

150 W State Street, Suite 5
Trenton, NJ 08608-1105

Mailing Address:

92DC42
500 N. Wakefield Drive
P.O. Box 6066
Newark, DE 19714-6066

267-533-1671 – MS Teams
609-909-7033 – Trenton Office
609-393-0243 – Facsimile
cynthia.holland@exeloncorp.com

atlanticcityelectric.com

August 15, 2024

VIA ELECTRONIC MAIL

sherri.golden@bpu.nj.gov
board.secretary@bpu.nj.gov

Sherri L. Golden, RMC
Secretary of the Board
Board of Public Utilities
44 South Clinton Avenue, 1st Floor
P.O. Box 350
Trenton, New Jersey 08625-0350

RE: In the Matter of the Petition of Atlantic City Electric Company Pursuant to N.J.A.C. 14:3-5.1(e) for Approval to Close Its Customer Service Offices Located at 5071 State Route 42, Turnersville, New Jersey and 420 North Main Street, Cape May Courthouse, New Jersey
BPU Docket No. EO24040205

Dear Secretary Golden:

Please accept this correspondence as the Reply Comments of Atlantic City Electric Company (“ACE” or the “Company”), which are offered in response to the August 5, 2024 comments of the New Jersey Division of Rate Counsel (“Rate Counsel”) in the above captioned proceeding. Rate Counsel’s comments make it plain that there is *no opposition* to ACE’s proposal to close the Turnersville and Cape May Court House customer care centers.¹ Accordingly, Rate Counsel focuses its comments on conditions to an approval of the Company’s Petition.² The Company responds as follows.

A. Enhanced Public Notice

The Company agrees that additional, enhanced public notice is appropriate when offices are closed. Rate Counsel makes two recommendations for enhanced public notice: Recommendations 1 and 3. ACE consents to (or does not oppose) these two recommendations.

¹ Rate Counsel Comments at 2.

² *Id.* at 12.

B. Investigation Into ACE's Customer Service

With respect to Rate Counsel's Recommendation 2, the Company respectfully submits that any such investigation into ACE's customer service capabilities should be done through the existing Customer Service Improvement Plan ("CSIP"). Specifically, Rate Counsel recommends that "[t]he Board will investigate ACE's customer service capabilities, including the ability to meet with customers in-person about their service requests, during designated, publicized hours, at reasonably convenient locations within its service territory, or practical and cost-effective alternatives, such as 'virtual' meetings."³ To justify this recommendation, Rate Counsel claims that it is "concerned whether ACE has adequate staff, technology, resources, and/or physical facilities available to accommodate in-person customer service requests at reasonably convenient locations within its service territory."⁴ The Company has submitted testimony supporting a consistent customer trend toward online engagement, a more robust record than any other utility has presented to support an office closing petition in the last five years. By contrast, Rate Counsel's concerns are not substantiated by any evidence in the record indicating that customers are seeking further in-person engagement (such as virtual meetings).⁵ Nevertheless, as recently as 2021, ACE agreed to continue the CSIP, whereby the Company meets with Staff and Rate Counsel semi-annually to address customer service matters. The information and engagement Rate Counsel now seeks through an investigation can be made available through the CSIP process. Thus, the Board should recognize that the CSIP is the appropriate forum for review of ACE's customer service capabilities, if the Board makes such a condition on the approval of this Petition.

C. Rate Recovery

Although the Company does not oppose Recommendation 5 (where Rate Counsel reserves its right to address fees in the next ACE base rate case), ACE objects to Recommendation 4 and urges the Board to reject the recommendation. The issue of rate recovery is *not* a matter before the Board in this proceeding. The standard for office closings is plainly stated in the Board's regulations at N.J.A.C. 14:3-5.1. That standard does not include cost recovery related to office closings, because cost recovery is rightfully addressed in a base rate case proceeding.

Moreover, no record has been established to support a determination by the Board that "ACE may not recover through its rates the fees charged by any third-party vendor for accepting ACE customer payments."⁶ In support of its position, Rate Counsel references only informal discovery responses that have not been admitted into evidence in the record.⁷ Accordingly, the Board has no basis in the record for such a determination.⁸

³ *Id.* at 13.

⁴ *Id.* at 2.

⁵ *Id.* at 10-11.

⁶ *Id.* at 13.

⁷ See Order, *In the Matter of the Petition of Ocean Wind*, BPU Docket No. QO22020041 at 7 (May 24, 2023). In *Ocean Wind*, Rate Counsel vehemently argued that informal discovery responses, even those discovery responses referenced in their own filed comments, did not form part of the record that informed a Board decision on appeal. The Board ultimately agreed that informal discovery questions and responses were not part of the record.

⁸ See *id.*

Further, Rate Counsel's recommendation has broader implications, because it ignores prior Board decisions requiring companies to provide fee-free alternative payment locations in office closing cases. The Company referenced three prior office closing approvals in its testimony. In BPU Docket No. TO20070476, the Board approved a Staff recommendation to "allow payments to be made *without a fee to the customer*, at any Western Union payment kiosk located within the State of New Jersey."⁹ In other words, the Board directed the regulated entity to pay the Western Union service fee. The Board did so without making any determination as to cost recovery in that office closing docket. It is likely that the Board may have addressed the service fees in a later rate case proceeding. Here, the Company does not need to be directed to provide a fee-free alternative payment option because it already does so. This is a positive option for customers and the cost recovery for this service can be addressed in a future base rate case proceeding. Therefore, the Company urges the Board to reject Recommendation 4.

D. Closure Date

As Rate Counsel notes, the Petition requested office closures as of July 1. Pursuant to the regulation, the offices have remained open during the pendency of this proceeding. However, the Company respectfully requests that the Board's Order in this docket allow the unopposed office closures to be implemented by *no later than* October 1, 2024.

Conclusion

In conclusion, because Rate Counsel and the Board have *no opposition* to the proposed office closings, the Company anticipates approval and respectfully requests authorization to close the offices by no later than October 1, 2024. Rate Counsel presents 5 recommendations for conditions to that approval. The Company has no objection to Rate Counsel's Recommendations 1, 3, and 5. As to Recommendation 2, if such an investigation is appropriate, the Company respectfully requests that the Board recognize that the existing and long-standing CSIP process is the appropriate mechanism to advance any inquiry into ACE's customer service capabilities. The Company must object to Rate Counsel's Recommendation 4, which calls for a cost recovery determination that is well beyond the scope of this proceeding and is unsupported by the record established herein. The appropriate place for a cost recovery discussion about service fees is the Company's next base rate case. Finally, as noted above, the Company has no objection to Rate Counsel's Recommendation 5, which would reserve Rate Counsel's right to raise the cost recovery issue in a later base rate case proceeding.

⁹ Order, *In the Matter of United Telephone*, BPU Docket No. TO20070476 at 2 (Feb. 23, 2022) (emphasis added).

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Pursuant to 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 document is being electronically filed with the Secretary of the Board, the Division of Law, Rate Counsel, and the Service List. No paper copies will follow.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Cynthia L.M. Holland". The signature is written in a cursive, flowing style.

Cynthia L.M. Holland
An Attorney at Law of the
State of New Jersey

Enclosures

cc: Service List

In the Matter of the Petition of Atlantic City Electric Company Pursuant to N.J.A.C. 14:3-5.1(e) for Approval to Close
Its Customer Service Offices Located at 5071 State Route 42, Turnersville, New Jersey
and 420 North Main Street, Cape May Courthouse, New Jersey
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Service List

BPU

Sherri L. Golden •
Secretary of the Board
Board of Public Utilities
44 South Clinton Avenue, 1st Floor
P.O. Box 350
Trenton, NJ 08625-0350
sherri.golden@bpu.nj.gov
board.secretary@bpu.nj.gov

Robert Brabston, Esq.
robert.brabston@bpu.nj.gov

Carol Artale, Esq.
carol.artale@bpu.nj.gov

Dean Taklif
dean.taklif@bpu.nj.gov

Kyle Felton
kyle.felton@bpu.nj.gov

Julie Ford-Williams
Director
Division of Customer Assistance
julie.ford@bpu.nj.gov

Eudys Toure
eudys.toure@bpu.nj.gov

David Pirrong
david.pirrong@bpu.nj.gov

Raymond Matos
raymond.matos@bpu.nj.gov

Richard Lambert
richard.lambert@bpu.nj.gov

DAG

Pamela L. Owen, Esq.
Deputy Attorney General
Department of Law and Public Safety
Division of Law
25 Market Street
P.O. Box 112
Trenton, NJ 08625
pamela.owen@law.njoag.gov

Steven A. Chaplar, Esq.
Deputy Attorney General
steven.chaplar@law.njoag.gov

Meliha Arnautovic, Esq.
Deputy Attorney General
meliha.arnautovic@law.njoag.gov

RATE COUNSEL

Brian O. Lipman, Esq.
Director
Division of Rate Counsel
140 East Front Street, 4th Floor
P.O. Box 003
Trenton, NJ 08625
blipman@rpa.nj.gov

T. David Wand, Esquire
Deputy Rate Counsel
dwand@rpa.nj.gov

Bethany Rocque-Romaine, Esq.
Deputy Rate Counsel
bromaine@rpa.nj.gov

Brian Weeks, Esq.
Deputy Rate Counsel
bweeks@rpa.nj.gov

Lisa Littman, Esq.
Assistant Deputy Rate Counsel
llittman@rpa.nj.gov

Debra Layugan
Division of Rate Counsel
dlayugan@rpa.nj.gov

Annette Cardec
Division of Rate Counsel
acardec@rpa.nj.gov

ACE

Cynthia L.M. Holland, Esq.
Assistant General Counsel
Atlantic City Electric Company
150 W. State Street, Suite 5
Trenton, NJ 08608-1105
cynthia.holland@exeloncorp.com

Heather Hall
heather.hall@atlanticcityelectric.com

Carlee Harbright
carlee.harbright@exeloncorp.com