



A PHI Company

RECEIVED

JUN 23 2015

BOARD OF PUBLIC UTILITIES
MAIL ROOM



Philip J. Passanante
Associate General Counsel

800 King Street
Wilmington, DE 19801

P.O. Box 231
Wilmington, DE 19899-0231

302.429.3105 – Telephone
302.429.3801 – Facsimile
philip.passanante@pepcoholdings.com

June 22, 2015

VIA FEDERAL EXPRESS and
ELECTRONIC MAIL

irene.asbury@bpu.state.nj.us

board.secretary@bpu.state.nj.us

Irene Kim Asbury, Esquire
Secretary of the Board
State of New Jersey
Board of Public Utilities
44 South Clinton Avenue, 9th Floor
P.O. Box 350
Trenton, New Jersey 08625-0350

ER15060732

RE: In the Matter of the 2015/2016 Annual Compliance Filing for a Decrease
in the Statewide Electric and Gas Permanent Universal Service Fund
Program Factors Within the Electric and Gas Societal Benefits Charges
Rates Pursuant to *N.J.S.A. 48:2-21* and *N.J.S.A. 48:2-21.1*
BPU Docket No. EX00020091

Atlantic City Electric Company
2015/2016 Annual Compliance Filing for the Universal Service Fund Program
Factor Within the Societal Benefits Charge Rate

Dear Secretary Asbury:

Pursuant to the Board of Public Utilities' ("Board") Order dated June 22, 2005, an annual compliance filing for prospective Universal Service Fund ("USF") rates is required to be made on or by July 1st of each year. Enclosed, therefore, for filing in connection with the above-captioned USF proceeding are an original and eleven (11) copies of Atlantic City Electric Company's ("ACE" or the "Company") 2015/2016 USF compliance filing. Kindly acknowledge receipt of this filing by date stamping the enclosed copy of this letter and returning same in the self-addressed, postage-prepaid envelope provided.

In order to streamline the Board's review and processing of this proceeding, the State's electric and gas utilities, consistent with past practice, have presented supporting documentation for joint recommendations within the compliance filing that is being filed by Public Service Electric and Gas Company ("PSE&G") (the "Joint Compliance Filing"). The Joint Compliance Filing documents ACE's support of a change in the current Statewide electric USF rate on and after October 1, 2015.

CMS S. Peterson
Legal J. May
DAG P. Hilerio
RPA
H. Rich



Based upon (i) the results known to date for the 2014/2015 USF program year and (ii) the available estimates for the 2015/2016 USF program year, it is proposed that USF rates should be set to recover \$176.0 million *on a Statewide basis*. The details for the recovery of this \$176.0 million are set forth on the template appended hereto as **Attachment A**. Additionally, based upon the available estimates to date for the 2015/2016 Lifeline program year, it is proposed that Lifeline rates should be set to recover \$74.2 million *on a Statewide basis*. The details for the recovery of this amount are also set forth on the template appended hereto as **Attachment A**.

In accordance with the Board's July 16, 2003 Order, the Company has attached proposed tariff sheets, effective October 1, 2015 (**Attachment B**), proposing to increase its electric USF program factor from .1863 cents per kWh (.1993 cents per kWh, including Sales and Use Tax ["SUT"]) to .2098 cents per kWh (.2245 cents per kWh, including SUT) and decrease its Lifeline charge from .0690 cents per kWh (.0738 cents per kWh, including SUT) to .0677 cents per kWh (.0724 cents per kWh, including SUT).

In addition, by Order dated June 21, 2010, the Board approved separate stipulations by and among each utility, Board Staff, and the Division of Rate Counsel to defer and seek annual recovery of USF-related administrative costs in each annual USF Compliance Filing beginning with the 2010 - 2011 USF Compliance Filing. Attachment A of the Joint Compliance Filing submitted by PSE&G includes ACE's actual deferred administrative costs from July 1, 2014 through April 30, 2015 and estimated administrative costs for May through September 2015. Within the Joint Compliance Filing, the electric distribution companies request full recovery of their deferred administrative costs in 2015/2016 USF rates and Lifeline rates in the month following Board approval of such rates from funds disbursed to the utilities by the USF Trust Account.

Since ACE's proposed USF rate is increasing and the proposed Lifeline rate is decreasing for 2015/2016, the Company understands that public hearings will be required. A Notice of Public Hearing will follow under separate cover.

The Company respectfully requests that the Board accept this filing and issue an Order approving a change in the current Statewide electric USF rate as outlined herein for electric service on and after October 1, 2015.

RECEIVED

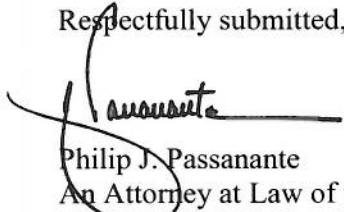
JUN 23 2015

BOARD OF PUBLIC UTILITIES
MAIL ROOM

Irene Kim Asbury, Esquire
June 22, 2015
Page 3

Thank you for your cooperation and courtesies. Feel free to contact the undersigned with any questions.

Respectfully submitted,

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

Enclosures

cc: Service List
Dorothy A. Robinson
Timothy J. White
Roger E. Pedersen
Joseph F. Janocha
Alison Regan
Sharon Roach

Attachment A

Combined USF/Lifeline Calculation of Rates as of October 1, 2015

	<u>Gas</u>	<u>Electric</u>
<u>Combined After-Tax Rate Impact</u>		
Current USF rate	\$0.0110	\$0.001993
Current Lifeline rate	<u>\$0.0059</u>	<u>\$0.000738</u>
Total Current USF/ Lifeline factor	\$0.0169	\$0.002731
New USF rate	\$0.0051	\$0.002245
New Lifeline rate	<u>\$0.0057</u>	<u>\$0.000724</u>
Total New USF/ Lifeline factor	\$0.0108	\$0.002969
Total USF/ Lifeline Factor Increase/(Decrease)	(\$0.0061)	\$0.000238

USF Calculation of Rates as of October 1, 2015

		<u>Gas</u> 17.940%	<u>Electric</u> 82.060%	<u>Total</u> 100.000%
USF-Permanent program projections for Program Year 2016				
admin costs-DCA	a	\$1,330,006	\$6,083,489	\$7,413,495
admin costs-utility	b	\$11,142	(\$10,015)	\$1,127
estimate of benefits for next program year	c	\$29,111,091	\$133,155,079	\$162,266,170
Est. Program Under/(Over) Recovery at September 30, 2015*	d	(\$11,007,951)	\$10,670,853	(\$337,098)
Fresh Start Program	e	\$2,468,653	\$4,189,324	\$6,657,978
Total	f=a+b+c+d+e	<u>\$21,912,940</u>	<u>\$154,088,731</u>	<u>\$176,001,672</u>
<i>Projected Volumes **</i>	g	4,586,549,116	73,449,784,893	
New rate, before tax	h=f/g	\$0.0048	\$0.002098	
Current before tax rate	i	<u>\$0.0103</u>	<u>\$0.001863</u>	
Before tax Increase/(Decrease)	j=h-i	(\$0.0055)	\$0.000235	
New Rate, after tax	k=h*1.07	\$0.0051	\$0.002245	
Current Rate, after tax	l=i*1.07	\$0.0110	\$0.001993	
After tax Increase/(Decrease)	m=k-l	(\$0.0059)	\$0.000252	

* Actuals through April 2015. Estimated under/overrecovery is calculated as the difference between the USF expenditures (benefits to customers, FSP costs, administrative costs and SBC carrying costs) and the amounts received from the State. See (Projected Underrecovery by Utility-Gas) and (Projected Underrecovery by Utility-Electric) for each company's under/(over) recovery position.

** Normalized jurisdictional volumes for 12 mos beginning 10/1/15.

Lifeline Calculation of Rates as of October 1, 2015

Jurisdictional Revenue Percentages		<u>Gas</u> 33%	<u>Electric</u> 67%	<u>Total</u> 100%
Lifeline budget	n	\$24,498,210	\$49,738,790	\$74,237,000
Projected Volumes *	g	4,586,549,116	73,449,784,893	
New rate, before tax	$o=n/g$	\$0.0053	\$0.000677	
Current before tax rate	p	<u>\$0.0055</u>	<u>\$0.000690</u>	
Pre-tax Increase/(Decrease)	$q=o-p$	(\$0.0002)	(\$0.000013)	
New Rate, after tax	$r=o*1.07$	\$0.0057	\$0.000724	
Current Rate, after-tax	$s=p*1.07$	\$0.0059	\$0.000738	
After-tax Increase/(Decrease)	t=r-s	(\$0.0002)	(\$0.000014)	

* Normalized jurisdictional volumes for 12 mos beginning 10/1/15.

Attachment B

ATLANTIC CITY ELECTRIC COMPANY

BPU NJ No. 11 Electric Service - Section IV

Revised Sheet Replaces Revised Sheet No. 58

RIDER (SBC)
Societal Benefits Charge (SBC)

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	\$0.003776 per kWh
Uncollectible Accounts	\$0.001654 per kWh
Universal Service Fund	\$0.002245 per kWh
Lifeline	\$0.000724 per kWh

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

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

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	\$0.003776 per kWh
Uncollectible Accounts	\$0.001654 per kWh
Universal Service Fund	\$0.0019930 .002245 per kWh
Lifeline	\$0.0007380 .000724 per kWh

Date of issue:

Effective Date:

Issued by:

In the Matter of the 2015/2016 Annual Compliance Filing for a Decrease in the Statewide Electric and Gas
Permanent Universal Service Fund Program Factors Within the Electric and Gas Societal Benefits
Charges Rates Pursuant to *N.J.S.A. 48:2-21* and *N.J.S.A. 48:2-21.1*
BPU Docket No. EX00020091
2015/2016 Annual Compliance Filing for the Universal Service Fund Program
Factor Within the Societal Benefits Charge Rate
BPU Docket No. _____

Service List

BPU

Irene Kim Asbury, Esquire
Secretary of the Board
Board of Public Utilities
44 South Clinton Avenue, 9th Floor
P.O. Box 350
Trenton, NJ 08625-0350
(609) 777-3300 – Telephone
irene.asbury@bpu.state.nj.us
board.secretary@bpu.state.nj.us

Alice Bator
Bureau Chief
Board of Public Utilities
44 South Clinton Avenue, 9th Floor
P.O. Box 350
Trenton, NJ 08625-0350
alice.bator@bpu.state.nj.us

Bethany Rocque-Romaine, Esquire
Legal Specialist
New Jersey Board of Public Utilities
44 South Clinton Avenue - 10th Floor
Trenton, NJ 08625
bethany.rocque-romaine@bpu.state.nj.us

Maureen Clerc
Board of Public Utilities
44 South Clinton Avenue, 9th Floor
P.O. Box 350
Trenton, NJ 08625-0350
maureen.clerc@bpu.state.nj.us

Robert Schultheis
Board of Public Utilities
44 South Clinton Avenue, 9th Floor
P.O. Box 350
Trenton, NJ 08625-0350
robert.schultheis@bpu.state.nj.us

Julie Ford-Williams
Supervisor
Board of Public Utilities
44 South Clinton Avenue, 9th Floor
P.O. Box 350
Trenton, NJ 08625-0350
julie.ford@bpu.state.nj.us

Eric Hartsfield
Director
Board of Public Utilities
44 South Clinton Avenue, 9th Floor
P.O. Box 350
Trenton, NJ 08625-0350
eric.hartsfield@bpu.state.nj.us

Peter Hilerio, Esquire
Board of Public Utilities
44 South Clinton Avenue, 9th Floor
P.O. Box 350
Trenton, NJ 08625-0350
peter.hilerio@bpu.state.nj.us

Jerome May
Director
Board of Public Utilities
44 South Clinton Avenue, 9th Floor
P.O. Box 350
Trenton, NJ 08625-0350
jerome.may@bpu.state.nj.us

Albert Weierman
Division of Audits
Board of Public Utilities
44 South Clinton Avenue, CN350
Trenton, NJ 08625-0350
albert.weierman@bpu.state.nj.us

Stacy Peterson
Board of Public Utilities
44 South Clinton Avenue, CN350
Trenton, NJ 08625-0350
stacy.peterson@bpu.state.nj.us

Andrea Reid
Board of Public Utilities
44 South Clinton Avenue, CN350
Trenton, NJ 08625-0350
andrea.reid@bpu.state.nj.us

William Agee, Esquire
Board of Public Utilities
44 South Clinton Avenue, CN350
Trenton, NJ 08625-0350
william.agee@bpu.state.nj.us

John Zarzycki
Board of Public Utilities
44 South Clinton Avenue, CN350
Trenton, NJ 08625-0350
john.zarzycki@bpu.state.nj.us

DAG

Geoffrey Gersten, Esquire
Division of Law
124 Halsey Street
P.O. Box 45029
Newark, NJ 07101
(973) 648-3510 – Telephone
(973) 648-3555 – Facsimile
geoffrey.gersten@dol.lps.state.nj.us

RATE COUNSEL

Stefanie A. Brand, Esquire
Division of Rate Counsel
140 East Front Street, 4th Floor
P.O. Box 003
Trenton, NJ 08625
sbrand@rpa.state.nj.us

Ami Morita, Esquire
Division of Rate Counsel
140 East Front Street, 4th Floor
P.O. Box 003
Trenton, NJ 08625
amorita@rpa.state.nj.us

Sarah Steindel, Esquire
Division of Rate Counsel
140 East Front Street, 4th Floor
P.O. Box 003
Trenton, NJ 08625
ssteinde@rpa.state.nj.us

Felicia Thomas-Friel, Esquire
Division of Rate Counsel
140 East Front Street, 4th Floor
P.O. Box 003
Trenton, NJ 08625
fhomas@rpa.state.nj.us

Brian O. Lipman, Esquire
Division of Rate Counsel
140 East Front Street, 4th Floor
P.O. Box 003
Trenton, NJ 08625
brian.lipman@rpa.state.nj.us

Lisa Gurkas
Division of Rate Counsel
140 East Front Street, 4th Floor
P.O. Box 003
Trenton, NJ 08625
lgurkas@rpa.state.nj.us

**RATE COUNSEL
CONSULTANT**

David E. Peterson
Chesapeake Regulatory Consultants
10351 Southern Maryland Boulevard
Suite 202
Dunkirk, MD 20754-9500
davep@chesapeake.net

ACE

Philip J. Passanante, Esquire
Associate General Counsel
Atlantic City Electric Company
92DC42
500 N. Wakefield Drive
P.O. Box 6066
Newark, DE 19714-6066
(302) 429-3105 – Telephone
(302) 429-3801 – Facsimile
philip.passanante@pepcoholdings.com

Roger E. Pedersen, Manager
Regulatory Affairs, NJ
Atlantic City Electric Company
63ML38
5100 Harding Highway
Mays Landing, NJ 08330
(609) 625-5820 – Telephone
(609) 625-5838 – Facsimile
roger.pedersen@pepcoholdings.com

Joseph F. Janocha
Atlantic City Electric Company
63ML38
5100 Harding Highway
Mays Landing, NJ 08330
(609) 625-5868 – Telephone
(609) 625-5838 – Facsimile
joseph.janocha@pepcoholdings.com

Timothy J. White
Pepco Holdings, Inc. - 79NC59
401 Eagle Run Road
P.O. Box 9239
Newark DE 19714-9239
(302) 283-5848 – Telephone
(302) 454-4440 – Facsimile
timothy.white@pepcoholdings.com

Dorothy A. Robinson
Pepco Holdings, Inc. - 79NC59
401 Eagle Run Road
P.O. Box 9239
Newark DE 19714-9239
(302) 283-5797 – Telephone
(302) 454-4440 – Facsimile
dorothy.a.robinson@pepcoholdings.com

AGL/ELIZABETHTOWN

Deborah M. Franco, Esquire
Cullen and Dykman LLP
Garden City Center
100 Quentin Roosevelt Boulevard
Garden City, NY 11530-4850
dfranco@cullenanddykman.com

Thomas Kaufmann
Elizabethtown Gas
520 Green Lane
Union, NJ 07083
tom.kaufmann@aglresources.com

Mary Patricia Keefe, Esquire
Elizabethtown Gas
520 Green Lane
Union, NJ 07083
mkeefe@aglresources.com

Susan Potanovich
Elizabethtown Gas
520 Green Lane
Union, NJ 07083
spotanov@aglresources.com

JCP&L

Sally J. Cheong
Jersey Central Power & Light Co.
300 Madison Avenue
P.O. Box 1911
Morristown, NJ 07962-1911
scheong@firstenergycorp.com

Michael J. Connolly, Esquire
Windels Marx Lane & Mittendorf,
One Giralda Farms
Madison, NJ 07940
mconnolly@windelsmarx.com

Gabrielle A. Figueroa, Esquire
Windels Marx Lane & Mittendorf,
One Giralda Farms
Madison, NJ 07940
gfigueroa@windelsmarx.com

Lauren M. Lepkoski Esquire
First Energy Corporation
2800 Pottsville Pike
Reading, PA 19612-6001
llepkoski@firstenergycorp.com

Mark Mader
Jersey Central Power & Light Co.
300 Madison Avenue
P.O. Box 1911
Morristown, NJ 07962-1911
mamader@firstenergycorp.com

NJNG

Andrew K Dembia Esquire
New Jersey Natural Gas Company
1415 Wyckoff Road
P.O. Box 1464
Wall, NJ 07719
adembia@njng.com

Marianne Harrell
New Jersey Natural Gas Company
1415 Wyckoff Road
P.O. Box 1464
Wall, NJ 07719
mharrell@njng.com

Tina Trebino
New Jersey Natural Gas Company
1415 Wyckoff Road
P.O. Box 1464
Wall, NJ 07719
ttrebino@njng.com

PSE&G

Constance E. Lembo
PSEG Services Corporation
80 Park Plaza, T5
P.O. Box 570
Newark, NJ 07102
constance.lembo@pseg.com

Tracy Morgan
PSEG Services Corporation
80 Park Plaza, T8
P.O. Box 570
Newark, NJ 07102
tracy.morgan@pseg.com

Matthew M. Weissman Esquire
PSEG Services Corporation
80 Park Plaza, T5
P.O. Box 570
Newark, NJ 07102
matthew.weissman@pseg.com

RECO

William A. Atzl Jr.
Rockland Electric Company
4 Irving Place
Room 515-S
New York, NY 10003
atzlw@coned.com

John L. Carley Esquire
Consolidated Edison Co. of NY
Law Dept.
4 Irving Place, Room 1815-S
New York, NY 10003
carleyj@coned.com

Margaret Comes, Esquire
Consolidated Edison Co. of NY
Law Dept
4 Irving Place
New York, NY 10003
comesm@coned.com

Barbara Devito
Rockland Electric Company
One Blue Hill Plaza
Pearl River, NY 10965
devitob@oru.com

Tineesha McMullen
Rockland Electric Company
One Blue Hill Plaza
Pearl River, NY 10965
mcmullent@oru.com

Cheryl M. Ruggiero
Rockland Electric Company
4 Irving Place
2nd Floor East
New York, NY 10003
ruggieroc@coned.com

SJG

Kenneth J. Barcia
South Jersey Gas Company
One South Jersey Plaza
Route 54
Folsom, NJ 08037
kbarcia@sjindustries.com

Carolyn Jacobs
South Jersey Gas Company
One South Jersey Plaza
Route 54
Folsom, NJ 08037
cjacobs@sjindustries.com

Ira G. Megdal, Esquire
Cozen O'Connor
457 Haddonfield Road, Suite 300
Libertyview
Cherry Hill, NJ 08002
imegdal@cozen.com