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October 24, 2018

**VIA FEDERAL EXPRESS and
E-FILING**

aida.camacho@bpu.nj.gov
board.secretary@bpu.nj.gov

Aida Camacho-Welch
Secretary of the Board
State of New Jersey
Board of Public Utilities
44 South Clinton Avenue, 3rd Floor, Suite 314
Post Office Box 350
Trenton, New Jersey 08625

RE: In the Matter of the Petition of Atlantic City Electric Company to Revise and Update Its Electric Meter Selective Sampling Program Pursuant to N.J.A.C. 14:5-4.2 and the Form of Quarterly Reporting of Meter Test Results Pursuant to N.J.A.C. 14:3-4.7
BPU Docket No. _____

Dear Secretary Camacho-Welch:

This letter filing is submitted on behalf of Atlantic City Electric Company ("ACE" or the "Company") in response to a meeting with Staff of the New Jersey Board of Public Utilities (the "Board" or "BPU") on October 3, 2018, directing ACE (and the other electric distribution companies ["EDCs"] in the State) to seek Board approval pursuant to N.J.S.A. 48:2-25 and N.J.A.C. 14:5-4.2 of (i) a revised statistical sampling meter testing program and (ii) the new proposed quarterly and annual reporting format for reporting meter test results to the Board under N.J.A.C. 14:3-4.7(a).

By way of background, the Board is authorized, among other things, to "[e]stablish reasonable rules, regulations, specifications and standards, to secure the accuracy of all meters and appliances for measurements." N.J.S.A. 48:2-25. N.J.A.C. 14:5-4.2(c)2 requires that self-contained single-phase electric meters and three-wire network meters be tested at least once every eight years or by a variable interval or statistical sampling technique approved by the BPU.

While the Company's existing electric meter selective sampling program is fully compliant with existing law and regulation, the Company and Board Staff recognize that meter technology has evolved significantly over the course of the past several decades. To that end, in or around the summer of 2016, Board Staff commenced an informal review of ACE's and the other EDCs' meter selective sampling programs, and engaged the EDCs in a series of discussions regarding the merits of updating their respective programs.

As a result of those discussions, a consensus developed that it would be an appropriate time to: (1) update the Company's electric meter test program to reflect current meter technology; (2) standardize the program to the extent possible; and (3) implement the program in a manner that is consistent with national industry standards, specifically American National Standards Institute ("ANSI") C12.1 – American National Standard for Electric Meters and ANSI Z1.9 Sampling Procedures and Tables For Inspection By Variables For Percent Nonconforming.

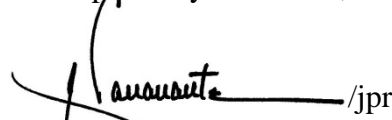
The enclosed Electric Meter Statistical Sampling Program (**Exhibit A**) is being filed consistent with those objectives, as well as a meeting between BPU Staff and the EDCs on October 3, 2018.

Three conformed copies of this filing and its attachments will follow by overnight courier. Kindly return one date-stamped, "Filed" copy of this submission to the undersigned in the self-addressed, postage-prepaid envelope provided.

ACE welcomes the opportunity to standardize long-standing approaches and reporting formats to reflect current industry standards and to recognize the historic trend in meter technological advances.

Feel free to contact me with any questions or if I can be of further assistance.

Respectfully submitted,

/jpr
Philip J. Passanante
An Attorney at Law of the
State of New Jersey

Enclosure

cc: Service List (Electronic Mail and Federal Express)

ATLANTIC CITY ELECTRIC COMPANY
(“ACE” or the “Company”)
ELECTRIC METER STATISTICAL SAMPLING PROGRAM

1. Acceptable electric meter accuracy shall be in accordance with ANSI C12.1 (2008), 5.1.2.2 Acceptable Performance (“The performance of all watthour meters is considered to be acceptable when the percent registration is not less than 98% or more than 102%”) and *N.J.A.C. 14:5-4.3(a)* (2016), Determination of electric meter accuracy (“No meter that has an error in registration of more than plus or minus two percent shall be placed in service or allowed to remain in service without adjustment”).

2. All self-contained single phase and three-wire network electric meters, as well as self-contained three-phase electric meters, shall be eligible for inclusion in a statistical sampling program.

3. The Company’s statistical sampling program shall be in accordance with ANSI Z1.9-2003 (R2013) Variability Unknown – Standard Deviation Method for Double Specification Limit, Form 1, General Inspection Level II.

4. The population of electric meters included in the statistical sampling program shall be divided into homogeneous groups (also referred to as lots), such as manufacturer and manufacturer’s type/model. The groups may be further divided into subdivisions within the manufacturer’s type/model by major design modifications or other attributes such as an ANSI form number or year of manufacture/purchase.

5. The grouping shall be identified by the Company and submitted to Board Staff as part of the Company’s quarterly meter test report submitted pursuant to *N.J.A.C. 14:3-4.7*. Once established, the grouping shall remain consistent, except that (i) new groups may be added as needed as a result of new meter purchases and manufacturer design changes; and (ii) consolidation of existing groupings shall be reported to the Board Staff in the quarterly report.

6. The Acceptable Quality Limit (“AQL”) for acceptance or rejection of a group shall be 10% nonconforming.¹ The AQL shall be applied to the upper and lower limits using the double specification limit methodology. Any group exceeding the allowable limit as specified by an AQL of 10 shall be rejected.

7. The Inspection Level for required sample quantity by group shall be General Inspection Level II under Normal Inspection.

¹ The AQL of 10% was provided by Staff of the New Jersey Board of Public Utilities (the “Board”) at the March 13, 2017 collaborative meeting and was confirmed at the October 3, 2018 collaborative meeting, as a consistent limit to be used by the electric distribution companies in their respective revised statistical sampling meter test plans.

8. Where a homogenous group is rejected (non-conforming), the procedures defined in ANSI Z1.9 Section A10.1 to A10.3.2 for Normal, Tightened, and Reduced Inspection shall be applied as follows:

- Once a group is rejected twice within any 5 consecutive years, it will be placed on Tightened Inspection for the following 5 years. If any two failures occur over the tightened 5 year period, the group would then be subject to further action as defined below in sub item (i.) and (ii.). Conversely, if any group passes all 5 years of a Tightened Inspection, the group would return to Normal Inspection the following year.
 - (i) ACE shall have the right to isolate groups into the specific subset causing the rejection within the original test group population. The meters within the subset may be placed on a 100% maintenance program such that 20% of the group is remediated each year, for 5 years. The original group minus the subset will then be placed under Tightened Inspection for the 5 following years.
 - (ii) Where any group has two failures within the 5 years of Tightened Inspections and no subset group is identified, the group is subject to a 100% maintenance program where 20% of the group shall be remediated each year, for 5 years.
- An AQL of 10 and General Inspection Level II shall be used for any groups moved to Tightened Inspection.

9. ACE shall submit the annual test equipment certification to the Board no later than January 31 of each year for the previous calendar year's calibration certification submitted pursuant to *N.J.A.C. 14:3-4.4*.

10. The quarterly reports during the year shall be submitted to the Board no later than the last day of the second month following the close of the quarter. Notwithstanding the previous sentence, the fourth quarter, year-end closing report shall be submitted to the Board no later than the last day of March of the following calendar year. Reports shall be submitted consistent with the format set forth in **Attachment A** hereto, which includes the agreed upon reporting template. The reporting process shall be consistent with, and follow the provisions of, ANSI Z1.9 in all material respects.

11. The quarterly reports shall reflect the actual number of meter tests completed in the quarter rather than 25 percent of the meter tests required per year. For the sake of clarity, the number of meter tests reported in any quarter might be higher than – or lower than – 25 percent the total number of tests to be completed on a calendar year basis.

12. This Electric Meter Statistical Sampling Program will take effect upon the service of a 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*, but by no later than March 1, 2019.

Attachment A



***New Jersey Board of Public Utilities
44 South Clinton Avenue
3rd floor, Suite 314, PO Box 350
Trenton, NJ 08625***

**ELECTRIC METER SAMPLING RETURN COVER SHEET
(DATE)**

**INSTRUCTIONS: THIS COVER SHEET SHALL BE FILLED OUT AND RETURNED WITH THE
ELECTRIC METER TEST RESULTS**

**FROM: COMPANY:
RESPONSIBLE PERSON:
ADDRESS:
ADDRESS:
ADDRESS:**

TESTING PERIOD:

**TO: THE NEW JERSEY BOARD OF PUBLIC UTILITIES
44 SOUTH CLINTON AVE.
P.O. Box 350
TRENTON, NJ 08625**

PLEASE FILL IN THE APPROPRIATE INFORMATION BELOW.

**I,
Position/Title:
Company:**

**Do hereby certify that the within report consisting of this sheet and supplementary
sheets have been prepared under my direction, that I have examined the said
report and to the best of my knowledge and belief, the information contained herein
is a correct report of all periodic meter tests made by the Company during the
period stated.**

Signature:

Date:

ANSI: Z1.9 SPECIFIC PROTOCOL:

1. Define indeterminate meters: : Meters with an accuracy of less than 80% or greater than 120%

TABLE II - ELECTRIC PERIODIC DATA

[illegible]



STATE OF NEW JERSEY
BOARD OF PUBLIC UTILITIES
44 SOUTH CLINTON AVE.
P.O. BOX 350
TRENTON, NJ 08625-0350

TABLE III
ELECTRIC METERS TESTED DUE TO "CUSTOMER COMPLAINTS" AND "OTHER REASONS"
COMPANY:
QUARTER/YEAR: _____

[illegible]

TABLE IV
ELECTRIC REJECTED METER DATA
QUARTER/YEAR _____

[illegible]

Atlantic City Electric Company
Electric Meter Selective Sampling Program
BPU Docket No. _____

Service List

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