



STATE OF NEW JERSEY
Board of Public Utilities
44 South Clinton Avenue, 3rd Floor, Suite 314
Post Office Box 350
Trenton, New Jersey 08625-0350
www.nj.gov/bpu/

ENERGY

IN THE MATTER OF THE PETITION OF ATLANTIC CITY)
ELECTRIC COMPANY FOR APPROVAL OF)
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

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 of 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.

The Company sought to implement its proposed rates to become effective for service rendered on or after April 22, 2016, but in no event after December 22, 2016. By letter dated April 6, 2016, ACE notified the Board that given that the regular agenda meeting scheduled for April 27, 2016 was 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. By Order dated April 27, 2016, the Board suspended the proposed rates until August 22, 2016. This matter was subsequently transmitted to the Office of Administrative Law ("OAL") where it was assigned to Administrative Law Judge ("ALJ") Irene Jones.

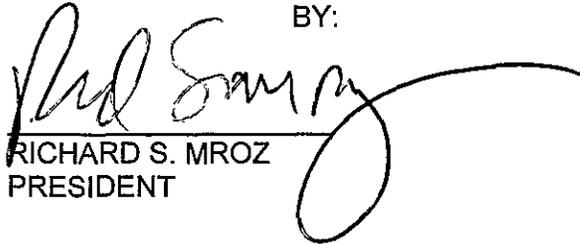
In light of the fact that this matter will not be completed by August 22, 2016, and it appears that the proposed revisions, if approved, will increase existing rates and change or alter existing classifications in the Company's tariff, it is **HEREBY ORDERED** as follows:

- (1) Pursuant to N.J.S.A. 48:2-21(d), the proposed revisions are suspended until December 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 OAL, file with this Board and with the OAL, 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) Petitioner shall, at the same time it files with the Board, also file proof of service of copies of this Order upon the OAL, Division of the Rate Counsel, the clerks of each affected municipality, the clerks of the Boards of Chosen Freeholders of each affected County, and where appropriate, the executive officer of each affected County within its service area. Service of the petition, notice of hearings and this Suspension Order may be made simultaneously.

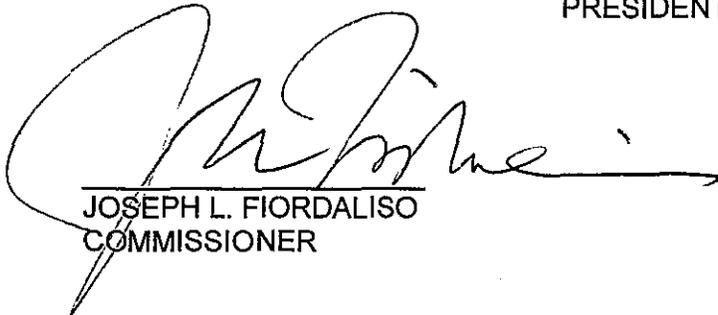
This Order shall be effective on August 8, 2016.

DATED: 7/29/16

BOARD OF PUBLIC UTILITIES
BY:



RICHARD S. MROZ
PRESIDENT



JOSEPH L. FIORDALISO
COMMISSIONER



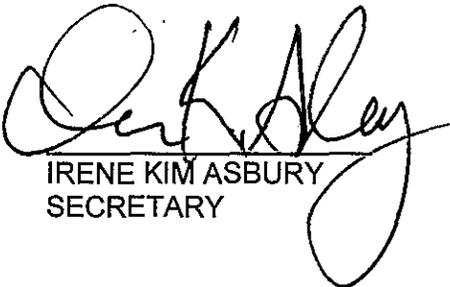
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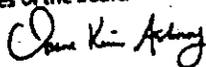


UPENDRA J. CHIVUKULA
COMMISSIONER

ATTEST: 

IRENE KIM ASBURY
SECRETARY

I HEREBY CERTIFY that the within
document is a true copy of the original
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)
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