

An Exelon Company

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500 N. Wakefield Drive Newark, DE 19702 atlanticcityelectric.com

December 19, 2016

VIA FEDERAL EXPRESS and ELECTRONIC MAIL irene.asbury@bpu.nj.gov board.secretary@bpu.nj.gov

Irene Kim Asbury, Esquire
Secretary of the Board
Board of Public Utilities
44 South Clinton Avenue, 3rd Floor, Suite 314
P.O. Box 350
Trenton, New Jersey 08625-0350

RE:	In the Matter of the Application of Atlantic City Electric Company to Amend Its
	Pilot Redevelopment Program Service Tariff Rider RP and Its Pilot Small
	Commercial Development Tariff Rider SCD to Revise and Expand the
	Eligibility Criteria for Customer Participation Therein
	BPU Docket No.

Dear Secretary Asbury:

On behalf of Atlantic City Electric Company ("ACE", the "Company" or "Petitioner"), kindly accept this letter filing in lieu of a more formalized Petition in the above referenced matter. Three conformed copies are enclosed for filing.¹

BACKGROUND AND DISCUSSION

By Board Order dated August 24, 2016 issued in connection with in BPU Docket No. ER16030252 and OAL Docket No. PUC 05556-16N (the "2016 ACE Base Rate Case"), the New Jersey Board of Public Utilities (the "Board") approved certain revised tariff rates and other tariff provisions for ACE, including updating and re-establishing two tariffed service Riders, namely, Redevelopment Program Service Rider RP ("RPS") and Small Commercial Development Rider SCD ("SCD") (jointly referred to herein as the "Programs"). The Programs were approved by the Board on a pilot basis for a period of five years.

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¹ This filing has been made consistent with the Board's Order Waiving Provisions of N.J.A.C. 14:4-2, N.J.A.C. 14:17-4.2(a), N.J.A.C. 14:1-1.6(c), and N.J.A.C. 14:17-1.6(d), issued on July 29, 2016 in connection with *In the Matter of the Board's E-Filing Program*, BPU Docket No. AX16020100.

Irene Kim Asbury, Esquire December 19, 2016 Page 2

As the Petitioner noted in the 2016 ACE Base Rate Case, the Company plays an important role in the economic development of South Jersey through the provision of safe and reliable electric service, as well as its continuing economic investment in the region. In order to expand economic development in South Jersey, the Company sought, and the Board approved, the updating and re-establishment of the RPS and the SCD, both of which were designed to provide an economic incentive for small and large businesses to expand existing facilities and/or locate in the southern region of the State served by ACE. The eligibility criteria for participation in the RPS and SCD were set forth in the Company's proposed tariffs for the Programs.

As the Programs were initially being offered to potential customers, however, it became apparent to the Company's internal commercial/industrial accounts team, that the criteria for participation in the Programs, as initially proposed and adopted, was inadvertently drafted in a manner that was overly restrictive for the type(s) of customers and businesses that were intended to be eligible to participate in the Programs. The Company also determined that a clarification of the criteria for New and Existing Customers was required to improve customer participation.

Enclosed herewith are clean and red-line copies of the Company's proposed modifications to the RPS and SCD Riders. Although ACE does not believe that the proposed modifications to these Programs materially change the letter or the spirit of the existing RPS and SCD Riders, ACE does believe that these proposed tariff language modifications and clarifications to the Programs are essential to the ultimate success of this pilot program. The Petitioner respectfully submits that the Board's prompt approval of the modifications proposed in this filing will make the Programs more attractive to, and expand the eligibility criteria for, the commercial and industrial customers they were designed to reach. By so doing, the economy of South Jersey will be benefitted consistent with the original intent of the Programs.

While the Company is not formally seeking "expedited" treatment of this application, we respectfully request that the Board retain the matter for prompt consideration and approval. Petitioner Company is prepared to meet with and/or confer by teleconference with Board Staff and representatives from the Division of Rate Counsel at their earliest convenience, and to promptly respond to any questions that either party may have in order to bring this matter to as timely a conclusion as possible.

Communications regarding this matter should be sent to the following representatives of the Company:

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Irene Kim Asbury, Esquire December 19, 2016 Page 3

and

Roger E. Pedersen
Manager, Regulatory Affairs – ACE
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Copies of this application are being served upon all entities legally required to be noticed. As no rates or charges are affected, public hearings will not be required.

WHEREFORE, Petitioner, Atlantic City Electric Company, respectfully requests that the Board make the following determination:

- A. that the terms and conditions of Petitioner's Riders RPS and SCD be modified as proposed herein in order to enhance and facilitate ACE's ability to promote and foster greater economic stimulation and growth in Petitioner's South Jersey service area; and
- B. that the Petitioner be granted such other and further relief as the Board may determine to be reasonable and appropriate.

Respectfully submitted,

Philip J. Rassanante An Attorney at Law of the

auauaute____/jpr

State of New Jersey

Enclosure

cc: Service List

Tariff Pages Clean

RIDER RP REDEVELOPMENT PROGRAM SERVICE

APPLICABLE TO:

Customers receiving service under Electric Rate Schedules AGS Secondary, AGS Primary, TGS

CHARACTER OF SERVICE:

Commitments for service under this rider will be made available to qualifying customers on a pilot basis effective August 24, 2016. Customers must commence service hereunder within 24 months of the date of commitment.

CREDIT:

A credit equal to 20% of the customer's distribution charge(s) as described below for the newly constructed, leased or purchased space, as determined by the Company, will be applied to the customer's monthly electric bills for a term of five years, as follows:

New Customer

A new customer for purposes of this service shall be defined as a customer contract account whose existing, newly constructed, leased or purchased space is separately metered.

The credit shall apply to the customer charge and the distribution demand charge associated with all kilowatts, as billed by the Company.

Existing Customer

An existing customer for purposes of this service shall be defined as a customer contract account whose existing, newly constructed, leased or purchased space is not separately metered from the existing service.

For existing customers, the credit shall apply only to those kilowatts, as measured by the Company, which are in excess of comparable demands in the same month established in a base year period, which period shall be defined as the 12 calendar months immediately preceding the first month service is provided under the Redevelopment Program. The credit will not be applicable to the customer charge for an existing customer.

ELIGIBILITY:

Each customer will be required to sign an Application for Redevelopment Program Service, including an estimate of additional demand. The customer must remain on the same rate schedule as in the base year period throughout the five year term of the program. Upon verification of eligibility, the Company will provide the customer with a written commitment for Redevelopment Program Service.

To be eligible, a customer must construct, lease or purchase, new or vacant space for commercial or industrial services or build, or have added to or expanded to a building on existing property. The effective date of the lease or purchase must have been on or after August 24, 2016, the initial Effective Date of this rate schedule. The total additional leased or purchased building space must equal or exceed 8,000 square feet.

Qualifying building space must be vacant, as determined by the Company, prior to receiving a commitment for the Redevelopment Program.

Customer must be adding at least two permanent full-time employees to the customer's payroll at the site receiving the benefit of the Redevelopment Program Service Rider. Relocation or consolidation of employees based in the Company's service territory without employment growth will not qualify. Employment growth will be confirmed by the Company in conjunction with the New Jersey Department of Labor and/or affidavit from the customer. The Company reserves the right, in its discretion, to periodically verify employment increases and sustained level of employment. If after verification the required employment level has not been sustained, Rider RP will no longer be applicable.

Customer must qualify for, receive, and provide the Company with suitable documentation substantiating the receipt of a package of economic incentives pursuant to the Economic Opportunity Act of 2013 (P.L. 2013, c.161) conferred by the state or any other applicable economic incentive conferred by the county or local municipality, including financial assistance or a tax incentive program designed to maintain or increase employment levels in the service area.

LIMITATIONS OF SERVICE:

Date of Issue:	Effective Date:
Issued by:	

This service is not available to federal, state, county or local governments or governmental entities. Page 2 of 3

RIDER - SCD SMALL COMMERCIAL DEVELOPMENT

APPLICABLE TO:

Customers receiving service under Electric Rate Schedules MGS Secondary, MGS Primary

CHARACTER OF SERVICE:

Commitments for service under this rider will be made available to qualifying customers on a pilot basis effective August 24, 2016. Customers must commence service hereunder within 24 months of the date of commitment.

CREDIT:

A credit equal to 20% of the customer's distribution charge(s) as described below for the newly constructed, leased or purchased space, as determined by the Company, will be applied to the customer's monthly electric bills for the term of five years, as follows:

New Customer

A new customer for purposes of this service shall be defined as a customer contract account whose existing, newly leased, constructed or purchased space is separately metered.

The credit shall apply to the customer charge and the distribution demand charge associated with all kilowatts, as billed by the Company.

Existing Customer

An existing customer for purposes of this service shall be defined as a customer contract account whose existing, newly constructed, leased or purchased space is not separately metered from the existing service.

For existing customers, the credit shall apply only to those kilowatts, as measured by the Company, which are in excess of comparable demands in the same month established in a base year period, which period shall be defined as the 12 calendar months immediately preceding the first month service is provided under the Redevelopment Program. The credit will not be applicable to the customer charge for an existing customer.

ELIGIBILITY:

Each customer will be required to sign an Application for Small Commercial Development Program Service, including an estimate of additional demand. The customer must remain on the same rate schedule as in the base year period throughout the five year term of the program. Upon verification of eligibility, the Company will provide the customer with a written commitment for Small Commercial Development Program Service.

To be eligible, a customer must construct, lease or purchase new or vacant space for Commercial services or build, have added to or expanded to a building on existing property. The effective date of the lease or purchase must have been on or after August 24, 2016, the initial Effective Date of this rate schedule. The total additional leased or purchased building space must equal or exceed 2,500 square feet.

Qualifying building space must be vacant, as determined by the Company, prior to receiving a commitment for the Small Commercial Development Rider.

Customer must be adding at least one permanent full-time year round employee to the customer's payroll at the site receiving the benefit of the Small Commercial Development Rider. Relocation or consolidation of employees based in the Company's service territory without employment growth will not qualify. Employment growth will be confirmed by the Company in conjunction with the New Jersey Department of Labor and/or affidavit from the customer on a quarterly basis. The Company reserves the right, in its discretion, to periodically verify employment increases and sustained level of employment. If, after verification, the required employment level has not been sustained, Rider SCD will no longer be applicable.

LIMITATIONS OF SERVICE:

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Date of Issue:	Effective Date
Issued by:	

Tariff Pages Redlined

First Revised Sheet replaces Original Sheet No. 50

RIDER RP REDEVELOPMENT PROGRAM SERVICE

APPLICABLE TO:

Customers receiving service under Electric Rate Schedules AGS Secondary, AGS Primary, TGS

CHARACTER OF SERVICE:

Commitments for service under this rider will be made available to qualifying customers on a pilot basis effective August 24, 2016. Customers must commence service hereunder within 24 months of the date of commitment.

CREDIT:

A credit equal to 20% of the customer's distribution charge(s) as described below for the newly constructed, leased or purchased space, as determined by the Company, will be applied to the customer's monthly electric bills for a term of five years-, as follows:

New Customer

A new customer for purposes of this service shall be defined as a customer contract account whose existing, newly constructed, leased or purchased space is separately metered.

The credit shall apply to the customer charge and the distribution demand charge associated with all kilowatts, as billed by the Company. A new

Existing Customer

An existing customer, for purposes of this Service, service shall be defined as a customer who has not previously received energy from the Company within the previous two years, contract account whose existing, newly constructed, leased or purchased space is not separately metered, from the existing service.

For existing customers, the credit shall apply only to those kilowatts, as measured by the Company, which are in excess of comparable demands in the same month established in a base year period, which period shall be defined as the 12 calendar months immediately preceding the first month service is provided under the Redevelopment Program. The credit will not be applicable to the customer charge for an existing customer.

ELIGIBILITY:

Each customer will be required to sign an Application for Redevelopment Program Service, including an estimate of additional demand. The customer must remain on the same rate schedule as in the base year period throughout the five year term of the program. The Company upon Upon verification of eligibility, the Company will provide the customer with a written commitment for Redevelopment Program Service.

To be eligible, a customer must <u>construct</u>, lease or purchase, new or vacant space for <u>manufacturing</u>, <u>research and development</u>, <u>officecommercial</u> or <u>warehousing.industrial services or build</u>, <u>or have added to or expanded to a building on existing property</u>. The effective date of the lease or purchase must <u>behave been on or</u> after <u>August 24</u>, <u>2016</u>, the <u>dateinitial Effective Date</u> of this rate schedule. The total additional leased or purchased building space must equal or exceed 8,000 square feet.

Qualifying vacant building space must be vacant for a minimum of three months, as determined by the Company, prior to receiving a commitment for the Redevelopment Program.

Customer must be adding at least two permanent full-time employees to theirthe customer's payroll at the site receiving the benefit of the Redevelopment Program Service Rider. Relocation or consolidation of employees based in the Company's service territory without employment growth, will not qualify. Employment growth will be confirmed by the Company in conjunction with the New Jersey Department of Labor and/or affidavit from the customer. The Company reserves the right, atin its discretion, to periodically verify employment increases and sustained level of employment. If after verification the required employment level has not been sustained, Rider RP will be no longer be applicable.

Customer must qualify for, receive, and provide the Company with suitable documentation substantiating the receipt of a comprehensive package of economic incentives pursuant to the Economic Opportunity Act of 2013 (P.L. 2013, c.161) conferred by the state or any other applicable economic incentive conferred by the county or local municipality-or state authorities and, including substantial financial assistance or a substantial tax incentive program designed to maintain or increase employment levels in the service area.

Date of Issue: Issued by:	Effective Date:
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RIDER - SCD SMALL COMMERCIAL DEVELOPMENT

APPLICABLE TO:

Customers receiving service under Electric Rate Schedules MGS Secondary, MGS Primary

CHARACTER OF SERVICE:

Commitments for service under this rider will be made available to qualifying customers on a pilot basis effective August 24, 2016. Customers must commence service hereunder within 24 months of the date of commitment.

CREDIT:

A credit equal to 20% of the customer's distribution charge(s) as described below for the newly constructed, leased or purchased space, as determined by the Company, will be applied to the customer's monthly electric bills for the term of five years, as follows:

New Customer

A new customer for purposes of this service shall be defined as a customer contract account whose existing, newly leased, constructed or purchased space is separately metered.

The credit shall apply to the customer charge, and the distribution demand charge and distribution energy charge for associated with all kilowatts of demand and kilowatt-hours of consumption, as billed by the Company. A new

Existing Customer

An existing customer, for purposes of this Service, service shall be defined as a customer who has not previously received energy from the Company within the previous two years, contract account whose existing, newly constructed, leased or purchased space is not separately metered from the existing service.

For existing customers, the credit shall apply only to those kilowatts, as measured by the Company, which are in excess of comparable demands in the same month established in a base year period, which period shall be defined as the 12 calendar months immediately preceding the first month service is provided under the Redevelopment Program. The credit will not be applicable to the customer charge for an existing customer.

ELIGIBILITY:

Each customer will be required to sign an Application for Small Commercial Development Program Service, including an estimate of additional demand. The customer must remain on the same rate schedule as in the base year period throughout the five year term of the program. The Company upon Upon verification of eligibility, the Company will provide the customer with a written commitment for Small Commercial Development Program Service.

To be eligible, a customer must <u>construct</u>, lease or purchase new or vacant space for Commercial services<u>- or build</u>, have added to or expanded to a building on existing property. The effective date of the lease or purchase must <u>behave been on or</u> after <u>August 24, 2016</u>, the <u>dateinitial Effective Date</u> of this rate schedule. The total additional leased or purchased building space must equal or exceed 2,500 square feet.

Qualifying vacant building space must be vacant for a minimum of three months, as determined by the Company, prior to receiving a commitment for the Small Commercial Development Rider.

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LIMITATIONS OF SERVICE:

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Date of Issue:	Effective Date:
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IN THE MATTER OF THE
APPLICATION OF ATLANTIC CITY
ELECTRIC COMPANY TO AMEND ITS
PILOT REDEVELOPMENT PROGRAM
SERVICE TARIFF RIDER RP AND ITS
PILOT SMALL COMMERCIAL
DEVELOPMENT TARIFF RIDER SCD
TO REVISE AND EXPAND THE
ELIGIBILITY CRITERIA FOR
CUSTOMER PARTICIPATION THEREIN

STATE OF NEW JERSEY BOARD OF PUBLIC UTILITIES

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 December 19, 2016, I caused the within Letter Petition to be electronically filed and three conformed copies to be delivered via Federal Express to Irene Kim Asbury, Esquire, Secretary of the Board, Board of Public Utilities, 44 South Clinton Avenue, 3rd Floor, Suite 314, Trenton, New Jersey 08625.
- 3. I further certify that, on December 19, 2016, I caused complete copies of the Letter Petition to be sent via First Class Mail to Staff of the Board of Public Utilities, the Division of Law, and the Division of Rate Counsel at the addresses noted on the Service List attached to the within filing.

In the Matter of the Application of Atlantic City Electric Company to Amend Its Pilot Redevelopment Program
Service Tariff Rider RP and Its Pilot Small Commercial Development Tariff Rider SCD to
Revise and Expand the Eligibility Criteria for Customer Participation Therein
BPU Docket No.

Service List

BPU

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Dated: December 19, 2016

PHILIP J. PASSANANTE An Attorney at Law of the State of New Jersey

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