,940,478)	\$ 5,165,554	\$ 22,029,077	\$ (23,745,847)		

**ATLANTIC CITY ELECTRIC COMPANY**  
**RESIDENTIAL SERVICE ("RS")**  
**8 WINTER MONTHS (October Through May)**

Updated Schedule PKS-4  
Page 2 of 4

**Present Rates**  
**vs.**  
**Proposed Rates with NGC/SBC Adjustments Effective June 01, 2024**

Monthly Usage (kWh)	Present Delivery (\$)	Present Supply+T (\$)	Present Total (\$)	New Delivery (\$)	New Supply+T (\$)	New Total (\$)	Difference		Total Difference	(%)
							Delivery (\$)	Supply+T (\$)	(\$)	
0	\$ 6.75	\$ -	\$ 6.75	\$ 6.75	\$ -	\$ 6.75	\$ -	\$ -	\$ -	0.00%
25	\$ 9.21	\$ 3.14	\$ 12.35	\$ 9.14	\$ 3.14	\$ 12.28	\$ (0.07)	\$ -	\$ (0.07)	-0.57%
50	\$ 11.68	\$ 6.27	\$ 17.95	\$ 11.53	\$ 6.27	\$ 17.80	\$ (0.15)	\$ -	\$ (0.15)	-0.84%
75	\$ 14.14	\$ 9.41	\$ 23.55	\$ 13.92	\$ 9.41	\$ 23.33	\$ (0.22)	\$ -	\$ (0.22)	-0.93%
100	\$ 16.60	\$ 12.55	\$ 29.15	\$ 16.32	\$ 12.55	\$ 28.87	\$ (0.28)	\$ -	\$ (0.28)	-0.96%
150	\$ 21.53	\$ 18.82	\$ 40.35	\$ 21.10	\$ 18.82	\$ 39.92	\$ (0.43)	\$ -	\$ (0.43)	-1.07%
200	\$ 26.46	\$ 25.09	\$ 51.55	\$ 25.88	\$ 25.09	\$ 50.97	\$ (0.58)	\$ -	\$ (0.58)	-1.13%
250	\$ 31.38	\$ 31.36	\$ 62.74	\$ 30.66	\$ 31.36	\$ 62.02	\$ (0.72)	\$ -	\$ (0.72)	-1.15%
300	\$ 36.31	\$ 37.64	\$ 73.95	\$ 35.45	\$ 37.64	\$ 73.09	\$ (0.86)	\$ -	\$ (0.86)	-1.16%
350	\$ 41.24	\$ 43.91	\$ 85.15	\$ 40.23	\$ 43.91	\$ 84.14	\$ (1.01)	\$ -	\$ (1.01)	-1.19%
400	\$ 46.16	\$ 50.18	\$ 96.34	\$ 45.01	\$ 50.18	\$ 95.19	\$ (1.15)	\$ -	\$ (1.15)	-1.19%
450	\$ 51.09	\$ 56.46	\$ 107.55	\$ 49.80	\$ 56.46	\$ 106.26	\$ (1.29)	\$ -	\$ (1.29)	-1.20%
500	\$ 56.02	\$ 62.73	\$ 118.75	\$ 54.58	\$ 62.73	\$ 117.31	\$ (1.44)	\$ -	\$ (1.44)	-1.21%
600	\$ 65.87	\$ 75.27	\$ 141.14	\$ 64.15	\$ 75.27	\$ 139.42	\$ (1.72)	\$ -	\$ (1.72)	-1.22%
<b>643</b>	<b>\$ 70.11</b>	<b>\$ 80.67</b>	<b>\$ 150.78</b>	<b>\$ 68.26</b>	<b>\$ 80.67</b>	<b>\$ 148.93</b>	<b>\$ (1.85)</b>	<b>\$ -</b>	<b>\$ (1.85)</b>	<b>-1.23%</b>
700	\$ 75.73	\$ 87.82	\$ 163.55	\$ 73.71	\$ 87.82	\$ 161.53	\$ (2.02)	\$ -	\$ (2.02)	-1.24%
750	\$ 80.65	\$ 94.09	\$ 174.74	\$ 78.49	\$ 94.09	\$ 172.58	\$ (2.16)	\$ -	\$ (2.16)	-1.24%
800	\$ 85.58	\$ 100.36	\$ 185.94	\$ 83.28	\$ 100.36	\$ 183.64	\$ (2.30)	\$ -	\$ (2.30)	-1.24%
900	\$ 95.43	\$ 112.91	\$ 208.34	\$ 92.84	\$ 112.91	\$ 205.75	\$ (2.59)	\$ -	\$ (2.59)	-1.24%
1000	\$ 105.29	\$ 125.46	\$ 230.75	\$ 102.41	\$ 125.46	\$ 227.87	\$ (2.88)	\$ -	\$ (2.88)	-1.25%
1200	\$ 124.99	\$ 150.55	\$ 275.54	\$ 121.54	\$ 150.55	\$ 272.09	\$ (3.45)	\$ -	\$ (3.45)	-1.25%
1500	\$ 154.56	\$ 188.18	\$ 342.74	\$ 150.24	\$ 188.18	\$ 338.42	\$ (4.32)	\$ -	\$ (4.32)	-1.26%
2000	\$ 203.82	\$ 250.91	\$ 454.73	\$ 198.07	\$ 250.91	\$ 448.98	\$ (5.75)	\$ -	\$ (5.75)	-1.26%
2500	\$ 253.09	\$ 313.64	\$ 566.73	\$ 245.90	\$ 313.64	\$ 559.54	\$ (7.19)	\$ -	\$ (7.19)	-1.27%
3000	\$ 302.36	\$ 376.37	\$ 678.73	\$ 293.73	\$ 376.37	\$ 670.10	\$ (8.63)	\$ -	\$ (8.63)	-1.27%
3500	\$ 351.63	\$ 439.10	\$ 790.73	\$ 341.56	\$ 439.10	\$ 780.66	\$ (10.07)	\$ -	\$ (10.07)	-1.27%
4000	\$ 400.90	\$ 501.82	\$ 902.72	\$ 389.39	\$ 501.82	\$ 891.21	\$ (11.51)	\$ -	\$ (11.51)	-1.28%

**ATLANTIC CITY ELECTRIC COMPANY**  
**RESIDENTIAL SERVICE ("RS")**  
**4 SUMMER MONTHS (June Through September)**

**Present Rates**

vs.

**Proposed Rates with NGC/SBC Adjustments Effective June 01, 2024**

Monthly Usage (kWh)	Present Delivery (\$)	Present Supply+T (\$)	Present Total (\$)	New Delivery (\$)	New Supply+T (\$)	New Total (\$)	Difference		Total Difference	
							Delivery (\$)	Supply+T (\$)	(\$)	(%)
0	\$ 6.75	\$ -	\$ 6.75	\$ 6.75	\$ -	\$ 6.75	\$ -	\$ -	\$ -	0.00%
25	\$ 9.39	\$ 3.01	\$ 12.40	\$ 9.32	\$ 3.01	\$ 12.33	\$ (0.07)	\$ -	\$ (0.07)	-0.56%
50	\$ 12.04	\$ 6.02	\$ 18.06	\$ 11.90	\$ 6.02	\$ 17.92	\$ (0.14)	\$ -	\$ (0.14)	-0.78%
75	\$ 14.68	\$ 9.03	\$ 23.71	\$ 14.47	\$ 9.03	\$ 23.50	\$ (0.21)	\$ -	\$ (0.21)	-0.89%
100	\$ 17.33	\$ 12.04	\$ 29.37	\$ 17.04	\$ 12.04	\$ 29.08	\$ (0.29)	\$ -	\$ (0.29)	-0.99%
150	\$ 22.62	\$ 18.05	\$ 40.67	\$ 22.19	\$ 18.05	\$ 40.24	\$ (0.43)	\$ -	\$ (0.43)	-1.06%
200	\$ 27.91	\$ 24.07	\$ 51.98	\$ 27.33	\$ 24.07	\$ 51.40	\$ (0.58)	\$ -	\$ (0.58)	-1.12%
250	\$ 33.20	\$ 30.09	\$ 63.29	\$ 32.48	\$ 30.09	\$ 62.57	\$ (0.72)	\$ -	\$ (0.72)	-1.14%
300	\$ 38.48	\$ 36.11	\$ 74.59	\$ 37.62	\$ 36.11	\$ 73.73	\$ (0.86)	\$ -	\$ (0.86)	-1.15%
350	\$ 43.77	\$ 42.13	\$ 85.90	\$ 42.77	\$ 42.13	\$ 84.90	\$ (1.00)	\$ -	\$ (1.00)	-1.16%
400	\$ 49.06	\$ 48.14	\$ 97.20	\$ 47.91	\$ 48.14	\$ 96.05	\$ (1.15)	\$ -	\$ (1.15)	-1.18%
450	\$ 54.35	\$ 54.16	\$ 108.51	\$ 53.06	\$ 54.16	\$ 107.22	\$ (1.29)	\$ -	\$ (1.29)	-1.19%
500	\$ 59.64	\$ 60.18	\$ 119.82	\$ 58.20	\$ 60.18	\$ 118.38	\$ (1.44)	\$ -	\$ (1.44)	-1.20%
600	\$ 70.22	\$ 72.22	\$ 142.44	\$ 68.49	\$ 72.22	\$ 140.71	\$ (1.73)	\$ -	\$ (1.73)	-1.21%
<b>643</b>	<b>\$ 74.77</b>	<b>\$ 77.39</b>	<b>\$ 152.16</b>	<b>\$ 72.92</b>	<b>\$ 77.39</b>	<b>\$ 150.31</b>	<b>\$ (1.85)</b>	<b>\$ -</b>	<b>\$ (1.85)</b>	<b>-1.22%</b>
700	\$ 80.80	\$ 84.25	\$ 165.05	\$ 78.78	\$ 84.25	\$ 163.03	\$ (2.02)	\$ -	\$ (2.02)	-1.22%
750	\$ 86.09	\$ 90.27	\$ 176.36	\$ 83.93	\$ 90.27	\$ 174.20	\$ (2.16)	\$ -	\$ (2.16)	-1.22%
800	\$ 92.08	\$ 96.78	\$ 188.86	\$ 89.78	\$ 96.78	\$ 186.56	\$ (2.30)	\$ -	\$ (2.30)	-1.22%
900	\$ 104.06	\$ 109.79	\$ 213.85	\$ 101.47	\$ 109.79	\$ 211.26	\$ (2.59)	\$ -	\$ (2.59)	-1.21%
1000	\$ 116.04	\$ 122.80	\$ 238.84	\$ 113.16	\$ 122.80	\$ 235.96	\$ (2.88)	\$ -	\$ (2.88)	-1.21%
1200	\$ 140.00	\$ 148.83	\$ 288.83	\$ 136.55	\$ 148.83	\$ 285.38	\$ (3.45)	\$ -	\$ (3.45)	-1.19%
1500	\$ 175.94	\$ 187.87	\$ 363.81	\$ 171.63	\$ 187.87	\$ 359.50	\$ (4.31)	\$ -	\$ (4.31)	-1.18%
2000	\$ 235.85	\$ 252.93	\$ 488.78	\$ 230.09	\$ 252.93	\$ 483.02	\$ (5.76)	\$ -	\$ (5.76)	-1.18%
2500	\$ 295.75	\$ 317.99	\$ 613.74	\$ 288.56	\$ 317.99	\$ 606.55	\$ (7.19)	\$ -	\$ (7.19)	-1.17%
3000	\$ 355.66	\$ 383.05	\$ 738.71	\$ 347.02	\$ 383.05	\$ 730.07	\$ (8.64)	\$ -	\$ (8.64)	-1.17%
3500	\$ 415.56	\$ 448.12	\$ 863.68	\$ 405.49	\$ 448.12	\$ 853.61	\$ (10.07)	\$ -	\$ (10.07)	-1.17%
4000	\$ 475.46	\$ 513.18	\$ 988.64	\$ 463.95	\$ 513.18	\$ 977.13	\$ (11.51)	\$ -	\$ (11.51)	-1.16%

**ATLANTIC CITY ELECTRIC COMPANY**  
**RESIDENTIAL SERVICE ("RS")**  
**Annual Average**

**Present Rates**

vs.

**Proposed Rates with NGC/SBC Adjustments Effective June 01, 2024**

Monthly Usage (kWh)	Present Delivery (\$)	Present Supply+T (\$)	Present Total (\$)	New Delivery (\$)	New Supply+T (\$)	New Total (\$)	Difference		Total Difference	
							Delivery (\$)	Supply+T (\$)	(\$)	(%)
0	\$ 6.75	\$ -	\$ 6.75	\$ 6.75	\$ -	\$ 6.75	\$ -	\$ -	\$ -	0.00%
25	\$ 9.27	\$ 3.10	\$ 12.37	\$ 9.20	\$ 3.10	\$ 12.30	\$ (0.07)	\$ -	\$ (0.07)	-0.57%
50	\$ 11.80	\$ 6.19	\$ 17.99	\$ 11.65	\$ 6.19	\$ 17.84	\$ (0.15)	\$ -	\$ (0.15)	-0.83%
75	\$ 14.32	\$ 9.28	\$ 23.60	\$ 14.10	\$ 9.28	\$ 23.38	\$ (0.22)	\$ -	\$ (0.22)	-0.93%
100	\$ 16.84	\$ 12.38	\$ 29.22	\$ 16.56	\$ 12.38	\$ 28.94	\$ (0.28)	\$ -	\$ (0.28)	-0.96%
150	\$ 21.89	\$ 18.56	\$ 40.45	\$ 21.46	\$ 18.56	\$ 40.02	\$ (0.43)	\$ -	\$ (0.43)	-1.06%
200	\$ 26.94	\$ 24.75	\$ 51.69	\$ 26.36	\$ 24.75	\$ 51.11	\$ (0.58)	\$ -	\$ (0.58)	-1.12%
250	\$ 31.99	\$ 30.94	\$ 62.93	\$ 31.27	\$ 30.94	\$ 62.21	\$ (0.72)	\$ -	\$ (0.72)	-1.14%
300	\$ 37.03	\$ 37.13	\$ 74.16	\$ 36.17	\$ 37.13	\$ 73.30	\$ (0.86)	\$ -	\$ (0.86)	-1.16%
350	\$ 42.08	\$ 43.32	\$ 85.40	\$ 41.08	\$ 43.32	\$ 84.40	\$ (1.00)	\$ -	\$ (1.00)	-1.17%
400	\$ 47.13	\$ 49.50	\$ 96.63	\$ 45.98	\$ 49.50	\$ 95.48	\$ (1.15)	\$ -	\$ (1.15)	-1.19%
450	\$ 52.18	\$ 55.69	\$ 107.87	\$ 50.89	\$ 55.69	\$ 106.58	\$ (1.29)	\$ -	\$ (1.29)	-1.20%
500	\$ 57.23	\$ 61.88	\$ 119.11	\$ 55.79	\$ 61.88	\$ 117.67	\$ (1.44)	\$ -	\$ (1.44)	-1.21%
600	\$ 67.32	\$ 74.25	\$ 141.57	\$ 65.60	\$ 74.25	\$ 139.85	\$ (1.72)	\$ -	\$ (1.72)	-1.21%
<b>643</b>	<b>\$ 71.66</b>	<b>\$ 79.58</b>	<b>\$ 151.24</b>	<b>\$ 69.81</b>	<b>\$ 79.58</b>	<b>\$ 149.39</b>	<b>\$ (1.85)</b>	<b>\$ -</b>	<b>\$ (1.85)</b>	<b>-1.22%</b>
700	\$ 77.42	\$ 86.63	\$ 164.05	\$ 75.40	\$ 86.63	\$ 162.03	\$ (2.02)	\$ -	\$ (2.02)	-1.23%
750	\$ 82.46	\$ 92.82	\$ 175.28	\$ 80.30	\$ 92.82	\$ 173.12	\$ (2.16)	\$ -	\$ (2.16)	-1.23%
800	\$ 87.75	\$ 99.17	\$ 186.92	\$ 85.45	\$ 99.17	\$ 184.62	\$ (2.30)	\$ -	\$ (2.30)	-1.23%
900	\$ 98.31	\$ 111.87	\$ 210.18	\$ 95.72	\$ 111.87	\$ 207.59	\$ (2.59)	\$ -	\$ (2.59)	-1.23%
1000	\$ 108.87	\$ 124.57	\$ 233.44	\$ 105.99	\$ 124.57	\$ 230.56	\$ (2.88)	\$ -	\$ (2.88)	-1.23%
1200	\$ 129.99	\$ 149.98	\$ 279.97	\$ 126.54	\$ 149.98	\$ 276.52	\$ (3.45)	\$ -	\$ (3.45)	-1.23%
1500	\$ 161.69	\$ 188.08	\$ 349.77	\$ 157.37	\$ 188.08	\$ 345.45	\$ (4.32)	\$ -	\$ (4.32)	-1.24%
2000	\$ 214.50	\$ 251.58	\$ 466.08	\$ 208.74	\$ 251.58	\$ 460.32	\$ (5.76)	\$ -	\$ (5.76)	-1.24%
2500	\$ 267.31	\$ 315.09	\$ 582.40	\$ 260.12	\$ 315.09	\$ 575.21	\$ (7.19)	\$ -	\$ (7.19)	-1.23%
3000	\$ 320.13	\$ 378.60	\$ 698.73	\$ 311.49	\$ 378.60	\$ 690.09	\$ (8.64)	\$ -	\$ (8.64)	-1.24%
3500	\$ 372.94	\$ 442.11	\$ 815.05	\$ 362.87	\$ 442.11	\$ 804.98	\$ (10.07)	\$ -	\$ (10.07)	-1.24%
4000	\$ 425.75	\$ 505.61	\$ 931.36	\$ 414.24	\$ 505.61	\$ 919.85	\$ (11.51)	\$ -	\$ (11.51)	-1.24%

# Schedule PKS-5

Tariff Pages

Clean

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

**Revised Sheet Replaces**

**Sheet No. 57**

**Rider (NGC)**  
**Non-Utility Generation Charge (NGC)**

Applicable to customers receiving service under Electric Rate Schedules RS, MGS, AGS, TS, TGS, DDC, SPL, CSL, STB, SPP are subject to a non-bypassable Non-Utility Generation Charge (NGC).

This charge provided for the full and timely recovery of the following costs:

1. Costs associated with the Company's purchase power contracts with non-utility generators, which are intended recover the stranded costs associated with such commitments. The costs recovered via the NGC are based on the difference between the average estimated cost of energy and capacity in the regional market and the associated costs provided in existing power purchase contracts with non-utility generators. Differences between actual and estimated costs occurring under previously approved rates shall be added or subtracted as appropriate to the estimated costs.
2. Costs associated with the transition to a competitive electric market and the restructuring of the electric utility industry in the State of New Jersey.
3. Costs associated with the Company's generation facilities, net of any revenue received from the sale of energy, capacity and ancillary services associated with these units.

The following table provides the component rates of the NGC charge for each rate schedule based on the cost categories listed above in \$ per kWh.

<u>Rate Schedule</u>	<u>Total NGC</u>
RS	\$ 0.003706
MGS Secondary and MGS-SEVC	\$ 0.003706
MGS Primary	\$ 0.003609
AGS Secondary	\$ 0.003706
AGS Primary	\$ 0.003609
TGS	\$ 0.003534
SPL/CSL	\$ 0.003706
DDC	\$ 0.003706

**Date of Issue:**

**Effective Date:**

**Issued by:**

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

**Revised Sheet Replaces**

**Revised Sheet No. 58**

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**RIDER (SBC)**  
**Societal Benefits Charge (SBC)**

Applicable to customers receiving service under Electric Rate Schedules RS, MGS, AGS, TS, TGS, DDC, SPL, and CSL and any customer taking service under special contractual arrangements.

In accordance with the New Jersey Electric Discount and Energy Competition Act, Societal Benefits Charges include:

- Clean Energy Program Costs
- Uncollectible Accounts
- Universal Service Fund
- Lifeline

The Company's Societal Benefits Charges to be effective on and after the date indicated below are as follows:

Clean Energy Program	\$0.003867 per kWh
Uncollectible Accounts	\$0.004339 per kWh
Universal Service Fund	\$0.001325 per kWh
Lifeline	\$0.000744 per kWh

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Total Rider SBC Surcharge (\$/kWh)	\$0.010275 per kWh
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**Date of Issue:**

**Effective Date:**

**Issued by:**

# Schedule PKS-6

Tariff Pages

Redlined



## ATLANTIC CITY ELECTRIC COMPANY

BPU NJ No. 11 Electric Service - Section IV ~~Twenty-Ninth Revised Sheet Replaces Twenty-Eighth Revised Sheet No. 57~~

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**Rider (NGC)  
Non-Utility Generation Charge (NGC)**

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Applicable to customers receiving service under Electric Rate Schedules RS, MGS, AGS, TS, TGS, DDC, SPL, CSL, STB, SPP are subject to a non-bypassable Non-Utility Generation Charge (NGC).

This charge provided for the full and timely recovery of the following costs:

1. Costs associated with the Company's purchase power contracts with non-utility generators, which are intended recover the stranded costs associated with such commitments. The costs recovered via the NGC are based on the difference between the average estimated cost of energy and capacity in the regional market and the associated costs provided in existing power purchase contracts with non-utility generators. Differences between actual and estimated costs occurring under previously approved rates shall be added or subtracted as appropriate to the estimated costs.
2. Costs associated with the transition to a competitive electric market and the restructuring of the electric utility industry in the State of New Jersey.
3. Costs associated with the Company's generation facilities, net of any revenue received from the sale of energy, capacity and ancillary services associated with these units.

The following table provides the component rates of the NGC charge for each rate schedule based on the cost categories listed above in \$ per kWh.

<u>Rate Schedule</u>	<u>Total NGC</u>
RS	\$ <del>0.0098270.003706</del>
MGS Secondary and MGS-SEVC	\$ <del>0.0098270.003706</del>
MGS Primary	\$ <del>0.0095690.003609</del>
AGS Secondary	\$ <del>0.0098270.003706</del>
AGS Primary	\$ <del>0.0095690.003609</del>
TGS	\$ <del>0.0093680.003534</del>
SPL/CSL	\$ <del>0.0098270.003706</del>
DDC	\$ <del>0.0098270.003706</del>

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**Date of Issue: ~~November 30, 2023~~****Effective Date: ~~December 1, 2023~~**

**Issued by: ~~J. Tyler Anthony, President and Chief Executive Officer — Atlantic City Electric Company~~**  
**~~Filed pursuant to Board of Public Utilities of the State of New Jersey directives associated with the~~**  
**~~BPU Docket No. ER23020091~~**

ATLANTIC CITY ELECTRIC COMPANY

BPU NJ No. 11 Electric Service - Section IV ~~Forty-Sixth~~ Revised Sheet Replaces ~~Forty-Fifth~~ Revised Sheet  
No. 58

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**RIDER (SBC)**  
**Societal Benefits Charge (SBC)**

Applicable to customers receiving service under Electric Rate Schedules RS, MGS, AGS, TS, TGS, DDC, SPL, and CSL and any customer taking service under special contractual arrangements.

In accordance with the New Jersey Electric Discount and Energy Competition Act, Societal Benefits Charges include:

- Clean Energy Program Costs
- Uncollectible Accounts
- Universal Service Fund
- Lifeline

The Company's Societal Benefits Charges to be effective on and after the date indicated below are as follows:

Clean Energy Program	<del>\$0.003251</del> <u>0.003867</u> per kWh
Uncollectible Accounts	<del>\$0.001712</del> <u>0.004339</u> per kWh
Universal Service Fund	\$0.001325 per kWh
Lifeline	\$0.000744 per kWh

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Total Rider SBC Surcharge (\$/kWh)	<del>\$0.007032</del> <u>0.010275</u> per kWh
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Date of Issue: ~~November 30, 2023~~

Effective Date: ~~December 1, 2023~~

Issued by: ~~J. Tyler Anthony, President and Chief Executive Officer – Atlantic City Electric Company~~  
~~Filed pursuant to Board of Public Utilities of the State of New Jersey directives associated with the~~  
~~BPU Docket No. ER23020094~~

# Exhibit B

**NOTICE  
TO CUSTOMERS OF  
ATLANTIC CITY ELECTRIC COMPANY**

**In the Matter of the Petition of Atlantic City Electric Company to Reconcile  
and Update the Level of Its Non-Utility Generation Charge and Its Societal  
Benefits Charge (2024)  
BPU Docket No. ER24XXXXXX**

**PLEASE TAKE NOTICE** that, on or about February 1, 2024, Atlantic City Electric Company (“ACE” or the “Company”) filed a Petition (the “Petition”) with the New Jersey Board of Public Utilities (the “Board” or “BPU”) to reconcile, update, and approve proposed changes to the Company’s Non-Utility Generation Charge (“NGC”) and Societal Benefits Charge (“SBC”). ACE’s NGC provides for recovery of the above-market portion of payments made under the Company’s non-utility generation (“NUG”) contracts and certain costs associated with such commitments. ACE’s SBC was established by the Board pursuant to the Electric Discount and Energy Competition Act, N.J.S.A. 48:3-49 et seq., to recover costs related to the Universal Service Fund and Lifeline social programs, the Board’s Clean Energy Program (“CEP”), and the Company’s Uncollectible Accounts Charges (“UNC”).

As filed, the Petition proposed to reset the NGC for the period June 1, 2024 through May 31, 2025, based upon a projected deferred balance on March 31, 2024, inclusive of projected customer revenue through May 31, 2024, and associated forecasted above market NUG costs for the period April 1, 2024 through March 31, 2025. The Company has also proposed to modify specific cost components of the SBC by adjusting the UNC and CEP components of the SBC based upon projected deferred balances as of March 31, 2024, inclusive of projected customer revenue through May 31, 2024, and the projected expenses for the period April 1, 2024 through March 31, 2025.

As set forth in the Stipulation of Settlement and confirmed by Order of the Board issued in connection with BPU Docket No. ER20010088, the Company has provided periodic formal updates to the Board, Board Staff, and the New Jersey Division of Rate Counsel (“Rate Counsel”) with respect to the balances in the NGC and SBC. The Company’s latest quarterly report, which highlighted the deferred balances as of March 31, 2023, inclusive of projected customer revenue through May 31, 2023, was submitted on or about January 21, 2024.

The NGC component is based on the schedule of annual contract restructuring payments as determined by the Board’s Restructuring Order in Docket No. EM21121253 for the period ending December 31, 2023 and projected through March 31, 2025. The effect of the change in the NGC component for this period results in a \$50.940 million decrease to be returned to customers over the period June 1, 2024 through May 31, 2025.

The UNC component is based on actual expenditures through December 31, 2023 and projected data through March 31, 2025. Also included in the UNC component is the commencement of a partial recovery of deferred uncollectible expenses associated with the recently concluded COVID-19 Pandemic which the Company proposes to recover over a three-year period. The effect of the change in the UNC component for this period results in an increase of \$22.029 million to be recovered over the period June 1, 2024 through May 31, 2025.

The Company's Petition also included ACE's proposed adjustments to the CEP component of the SBC based upon actual expenditures as of December 31, 2023, and projected data through March 31, 2025. The effect of the change in the CEP component for this period results in an increase of \$5.166 million to be recovered over the period June 1, 2024 through May 31, 2025.

The net effect of all proposed changes to the NGC and SBC charges is an annual increase of \$23.746 million. The magnitude of this level of increase in the amount to be recovered through the Company's UNC is reflective of the impact that the COVID-19 Pandemic has had on the Company's customers.

The following table demonstrates the Company's proposed rates based upon actual data as of December 31, 2023, and forecasted data through March 2025:

<b>Rate Schedule</b>	<b>NGC</b>	<b>SBC (CEP &amp; UNC)</b>
Residential	\$0.003706	\$0.008206
MGS Secondary	\$0.003706	\$0.008206
MGS Primary	\$0.003609	\$0.008206
AGS Secondary	\$0.003706	\$0.008206
AGS Primary	\$0.003609	\$0.008206
TGS	\$0.003534	\$0.008206
SPL/CSL	\$0.003706	\$0.008206
DDC	\$0.003706	\$0.008206

The effect of the changes in the NGC and SBC charges on a typical residential customer's monthly electric bill using 643 kWh represents an decrease of approximately \$1.85 or 1.23 percent. Residential customers using other monthly usage amounts, based on the Company's proposed rates, are illustrated below:

<b>Monthly kWh Use</b>	<b>Present Bill</b>	<b>Proposed Bill</b>	<b>Decrease (\$)</b>	<b>Decrease (%)</b>
100	\$29.22	\$28.94	\$0.28	0.96%
300	\$74.16	\$73.30	\$0.86	1.16%
500	\$119.11	\$117.67	\$1.44	1.21%
750	\$175.28	\$173.12	\$2.16	1.23%
1000	\$233.44	\$230.56	\$2.88	1.23%
2000	\$466.08	\$460.32	\$5.76	1.24%
2500	\$582.40	\$575.21	\$7.19	1.23%
3000	\$698.73	\$690.09	\$8.64	1.24%

**It is important to note that the resolution of this Petition and the reconciliation of these accounts will not result in any profit to the Company.**

The percentage increases noted above are based upon a comparison with current rates that became effective on and after June 1, 2022. Any final rate adjustments found by the Board to be just and reasonable may be modified and/or allocated by the Board in accordance with the provisions of *N.J.S.A.* 48:3-4, and for other good and legally sufficient reasons, to any class or classes of customers of the Company. Therefore, the rates set out above may increase or decrease based upon the Board's decision.

A copy of this Notice of Filing and Public Hearings on the Petition is being served upon the clerk, executive or administrator of each municipality and county within the Company's service territory. The Petition and this Notice have been posted on ACE's website at [www.atlanticcityelectric.com/PublicPostings](http://www.atlanticcityelectric.com/PublicPostings) and has also been sent to the New Jersey Division of Rate Counsel ("Rate Counsel"), who will represent the interests of all ACE customers in this proceeding.

PLEASE TAKE FURTHER NOTICE that virtual public hearings are scheduled for the following dates and times so that members of the public may present their views on the Company's Petition:

<b>Date:</b> XXXXX XX, 2024	<b>Date:</b> XXXXX XX, 2024
<b>Time:</b> 4:30 P.M.	<b>Time:</b> 5:30 P.M.
<b>VIRTUAL WEBINAR</b> To join the meeting directly, enter <a href="https://tinyurl.com/2jeuhy2k">https://tinyurl.com/2jeuhy2k</a>  To join through a prompt for VTC conference ID, enter <a href="mailto:exelon@m.webex.com">exelon@m.webex.com</a> and then the VTC conference ID 116 729 269 2 followed by #  <b>Dial-In Number: Phone Conference ID:</b>	<b>VIRTUAL WEBINAR</b> To join meeting directly, enter <a href="https://tinyurl.com/2jeuhy2k">https://tinyurl.com/2jeuhy2k</a>  To join through a prompt for VTC conference ID, enter <a href="mailto:exelon@m.webex.com">exelon@m.webex.com</a> and then the VTC conference ID 116 729 269 2 followed by #  <b>Dial-In Number: Phone Conference ID:</b>

Representatives from the Company, Board Staff, and Rate Counsel will participate in the virtual public hearings. Members of the public are invited to participate by utilizing the link or dial-In information set forth above and may express their views on this Petition. All comments will be made a part of the final record of the proceeding and will be considered by the Board. In order to encourage full participation in this opportunity for public comment, please submit any requests for needed accommodations, such as interpreters or listening assistance, 48 hours prior to the above hearings to the Board Secretary at [board.secretary@bpu.nj.gov](mailto:board.secretary@bpu.nj.gov).

The Board will also accept written and/or electronic comments. While all comments will be given equal consideration and will be made part of the final record of this proceeding, the preferred method of transmittal is via the Board's Public Document Search tool. Search for the docket number listed above, and post by utilizing the "Post Comments" button. Emailed comments may also be filed with the Secretary of the Board, in pdf or Word format, to [board.secretary@bpu.nj.gov](mailto:board.secretary@bpu.nj.gov).

Written comments may also be submitted to the Board Secretary, Sherri Golden,, at the Board of Public Utilities, 44 South Clinton Avenue, 1st Floor, P.O. Box 350, Trenton, New Jersey 08625-0350. All emailed or mailed comments should include the name of the filing and the docket number.

All comments are considered “public documents” for purposes of the State’s Open Public Records Act. Commenters may identify information that they seek to keep confidential by submitting them in accordance with the confidentiality procedures set forth in *N.J.A.C.* 14:1-12.3.

Dated: February \_\_, 2024

ATLANTIC CITY ELECTRIC COMPANY

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

**IN THE MATTER OF THE PETITION OF  
ATLANTIC CITY ELECTRIC COMPANY TO RECONCILE AND UPDATE  
THE LEVEL OF ITS NON-UTILITY GENERATION CHARGE AND  
ITS SOCIETAL BENEFITS CHARGE (2024)**

**February 1, 2024**

**TESTIMONY OF**

**Peter K. Samuel**

**ON BEHALF OF**

**ATLANTIC CITY ELECTRIC COMPANY**



1    **Q.     Please state your name and position.**

2    **A.**           My name is Peter K. Samuel. I am a Manager of Revenue Requirements in  
3           the Regulatory Compliance Pricing Department of Pepco Holdings LLC (“PHI”),  
4           an indirect, wholly owned subsidiary of Exelon Corporation (“Exelon”). I am  
5           testifying on behalf of Atlantic City Electric Company (“ACE” or the “Company”).

6    **Q.     What is your educational and professional background?**

7    **A.**           I received a Bachelor of Commerce degree with a specialization in  
8           Accounting from the University of Nairobi and a Master of Business  
9           Administration degree with a concentration in Finance from the William Paterson  
10          University of New Jersey.

11   **Q.     Please describe and summarize your employment experience in the utility**  
12    **industry.**

13   **A.**           I joined PHI in 2006 as an Accountant II in the Revenue Accounting  
14          Department and was later promoted to Senior Accountant and then promoted to  
15          Accounting Coordinator within the Department. In 2016, I transferred to Technical  
16          Services as a Senior Business Analyst. In 2018, I transferred into PHI Regulatory  
17          as a Senior Rates Analyst in Revenue Requirements and later worked as a Senior  
18          Energy Acquisition Analyst in the energy acquisitions and supply group. In  
19          September 2023, I was promoted to my current position of Manager of Revenue  
20          Requirements in the Regulatory Compliance Pricing Department.

21   **Q.     What is the purpose of your testimony?**

22   **A.**           The purpose of my testimony is to describe ACE's proposed changes to the  
23          levels of the (i) Non-Utility Generation Charge (“NGC”) and (ii) the two

1 components of the Societal Benefits Charge (“SBC”). The SBC components to be  
2 adjusted include the Clean Energy Program (“CEP”) and the Uncollectible  
3 Accounts Charges (“UNC”). If approved by the New Jersey Board of Public  
4 Utilities (the “Board” or “BPU”) as proposed in my testimony and in the Petition  
5 of which this testimony is a part, these changes will result in a total annual decrease  
6 in customer rates of approximately \$ 23.746 million.

7 **Q. Please provide a summary of the NGC.**

8 **A.** The current NGC rate was put into effect on a provisional basis, effective  
9 June 1, 2022, pursuant to an Order issued by the Board dated May 18, 2022 (the  
10 “May 2022 Order”) in BPU Docket No. ER22020038. As a result of the Board’s  
11 Order modifying the Purchase Power Agreements between ACE and Chambers  
12 Cogeneration Limited Partnership and Logan Generating Company, L.P. in BPU  
13 Docket No. EM21121253, dated March 23, 2022, the Company is now making  
14 fixed settlement payments to the non-utility generators (“NUGs”). The NGC is  
15 designed to recover these settlement payments made to the NUGs.

16 **Q. Please provide a summary of the mechanism approved in BPU Docket No.**  
17 **ER22020038 for updating the NGC and SBC rates.**

18 **A.** The rates that were put in effect pursuant to the May 2022 Order included  
19 settlement payments for the NGC and forecasted costs for the CEP and UNC  
20 components for the period of April 1, 2022 through March 31, 2023. These rates  
21 also included the then projected net over-recovered balance for the NGC and CEP  
22 component(s), and under-recovered balance of the UNC component as of March  
23 31, 2022, inclusive of the projected April and May 2022 retail customer revenues.

1 As part of the May 2022 Order, ACE was also required to submit to the Board, the  
2 Board's Staff ("Staff"), and the New Jersey Division of Rate Counsel ("Rate  
3 Counsel") quarterly reports showing the actual NGC and SBC deferred balances, a  
4 forecast of the deferred balances as of March 31, 2023 and May 31, 2023, a variance  
5 analysis, including a narrative description, of the monthly projected versus actual  
6 updated deferred balances.<sup>1</sup> To the extent that the forecast at the end of the period  
7 shows an under- or over-recovered deferred balance of more than \$50 million, the  
8 Company agreed that it would file a petition to update the NGC and SBC with an  
9 effective date prior to June 1, 2023. The parties also agreed that ACE's next  
10 NGC/SBC update/reconciliation Petition would be filed with the Board no later  
11 than February 1, 2023, with a proposed effective date of June 1, 2023. As of the  
12 filing of the February 1, 2024 Petition, the petition filed on February 1, 2023 in  
13 BPU Docket No. ER23020057 has not been finalized. The February 1, 2024  
14 Petition proposes an effective date of June 1, 2024.

15 **Q. What is the impact on this petition of the fact that the February 1, 2023**  
16 **Petition has not been finalized?**

17 **A.** As previously discussed, the Company's current rates reflect what was put  
18 in effect as of June 1, 2022 and have not been updated since. ACE has continued to  
19 collect revenues based on those rates, including revenues to make payments for the  
20 CEP and the NUG restructuring payments. The impact of that nearly two-year  
21 delay in rate adjustments is reflected in this Petition.

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<sup>1</sup> The most recent quarterly report with actual data through December 31, 2023 was submitted to the Board on or about January 31, 2024.

1   **Q.     Please explain if the Company’s approach in this filing is consistent with the**  
2       **terms of the May 2022 Order and the revised mechanism for reconciling**  
3       **historical NGC/SBC costs.**

4   **A.**ACE’s approach is consistent with the requirements of the May 2022 Order.  
5       The Company has continued to monitor the forecasted deferred balances and has  
6       kept the Board, Staff, and Rate Counsel (i) advised of the status of the balances and  
7       (ii) provided a variance analysis of actual data to that forecasted for the NGC and  
8       SBC in its quarterly reports. The filing of this Petition also complies with the May  
9       2022 Order, which provides that ACE’s annual update/reconciliation petition be  
10      filed with the Board at least 120 days prior to the proposed effective date – in this  
11      case, June 1, 2024. ACE also notes that BPU Docket No. ER23020057, filed on  
12      February 1, 2023, is pending determination at the time of this filing and this filing  
13      follows the same schedule.

14   **Q.     What specific modifications is the Company proposing to the NGC rate?**

15   **A.**ACE is proposing to reset the NGC for the period June 1, 2024 through May  
16      31, 2025 based upon fixed settlement payments, a current forecast of revenues, as  
17      well as sales projections for the period of April 1, 2024 through March 31, 2025.  
18      The detailed rate design for the NGC is provided in Schedule PKS-1, page 1 of 2.  
19      The proposed rate is designed to recover settlement payments of \$31.461 million  
20      for the period of April 1, 2024 through December 31, 2024. It will also return the  
21      projected net over-recovered balance of \$2.606 million, which is the projected  
22      under-recovered balance of \$7.088 million as of March 31, 2024, inclusive of the  
23      projected retail customer revenue in April and May 2024 of \$9.694 million.

1 Included in the \$2.606 million over-recovered balance is \$10.559 million of an  
2 over-recovery from 2022 which was deferred until the 2023 filing pursuant to the  
3 May 2022 Order. Although the reconciliation period is April 2023 through March  
4 2024, the rate period for collection of those costs is June 2023 through May 2024.  
5 As a result, the April 2024 and May 2024 projected retail revenue is credited against  
6 the projected March 31, 2024 balance, resulting in the net balance after the recovery  
7 period. Schedule PKS-1, page 2 of 2, provides the detailed estimate of the NGC  
8 projected deferred balance through March 31, 2024, as well as the projected retail  
9 customer revenue for April and May 2024. The projected net over-recovered  
10 deferred balance of \$2.606 million, subject to true-up, is currently based on actual  
11 data through December 31, 2023, and projected data for the period of January 1,  
12 2024 through May 31, 2024. The total forecasted recovery for this period is  
13 \$28.855 million, which is a decrease of approximately 63 percent from the total  
14 forecasted recovery of \$78.184 million in the 2022 settlement, as explained in  
15 greater detail below. If approved by the Board, these changes will result in an  
16 annual decrease to NGC customer rates of approximately \$50.940 million.

17 **Q. Please describe the primary drivers which result in a decrease to the forecasted**  
18 **recovery in the NGC.**

19 **A.** The primary drivers of the decrease in the forecasted recovery of the NGC  
20 are (i) the swing in the NGC balance from a projected **over-recovered** position of  
21 \$11.534 million as of April 1, 2022, inclusive of the projected retail customer  
22 revenue in April and May 2022, and \$10.559 million 2022 over-recovery deferred  
23 to the 2024 filing, to a projected **over-recovered** position of \$2.606 million as of

1 March 31, 2024, inclusive of the projected retail customer revenue in April and  
2 May 2024 and (ii) the decrease of \$58.257 million in the 2024 fixed settlement  
3 payments as compared to the 2022 fixed settlement payments.

4 The swing in the NGC balance from a projected over-recovered position of  
5 \$11.534 million as of April 1, 2022, inclusive of projected retail customer revenue  
6 for April and May 2022, and \$10.559 million 2022 over-recovery deferred to the  
7 2024 filing, to a projected over-recovered position of \$2.606 million as of March  
8 31, 2024, inclusive of projected retail customer revenue for April and May 2024, is  
9 primarily driven by the following. Pursuant to the May 2022 Order, rates that  
10 became effective on June 1, 2022, were set in a manner designed to fully return the  
11 \$11.534 million to ratepayers, and thereby reduce the deferred balance to \$0 as of  
12 June 1, 2023. In addition, based on the timing of revenues and expenses during that  
13 rate recovery period, it was projected that the balance as of March 31, 2023 would  
14 be an approximate over-recovery of \$0.432 million. Currently, with actuals  
15 through December 31, 2023 and projections through March 31, 2024, that balance  
16 is now an under-recovery of \$7.088 million, a swing of approximately \$7.520  
17 million. This swing in the over-recovery was primarily driven by the actual  
18 customer sales being higher than forecasted customer sales.

19 The \$58.257 million decrease in 2023 fixed settlement payments is driven  
20 by the settlement payment schedules that were approved by the Board in the March  
21 23, 2022 Restructuring Order in BPU Docket No. EM21121253.

**Table I – Drivers of Decrease in Total NGC Forecasted Recovery**

	2022 Settlement	Vs.	2024 Filing	Variance	Primary Drivers				
NUGS Settlement Payments	89.7		31.5	(58.2)	Lower fixed payments based on Settlement Agreement Schedules				
Return of April 1, 2022 Over-Recovery	(11.6)		0.0	11.6	Rates on June 1, 2024 set to return this to ratepayers				
Deferred amount to be returned in 2024 filing	10.6		0.0	(10.6)	Deferred Amount included in over-recovery returned to ratepayers in 2023				
Projected March 31, 2023 Under/(Over)-Recovered Balance	(0.4)		7.1	7.5	Primarily driven by actual sales lower than forecasted				
Projected April and May 2023 Ratepayer Revenue Applied	(10.1)		(9.7)	0.4	Driven by lower projected rates for these months				
	78.2		28.9	(49.3)					

**Q. Please detail the proposed change to the CEP component of the SBC.**

**A.** The CEP is designed to recover costs related to the Company’s New Jersey Clean Energy Program obligations. The current CEP rate was put into effect on June 1, 2022, pursuant to the May 2022 Order. In the instant filing, ACE is proposing to reset the CEP charge to reflect the projected deferred balance as of March 31, 2024, and forecasted costs for the period April 1, 2024 through March 31, 2025, based on the projected funding levels approved by the Board on June 29, 2023 for fiscal year 2024 (July 2023 – June 2024) in BPU Docket No. QO23040235 (the “CEP Order”). The funding levels for January 1, 2024 to June 30, 2024, as provided in the CEP Order, have been used for projections in the filing for those periods. In addition, monthly expenditures from the fiscal year 2024 projected funding levels as found in the CEP Order were used to develop the monthly expenditures for the period from July 2024 to March 2025, as the Board will not have issued funding levels for time periods after June 2024 as of the date of this filing. The detailed rate design is provided in Schedule PKS-2, page 1 of 2, and includes \$29.007 million of projected expenses for the period April 1, 2024 to March 31, 2025. Schedule PKS-2, page 2 of 2, provides an estimate of the net

1 under-recovered CEP deferred balance of \$1.322 million, which is the projected  
2 under-recovered balance of \$4.978 million as of March 31, 2024, inclusive of the  
3 projected retail customer revenue in April and May 2024 of \$3.656 million.  
4 Although the reconciliation period is April 2023 through March 2024, the rate  
5 period for collection of those costs is June 2023 through May 2024. As a result,  
6 the April and May 2024 projected retail revenue is credited against the projected  
7 March 2024 balance resulting in the net over-recovered balance after the recovery  
8 period. The total forecasted recovery for this period is \$30.329 million. If approved  
9 by the Board, these changes will result in an annual increase to the CEP component  
10 of the SBC customer rates of approximately \$5.166 million. This is primarily  
11 driven by the following: (i) a swing in the projected **over-recovered** position of  
12 \$1.851 million as of April 1, 2022, inclusive of the projected retail customer  
13 revenue in April and May 2022, to a projected **under-recovered** position of \$1.322  
14 million as of March 31, 2024, inclusive of the projected retail customer revenue in  
15 April and May 2023 and (ii) an increase of \$1.110 million in projected 2024  
16 expenses as compared to the projected 2022 expenses.

17 **Q. Please detail the proposed change to the UNC component of the SBC.**

18 **A.** The current UNC rate was put into effect on June 1, 2022, pursuant to the  
19 May 2022 Order. The detailed rate design for the UNC is provided in Schedule  
20 PKS-3, page 1 of 3. The proposed rate is designed to recover forecasted  
21 uncollectible expenses for the period of April 1, 2024 through March 31, 2025,  
22 totaling \$17.379 million. It will also recover a net projected under-recovered  
23 balance of \$16.652 million, which is the projected under-recovered balance of



1       \$35.173 million as of March 31, 2024, inclusive of the projected retail customer  
2       revenue in April and May 2024 of \$1.810 million, less the 2021 deferred amount  
3       of \$15.735 million, and 2022 deferred amount of \$9.331 million. Additionally, this  
4       amount includes \$8.355 million which represents one year of amortization of the  
5       2021 and 2022 deferred amounts as part of the settlements in the October 6, 2021  
6       Order issued by the Board in BPU Docket No. ER21020088 and the May 2022  
7       Order, due to the impacts of the COVID-19 Pandemic (the “Pandemic”), \$15.735  
8       million of the 2021 under-recovery and 9.331 million of the 2022 under-recovery  
9       were deferred in a regulatory asset balance account for recovery in a future SBC  
10      filing. In this filing, ACE proposes to amortize the combined balance of the 2021  
11      and 2022 deferral amounts of \$25.066 million over a three-year amortization  
12      period. As noted in ACE’s Petition in this matter, by Executive Order 246 New  
13      Jersey Governor Philip Murphy stated that the public health emergency related to  
14      the Pandemic had been terminated and that the termination moratorium associated  
15      with utility customer curtailments was no longer necessary. Accordingly, the  
16      Company submits that it is both necessary and appropriate to commence recovery  
17      over a three-year amortization period of its 2021 and 2022 UNC deferred amounts.  
18      This results in \$8.355 million being recovered in this filing and the remainder of  
19      \$16.711 million to be deferred and recovered in the 2025 and 2026 SBC  
20      reconciliation filings. Although the reconciliation period is April 2023 through  
21      March 2024, the rate period for collection of those costs is June 2023 through May  
22      2024. As a result, the April 2024 and May 2024 projected retail revenue is credited  
23      against the projected March 2024 balance resulting in the net balance after the

1 recovery period. Schedule PKS-3, page 2 of 3, provides the detailed estimate of  
2 the UNC deferred balance through March 31, 2024, as well as the projected retail  
3 customer revenue for April 2024 and May 2024. The projected net under-recovered  
4 deferred balance of \$16.652 million, subject to a true-up, is currently based on  
5 actual data through December 31, 2023, and projected data for the period of January  
6 1, 2024 through May 31, 2024. The total forecasted amount to be recovered during  
7 the period is \$34.031 million. If approved by the Board, these changes will result  
8 in an annual increase to the UNC component of the SBC customer rates of  
9 approximately \$22.029 million.

10 **Q. Please describe the primary drivers of the forecasted recovery in the UNC**  
11 **component of the SBC.**

12 **A.** The primary drivers of the forecasted recovery of the UNC component of  
13 the SBC include (i) \$8.355 million of proposed amortization of the 2021 and 2022  
14 deferral amounts of \$25.066 million that were deferred due to the Pandemic; (ii)  
15 the increase of \$12.775 million in projected 2024 uncollectible expenses as  
16 compared to the projected 2022 uncollectible expenses; (iii) the swing in the UNC  
17 balance from a projected **under-recovered** position of \$34.181 million as of April  
18 1, 2022, inclusive of the projected retail customer revenue in April and May 2022,  
19 to a projected **under-recovered** position of \$33.363 million as of March 31, 2024,  
20 inclusive of the projected retail customer revenue in April 2024 and May 2024.

21 The swing in the UNC balance from a projected **under-recovered** position  
22 of \$34.181 million as of April 1, 2022, inclusive of the projected retail customer  
23 revenue in April and May 2022, to a projected **under-recovered** position of

1       \$33.363 million as of March 31, 2024, inclusive of the projected retail customer  
2       revenue in April 2024 and May 2024 is primarily driven by the following. Pursuant  
3       to the May 2022 Order, rates proposed June 1, 2022 were set in a manner designed  
4       to fully recover \$9.115 million of the total \$34.181 million under-recovery from  
5       ratepayers, and thereby reduce the deferred balance to \$25.066 million as of June  
6       1, 2023. As part of the May 2022 Order, due to the impacts of the Pandemic,  
7       \$15.735 million of the 2021 under-recovery and \$9.331 million of the 2022 under-  
8       recovery were deferred to a future SBC filing. Based on the timing of revenues and  
9       expenses during that rate recovery period, it was projected that the balance as of  
10      March 31, 2023 would be an approximate under-recovery of \$26.845 million,  
11      including the deferred \$25.066 million. Currently, with actuals through December  
12      31, 2023 and projections through March 31, 2024, that balance is now an under-  
13      recovery of \$35.173 million, including the deferred \$25.066 million, an increase of  
14      approximately \$8.328 million. This increase was primarily driven by year over  
15      year increase in commodity prices which contributed to higher Accounts  
16      Receivable (“AR”) balances and consequently higher bad debt expense reserves.

17             The \$12.774 million increase in projected 2024 uncollectible expenses is  
18      primarily driven by the impact of increased commodity prices and our ability to  
19      collect higher AR balances within regulatory guidelines as noted above.

20             The amortization of \$8.355 million is what ACE proposes to recover in the  
21      current SBC reconciliation filing from the 2021 and 2022 deferred balance  
22      amounts, based on a proposed three-year amortization period.

**Table II – Drivers of Increase in Total UNC Forecasted Recovery**

	2022 Settlement	Vs.	2024 Filing	Variance						
Projected Uncollectible Expense	4.6		17.4	12.8	Increased commodity prices and ability to collect on higher AR balances					
Recovery of April 1, 2022 Under-Recovery	9.1		0.0	(9.1)	Rates on June 1, 2024 set to recover this from ratepayers					
Deferred amount to be recovered in future filing	(15.7)		(15.7)	0.0	Deferred amount from 2021 Settlement					
Deferred amount to be recovered in future filing	(9.3)		(9.3)	0.0	Deferred amount from 2022 Settlement					
Proposed Amortization of 2021 and 2022 deferred amounts	0.0		8.3	8.3	Proposed 3 year amortization (Year 1 of 3)					
Projected March 31, 2023 Under/(Over)-Recovered Balance less deferred amount	26.8		35.1	8.3	Increase in commodity prices leading to higher accounts receivables and higher bad debt expense reserves					
Projected April and May 2024 Ratepayer Revenue Applied	(1.8)		(1.8)	0.0						
	13.7		34.0	20.3						

**Q. What is the overall impact of the rate changes being proposed in this filing?**

**A.** The net impact of adjusting the NGC, CEP, and UNC rate(s), including associated changes in Sales and Use Tax, is an overall annual decrease in rates and charges of approximately \$23.746 million. This amount includes the recovery of the UNC and CEP deferred balances and return of the NGC deferred balance as of March 31, 2024, inclusive of the projected retail customer revenue for April 2024 and May 2024, and the going-forward recovery of all components for the period April 1, 2024 through March 31, 2025. This is summarized on Schedule PKS-4, page 1 of 4. The recovery of the UNC deferred balance includes a proposed \$8.355 million amortization related to the 2021 and 2022 deferred regulatory asset balance amount but continues the deferral of \$16.711 million from those years to be recovered in the 2025 and 2026 SBC reconciliation filings.

For an average residential customer using approximately 643 kWh per month, this represents a decrease of approximately \$1.85 or 1.23 percent on a total monthly bill as shown in Schedule PKS-4, page 4 of 4. Schedule PKS-4, pages 2 of 4 through 4 of 4, provide(s) a calculation of the residential bill impact by season and annually.

1    **Q.**     **Are there any other attachments to your testimony?**

2    **A.**             Yes. Schedule PKS-5 and Schedule PKS-6 provide proposed Tariff Sheet  
3             revisions in redline and clean versions, respectively.

4    **Q.**     **Does this conclude your testimony?**

5    **A.**             Yes, it does.

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**IN THE MATTER OF THE PETITION  
OF ATLANTIC CITY ELECTRIC  
COMPANY TO RECONCILE AND  
UPDATE THE LEVEL OF ITS NON-  
UTILITY GENERATION CHARGE AND  
ITS SOCIETAL BENEFITS CHARGE  
(2024)**

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

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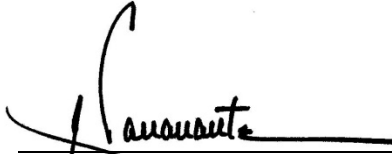
**CERTIFICATION OF SERVICE**

**PHILIP J. PASSANANTE**, of full age, certifies as follows:

1. I am an attorney at law of the State of New Jersey and am Assistant General Counsel to Atlantic City Electric Company, the Petitioner in the within matter, with which I am familiar.
2. I hereby certify that, on February 1, 2024, I caused the within Petition and exhibits to be filed with the New Jersey Board of Public Utilities (the “Board”) through its eFiling Portal. I also caused an electronic copy to be sent to the Board Secretary’s office at [board.secretary@bpu.state.nj.us](mailto:board.secretary@bpu.state.nj.us).
3. I further certify that, on February 1, 2024, I caused a complete copy of the Petition and exhibits to be sent by electronic mail to each of the parties listed in the attached Service List.
4. Pursuant to the Order issued by the Board 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, only electronic copies of this Petition have been served on persons on the Service List.

5. I further and finally certify that the foregoing statements made by me are true. I am aware that, if any of the foregoing statements made by me are willfully false, I am subject to punishment.

Dated: February 1, 2024



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**PHILIP J. PASSANANTE**  
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I/M/O the Petition of Atlantic City Electric Company to Reconcile and Update the Level of Its  
Non-Utility Generation Charge and Its Societal Benefits Charge (2024)  
BPU Docket No. ER24020074

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