

**SAUL EWING
ARNSTEIN
& LEHR ^{LLP}**

Received
SEP 11 2017
By CMS

Colleen A. Foley
Phone: (973) 286-6711
Fax: (973) 286-6811
Colleen.Foley@saul.com
www.saul.com

September 8, 2017

VIA FEDERAL EXPRESS

Honorable Jacob S. Gertsman, ALJ
Office of Administrative Law
3444 Quakerbridge Road
Quakerbridge Plaza, Building 9
Mercerville, NJ 08619

BOARD OF PUBLIC UTILITIES

SEP 11 2017

MAIL RECEIVED

Re: I/M/O 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*, and for Other Appropriate Relief (2017)
BPU Docket No. ER17030308
OAL Docket No. PUC 4989-17

Dear Judge Gertsman:

Enclosed for filing please find an original and one (1) copy, plus one additional copy, of a Stipulation of Settlement ("Stipulation") which has been executed on behalf of Atlantic City Electric Company (the "Company"), the Staff of the Board of Public Utilities, the Division of Rate Counsel, and Wal-Mart Stores East, LP and Sam's East, Inc., in the above-referenced matter. This Stipulation resolves all matters at issue in this proceeding. Kindly stamp the additional copy of the Stipulation "filed" and return it to me in the enclosed self-addressed, stamped envelope. As the parties hope to have this matter heard by the Board of Public Utilities at its September 22, 2017 public agenda meeting, the Company respectfully requests that Your Honor promptly issue an Initial Decision in this matter.

Please contact me if you have any questions regarding this proceeding. Thank you for your attention to this matter.

Respectfully submitted,

Colleen A. Foley
Colleen A. Foley

CAF/jg

Enclosure

cc: Attached Service List (w/encl., via electronic and regular mail)

CMS

Stephen B. Genzer - Newark Managing Partner

One Riverfront Plaza, Suite 1520 • Newark, NJ 07102-5426 • Phone: (973) 286-6700 • Fax: (973) 286-6800

100549.1 09/08/2017 DELAWARE FLORIDA ILLINOIS MARYLAND MASSACHUSETTS NEW JERSEY NEW YORK PENNSYLVANIA WASHINGTON, DC

A DELAWARE LIMITED LIABILITY PARTNERSHIP

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, and for Other Appropriate Relief (2017)

BPU Docket No. ER17030308
OAL Docket No. PUC 04989-2017
Service List

BPU

Irene Kim Asbury, Esquire ▲◆
Secretary to the Board
Board of Public Utilities
44 South Clinton Avenue, Suite 314
P.O. Box 350
Trenton, NJ 08625-0350
(609) 777-3300
irene.asbury@bpu.nj.gov
board.secretary@bpu.nj.gov

Paul Flanagan, Esquire ●
Executive Director
Board of Public Utilities
44 South Clinton Avenue, Suite 314
P.O. Box 350
Trenton, NJ 08625-0350
paul.flanagan@bpu.nj.gov

Mark C. Beyer ●
Chief Economist
Board of Public Utilities
Office of the Economist
44 South Clinton Avenue, Suite 314
P.O. Box 350
Trenton, NJ 08625-0350
mark.beyer@bpu.nj.gov

Cynthia Covie, Esquire ●
Chief of Staff
Board of Public Utilities
44 South Clinton Avenue, Suite 314
P.O. Box 350
Trenton, NJ 08625-0350
cynthia.covie@bpu.nj.gov

Thomas Walker ●
Director, Division of Energy
Board of Public Utilities
44 South Clinton Avenue, Suite 314
P.O. Box 350
Trenton, NJ 08625-0350
thomas.walker@bpu.nj.gov

Son Lin Lai, Ph.D. ▲
Board of Public Utilities
44 South Clinton Avenue, Suite 314
P.O. Box 350
Trenton, NJ 08625-0350
son-lin.lai@bpu.nj.gov

Henry Rich ●
Board of Public Utilities
44 South Clinton Avenue, Suite 314
P.O. Box 350
Trenton, NJ 08625-0350
henry.rich@bpu.nj.gov

Jackie Galka ●
Board of Public Utilities
44 South Clinton Avenue, Suite 314
P.O. Box 350
Trenton, NJ 08625-0350
jackie.galka@bpu.nj.gov

Jackie O'Grady ●
Board of Public Utilities
44 South Clinton Avenue, Suite 314
P.O. Box 350
Trenton, NJ 08625-0350
jackie.ogrady@bpu.nj.gov

Julie Ford-Williams ●
Board of Public Utilities
44 South Clinton Avenue, Suite 314
P.O. Box 350
Trenton, NJ 08625-0350
julie.ford@bpu.nj.gov

Richard Lambert ●
Board of Public Utilities
44 South Clinton Avenue, Suite 314
P.O. Box 350
Trenton, NJ 08625-0350
richard.lambert@bpu.nj.gov

Scott Sumliner ●
Board of Public Utilities
44 South Clinton Avenue, Suite 314
P.O. Box 350
Trenton, NJ 08625-0350
scott.sumliner@bpu.nj.gov

Beverly Tyndell ●
Board of Public Utilities
44 South Clinton Avenue, Suite 314
P.O. Box 350
Trenton, NJ 08625-0350
beverly.tyndell@bpu.nj.gov

Stacy Peterson ▲
Deputy Director
Division of Energy
Board of Public Utilities
44 South Clinton Avenue, Suite 314
P.O. Box 350
Trenton, NJ 08625-0350
stacy.peterson@bpu.nj.gov

Bethany Rocque-Romaine, Esquire ●
Legal Specialist
Board of Public Utilities
44 South Clinton Avenue, Suite 314
Trenton, NJ 08625
bethany.romaine@bpu.nj.gov

Megan Lupo, Esquire ●
Legal Specialist
Board of Public Utilities
44 South Clinton Avenue, Suite 314
P.O. Box 350
Trenton, NJ 08625-0350
megan.lupo@bpu.nj.gov

Oneil Hamilton ●
Board of Public Utilities
44 South Clinton Avenue, Suite 314
P.O. Box 350
Trenton, NJ 08625-0350
oneil.hamilton@bpu.nj.gov

OAL

Jacob S. Gertsman ▲◆
Administrative Law Judge
Office of Administrative Law
9 Quakerbridge Plaza
Mercerville, NJ 08619
P.O. Box 049
Trenton, NJ 08625-0049
nancy.demling@oal.nj.gov

DAG

Caroline Vachier, Esquire ●
Deputy Attorney General
Division of Law
124 Halsey Street
P.O. Box 45029
Newark, NJ 07101
(973) 648-3709
caroline.vachier@dol.lps.state.nj.us

- ▲ – Receives Paper and Electronic Submissions
- – Receives Electronic Submissions Only
- ◆ – Does Not Receive Discovery Responses

Alex Moreau, Esquire •
Deputy Attorney General
Division of Law
124 Halsey Street
P.O. Box 45029
Newark, NJ 07101
(973) 648-3762
alex.moreau@dol.lps.state.nj.us

Veronica Beke, Esquire •
Deputy Attorney General
Division of Law
124 Halsey Street
P.O. Box 45029
Newark, NJ 07101
veronica.beke@dol.lps.state.nj.us

Jenique Jones, Paralegal ▲(1)
Division of Law
124 Halsey Street
P.O. Box 45029
Newark, NJ 07101
jenique.jones@dol.lps.state.nj.us

RATE COUNSEL

Stefanie A. Brand, Esq. •
Director
Division of Rate Counsel
140 East Front Street, 4th Floor
P.O. Box 003
Trenton, NJ 08625-0003
(609) 984-1460
sbrand@rpa.state.nj.us

Brian O. Lipman, Esquire •
Deputy Public Advocate
Division of Rate Counsel
140 East Front Street, 4th Floor
P.O. Box 003
Trenton, NJ 08625-0003
(609) 984-1460
blipman@rpa.state.nj.us

Ami Morita, Esquire •
Deputy Public Advocate
Division of Rate Counsel
140 East Front Street, 4th Floor
P.O. Box 003
Trenton, NJ 08625-0003
(609) 984-1460
amorita@rpa.state.nj.us

Diane Schulze, Esquire •
Deputy Public Advocate
Division of Rate Counsel
140 East Front Street, 4th Floor
P.O. Box 003
Trenton, NJ 08625-0003
(609) 984-1460
dschulze@rpa.state.nj.us

James Glassen, Esquire •
Division of Rate Counsel
140 East Front Street, 4th Floor
P.O. Box 003
Trenton, NJ 08625-0003
(609) 984-1460
jglassen@rpa.state.nj.us

Kurt Lewandowski, Esquire •
Division of Rate Counsel
140 East Front Street, 4th Floor
P.O. Box 003
Trenton, NJ 08625-0003
(609) 984-1460
klewando@rpa.state.nj.us

Maura Caroselli, Esquire •
Division of Rate Counsel
140 East Front Street, 4th Floor
P.O. Box 003
Trenton, NJ 08625-0003
(609) 984-1460
mcaroselli@rpa.state.nj.us

Brian Weeks, Esquire •
Division of Rate Counsel
140 East Front Street, 4th Floor
P.O. Box 003
Trenton, NJ 08625-0003
(609) 984-1460
bweeks@rpa.state.nj.us

Lisa Gurkas ▲(4)
Division of Rate Counsel
140 East Front Street, 4th Floor
P.O. Box 003
Trenton, NJ 08625-0003
(609) 984-1460
lgurkas@rpa.state.nj.us

RATE COUNSEL CONSULTANTS

Andrea Crane •
The Columbia Group
199 Ethan Allen Highway, 2nd Floor
Ridgefield, CT 06877
ctcolumbia@aol.com

David E. Peterson •
Chesapeake Regulatory Consultants
Suite 202
10351 Southern Maryland Blvd
Dunkirk, MD 20754-3048
davep@chesapeake.net

Matthew I. Kahal •
Exeter Associates, Inc.
10480 Little Patuxent Park, Suite 300
Columbia, MD 21044
mkahal@exeterassociates.com

Max Chang •
Synapse Energy Economics, Inc.
485 Massachusetts Avenue, Suite 2
Cambridge, MA 02139
mchang@synapse-energy.com

Charles Salamone •
Cape Power Systems Consulting, LLC
23 Westerly Drive
Bourne, MA 02532
csalamone@capepowersystems.com

Susan M. Baldwin •
P.O. Box 392
Newburyport, MA 01950
smbaldwinconsulting@gmail.com

ACE

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

Colleen A. Foley, Esquire •
Saul Ewing LLP
One Riverfront Plaza, Suite 1520
Newark, New Jersey 07102
(973) 286-6711
cfoley@saul.com

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

INTERVENORS/PARTICIPANTS

Joseph F. Accardo, Jr., Esquire •
PSEG Services Corporation
80 Park Plaza, T5G
Newark, NJ 07102
(973) 430-5811
joseph.accardo@pseg.com

Bradford M. Stern, Esquire •
Rothfelder Stern, LLC
407 Greenwood Ave., Unit #301
Trenton, NJ 08609-2158
(856) 520-6806
bstern@rothfelderstern.com

- ▲ – Receives Paper and Electronic Submissions
- – Receives Electronic Submissions Only
- ◆ – Does Not Receive Discovery Responses

Lauren M. Lepkoski, Esquire •
FirstEnergy Service Company
Legal Department
2800 Pottsville Pike
Reading, PA 19612-6001
(610) 921-6203
llepkoski@firstenergycorp.com

Steven S. Goldenberg, Esq.
Fox Rothschild LLP
Princeton Pike Corporate Center
P.O. Box 5231
Princeton, NJ 08543-5231
sgoldenberg@foxrothschild.com

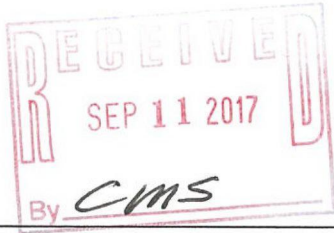
Steve W. Chriss •
Director, Energy and Strategy Analysis
Wal-Mart, Inc.
2001 Southeast 10th Street
Bentonville, AR 72716-5530
(479) 204-1594
energyreg@wal-mart.com

Donald R. Wagner, Esq. •
Stevens & Lee
Wal-Mart Stores East, LP and
Sam's East, Inc.
111 N. Sixth Street
Reading, PA 19603-0679
(610) 478-2216
drw@stevenslee.com

Linda R. Evers •
Stevens & Lee
111 N. Sixth Street
Reading, PA 19603-0679
(610) 478-4465
lre@stevenslee.com

Elizabeth A. Ware •
Stevens & Lee
111 N. Sixth Street
Reading, PA 19603-0679
(610) 478-2210
eaw@stevenslee.com

- ▲ – Receives Paper and Electronic Submissions
- – Receives Electronic Submissions Only
- ◆ – Does Not Receive Discovery Responses



BOARD OF PUBLIC UTILITIES

STATE OF NEW JERSEY
BOARD OF PUBLIC UTILITIES

SEP 11 2017

MAIL RECEIVED

IN THE MATTER OF THE PETITION :
OF ATLANTIC CITY ELECTRIC :
COMPANY FOR APPROVAL OF : **BPU DOCKET NO. ER17030308**
AMENDMENTS TO ITS TARIFF TO : **OAL DOCKET NO. PUC 04989-2017**
PROVIDE FOR AN INCREASE IN RATES :
AND CHARGES FOR ELECTRIC : **STIPULATION OF SETTLEMENT**
SERVICE PURSUANT TO N.J.S.A. 48:2-21 :
AND N.J.S.A. 48:2-21.1 AND FOR OTHER :
APPROPRIATE RELIEF (2017) :

APPEARANCES:

Wendy E. Stark, Esq., Vice President & General Counsel, Clark M. Stalker, Esq., Associate General Counsel, Philip J. Passanante, Esq., Assistant General Counsel, and Colleen A. Foley, Esq. (Saul Ewing LLP), on behalf of Atlantic City Electric Company, Petitioner

Alex Moreau and Veronica Beke, Deputy Attorneys General (Christopher S. Porrino, Attorney General of New Jersey), on behalf of the Staff of the Board of Public Utilities

Stefanie A. Brand, Esq., Director, Brian O. Lipman, Deputy Rate Counsel, Ami Morita, Esq., Deputy Rate Counsel, Diane Schulze, Esq., Assistant Deputy Rate Counsel, James W. Glassen, Esq., Assistant Deputy Rate Counsel, Kurt Lewandowski, Esq., Assistant Deputy Rate Counsel, Maura Caroselli, Assistant Deputy Rate Counsel and Brian Weeks, Esq., Deputy Rate Counsel, on behalf of the Division of Rate Counsel

Bradford M. Stern, Esq. and Martin C. Rothfelder, Esq., Rothfelder Stern, L.L.C., on behalf of Intervenor, Unimin Corporation

Donald R. Wagner, Esq., Stevens & Lee, on behalf of the Wal-Mart Stores East, LP and Sam's East, Inc.

Joseph F. Accardo, Jr., Esq., on behalf of Participant, Public Service Electric and Gas Company

Lauren M. Lepkoski, Esq., on behalf of Participant, Jersey Central Power & Light Company

Steven S. Goldenberg, Esq., Fox Rothschild, LLP, on behalf of Participant, the Builders League of South Jersey, Inc.

TO THE HONORABLE BOARD OF PUBLIC UTILITIES:

The parties to this proceeding are as follows: Atlantic City Electric Company (the “Company,” “Petitioner” or “ACE”), the Division of Rate Counsel (“Rate Counsel”), the Staff of the New Jersey Board of Public Utilities (“Board Staff” or “Staff”), Intervenor, Unimin Corporation (“Unimin”), Intervenor, Wal-Mart Stores East, LP and Sam’s East, Inc. (together, “Wal-Mart”), Participant, Public Service Electric and Gas Company (“PSE&G”), Participant, Jersey Central Power & Light Company (“JCP&L”), and Participant, the Builders League of South Jersey, Inc. (“BLSJ”). The New Jersey Board of Public Utilities shall be referred to in this Stipulation of Settlement (the “Stipulation”) as the “Board” or the “BPU.” As used in this Stipulation, the term “Signatory Parties” refers to the Petitioner, Board Staff, Rate Counsel, and Wal-Mart.

PROCEDURAL HISTORY

Petitioner is a corporation organized and existing under the laws of the State of New Jersey, subject to the jurisdiction of the New Jersey Board of Public Utilities (the “Board”), with a regional office located at 5100 Harding Highway, Mays Landing, New Jersey 08330. On March 30, 2017, the Company filed a Verified Petition with the Board pursuant to N.J.S.A. 48:2-21 and N.J.S.A. 48:2-21.1 seeking a net annual increase in the Company’s base rates for electric distribution service of approximately \$70.2 million, excluding New Jersey Sales and Use Tax (“SUT”), and to make other tariff changes.¹ The Company filed its Petition based on a test year ending July 31, 2017, consisting of five months of actual results and seven months of forecasted

¹ Specifically, the Company sought an increase in distribution rates of \$70,160,580 (\$74,808,719, including SUT).

data, adjusted for certain known and measurable changes. On August 29, 2017, the Petitioner filed revised schedules reflecting the Company's actual results for the 12-month test year period, adjusted for known and measurable changes.

On April 5, 2017, the Board transmitted the matter to the Office of Administrative Law as a contested case, and Administrative Law Judge ("ALJ") Elia A. Pelios was assigned to hear the case. A telephone Pre-Hearing Conference was convened by ALJ Pelios on May 23, 2017, and a Pre-Hearing Order was issued on June 19, 2017. On June 26, 2017, the parties were notified that the case had been reassigned to ALJ Jacob S. Gertsman.

On May 8, 2017, PSE&G filed a Motion to Participate. On May 9, 2017, JCP&L filed a Motion to Participate. On May 12, 2017, Unimin filed a Motion to Intervene. By letter dated May 16, 2017, the Company indicated that it did not oppose the granting of these three Motions.

On June 8, 2017, Wal-Mart filed a Motion to Intervene. On June 16, 2017, BLSJ filed a Motion to Intervene. On June 26, 2017, the Company filed a letter indicating it did not object to the granting of Wal-Mart's Motion. At that time, the Company also indicated that it opposed the granting of BLSJ's Motion to Intervene, but would not object to granting BLSJ participant status. BLSJ replied to the Company's opposition on July 19, 2017.

On July 24, 2017, ALJ Gertsman issued a series of orders granting the Motions to Participate of PSE&G and JCP&L, and the Motions to Intervene of Unimin and Wal-Mart. Also on July 24, 2017, ALJ Gertsman issued an order denying BLSJ's Motion to Intervene, but granting BLSJ participant status.

By way of an Order effective April 30, 2017, the Board suspended until August 30, 2017, the implementation of the changes the Company sought to make to its base rates. The

Board further suspended the implementation of rates until December 30, 2017, in an Order effective August 30, 2017.

After proper notice, two public hearings were held in Mays Landing, New Jersey at 3:30 P.M. and 5:30 P.M. on June 28, 2017, with ALJ Gertsman presiding. Several members of the public appeared at the hearings, and spoke in favor of the Company's proposed increase. No members of the public spoke in opposition to the Company's proposed increase. All comments were transcribed and made a part of the record.

Discovery was conducted, and Direct Testimony was filed by Rate Counsel and Wal-Mart on August 1, 2017.² Thereafter, multiple settlement discussions were held. The Company, Board Staff, Rate Counsel, and Wal-Mart (collectively, the "Signatory Parties" and each a "Signatory Party") have come to an agreement on the matters set forth in this Stipulation. Unimin, PSE&G, JCP&L, and BLSJ while not Signatory Parties, have indicated that they do not object to, or will take no position on, the terms of this Stipulation. Therefore, the Signatory Parties hereto agree and stipulate as follows:

1. For the purposes of this proceeding only, the Signatory Parties agree that the Company's rate base is deemed to be \$1,316,150,936 with a test year ending on July 31, 2017. The Signatory Parties further agree that this rate base amount does not reflect any particular ratemaking adjustment proposed by any Signatory Party for incorporation into the overall revenue requirement calculation.

2. The Signatory Parties agree that, for the purposes of resolving this proceeding, the Company shall have an overall rate of return of 7.60 percent, which is based on a capital

² Rate Counsel filed Direct Testimony by Andrea Crane, Matthew Kahal, David Peterson, Susan Baldwin, and Max Chang and Charles Salamone. Wal-Mart filed the Direct Testimony of Steve Chriss.

structure consisting of 50.47 percent equity with a cost rate of 9.60 percent, and 49.53 percent long-term debt with a cost rate of 5.56 percent.

3. The Signatory Parties stipulate that a revenue increase for the Company of \$43 million (exclusive of SUT, or \$45,848,750 inclusive of SUT) is an appropriate resolution of this matter, and is just and reasonable.

4. The Signatory Parties acknowledge that the stipulated revenue increase reflects consideration of a consolidated income tax adjustment.

5. The Signatory Parties agree and recommend that the Board should authorize the Company to implement new rates, based upon an increase in distribution base rate revenues of \$43 million (exclusive of SUT). The Signatory Parties agree that this increase in base rate revenues should be implemented as indicated on the attached proof of revenues and rate design schedules (included as **Exhibit A**) implementing the terms of this Stipulation. Tariff pages implementing these rates will be submitted upon Board approval of this Stipulation. The tariff pages will reflect a change in the monthly customer charge for Rate Schedule RS (residential service) from \$4.44 to \$5.00 (including SUT). Based on the rate design in **Exhibit A**, the overall annual average monthly impact of this rate change on the total bill for a typical residential customer using 716 kWh per month is \$5.52 or 4.03 percent (inclusive of SUT or \$5.17 or 3.85 percent exclusive of SUT). This agreement on rate design is for settlement purposes only, and does not indicate Board Staff's or Rate Counsel's agreement to the Company's functionalization, classification, and allocation of costs or to the Company's cost of service methodology presented in its Petition and testimonies filed in this matter.

6. The Signatory Parties acknowledge that the Board has resolved the Company's requests regarding its economic development pilot program, including Rider SCD and Rider RP,

in a separately docketed proceeding, and that no further action on the Company's request is required in this base rate case.³

7. The Company will continue to comply with the requirement ordered by the Board in BPU Docket No. ER03020110 to file the Company's base rate requests including an alternative distribution rate design based on a Cost of Service Study using a Peak and Average Coincident Peak Method.

8. The Company hereby agrees to withdraw its request to implement a System Renewal Recovery Charge (the "SRRC"). At the time the Company initiated this base rate proceeding, it did not have the benefit of considering either the infrastructure investment straw proposal prepared by the Staff of the Board, or the resulting draft regulations, approved for publication by the Board in the New Jersey Register and currently subject to comment.⁴ In light of those important policy initiatives undertaken by the Board, the Company has concluded it would be appropriate to reconsider its SRRC proposal, and to make a future infrastructure investment filing following the Board's action on the draft regulations.

9. The Signatory Parties agree and recommend that the Board approve the Company's tariff for electric service which has been revised and corrected to reflect the comments of Board Staff regarding a number of administrative corrections, and to include language proposed by Board Staff regarding the Company's tariff provisions addressing Net Energy Metering. The Signatory Parties further acknowledge that the Company will be required to file a complete conformed tariff upon the Board's final resolution of this proceeding.

³ See *I/M/O 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. ER17010007, Order Amending Riders (dated May 31, 2017).

⁴ The proposed infrastructure investment and recovery rules are pending at the Board as BPU Docket No. AX17050469, Proposal No. PRN 2017-164.

10. The Signatory Parties acknowledge that the Company is responsible for determining the prudent level of system investment that is needed to meet its service obligations to customers, to satisfy reliability and minimum spending commitments agreed to in the Exelon Merger which include the commitment to continue the programs identified and the reporting requirements in the Reliability Improvement Plan (“RIP”) through 2021, and to operate its system in a safe and reliable manner consistent with sound engineering practice. The Signatory Parties also acknowledge Rate Counsel has recommended that accelerated reliability spending under the existing RIP should be phased out, such that the ongoing reliability capital and O&M spend at the Company in the future is at the level necessary to meet the reliability commitments under the merger agreement and to meet its service obligations to customers. The Petitioner agrees to prepare a proposal for phasing out the accelerated reliability spending in the RIP, consistent with its obligation to provide safe, adequate and proper service and to meet its Exelon Merger commitments, and to present that plan in the Company’s next base rate case. Nothing in this paragraph shall preclude the Company from filing a proposal for an infrastructure investment tracker mechanism, as referenced in Paragraph 8 above.

11. The Signatory Parties agree there are numerous reasons, including the economic challenges faced by southern New Jersey, why the Petitioner continues to experience customer complaint levels in excess of 1,500 complaints annually. To understand and address the many factors contributing to this problem, ACE will continue to meet quarterly with representatives from Board Staff and Rate Counsel in connection with the Company’s Customer Service Improvement Plan, and will include in those meetings discussion of this issue, exploration of

options for addressing this concern, and reporting on the results of the Company's efforts.⁵ The Signatory Parties also acknowledge that the Board has commenced a management audit of the Company, the scope of which also includes customer service matters.

12. The Signatory Parties acknowledge that the rate design proposed in this Stipulation will result in no increase to Rate Schedule TGS-Transmission General Service.

13. The Signatory Parties agree and recommend that the Petitioner should be authorized to create a regulatory asset which includes the following costs to achieve synergy savings incurred in the Exelon Merger: (1) costs to achieve in the amount of \$3,315,770 incurred in the period beginning March 23, 2016 through July 31, 2016; (2) costs to achieve in the amount of \$4,929,176 during the August 1, 2016 through July 31, 2017 test year period in this proceeding; and (3) costs to achieve incurred on or after August 1, 2017. For the purposes of this Stipulation, the Parties agree that the regulatory asset created in this Paragraph will not be included in rate base at this time. Any future rate treatment for the regulatory asset will be determined in the next base rate case filed by the Company. The Company agrees that, among other things, it will not recover merger transaction costs, or any imprudently incurred costs. The Company further agrees that it will not seek to recover costs to achieve, including the amount deemed a regulatory asset herein until it has demonstrated that the synergy savings exceed the costs to achieve. The Company will make this showing in its next filed base rate case, and acknowledges that it bears the burden of proof. The Signatory Parties expressly acknowledge that the terms of this Stipulation of Settlement are non-precedential, and expressly reserve their

⁵ The Signatory Parties acknowledge that the quarterly meetings may take place in-person or via telephone conference, and may be scheduled to coincide with other meetings between the Company, Board Staff and Rate Counsel.

right to support or oppose any request by the Company in the future to recover its claimed costs to achieve.

14. The Signatory Parties agree that the Company should be permitted to create a regulatory asset in the amount of \$5,577,392 to reflect costs related to three Major Storm Events (the June, 2016 Storm [\$1,708,455], the January, 2017 Storm [\$1,727,933], and the March, 2017 Winter Storm Stella [\$2,141,004]), which will be recovered in base rates via a three year amortization with no rate base treatment of the unamortized balance.

15. Each Signatory Party agrees to use its best efforts to ensure that this Stipulation shall be presented to the Board for approval at the Board's September 22, 2017 public agenda meeting. Each Signatory Party also understands that a Board order adopting this Stipulation will become effective upon the service of said Board order or upon such date after the service thereof as the Board may specify, in accordance with N.J.S.A. 48:2-40.

16. This Stipulation shall be binding on the Signatory Parties upon the effective date of a Board Order approving this Stipulation. This Stipulation shall bind the Signatory Parties in this matter only and shall have no precedential value. This Stipulation contains terms, each of which is interdependent with the others and essential in its own right to the signing of this Stipulation. Each term is vital to the agreement as a whole, since the Signatory Parties expressly and jointly state that they would not have signed the Stipulation had any term been modified in any way. Since the Signatory Parties have compromised in numerous areas, each is entitled to certain procedures in the event that any modifications whatsoever are made to the Stipulation. If, upon consideration of this Stipulation, the Board were to modify any of the terms described above, each Signatory Party must be given the right to be placed in the position it was in before this Stipulation was entered into. It is essential that each Signatory Party be afforded the option,

prior to the implementation of any new rate resulting from any modification of this Stipulation, either to modify its own position to accept the proposed change(s) or to resume the proceeding as if no agreement had been reached. This proceeding, under such circumstances, would resume at the point where it was terminated. The Signatory Parties agree that these procedures are fair to all concerned, and therefore, they are made an integral and essential element of this Stipulation. None of the Signatory Parties shall be prohibited from or prejudiced in arguing a different policy or position before the Board in any other proceeding, as such agreements pertain only to this matter and to no other matter.

17. This Stipulation represents the full scope of the agreement between the parties. This Stipulation may only be modified by a further written agreement executed by all the parties to this Stipulation.

18. This Stipulation may be executed in as many counterparts as there are Signatory Parties of this Stipulation, each of which counterparts shall be an original, but all of which shall constitute one and the same instrument.

ATLANTIC CITY ELECTRIC COMPANY

September 8, 2017
Date

By: Colleen A. Foley
Colleen A. Foley, Esq.
Saul Ewing LLP
Attorney for Petitioner

CHRISTOPHER S. PORRINO
ATTORNEY GENERAL OF NEW JERSEY
Attorney for the Staff of the Board of Public Utilities

September 8, 2017
Date

By: Alex Moreau
Alex Moreau
Deputy Attorney General

STEFANIE A. BRAND, ESQ.
DIRECTOR – DIVISION OF RATE COUNSEL

Date

By: _____
Stefanie A. Brand, Esq.
Director, Division of Rate Counsel

WAL-MART STORES EAST, LP/SAM'S EAST, INC.

Date

By: _____
Donald R. Wagner, Esq.
Stevens & Lee
Attorney for Intervenors, Wal-Mart Stores East, LP
and Sam's East, Inc.

18. This Stipulation may be executed in as many counterparts as there are Signatory Parties of this Stipulation, each of which counterparts shall be an original, but all of which shall constitute one and the same instrument.

ATLANTIC CITY ELECTRIC COMPANY

September , 2017
Date

By: Colleen A. Foley
Colleen A. Foley, Esq.
Saul Ewing LLP
Attorney for Petitioner

CHRISTOPHER S. PORRINO
ATTORNEY GENERAL OF NEW JERSEY
Attorney for the Staff of the Board of Public Utilities

Date

By: _____
Alex Moreau
Deputy Attorney General

STEFANIE A. BRAND, ESQ.
DIRECTOR – DIVISION OF RATE COUNSEL

Date

By: AMI MORITA
Stefanie A. Brand, Esq. AMI MORITA, ESQ.
Director, Division of Rate Counsel

WAL-MART STORES EAST, LP/SAM'S EAST, INC.

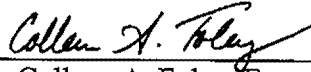
Date

By: _____
Donald R. Wagner, Esq.
Stevens & Lee
Attorney for Intervenors, Wal-Mart Stores East, LP
and Sam's East, Inc.

18. This Stipulation may be executed in as many counterparts as there are Signatory Parties of this Stipulation, each of which counterparts shall be an original, but all of which shall constitute one and the same instrument.

ATLANTIC CITY ELECTRIC COMPANY

September 8, 2017
Date

By: 
Colleen A. Foley, Esq.
Saul Ewing LLP
Attorney for Petitioner

CHRISTOPHER S. PORRINO
ATTORNEY GENERAL OF NEW JERSEY
Attorney for the Staff of the Board of Public Utilities

Date

By: _____
Alex Moreau
Deputy Attorney General

STEFANIE A. BRAND, ESQ.
DIRECTOR – DIVISION OF RATE COUNSEL

Date

By: _____
Stefanie A. Brand, Esq.
Director, Division of Rate Counsel

WAL-MART STORES EAST, LP/SAM'S EAST, INC.

September 8, 2017
Date

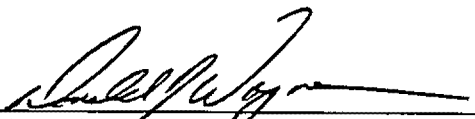
By: 
Donald R. Wagner, Esq.
Stevens & Lee
Attorney for Intervenors, Wal-Mart Stores East, LP
and Sam's East, Inc.

EXHIBIT A

PROOF OF REVENUES &
RATE DESIGN

Atlantic City Electric Company
Development of Proposed Distribution Rate
Rate Class Allocation of Distribution Revenue Requirements

Revenue Requirement	43,000,000										
Revenue Allocation		72.08%	9.0%	0.1%	14.7%	2.1%	0.0%	0.0%	2.0%	0.0%	

TABLE 3 Rate Schedule Specific Revenue Increase Allocation

Rate Schedule	Total	RESIDENTIAL	MONTHLY GENERAL SERV SECONDARY	MONTHLY GENERAL SERV PRIMARY	ANNUAL GENERAL SERV SECONDARY	ANNUAL GENERAL SERV PRIMARY	TRANSMISSION GENERAL SERV SUB-TRANSMISSION	TRANSMISSION GENERAL SERV TRANSMISSION	STREET LIGHTING SERVICE	DIRECT DISTRIBUTION CONNECTION
Annualized Current Distribution Revenue	\$ 380,031,443	\$ 216,082,579	\$ 68,376,950	\$ 1,839,845	\$ 58,503,820	\$ 10,954,728	\$ 3,808,547	\$ 3,145,998	\$ 16,775,396	\$ 563,579
Revenue Change (\$)	\$ 43,000,000	\$ 30,996,137	\$ 3,855,708	\$ 58,348	\$ 6,334,092	\$ 883,841	\$ -	\$ -	\$ 871,873	\$ -
Proposed Revenue	\$ 423,031,443	\$ 247,058,716	\$ 72,232,659	\$ 1,898,193	\$ 64,837,912	\$ 11,838,569	\$ 3,808,547	\$ 3,145,998	\$ 17,647,269	\$ 563,579
Revenue Change based on Annualized Current Revenue (%)	11.3%	14.3%	5.6%	3.2%	10.8%	8.1%	0.0%	0.0%	5.2%	0.0%

Atlantic City Electric Company
Development of Proposed Distribution Rate
Rate Design Worksheet

Rate Schedule
Distribution Functional Revenue Requirements Total (w/o SUT) \$ 247,058,716 RS
Distribution Functional Revenue Requirements Total (w/ SUT) \$ 264,044,003

1	2	3	4	5	6	7	8	9	10
Blocks	Billing Determinants	Current Distribution Rates (including SUT)	Current Distribution Rates (w/o SUT)	Calculated Rate Class Revenue under Current Distribution Rates (w/o SUT)	Proposed Distribution Rates (w/o SUT)	Recovery under Proposed Distribution Rates (w/o SUT)	Proposed Rate (including SUT)	Recovery under Proposed Distribution Rates (including SUT)	Distribution Rate Change %
CUSTOMER	5,818,880	\$ 4.44	\$ 4.15	\$ 24,148,352	\$ 4.68	\$ 27,222,830	\$ 5.00	\$ 29,094,400	13%
SUM First 750 KWh	1,129,153,949	\$ 0.050245	\$ 0.047013	\$ 53,084,915	\$ 0.053853	\$ 60,808,328	\$ 0.057555	\$ 64,988,456	15%
SUM > 750 KWh	784,158,441	\$ 0.057764	\$ 0.054048	\$ 42,382,195	\$ 0.061911	\$ 48,548,033	\$ 0.066167	\$ 51,885,412	15%
WIN	2,223,359,616	\$ 0.046361	\$ 0.043379	\$ 96,447,117	\$ 0.049690	\$ 110,478,739	\$ 0.053106	\$ 118,073,736	15%
TOTAL ENERGY	4,136,672,006		\$	\$ 191,914,227	\$	\$ 219,835,100	\$	\$ 234,947,603	
TOTAL REVENUE			\$	\$ 216,062,579	\$	\$ 247,057,931	\$	\$ 264,042,003	
							\$	2,000	

Atlantic City Electric Company
Development of Proposed Distribution Rate
Rate Design Worksheet

Rate Schedule	MGS SECONDARY	
Distribution Functional Revenue Requirements Total (w/o SUT)	\$	72,232,659
Distribution Functional Revenue Requirements Total (w/ SUT)	\$	77,198,654

1	2	3	4	5	6	7	8	9	10
BLOCK	Billing Determinants	Current Distribution Rates	Current Distribution Rates (w/o SUT)	Calculated Rate Class Revenue under Current Distribution Rates (w/o SUT)	Proposed Distribution Rates (w/o SUT)	Recovery under Proposed Distribution Rates (w/o SUT)	Proposed Rate (including SUT)	Recovery under Proposed Distribution Rates (including SUT)	Distribution Rate Change %
CUSTOMER									
Single Phase Service	511,451	\$ 5.64	\$ 5.28	2,700,461	\$ 8.08	\$ 4,134,678	\$ 8.64	\$ 4,418,937	53.2%
3 Phase Service	167,914	\$ 7.05	\$ 6.60	1,108,232	\$ 9.40	\$ 1,578,981	\$ 10.05	\$ 1,687,536	42.6%
DEMAND CHARGE - All kWs									
Summer	2,413,771	\$ 1.90	\$ 1.78	4,296,513	\$ 2.01	\$ 4,851,680	\$ 2.15	\$ 5,189,608	13.2%
Winter	3,614,652	\$ 1.56	\$ 1.46	5,277,392	\$ 1.65	\$ 5,964,176	\$ 1.78	\$ 6,361,788	12.8%
REACTIVE DEMAND	63,515	\$ 0.46	\$ 0.43	27,311	\$ 0.47	\$ 29,621	\$ 0.50	\$ 31,757	8.7%
ENERGY CHARGE									
Summer	519,763,298	\$ 0.050434	\$ 0.047190	24,527,630	\$ 0.047797	\$ 24,843,110	\$ 0.051083	\$ 26,551,069	1.3%
Winter	714,087,570	\$ 0.045558	\$ 0.042627	30,439,411	\$ 0.043175	\$ 30,830,930	\$ 0.046144	\$ 32,950,857	1.3%
TOTAL	1,233,850,867			\$ 68,376,950		\$ 72,233,176		\$ 77,191,651	
						\$ (517)		\$ 7,103	

Demand Charge Rate Design

Demand Charge at Full Cost (w/o SUT)	\$	5.49
Proposed Distribution Rate Increase		8.5%
Demand Charge at 1.5 times proposed class increase %		
Summer	\$	2.01
Winter	\$	1.65

Volumetric Charge Rate Design

Current Average Volumetric Rate (\$/kWh)	\$	0.044549
Ratio of Summer Rate to Average		1.059283037
Ratio of Winter Rate to Average		0.956856495
Proposed Volumetric Distribution Revenue	\$	55,673,523 (=Proposed Total Distribution Revenue - (Customer Revenue +Demand Revenue))
Proposed Average Volumetric Rate (\$/kWh)	\$	0.045122
Proposed Winter Volumetric Rate (\$/kWh)	\$	0.047797 (=Proposed Average Rate x Summer to Average Ratio)
Proposed Summer Volumetric Rate (\$/kWh)	\$	0.043175 (=Proposed Average Rate x Winter to Average Ratio)

Atlantic City Electric Company
Development of Proposed Distribution Rate
Rate Design Worksheet

Rate Schedule	MGS PRIMARY	
Distribution Functional Revenue Requirements Total (w/o SUT)	\$	1,898,193
Distribution Functional Revenue Requirements Total (w/ SUT)	\$	2,028,694

BLOCK	1 Billing Determinants	2	3 Current Distribution Rates	4 Current Distribution Rates (w/o SUT)	5 Calculated Rate Class Revenue under Current Distribution Rates (w/o SUT)	6 Proposed Distribution Rates (w/o SUT)	7 Recovery under Proposed Distribution Rates (w/o SUT)	8 Proposed Rate (including SUT)	9 Recovery under Proposed Distribution Rates (including SUT)	10 Distribution Rate Change %				
CUSTOMER														
Single Phase Service	665	\$	5.32	\$	3,312	\$	14.33	\$	9,532	\$	15.32	\$	10,188	188.0%
3 Phase Service	643	\$	6.64	\$	3,993	\$	15.57	\$	10,011	\$	16.64	\$	10,700	150.6%
DEMAND CHARGE														
SUM > 3 KW	68,919	\$	1.53	\$	98,554	\$	1.53	\$	105,445	\$	1.64	\$	113,026	7.2%
WIN > 3 KW	124,552	\$	1.19	\$	138,253	\$	1.19	\$	148,217	\$	1.27	\$	158,181	6.7%
REACTIVE DEMAND	43,736	\$	0.43	\$	17,495	\$	0.42	\$	18,369	\$	0.45	\$	19,681	4.7%
ENERGY CHARGE														
SUM < 300KWh	16,299,110	\$	0.045258	\$	690,218	\$	0.043108	\$	702,630	\$	0.046072	\$	750,933	1.8%
WIN < 300 KWh	21,591,642	\$	0.043956	\$	888,021	\$	0.041868	\$	903,990	\$	0.044746	\$	966,140	1.8%
TOTAL	<u>37,890,753</u>				<u>\$ 1,839,645</u>		<u>\$ 1,898,195</u>		<u>\$ 2,028,848</u>					
							\$	(2)	\$			\$	(154)	

Demand Charge Rate Design

Demand Charge at Full Cost (w/o SUT)	\$	3.66
Proposed Distribution Rate Increase		4.8%
Demand Charge at 1.5 times proposed class increase %		
Summer	\$	1.53
Winter	\$	1.19

Volumetric Charge Rate Design

Current Average Volumetric Rate (\$/kWh)	\$	0.041652
Ratio of Summer Rate to Average		1.016685873
Ratio of Winter Rate to Average		0.987419572
Proposed Volumetric Distribution Revenue	\$	1,606,618 (=Proposed Total Distribution Revenue - (Customer Revenue +Demand Revenue))
Proposed Average Volumetric Rate (\$/kWh)	\$	0.042401
Proposed Winter Volumetric Rate (\$/kWh)	\$	0.043108 (=Proposed Average Rate x Summer to Average Ratio)
Proposed Summer Volumetric Rate (\$/kWh)	\$	0.041868 (=Proposed Average Rate x Winter to Average Ratio)

Atlantic City Electric Company
Development of Proposed Distribution Rate
Rate Design Worksheet

Rate Schedule AGS SECONDARY
Distribution Functional Revenue Requirements Total (w/o SUT) \$ 64,837,912
Distribution Functional Revenue Requirements Total (w/ SUT) \$ 69,285,518

1	2	3	4	5	6	7	8	9	10
BLOCK	Billing Determinants	Current Distribution Rates	Current Distribution Rates (w/o SUT)	Calculated Rate Class Revenue under Current Distribution Rates (w/o SUT)	Preliminary Distribution Rate (w/o SUT)	Recovery under Preliminary Distribution Rates (w/o SUT)	Proposed Rate (including SUT)	Recovery under Proposed Distribution Rates (including SUT)	Distribution Rate Change %
CUSTOMER	43,089	\$ 151.25	\$ 141.52	\$ 6,097,955	\$ 156.84	\$ 6,758,079	\$ 167.62	\$ 7,222,578	10.8%
DEMAND CHARGE	6,315,199	\$ 8.82	\$ 8.25	\$ 52,100,388	\$ 9.14	\$ 57,720,914	\$ 9.77	\$ 61,689,489	10.8%
REACTIVE DEMAND	484,884	\$ 0.67	\$ 0.63	\$ 305,477	\$ 0.70	\$ 339,419	\$ 0.75	\$ 363,663	11.9%
TOTAL REVENUE				\$ 59,503,820		\$ 64,818,412		\$ 69,285,730	
						\$ (19,500)		\$ (9,788)	

Customer Charge Rate Design

Cust Charge at Full Cost (w/o SUT)	\$ 159.23
Proposed Distribution Rate Increase	10.8%
Customer Charge at Proposed Increase %	\$ 156.84
Proposed Customer Charge (Minimum of Full Cost Charge or Charge at % Increase)	\$ 156.84
Proposed Customer Charge Revenue	\$ 6,758,079
Proposed Demand Related Revenue	\$ 58,079,833
Demand Related Revenue Increase (\$)	\$ 5,673,969
Demand Related Revenue Increase (%)	10.8%

Atlantic City Electric Company
Development of Proposed Distribution Rate
Rate Design Worksheet

Rate Schedule AGS PRIMARY
Distribution Functional Revenue Requirements Total (w/o SUT) \$ 11,838,569
Distribution Functional Revenue Requirements Total (w/ SUT) \$ 12,652,471

1	2	3	4	5	6	7	8	9	10
BLOCK	Billing Determinants	Current Distribution Rates	Current Distribution Rates (w/o SUT)	Calculated Rate Class Revenue under Current Distribution Rates (w/o SUT) (See Note 1)	Preliminary Distribution Rate (w/o SUT)	Recovery under Preliminary Distribution Rates (w/o SUT)	Proposed Rate (including SUT)	Recovery under Proposed Distribution Rates (including SUT)	Distribution Rate Change
CUSTOMER	1,495	\$ 560.25	\$ 524.21	\$ 783,094	\$ 566.50	\$ 846,918	\$ 605.45	\$ 905,148	8.1%
DEMAND CHARGE	1,479,282	\$ 7.24	\$ 6.77	\$ 10,014,742	\$ 7.32	\$ 10,828,347	\$ 7.82	\$ 11,567,988	8.0%
REACTIVE DEMAND	312,586	\$ 0.53	\$ 0.50	\$ 158,293	\$ 0.54	\$ 168,796	\$ 0.58	\$ 181,299.72	9.4%
TOTAL REVENUE				\$ 10,954,728	\$ 11,844,061		\$ 12,654,436		
					\$ 5,491		\$ 1,965		

Customer Charge Rate Design

Cust Charge at Full Cost (w/o SUT)	\$ 680.95
Proposed Distribution Rate Increase	8.1%
Customer Charge at Proposed Increase %	\$ 566.50
Proposed Customer Charge (Minimum of Full Cost Charge or Charge at % increase)	\$ 566.50
Proposed Customer Charge Revenue	\$ 846,918
Proposed Demand Related Revenue	\$ 10,991,652
Demand Related Revenue Increase (\$)	\$ 820,617
Demand Related Revenue Increase (%)	8.1%

Atlantic City Electric Company
Development of Proposed Distribution Rate
Rate Design Worksheet

Rate Schedule TGS SUB TRANSMISSION
Distribution Functional Revenue Requirements Total (w/o SUT) \$ 3,808,547
Distribution Functional Revenue Requirements Total (w/ SUT) \$ 4,070,385

1	2	3	4	5	6	7	8	9	10
BLOCK	Billing Determinants	Current Distribution Rates	Current Distribution Rates (w/o SUT)	Calculated Rate Class Revenue under Current Distribution Rates (w/o SUT) (See Note 1)	Preliminary Distribution Rate (w/o SUT)	Recovery under Preliminary Distribution Rates (w/o SUT)	Proposed Rate (including SUT)	Recovery under Proposed Distribution Rates (including SUT)	Distribution Rate Change %
CUSTOMER									
<5000 KW	324 \$	137.29 \$	128.46 \$	41,621 \$	128.46 \$	41,621 \$	137.29 \$	44,482	0.0%
5000 - 9000 KW	72 \$	4,546.92 \$	4,254.43 \$	306,319 \$	4,254.43 \$	306,319 \$	4,546.92 \$	327,378	0.0%
>9000 KW	72 \$	8,253.86 \$	7,722.91 \$	556,050 \$	7,722.91 \$	556,050 \$	8,253.86 \$	594,278	0.0%
DEMAND CHARGE									
<5000 KW	344,678 \$	3.94 \$	3.69 \$	1,271,862 \$	3.69 \$	1,271,862 \$	3.94 \$	1,358,031	0.0%
5000 - 9000 KW	292,360 \$	3.03 \$	2.84 \$	830,302 \$	2.84 \$	830,302 \$	3.03 \$	885,851	0.0%
>9000 KW	471,166 \$	1.52 \$	1.42 \$	669,056 \$	1.42 \$	669,056 \$	1.52 \$	716,172	0.0%
REACTIVE DEMAND									
<5000 KW	106,308 \$	0.54 \$	0.51 \$	54,217 \$	0.51 \$	54,217 \$	0.54 \$	57,406.32	0.0%
5000 - 9000 KW	58,953 \$	0.54 \$	0.51 \$	29,046 \$	0.51 \$	29,046 \$	0.54 \$	30,754.62	0.0%
>9000 KW	98,186 \$	0.54 \$	0.51 \$	50,675 \$	0.51 \$	50,675 \$	0.54 \$	53,020.44	0.0%
TOTAL REVENUE				\$ 3,808,547		\$ 3,808,547		\$ 4,067,374	

Atlantic City Electric Company
Development of Proposed Distribution Rate
Rate Design Worksheet

Rate Schedule	TGS TRANSMISSION	
Distribution Functional Revenue Requirements Total (w/o SUT)	\$	3,145,998
Proposed Customer Charge Recovery	\$	3,145,998
Proposed Demand/Energy Charge Recovery	\$	-
Distribution Functional Revenue Requirements Total (w/ SUT)	\$	3,362,286

1	2	3	4	5	6	7	8	9	10
BLOCK	Billing Determinants	Current Distribution Rates	Current Distribution Rates (w/o SUT)	Calculated Rate Class Revenue under Current Distribution Rates (w/o SUT) (See Note 1)	Preliminary Distribution Rate (w/o SUT)	Recovery under Preliminary Distribution Rates (w/o SUT)	Proposed Rate (including SUT)	Recovery under Proposed Distribution Rates (including SUT)	Distribution Rate Change %
CUSTOMER									
<5000 KW	60	\$ 133.60	\$ 125.01	\$ 7,501	\$ 125.01	\$ 7,501	\$ 133.60	\$ 8,016	0.0%
5000 - 9000 KW	60	\$ 4,424.86	\$ 4,140.22	\$ 248,413	\$ 4,140.22	\$ 248,413	\$ 4,424.86	\$ 265,492	0.0%
>9000 KW	84	\$ 20,080.75	\$ 18,789.01	\$ 1,578,277	\$ 18,789.01	\$ 1,578,277	\$ 20,080.75	\$ 1,686,783	0.0%
DEMAND CHARGE									
<5000 KW	86,519	\$ 3.07	\$ 2.87	\$ 248,310	\$ 2.87	\$ 248,310	\$ 3.07	\$ 265,613	0.0%
5000 - 9000 KW	352,209	\$ 2.36	\$ 2.21	\$ 778,382	\$ 2.21	\$ 778,382	\$ 2.36	\$ 831,213	0.0%
>9000 KW	846,213	\$ 0.15	\$ 0.14	\$ 118,470	\$ 0.14	\$ 118,470	\$ 0.15	\$ 126,932	0.0%
REACTIVE DEMAND									
<5000 KW	57,993	\$ 0.52	\$ 0.49	\$ 28,417	\$ 0.49	\$ 28,417	\$ 0.52	\$ 30,156	0.0%
5000 - 9000 KW	97,594	\$ 0.52	\$ 0.49	\$ 47,821	\$ 0.49	\$ 47,821	\$ 0.52	\$ 50,749	0.0%
>9000 KW	184,508	\$ 0.52	\$ 0.49	\$ 90,409	\$ 0.49	\$ 90,409	\$ 0.52	\$ 95,944	0.0%
TOTAL REVENUE				\$ 3,145,998		\$ 3,145,998		\$ 3,360,899	

Atlantic City Electric Company
LED Street Lighting Rate Design

SPL

	Cobra Head					Decorative 150 W	Post Top			Shoe Box			Tear Drop		Floodlighting			
	50 W	Equivalent Light Size (Watts)					150 W	Equivalent Light Size (Watts)		Equivalent Light Size (Watts)			100 W	150 W	150 W	250 W	400 W	1000 W
		70 W	100 W	150 W	250 W		70 W	100 W	100 W	150 W	250 W							
Distribution System Fixed Charge	\$ 2.83	\$ 2.83	\$ 2.83	\$ 2.83	\$ 2.83	\$ 2.83	\$ 2.83	\$ 2.83	\$ 2.83	\$ 2.83	\$ 2.83	\$ 2.83	\$ 2.83	\$ 2.83	\$ 2.83	\$ 2.83	\$ 2.83	\$ 2.83
Monthly Light Fixture Fixed Charge	\$ 5.77	\$ 6.09	\$ 6.35	\$ 6.93	\$ 8.40	\$ 18.39	\$ 8.68	\$ 9.28	\$ 7.32	\$ 8.29	\$ 8.81	\$ 16.71	\$ 16.71	\$ 11.50	\$ 12.09	\$ 14.36	\$ 15.06	
Monthly O&M Charge - Non-Luminaire Overhead/Underground	\$ 0.25	\$ 0.25	\$ 0.25	\$ 0.25	\$ 0.25	\$ 0.25	\$ 0.25	\$ 0.25	\$ 0.25	\$ 0.25	\$ 0.25	\$ 0.25	\$ 0.25	\$ 0.25	\$ 0.25	\$ 0.25	\$ 0.25	
Total Charge - Overhead	\$ 8.85	\$ 9.17	\$ 9.43	\$ 10.01	\$ 11.48	\$ 21.47	\$ 11.76	\$ 12.34	\$ 10.40	\$ 11.37	\$ 11.89	\$ 19.79	\$ 19.79	\$ 14.58	\$ 15.17	\$ 17.44	\$ 18.14	
Regulatory Assessment	\$ 0.03	\$ 0.03	\$ 0.03	\$ 0.03	\$ 0.03	\$ 0.08	\$ 0.03	\$ 0.04	\$ 0.03	\$ 0.03	\$ 0.03	\$ 0.06	\$ 0.06	\$ 0.04	\$ 0.04	\$ 0.05	\$ 0.05	
Total Rate without SUT	\$ 8.88	\$ 9.20	\$ 9.45	\$ 10.03	\$ 11.52	\$ 21.53	\$ 11.79	\$ 12.37	\$ 10.43	\$ 11.40	\$ 11.92	\$ 19.85	\$ 19.85	\$ 14.62	\$ 15.22	\$ 17.49	\$ 18.19	
Total Rate with SUT (6.875%)	\$ 9.49	\$ 9.83	\$ 10.10	\$ 10.72	\$ 12.31	\$ 23.01	\$ 12.61	\$ 13.22	\$ 11.14	\$ 12.18	\$ 12.74	\$ 21.21	\$ 21.21	\$ 15.62	\$ 16.26	\$ 18.69	\$ 19.44	

Atlantic City Electric Company
Development of Proposed Distribution Rate
Rate Design Worksheet
Stand By Rate

Rate Schedule	Demand Rates (\$/KW)		Standby Rates (\$/KW)		Distribution Standby Factor
		Distribution		Distribution	
MGS Secondary	\$	1.92	\$	0.12	0.060975610
MGS Primary	\$	1.40	\$	0.14	0.101604278
AGS Secondary	\$	9.77	\$	0.99	0.101604278
AGS Primary	\$	7.82	\$	0.79	0.101604278
TGS - Sub Transmission	\$	-	\$	-	0.101604278
TGS Transmission	\$	-	\$	-	