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August 3, 2020

VIA ELECTRONIC MAIL
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Aida Camacho-Welch
Secretary of the Board
Board of Public Utilities
44 South Clinton Avenue, 9th Floor
P.O. Box 350
Trenton, New Jersey 08625-0350

RE: In the Matter of the New Jersey Board of Public Utilities' Response to the
COVID-19 Pandemic
BPU Docket No. AO20060471

Dear Secretary Camacho-Welch:

Pursuant to an Order Authorizing Establishment of a Regulatory Asset for Incremental COVID-19 Related Expenses (the "Order"), approved and issued by the New Jersey Board of Public Utilities (the "Board") on July 2, 2020, New Jersey's regulated utilities were authorized to defer COVID-19-related incremental costs and related offsets into a regulatory asset.

As stated in the Order:

the Board **HEREBY AUTHORIZES** each of the State's regulated utilities to create a COVID-19-related regulatory asset by deferring on their books and records the prudently incurred incremental costs related to COVID-19 beginning on March 9, 2020, and through September 30, 2021, or 60 days after Governor Murphy issues an order, declaration, proclamation, or similar announcement that the Public Health Emergency is no longer in effect, or in the absence of such an order, declaration, proclamation or similar announcement, 60 days from the time the Public Health Emergency automatically terminates pursuant to N.J.S.A. 26:13-3(b), whichever is later.

Aida Camacho-Welch

August 3, 2020

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In compliance with the Order and consistent with its terms, Atlantic City Electric Company (“ACE” or the “Company”) has tracked such prudently incurred incremental costs and includes the initial quarterly report as **Attachment 1**.¹ ACE will continue reporting these relevant costs on a quarterly basis.

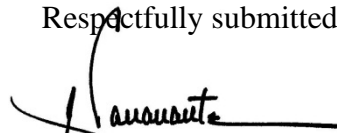
The COVID-19-related incremental costs included in ACE’s report include lost late payment revenues, personal protective equipment, cleaning/sanitizing costs, hospital feeder inspections, and other costs. Additionally, the attached report includes informational data regarding aging of accounts receivable balances, as well as write-off information and number of reconnected customers. Similar to other uncollectible expenses, the COVID-19-related incremental uncollectible expenses will be addressed in the Company’s next Societal Benefits Charge filing and not included in the COVID-19 regulatory asset.

Considerations and costs related to the Pandemic remain very fluid as do any incremental offsets, such as any potential income received pursuant to the United States Department of Treasury’s administration of S.3548, also known as the “CARES Act.” As such, ACE reserves the right to add additional incremental costs to this or future quarterly reports.

Consistent with the Order issued by the Board in connection with *In the Matter of the New Jersey Board of Public Utilities’ Response to the COVID-19 Pandemic for a Temporary Waiver of Requirements for Certain Non-Essential Obligations*, BPU Docket No. EO20030254, Order dated March 19, 2020, this letter and its attachment(s) are being electronically filed with the Secretary of the Board and the New Jersey Division of Rate Counsel. No paper copies will follow.

Should you have any questions or concerns regarding the above, please do not hesitate to contact me.

Respectfully submitted,



Philip J. Rasanante
An Attorney at Law of the
State of New Jersey

Enclosure

cc: Service List

¹ In light of exigencies created by the COVID-19 pandemic, **Attachment 1** is accompanied by a Certification in lieu of an Affidavit of Verification. The individual providing the Certification is a corporate officer of ACE.

**IN THE MATTER OF THE NEW
JERSEY BOARD OF PUBLIC
UTILITIES' RESPONSE TO THE
COVID-19 PANDEMIC**

**STATE OF NEW JERSEY
BOARD OF PUBLIC UTILITIES
BPU DOCKET NO. AO20060471**

CERTIFICATION OF KEVIN M. McGOWAN

KEVIN M. McGOWAN, of full age, certifies as follows:

1. I am the Vice President of Regulatory Policy and Strategy of and for Atlantic City Electric Company ("ACE"). In light of the constraints associated with the COVID-19 pandemic, I am submitting this Certification in lieu of Verification in support of ACE's Incremental Costs Report in the above-referenced docket.

2. I hereby certify that, as Vice President of Regulatory Policy and Strategy, I am duly authorized to make this Certification on ACE's behalf.

3. I further certify that the information and data contained in the Incremental Costs Report are true and correct to the best of my knowledge, information, and belief.

4. I further and finally certify that the foregoing statements made by me are true. I am aware that, if any of the foregoing statements made by me are willfully false, I am subject to punishment.

Dated: 8/3/20



KEVIN M. McGOWAN

Attachment 1

Atlantic City Electric Company ("ACE")
New Jersey
COVID-19 - Incremental Costs

	Mar-20	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	Total
Incremental Costs due to Waiver of Disconnections											
Lost Late Payment Revenues	3,411	11,205	9,974	12,790							\$ 37,380
Total Incremental Costs due to Waiver of Disconnections	\$ 3,411	\$ 11,205	\$ 9,974	\$ 12,790	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 37,380
Incremental PPE, Cleaning, Other											
Personal Protective Equipment (PPE)	5,008	182,065	193,493	63,702							444,268
Cleaning	20,138	51,303	80,752	58,921							211,113
Hospital Feeder Inspections	-	-	39	-							39
Health Screening	-	-	29,662	25,183							54,845
Sequestering - Hotels	-	-	-	-							-
Bright Horizons	-	2,591	120,350	76,723							199,664
Other	1,006	35,203	32,754	39,505							108,468
Total Incremental PPE, Cleaning, Other	26,152	271,162	457,051	264,033	-	-	-	-	-	-	1,018,397
New Jersey Allocation %	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
Total Atlantic City Electric Company ("ACE") New Jersey Allocated	26,152	271,162	457,051	264,033	-	-	-	-	-	-	1,018,397
Total Atlantic City Electric Company ("ACE") New Jersey	\$ 29,562	\$ 282,367	\$ 467,025	\$ 276,824	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,055,778
Total Cumulative Atlantic City Electric Company ("ACE") New Jersey	\$ 29,562	\$ 311,929	\$ 778,954	\$ 1,055,778							

Footnotes:

Note 1 Refer to tab "Late Payment" for further support.

Note 2 Refer to tab "Reconnect" for further support.

Atlantic City Electric Company ("ACE")
New Jersey
COVID-19 - Incremental Late Payment Fees

		Note 2										
		Mar-20	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	Total
Note 1	Baseline Late Payment Fees (Per Rates)	7,108	11,160	9,920	12,790							40,978
	Actual Late Payment Fees (GAAP)	3,697	(45)	(54)	-							3,598
	Incremental Lost Late Payment Fees	3,411	11,205	9,974	12,790	-	-	-	-	-	-	37,380

Footnotes:

Note 1 The amounts reflected in Line 1 represent the annual late payment fees included in ACE Y 2018 ER18080925, pro rated monthly based on the NJ monthly base distribution revenues in ACE Y 2018 ER18080925.

Note 2 Please refer to NJ Docket No. AO20060471, pages 3-4 for support regarding dates used for March pro-ration.

"In view of these extraordinary circumstances and in an effort to minimize the financial impact of COVID-19 on the State's regulated utilities, the Board hereby authorizes each of the State's regulated utilities to create a COVID-19 related regulatory asset by deferring on their books and records the prudently incurred incremental costs related to COVID-19 beginning on March 9, 2020 and through September 30, 2021, or 60 days after Governor Murphy issues an order, declaration, proclamation, or similar announcement that the Public Health Emergency is no longer in effect, or in the absence of such an order, declaration, proclamation or similar announcement, 60 days from the time the Public Health Emergency automatically terminates pursuant to N.J.S.A. 26:13-3(b), whichever is later."

Atlantic City Electric Company ("ACE")
New Jersey
COVID-19 - Incremental Costs
Other Data

	Feb-20	Mar-20	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20
Receivable Aging Data (A/R \$)											
0-30 Days	49,746,172	42,512,628	44,860,247	35,298,231	44,889,552						
31-60 Days	12,746,794	10,884,831	12,521,984	11,749,117	8,480,397						
61-90 Days	6,039,013	7,899,478	7,346,620	7,515,076	7,033,467						
91-120 Days	3,186,241	4,459,105	6,503,741	5,605,073	5,773,020						
121-150 Days	3,102,139	2,474,353	3,957,333	5,639,327	4,674,436						
151+ Days	11,728,896	12,078,606	13,300,578	15,723,938	19,432,334						
Total	\$ 86,549,255	\$ 80,309,001	\$ 88,490,503	\$ 81,530,762	\$ 90,283,206	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Receivable Aging Data (Total Customers)											
0-30 Days	286,593	262,687	271,395	277,482	269,352						
31-60 Days	48,080	46,755	43,494	40,181	37,490						
61-90 Days	22,545	25,864	24,637	22,213	18,049						
91-120 Days	15,097	16,270	17,864	16,137	14,393						
121-150 Days	12,199	10,995	13,014	13,979	11,827						
151+ Days	79,691	82,013	85,163	89,819	94,067						
Total	464,205	444,584	455,567	459,811	445,178	-	-	-	-	-	-
Write-Offs Data											
Actual Write-Off	863,626	440,380	(9,359)	(31,937)	(17,390)						
Recoveries	(161,618)	(208,462)	(159,300)	(132,771)	(99,683)						
Net Write-Offs	702,007	231,918	(168,659)	(164,709)	(117,073)	-	-	-	-	-	-
Cumulative Number of Customers Reconnected		32	101	186	213						

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BPU Docket No. AO20060471

Service List

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