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April 30, 2021

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
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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Governor Murphy issues an order, declaration, proclamation, or similar announcement that the Public Health Emergency is no longer in effect, or in the absence of such an order, declaration, proclamation or similar announcement, 60 days from the time the Public Health Emergency automatically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

April 30, 2021

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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 most current 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, and a Cost Savings (Offsets) tab. Like other uncollectible expenses, the COVID-19-related incremental uncollectible expenses will be addressed in the Company’s next Societal Benefits Charge update/reconciliation 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,



Cynthia L.M. Holland

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 MARISSA E. HUMPHREY

MARISSA E. HUMPHREY, 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: 4/29/2021



MARISSA E. HUMPHREY

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	Jan-21	Feb-21	Mar-21	Total
Note 1 <u>Incremental Costs due to Waiver of Disconnections</u>														
Lost Late Payment Revenues	3,411	11,205	9,974	12,790	17,800	29,373	19,641	9,312	9,927	11,205	15,253	14,386	9,770	174,048
Total Incremental Costs due to Waiver of Disconnections	\$ 3,411	\$ 11,205	\$ 9,974	\$ 12,790	\$ 17,800	\$ 29,373	\$ 19,641	\$ 9,312	\$ 9,927	\$ 11,205	\$ 15,253	\$ 14,386	\$ 9,770	\$ 174,048
Note 2 <u>Cost Savings (Offsets)</u>														
	-	(107,793)	(192,540)	(179,378)	(131,075)	(154,807)	(157,801)	(152,193)	(164,186)	(173,271)	(176,597)	(153,700)	(189,600)	(1,932,941)
<u>Incremental PPE, Cleaning, Other</u>														
Personal Protective Equipment (PPE)	5,008	182,065	193,493	63,702	41,541	37,920	19,533	30,861	38,867	28,381	25,737	12,924	10,950	690,981
Cleaning	5,870	20,432	30,082	27,187	29,891	21,123	6,857	16,895	23,988	34,613	24,562	16,647	7,249	265,397
Hospital Feeder Inspections	-	-	39	-	-	-	-	-	-	-	-	-	-	39
Health Screening	-	-	29,662	25,183	37,674	6,534	-	-	-	-	-	-	-	99,053
Sequestering - Hotels	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Bright Horizons	-	2,591	120,350	76,723	67,379	32,908	(6,586)	15,264	-	-	-	-	-	308,629
Other	614	19,726	26,022	30,681	53,187	29,718	45,849	29,334	63,540	44,428	32,159	17,969	10,850	404,078
Total Incremental PPE, Cleaning, Other	11,492	224,813	399,648	223,476	229,672	128,202	65,653	92,354	126,395	107,423	82,457	47,540	29,049	1,768,177
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%	100.00%	100.00%	100.00%
Total Atlantic City Electric Company ("ACE") New Jersey Allocated	11,492	224,813	399,648	223,476	229,672	128,202	65,653	92,354	126,395	107,423	82,457	47,540	29,049	1,768,177
Total Atlantic City Electric Company ("ACE") New Jersey	\$ 14,903	\$ 128,225	\$ 217,083	\$ 56,888	\$ 116,398	\$ 2,769	\$ (72,507)	\$ (50,527)	\$ (27,863)	\$ (54,643)	\$ (78,886)	\$ (91,774)	\$ (150,782)	\$ 9,284
Total Cumulative Atlantic City Electric Company ("ACE") New Jersey	\$ 14,903	\$ 143,128	\$ 360,211	\$ 417,100	\$ 533,498	\$ 536,266	\$ 463,759	\$ 413,233	\$ 385,370	\$ 330,727	\$ 251,840	\$ 160,066	\$ 9,284	

Footnotes:

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

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

	Note 2										
	<u>Mar-20</u>	<u>Apr-20</u>	<u>May-20</u>	<u>Jun-20</u>	<u>Jul-20</u>	<u>Aug-20</u>	<u>Sep-20</u>	<u>Oct-20</u>	<u>Nov-20</u>	<u>Dec-20</u>	<u>Jan-21</u>
Note 1 Baseline Late Payment Fees (Per Rates)	7,108	11,160	9,920	12,790	17,602	19,544	18,851	9,226	9,769	10,994	15,164
Actual Late Payment Fees (GAAP)	3,697	(45)	(54)	-	(198)	(9,830)	(791)	(86)	(159)	(210)	(89)
Incremental Lost Late Payment Fees	3,411	11,205	9,974	12,790	17,800	29,373	19,641	9,312	9,927	11,205	15,253

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 - Offsets

	<u>Mar-20</u>	<u>Apr-20</u>	<u>May-20</u>	<u>Jun-20</u>	<u>Jul-20</u>	<u>Aug-20</u>	<u>Sep-20</u>	<u>Oct-20</u>	<u>Nov-20</u>	<u>Dec-20</u>	<u>Jan-21</u>
Note 1 Baseline Travel, Meals, Entertainment (Per Rate)	-	218,614	218,614	218,614	218,614	218,614	218,614	218,614	218,614	218,614	218,614
Actual Travel Meals, Entertainment	-	110,821	26,074	39,236	87,539	63,807	60,812	66,421	54,428	45,343	42,017
Incremental COVID-Related Savings	-	107,793	192,540	179,378	131,075	154,807	157,801	152,193	164,186	173,271	176,597

Footnotes:

Note 1 Amounts represent a twelve-month average of ACE and PHISCO allocated travel and meals & entertainment costs from ACE Y 2018 ER18080925 (January 2018 - December 2018).

**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 (AVR \$)											
0-30 Days	49,746,172	42,512,628	44,860,247	35,298,231	44,889,552	82,333,130	93,950,811	83,654,838	55,606,286	50,559,872	60,406,187
31-60 Days	12,746,794	10,884,831	12,521,984	11,749,117	8,480,397	10,110,831	17,636,353	18,770,863	17,985,726	11,865,624	9,465,393
61-90 Days	6,039,013	7,899,478	7,346,620	7,515,076	7,033,467	4,950,589	6,099,837	9,413,128	12,437,450	11,295,547	6,517,737
91-120 Days	3,186,241	4,459,105	6,503,741	5,605,073	5,773,020	5,157,274	4,190,572	4,753,974	7,073,206	9,976,143	9,032,547
121-150 Days	3,102,139	2,474,353	3,957,333	5,639,327	4,674,436	4,637,380	3,843,944	3,476,938	4,033,694	6,221,735	9,098,402
151+ Days	11,728,896	12,078,606	13,300,578	15,723,938	19,432,334	22,098,755	23,658,751	20,260,275	20,378,461	22,329,091	26,045,559
Total	\$ 86,549,255	\$ 80,309,001	\$ 88,490,503	\$ 81,530,762	\$ 90,283,206	\$ 129,287,959	\$ 149,380,268	\$ 140,330,015	\$ 117,514,824	\$ 112,248,012	\$ 120,565,826
Receivable Aging Data (Total Customers)											
0-30 Days	286,593	262,687	271,395	277,482	269,352	282,563	281,203	291,839	277,315	286,221	298,231
31-60 Days	48,080	46,755	43,494	40,181	37,490	36,180	46,863	47,020	50,602	43,150	45,838
61-90 Days	22,545	25,864	24,637	22,213	18,049	15,247	15,787	20,838	26,144	25,522	18,267
91-120 Days	15,097	16,270	17,864	16,137	14,393	10,663	9,007	10,036	13,815	17,490	16,830
121-150 Days	12,199	10,995	13,014	13,979	11,827	9,839	7,875	6,610	7,899	10,975	14,100
151+ Days	79,691	82,013	85,163	89,819	94,067	94,986	94,438	84,100	81,884	83,284	87,211
Total	464,205	444,584	455,567	459,811	445,178	449,478	455,173	460,443	457,659	466,642	480,477
Write-Offs Data											
Actual Write-Off	863,626	440,380	(9,359)	(31,937)	(17,390)	125,595	801,213	3,923,101	169,307	14,236	30,212
Recoveries	(161,618)	(208,462)	(159,300)	(132,771)	(99,683)	(105,571)	(90,662)	(87,441)	(133,298)	(98,779)	(81,835)
Note 1 Net Write-Offs	702,007	231,918	(168,659)	(164,709)	(117,073)	20,024	710,551	3,835,660	36,010	(84,543)	(51,624)
Cumulative Number of Customers Reconnected											
		32	101	186	213	219					

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BPU Docket No. AO20060471

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