



Agenda Date: 4/27/2016  
Agenda Item: IIA

**STATE OF NEW JERSEY**  
**Board of Public Utilities**  
44 South Clinton Avenue, 3<sup>RD</sup> Floor, Suite 314  
Post Office Box 350  
Trenton, New Jersey 08625-0350  
[www.nj.gov/bpu/](http://www.nj.gov/bpu/)

ENERGY

IN THE MATTER OF THE PETITION OF ATLANTIC	)	ORDER SUSPENDING INCREASES,
CITY ELECTRIC COMPANY FOR APPROVAL OF	)	CHANGES OR ALTERATIONS IN
AMENDMENTS TO ITS TARIFF TO PROVIDE FOR AN	)	RATES FOR SERVICE
INCREASE IN RATES AND CHARGES FOR ELECTRIC	)	
SERVICE PURSUANT TO <u>N.J.S.A. 48:2-21</u> AND	)	
<u>N.J.S.A. 48:2-21.1</u> , FOR APPROVAL OF A GRID	)	
RESILIENCY INITIATIVE AND COST RECOVERY	)	
RELATED THERETO, AND FOR OTHER	)	BPU DOCKET NO. ER16030252
APPROPRIATE RELIEF (2016)	)	

**Parties of Record:**

**Phillip J. Passanante, Esq.**, on behalf of Atlantic City Electric Company, Petitioner  
**Stefanie A. Brand, Esq.**, Director, Division of Rate Counsel

**BY THE BOARD:**

On March 22, 2016, pursuant to N.J.S.A. 48:2-21 and N.J.A.C. 14:1-5.12, Atlantic City Electric Company ("ACE" or "Company"), a public utility of the State of New Jersey subject to the jurisdiction of the New Jersey Board of Public Utilities ("Board"), filed a petition for approval of an increase in its current base rates for electric service of approximately \$84.4 million, including Sales and Use Tax, to be effective for electric service provided on or after April 22, 2016. The Company is also requesting a return on equity of 10.60%. According to the petition, the primary reason for the requested increase is that Company's current base rates do not (i) provide sufficient operating revenues to reflect increased investment in the Company's rate base, meet operating expenses, taxes, and fixed charges; and (ii) provide an opportunity to earn a reasonable rate of return on the fair value of the Company's property.

In addition, ACE is seeking authority to implement a grid resiliency program, the PowerAhead Program, with an associated cost recovery mechanism. The Company proposes to implement the program over a five year period at a total approximately capital investment of \$176 million. According to the petition, the PowerAhead Program is designed to modernize the electric grid through energy efficiency, increased distribution generation, and resiliency, all geared toward improving the distribution system's ability to withstand major storm events.

Additionally, the Company is requesting that the Board relieve it of the obligation to file an alternative rate design using Peak and Average Coincident Peak method as required by the Board in the Order issued in connection with in Docket No. ER03020110. ACE is also seeking approval of its proposed economic development riders to promote economic development in its service territory.

By letter dated April 6, 2016, ACE notified the Board that given that the regular agenda meeting scheduled April 27, 2016 is beyond the Company's proposed implementation date, it would not implement rates on an interim basis prior to the effective date of the Board's Suspension Order resulting from the April 27, 2016 meeting.

It appearing that the proposed revisions, if approved, will increase existing rates and change or alter existing classifications in the Company's tariff, it is **HEREBY ORDERED** that:

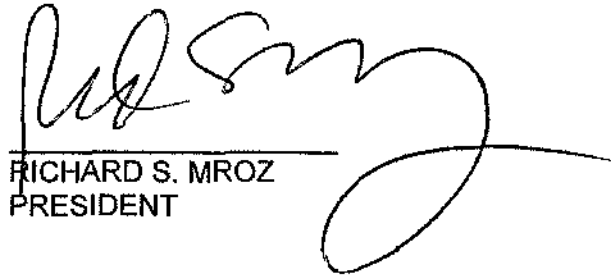
- (1) Pursuant to N.J.S.A. 48:2-21(d), the proposed revisions are suspended until August 22, 2016, unless prior to that date the Board makes a determination disposing of the petition or enters an Order further suspending the proposed revisions;
- (2) ACE shall, at least ten (10) days prior to the date set for hearing on the petition by the Office of Administrative Law, file with this Board and with the Office of Administrative Law, proof of compliance with the notice provisions of N.J.S.A. 48:2-32.2 and N.J.A.C. 14:1-5.12(b) and (c), which notice shall include a statement that any relief found by the Board to be just and reasonable may be allocated by the Board to any class or classes of customers on any rate or schedule as the Board may determine; and
- (3) ACE shall serve copies of this Order upon the Office of Administrative Law, the Division of Rate Counsel (140 East Front Street, 4th Floor, Post Office Box 003, Trenton, N.J. 08625), the clerk of each affected municipality, the clerk of the Boards of Chosen Freeholders of the affected county, and where appropriate, the executive officer of the affected county within its service area. Service of the petition, notice of hearings and this Order may be made simultaneously. Proof of service of this Order shall be filed with the Board within fifteen (15) days of the effective date of this Order.

This Order shall be effective on May 7, 2016.

DATED:

4/27/16

BOARD OF PUBLIC UTILITIES  
BY:



RICHARD S. MROZ  
PRESIDENT



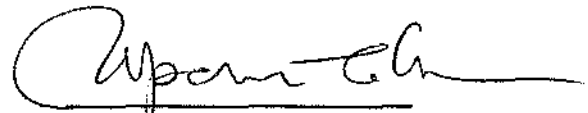
JOSEPH L. FIORDALISO  
COMMISSIONER



MARY-ANNA HOLDEN  
COMMISSIONER

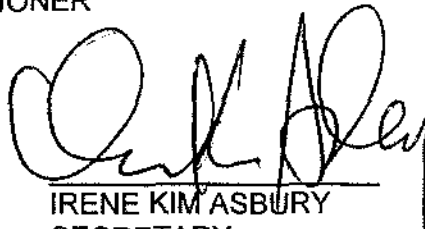


DIANNE SOLOMON  
COMMISSIONER



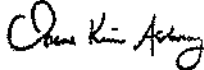
UPENDRA J. CHIVUKULA  
COMMISSIONER

ATTEST:



IRENE KIM ASBURY  
SECRETARY

I HEREBY CERTIFY that this  
document is a true copy  
in the files of the Board of Public Utilities.



IN THE MATTER OF THE PETITION OF ATLANTIC CITY ELECTRIC COMPANY FOR  
APPROVAL OF AMENDMENTS TO ITS TARIFF TO PROVIDE FOR AN INCREASE IN  
RATES AND CHARGES FOR ELECTRIC SERVICE PURSUANT TO N.J.S.A. 48:2-21 AND  
N.J.S.A. 48:2-21.1, FOR APPROVAL OF A GRID RESILIENCY INITIATIVE AND COST  
RECOVERY RELATED THERETO, AND FOR OTHER APPROPRIATE RELIEF (2016)  
BPU DOCKET NO. ER16030252

SERVICE LIST

Philip J. Passanante, Esq.  
Associate General Counsel  
ACE- 92DC42  
500 North Wakefield Drive  
Post Office Box 6066  
Newark, DE 19714-6066  
[philip.passanante@pepcoholdings.com](mailto:philip.passanante@pepcoholdings.com)

Roger E. Pedersen  
Manager, NJ Regulatory Affairs, External  
Issues and Compliance  
ACE- 63ML38  
5100 Harding Highway  
Mays Landing, NJ 08330  
[roger.pedersen@pepcoholdings.com](mailto:roger.pedersen@pepcoholdings.com)

Stefanie A. Brand, Esq. Director  
Division of Rate Counsel  
140 East Front Street, 4<sup>th</sup> Floor  
Post Office Box 003  
Trenton, NJ 08625-0003  
[sbrand@rpa.state.nj.us](mailto:sbrand@rpa.state.nj.us)

Ami Morita, Esq.  
Division of Rate Counsel  
140 East Front Street, 4<sup>th</sup> Floor  
Post Office Box 003  
Trenton, NJ 08625-0003  
[amorita@rpa.state.nj.us](mailto:amorita@rpa.state.nj.us)

Diane Schulze, Esq.  
Division of Rate Counsel  
140 East Front Street, 4<sup>th</sup> Floor  
Post Office Box 003  
Trenton, NJ 08625-0003  
[dschulze@rpa.state.nj.us](mailto:dschulze@rpa.state.nj.us)

Irene Kim Asbury, Esq.  
Secretary of the Board  
Board of Public Utilities  
44 South Clinton Avenue, 3<sup>rd</sup> Floor Suite 314  
Post Office Box 350  
Trenton, NJ 08625-0350  
[irene.asbury@bpu.state.nj.us](mailto:irene.asbury@bpu.state.nj.us)

Paul Flanagan, Esq.  
Executive Director  
Board of Public Utilities  
44 South Clinton Avenue, 3<sup>rd</sup> Floor Suite 314  
Post Office Box 350  
Trenton, NJ 08625-0350  
[Paul.flanagan@bpu.state.nj.us](mailto:Paul.flanagan@bpu.state.nj.us)

Cynthia Covie, Esq.  
Chief Counsel  
Board of Public Utilities  
44 South Clinton Avenue, 3<sup>rd</sup> Floor Suite 314  
Post Office Box 350  
Trenton, NJ 08625-0350  
[Cynthia.covie@bpu.state.nj.us](mailto:Cynthia.covie@bpu.state.nj.us)

Bethany Rocque-Romaine  
Counsel's Office  
Board of Public Utilities  
44 South Clinton Avenue, 3<sup>rd</sup> Floor Suite 314  
Post Office Box 350  
Trenton, NJ 08625-0350  
[Bethany.rocque-romaine@bpu.state.nj.us](mailto:Bethany.rocque-romaine@bpu.state.nj.us)

Mark Beyer, Chief Economist  
Board of Public Utilities  
44 South Clinton Avenue, 3<sup>rd</sup> Floor Suite 314  
Post Office Box 350  
Trenton, NJ 08625-0350  
[Mark.beyer@bpu.state.nj.us](mailto:Mark.beyer@bpu.state.nj.us)

Caroline Vachier, Esq.  
Division of Law  
124 Halsey Street  
Post Office Box 45029  
Newark, NJ 07101-45029  
[Caroline.vachier@dol.lps.state.nj.us](mailto:Caroline.vachier@dol.lps.state.nj.us)

Geoffrey Gersten, Esq.  
Division of Law  
124 Halsey Street  
Post Office Box 45029  
Newark, NJ 07101-45029  
[Geoffrey.gersten@dol.lps.state.nj.us](mailto:Geoffrey.gersten@dol.lps.state.nj.us)

Alex Moreau, Esq.  
Division of Law  
124 Halsey Street  
Post Office Box 45029  
Newark, NJ 07101-45029  
[Alex.moreau@dol.lps.state.nj.us](mailto:Alex.moreau@dol.lps.state.nj.us)

Veronica Beke, Esq.  
Division of Law  
124 Halsey Street  
Post Office Box 45029  
Newark, NJ 07101-45029  
[Veronica.beke@dol.lps.state.nj.us](mailto:Veronica.beke@dol.lps.state.nj.us)

Robert Schultheis  
Division of Energy  
Board of Public Utilities  
44 South Clinton Avenue, 3<sup>rd</sup> Floor Suite 314  
Post Office Box 350  
Trenton, NJ 08625-0350  
[Robert.schultheis@bpu.state.nj.us](mailto:Robert.schultheis@bpu.state.nj.us)

Henry Rich  
Division of Energy  
Board of Public Utilities  
44 South Clinton Avenue, 3<sup>rd</sup> Floor Suite 314  
Post Office Box 350  
Trenton, NJ 08625-0350  
[Henry.rich@bpu.state.nj.us](mailto:Henry.rich@bpu.state.nj.us)

Jerome May, Director  
Division of Energy  
Board of Public Utilities  
44 South Clinton Avenue, 3<sup>rd</sup> Floor Suite 314  
Post Office Box 350  
Trenton, NJ 08625-0350  
[Jerome.may@bpu.state.nj.us](mailto:Jerome.may@bpu.state.nj.us)

Stacy Peterson  
Division of Energy  
Board of Public Utilities  
44 South Clinton Avenue, 3<sup>rd</sup> Floor Suite 314  
Post Office Box 350  
Trenton, NJ 08625-0350  
[Stacy.peterson@bpu.state.nj.us](mailto:Stacy.peterson@bpu.state.nj.us)

Scott Sumliner  
Division of Energy  
Board of Public Utilities  
44 South Clinton Avenue, 3<sup>rd</sup> Floor Suite 314  
Post Office Box 350  
Trenton, NJ 08625-0350  
[Scott.sumliner@bpu.state.nj.us](mailto:Scott.sumliner@bpu.state.nj.us)

John Masiello  
Division of Energy  
Board of Public Utilities  
44 South Clinton Avenue, 3<sup>rd</sup> Floor Suite 314  
Post Office Box 350  
Trenton, NJ 08625-0350  
[John.masiello@bpu.state.nj.us](mailto:John.masiello@bpu.state.nj.us)

Andrea Reid  
Division of Energy  
Board of Public Utilities  
44 South Clinton Avenue, 3<sup>rd</sup> Floor Suite 314  
Post Office Box 350  
Trenton, NJ 08625-0350  
[Andrea.reid@bpu.state.nj.us](mailto:Andrea.reid@bpu.state.nj.us)

Beverly Tyndell-Broomfield  
Division of Energy  
Board of Public Utilities  
44 South Clinton Avenue, 3<sup>rd</sup> Floor Suite 314  
Post Office Box 350  
Trenton, NJ 08625-0350  
[Beverly.tyndell@bpu.state.nj.us](mailto:Beverly.tyndell@bpu.state.nj.us)

Carl Dzierzawiec  
Division of Energy  
Board of Public Utilities  
44 South Clinton Avenue, 3<sup>rd</sup> Floor Suite 314  
Post Office Box 350  
Trenton, NJ 08625-0350  
[Carl.dzierzawiec@bpu.state.nj.us](mailto:Carl.dzierzawiec@bpu.state.nj.us)