

BOARD OF PUBLIC UTILITIES

SEP 12 2017

EXIL REOPENED



State of New Jersey
OFFICE OF ADMINISTRATIVE LAW

INITIAL DECISION

SETTLEMENT

OAL DKT. NO. PUC 04989-17
AGENCY DKT. NO. ER17030308

**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).**

Philip J. Passanante, Associate General Counsel, for petitioner Atlantic City Electric Company (Wendy Stark, General Counsel)

Colleen A. Foley, Esq., for petitioner Atlantic City Electric Company (Saul Ewing, attorneys)

Alex Moreau, Geoffrey Gersten, and Veronica Beke, Deputies Attorney General, for respondent, Board of Public Utilities (Christopher S. Porino, Attorney General of New Jersey, attorneys)

Ami Morita and Lisa Gurkas, Assistant Deputies Rate Counsel, for Division of Rate Counsel (Stefanie A. Brand, Director)

Cms
V. Haynes
D. Lee Thomas
T. Walker
S. Peterson
B. Asee
C. Vachier

Bradford M. Stern, Esq., for Intervenor Unimin Corporation (Rothfelder Stern,
- attorneys)

Donald R. Wagner, Esq., for Intervenor Wal-Mart Stores East, LP, and Sam's East,
Inc. (Stevens & Lee, attorneys)

Joseph F. Accardo, Jr., Deputy General Counsel, for Participant PSE&G (Tamara L.
Linde, Executive Vice-President and General Counsel)

Lauren M. Lepkoski, Esq., for Participant JCP&L (FirstEnergy) (Leila L. Vespoli,
Executive Vice-President and General Counsel)

Steven S. Goldenberg, Esq., for Participant Builder's League of South Jersey (Fox
Rothschild, attorneys)

Record Closed: September 11, 2017

Decided: September 12, 2017

BEFORE **JACOB S. GERTSMAN, ALJ**:

This proceeding involves a petition by the Atlantic City Electric Company (Company) to increase its rates and charges for electric service, and other relief, with the Board of Public Utilities. The petition was transmitted to the Office of Administrative Law on April 12, 2017, for determination as a contested case, and assigned to the Honorable Elia A. Pelios, ALJ, who conducted the initial case management conference. The matter was reassigned to the undersigned. Duly-noticed public hearings were held in Mays Landing, New Jersey, on June 28, 2017. 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.

A motion to intervene was filed on behalf of Unimin Corporation on May 12, 2017, and Wal-Mart Stores East, LP, Sam's East, Inc., (collectively Wal-Mart) on June 8, 2017. Both Unimin Corporation and Wal-Mart were granted intervenor status.

A motion to intervene was filed on behalf of Builder's League of South Jersey (BLS) on June 16, 2017. Petitioner filed a response in opposition to the motion to intervene while supporting participant status. BLS was denied intervenor status and granted participant status.

A motion to participate was filed on behalf of Public Service Electric and Gas Company (PSE&G) on May 8, 2017, and on behalf of Jersey Central Power and Light Company/First Energy (JCP&L) on May 9, 2017. Both PSE&G and JCP&L were granted participant status.

The parties filed on September 11, 2017, a Stipulation of Settlement (J-1) which resolves all issues in this proceeding. Said Stipulation of Settlement has been signed by petitioner, respondent Board of Public Utilities, Division of Rate Counsel and Wal-Mart Stores East, LP, Sam's East, Inc. It indicates the terms of settlement, and is attached and fully incorporated herein.

I have reviewed the terms of settlement and I **FIND**:

1. The parties have voluntarily agreed to the settlement as evidenced by their signatures or their representatives' signatures on the attached document.
2. The settlement fully disposes of all issues in controversy between the parties and is consistent with the law.

I hereby **FILE** my initial decision with the **BOARD OF PUBLIC UTILITIES** for consideration.

This recommended decision may be adopted, modified or rejected by the **BOARD OF PUBLIC UTILITIES**, which by law is authorized to make a final decision in this matter. If the Board of Public Utilities does not adopt, modify or reject this decision within forty-five days and unless such time limit is otherwise extended, this recommended decision shall become a final decision in accordance with N.J.S.A. 52:14B-10.

September 12, 2017

DATE



JACOB S. GERTSMAN, ALJ

Date Received at Agency:

9/12/17

Date Mailed to Parties:

/nd

APPENDIX

EXHIBITS

Jointly Submitted:

J-1 Stipulation of Settlement

Letters Expressing Lack of Objection to J-1:

- I-1 Submitted by Intervenor Unimin Corporation
- I-2 Submitted by Participant PSF&G
- I-3 Submitted by Participant Builder's League of South Jersey
- I-4 Submitted by Participant JCP&L

**STATE OF NEW JERSEY
BOARD OF PUBLIC UTILITIES**

RECEIVED

2017 SEP 11 A 10:25

**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**
:
: **STIPULATION OF SETTLEMENT**
:
:
:

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

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: Stefanie A. Brand
~~Stefanie A. Brand, Esq.~~ ANI MORITA, ESQ.
Director, Division of Rate Counsel

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

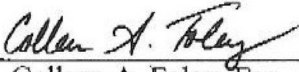
Date

By: _____
Donald R. Wagner, Esq.
Stevens & Lee
Attorney for Intervenor, 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

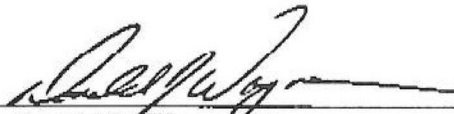
By: 
Donald R. Wagner, Esq.
Stevens & Lee
Attorney for Intervenors, Wal-Mart Stores East, LP
and Sam's East, Inc.

EXHIBIT A

PROOF OF REVENUES &
RATE DESIGN

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

Rate Schedule
Distribution Fund/Net Revenue Requirements Total (w/ SUT) \$ 247,055,715
Distribution Fund/Net Revenue Requirements Total (w/ SUT) \$ 254,064,003

1	2	3	4	5	6	7	8	9	10
Block	Billin Determinants	Current Distribution Rates (including SUT)	Current Distribution Rates (Per SUT)	Calculated Rate Class Revenue under Current Distribution Rates (w/ SUT)	Proposed Distribution Rates (w/ SUT)	Recovery under Proposed Distribution Rates (Per SUT)	Proposed Rate (including SUT)	Recovery under Proposed Distribution Rates (including SUT)	Distribution Rate Change %
CUSTOMER	5,815,890	\$ 4.44	\$ 4.15	\$ 24,145,952	\$ 4.66	\$ 27,222,830	\$ 5.00	\$ 29,094,400	19%
SUN First 750 kWh	1,125,193,949	\$ 0.050245	\$ 0.047015	\$ 55,094,815	\$ 0.053853	\$ 60,509,528	\$ 0.057545	\$ 64,995,456	19%
SUN > 750 kWh	784,155,441	\$ 0.077764	\$ 0.0754045	\$ 42,702,705	\$ 0.079111	\$ 48,540,053	\$ 0.080167	\$ 51,885,412	19%
WIN	2,229,356,816	\$ 0.046361	\$ 0.043379	\$ 96,477,117	\$ 0.046680	\$ 110,470,736	\$ 0.051106	\$ 118,073,738	19%
TOTAL ENERGY	4,136,572,098			\$ 191,814,227		\$ 219,956,100		\$ 234,947,603	
TOTAL REVENUE				\$ 216,062,279		\$ 247,055,715		\$ 254,064,003	
								\$ 2,000	

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

Rate Schedule: KGS SECONDARY
Distribution Functional Revenue Requirements Total (w/o SUT) \$ 72,232,659
Distribution Functional Revenue Requirements Total (w/ SUT) \$ 77,191,654

BLOCK	Billing Determinants	1	2	3	4	5	6	7	8	9	10
				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	\$	6.06	\$	4,134,678	53.2%
3 Phase Service	167,914	\$	7.05	\$	6.90	1,108,292	\$	9.40	\$	1,576,961	42.6%
DEMAND CHARGE - ALL Ws											
Summer	24,113,771	\$	1.90	\$	1.78	4,286,513	\$	2.01	\$	4,851,680	13.2%
Winter	3,614,652	\$	1.58	\$	1.46	5,277,262	\$	1.65	\$	5,664,176	12.8%
REACTIVE DEMAND	63,515	\$	0.46	\$	0.42	27,251	\$	0.47	\$	29,621	8.7%
ENERGY CHARGE											
Summer	514,703,298	\$	0.050424	\$	0.047190	24,527,630	\$	0.047797	\$	24,843,110	1.3%
Winter	714,067,570	\$	0.045555	\$	0.042627	30,439,411	\$	0.043175	\$	30,830,960	1.3%
TOTAL	1,233,680,867					65,376,940		72,232,659		77,191,654	
								\$ (517)		\$ 7,105	

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) \$ 0.044546
Ratio of Summer Rate to Average 1.559224037
Ratio of Winter Rate to Average 0.258626485
Proposed Volumetric Distribution Revenue \$ 55,673,520 (=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)

3-11-2017 3:16 PM

No. 6360 F. 22 35

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

Rate Schedule	BSS PRIMARY	
Distribution Functional Revenue Requirements Total (w/o SUT)	\$	1,893,193
Distribution Functional Revenue Requirements Total (w/ SUT)	\$	2,028,348

BLOCK	1 Billing Determinants	2 Current Distribution Rates	3 Current Distribution Rates (w/o SUT)	4 Calculated Rate Class Revenue under Current Distribution Rates (w/o SUT)	5 Proposed Distribution Rates (w/o SUT)	6 Recovery under Proposed Distribution Rates (w/o SUT)	7 Proposed Rate (including SUT)	8 Recovery under Proposed Distribution Rates (including SUT)	9 Distribution Rate Change %							
CUSTOMER																
Single Phase Service	355	\$	5.32	\$	4.98	\$	3,212	\$	14.35	\$	5,512	\$	15.32	\$	10,188	188.0%
3 Phase Service	345	\$	6.64	\$	6.27	\$	3,893	\$	15.57	\$	10,011	\$	16.64	\$	10,700	160.6%
DEMAND CHARGE																
SUM > 3 KW	68,119	\$	1.53	\$	1.43	\$	98,554	\$	1.53	\$	105,445	\$	1.64	\$	113,025	7.2%
WIN > 3 KW	124,152	\$	1.19	\$	1.11	\$	138,253	\$	1.19	\$	148,217	\$	1.27	\$	158,181	6.7%
REACTIVE DEMAND	43,739	\$	0.43	\$	0.40	\$	17,485	\$	0.42	\$	18,309	\$	0.45	\$	19,851	4.7%
ENERGY CHARGE																
SUM < 300 KWh	16,296,110	\$	0.045253	\$	0.042047	\$	690,215	\$	0.043108	\$	702,830	\$	0.044972	\$	750,833	1.8%
WIN < 300 KWh	21,591,342	\$	0.043956	\$	0.041128	\$	888,021	\$	0.041938	\$	903,960	\$	0.044748	\$	965,140	1.6%
TOTAL			<u>37,890,153</u>				<u>\$ 1,632,345</u>				<u>\$ 1,395,155</u>				<u>\$ 2,028,348</u>	
											\$ (2)				\$ (154)	

Demand Charge Rate Design

Demand Charge at Full Cost (w/o SUT)	\$	3.86
Proposed Distribution Rate Increase		4.8%
Demand Charge at 1.5 times proposed class increase %	\$	1.53
Summer	\$	1.19
Winter	\$	1.19

Volumetric Charge Rate Design

Current Average Volumetric Rate (\$/KWh)	\$	0.041652
Ratio of Summer Rate to Average		1.01666873
Ratio of Winter Rate to Average		0.98743672
Proposed Volumetric Distribution Revenue	\$	1,906,616 (=Proposed Total Distribution Revenue - (Customer Revenue + Demand Revenue))
Proposed Average Volumetric Rate (\$/KWh)	\$	0.041001
Proposed Winter Volumetric Rate (\$/KWh)	\$	0.041108 (=Proposed Average Rate x Summer to Average Ratio)
Proposed Summer Volumetric Rate (\$/KWh)	\$	0.041895 (=Proposed Average Rate x Winter to Average Ratio)

3/12/2017 3:16 PM

Vol. 6360 P. 23 35

Atlantic City Electric Company
 Determination of Proposed Distribution Rates
 Rate Case No. 17-001

Rate Schedule
 Distribution Rates
 Distribution Rates

AGE SECONDARY
 Distribution Rates
 Distribution Rates

1	2	3	4	5	6	7	8	9	10
Block	Current Distribution Rate (w/ SUT)	Current Distribution Rate (w/ SUT)	Calculated Rate Class Revenue under Current Distribution Rates (w/ SUT)	Preliminary Distribution Rate (w/ SUT)	Recovery under Preliminary Distribution Rates (w/ SUT)	Proposed Rate (excluding SUT)	Recovery under Proposed Distribution Rates (including SUT)	Recovery Under Proposed Distribution Rates (including SUT)	Distribution Rate Change %
CUSTOMER	45,209 \$	101.22 \$	4,575,558 \$	152.84 \$	6,755,076 \$	187.25 \$	7,225,978 \$	7,225,978 \$	11.5%
DEMAND CHARGE	6,211,709 \$	8.52 \$	52,840,328 \$	5.14 \$	31,725,814 \$	9.77 \$	6,169,489 \$	6,169,489 \$	10.8%
REACTIVE DEMAND	484,284 \$	0.67 \$	325,477 \$	0.70 \$	336,416 \$	0.75 \$	362,883 \$	362,883 \$	11.5%
TOTAL REVENUE			51,141,363		58,817,306		83,718,350	83,718,350	

Subsequent Change Rate Decision

Cost Change of Full Cost (w/ SUT)	\$ 188.23
Proposed Distribution Rate Increase	10.8%
Customer Change of Proposed Increase %	\$ 152.84
Proposed Customer Charge (w/ SUT)	\$ 152.84
Proposed Customer Charge Revenue	\$ 6,755,079
Proposed Demand Related Revenue	\$ 6,169,489
Demand Related Revenue Increase (R)	\$ 5,873,959
Demand Related Revenue Increase (N)	10.8%

Atlanta City Electric Company
 Department of Revenue Distribution
 Rate Distribution Worksheet

Rate Schedule
 Distribution Functional Revenue Requirements Total (inc SUT) \$ 11,028,569
 Distribution Functional Revenue Requirements Total (excl SUT) \$ 12,102,471

1	2	3	4	5	6	7	8	9	10
BLOCK	Billings Determinants	Current Distribution Rate (inc SUT)	Current Distribution Rate (excl SUT)	Calculated Rate Class Current Distribution Rate (inc SUT) (See Note 1)	Provisional Distribution Rate (inc SUT)	Recovery under Proportionality Distribution Rate (excl SUT)	Proposed Rate (including SUT)	Recovery under Proportionality Distribution Rate (including SUT)	Distribution Rate Change
CUSTOMER	1,405 \$	592.21 \$	524.21 \$	782.634 \$	588.50 \$	646.918 \$	607.46 \$	587,148	8.1%
DEMAND CHARGE	1,378,282 \$	7.74 \$	6.77 \$	10,014,742 \$	7.26 \$	10,028,347 \$	7.26 \$	11,557,528	8.0%
REACTIVE DEMAND	312,588 \$	0.51 \$	0.50 \$	146,000 \$	0.54 \$	146,778 \$	0.53 \$	157,389.72	8.4%
TOTAL REVENUE			\$ 10,561,722		\$ 11,644,951		\$ 12,654,406		
Customer Charge Rate Detail					\$ 3,481		\$ 1,585		
Cost Charge at Full Cost (inc SUT)			\$ 550.95						
Proposed Distribution Rate			8.1%						
Customer Charge at Proposed Rate (inc SUT)			\$ 566.50						
Proposed Customer Charge (Minimum of Full Cost Charge or Charge at Proposed Rate)			\$ 566.50						
Proposed Customer Charge (inc SUT)			\$ 646.918						
Proposed Demand Related Revenue			\$ 10,091,862						
Current Reactive Revenue (inc SUT)			\$ 600,017						
Current Reactive Revenue (excl SUT)			5.1%						

Atlantic City Electric Company
 Distribution of Proposed Distribution Rate
 Philip Cooper, Vice President

TES SUB TRANSMISSION
 Rate Schedule
 Distribution Revenue Requirements Total (w/ SUT) \$ 3,500,247
 Distribution Revenue Requirements Total (w/ SUT) \$ 3,070,256

BLOCK	1	2	3	4	5	6	7	8	9	10
	Determinants	Current Distribution Rate (w/ SUT)	Current Distribution Rate (w/ SUT)	Calculated Rate Class Revenue under Current Distribution Rate (w/ SUT)	Preliminary Distribution Rate (w/ SUT)	Preliminary Distribution Rate (w/ SUT)	Recovery under Preliminary Distribution Rates (w/ SUT)	Proposed Rate (including SUT)	Recovery under Proposed Distribution Rates (including SUT)	Distribution Rate Change
CUSTOMER										
<500 KWH	524 \$	137.23 \$	138.46 \$	41,621 \$	128.46 \$	128.46 \$	41,621 \$	137.23 \$	44,452 \$	0.0%
500 - 999 KWH	72 \$	1,248.63 \$	1,254.43 \$	282,219 \$	1,254.43 \$	1,254.43 \$	282,219 \$	1,248.63 \$	287,278 \$	0.0%
>999 KWH	72 \$	5,252.84 \$	7,722.53 \$	556,250 \$	7,722.53 \$	7,722.53 \$	556,250 \$	5,252.84 \$	564,278 \$	0.0%
DEMAND CHARGE										
<500 KWH	344,076 \$	3.65 \$	3.69 \$	1,271,832 \$	3.69 \$	3.69 \$	1,271,832 \$	3.65 \$	1,358,051 \$	0.0%
500 - 999 KWH	252,460 \$	2.04 \$	2.04 \$	507,042 \$	2.04 \$	2.04 \$	507,042 \$	2.04 \$	507,042 \$	0.0%
>999 KWH	471,166 \$	1.51 \$	1.48 \$	697,056 \$	1.48 \$	1.48 \$	697,056 \$	1.51 \$	716,172 \$	0.0%
REGULATIVE DEMAND										
<500 KWH	116,308 \$	0.51 \$	0.51 \$	54,217 \$	0.51 \$	0.51 \$	54,217 \$	0.51 \$	57,400.02 \$	0.0%
500 - 999 KWH	58,353 \$	0.55 \$	0.55 \$	28,196 \$	0.55 \$	0.55 \$	28,196 \$	0.55 \$	29,793.62 \$	0.0%
>999 KWH	58,188 \$	0.58 \$	0.51 \$	50,075 \$	0.51 \$	0.51 \$	50,075 \$	0.51 \$	53,620.44 \$	0.0%
TOTAL REVENUE				3,500,247			3,070,257		4,087,274	

Atwater City Electric Department
Distribution Department Distribution Pass
Rate Design Worksheet

Rate Schedule: TCS TRANSMISSION
Distribution Function Revenue Requirement Total (w/ SUT) \$ 3,143,988
Proposed Customer Charge Recovery \$ 3,143,988
Proposed Customer Charge Recovery
Distribution Function Revenue Requirement Total (w/ SUT) \$ 3,143,988

BLOCK	1	2	3	4	5	6	7	8	9	10	11
DISTRIBUTION CHARGE	<5000 KW	90	\$ 120.70	\$ 120.70	\$ 7,200	\$ 120.70	\$ 1,091	\$ 133.60	\$ 5,676	0.0%	
	5000 - 9000 KW	60	\$ 4,024.22	\$ 241,453	\$ 241,453	\$ 4,024.22	\$ 241,453	\$ 4,024.22	\$ 241,453	0.0%	
	>9000 KW	04	\$ 20,350.75	\$ 18,759.01	\$ 18,759.27	\$ 18,759.01	\$ 1,573.27	\$ 20,000.75	\$ 1,805.83	0.0%	
DEMAND CHARGE	<5000 KW	50	\$ 3.00	\$ 2.07	\$ 248,210	\$ 2.07	\$ 248,210	\$ 3.07	\$ 365,813	0.0%	
	5000 - 9000 KW	50	\$ 2.50	\$ 2.21	\$ 178,282	\$ 2.21	\$ 178,282	\$ 2.58	\$ 201,213	0.0%	
	>9000 KW	50	\$ 8.15	\$ 0.14	\$ 118,470	\$ 0.14	\$ 118,470	\$ 0.15	\$ 125,522	0.0%	
REACTIVE DEMAND	<5000 KW	57	\$ 0.52	\$ 0.48	\$ 24,417	\$ 0.48	\$ 24,417	\$ 0.52	\$ 26,350	0.0%	
	5000 - 9000 KW	57	\$ 0.75	\$ 0.48	\$ 47,521	\$ 0.48	\$ 47,521	\$ 0.52	\$ 50,738	0.0%	
	>9000 KW	134	\$ 0.50	\$ 0.46	\$ 60,409	\$ 0.46	\$ 60,409	\$ 0.52	\$ 64,344	0.0%	
TOTAL REVENUE					\$ 3,143,988		\$ 3,143,988		\$ 3,143,988		

Atlanta City Electric Company
 1700 Street Light Pole Change

S/L

Description	Cobra Head		250 W		150 W		Post Top		Street Box		Year Disc		Floodlighting		
	50 W	70 W	100 W	150 W	250 W	150 W	100 W	70 W	50 W	150 W	100 W	70 W	50 W	150 W	100 W
Cost for 250 W Pole Change	\$ 2.85	\$ 4.85	\$ 2.85	\$ 2.85	\$ 2.85	\$ 2.85	\$ 2.85	\$ 2.85	\$ 2.85	\$ 2.85	\$ 2.85	\$ 2.85	\$ 2.85	\$ 2.85	\$ 2.85
Material for 250 W Pole Change	\$ 5.77	\$ 6.03	\$ 6.24	\$ 6.43	\$ 6.60	\$ 6.78	\$ 6.95	\$ 7.12	\$ 7.29	\$ 7.46	\$ 7.63	\$ 7.80	\$ 7.97	\$ 8.14	\$ 8.31
Material for 150 W Pole Change	\$ 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
Material for 100 W Pole Change	\$ 0.95	\$ 0.95	\$ 0.95	\$ 0.95	\$ 0.95	\$ 0.95	\$ 0.95	\$ 0.95	\$ 0.95	\$ 0.95	\$ 0.95	\$ 0.95	\$ 0.95	\$ 0.95	\$ 0.95
Material for 70 W Pole Change	\$ 0.05	\$ 0.05	\$ 0.05	\$ 0.05	\$ 0.05	\$ 0.05	\$ 0.05	\$ 0.05	\$ 0.05	\$ 0.05	\$ 0.05	\$ 0.05	\$ 0.05	\$ 0.05	\$ 0.05
Total Pole Change	\$ 8.88	\$ 9.20	\$ 9.45	\$ 9.69	\$ 9.90	\$ 10.07	\$ 10.27	\$ 10.47	\$ 10.67	\$ 10.87	\$ 11.07	\$ 11.27	\$ 11.47	\$ 11.67	\$ 11.87
Total Pole Change	\$ 0.40	\$ 0.40	\$ 0.40	\$ 0.40	\$ 0.40	\$ 0.40	\$ 0.40	\$ 0.40	\$ 0.40	\$ 0.40	\$ 0.40	\$ 0.40	\$ 0.40	\$ 0.40	\$ 0.40
Total Pole Change	\$ 9.28	\$ 9.60	\$ 9.85	\$ 10.09	\$ 10.30	\$ 10.47	\$ 10.67	\$ 10.87	\$ 11.07	\$ 11.27	\$ 11.47	\$ 11.67	\$ 11.87	\$ 12.07	\$ 12.27

Adams DB, Electric Company
LED Street Light Pole Design

DSL

	Cabinet Head		Decorative		Post Top		Shade Box		Top Pole		Floodlight	
	Quantity	Unit Price	Quantity	Unit Price	Quantity	Unit Price	Quantity	Unit Price	Quantity	Unit Price	Quantity	Unit Price
Quantity System Fixed Charge	1	\$ 2.00	1	\$ 2.00	1	\$ 2.00	1	\$ 2.00	1	\$ 2.00	1	\$ 2.00
Quantity Deck Charge - Non-Luminaire	1	\$ 0.25	1	\$ 0.25	1	\$ 0.25	1	\$ 0.25	1	\$ 0.25	1	\$ 0.25
Total Charge		\$ 2.25		\$ 2.25		\$ 2.25		\$ 2.25		\$ 2.25		\$ 2.25
Regulatory Requirement		\$ 0.00		\$ 0.00		\$ 0.00		\$ 0.00		\$ 0.00		\$ 0.00
Total Pole without SLIT		\$ 2.25		\$ 2.25		\$ 2.25		\$ 2.25		\$ 2.25		\$ 2.25
Total Pole with SLIT (50%)		\$ 3.38		\$ 3.38		\$ 3.38		\$ 3.38		\$ 3.38		\$ 3.38

RECEIVED

ROTHFELDER STERN, L.L.C. P 2:50

Attorneys at Law

Martin C. Rothfelder, Esq.
(Admitted in NJ, NY, NH, PA, MO)

407 Greenwood Ave., Unit #301
Trenton, NJ 08609-2158
Tel: (609) 394-1000
mrothfelder@rothfelderstern.com

BRADFORD M. STERN, ESQ.
ATTORNEY AT LAW
Bradford M. Stern, Esq.
(Admitted in NJ, PA)

22 Lakeview Hollow
Cherry Hill, NJ 08003
Tel: 856-520-6806
Fax: 856-375-2151
bstern@rothfelderstern.com

Please reply to Cherry Hill

September 8, 2017

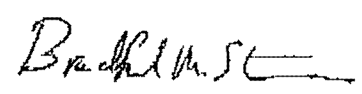
Via Telecopy and First Class Mail
Colleen A. Foley, Esquire
Saul Ewing LLP
One Riverfront Plaza, Suite 1520
Newark, New Jersey 07102

Re: 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)
OAL Docket No. PUC 4989-17; BPU Docket No. ER17030308

Dear Ms. Foley:

On behalf of Unimin Corporation, we advise you that we have reviewed the Stipulation of Settlement provided on this date, and while not signing the stipulation, we have no objection to it.

Very truly yours,



Bradford M. Stern

cc: Counsel of Record (via e-mail)

I-2-

Joseph F. Accardo, Jr.
Deputy General Counsel

Law Department
PSEG Services Corporation
80 Park Plaza - T5, Newark, New Jersey 07102-4194
tel: 973-430-5811 fax: 973-645-1407
email: joseph.accardo@pseg.com



September 8, 2017

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-04989-17

VIA ELECTRONIC AND OVERNIGHT MAIL

Honorable Elia A. Pelios
Administrative Law Judge
Office of Administrative Law
P.O. Box 049
Trenton, New Jersey 08625-0049

Dear Honorable Pelios:

This letter, of which 3 additional copies are enclosed, is to advise that Public Service Electric and Gas Company ("PSE&G"), a participant in this proceeding, has no objection to the Stipulation of Settlement between the Parties which was provided to PSE&G via e-mail by Atlantic City Electric Company counsel on the morning of September 8, 2017 dated on that date, and which we anticipate will be filed on or about that date.

Copies of this letter are being forwarded this date via electronic mail to all persons whose name appear on the attached distribution list.

Respectfully submitted,

C Attached Service List (E-Mail Only)



Fox Rothschild LLP
ATTORNEYS AT LAW

Princeton Pike Corporate Center
997 Lenox Drive, Building 2
Lawrenceville, NJ 08648-2311
Tel 609.896.3600 Fax 609.896.1469
www.foxrothschild.com

Steven S. Goldenberg
Direct Dial: 609.896.4586
Email Address:
sgoldenberg@foxrothschild.com

I-3

September 8, 2017

Colleen A. Foley, Esq.
Saul Ewing LLP
One Riverfront Plaza, Suite 1520
Newark, New Jersey 07102

Re: I/M/O 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

OAL Docket No. PUC 4989-17; HPU Docket No. ER17030308

Dear Ms. Foley:

This is to advise that the Builder's League of South Jersey takes no position regarding the Stipulation of Settlement entered by the parties in this proceeding, other than to express its disappointment that Atlantic City Electric Company was unwilling to amend Section 9.7 of the Terms and Conditions of Service in its Tariff, which addresses apportionment of cost responsibility for the relocation of utility assets, to conform with applicable law.

Very truly yours,

Steven S. Goldenberg

SSG:jfp
cc: Distribution List



I.H

RECEIVED

Lauren M. Lepkoski, Esq.
(610) 921-6203
(330) 315-9263 (Fax)

2017 SEP 12 A 11: 22

STATE OF NEW JERSEY
OFFICE OF ADMINISTRATIVE LAW

September 11, 2017

VIA EMAIL AND UPS OVERNIGHT DELIVERY

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

**Re: In the Matter of the Petition of Atlantic City Electric Company for Approval of Amendment 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. 48-2-21.0, and for Other Appropriate Relief (2017)
BPU Docket No. ER17030308
OAL Docket No. PUC 4989-17**

Dear Judge Gertsman:

On behalf of Jersey Central Power & Light Company ("JCP&L"), I respectfully advise that JCP&L has reviewed the Stipulation of Settlement provided and, while not signing the stipulation, JCP&L has no objection to it.

Very truly yours,

Lauren M. Lepkoski

krak

cc: Counsel of Record (via email)