



Agenda Date: 5/5/21  
Agenda Item: IIB

**STATE OF NEW JERSEY**  
**Board of Public Utilities**  
44 South Clinton Avenue, 9<sup>th</sup> Floor  
Post Office Box 350  
Trenton, New Jersey 08625-0350  
[www.nj.gov/bpu/](http://www.nj.gov/bpu/)

ENERGY

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 (12/2020) )  
) ORDER SUSPENDING INCREASES,  
) CHANGES OR ALTERATIONS IN  
) RATES FOR SERVICE  
)  
)  
) BPU DOCKET NO. ER20120746  
) OAL DOCKET NO. PUC 00284-2021 S

**Parties of Record:**

**Philip J. Passanante, Esq.**, on behalf of Atlantic City Electric Company, Petitioner  
**Stefanie A. Brand, Esq., Director**, New Jersey Division of Rate Counsel  
**R. William Potter, Esq.**, Potter and Dickson, on behalf of Joint Solar Intervenors

BY THE BOARD:

On December 9, 2020, pursuant to N.J.S.A. 48:2-21 and N.J.A.C. 14:1-5.12, Atlantic City Electric Company ("ACE" or "Company"), a public utility of the State of New Jersey subject to the jurisdiction of the New Jersey Board of Public Utilities ("Board"), filed a petition for approval of an increase in its current base rates for electric service of approximately \$71.8 million, including Sales and Use Tax ("SUT"), to be effective for electric service provided on or after January 8, 2021 ("Petition").

The Company is also requesting a return on equity of 10.30%. According to the Petition, the primary reason for the requested increase is that the Company's current base rates do not: (i) provide sufficient operating revenues to reflect increased investment in the Company's rate base, meet operating expenses, taxes, and fixed charges, and maintain its financial viability; and (ii) provide an opportunity to earn a reasonable rate of return on the fair value of the Company's property.

In the Petition, ACE seeks authority from the Board to do the following:

1. Increase rates and charges for electric service that would result from the proposed amendments to the Company's tariff;

2. Implement an Economic Relief Rider to be in effect for approximately four (4) months to provide offsetting credits to mitigate the increase resulting from this base rate case;
3. Create a regulatory asset to record costs related to its solar hosting initiative, at a total cost of up to \$10 million over two (2) years, to be recovered in a future base rate case;
4. Recover an under-recovery for the Company's PowerAhead program through the creation of a regulatory asset to be amortized over a period of three (3) years;
5. Create a regulatory asset/liability to begin tracking Average Rate Assumption Method ("ARAM") differences in customer' rates and the actual realized ARAM amounts;
6. Incorporate the results of its cost of service study and consider the unitized rate of return for each customer rate class in the allocation of overall revenue requirements among rate classes;
7. Modify certain charges, including the monthly customer charges; and
8. Update its tariff for certain tariff modifications, including the addition of a new tariff for light emitting diode street lighting.

By Order dated January 7, 2021, the Board suspended the proposed rate increase until May 8, 2021 pending further action on this matter. The matter was subsequently transmitted to the Office of Administrative Law ("OAL") as a contested case, and was assigned to Administrative Law Judge ("ALJ") Jacob S. Gertsman for consideration and hearing.

On February 26, 2021, ACE updated its petition to include 12 months of actual data. The requested rate increase was modified to approximately \$71.3 million including SUT.

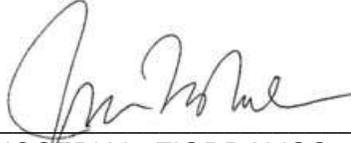
In light of the fact that this matter will not be completed by May 8, 2021, and in order to allow the ALJ sufficient time to conduct the case, it is **HEREBY ORDERED** that:

- (1) Pursuant to N.J.S.A. 48:2-21(d), and consistent with N.J.A.C. 14:1-5.12, the proposed revisions are suspended until September 8, 2021, unless prior to that date the Board makes a determination disposing of the petition or enters an Order further suspending the proposed revisions;
- (2) ACE shall, at least 10 days prior to the date set for hearing on the petition by the OAL, file proof of compliance with the notice provisions of N.J.S.A. 48:2-32.2 and N.J.A.C. 14:1-5.12(b) and (c), which notice shall include a statement that any relief found by the Board to be just and reasonable may be allocated by the Board to any class or classes of customers on any rate or schedule as the Board may determine; and
- (3) ACE shall, at the same time it files with the Board, also file proof of service of copy of this Order upon the OAL, the New Jersey Division of Rate Counsel, the clerk of each affected municipality, the clerk of the Board of County Commissioners of each affected county, and where appropriate, the executive officer of each affected county within its service area. Service of the petition, notice of hearings and this Order may be made simultaneously.

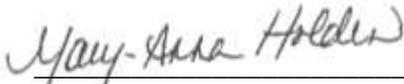
This Order shall be effective on May 7, 2021.

DATED: May 5, 2021

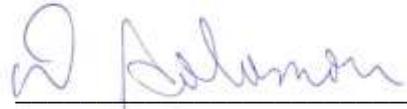
BOARD OF PUBLIC UTILITIES  
BY:



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PRESIDENT



MARY-ANNA HOLDEN  
COMMISSIONER



DIANNE SOLOMON  
COMMISSIONER

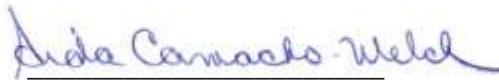


UPENDRA J. CHIVUKULA  
COMMISSIONER



ROBERT M. GORDON  
COMMISSIONER

ATTEST:



AIDA CAMACHO-WELCH  
SECRETARY

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 (12/2020)

BPU DOCKET NO. ER120120746  
OAL DOCKET NO. PUC 00284-2021 S

SERVICE LIST

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