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Philip J. Passanante
Associate General Counsel
500 North Wakefield Drive
Newark, DE 19702
P.O. Box 6066
Newark, DE 19714-6066
302.429.3105 – Telephone
302.429.3801 – Facsimile
philip.passanante@pepcoholdings.com

July 2, 2015

**VIA FIRST CLASS MAIL and
ELECTRONIC MAIL**
irene.asbury@bpu.state.nj.us
board.secretary@bpu.state.nj.us

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By Case mgmt

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

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 Nos. EX00020091 and ER15060732

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:

By way of follow up and supplement to Atlantic City Electric Company's June 22, 2015 2015/2016 Universal Service Fund annual compliance filing, enclosed for your review, consideration, and comment are an original and eleven (11) copies of a proposed Notice of Public Hearing in connection with the above referenced matter.

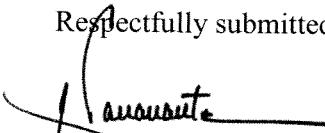
Kindly acknowledge receipt of this filing by date stamping the enclosed copy of this letter and returning it to the undersigned in the self-addressed, postage-prepaid envelope provided.

Case mgmt
list copied

Irene Kim Asbury, Esquire
July 2, 2015
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Thank you for your cooperation and courtesies. Feel free to contact me with any questions.

Respectfully submitted,

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

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Enclosures

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

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NOTICE
TO THE CUSTOMERS OF
ATLANTIC CITY ELECTRIC COMPANY

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Notice of Filing
and Notice of Public Hearings

In the Matter of the 2015/2016 Annual Compliance Filings
for A Change 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. 48:21.1

BPU Docket No. ER15060732

PLEASE TAKE NOTICE that, on or about June 22, 2015, Atlantic City Electric Company (“ACE”) made a compliance filing providing supporting documentation for changes in the Universal Service Fund (“USF”) and Lifeline components of the electric Societal Benefits Charges (“SBC”). This requested change in electric USF/Lifeline components is made pursuant to Orders of the New Jersey Board of Public Utilities (the “Board” or “BPU”) and includes the recovery of funding for the USF Program through uniform statewide rates.

The USF Program was established by the Board in 2003 pursuant to the Electric Discount and Energy Competition Act, N.J.S.A. 48:3-49, *et seq.*, to provide funds to assist qualifying low-income individuals in paying their energy bills. The State of New Jersey’s Department of Community Affairs (“DCA”) is the Administrator of the USF program and the New Jersey Department of Human Services (“DHS”) is the Administrator of the Lifeline programs. DCA and DHS authorize the disbursement of benefits to eligible customers in the respective programs.

Based upon the results and available estimates known to date for the 2014/2015 USF program year and the available estimates known to date for the 2015/2016 USF Program year, it is anticipated that the statewide USF rates (“USF Rates”) should increase to collect \$176.0 million of USF program costs on a statewide basis, and that the statewide Lifeline rates (“Lifeline Rates”) should decrease to collect \$74.2 million of Lifeline program costs on a statewide basis. \$154.1 million of the total estimated statewide USF program costs of \$176.0 million would be recovered through electric rates and the remaining portion of the \$21.9 million would be recovered through gas rates. It is further anticipated that \$49.7 million of the statewide Lifeline program costs of \$74.2 million would be recovered through electric rates and the remaining portion of \$24.5 million would be recovered through gas rates.

In its June 22, 2005 Universal Service Fund Order, the Board directed that the filing requirements for rate settling, including notice of filing, notice of public hearings, and tariffs, should be made by July 1, 2006, and each year thereafter. In accordance with that Order, ACE made a filing with the Board on or about June 22, 2015, requesting to change its current USF/Lifeline program charges, as described below, to become effective on October 1, 2015.

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The proposed statewide charges for electric customers are as follows:

Universal Service/Lifeline Fund Components of Societal Benefits Charge				
	Present	Present (Incl. Sales and Use Tax)	Proposed	Proposed (Incl. Sales and Use Tax)
USF-Electric per kWh	\$0.001863	\$0.001993	\$0.002098	\$0.002245
Lifeline-Electric per kWh	\$0.000690	\$0.000738	\$0.000677	\$0.000724

It is important to note that the above requests will not result in any profit to ACE. The revenues received under the proposed USF and Lifeline program factors are designed to permit ACE to recover its costs associated with these programs only. Actual program costs will be reconciled with the revenues received through the USF and Lifeline program charges in the next scheduled annual USF and Lifeline compliance filing to be made on or before July 1, 2016.

If approved by the Board, the effect of the proposed changes in the electric USF/Lifeline Program charges on a typical residential electric bill is illustrated below:

Monthly kWh Use	Present Annual Bill (1)	Proposed Annual Bill (2)	Proposed Annual Increased	Proposed % Increase
100	\$ 21.89	\$ 21.92	\$ 0.03	0.14%
300	\$ 57.70	\$ 57.77	\$ 0.07	0.12%
500	\$ 93.50	\$ 93.62	\$ 0.12	0.13%
750	\$ 138.24	\$ 138.42	\$ 0.18	0.13%
1000	\$ 184.32	\$ 184.56	\$ 0.24	0.13%
2000	\$ 368.65	\$ 369.13	\$ 0.48	0.13%
2500	\$ 460.82	\$ 461.42	\$ 0.60	0.13%
3000	\$ 552.99	\$ 553.70	\$ 0.71	0.13%

(1) Based on Residential rates in effect June 1, 2015

(2) Based on Residential rates in effect June 1, 2015, with proposed changes.

As set forth in the above chart, based on ACE's June 22, 2015 filing, a typical residential electric customer using 1,000 kilowatt hours per month would see a monthly increase in the bill from \$184.32 to \$184.56 or \$0.24 or approximately 0.13%.

In addition, in Orders issued June 21, 2010 and October 20, 2010, the Board, among other things, authorized recovery by the utilities of USF-related administrative costs as of July 31, 2009 and its administrative costs since July 31, 2009 through the USF Rates and Lifeline Rates requested in the July 1, 2010 compliance filings. The Board also authorized the utilities, including ACE, to provide, in subsequent annual USF compliance filings, details regarding the utilities' USF-related administrative costs for the prior year for inclusion in the USF Rates and Lifeline Rates.

Accordingly, ACE has provided detailed information regarding its USF-related administrative costs for the period July 1, 2014 through March 31, 2015 and has requested the full recovery of these annual administrative costs in rates effective October 1, 2015.

Actual results regarding USF expenditures and recoveries could be significantly affected by program changes, participation rates, and/or sales volumes.

The Board has the statutory authority to establish the USF Rates and Lifeline Rates at levels it finds just and reasonable. Therefore, the Board may establish the USF Rates and Lifeline Rates at levels other than those proposed by ACE's June 22, 2015 filing. As a result, the above described charges may increase or decrease based upon the Board's decision.

The Petition was served upon the New Jersey Division of Rate Counsel ("Rate Counsel") who will represent the interests of New Jersey ratepayers in this proceeding. Copies of ACE's June 22, 2015 filing are available for review at ACE's business office (5100 Harding Highway, Mays Landing, New Jersey 08330), during normal business hours. The Petition and updates (if any) have been posted on ACE's website at www.atlanticcityelectric.com/home/choice/nj/public/. The filing is also available for review at the Board of Public Utilities, 44 South Clinton Avenue, 7th Floor, P.O. Box 350, Trenton, New Jersey 08625-0350.

The following dates, times, and locations for public hearings have been scheduled on the above filing so that members of the public may present their views.

Date: XXXX, 2015	Date: XXXX, 2015
Time: 3:30 P.M.	Time: 5:30 P.M.
Location: Atlantic City Electric Company Offices 1 st Floor Conference Room 5100 Harding Highway Mays Landing, New Jersey 08330	Location: Atlantic City Electric Company Offices 1 st Floor Conference Room 5100 Harding Highway Mays Landing, New Jersey 08330

Representatives from Board Staff and Rate Counsel will be present at the public hearings. Members of the public are invited to attend and express their views on the filing. Comments will be made a part of the final record of the proceeding to be considered by the Board. In order to encourage full participation, please submit any requests for needed accommodations, including interpreters, listening devices or mobility assistance, 48 hours prior to the above hearings. Customers may file written comments with the Secretary of the New Jersey Board of Public Utilities at 44 South Clinton Avenue, 9th Floor, P.O. Box 350, Trenton, New Jersey 08625-0350, Attention: Irene Kim Asbury, whether or not they attend the public hearings or they may send comments by e-mail to the BPU at board.secretary@bpu.state.nj.us.

ATLANTIC CITY ELECTRIC COMPANY

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. ER15060732

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 Wagner
Legal Specialist
New Jersey Board of Public Utilities
44 South Clinton Avenue - 10th Floor
Trenton, NJ 08625
maureen.wagner@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

Patricia A. Krogman, Esquire
Deputy Attorney General
Division of Law
124 Halsey Street
P.O. Box 45029
Newark, NJ 07101
patricia.krogman@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
ftthomas@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
Chesapeak 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
df Franco@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