

**NOTICE TO CUSTOMERS OF
ATLANTIC CITY ELECTRIC COMPANY'S
PUBLIC HEARINGS AND OPPORTUNITY FOR PUBLIC COMMENTS**

In the Matter of the Petition of Atlantic City Electric Company for Approval of the Smart Energy Network Program and Cost Recovery Mechanism and Other Related Relief

BPU Docket No. EO20080541

PLEASE TAKE NOTICE that, on August 26, 2020, Atlantic City Electric Company ("ACE" or "Company"), a New Jersey public utility, filed a petition with the New Jersey Board of Public Utilities ("Board" or "BPU"), seeking the Board's approval of a plan to deploy the Smart Energy Network ("SEN") throughout the Company's service territory over a period of approximately 39 months ("Petition"). The proposed SEN is an integrated system of smart meters, communications facilities, and data management systems that will enable two-way communication between ACE and its customers. The SEN entails the replacement of nearly all of the Company's existing meters with smart electronic meters, as well as the installation of a related communications network, and the necessary changes to ACE's operations, information, and billing systems to collect, integrate, and optimize the use of the data generated by the new electronic meters.

As proposed in the Petition, the Company seeks to recover \$159.2 million in estimated capital costs in this proceeding, which amount is 90% of the estimated SEN capital costs. The Company proposes that the remaining capital costs will be recovered in a future base rate proceeding. The Company also requests recovery of approximately \$30.2 million in incremental operations and maintenance ("O&M") costs. The estimate of incremental O&M costs is net of certain anticipated O&M cost savings. In addition, the Company estimates that the deployment of the SEN will result in approximately \$46 million in stranded costs due to the early retirement of existing meters. In this instance, the term "stranded costs" refers to ACE's previous investment, that has not been recovered through rates, in analog meters that will be rendered redundant and replaced with the implementation of the SEN.

The Company filed the Petition pursuant to the Board's Infrastructure Investment Program ("IIP") regulations, *N.J.A.C. 14:3-2A.1 et seq.*, an initiative that is focused on accelerated investments to bolster electric distribution system reliability, storm resiliency, and safety. In its Petition, ACE seeks Board approval of its SEN deployment plan and authority to recover the revenue requirement associated with its \$159.2 million capital investment through a new rider, Rider IIP-SEN, as permitted pursuant to *N.J.A.C. 14:3-2A.6(d)*. The Company proposed to recover the revenue requirement through customer's monthly fixed service charge or "Customer Charge." The Company also requested authority to create regulatory assets for the incremental O&M costs and the \$46 million of stranded costs, the recovery of which ACE proposed to defer and be addressed in a future base rate case.

As proposed in the Petition, Rider IIP-SEN would be imposed gradually as the SEN facilities are installed and providing service to customers. The Company proposed that Rider IIP-SEN would be implemented beginning in October 2022, and then updated every six (6) months to reflect new investment placed into service. The Company estimates the total three (3)-year cumulative impact

of Rider IIP-SEN on the monthly bill for a typical residential customer (using approximately 679 kWh/month) would be an increase of \$4.27 or approximately 3.00% above present rates. A chart is included below to help customers assess the impact of the SEN and Rider IIP-SEN on their monthly bills. The actual costs on specific customers will vary according to the applicable rate schedule and the level of the customer’s usage.

| Rate Class | Current Average Bill | Proposed Average Bill | Average Percentage Change |
|--|-----------------------------|------------------------------|----------------------------------|
| Residential Service (RS) | \$ 142.12 | \$ 146.39 | 3.00% |
| Monthly General Service - Secondary (MGS Secondary) | \$ 398.23 | \$ 403.50 | 1.32% |
| Monthly General Service - Primary (MGS Primary) | \$ 4,530.33 | \$ 4,540.82 | 0.23% |
| Annual General Service - Secondary (AGS Secondary) | \$ 6,685.44 | \$ 6,693.24 | 0.12% |
| Annual General Service - Primary (AGS Primary) | \$ 48,868.33 | \$ 48,877.53 | 0.02% |
| Transmission General Service (TGS) | \$150,079.17 | \$150,082.32 | 0.00% |

The increases noted above are based on current rates and assumes that customers purchase their electric supply from the Company and not a third-party supplier. Any final rate adjustments found by the Board to be just and reasonable may be modified and/or allocated by the Board in accordance with the provisions of *N.J.S.A. 48:3-4*, and for other good and legally sufficient reasons, to any class or classes of customers of the Company. Therefore, the rates set out above may increase or decrease based upon the Board’s decision.

A copy of this Notice of Filing and Public Hearings on the Petition is being served upon the clerk, executive or administrator of each municipality and county within the Company’s service territory. The Petition and this Notice have also been sent to the New Jersey Division of Rate Counsel (“Rate Counsel”), who will represent the interests of all ACE customers in this proceeding. Copies of ACE’s Petition and this Public Notice are posted on ACE’s website at www.atlanticcityelectric.com/PublicPostings.

Due to the COVID-19 pandemic, a telephonic public hearing will be conducted on the following day and times so that members of the public may present their views on the Company’s Petition:

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| Date: Thursday, April 29, 2021 | Date: Thursday, April 29, 2021 |
| Time: 4:30 P.M. | Time: 5:30 P.M. |
| Dial-in Number: (866) 326-9183 | Dial-in Number: (866) 326-9183 |
| Passcode: 617161# | Passcode: 617161# |

Representatives from the Company, Board Staff, and Rate Counsel will participate in the telephonic public hearings. Members of the public are invited to participate by utilizing the Dial-

In number and passcode set forth above, and may express their views on this Petition. All comments will be made a part of the final record of the proceeding and will be considered by the Board. In order to encourage full participation in this opportunity for public comment, please submit any requests for needed accommodations, such as interpreters, 48 hours prior to the above hearings to the Board Secretary at board.secretary@bpu.nj.gov.

The Board will also accept written and/or emailed comments. While all comments will be given equal consideration and will be made part of the final record of this proceeding, the preferred method of transmittal is via e-mail or the portal to ensure timely receipt while the Board continues to work remotely due to the COVID-19 pandemic. Emailed comments may be filed with the Secretary of the Board, in pdf or Word format, to board.secretary@bpu.nj.gov or through the Board's External Access Portal after obtaining a MyNewJersey Portal ID. Once an account is established, you will need an authorization code, which can be obtained upon request by emailing the Board's IT Helpdesk at BPUITHELPDESK@bpu.nj.gov. Detailed instructions for e-Filing can be found on the Board's home page at <https://www.nj.gov/bpu/agenda/efiling>.

Written comments may also be submitted to the Board Secretary, Aida Camacho-Welch, at the Board of Public Utilities, 44 South Clinton Avenue, 9th Floor, P.O. Box 350, Trenton, New Jersey 08625-0350. All comments should include the name of the petition and the docket number.

All comments are considered "public documents" for purposes of the State's Open Public Records Act. Commenters may identify information that they seek to keep confidential by submitting them in accordance with the confidentiality procedures set forth in *N.J.A.C. 14:1-12.3*.

Dated: April ____, 2021

Atlantic City Electric Company