

92DC42  
PO Box 6066  
Newark, DE 19714-6066

302.429.3105 - Telephone  
302.429.3801 - Facsimile  
philip.passanante@pepcoholdings.com

500 N. Wakefield Drive  
Newark, DE 19702

atlanticcityelectric.com

August 8, 2022

**VIA ELECTRONIC MAIL**

[carmen.diaz@bpu.nj.gov](mailto:carmen.diaz@bpu.nj.gov)  
[board.secretary@bpu.nj.gov](mailto:board.secretary@bpu.nj.gov)

Carmen D. Diaz  
Acting Secretary of the Board  
Board of Public Utilities  
44 South Clinton Avenue, 1<sup>st</sup> Floor  
P.O. Box 350  
Trenton, New Jersey 08625-0350

**RE:** In the Matter of the Letter Petition of Atlantic City Electric Company for a Waiver of the Requirements of N.J.A.C. 14:1-5.6 and for Approval Pursuant to N.J.A.C. 14:1-1.2 of the Sale of Certain Utility Assets to Lund's Fisheries, Inc.  
BPU Docket No. EM22050338

Dear Acting Secretary Diaz:

By way of follow up to the undersigned's August 4<sup>th</sup> e-mail to the parties, please allow this communication to document Atlantic City Electric Company's ("ACE" or the "Company") position with respect to suggested Condition 2 found in the New Jersey Division of Rate Counsel's ("Rate Counsel") July 6, 2022 Comment Letter in this matter. The Company respectfully submits that Rate Counsel's suggested language with respect to Condition 2 not be included in any Board of Public Utilities (the "Board" or "BPU") Order approving the sale of assets requested in this filing.

Rate Counsel's suggested condition (which appears on page 5 of its July 6<sup>th</sup> comment letter) is inapplicable to the proposed transaction because, from an accounting perspective, there would be no Gain/Proceeds on the sale of the assets. Once the transaction is completed, the sale/purchase price ACE receives represents the value of the undepreciated transformers and would offset the assets needed to retire the transferred assets within "Property, Plant and Equipment" on the Company's Balance Sheet. As such, there would be no "proceeds from sale of the [a]ssets" within the Income Statement to credit or move to a deferred liability account.

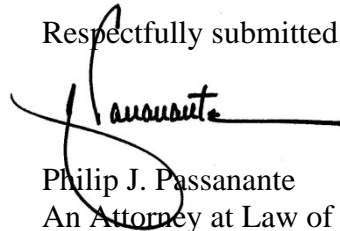
ACE therefore respectfully requests that Board Staff decline to adopt Rate Counsel's recommended Condition 2 in Rate Counsel's July 6, 2022 Comment Letter and that the matter be prepared for presentation to the Commissioners at Staff's earliest convenience.

Carmen D. Diaz  
August 8, 2022  
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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, the Stipulation and its attachments are being electronically filed with the Acting Secretary of the Board, the Division of Law, Rate Counsel, and all parties. No paper copies will follow.

Thank you for your cooperation and courtesies. Feel free to contact me with any questions or if I can be of further assistance.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Passanante", with a long horizontal stroke extending to the right.

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

cc: Service List

In the Matter of the Letter Petition of Atlantic City Electric Company for a Waiver of the Requirements of N.J.A.C. 14:1-5.6  
and for Approval Pursuant to N.J.A.C. 14:1-1.2 of the Sale of Certain Utility Assets to Lund's Fisheries, Inc.  
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**Service List**

**BPU**

Carmen D. Diaz  
Acting Secretary of the Board  
Board of Public Utilities  
44 South Clinton Avenue, 1<sup>st</sup> Floor  
P.O. Box 350  
Trenton, NJ 08625-0350  
[carmen.diaz@bpu.nj.gov](mailto:carmen.diaz@bpu.nj.gov)  
[board.secretary@bpu.nj.gov](mailto:board.secretary@bpu.nj.gov)

Robert Brabston, Esquire  
Executive Director  
[robert.brabston@bpu.nj.gov](mailto:robert.brabston@bpu.nj.gov)

Abe Silverman, Esquire  
Chief Counsel  
[abe.silverman@bpu.nj.gov](mailto:abe.silverman@bpu.nj.gov)

Stacy Peterson  
Deputy Executive Director  
[stacy.peterson@bpu.nj.gov](mailto:stacy.peterson@bpu.nj.gov)

Mike Kammer  
Director  
Division of Energy and Water  
[mike.kammer@bpu.nj.gov](mailto:mike.kammer@bpu.nj.gov)

Paul Lupo  
Bureau Chief  
[paul.lupo@bpu.nj.gov](mailto:paul.lupo@bpu.nj.gov)

Dean Taklif  
[dean.taklif@bpu.nj.gov](mailto:dean.taklif@bpu.nj.gov)

Heather Weisband, Esquire  
Senior Counsel  
[heather.weisband@bpu.nj.gov](mailto:heather.weisband@bpu.nj.gov)

**DIVISION OF LAW**

Pamela L. Owen, Esquire  
Deputy Attorney General  
Division of Law  
Hughes Justice Complex  
25 Market Street  
P.O. Box 112  
Trenton, NJ 08625  
[pamela.owen@law.njoag.gov](mailto:pamela.owen@law.njoag.gov)

Brandon C. Simmons, Esquire  
Deputy Attorney General  
[brandon.simmons@law.njoag.gov](mailto:brandon.simmons@law.njoag.gov)

Steven A. Chaplar, Esquire  
Deputy Attorney General  
[steven.chaplar@law.njoag.gov](mailto:steven.chaplar@law.njoag.gov)

**RATE COUNSEL**

Brian O. Lipman, Esquire  
Director  
Division of Rate Counsel  
140 East Front Street, 4th Floor  
P.O. Box 003  
Trenton, NJ 08625-0003  
[blipman@rpa.nj.gov](mailto:blipman@rpa.nj.gov)

T. David Wand, Esquire  
Deputy Rate Counsel  
[dwand@rpa.nj.gov](mailto:dwand@rpa.nj.gov)

Debora Layugan  
[dlayugan@rpa.nj.gov](mailto:dlayugan@rpa.nj.gov)

Carlena Morrison  
[cmorrison@rpa.nj.gov](mailto:cmorrison@rpa.nj.gov)

**ACE**

Philip J. Passanante, Esquire  
Assistant General Counsel  
Atlantic City Electric Company  
92DC42  
500 N. Wakefield Drive  
P.O. Box 6066  
Newark, DE 19714-6066  
[philip.passanante@pepcoholdings.com](mailto:philip.passanante@pepcoholdings.com)

Heather G. Hall  
Manager, Regulatory Affairs NJ  
[heather.hall@pepcoholdings.com](mailto:heather.hall@pepcoholdings.com)

Kareem Rutledge  
Senior Account Representative  
[kareem.rutledge@atlanticcityelectric.com](mailto:kareem.rutledge@atlanticcityelectric.com)

**LUND'S FISHERIES**

Jeffrey Reichle  
997 Ocean Drive  
Cape May, NJ 08204  
[jreichle@lundsfish.com](mailto:jreichle@lundsfish.com)

Stephen W. Barry, Esquire  
Barry Corrado & Grassi, P.C.  
2700 Pacific Avenue  
Wildwood, NJ 08260  
[sbarry@capelegal.com](mailto:sbarry@capelegal.com)