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**PRESENTED BY DEBRA ROBINSON
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**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**

**BPU DOCKET NO. ER12121071
OAL DOCKET NO. PUCRL 00617-13**

PUBLIC HEARING

Hammonton, New Jersey

**April 4, 2013 – 3:30 PM
April 4, 2013 – 5:30 PM**

Good afternoon. My name is Debra Robinson and I am a Deputy Rate Counsel here on behalf of the New Jersey Division of Rate Counsel. Our office was created by the New Jersey Legislature to represent ratepayers in cases involving public utility service.

Atlantic City Electric Company¹ filed a Petition² with the New Jersey Board of Public Utilities³ on December 11, 2012 requesting an increase in the Company's electric base rates of \$69.7 million (\$74.579 million including Sales and Use tax). Specifically, the Company filed for an increase to distribution rates of \$71.432 million (\$76.432 million including sales and use tax) which would be offset by a decrease in the Company's Regulatory Asset Recovery Charge (RARC) \$1.732 million (\$1.853 million including sales and use tax).

The Company updated its filing on January 4, 2013 to reflect actual amounts incurred through September 30, 2012. This updated filing requested an annual increase in current retail base rates for electric service of \$70,398 (\$75.326 million including Sales and Use tax). Specifically, the Company requested an increase in distribution rates of \$72.131 million (\$77.180 million including sales and use tax) which would be offset by a decrease in the Company's Regulatory Asset Recovery Charge ("RARC") of \$1.732 million (\$1.853 million including sales and use tax).

The proposed rate increase, according to the Company, is required to operate and maintain its electric distribution systems in a safe, adequate, proper and reliable manner as required by law. The Company's electric base rates were last increased on November 1, 2012.⁴

¹ "ACE" or "the Company".

² *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*, BPU Docket No. ER12121071.

³ "Board" or "BPU".

⁴ *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*, BPU Docket No. ER11080469.

Based on the Company's updated filing, a typical residential electric customer using 750 kilowatthours per summer month would see their monthly charge increase from \$143.81 to \$153.64; and using 750 kilowatthours per winter month would see their monthly charge increase from \$133.21 to \$142.14. On an annual basis, residential rates, based on the updated filing, would rise approximately 8.28%.

Any rate adjustments with resulting changes in bill impacts found by the Board to be just and reasonable as the result of the Company's filing may be modified and/or allocated by the Board in accordance with the provisions of N.J.S.A 48:2-21 and for other good and legally sufficient reasons to any class or classes of customers of the Company. Therefore, the described charges may increase or decrease based upon the Board's decision.

Present electric rates will remain in effect until new rates are approved by the Board. Copies of the Company's Petition and supporting documents filed with the Board showing proposed increases in electric rate schedules for all classes of customers are available for review at the Company's Customer Service Centers and at the Board of Public Utilities in Trenton, New Jersey.

Our office is conducting a complete review of the Company's Petition, based on the information supplied and updated by the Company. We have retained the services of expert consultants to assist us in our review. Rate Counsel's inquiry is focused on the critical issues of whether the amount of the proposed increase is necessary, insuring that ratepayers pay the lowest reasonable rates while receiving safe, reliable and proper service. The BPU will make the final decision regarding the filing.

The purpose of this hearing is for you, the customer, to voice your opinion and offer comments about these matters. It is important that you express your views so they may become part of the record on which the Board makes its decision. Rate Counsel also needs to

hear your views. Your active participation is strongly encouraged to help in our evaluation of the Company's proposals.

This hearing is being transcribed and your comments will become part of the record. I would like to reiterate the importance of your participation so that Rate Counsel can have a clear record of your concerns and interests.

On behalf of Rate Counsel, thank you for attending today's hearing.