



A PHI Company

February 20, 2009

**VIA ELECTRONIC MAIL and  
FEDERAL EXPRESS**

Kristi Izzo  
Secretary to the Board  
State of New Jersey  
Board of Public Utilities  
Two Gateway Center  
Newark, New Jersey 07102

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**RE:** In the Matter of the Petition of Atlantic City Electric Company for  
Approval of an Energy Efficiency Stimulus Program, and Approval of  
an Associated Cost Recovery Mechanism and Bill Stabilization  
Adjustment Pursuant to N.J.S.A. 48:3-98.1  
BPU Docket No. EO09010056

Dear Secretary Izzo:

Enclosed please find an original and eleven (11) copies of the Verified Petition and accompanying exhibits of Atlantic City Electric Company ("ACE" or the "Company") in the above-entitled matter. In order to expedite distribution of this submission, the Company is also providing Board Staff and representatives of the Division of Rate Counsel with electronic copies of this filing.

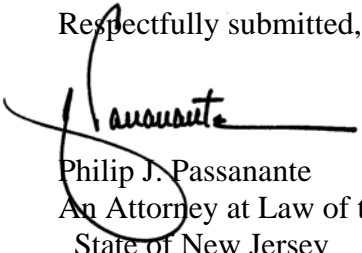
Although a Procedural Schedule for this matter has not yet been established as to ACE, the Company respectfully submits that evidentiary hearings are not necessary in order for the Board to authorize implementation of the Energy Efficiency Stimulus Program outlined in the attached Petition. The Company will work diligently with all parties to this proceeding to achieve a mutually acceptable result and expeditiously implement a resolution that is consistent with Governor Corzine's Economic Assistance and Recovery Plan.

Kindly file the Petition and return a time-stamped and docketed copy to the undersigned in the enclosed postage-prepaid, self-addressed envelope.

Kristi Izzo  
February 20, 2009  
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ACE looks forward to working with the Board and all interested stakeholders to bring this proposal to a prompt and successful conclusion.

Respectfully submitted,

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

Enclosures

cc: Service List

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**IN THE MATTER OF THE PETITION  
OF ATLANTIC CITY ELECTRIC  
COMPANY FOR APPROVAL OF AN  
ENERGY EFFICIENCY STIMULUS  
PROGRAM, AND APPROVAL OF AN  
ASSOCIATED COST RECOVERY  
MECHANISM AND BILL  
STABILIZATION ADJUSTMENT  
PURSUANT TO N.J.S.A. 48:3-98.1**

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**STATE OF NEW JERSEY  
BOARD OF PUBLIC UTILITIES**

**BPU Docket No. EO09010056**

**VERIFIED PETITION**

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**ATLANTIC CITY ELECTRIC COMPANY** (hereinafter referred to as “Petitioner,” “ACE,” “Atlantic” or the “Company”), a public utility corporation of the State of New Jersey (the “State”), respectfully requests that the Board of Public Utilities (“BPU” or the “Board”) accept this Petition in response to the October 16, 2008 proposal of Governor Jon S. Corzine to a Joint Session of the New Jersey Legislature, that the Board, in conjunction with New Jersey electric utilities, including Atlantic, approve and implement the acceleration of capital spending programs that promote energy efficiency (“EE”) and infrastructure investments in order to enhance economic activity in the State and, in turn, foster economic growth and near-term “green collar jobs” in the State. To that end, on January 30, 2009, the Company filed a Petition in BPU Docket Nos. EO09010049 and EO09010054, seeking Board authorization to accelerate approximately \$52 million in certain capital intensive spending projects. In response to the Governor’s call for a State-wide EE initiative, the Company is hereby proposing an Energy Efficiency Stimulus Program (“EESP”). Through this State-wide initiative, New Jersey’s energy utilities are expected to invest in programs and projects designed to create energy efficiency opportunities for their customers. These initiatives will, at the same time, stimulate the economy and foster the creation of new green collar jobs. The Company hereby seeks approval by the Board of its proposed EESP, along with a cost recovery mechanism via a component of a new Regional Greenhouse Gas Initiative (“RGGI”) Recovery Charge (“Tariff Rider RGGI”) and a

new Bill Stabilization Adjustment (“BSA”) provision, each more fully described herein. In support thereof, Petitioner states as follows:

1. The Company is engaged in the purchase, transmission, distribution and sale of electric energy to residential, commercial and industrial customers. The Company’s service territory comprises eight (8) counties located in southern New Jersey and includes approximately 544,000 customers.<sup>1</sup>

2. On January 13, 2008 Governor Corzine signed into law the Regional Greenhouse Gas Initiative Act (the “RGGI Legislation”), N.J.S.A. 48:3-98.1 *et seq.*, which determined that EE was and is an essential component of a long-term solution to the energy condition of the State, and that every effort should be made to incorporate EE initiatives in future energy planning. The RGGI Legislation permits a regulatory framework for utilities to recover the cost of EE programs, earn a return on EE investments, and disconnect utility revenues from the sale of electricity, thus providing the utilities with the requisite incentives to aggressively promote energy efficiency initiatives. By Order dated May 12, 2008 (the “RGGI Order”), the Board formally adopted the goals of the RGGI Legislation and put in place a regulatory framework for utilities investments in EE initiatives.

3. In an effort to further the articulated goals of the RGGI Legislation and, at Governor Corzine’s urging, to stimulate the State’s economy and employment through a Statewide EE initiative, the Company has identified six energy efficiency programs having a total investment of more than \$10 million, discussed herein, and more fully described in **Exhibit A** hereto. These projects have been identified by the Company as providing its residential and

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<sup>1</sup> ACE is part of the Pepco Holdings, Inc. (“PHI”) family of companies. It is a wholly-owned subsidiary of Conectiv, a Delaware corporation, which is, in turn, a wholly-owned subsidiary of PHI, a Delaware corporation. PHI is an energy holding company engaged in regulated utility operations and sale of competitive energy products and services to residential and commercial customers. PHI companies deliver electricity and natural gas to more than 1.8 million customers in Delaware, the District of Columbia, Maryland and New Jersey.

non-residential customers with access to EE programs that will lower their energy usage, and in turn, their monthly energy bills. In addition, to help create new “green” jobs, these programs will further inject more than \$10 million into the local economy in Atlantic’s service territory.

4. Petitioner seeks the cost recovery authorizations requested herein to enable the Company to commit the financial and capital resources necessary to implement the EE programs outlined in **Exhibit A**, and to make the potential benefits of such programs a reality for the State and ACE’s customers. As described in summary fashion below, the Company is seeking authorization to recover its energy efficiency program costs through a RGGI Recovery Charge, the details of which are attached hereto and incorporated herein as **Exhibit B**.

5. Further, to the extent that the EE programs are designed to encourage customers to reduce their overall energy usage, the Company is proposing a BSA. The BSA is a monthly billing adjustment to the Company’s distribution charge for customers taking service pursuant to rate schedules R, MDS-Secondary, MGS-Primary, AGS-Secondary, AGS-Primary and TGS. As noted earlier, the RGGI Legislation specifically recognizes and allows utilities to seek recovery of lost revenue associated with the furtherance of utility-sponsored energy efficiency programs. A detailed description of the calculation and monthly true-up of the BSA, along with related tariff detail, is attached hereto as **Exhibit C**.

6. This Petition respectfully requests Board authorization to implement the Company’s EESP, as more fully described below, and for the reasons set forth herein, to authorize a new RGGI Recovery Charge to recover EESP program costs, along with a BSA. Such authorization will enable the Company to implement the State’s objective of encouraging the development and implementation of energy efficiency program initiatives, and concurrently achieve the desired customer and State economic goals and benefits as outlined in Governor Corzine’s October 16, 2008 proposal.

## **I. STATUTORY AUTHORIZATION**

7. Petitioner proposes to implement its EESP pursuant to the various provisions of the RGGI Legislation, which set forth, among other things, the New Jersey Legislature's directive with regard to the inclusion of EE initiatives in the State's energy plan for the future. That directive, taken in conjunction with the RGGI Order issued by the Board, provides the basis for the instant filing, including the cost recovery provisions contained herein. Specifically, Section 13 of the RGGI Legislation authorizes New Jersey public utilities to provide and invest in energy efficiency programs as part of the regulated services they provide to customers. These authorizations further provide that utilities engaged in regulated EE programs are eligible for rate treatment for program costs that may include a return on equity, incentives and rate mechanisms that decouple the utility's revenue from its sales of electric distribution services.

## **II. ENERGY EFFICIENCY STIMULUS PROGRAM**

8. **Exhibit A** hereto includes a detailed description of six EE programs that, when taken together, comprise the Company's EESP. These programs were selected from a number of EE programs that were compiled by the State's utilities in November and December 2008, in collaboration with the New Jersey Institute of Technology's Center for Architecture and Building Science Research. The selected programs each demonstrate the potential for job creation and energy savings. These programs are divided between residential and non-residential customer classes, with three specific programs being directed to the each general class of customer. Five of the six programs are enhancements to existing EE programs currently being provided pursuant to the New Jersey Clean Energy Program ("NJCEP"). In total, ACE expects to invest approximately \$10 million over the twelve month program period following EESP

approval by the Board. While the Company has allocated specific dollar amounts for each program (as more fully detailed in **Exhibit A**), based upon its current estimate of program participants, it intends to implement the EESP with sufficient flexibility to allow it to reassign dollars from programs not meeting projected participation levels to others that are exceeding expectations. The following is a summary of the six EESP sub-programs and their respective approximate costs:

**Residential Sub-Programs**

|                                  |             |
|----------------------------------|-------------|
| Enhanced Residential HVAC Rebate | \$3,700,000 |
| Repayment Plan                   | \$ 360,000  |
| Whole House Program (3 Tiers)    | \$1,550,000 |

**Non-Residential Sub-Programs**

|                                |             |
|--------------------------------|-------------|
| Energy Efficiency Investments  | \$2,450,000 |
| Building Commissioning and O&M | \$ 670,000  |
| Small Commercial Installations | \$1,350,000 |

**Residential Sub-Programs**

- The **Enhanced Residential HVAC Rebate Program** provides additional incentives for residential heating and cooling equipment purchases that qualify for incentives under the Warm and Cool Advantage programs. ACE will coordinate this program with NJCEP Market Managers and South Jersey Gas Company, where applicable.
- The **Repayment Plan Program** offers eligible customers an aggressive financial package to assist them in obtaining whole house energy efficiency, comfort and savings through the NJCEP Home Performance with Energy Star program or through other Board-approved energy efficiency programs.

- The **Whole House Program** is a comprehensive home energy audit initiative intended to motivate customers to use a whole house approach to reducing energy usage when undertaking home improvements, such as new heating and air conditioning equipment, window replacements, or home insulation projects. This program will offer customers three audit tiers.

#### **Non-Residential Sub-Programs**

- The **Energy Efficiency Investment Program** is designed to assist larger commercial and industrial customers to achieve significant energy savings through financial incentives to install high efficiency equipment. This program will target multifamily housing, municipal facilities, schools, hospitals, hotels and industrial facilities.
- **Building Commissioning and O&M** is a program intended to motivate large building managers and operators to reduce energy consumption through the implementation of energy savings techniques and equipment, such as low cost tune-ups to currently installed equipment and incentives to install high efficiency equipment.
- **Small Commercial Direct Installation** is a program designed to provide energy audits and achieve durable energy savings to customers that have not traditionally been reached with standard rebate and incentive plans. The most likely targets are municipal facilities that have not had adequate funding to implement energy efficiency initiatives.



### **III. REQUEST FOR WAIVER OF CERTAIN RGGI MINIMUM FILING REQUIREMENTS**

9. The Company is submitting this Petition in response to Governor Corzine's New Jersey Economic Assistance and Recovery Plan, which proposes that New Jersey electric and gas utilities make investments, over a one year period, in certain EE programs, commencing in 2009, in order to assist in stimulating the State's economy. This filing is submitted pursuant to the RGGI Legislation and the Board's RGGI Order. In order for the Company's EESP to be timely implemented and have the desired effect, it will be necessary for all parties to move as expeditiously as possible toward a Board Order approving the EESP. To that end, a number of the Minimum Filing Requirements must, of necessity, be waived by Board Staff. Waivers are contemplated and permitted by the RGGI Order. In support of the waivers requested herein, ACE notes that it, along with the other electric and gas utilities in the State, held a series of meetings with Board Staff and representatives from the Division of Rate Counsel ("Rate Counsel") in November and December 2008 to review the details of the EE programs that the Company is proposing as part of this filing. Accordingly, the Company respectfully requests that the 30-Day RGGI pre-filing meeting requirement be shortened to 14 days or, based upon past meetings, be waived entirely. If a pre-filing meeting is deemed required, the Company respectfully submits that it be scheduled as soon as possible following receipt of this Petition.

10. **Exhibit D** is the Company's requested waivers from the Board's Minimum Filing Requirements pursuant to N.J.S.A. 48:3-98.1. Specifically, ACE requests a waiver with respect to the filing of testimony in support of the EESP and the cost recovery mechanisms proposed in this filing. Further, any draft contracts necessary for implementation of the EESP will be submitted when and if drafted. Finally, the Company understands that the Rutgers Center for Energy, Economic and Environmental Policy ("CEEPP") will be performing the required

cost/benefit analyses for the EE programs proposed by Atlantic. Accordingly, no such analyses are included with this filing.

## **II. ACCOUNTING AND COST RECOVERY MECHANISM**

11. As noted in Paragraph 4 above, the Company is proposing to recover the revenue requirements associated with the EESP through a component of a new RGGI Recovery Charge. The EESP component of the RGGI Recovery Charge will be designed on a dollar per kilowatt-hour (“kWh”) basis, applicable equally to all Rate Schedules. The Company proposes to amortize program costs over a rolling five year period beginning with the 1<sup>st</sup> day of the month following program initiation. The EESP Component of the RGGI Recovery Charge will initially be developed using forecasted annual expenditure levels. The forecasted amortization schedule is developed by dividing the forecasted expenditures by the appropriate amortization period. A monthly amortization expense is developed by multiplying the annual amortization amount by the ratio of the forecasted monthly sales to the annual forecasted sales. *See Exhibit B.*

12. The RGGI Recovery Charge will provide for full and timely recovery of the revenue requirement associated with the EESP. The EESP component of the RGGI Recovery Charge revenue requirement will be calculated to produce a rate of return based on the Company’s current cost of capital of 8.67% (7.17% after tax cost of capital) as of September 30, 2008. This date was selected because the existing regulatory weighted average cost of capital (“WACC”) was established nearly four years ago in 2005. As is widely understood, since the third quarter of 2008, the financial markets have been in a period of extreme volatility. Therefore, the Company proposes that the WACC be set to reflect current capital market conditions as close as possible. Accordingly, the capital structure proposed by the Company:

- reflects that the incremental capital available to finance the accelerated capital infrastructure investment expenditures will be a combination of new long-term debt and common equity;
- reflects an increase in the equity component of our capitalization to ACE's target level, thereby reducing financial risk and improving credit quality;
- reflects a cost of long-term debt that:
  - utilizes the weighted embedded cost of the current actual ACE long-term debt outstanding, and
  - includes a pro forma adjustment to the actual embedded cost to reflect additional long-term debt issued in November 2008; and
- reflects a cost of common equity equal to the 10.3% return on equity ("ROE"), which is the most recently adopted ROE by the Board in a major utility base rate proceeding. This higher equity return over ACE's most recent authorized value is necessary due to the increased business risks associated with the current volatile financial markets. While ACE does not believe that this ROE adequately reflects the risks inherent in the current financial markets, the Company proposes that it is the best available proxy to be utilized at this time in order to expedite approval of its Infrastructure Investment Program.

The Company is further requesting that the RGGI Recovery Charge be subject to deferred accounting. Any differences between the monthly revenue requirement and the monthly RGGI Recovery Charge sales revenue will be tracked as a deferred balance. Interest on this balance will be calculated monthly based on the Company's current short-term debt rate.

#### IV. BILL STABILIZATION ADJUSTMENT

13. As noted in Paragraph 5 above, the Company is proposing, as a critical component of this filing, the establishment of a Bill Stabilization Adjustment, which would be applicable to the EESP, as well as to other similar energy efficiency programs that have the potential to reduce the level of energy delivery services embedded in the development of ACE's current base rates. The BSA is intended to stabilize Board-authorized utility revenues for the Company, while providing a positive basis from which Atlantic can aggressively promote energy efficiency initiatives, such as the EESP, for the ultimate benefit of its customers.

14. By disconnecting the tension that currently exists for New Jersey utilities, such as Atlantic, between achieving Board-authorized revenues *and* the promotion of EE programs that can have long-term societal benefits for customers, the goals and objectives of Governor Corzine's energy plan for the State can most effectively be achieved. The Company's BSA is not new. In November 2007, as part of its Blueprint for the Future filing, *In the Matter of Atlantic City Electric Company's "Blueprint for the Future," Establishing an Advanced Metering Infrastructure Program, Demand-Side Management Initiatives, Utility-Provided Demand Response Programs and Other Programs, and Requesting BPU Approval of Cost Recovery Mechanisms Related Thereto*, BPU Docket No. EO07110881, the Company first introduced the need for a BSA. More recently, the BSA concept has been identified and endorsed at the Federal level as part of the recently-enacted economic stimulus legislation, the American Recovery and Reinvestment Act, at the State level as part of the RGGI Legislation, and by numerous public interest groups, such as the National Action Plan for Energy Efficiency and the Natural Resources Defense Council.

15. The enactment of the BSA in conjunction with the Company's EESP is both critical and timely. Governor Corzine's New Jersey Economic Assistance Recovery Plan

represents a bold and aggressive step for the State's energy providers to transition away from how they have historically provided essential energy services to their customers to an era where customers will be able to use energy in a smarter, more efficient and cost effective way. It is essential that utilities such as Atlantic have every incentive -- and no disincentive -- to promote and foster that transition. The details of the cost recovery mechanics of the Company's BSA proposal are contained in **Exhibit C** hereto.

#### **VI. PROGRAM DURATION AND TIMING**

16. Petitioner recognizes the importance of moving aggressively to put the EESP, as well as similar programs filed by the other electric and gas utilities in the State, into effect as quickly as possible. To that end, the Company proposes that the Board adopt a procedural schedule that targets program approval and implementation by May 2009. The Company is committed to working with Board Staff and Rate Counsel, as well as other affected utilities and stakeholders, to complete the regulatory review process in order to have a Board Order in place in sufficient time to meet the targeted implementation date.

#### **VII. TARIFF MODIFICATION**

17. **Exhibit B** to this Petition is a proposed new RGGI Recovery Charge tariff, which is designed to recover the estimated costs associated with the EESP.

#### **VIII. PUBLIC NOTICE**

18. Attached hereto as **Exhibit E** is a form of Public Notice that the Company intends to publish in one or more newspapers in general circulation throughout its service territory. Copies will also be provided to municipal and county officials as required by law.

## **IX. MISCELLANEOUS**

19. Petitioner respectfully requests that, in order to meet the stated objective of program implementation as early in 2009 as possible, the Board retain jurisdiction of this matter and that the 180-day administrative review period under the RGGI Order commence upon the filing of this Petition. As indicated previously, the Company is prepared to move on an aggressive schedule to satisfy, in a collaborative process, any legitimate concerns or inquiries that a party may have with respect to this filing. The Company does not believe that evidentiary hearings are required or necessary to effectuate Board approval of the EESP and/or the BSA. Similarly, the Company requests that the Board shorten the Staff's 30-day administrative review period to no more than ten business days from the filing date hereof.

## **X. COMMUNICATIONS**

20. Communications and correspondence regarding this matter should be sent to Petitioner's counsel and co-counsel at the following addresses:

Philip J. Passanante, Esquire  
Assistant General Counsel  
Atlantic City Electric Company – 89KS42  
800 King Street, 5<sup>th</sup> Floor  
P.O. Box 231  
Wilmington, DE 19899-0231  
[philip.passanante@pepcoholdings.com](mailto:philip.passanante@pepcoholdings.com)

Nicholas W. Mattia, Jr., Esquire  
Dickstein Shapiro LLP  
1825 Eye Street, NW  
Washington, DC 20006-5304  
Phone 202-420-3035  
[mattian@dicksteinshapiro.com](mailto:mattian@dicksteinshapiro.com)

with copies to the following representatives of the Company:

Kenneth J. Parker  
President  
Atlantic City Electric Region – 63ML36  
5100 Harding Highway  
Mays Landing, NJ 08330  
[kenneth.parker@altanticcityelectric.com](mailto:kenneth.parker@altanticcityelectric.com)

Wayne W. Barndt  
Manager, Regulatory Strategy and Policy  
Pepco Holdings, Inc. – 79NC59  
New Castle Regional Office 401  
Eagle Run Road  
P.O. Box 9239  
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and

Roger E. Pedersen  
Manager, New Jersey Regulatory Affairs  
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5100 Harding Highway  
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**WHEREFORE**, the Petitioner, **ATLANTIC CITY ELECTRIC COMPANY**, respectfully requests that the Board of Public Utilities issue an Order as follows:

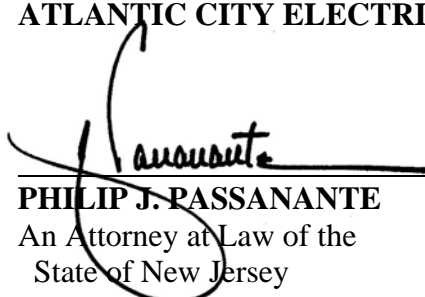
- A. finding that the Petitioner’s Energy Efficiency Stimulus Program is in the public interest and authorizing the Company to implement it as proposed herein;
- B. finding that the requested waiver of the provisions of the RGGI Minimum Filing requirements are in the public interest and are approved;
- C. finding that the Company is authorized to recover all costs requested herein associated with the EESP, and that the proposed cost recovery mechanism, including the implementation of the Bill Stabilization Adjustment, is just and reasonable and authorizing Petitioner to implement same as proposed;

D. finding that the carrying charge on any EESP deferred balance be set at the Company's overall cost of capital, including the income tax effect, as proposed herein, and that the carrying charge should reflect the increased financial risks currently impacting the financial markets; and

E. finding that the RGGI Recovery Charge tariff should be approved as proposed by the Company.

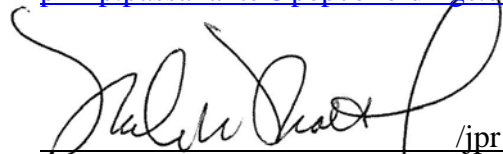
Respectfully submitted,  
**ATLANTIC CITY ELECTRIC COMPANY**

Dated: February 20, 2009

 /jpr

**PHILIP J. PASSANANTE**  
An Attorney at Law of the  
State of New Jersey

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 /jpr

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# EXHIBIT A

**Atlantic City Electric Company  
Governor’s Economic Stimulus Package  
Enhanced Residential HVAC Rebate Program Description**

|  |  |                           |   |
|--|--|---------------------------|---|
| <b>Description of Program</b>              | <p>Currently, the overwhelming majority of customers with existing HVAC equipment that is being replaced due to immediate or imminent equipment failure opt for standard efficiency for their new units. In order to get on track toward the Energy Master Plan savings targets, the state would need nearly every customer faced with an equipment decision to select high efficiency equipment. Since this decision will most likely be made only once by most households between now and 2020, it is critical to start significantly influencing those purchases now. Accordingly, ACE will offer enhanced incentives for heating and air conditioning equipment purchases that qualify for incentives under the current Warm and Cool Advantage programs. Incentives will be paid directly to customers by ACE. However, customers would only be entitled to this enhanced rebate if they agree to have a free HPES Tier I audit or an equivalent offering under a BPU approved program. These audits will be performed by certified contractors. The program will be coordinated with NJCEP Market Managers and South Jersey Gas as applicable.</p> |                           |   |
| <b>Market Segment/ Efficiency Targeted</b> | <p>Residential customers in existing homes who receive electricity from ACE and who are customers of record with a separately metered electric account are eligible for participation in this program.</p> <p>Residential customers that have existing HVAC equipment needing imminent replacement. The program will incent the installation of high efficiency HVAC equipment and the installation of energy conservation measures. This program will target customers in older existing homes, with good potential for whole house energy savings.</p>   |                           |   |
| <b>Delivery Method</b>                     | <p>This program will be directly promoted to customers through HVAC contractors, and through targeted utility promotion.</p>   |                           |   |
| <b>Estimated Program Participants</b>      | 2,000  | <b>Estimated Savings</b>  | Savings will be based upon approved protocols.  |
| <b>Link to Existing Programs</b>           | <ul style="list-style-type: none"> <li>• WARM Advantage</li> <li>• COOL Advantage</li> <li>• Home Performance with Energy Star</li> <li>• Residential Home Energy Tune-up</li> </ul>   |                           |   |
| <b>Existing Incentives</b>                 | <p>Reference Program Descriptions with Incentives submitted by Honeywell on November 21, 2008 and approved by Board Order dated January 8, 2009.</p>   | <b>Proposed Incentive</b> | <p>This proposed plan will offer an incremental rebate to customers who upgrade to an energy efficient HVAC system and conservation measures. An additional \$1,500 in incentives above the existing customer incentives will be provided to the participating customers. No additional contractor incentives are included.</p> |

|  |   |
|--|---|
| <b>Estimated Avoided Air Emissions</b> | All savings will be calculated according to approved protocols.   |
| <b>Anticipated Job Creation</b>        | To be determined based on increase in program participation.  |
| <b>Budget Information</b>              | \$3,000,000 for incentives plus Administration, Marketing, Evaluation, and Contractors.   |
| <b>Marketing Approach</b>              | This program will be marketed using multi-layered approaches. ACE will target-market the program directly to customers, and will work with local HVAC contractors to ensure that they understand the additional rebates available and the associated requirements.                            |
| <b>Cost Recovery/ Rate Design</b>      | Included in ACE's petition to the Board.  |
| <b>Contractor Role</b>                 | It will be the role of any local HVAC contractor who is currently engaged in equipment replacement to make the customer aware of the enhanced rebate opportunity. The enhanced rebates should also provide significant support to the demand for contractor services in this tighter economy. |

**Atlantic City Electric Company  
Governor’s Economic Stimulus Package  
Residential Repayment Plans Description**

|  |   |                           |  |
|--|---|---------------------------|--|
| <b>Description of Program</b>              | Through this program, ACE will offer eligible customers an aggressive financial package to assist in obtaining whole house energy efficiency, comfort and savings either through the NJCEP Home Performance with Energy Star (“HPwES”) program or other residential utility energy efficiency programs approved by the BPU. ACE will offer residential customers repayment options for the customer’s financial obligation, to install energy efficiency measures identified through these programs net of any rebates received. The repayment period and applicable interest rate will be a 2% buy-down of the existing HPwES loan offer. This is based on an average loan of \$10,000 amortized over 10 years. The program will be coordinated with NJCEP Market Managers and South Jersey Gas as applicable. |                           |  |
| <b>Market Segment/ Efficiency Targeted</b> | Residential customers in existing homes who receive electricity from ACE and who are customers of record with a separately metered electric account are eligible for participation in this program. All residential customers within the participating utility’s service territory, who are not income eligible for NJCEP Low Income Program services, are also eligible for participation in this program. The purpose of this program is to aggressively boost customer implementation of comprehensive energy efficiency improvements, and to achieve comprehensive energy savings through additional incentives and financing.  |                           |  |
| <b>Delivery Method</b>                     | This program will be delivered through certified home energy auditors, trained external heating, home improvement and energy service contractors, and utility personnel. The cost of the audit will be \$25.  |                           |  |
| <b>Estimated Program Participants</b>      | 200   | <b>Estimated Savings</b>  | Savings will be based upon approved protocols.   |
| <b>Link to Existing Programs</b>           | NJ Home Performance with Energy Star® program.<br>Residential Home Energy Tune-up.  |                           |  |
| <b>Existing Incentives</b>                 | Reference Program Descriptions with Incentives submitted by Honeywell on November 21, 2008 and approved by Board Order dated January 8, 2009.   | <b>Proposed Incentive</b> | ACE will provide the up-front cost of installing the recommended energy savings measures and offer a repayment plan to the customer. This repayment option will be conditioned upon the customer forwarding any NJCEP incentives and rebates received under this program to ACE , and are subject to meeting approved ACE and outside financial company credit criteria. |
| <b>Estimated Avoided Air Emissions</b>     | All savings will be calculated according to approved protocols.   |                           |  |
| <b>Anticipated Job Creation</b>            | To be determined based on increase in program participation.  |                           |  |
| <b>Budget Information</b>                  | \$225,000 for buy-down incentives plus Administration, Marketing, Evaluation, and Contractors.  |                           |  |

|                                       |  |
|---------------------------------------|--|
| <b>Marketing Approach</b>             | Multi-tiered approach: Service providers and homeowners. Direct mail complemented by print and broadcast media channels. Bill stuffers, web site, community outreach and education, trade ally programs and targeted outreach, where available, may be used. |
| <b>Cost Recovery/<br/>Rate Design</b> | Included in ACE's petition to the Board.   |
| <b>Contractor Role</b>                | Availability of repayment plans is expected to increase the quantity and depth of contractor workload.   |

**Atlantic City Electric Company  
Governor’s Economic Stimulus Package  
Residential Whole House Program Description**

|   |  |
|---|--|
| <p><b>Description of Program</b></p>                  | <p>The primary objective of the Residential Whole House Program is to motivate residential energy consumers to use a whole-house approach to reducing energy consumption when considering home improvements such as new heating and air conditioning equipment, replacing windows, or adding insulation. Rather than focusing on a single component, the homeowner will be provided with an assessment of how a combination of improvements, such as air sealing, adding insulation, improving the HVAC system and upgrading lighting and appliances would result in a more comfortable home, with lower electricity or natural gas consumption. The program will achieve this goal through the direct installation of energy savings measures, as included in the program and recommended by an energy audit. Incentives will be paid directly to customers by ACE. The program will also provide comprehensive, personalized customer energy education and counseling. Three audit tiers will be offered to customers.</p> <p>During the audit, and with the customer’s approval, the contractor will install up to ten CFLs in specific areas of higher energy use, as well as other specific measures included in the detailed program descriptions. The audit will be designed to estimate potential energy savings due to infiltration and heat loss through walls and attics. In addition, the assessment will include identification of the age and size of the heating, air conditioning and water heating systems, the last service date, and assessment of duct leakage and insulation. The report will be presented to the customer with recommendations for upgrades and information about available rebates.</p> <p>The program will be coordinated with NJCEP Market Managers and South Jersey Gas as applicable.</p> |
| <p><b>Market Segment/<br/>Efficiency Targeted</b></p> | <p>Residential customers in existing homes who are looking for ways to save money by reducing energy use or are considering upgrades and improvements to their home. HVAC, remodeling, insulation and weatherization contractors and other trade allies interested in offering comprehensive home energy performance services to their customers will also be a target of this program.</p> <p>Residential customers in existing homes who receive electricity from ACE and who are customers of record with a separately metered electric account are eligible for participation in this program.</p>   |
| <p><b>Delivery Method</b></p>                         | <p>Program implementation will be provided by a third-party vendor. The vendor will be selected through a competitive RFP process. The vendor will be responsible for recruiting and training contractors, processing incentives, and ongoing spot audit verification. A detailed implementation plan, measures list, deemed savings, and rebate levels are to be developed.</p> <p><u>Key elements of the Residential Whole house Program implementation strategy include:</u></p> <p><b>Home energy analysis software:</b> ACE will work with the implementation vendor to select appropriate home energy analysis software or, if feasible, ACE may use the same software utilized by the NJCEP HPwES market manager. The software must be capable of storing and downloading each analysis to enable tracking and verification. (Onsite reporting capability will likely depend on the availability of utility bills.)</p>   |

|   |   |                                   |  |
|---|---|-----------------------------------|--|
|   | <p><b>Contractor recruitment:</b> The implementation vendor will recruit HVAC, remodeling, insulation and weatherization contractors and other trade allies interested in offering comprehensive home energy performance services to their customers. Contractors will be required to sign a participation agreement, and abide by all program protocols and reporting requirements.</p> <p><b>Customer recruitment:</b> The primary customer recruitment mechanism will be the direct marketing activities of participating contractors/utilities. ACE and/or its implementation vendor will conduct direct marketing to customers that may include direct mail, bill stuffers, and door hangers. Program information will also be posted on the utility website and provided through the utility Call Center. The utility will work closely with municipal, local community, and non-profit entities to identify neighborhoods to target for program participation.</p> <p><b>Home energy survey:</b> Participating trade allies and/or utility personnel will provide energy assessments for interested customers. The cost of the assessment will be a nominal fee of \$25. The remainder of the audit cost will be subsidized by the program. During the audit and with the customer’s approval, the contractor will install CFLs in specific areas, as well as other specific measures included in the detailed program descriptions. The audit will be designed to estimate potential energy savings due to infiltration and heat loss through walls and attics. In addition, the assessment will include identification of the age and size of the heating, air conditioning and water heating systems, the last service date, and assessment of duct leakage and insulation. The report will be presented to the customer with recommendations for upgrades and information about available rebates.</p> |                                   |  |
| <p><b>Estimated Program Participants</b></p>  | <p>Tier 1 700<br/>Tier 2 600<br/>Tier 3 200</p>   | <p><b>Estimated Savings</b></p>   | <p>Savings will be based upon approved protocols</p>   |
| <p><b>Link to Existing Programs</b></p>       | <p>Existing programs include:<br/>Comfort Partners (Low Income Program)<br/>Home Performance with Energy Star Tier 1, Tier 2 and Tier 3.</p>  |                                   |  |
| <p><b>Existing Incentives</b></p>             | <p>Reference Program Descriptions with Incentives submitted by Honeywell on November 21, 2008 and approved by Board Order dated January 8, 2009.</p>  | <p><b>Proposed Incentives</b></p> | <p>Tier 1 - \$250<br/>Audit with installation of simple energy savings measures such as CFLs.</p> <p>Tier 2 - \$1,000<br/>Includes Tier 1, plus up to \$1,000 in air sealing.</p> <p>Tier 3 - Up to \$5,000<br/>Includes Tier 1 and Tier 2, plus up to \$5,000 for enhanced measures recommended by the audit.</p> |
| <p><b>Estimated Avoided Air Emissions</b></p> | <p>All savings will be calculated according to approved protocols.<br/>.</p>  |                                   |  |
| <p><b>Anticipated Job Creation</b></p>        | <p>To be determined based on increase in program participation.</p>   |                                   |  |



|  |   |
|--|---|
| <p><b>Budget Information</b></p>         | <p>\$875,000 for incentives, plus Administration, Marketing, Evaluation, and Contractors.<br/>Tier 1 \$175,000<br/>Tier 2 \$600,000<br/>Tier 3 \$500,000 ( avg. \$2500/customer)</p>  |
| <p><b>Marketing Approach</b></p>         | <p>Program specific marketing efforts will target contractors and trade allies in the HVAC and home improvement industries. These industries will be marketed using targeted direct marketing, direct contact by utility and/or program vendor personnel, trade shows and trade association outreach. Trade ally marketing to their customers will also be an important component of the customer marketing efforts.</p> <p>The primary customer recruitment mechanism will be the direct marketing activities of participating contractors/utilities. ACE and/or its implementation vendor will conduct direct marketing to customers that may include direct mail, bill stuffers, and door hangers. Program information will also be posted on the utility website. ACE will work closely with municipal, local community, and non-profit entities to identify neighborhoods to target for sub-program participation.</p> |
| <p><b>Cost Recovery/ Rate Design</b></p> | <p>Included in ACE's petition to the Board.</p>   |
| <p><b>Contractor Role</b></p>            | <p>The implementation vendor will recruit HVAC, remodeling, insulation and weatherization contractors and other trade allies interested in offering comprehensive home energy performance services to their customers. Contractors will be required to sign a participation agreement, and abide by all program protocols and reporting requirements.</p> <p>The implementation vendor/utility will conduct ongoing monitoring and evaluation to verify contractor work.</p>  |

**Atlantic City Electric Company  
Governor’s Economic Stimulus Package  
Non-Residential Energy Efficiency Investment Program Description**

|  |  |                            |  |
|--|--|----------------------------|--|
| <b>Description of Program</b>              | This program is designed to generate large energy savings for larger commercial/industrial accounts, including, but not limited to: multifamily housing complexes, institutions, municipal complexes, schools, medical facilities, hotels and casinos, and industrial users. The major thrust of this program is to provide an additional incentive to non-residential customers. The needs of the customer would be assessed by a representative of ACE. ACE will provide additional incentives for qualified customers up to \$5,000 per participant above the existing NJCEP program incentives. Incentives will be paid directly to customers by ACE. The program will be coordinated with the NJCEP Market Managers and South Jersey Gas as applicable. |                            |  |
| <b>Market Segment/ Efficiency Targeted</b> | Non-residential customers who receive electricity from ACE and who are customers of record with a separately metered electric account are eligible for participation in this program. The program will be specifically targeted to larger commercial and industrial customers.   |                            |  |
| <b>Delivery Method</b>                     | Program implementation will be provided by ACE and outside resources. The actual work will be performed by area mechanical contractors, engineering firms, and energy services companies.  |                            |  |
| <b>Estimated Program Participants</b>      | 360  | <b>Estimated Savings</b>   | Savings will be based upon approved protocols.   |
| <b>Link to Existing Programs</b>           | NJCEP SmartStart Program.  |                            |  |
| <b>Existing Incentives</b>                 | Reference Program Descriptions including Incentives submitted by TRC on November 19, 2008 and approved by Board Order dated January 8, 2009.   | <b>Proposed Incentives</b> | This proposed plan will offer an incremental rebate to customers who upgrade to an energy efficient HVAC system and conservation measures. An additional \$5,000 in incentives above the existing customer incentives will be provided to the participating customers. |
| <b>Estimated Avoided Air Emissions</b>     | All savings will be calculated according to approved protocols.  |                            |  |
| <b>Anticipated Job Creation</b>            | To be determined based on increase in program participation.   |                            |  |
| <b>Budget Information</b>                  | \$1,800,000 for incentives plus Administration, Marketing, Evaluation, and Contractors.  |                            |  |
| <b>Marketing Approach</b>                  | The approach to this program will be multi-leveled. This program will require marketing from energy service providers and developers; coupled with web site applications, heavy business outreach and education, trade ally programs, trade publications, and contractor outreach. In addition, the communication will need to be supplemented with coordinated utility sales efforts.   |                            |  |

|                                       |  |
|---------------------------------------|--|
| <b>Cost Recovery/<br/>Rate Design</b> | Included in ACE's petition to the Board.   |
| <b>Contractor Role</b>                | It will be the role of energy service contracting firms, energy engineering companies, and engineers who specialize in large applications, to promote, design, and install energy efficiency measures. |

**Atlantic City Electric Company  
Governor’s Economic Stimulus Package  
Building Commissioning and O&M Program Description**

|  |   |                            |   |
|--|---|----------------------------|---|
| <b>Description of Program</b>              | The primary objective of the Building Commissioning and O&M Program is to motivate non-residential customers to reduce energy use through improvements in the manner in which facilities are operated and maintained. The Program will offer technical and financial assistance to identify and implement low cost tune-ups and adjustments that improve the efficiency of a building’s operating systems by bringing them to the intended operation or design specifications, with a focus on building controls and HVAC systems. Incentives will be paid directly to customers by ACE. The program will be coordinated with NJCEP Market Managers and South Jersey Gas as applicable. |                            |   |
| <b>Market Segment/ Efficiency Targeted</b> | All non-residential customers, primarily in the commercial, governmental, and institutional sectors, who receive electricity from ACE and who are customers of record with a separately metered electric account, are eligible for participation in this program. Within this group, the program will focus more heavily on large facilities that would typically be more receptive to retro-commissioning services.  |                            |   |
| <b>Delivery Method</b>                     | ACE will identify a Program Administrator, along with supporting technical staff, to oversee the program operation, coordination with the Clean Energy Program, other utility’s programs, contractor oversight and trade ally relations. ACE will offer field services through third party contractors. Reporting will be compiled and supplied to the BPU through the Program Administrator.   |                            |   |
| <b>Estimated Program Participants</b>      | 50  | <b>Estimated Savings</b>   | Savings will be based upon approved protocols.  |
| <b>Link to Existing Programs</b>           | There is currently no comparable CEP program.   |                            |   |
| <b>Existing Incentives</b>                 | There are currently no existing incentives for retro-commissioning and O&M.   | <b>Proposed Incentives</b> | Share 80% of the customer cost of developing the retro-commissioning plan up to a maximum of \$10,000 per project. The cost of implementing a pilot list of low-cost improvements may be subsidized on a \$/kWh saved basis to demonstrate the value of commissioning efforts.<br><br>Also, included under the \$10,000 cap, ACE will pay 80% of the cost to participate in a Building O&M certification course up to a maximum of \$1,000. |
| <b>Estimated Avoided Air Emissions</b>     | All savings will be calculated according to approved protocols.   |                            |   |
| <b>Anticipated Job Creation</b>            | To be determined based on program participation.  |                            |   |
| <b>Budget Information</b>                  | \$500,000 for incentives plus Administration, Marketing, Evaluation, and Contractors.   |                            |   |

|                                       |  |
|---------------------------------------|--|
| <b>Marketing Approach</b>             | Program-specific marketing efforts will target customers, trade allies and the energy services industry in specific market segments where commissioning and improved O&M will provide cost-effective customer benefits. The Program will be marketed to both customers and trade allies. This marketing will entail targeted direct marketing and, direct contact by vendor personnel and Company Key Account Managers, trade shows and trade association outreach. Trade ally marketing to customers will also be an important component of the customer marketing efforts. |
| <b>Cost Recovery/<br/>Rate Design</b> | Included in ACE's petition to the Board.   |
| <b>Contractor Role</b>                | It will be the role of energy engineering companies, and engineers who specialize in large applications associated with Building Commissioning to implement this program.  |

**Atlantic City Electric Company  
Governor’s Economic Stimulus Package  
Small Commercial Direct Installation Program Description**

|                               |  |
|-------------------------------|--|
| <b>Description of Program</b> | <p>The objective of the Small Commercial Direct Install program is to rapidly acquire durable savings in energy and peak demand usage among small and medium Commercial &amp; Industrial (“C&amp;I”) customers with peak demands of 200 kW or less. These customers are traditionally hard to reach with standard approaches such as rebate and incentive programs. The program will therefore focus on overcoming the numerous barriers existing among this customer group to target cost-effective retrofit efficiency opportunities.</p> <p>This program also targets local government entities. Most municipalities, particularly older urban cities and towns with aging facilities, under-fund maintenance budgets and defer maintenance. Government contracting procedures, lack of familiarity with efficiency options, and the requirement to seek approval from the governing body for a capital budget item make it difficult for municipal and local government officials to identify and act on opportunities to reduce energy costs. Government also tends to diffuse and dilute responsibility for energy upgrades to the individual department level, while payment of bills often resides at a central finance office. There is little incentive for departments to upgrade the energy efficiency of their buildings because the reward for reduced energy bills may simply be a reduced budget in the subsequent year.</p> <p>The customer will be provided an energy audit encouraging acceptance of program-delivered measures as applicable at that site. The audit will identify supplementary energy savings opportunities and identifying coordinated programs to further assist the customer with their follow-through for these additional energy efficiency efforts. These will include identification of available financing and rebate programs offered through ACE and the Clean Energy Programs, etc. The program will be coordinated with NJCEP Market Managers and South Jersey Gas, as applicable.</p> <p>For many small C/I programs, lighting has been at the forefront of measures installed, as well as the primary contributor to savings results. While this is also anticipated in this program, focus on HVAC diagnostics, and improvements to existing heating and air conditioning systems to optimize efficiency, is also included along with DHW measures. Through the diagnostic procedures, heating and AC units that are so inefficient that it is cost-effective to replace will be identified and the unit will be evaluated for replacement with a high efficiency one.</p> <p>The customer audit will be delivered free. The incentive for installed measures will be set at a percentage of the installed measures’ cost to be determined by ACE. In practice, customers will only make a payment equal to the remaining cost of the measures after the utility incentive is paid. Incentives will be paid directly to customers by ACE.</p> |
|-------------------------------|--|

|   |  |
|---|--|
|   | <p>Typical eligible measures lists will include, but are not limited to:</p> <p><b>Lighting:</b></p> <ul style="list-style-type: none"> <li>• Super T8 lamp/ballast</li> <li>• Fluorescent high-low bay fixture – interior</li> <li>• Super T8 fixture</li> <li>• CFL fixture – interior</li> <li>• CFL screw-ins – interior/exterior</li> <li>• MH 25 W int ballast Par38</li> <li>• Occupancy – (on-off), (high-low)</li> <li>• LED Exit Signs</li> </ul> <p><b>HVAC</b></p> <ul style="list-style-type: none"> <li>• Tune Up (Heating-Cooling)</li> <li>• Ventilation VFD</li> <li>• Duct Sealing (Heating-Cooling)</li> <li>• Dual Enthalpy Control</li> <li>• Vent Premium Efficiency Motors</li> </ul> <p><b>DHW</b></p> <ul style="list-style-type: none"> <li>• Pipe Insulation</li> <li>• Tank Insulation</li> <li>• Temperature Set Back</li> </ul> <p><b>Miscellaneous</b></p> <ul style="list-style-type: none"> <li>• Walk-in Refrigerator Retrofit Package</li> <li>• Vending Miser</li> </ul> <p><i>Actual measures selection will be based on customer acceptance of measures that are determined to be applicable at each site, i.e. not all sites will receive all measures and customers are not required to accept all recommended measures.</i></p> |
| <p><b>Market Segment/<br/>Efficiency<br/>Targeted</b></p> | <p>The Direct Install Program will target C&amp;I customers with annual peak demands of less than 200 kW. All non-residential (Commercial and Industrial) customers who receive electricity from ACE and who are customers of record with a separately metered electric account (with peak demands of less than 200kW) are eligible for participation in this program.</p> <p>This program will be open to all C/I customers, including specific target markets such as municipal customers and food service, if applicable, under the energy use ceilings defined for the program.</p> <p>Eligible local government facilities include municipal offices, courtrooms, town halls, police and fire stations, sanitation department buildings, transportation department structures, regional authorities, schools and community centers. County or regionally structured bodies such as county colleges, and regional utility authorities (water/sewer) are also included. In addition participants in the NJCEP Local Government Audit program will be eligible for direct install benefits under this program.</p> <p>Customers participating in this program may not receive incentives for the same measures under other ACE or Clean Energy Programs.</p>           |

|  |  |                            |  |
|--|--|----------------------------|--|
|  | <p>According to O&amp;R's Market Potential Study, approximately 90% of the electric economic potential identified in the commercial market segment is attributable to lighting, cooling, heating, ventilation, DHW and refrigeration upgrades. This program will target each of these end uses and focus on the most cost effective measures.</p> <p>It is expected that through the marketing and outreach relationship with Community Partners and program audit recommending additional measures will be initiated above and beyond those available for direct installation under this program. Many customers will participate in other related programs or implement measures on their own, thereby achieving additional energy conservation.</p> |                            |  |
| <b>Delivery Method</b>                 | <p>ACE will identify a C&amp;I Program Administrator, along with supporting technical staff, who will oversee the program operation, coordination with the Clean Energy Program, other utilities programs, contractor oversight and trade ally relations. ACE will offer field services through third-party contractors doing outreach, energy audits and installation of qualifying measures. Reporting will be compiled and supplied through the C&amp;I Program Administrator.</p>  |                            |  |
| <b>Estimated Program Participants</b>  | 200  | <b>Estimated Savings</b>   | Savings will be based upon approved protocols.   |
| <b>Link to Existing Programs</b>       | <p><i>As a component of the energy audit, opportunities for conservation and related program participation are identified and encouraged:</i></p> <ul style="list-style-type: none"> <li>• Community Partners – Coordinated marketing and outreach</li> <li>• Finance Programs – Utility specific</li> <li>• Clean Energy Equipment Rebate and Technical Assistance Programs – Smart Start</li> <li>• Utility specific equipment rebate programs</li> <li>• Local Government Audit program - can provide referrals to this program for the direct installation of energy saving measures.</li> <li>• Direct Install Program</li> </ul>   |                            |  |
| <b>Existing Incentives</b>             | Reference Program Descriptions including Incentives submitted by TRC on November 19, 2008 and approved by Board Order dated January 8, 2009.   | <b>Proposed Incentives</b> | The initial customer audit is free. ACE will provide additional incentives up to 20% of the current incentive up to a maximum of \$5,000 per customer. (The existing program covers 80% of the costs.) |
| <b>Estimated Avoided Air Emissions</b> | All savings will be calculated according to approved protocols.  |                            |  |
| <b>Anticipated Job Creation</b>        | To be determined based on increase in program participation.   |                            |  |
| <b>Budget Information</b>              | \$1,000,000 for incentives plus Administration, Marketing, Evaluation, and Contractors.  |                            |  |



|                                   |  |
|-----------------------------------|--|
| <b>Marketing Approach</b>         | The primary customer recruitment mechanism will be the direct marketing activities of participating contractors. ACE and its implementation vendor will conduct direct marketing to customers that may include direct mail, bill stuffers, and door hangers. Program information will also be posted on ACE's website. ACE will work closely with municipal, local community, and non-profit entities to identify neighborhoods to target for sub-program participation. |
| <b>Cost Recovery/ Rate Design</b> | Included in ACE's petition to the Board.   |
| <b>Contractor Role</b>            | The implementation vendor will recruit HVAC, remodeling, insulation and weatherization contractors and other trade allies interested in offering comprehensive energy performance services to their customers. Contractors will be required to sign a participation agreement, and abide by all program protocols and reporting requirements. The implementation vendor/utility will conduct ongoing monitoring and evaluation to verify contractor work.                |

**Atlantic City Electric Company  
Proposed NJ CEP Programs  
Projected Annual Savings**

| Year 1 DSM Stimulus Package              | Participants | kW           | kWh               |
|--|--------------|--------------|-------------------|
| <b>RESIDENTIAL ENERGY EFFICIENCY</b>     |              |              |                   |
| Enhanced Residential HVAC Rebate         | 2000         | 637          | 917,357           |
| Repayment Plan                           | 200          | 46           | 70,000            |
| Whole House program Tier 1 and 2, Tier 3 | 700/600/200  | 256          | 605,000           |
| <b>Subtotal Residential</b>              |              | <b>939</b>   | <b>1,592,357</b>  |
| <b>NON-RESIDENTIAL ENERGY EFFICIENCY</b> |              |              |                   |
| EE Investment                            | 360          | 1,256        | 8,195,760         |
| Building Commissioning and O&M           | 50           | 58           | 351,550           |
| Small Commercial Installation            | 200          | 274          | 744,800           |
| <b>Subtotal Non-Residential</b>          |              | <b>1,588</b> | <b>9,292,110</b>  |
| <b>Total Energy Efficiency</b>           |              | <b>2,527</b> | <b>10,884,467</b> |

**Atlantic City Electric Company  
Proposed NJ CEP Programs  
One Year Budget**

| Year 1 DSM Stimulus Package   | Participants | Year 1 Budget       | Admin.           | Marketing        | Evaluation       | Incentives         | Contractors      |
|---|--------------|---------------------|------------------|------------------|------------------|--------------------|------------------|
| <b>RESIDENTIAL ENERGY EFFICIENCY</b>                                |              |                     |                  |                  |                  |                    |                  |
| Enhanced Residential HVAC Rebate                                    | 2000         | \$3,704,615         | \$195,000        | \$192,308        | \$125,000        | \$3,000,000        | \$192,308        |
| Repayment Plan  | 200          | \$360,514           | \$65,000         | \$14,423         | \$41,667         | \$225,000          | \$14,423         |
| Whole House program Tier 1 and 2, Tier 3                            | 700/600/200  | \$1,545,128         | \$65,000         | \$81,731         | \$41,667         | \$1,275,000        | \$81,731         |
| <b>Subtotal Residential</b>   |              | <b>\$5,610,257</b>  | <b>\$325,000</b> | <b>\$288,462</b> | <b>\$208,334</b> | <b>\$4,500,000</b> | <b>\$288,462</b> |
| <b>NON-RESIDENTIAL ENERGY EFFICIENCY</b>                            |              |                     |                  |                  |                  |                    |                  |
| EE Investment   | 360          | \$2,457,436         | \$260,000        | \$115,385        | \$166,666        | \$1,800,000        | \$115,385        |
| Building Commissioning and O&M                                      | 50           | \$670,769           | \$65,000         | \$32,051         | \$41,667         | \$500,000          | \$32,050         |
| Small Commercial Installation                                       | 200          | \$1,341,538         | \$130,000        | \$64,102         | \$83,333         | \$1,000,000        | \$64,103         |
| <b>Subtotal Non-Residential</b>                                     |              | <b>\$4,469,743</b>  | <b>\$455,000</b> | <b>\$211,538</b> | <b>\$291,666</b> | <b>\$3,300,000</b> | <b>\$211,538</b> |
| <b>Total Energy Efficiency</b><br>(Residential and Non-Residential) |              | <b>\$10,080,000</b> | <b>\$780,000</b> | <b>\$500,000</b> | <b>\$500,000</b> | <b>\$7,800,000</b> | <b>\$500,000</b> |

# EXHIBIT B

## RGGI RECOVERY MECHANISM

On an annual basis, the Energy Efficiency Stimulus Program (EESP) component of the RGGI Recovery Charge will be developed to reflect forecasted information for the upcoming 12 month period as well as a reconciliation of the prior periods, based on actual results. For the initial EE Surcharge calculation, Year 1 is considered to be the 12 month period beginning May 1, 2009. It is anticipated that the rate year for EESP component will be effective for the twelve month period starting May 1 of each year. Update filings would be made 90 days in advance pursuant using actual data from the most recent nine month period available at the time of the filing and three months of forecasted data.

In order to facilitate calculation and review of the update and true up, a rate design template is provided as part of this Exhibit. The template consists of the three sections, one for each of the major rate design calculations. Calculation steps are broken down into Tables.

### **Section I Development of Forecasted Year Revenue Requirement**

#### **Table 1** Summary of Annual and Forecasted Amortization Levels

Table 1 develops the total amortization expense forecasted for the upcoming year. It is developed as the sum of the prior period amortization amounts, based on actual costs, plus the forecasted amortization for upcoming program year, based on forecasted program year costs. Table 1 also includes the actual ending unamortized balance from prior program years.

#### **Table 2** Forecasted Program Year Monthly Delivered Sales.

Table 2 provides the forecasted monthly delivered sales based on the approved Budget and Forecast for the period.

#### **Table 3** Forecasted Program Year Revenue Requirement

Table 3 provides the detailed amortization schedule for the upcoming program year. Column 1 provides the unamortized beginning balance, starting with the amount input from Table 1. Column 2 provides the monthly estimate of program year costs, based on the total forecasted cost input to Table 1. Column 3 provides the monthly amortization expense for the upcoming program year based on the sum of forecasted amortization of upcoming program year costs plus the amortization of prior year costs developed in Table 1, allocated monthly based on the forecasted program year sales provided in Table 2. Columns 4 through 7 develop the unamortized ending balance, net of accumulated taxes. The monthly balance is calculated as the Column 1 Starting Balance plus the Column 2 monthly program costs less the monthly forecasted amortization in column 3. The balance is adjusted to reflect deferred taxes associated with the ongoing program costs in Column 2. In Column 9 the net of tax forecasted balance is then multiplied by the monthly net of tax ROR shown in Column 8 to develop the monthly return amount. Column 10 provides the CCRF

## RGGI RECOVERY MECHANISM

revenue requirement, which includes the appropriate gross up to account for the effect of income taxes.

### **Section II Prior Year True Up**

#### **Table 4** Actual Prior Year Revenue Requirement

Table 4 is similar to Table 3, with the exception that it includes only actual costs through for the prior program year.

#### **Table 5** Monthly Over/(Under) Recovered Balances

Table 5 develops the prior program year true up amount, including interest by comparing the calculated revenue requirement developed in Table 4 to actual booked revenue on a monthly basis. A monthly over or under recovery balance is determined on a running basis. Interest is calculated on the average monthly balance using the Company's current Short Term Debt Rate.

#### **Table 6** Forecasted Recovery of Prior Year Over/(Under) Recovered Balance

Table 6 uses the results from Table 5 to develop a schedule for recovery or return of the prior year balance over the course of the upcoming program year.

### **Section III EE Surcharge Calculation**

Using the results of the calculations from Section I and II, an EESP Component of the RGGI Recovery Charge is developed based on forecasted program year delivered sales.

**SECTION I FORECASTED YEAR REVENUE REQUIREMENT**

**Table 1 - Summary of Actual and Forecasted Annual Amortization Levels**

| Year   | Col 1<br>Actual/Forecast | Col 2<br>Program Costs (\$) | Col 3<br>Total Accumulated<br>Amortization | Col 4<br>Unamortized<br>Balance | Col 5<br>Amortization<br>Period (years) | Col 6 = Col 4/Col 5<br>Annual<br>Amortization<br>Expense |
|--------|--------------------------|-----------------------------|--|---------------------------------|---|--|
| Year 0 | Actual                   | \$ -                        | \$ -                                       | \$ -                            | 4                                       | \$ -   |
| Year 1 | Forecast                 | \$ 10,080,000               | \$ -                                       | \$ 10,080,000                   | 5                                       | \$ 2,016,000   |
| Total  |                          |                             |  |                                 |   | \$ 2,016,000   |

**Table 2 - Forecasted Program Year Monthly Delivered Sales (MWH)**

|              |                   |
|--------------|-------------------|
| May-09       | 709,449           |
| Jun-09       | 802,582           |
| Jul-09       | 1,007,023         |
| Aug-09       | 1,078,124         |
| Sep-09       | 994,742           |
| Oct-09       | 790,194           |
| Nov-09       | 724,979           |
| Dec-09       | 778,820           |
| Jan-10       | 851,216           |
| Feb-10       | 824,738           |
| Mar-10       | 795,773           |
| Apr-10       | 751,248           |
| <b>Total</b> | <b>10,108,888</b> |

**Table 3 - Forecasted Program Year Monthly Amortization and CCRF**

|        | Col 1<br>Unamortized<br>Beginning<br>Balance | Col 2<br>Additional<br>Program<br>Costs | Col 3 = Table 1 Col 7x<br>Table 2 Monthly<br>Sales/Table 2 Annual<br>Sales<br>Amortization | Col 4 = Col 1 + Col 2 - Col 3<br>Unamortized<br>Ending<br>Balance | Col 5 = (Col 2 - Col 3) x<br>Col 3<br>Composite Tax Factor<br>Deferred<br>Tax Activity | Col 6<br>Accum<br>Deferred Tax | Col 7 = Col 4 - Col 6<br>Unamortized<br>Ending<br>Balance<br>Net of Accum<br>Deferred Tax | Col 8<br>CCRF Rate<br>Net-of-Tax | Col 9 = Col 7 x<br>(Col 8)/12<br>Estimated<br>CCRF<br>Net-of-Tax |
|--------|--|---|--|---|--|--------------------------------|---|----------------------------------|--|
|        |  |   |  |   |  | 0                              |   |                                  |  |
| May-09 | \$ -   | \$ 840,000                              | \$ 141,484   | \$ 698,516  | \$ 285,344   | \$ 285,344                     | 7.17%   | \$ 1,233                         |  |
| Jun-09 | \$ 698,516                                   | \$ 840,000                              | \$ 160,058   | \$ 1,378,458  | \$ 277,756   | \$ 563,100                     | 7.17%   | \$ 3,668                         |  |
| Jul-09 | \$ 1,378,458                                 | \$ 840,000                              | \$ 200,829   | \$ 2,017,629  | \$ 261,101   | \$ 824,201                     | 7.17%   | \$ 5,997                         |  |
| Aug-09 | \$ 2,017,629                                 | \$ 840,000                              | \$ 215,009   | \$ 2,642,620  | \$ 255,309   | \$ 1,079,510                   | 7.17%   | \$ 8,229                         |  |
| Sep-09 | \$ 2,642,620                                 | \$ 840,000                              | \$ 198,380   | \$ 3,284,240  | \$ 262,102   | \$ 1,341,612                   | 7.17%   | \$ 10,466                        |  |
| Oct-09 | \$ 3,284,240                                 | \$ 840,000                              | \$ 157,587   | \$ 3,966,653  | \$ 278,766   | \$ 1,620,378                   | 7.17%   | \$ 12,804                        |  |
| Nov-09 | \$ 3,966,653                                 | \$ 840,000                              | \$ 144,581   | \$ 4,662,072  | \$ 284,078   | \$ 1,904,456                   | 7.17%   | \$ 15,237                        |  |
| Dec-09 | \$ 4,662,072                                 | \$ 840,000                              | \$ 155,319   | \$ 5,346,753  | \$ 279,692   | \$ 2,184,148                   | 7.17%   | \$ 17,674                        |  |
| Jan-10 | \$ 5,346,753                                 | \$ 840,000                              | \$ 169,757   | \$ 6,016,996  | \$ 273,794   | \$ 2,457,942                   | 7.17%   | \$ 20,067                        |  |
| Feb-10 | \$ 6,016,996                                 | \$ 840,000                              | \$ 164,476   | \$ 6,692,520  | \$ 275,951   | \$ 2,733,893                   | 7.17%   | \$ 22,443                        |  |
| Mar-10 | \$ 6,692,520                                 | \$ 840,000                              | \$ 158,700   | \$ 7,373,820  | \$ 278,311   | \$ 3,012,204                   | 7.17%   | \$ 24,839                        |  |
| Apr-10 | \$ 7,373,820                                 | \$ 840,000                              | \$ 149,820   | \$ 8,064,000  | \$ 281,938   | \$ 3,294,142                   | 7.17%   | \$ 27,261                        |  |
| Total  | \$   | \$ 10,080,000                           | \$ 2,016,000   | \$ 8,064,000  |  |                                |   | \$ 169,921                       |  |

**SECTION II - PRIOR YEAR TRUE UP (NOT APPLICABLE IN YEAR 1)**

**Table 4 - Actual Prior Year Monthly Revenue Requirement**

|           | Col 1                         | Col 2                           | Col 3               | Col 4 = Col 1 + Col 2 - Col 3 | Col 5 = (Col 2 - Col 3) x Composite Tax Factor | Col 6              | Col 7 = Col 4 - Col 6                                | Col 8                | Col 9 = Col 7 x (Col 8)/12 |
|-----------|-------------------------------|---------------------------------|---------------------|-------------------------------|--|--------------------|--|----------------------|----------------------------|
|           | Unamortized Beginning Balance | Actual Additional Program Costs | Actual Amortization | Unamortized Ending Balance    | Deferred Tax Activity                          | Accum Deferred Tax | Unamortized Ending Balance Net of Accum Deferred Tax | CCRF Rate Net-of-Tax | Estimated CCRF Net-of-Tax  |
|           |                               | 0                               |                     |                               | \$   | -                  |  |                      |                            |
| May-09 \$ | -                             | 0 \$                            | - \$                | - \$                          | -  | 0 \$               | -  | 7.17%                | \$ -                       |
| Jun-09 \$ | -                             | 0 \$                            | - \$                | - \$                          | -  | 0 \$               | -  | 7.17%                | \$ -                       |
| Jul-09 \$ | -                             | 0 \$                            | - \$                | - \$                          | -  | 0 \$               | -  | 7.17%                | \$ -                       |
| Aug-09 \$ | -                             | 0 \$                            | - \$                | - \$                          | -  | 0 \$               | -  | 7.17%                | \$ -                       |
| Sep-09 \$ | -                             | 0 \$                            | - \$                | - \$                          | -  | 0 \$               | -  | 7.17%                | \$ -                       |
| Oct-09 \$ | -                             | 0 \$                            | - \$                | - \$                          | -  | 0 \$               | -  | 7.17%                | \$ -                       |
| Nov-09 \$ | -                             | 0 \$                            | - \$                | - \$                          | -  | 0 \$               | -  | 7.17%                | \$ -                       |
| Dec-09 \$ | -                             | 0 \$                            | - \$                | - \$                          | -  | 0 \$               | -  | 7.17%                | \$ -                       |
| Jan-10 \$ | -                             | 0 \$                            | - \$                | - \$                          | -  | 0 \$               | -  | 7.17%                | \$ -                       |
| Feb-10 \$ | -                             | 0 \$                            | - \$                | - \$                          | -  | 0 \$               | -  | 7.17%                | \$ -                       |
| Mar-10 \$ | -                             | 0 \$                            | - \$                | - \$                          | -  | 0 \$               | -  | 7.17%                | \$ -                       |
| Apr-10 \$ | -                             | 0 \$                            | - \$                | - \$                          | -  | 0 \$               | -  | 7.17%                | \$ -                       |
| Total     | \$                            | - \$                            | -                   | -                             | -  | 0 \$               | -  | 7.17%                | \$ -                       |

**Table 5 - Prior Year Monthly Over/Under Recovered Balances**

|           | Col 1 = Table 4 Col 11 | Col 2 = Actual Monthly DSM Surcharge Revenue | Col 3 = Over/(Under) Recovery | Col 4 = Col 2 + Col 3 - Col 1 | Col 5 = Over/(Under) Recovery Cumulative Balance | Col 6 = Over/(Under) Recovery Avg Monthly Balance | Col 7 = STD Rate | Col 8 = Col 6 x Col 7/12 |
|-----------|------------------------|--|-------------------------------|-------------------------------|--|---|------------------|--------------------------|
| May-09 \$ | - \$                   | - \$   | - \$                          | - \$                          | - \$   | -   | 4.95%            | \$ -                     |
| Jun-09 \$ | - \$                   | - \$   | - \$                          | - \$                          | - \$   | -   | 4.95%            | \$ -                     |
| Jul-09 \$ | - \$                   | - \$   | - \$                          | - \$                          | - \$   | -   | 4.95%            | \$ -                     |
| Aug-09 \$ | - \$                   | - \$   | - \$                          | - \$                          | - \$   | -   | 4.95%            | \$ -                     |
| Sep-09 \$ | - \$                   | - \$   | - \$                          | - \$                          | - \$   | -   | 4.95%            | \$ -                     |
| Oct-09 \$ | - \$                   | - \$   | - \$                          | - \$                          | - \$   | -   | 4.95%            | \$ -                     |
| Nov-09 \$ | - \$                   | - \$   | - \$                          | - \$                          | - \$   | -   | 4.95%            | \$ -                     |
| Dec-09 \$ | - \$                   | - \$   | - \$                          | - \$                          | - \$   | -   | 4.95%            | \$ -                     |
| Jan-10 \$ | - \$                   | - \$   | - \$                          | - \$                          | - \$   | -   | 4.95%            | \$ -                     |
| Feb-10 \$ | - \$                   | - \$   | - \$                          | - \$                          | - \$   | -   | 4.95%            | \$ -                     |
| Mar-10 \$ | - \$                   | - \$   | - \$                          | - \$                          | - \$   | -   | 4.95%            | \$ -                     |
| Apr-10 \$ | - \$                   | - \$   | - \$                          | - \$                          | - \$   | -   | 4.95%            | \$ -                     |

**Table 6 - Forecasted Recovery of Prior Year Over/(Under) Recovered Balance**

|        | Col 1 = (Table 5 Col 5 +<br>Table 5 Col 8) x Forecasted<br>Monthly Sales / Forecasted<br>Annual Sales |                          | Col 2                    | Col 3               | Col 4    | Col 5 = Col 3 x Col<br>4/12 |
|--------|---|--------------------------|--------------------------|---------------------|----------|-----------------------------|
|        | Monthly Balance   | Over/(Under)<br>Recovery | Over/(Under)<br>Recovery | Avg Monthly Balance | STD Rate | Interest                    |
|        | True Up   | Cumulative Balance       |                          |                     |          |                             |
|        |   | 0                        |                          |                     |          |                             |
| May-09 | 0 \$  | - \$                     | -                        | -                   | 4.95% \$ | -                           |
| Jun-09 | 0 \$  | - \$                     | -                        | -                   | 4.95% \$ | -                           |
| Jul-09 | 0 \$  | - \$                     | -                        | -                   | 4.95% \$ | -                           |
| Aug-09 | 0 \$  | - \$                     | -                        | -                   | 4.95% \$ | -                           |
| Sep-09 | 0 \$  | - \$                     | -                        | -                   | 4.95% \$ | -                           |
| Oct-09 | 0 \$  | - \$                     | -                        | -                   | 4.95% \$ | -                           |
| Nov-09 | 0 \$  | - \$                     | -                        | -                   | 4.95% \$ | -                           |
| Dec-09 | 0 \$  | - \$                     | -                        | -                   | 4.95% \$ | -                           |
| Jan-10 | 0 \$  | - \$                     | -                        | -                   | 4.95% \$ | -                           |
| Feb-10 | 0 \$  | - \$                     | -                        | -                   | 4.95% \$ | -                           |
| Mar-10 | 0 \$  | - \$                     | -                        | -                   | 4.95% \$ | -                           |
| Apr-10 | 0 \$  | - \$                     | -                        | -                   | 4.95% \$ | -                           |
|        |   |                          |                          |                     | \$       | -                           |

**SECTION III RGGI RECOVERY CHARGE (EESP COMPONENT) CALCULATION**

| Line No. |   |    |                |                               |
|----------|---|----|----------------|-------------------------------|
| 1        | Forecasted Amortization (Straight Line)                   | \$ | 2,016,000      | Table 3, Col 3                |
| 2        | Forecasted CCRF (Based on 8.67% ROR, adj. for income tax) | \$ | 287,271        | Table 3, Col 10               |
| 3        | Prior Period True Up                                      | \$ | -              | Table 6 Col 1 + Table 6 Col 5 |
| 4        | Total Annual Amount to be Recovered                       | \$ | 2,303,271      |                               |
| 5        | Retail Sales - kwh  |    | 10,108,888,000 |                               |
| 6        | \$/KWH Surcharge  | \$ | 0.000228       |                               |
| 7        | \$/KWH Surcharge' (including SUT)                         | \$ | 0.000244       |                               |



**Atlantic City Electric Company**  
**Summary Cost of Capital**  
**Proforma at September 30, 2008**

Exhibit B  
Page 6 of 10

| <u>Type of Capital</u> | <u>Ratios</u>         | <u>Cost Rate</u> | <u>Weighted Cost Rate</u> | <u>After-Tax Cost Rate</u> |
|------------------------|-----------------------|------------------|---------------------------|----------------------------|
| Long-Term Debt         | 51.34%                | 7.20%            | 3.69%                     | 2.19%                      |
| Preferred Stock        | 0.52%                 | 4.27%            | 0.02%                     | 0.02%                      |
| Common Equity          | <u>48.14%</u>         | 10.30%           | <u>4.96%</u>              | <u>4.96%</u>               |
| Total                  | <u><u>100.00%</u></u> |                  | <u><u>8.67%</u></u>       | <u><u>7.17%</u></u>        |

**ATLANTIC CITY ELECTRIC COMPANY  
RESIDENTIAL SERVICE ("RS")  
8 WINTER MONTHS (October Through May)**

**Present Rates Effective January 01, 2009**

**vs.**

**Proposed Rates with RGGI Recovery Charge Effective April 1, 2009**

| Monthly Usage (kWh) | Present         | Present          | Present          | New             | New              | New              | Difference     |               | Total           | (%)          |
|---------------------|-----------------|------------------|------------------|-----------------|------------------|------------------|----------------|---------------|-----------------|--------------|
|                     | Delivery (\$)   | Supply+T (\$)    | Total (\$)       | Delivery (\$)   | Supply+T (\$)    | Total (\$)       | Delivery (\$)  | Supply+T (\$) | Difference (\$) |              |
| 0                   | \$ 2.51         | \$ -             | \$ 2.51          | \$ 2.51         | \$ -             | \$ 2.51          | \$ -           | \$ -          | \$ -            | 0.00%        |
| 25                  | \$ 3.46         | \$ 2.73          | \$ 6.19          | \$ 3.47         | \$ 2.73          | \$ 6.20          | \$ 0.01        | \$ -          | \$ 0.01         | 0.16%        |
| 50                  | \$ 4.41         | \$ 5.46          | \$ 9.87          | \$ 4.43         | \$ 5.46          | \$ 9.89          | \$ 0.02        | \$ -          | \$ 0.02         | 0.20%        |
| 75                  | \$ 5.37         | \$ 8.19          | \$ 13.56         | \$ 5.38         | \$ 8.19          | \$ 13.57         | \$ 0.01        | \$ -          | \$ 0.01         | 0.07%        |
| 100                 | \$ 6.32         | \$ 10.92         | \$ 17.24         | \$ 6.34         | \$ 10.92         | \$ 17.26         | \$ 0.02        | \$ -          | \$ 0.02         | 0.12%        |
| 150                 | \$ 8.22         | \$ 16.39         | \$ 24.61         | \$ 8.26         | \$ 16.39         | \$ 24.65         | \$ 0.04        | \$ -          | \$ 0.04         | 0.16%        |
| 200                 | \$ 10.13        | \$ 21.85         | \$ 31.98         | \$ 10.18        | \$ 21.85         | \$ 32.03         | \$ 0.05        | \$ -          | \$ 0.05         | 0.16%        |
| 250                 | \$ 12.03        | \$ 27.31         | \$ 39.34         | \$ 12.09        | \$ 27.31         | \$ 39.40         | \$ 0.06        | \$ -          | \$ 0.06         | 0.15%        |
| 300                 | \$ 13.94        | \$ 32.77         | \$ 46.71         | \$ 14.01        | \$ 32.77         | \$ 46.78         | \$ 0.07        | \$ -          | \$ 0.07         | 0.15%        |
| 350                 | \$ 15.84        | \$ 38.24         | \$ 54.08         | \$ 15.93        | \$ 38.24         | \$ 54.17         | \$ 0.09        | \$ -          | \$ 0.09         | 0.17%        |
| 400                 | \$ 17.75        | \$ 43.70         | \$ 61.45         | \$ 17.84        | \$ 43.70         | \$ 61.54         | \$ 0.09        | \$ -          | \$ 0.09         | 0.15%        |
| 450                 | \$ 19.65        | \$ 49.16         | \$ 68.81         | \$ 19.76        | \$ 49.16         | \$ 68.92         | \$ 0.11        | \$ -          | \$ 0.11         | 0.16%        |
| 500                 | \$ 21.55        | \$ 54.62         | \$ 76.17         | \$ 21.68        | \$ 54.62         | \$ 76.30         | \$ 0.13        | \$ -          | \$ 0.13         | 0.17%        |
| 600                 | \$ 24.81        | \$ 65.55         | \$ 90.36         | \$ 24.96        | \$ 65.55         | \$ 90.51         | \$ 0.15        | \$ -          | \$ 0.15         | 0.17%        |
| 700                 | \$ 28.07        | \$ 76.47         | \$ 104.54        | \$ 28.24        | \$ 76.47         | \$ 104.71        | \$ 0.17        | \$ -          | \$ 0.17         | 0.16%        |
| 750                 | \$ 29.70        | \$ 81.94         | \$ 111.64        | \$ 29.89        | \$ 81.94         | \$ 111.83        | \$ 0.19        | \$ -          | \$ 0.19         | 0.17%        |
| 800                 | \$ 31.33        | \$ 87.40         | \$ 118.73        | \$ 31.53        | \$ 87.40         | \$ 118.93        | \$ 0.20        | \$ -          | \$ 0.20         | 0.17%        |
| 900                 | \$ 34.59        | \$ 98.32         | \$ 132.91        | \$ 34.81        | \$ 98.32         | \$ 133.13        | \$ 0.22        | \$ -          | \$ 0.22         | 0.17%        |
| <b>1000</b>         | <b>\$ 37.85</b> | <b>\$ 109.25</b> | <b>\$ 147.10</b> | <b>\$ 38.10</b> | <b>\$ 109.25</b> | <b>\$ 147.35</b> | <b>\$ 0.25</b> | <b>\$ -</b>   | <b>\$ 0.25</b>  | <b>0.17%</b> |
| 1200                | \$ 44.37        | \$ 131.10        | \$ 175.47        | \$ 44.67        | \$ 131.10        | \$ 175.77        | \$ 0.30        | \$ -          | \$ 0.30         | 0.17%        |
| 1500                | \$ 54.15        | \$ 163.87        | \$ 218.02        | \$ 54.52        | \$ 163.87        | \$ 218.39        | \$ 0.37        | \$ -          | \$ 0.37         | 0.17%        |
| 2000                | \$ 70.45        | \$ 218.49        | \$ 288.94        | \$ 70.94        | \$ 218.49        | \$ 289.43        | \$ 0.49        | \$ -          | \$ 0.49         | 0.17%        |
| 2500                | \$ 86.75        | \$ 273.12        | \$ 359.87        | \$ 87.36        | \$ 273.12        | \$ 360.48        | \$ 0.61        | \$ -          | \$ 0.61         | 0.17%        |
| 3000                | \$ 103.05       | \$ 327.74        | \$ 430.79        | \$ 103.79       | \$ 327.74        | \$ 431.53        | \$ 0.74        | \$ -          | \$ 0.74         | 0.17%        |
| 3500                | \$ 119.35       | \$ 382.36        | \$ 501.71        | \$ 120.21       | \$ 382.36        | \$ 502.57        | \$ 0.86        | \$ -          | \$ 0.86         | 0.17%        |
| 4000                | \$ 135.65       | \$ 436.99        | \$ 572.64        | \$ 136.63       | \$ 436.99        | \$ 573.62        | \$ 0.98        | \$ -          | \$ 0.98         | 0.17%        |

**ATLANTIC CITY ELECTRIC COMPANY**  
**RESIDENTIAL SERVICE ("RS")**  
**4 SUMMER MONTHS (June Through September)**

**Present Rates Effective January 01, 2009**

vs.

**Proposed Rates with RGCI Recovery Charge Effective April 1, 2009**

| Monthly<br><u>Usage</u><br>(kWh) | Present<br><u>Delivery</u><br>(\$) | Present<br><u>Supply+T</u><br>(\$) | Present<br><u>Total</u><br>(\$) | New<br><u>Delivery</u><br>(\$) | New<br><u>Supply+T</u><br>(\$) | New<br><u>Total</u><br>(\$) | <u>Difference</u>       |                         | <u>Total</u>              |              |
|----------------------------------|------------------------------------|------------------------------------|---------------------------------|--------------------------------|--------------------------------|-----------------------------|-------------------------|-------------------------|---------------------------|--------------|
|                                  |                                    |                                    |                                 |                                |                                |                             | <u>Delivery</u><br>(\$) | <u>Supply+T</u><br>(\$) | <u>Difference</u><br>(\$) | <u>(%)</u>   |
| 0                                | \$ 2.51                            | \$ -                               | \$ 2.51                         | \$ 2.51                        | \$ -                           | \$ 2.51                     | \$ -                    | \$ -                    | \$ -                      | 0.00%        |
| 25                               | \$ 3.46                            | \$ 3.80                            | \$ 7.26                         | \$ 3.47                        | \$ 3.80                        | \$ 7.27                     | \$ 0.01                 | \$ -                    | \$ 0.01                   | 0.14%        |
| 50                               | \$ 4.42                            | \$ 7.60                            | \$ 12.02                        | \$ 4.43                        | \$ 7.60                        | \$ 12.03                    | \$ 0.01                 | \$ -                    | \$ 0.01                   | 0.08%        |
| 75                               | \$ 5.37                            | \$ 11.40                           | \$ 16.77                        | \$ 5.39                        | \$ 11.40                       | \$ 16.79                    | \$ 0.02                 | \$ -                    | \$ 0.02                   | 0.12%        |
| 100                              | \$ 6.32                            | \$ 15.21                           | \$ 21.53                        | \$ 6.35                        | \$ 15.21                       | \$ 21.56                    | \$ 0.03                 | \$ -                    | \$ 0.03                   | 0.14%        |
| 150                              | \$ 8.23                            | \$ 22.81                           | \$ 31.04                        | \$ 8.26                        | \$ 22.81                       | \$ 31.07                    | \$ 0.03                 | \$ -                    | \$ 0.03                   | 0.10%        |
| 200                              | \$ 10.13                           | \$ 30.41                           | \$ 40.54                        | \$ 10.18                       | \$ 30.41                       | \$ 40.59                    | \$ 0.05                 | \$ -                    | \$ 0.05                   | 0.12%        |
| 250                              | \$ 12.04                           | \$ 38.01                           | \$ 50.05                        | \$ 12.10                       | \$ 38.01                       | \$ 50.11                    | \$ 0.06                 | \$ -                    | \$ 0.06                   | 0.12%        |
| 300                              | \$ 13.94                           | \$ 45.62                           | \$ 59.56                        | \$ 14.02                       | \$ 45.62                       | \$ 59.64                    | \$ 0.08                 | \$ -                    | \$ 0.08                   | 0.13%        |
| 350                              | \$ 15.85                           | \$ 53.22                           | \$ 69.07                        | \$ 15.93                       | \$ 53.22                       | \$ 69.15                    | \$ 0.08                 | \$ -                    | \$ 0.08                   | 0.12%        |
| 400                              | \$ 17.75                           | \$ 60.82                           | \$ 78.57                        | \$ 17.85                       | \$ 60.82                       | \$ 78.67                    | \$ 0.10                 | \$ -                    | \$ 0.10                   | 0.13%        |
| 450                              | \$ 19.66                           | \$ 68.42                           | \$ 88.08                        | \$ 19.77                       | \$ 68.42                       | \$ 88.19                    | \$ 0.11                 | \$ -                    | \$ 0.11                   | 0.12%        |
| 500                              | \$ 21.56                           | \$ 76.03                           | \$ 97.59                        | \$ 21.69                       | \$ 76.03                       | \$ 97.72                    | \$ 0.13                 | \$ -                    | \$ 0.13                   | 0.13%        |
| 600                              | \$ 25.38                           | \$ 91.23                           | \$ 116.61                       | \$ 25.52                       | \$ 91.23                       | \$ 116.75                   | \$ 0.14                 | \$ -                    | \$ 0.14                   | 0.12%        |
| 700                              | \$ 29.19                           | \$ 106.44                          | \$ 135.63                       | \$ 29.36                       | \$ 106.44                      | \$ 135.80                   | \$ 0.17                 | \$ -                    | \$ 0.17                   | 0.13%        |
| 750                              | \$ 31.09                           | \$ 114.04                          | \$ 145.13                       | \$ 31.27                       | \$ 114.04                      | \$ 145.31                   | \$ 0.18                 | \$ -                    | \$ 0.18                   | 0.12%        |
| 800                              | \$ 33.21                           | \$ 122.12                          | \$ 155.33                       | \$ 33.41                       | \$ 122.12                      | \$ 155.53                   | \$ 0.20                 | \$ -                    | \$ 0.20                   | 0.13%        |
| 900                              | \$ 37.46                           | \$ 138.28                          | \$ 175.74                       | \$ 37.68                       | \$ 138.28                      | \$ 175.96                   | \$ 0.22                 | \$ -                    | \$ 0.22                   | 0.13%        |
| <b>1000</b>                      | <b>\$ 41.70</b>                    | <b>\$ 154.44</b>                   | <b>\$ 196.14</b>                | <b>\$ 41.95</b>                | <b>\$ 154.44</b>               | <b>\$ 196.39</b>            | <b>\$ 0.25</b>          | <b>\$ -</b>             | <b>\$ 0.25</b>            | <b>0.13%</b> |
| 1200                             | \$ 50.19                           | \$ 186.77                          | \$ 236.96                       | \$ 50.48                       | \$ 186.77                      | \$ 237.25                   | \$ 0.29                 | \$ -                    | \$ 0.29                   | 0.12%        |
| 1500                             | \$ 62.92                           | \$ 235.25                          | \$ 298.17                       | \$ 63.29                       | \$ 235.25                      | \$ 298.54                   | \$ 0.37                 | \$ -                    | \$ 0.37                   | 0.12%        |
| 2000                             | \$ 84.14                           | \$ 316.06                          | \$ 400.20                       | \$ 84.63                       | \$ 316.06                      | \$ 400.69                   | \$ 0.49                 | \$ -                    | \$ 0.49                   | 0.12%        |
| 2500                             | \$ 105.36                          | \$ 396.87                          | \$ 502.23                       | \$ 105.97                      | \$ 396.87                      | \$ 502.84                   | \$ 0.61                 | \$ -                    | \$ 0.61                   | 0.12%        |
| 3000                             | \$ 126.58                          | \$ 477.68                          | \$ 604.26                       | \$ 127.31                      | \$ 477.68                      | \$ 604.99                   | \$ 0.73                 | \$ -                    | \$ 0.73                   | 0.12%        |
| 3500                             | \$ 147.80                          | \$ 558.49                          | \$ 706.29                       | \$ 148.65                      | \$ 558.49                      | \$ 707.14                   | \$ 0.85                 | \$ -                    | \$ 0.85                   | 0.12%        |
| 4000                             | \$ 169.02                          | \$ 639.30                          | \$ 808.32                       | \$ 170.00                      | \$ 639.30                      | \$ 809.30                   | \$ 0.98                 | \$ -                    | \$ 0.98                   | 0.12%        |

**ATLANTIC CITY ELECTRIC COMPANY**  
**RESIDENTIAL SERVICE ("RS")**  
**Annual Average**

**Present Rates Effective January 01, 2009**

vs.

**Proposed Rates with RGGI Recovery Charge Effective April 1, 2009**

| Monthly<br>Usage<br>(kWh) | Present          | Present          | Present          | New              | New              | New              | Difference       |                  | Total              |                   |
|---------------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|--------------------|-------------------|
|                           | Delivery<br>(\$) | Supply+T<br>(\$) | Total<br>(\$)    | Delivery<br>(\$) | Supply+T<br>(\$) | Total<br>(\$)    | Delivery<br>(\$) | Supply+T<br>(\$) | Difference<br>(\$) | Difference<br>(%) |
| 0                         | \$ 2.51          | \$ -             | \$ 2.51          | \$ 2.51          | \$ -             | \$ 2.51          | \$ -             | \$ -             | \$ -               | 0.00%             |
| 25                        | \$ 3.46          | \$ 3.09          | \$ 6.55          | \$ 3.47          | \$ 3.09          | \$ 6.56          | \$ 0.01          | \$ -             | \$ 0.01            | 0.15%             |
| 50                        | \$ 4.41          | \$ 6.17          | \$ 10.58         | \$ 4.43          | \$ 6.17          | \$ 10.60         | \$ 0.02          | \$ -             | \$ 0.02            | 0.19%             |
| 75                        | \$ 5.37          | \$ 9.26          | \$ 14.63         | \$ 5.38          | \$ 9.26          | \$ 14.64         | \$ 0.01          | \$ -             | \$ 0.01            | 0.07%             |
| 100                       | \$ 6.32          | \$ 12.35         | \$ 18.67         | \$ 6.34          | \$ 12.35         | \$ 18.69         | \$ 0.02          | \$ -             | \$ 0.02            | 0.11%             |
| 150                       | \$ 8.22          | \$ 18.53         | \$ 26.75         | \$ 8.26          | \$ 18.53         | \$ 26.79         | \$ 0.04          | \$ -             | \$ 0.04            | 0.15%             |
| 200                       | \$ 10.13         | \$ 24.70         | \$ 34.83         | \$ 10.18         | \$ 24.70         | \$ 34.88         | \$ 0.05          | \$ -             | \$ 0.05            | 0.14%             |
| 250                       | \$ 12.03         | \$ 30.88         | \$ 42.91         | \$ 12.09         | \$ 30.88         | \$ 42.97         | \$ 0.06          | \$ -             | \$ 0.06            | 0.14%             |
| 300                       | \$ 13.94         | \$ 37.05         | \$ 50.99         | \$ 14.01         | \$ 37.05         | \$ 51.06         | \$ 0.07          | \$ -             | \$ 0.07            | 0.14%             |
| 350                       | \$ 15.84         | \$ 43.23         | \$ 59.07         | \$ 15.93         | \$ 43.23         | \$ 59.16         | \$ 0.09          | \$ -             | \$ 0.09            | 0.15%             |
| 400                       | \$ 17.75         | \$ 49.41         | \$ 67.16         | \$ 17.84         | \$ 49.41         | \$ 67.25         | \$ 0.09          | \$ -             | \$ 0.09            | 0.13%             |
| 450                       | \$ 19.65         | \$ 55.58         | \$ 75.23         | \$ 19.76         | \$ 55.58         | \$ 75.34         | \$ 0.11          | \$ -             | \$ 0.11            | 0.15%             |
| 500                       | \$ 21.55         | \$ 61.76         | \$ 83.31         | \$ 21.68         | \$ 61.76         | \$ 83.44         | \$ 0.13          | \$ -             | \$ 0.13            | 0.16%             |
| 600                       | \$ 25.00         | \$ 74.11         | \$ 99.11         | \$ 25.15         | \$ 74.11         | \$ 99.26         | \$ 0.15          | \$ -             | \$ 0.15            | 0.15%             |
| 700                       | \$ 28.44         | \$ 86.46         | \$ 114.90        | \$ 28.61         | \$ 86.46         | \$ 115.07        | \$ 0.17          | \$ -             | \$ 0.17            | 0.15%             |
| 750                       | \$ 30.16         | \$ 92.64         | \$ 122.80        | \$ 30.35         | \$ 92.64         | \$ 122.99        | \$ 0.19          | \$ -             | \$ 0.19            | 0.15%             |
| 800                       | \$ 31.96         | \$ 98.97         | \$ 130.93        | \$ 32.16         | \$ 98.97         | \$ 131.13        | \$ 0.20          | \$ -             | \$ 0.20            | 0.15%             |
| 900                       | \$ 35.55         | \$ 111.64        | \$ 147.19        | \$ 35.77         | \$ 111.64        | \$ 147.41        | \$ 0.22          | \$ -             | \$ 0.22            | 0.15%             |
| <b>1000</b>               | <b>\$ 39.13</b>  | <b>\$ 124.31</b> | <b>\$ 163.44</b> | <b>\$ 39.38</b>  | <b>\$ 124.31</b> | <b>\$ 163.69</b> | <b>\$ 0.25</b>   | <b>\$ -</b>      | <b>\$ 0.25</b>     | <b>0.15%</b>      |
| 1200                      | \$ 46.31         | \$ 149.66        | \$ 195.97        | \$ 46.61         | \$ 149.66        | \$ 196.27        | \$ 0.30          | \$ -             | \$ 0.30            | 0.15%             |
| 1500                      | \$ 57.07         | \$ 187.66        | \$ 244.73        | \$ 57.44         | \$ 187.66        | \$ 245.10        | \$ 0.37          | \$ -             | \$ 0.37            | 0.15%             |
| 2000                      | \$ 75.01         | \$ 251.01        | \$ 326.02        | \$ 75.50         | \$ 251.01        | \$ 326.51        | \$ 0.49          | \$ -             | \$ 0.49            | 0.15%             |
| 2500                      | \$ 92.95         | \$ 314.37        | \$ 407.32        | \$ 93.56         | \$ 314.37        | \$ 407.93        | \$ 0.61          | \$ -             | \$ 0.61            | 0.15%             |
| 3000                      | \$ 110.89        | \$ 377.72        | \$ 488.61        | \$ 111.63        | \$ 377.72        | \$ 489.35        | \$ 0.74          | \$ -             | \$ 0.74            | 0.15%             |
| 3500                      | \$ 128.83        | \$ 441.07        | \$ 569.90        | \$ 129.69        | \$ 441.07        | \$ 570.76        | \$ 0.86          | \$ -             | \$ 0.86            | 0.15%             |
| 4000                      | \$ 146.77        | \$ 504.43        | \$ 651.20        | \$ 147.75        | \$ 504.43        | \$ 652.18        | \$ 0.98          | \$ -             | \$ 0.98            | 0.15%             |

ATLANTIC CITY ELECTRIC COMPANY

BPU NJ No. 11 Electric Service - Section IV

Original Sheet No. 65

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**RIDER RGGI**

**Regional Greenhouse Gas Initiative Recovery Charge**

A. Applicability

This rider is applicable to Rate Schedules RS, MGS Secondary, MGS Primary, AGS Secondary, AGS Primary, TGS, DDC, SPL and CSL. Amounts billed to customers shall include a charge to reflect regional greenhouse gas initiative program costs. Rider "RGGI" will be determined annually based on projections of program costs (including an adjustment for variances between budgeted and actual prior year expenditures) and forecasts of kilowatt hour sales. The charge (in dollars per kilowatt hour) will be computed by dividing the total annual amount to be recovered for by forecasted retail sales (in kilowatt hours).

RGGI Programs

|  |            |
|--|------------|
| Economic Energy Efficiency Stimulus Program (\$/kWh) | \$0.000244 |
|--|------------|

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Date of Issue:

Effective Date:

Issued by:

Filed pursuant to Order of the Board of Public Utilities of the State of New Jersey

# EXHIBIT C

### **Bill Stabilization Adjustment**

The Company is proposing a bill stabilization mechanism, the Bill Stabilization Adjustment (BSA), which provides the Company an opportunity to recover its Board authorized level of distribution revenue, regardless of fluctuations in the volumetric sale of electricity. The BSA is a billing adjustment to be applied on a monthly basis to the distribution charge for customers taking service under Rate Schedules RS, MGS-Secondary, MGS Primary, AGS Secondary, AGS Primary and TGS. The adjustment will not be applicable to lighting Rate Schedules CSL or SPL, nor will it be applicable to Rate Schedule DDC, since the monthly revenue stream from these rate schedules is already fairly stable. The adjustment is intended to stabilize revenue based on an approved base year level of revenue per customer derived by applying current approved distribution rates to the most recently available 12 months of customer billing data.

The BSA will be calculated on a monthly basis and will be developed separately for each of the rate schedules identified above. For each month, the approved base year revenue per customer for each rate schedule is applied to the actual number of customers in the billing month to arrive at a target revenue level for each rate schedule. The difference between the total monthly target revenue and the actual monthly revenue forms the basis for the BSA for the given month. To avoid unduly large swings in the BSA from month to month, the Company proposes to cap the level of the BSA charge or credit at 10% of the base year average rate for the applicable month for each rate class. This capping mechanism will result in a level of charge or credit which will be carried over into a subsequent month's adjustment. This amount is added to the revenue difference. In addition to the carryover due to the capping mechanism, an adjustment will be necessary each month to true up for over or under collections in the BSA in prior months. The over/under balances will also be added to the revenue differences to arrive at a final BSA revenue targets for each rate class for the current billing month. The revenue is divided by projected sales for the upcoming monthly bill period. As noted previously, this rate will be compared to 10% of the rate class base year average monthly rate to determine the final BSA for the month.

This Exhibit provides a series of workpapers providing an illustrative example of the BSA calculation, using base year data and current approved distribution rates. The workpapers include a sample BSA calculation for each month of the base year. In the example base period sales were reduced by the anticipated level of energy and demand savings associated with the full implementation of all energy efficiency programs included in Exhibit A to simulate the effects of the anticipated energy reduction targets.

This Exhibit also provides a rate impact analysis of the BSA on residential customers who do not participate in any Energy Efficiency programs. The final page of the Exhibit shows a bill impact for a typical customer who obtains energy savings by participating in Tier 1 through 3 of the Residential Whole House Program.

## Atlantic City Electric Company

Development of Revenue per Customer Using Current Distribution Rates Effective June 1, 2005  
Twelve Months Ending September 30, 2008

Exhibit C

Page 2 of 19

|     | <u>Oct-2007</u>              | <u>Nov-2007</u> | <u>Dec-2007</u> | <u>Jan-2008</u> | <u>Feb-2008</u> | <u>Mar-2008</u> | <u>Apr-2008</u> | <u>May-2008</u> | <u>Jun-2008</u> | <u>Jul-2008</u> | <u>Aug-2008</u> | <u>Sep-2008</u> |               |
|-----|------------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|---------------|
| 1   |                              |                 |                 |                 |                 |                 |                 |                 |                 |                 |                 |                 |               |
| 2 R |                              |                 |                 |                 |                 |                 |                 |                 |                 |                 |                 |                 |               |
| 3   | Number of Customers          | 478,227         | 478,751         | 479,012         | 479,562         | 479,344         | 479,542         | 479,590         | 479,771         | 479,890         | 480,007         | 480,097         | 480,183       |
| 4   | Total Delivered Sales (kWh)  | 345,421,754     | 283,713,055     | 358,821,480     | 395,323,594     | 360,027,395     | 339,505,377     | 289,224,684     | 247,642,723     | 337,208,164     | 510,235,562     | 531,475,726     | 450,643,715   |
| 5   | Delivery Revenue             | \$ 10,310,428   | \$ 8,119,057    | \$ 9,971,696    | \$ 10,774,439   | \$ 9,879,021    | \$ 9,464,561    | \$ 8,325,021    | \$ 7,334,224    | \$ 10,037,305   | \$ 15,704,544   | \$ 16,325,563   | \$ 13,901,783 |
| 6   | Average Use per Customer     | 722.30          | 592.61          | 749.09          | 824.34          | 751.08          | 707.98          | 603.07          | 516.17          | 702.68          | 1,062.98        | 1,107.02        | 938.48        |
| 7   | Average Revenue per Customer | \$ 21.56        | \$ 16.96        | \$ 20.82        | \$ 22.47        | \$ 20.61        | \$ 19.74        | \$ 17.36        | \$ 15.29        | \$ 20.92        | \$ 32.72        | \$ 34.00        | \$ 28.95      |
| 8   | Average Rate (\$/kWh)        | \$ 0.029849     | \$ 0.028617     | \$ 0.027790     | \$ 0.027255     | \$ 0.027440     | \$ 0.027877     | \$ 0.028784     | \$ 0.029616     | \$ 0.029766     | \$ 0.030779     | \$ 0.030717     | \$ 0.030849   |
| 16  | MGS Secondary                |                 |                 |                 |                 |                 |                 |                 |                 |                 |                 |                 |               |
| 17  | Number of Customers          | 52,922          | 52,956          | 52,951          | 53,047          | 53,072          | 53,065          | 53,013          | 53,159          | 53,187          | 53,220          | 53,186          | 53,250        |
| 18  | Total Delivered Sales (kWh)  | 117,764,302     | 84,899,788      | 62,673,578      | 102,750,984     | 99,948,918      | 96,801,282      | 88,958,195      | 85,304,674      | 105,769,170     | 138,008,146     | 141,056,744     | 131,555,246   |
| 19  | Delivery Revenue             | \$ 4,129,063    | \$ 3,158,232    | \$ 2,037,524    | \$ 3,312,109    | \$ 3,160,549    | \$ 3,128,888    | \$ 2,979,900    | \$ 2,943,542    | \$ 3,815,555    | \$ 4,975,323    | \$ 4,987,683    | \$ 4,795,178  |
| 20  | Average Use per Customer     | 2,225.24        | 1,603.21        | 1,183.61        | 1,936.98        | 1,883.27        | 1,824.20        | 1,678.04        | 1,604.71        | 1,988.63        | 2,593.16        | 2,652.14        | 2,470.52      |
| 21  | Average Revenue per Customer | \$ 78.02        | \$ 59.64        | \$ 38.48        | \$ 62.44        | \$ 59.55        | \$ 58.96        | \$ 56.21        | \$ 55.37        | \$ 71.74        | \$ 93.49        | \$ 93.78        | \$ 90.05      |
| 22  | Average Rate (\$/kW)         | \$ 0.035062     | \$ 0.037200     | \$ 0.032510     | \$ 0.032234     | \$ 0.031622     | \$ 0.032323     | \$ 0.033498     | \$ 0.034506     | \$ 0.036074     | \$ 0.036051     | \$ 0.035359     | \$ 0.036450   |
| 23  | MGS Primary                  |                 |                 |                 |                 |                 |                 |                 |                 |                 |                 |                 |               |
| 24  | Number of Customers          | 56              | 53              | 59              | 49              | 54              | 53              | 54              | 64              | 48              | 54              | 56              | 59            |
| 25  | Total Delivered Sales (kWh)  | 1,042,626       | 925,285         | 1,294,827       | 1,260,476       | 1,071,283       | 1,337,685       | 1,018,713       | 1,262,494       | 1,598,447       | 2,285,205       | 2,413,277       | 1,988,549     |
| 26  | Delivery Revenue             | \$ 34,539       | \$ 30,674       | \$ 37,748       | \$ 37,224       | \$ 31,995       | \$ 38,611       | \$ 31,933       | \$ 35,489       | \$ 55,563       | \$ 76,571       | \$ 76,855       | \$ 69,002     |
| 27  | Average Use per Customer     | 18,618.32       | 17,458.21       | 21,946.22       | 25,724.00       | 19,838.57       | 25,239.34       | 18,865.06       | 19,726.47       | 33,300.98       | 42,318.61       | 43,094.23       | 33,704.22     |
| 28  | Average Revenue per Customer | \$ 616.77       | \$ 578.75       | \$ 639.80       | \$ 759.67       | \$ 592.51       | \$ 728.51       | \$ 591.36       | \$ 554.52       | \$ 1,157.57     | \$ 1,417.98     | \$ 1,372.41     | \$ 1,169.53   |
| 29  | Average Rate (\$/kWh)        | \$ 0.033127     | \$ 0.033150     | \$ 0.029153     | \$ 0.029532     | \$ 0.029866     | \$ 0.028864     | \$ 0.031347     | \$ 0.028110     | \$ 0.034761     | \$ 0.033507     | \$ 0.031847     | \$ 0.034700   |
| 30  | AGS Secondary                |                 |                 |                 |                 |                 |                 |                 |                 |                 |                 |                 |               |
| 31  | Number of Customers          | 3,273           | 3,314           | 3,273           | 3,321           | 3,344           | 3,354           | 3,385           | 3,378           | 3,411           | 3,447           | 3,450           | 3,273         |
| 32  | Total Delivered Sales (kWh)  | 184,524,539     | 165,587,037     | 167,148,774     | 175,122,650     | 172,573,098     | 170,801,037     | 161,514,663     | 163,336,948     | 182,489,320     | 206,162,145     | 202,019,765     | 197,240,719   |
| 33  | Delivery Revenue             | \$ 2,862,380    | \$ 2,722,100    | \$ 2,867,226    | \$ 2,965,937    | \$ 2,830,058    | \$ 2,848,927    | \$ 2,787,198    | \$ 2,755,364    | \$ 2,999,088    | \$ 3,042,143    | \$ 2,950,303    | \$ 3,027,438  |
| 34  | Average Use per Customer     | 56,377.80       | 49,965.91       | 51,068.98       | 52,731.90       | 51,606.79       | 50,924.58       | 47,714.82       | 48,353.15       | 53,500.24       | 59,809.15       | 58,556.45       | 60,262.98     |
| 35  | Average Revenue per Customer | \$ 874.54       | \$ 821.39       | \$ 876.02       | \$ 893.09       | \$ 846.31       | \$ 849.41       | \$ 823.40       | \$ 815.68       | \$ 879.24       | \$ 882.55       | \$ 855.16       | \$ 924.97     |
| 36  | Average Rate (\$/kWh)        | \$ 0.015512     | \$ 0.016439     | \$ 0.017154     | \$ 0.016936     | \$ 0.016399     | \$ 0.016680     | \$ 0.017257     | \$ 0.016869     | \$ 0.016434     | \$ 0.014756     | \$ 0.014604     | \$ 0.015349   |
| 37  | AGS Primary                  |                 |                 |                 |                 |                 |                 |                 |                 |                 |                 |                 |               |
| 38  | Number of Customers          | 153             | 153             | 153             | 137             | 134             | 142             | 162             | 124             | 134             | 137             | 141             | 153           |
| 39  | Total Delivered Sales (kWh)  | 52,845,801      | 51,529,298      | 43,938,365      | 53,489,520      | 50,405,256      | 50,299,138      | 46,687,152      | 48,374,385      | 51,692,537      | 59,325,118      | 55,895,022      | 52,302,205    |
| 40  | Delivery Revenue             | \$ 405,756      | \$ 548,662      | \$ 476,476      | \$ 569,270      | \$ 529,109      | \$ 550,921      | \$ 483,404      | \$ 503,629      | \$ 503,112      | \$ 598,189      | \$ 542,646      | \$ 534,632    |
| 41  | Average Use per Customer     | 345,397.39      | 336,792.80      | 287,178.86      | 390,434.45      | 376,158.63      | 354,219.28      | 288,192.30      | 390,116.01      | 385,765.20      | 433,030.06      | 396,418.60      | 341,844.48    |
| 42  | Average Revenue per Customer | \$ 2,652.00     | \$ 3,586.03     | \$ 3,114.22     | \$ 4,155.25     | \$ 3,948.57     | \$ 3,879.72     | \$ 2,983.97     | \$ 4,061.53     | \$ 3,754.57     | \$ 4,366.34     | \$ 3,848.55     | \$ 3,494.33   |
| 43  | Average Rate (\$/kWh)        | \$ 0.007678     | \$ 0.010648     | \$ 0.010844     | \$ 0.010643     | \$ 0.010497     | \$ 0.010953     | \$ 0.010354     | \$ 0.010411     | \$ 0.009733     | \$ 0.010083     | \$ 0.009708     | \$ 0.010222   |
| 44  | TGS                          |                 |                 |                 |                 |                 |                 |                 |                 |                 |                 |                 |               |
| 45  | Number of Customers          | 76              | 84              | 76              | 73              | 73              | 83              | 96              | 74              | 86              | 87              | 96              | 76            |
| 46  | Total Billed Demand (kW)     | 132,508,998     | 104,426,323     | 108,527,395     | 133,235,082     | 113,213,152     | 123,595,921     | 122,164,808     | 124,057,368     | 136,406,188     | 144,683,358     | 146,137,053     | 134,363,966   |
| 47  | Delivery Revenue             | \$ 533,182      | \$ 462,425      | \$ 459,250      | \$ 566,440      | \$ 476,009      | \$ 505,199      | \$ 491,118      | \$ 533,486      | \$ 519,752      | \$ 556,861      | \$ 565,371      | \$ 513,374    |
| 48  | Average Use per Customer     | 1,743,539.45    | 1,243,170.51    | 1,427,992.04    | 1,825,138.11    | 1,550,865.10    | 1,489,107.48    | 1,272,550.08    | 1,676,450.92    | 1,586,118.47    | 1,663,027.10    | 1,522,260.97    | 1,767,946.92  |
| 49  | Average Revenue per Customer | \$ 7,015.55     | \$ 5,505.06     | \$ 6,042.76     | \$ 7,759.46     | \$ 6,520.67     | \$ 6,086.74     | \$ 5,115.81     | \$ 7,209.27     | \$ 6,043.62     | \$ 6,400.70     | \$ 5,889.28     | \$ 6,754.92   |
| 50  | Average Rate (\$/kW)         | \$ 0.004024     | \$ 0.004428     | \$ 0.004232     | \$ 0.004251     | \$ 0.004205     | \$ 0.004088     | \$ 0.004020     | \$ 0.004300     | \$ 0.003810     | \$ 0.003849     | \$ 0.003869     | \$ 0.003821   |



ATLANTIC CITY ELECTRIC COMPANY  
**CALCULATION OF THE MONTHLY RATE ADJUSTMENT - Rider "BSA"**  
**FOR THE BILLING MONTH OF: October, 20XX**

| SCHEDULE   | R             | MGS Secondary | MGS Primary | AGS Secondary | AGS Primary   | TGS           |
|--|---------------|---------------|-------------|---------------|---------------|---------------|
| <b>I. CALCULATION OF REQUIRED REVENUE ADJUSTMENT</b>                       |               |               |             |               |               |               |
| <b>A. CALCULATION OF NORMALIZED MONTHLY TEST YEAR REVENUE</b>              |               |               |             |               |               |               |
| 1. CLASS CUSTOMER COUNT FOR CURRENT BILLING MONTH OF August                | 480,097       | 53,186        | 56          | 3,450         | 141           | 96            |
| 2. AVERAGE CLASS BASE REVENUE PER CUSTOMER IN THE TEST YEAR BILLING MONTH  | \$ 34.00      | \$ 93.78      | \$ 1,372.41 | \$ 855.16     | \$ 3,848.55   | \$ 5,889.28   |
| 3. ALLOWED REVENUE (1 x 2)   | \$ 16,323,298 | \$ 4,987,683  | \$ 76,855   | \$ 2,950,302  | \$ 542,645.55 | \$ 565,370.88 |
| <b>B. ACTUAL MONTHLY REVENUE</b>   |               |               |             |               |               |               |
| 1. ACTUAL MONTHLY CLASS DISTRIBUTION BASE REVENUE IN \$ FOR August         | \$ 16,320,979 | \$ 4,984,440  | \$ 76,810   | \$ 2,950,003  | \$ 542,533    | \$ 565,249    |
| <b>C. REQUIRED REVENUE ADJUSTMENT</b>                                      |               |               |             |               |               |               |
| 1. DIFFERENCE BETWEEN TEST YEAR REVENUE AND ACTUAL REVENUE (A3 - B1)       | \$ 2,319      | \$ 3,244      | \$ 45       | \$ 299        | \$ 112        | \$ 121        |
| <b>II. RECONCILIATION OF BSA REVENUE ADJUSTMENT COLLECTED</b>              |               |               |             |               |               |               |
| A. REVENUE ADJUSTMENT COLLECTED IN August, 20XX                            | \$ 180,000    | \$ 100,000    | \$ 7,000    | \$ 50,000     | \$ 6,000      | \$ 2,000      |
| B. REVENUE ADJUSTMENT ALLOWED FOR August, 20XX                             | \$ 180,000    | \$ 100,000    | \$ 7,000    | \$ 50,000     | \$ 6,000      | \$ 2,000      |
| C. RECONCILIATION ADJUSTMENT REQUIRED (B - A)                              | \$ -          | \$ -          | \$ -        | \$ -          | \$ -          | \$ -          |
| D. DEFERRED REVENUE ADJUSTMENT FROM September, 20XX                        | \$ -          | \$ -          | \$ -        | \$ -          | \$ -          | \$ -          |
| E. CUMULATIVE TRUE UP FOR OVER/UNDER COLLECTIONS IN PREVIOUS MONTH (C + D) | \$ -          | \$ -          | \$ -        | \$ -          | \$ -          | \$ -          |
| <b>III. CALCULATION OF RATE ADJUSTMENT APPLICABLE TO: October, 20XX</b>    |               |               |             |               |               |               |
| <b>A. REVENUE ADJUSTMENT APPLICABLE TO: October, 20XX</b>                  |               |               |             |               |               |               |
| 1. AMOUNT REQUIRED (from I.C1)   | \$ 2,319      | \$ 3,244      | \$ 45       | \$ 299        | \$ 112        | \$ 121        |
| 2. CUMULATIVE TRUE UP IN PREVIOUS MONTH                                    | \$ -          | \$ -          | \$ -        | \$ -          | \$ -          | \$ -          |
| 3. REVENUE ADJUSTMENT (1 + 2)  | \$ 2,319      | \$ 3,244      | \$ 45       | \$ 299        | \$ 112        | \$ 121        |
| B. CLASS FORECASTED kWh FOR: October, 20XX                                 | 328,150,666   | 111,876,087   | 990,495     | 175,298,312   | 50,203,511    | 125,883,548   |
| C. RATE ADJUSTMENT APPLICABLE TO: October, 20XX (A3 divide by B)           | \$ 0.000007   | \$ 0.000029   | \$ 0.000045 | \$ 0.000002   | \$ 0.000002   | \$ 0.000001   |
| <b>IV. TEST OF BSA AGAINST 10% LIMIT</b>                                   |               |               |             |               |               |               |
| A. 10% OF AVERAGE TEST YEAR RATE PER kWh FOR October                       | \$ 0.002985   | \$ 0.003506   | \$ 0.003313 | \$ 0.001551   | \$ 0.000402   | \$ 0.000768   |
| B. RATE ADJUSTMENT APPLICABLE (from III.C)                                 | \$ 0.000007   | \$ 0.000029   | \$ 0.000045 | \$ 0.000002   | \$ 0.000002   | \$ 0.000001   |
| C. DEFERRED RATE ADJUSTMENT OUTSIDE OF 10% CAP                             | \$ -          | \$ -          | \$ -        | \$ -          | \$ -          | \$ -          |
| D. BSA RATE TO BE BILLED IN October, 20XX                                  | \$ 0.000007   | \$ 0.000029   | \$ 0.000045 | \$ 0.000002   | \$ 0.000002   | \$ 0.000001   |
| <b>V. SUMMARY</b>  |               |               |             |               |               |               |
| A. TOTAL REVENUE ADJUSTMENT (from III.A3)                                  | 2,319         | 3,244         | 45          | 299           | 112.45        | 121.48        |
| B. DEFERRED REVENUE (IV.C x III.B)   | -             | -             | -           | -             | -             | -             |
| C. REVENUE TO BE RECOVERED IN October, 20XX                                | 2,319         | 3,244         | 45          | 299           | 112           | 121           |
| D. BSA RATE TO BE BILLED FOR BILLING MONTH OF October, 20XX (from IV.D)    | 0.000007      | 0.000029      | 0.000045    | 0.000002      | 0.000002      | 0.000001      |

ATLANTIC CITY ELECTRIC COMPANY  
**CALCULATION OF THE MONTHLY RATE ADJUSTMENT - Rider "BSA"**  
**FOR THE BILLING MONTH OF: November, 20XX**

| SCHEDULE   | R             | MGS Secondary | MGS Primary | AGS Secondary | AGS Primary   | TGS           |
|--|---------------|---------------|-------------|---------------|---------------|---------------|
| <b>I. CALCULATION OF REQUIRED REVENUE ADJUSTMENT</b>                       |               |               |             |               |               |               |
| <b>A. CALCULATION OF NORMALIZED MONTHLY TEST YEAR REVENUE</b>              |               |               |             |               |               |               |
| 1. CLASS CUSTOMER COUNT FOR CURRENT BILLING MONTH OF September             | 480,183       | 53,250        | 59          | 3,273         | 153           | 76            |
| 2. AVERAGE CLASS BASE REVENUE PER CUSTOMER IN THE TEST YEAR BILLING MONTH  | \$ 28.95      | \$ 90.05      | \$ 1,169.53 | \$ 924.97     | \$ 3,494.33   | \$ 6,754.92   |
| 3. ALLOWED REVENUE (1 x 2)   | \$ 13,901,298 | \$ 4,795,178  | \$ 69,002   | \$ 3,027,427  | \$ 534,632.49 | \$ 513,373.92 |
| <b>B. ACTUAL MONTHLY REVENUE</b>   |               |               |             |               |               |               |
| 1. ACTUAL MONTHLY CLASS DISTRIBUTION BASE REVENUE IN \$ FOR September      | \$ 13,897,198 | \$ 4,791,935  | \$ 68,957   | \$ 3,027,138  | \$ 534,519    | \$ 513,252    |
| <b>C. REQUIRED REVENUE ADJUSTMENT</b>                                      |               |               |             |               |               |               |
| 1. DIFFERENCE BETWEEN TEST YEAR REVENUE AND ACTUAL REVENUE (A3 - B1)       | \$ 4,100      | \$ 3,244      | \$ 45       | \$ 288        | \$ 113        | \$ 122        |
| <b>II. RECONCILIATION OF BSA REVENUE ADJUSTMENT COLLECTED</b>              |               |               |             |               |               |               |
| A. REVENUE ADJUSTMENT COLLECTED IN September, 20XX                         | \$ 180,000    | \$ 100,000    | \$ 7,000    | \$ 50,000     | \$ 6,000      | \$ 2,000      |
| B. REVENUE ADJUSTMENT ALLOWED FOR September, 20XX                          | \$ 180,000    | \$ 100,000    | \$ 7,000    | \$ 50,000     | \$ 6,000      | \$ 2,000      |
| C. RECONCILIATION ADJUSTMENT REQUIRED (B - A)                              | \$ -          | \$ -          | \$ -        | \$ -          | \$ -          | \$ -          |
| D. DEFERRED REVENUE ADJUSTMENT FROM October, 20XX                          | \$ -          | \$ -          | \$ -        | \$ -          | \$ -          | \$ -          |
| E. CUMULATIVE TRUE UP FOR OVER/UNDER COLLECTIONS IN PREVIOUS MONTH (C + D) | \$ -          | \$ -          | \$ -        | \$ -          | \$ -          | \$ -          |
| <b>III. CALCULATION OF RATE ADJUSTMENT APPLICABLE TO: September, 20XX</b>  |               |               |             |               |               |               |
| <b>A. REVENUE ADJUSTMENT APPLICABLE TO: November, 20XX</b>                 |               |               |             |               |               |               |
| 1. AMOUNT REQUIRED (from I.C1)   | \$ 4,100      | \$ 3,244      | \$ 45       | \$ 288        | \$ 113        | \$ 122        |
| 2. CUMULATIVE TRUE UP IN PREVIOUS MONTH                                    | \$ -          | \$ -          | \$ -        | \$ -          | \$ -          | \$ -          |
| 3. REVENUE ADJUSTMENT (1 + 2)  | \$ 4,100      | \$ 3,244      | \$ 45       | \$ 288        | \$ 113        | \$ 122        |
| B. CLASS FORECASTED kWh FOR: November, 20XX                                | 269,527,402   | 80,654,799    | 879,021     | 157,307,685   | 48,952,833    | 99,205,007    |
| C. RATE ADJUSTMENT APPLICABLE TO: November, 20XX (A3 divide by B)          | \$ 0.000015   | \$ 0.000040   | \$ 0.000051 | \$ 0.000002   | \$ 0.000002   | \$ 0.000001   |
| <b>IV. TEST OF BSA AGAINST 10% LIMIT</b>                                   |               |               |             |               |               |               |
| A. 10% OF AVERAGE TEST YEAR RATE PER kWh FOR November                      | \$ 0.002862   | \$ 0.003720   | \$ 0.003315 | \$ 0.001644   | \$ 0.000443   | \$ 0.001065   |
| B. RATE ADJUSTMENT APPLICABLE (from III.C)                                 | \$ 0.000015   | \$ 0.000040   | \$ 0.000051 | \$ 0.000002   | \$ 0.000002   | \$ 0.000001   |
| C. DEFERRED RATE ADJUSTMENT OUTSIDE OF 10% CAP                             | \$ -          | \$ -          | \$ -        | \$ -          | \$ -          | \$ -          |
| D. BSA RATE TO BE BILLED IN September, 20XX                                | \$ 0.000015   | \$ 0.000040   | \$ 0.000051 | \$ 0.000002   | \$ 0.000002   | \$ 0.000001   |
| <b>V. SUMMARY</b>  |               |               |             |               |               |               |
| A. TOTAL REVENUE ADJUSTMENT (from III.A3)                                  | 4,100         | 3,244         | 45          | 288           | 113.30        | 121.60        |
| B. DEFERRED REVENUE (IV.C x III.B)   | -             | -             | -           | -             | -             | -             |
| C. REVENUE TO BE RECOVERED IN September, 20XX                              | 4,100         | 3,244         | 45          | 288           | 113           | 122           |
| D. BSA RATE TO BE BILLED FOR BILLING MONTH OF September, 20XX (from IV.D)  | 0.000015      | 0.000040      | 0.000051    | 0.000002      | 0.000002      | 0.000001      |

ATLANTIC CITY ELECTRIC COMPANY  
**CALCULATION OF THE MONTHLY RATE ADJUSTMENT - Rider "BSA"**  
**FOR THE BILLING MONTH OF: December, 20XX**

| SCHEDULE   | R             | MGS Secondary | MGS Primary | AGS Secondary | AGS Primary   | TGS           |
|--|---------------|---------------|-------------|---------------|---------------|---------------|
| <b>I. CALCULATION OF REQUIRED REVENUE ADJUSTMENT</b>                       |               |               |             |               |               |               |
| <b>A. CALCULATION OF NORMALIZED MONTHLY TEST YEAR REVENUE</b>              |               |               |             |               |               |               |
| 1. CLASS CUSTOMER COUNT FOR CURRENT BILLING MONTH OF October               | 478,227       | 52,922        | 56          | 3,273         | 153           | 76            |
| 2. AVERAGE CLASS BASE REVENUE PER CUSTOMER IN THE TEST YEAR BILLING MONTH  | \$ 21.56      | \$ 78.02      | \$ 616.77   | \$ 874.54     | \$ 2,652.00   | \$ 7,015.55   |
| 3. ALLOWED REVENUE (1 x 2)   | \$ 10,310,574 | \$ 4,129,063  | \$ 34,539   | \$ 2,862,369  | \$ 405,756.00 | \$ 533,181.80 |
| <b>B. ACTUAL MONTHLY REVENUE</b>   |               |               |             |               |               |               |
| 1. ACTUAL MONTHLY CLASS DISTRIBUTION BASE REVENUE IN \$ FOR October        | \$ 10,307,063 | \$ 4,126,144  | \$ 34,499   | \$ 2,862,081  | \$ 405,644    | \$ 533,060    |
| <b>C. REQUIRED REVENUE ADJUSTMENT</b>                                      |               |               |             |               |               |               |
| 1. DIFFERENCE BETWEEN TEST YEAR REVENUE AND ACTUAL REVENUE (A3 - B1)       | \$ 3,511      | \$ 2,919      | \$ 40       | \$ 289        | \$ 112        | \$ 122        |
| <b>II. RECONCILIATION OF BSA REVENUE ADJUSTMENT COLLECTED</b>              |               |               |             |               |               |               |
| A. REVENUE ADJUSTMENT COLLECTED IN October, 20XX                           | \$ 180,000    | \$ 100,000    | \$ 7,000    | \$ 50,000     | \$ 6,000      | \$ 2,000      |
| B. REVENUE ADJUSTMENT ALLOWED FOR October, 20XX                            | \$ 180,000    | \$ 100,000    | \$ 7,000    | \$ 50,000     | \$ 6,000      | \$ 2,000      |
| C. RECONCILIATION ADJUSTMENT REQUIRED (B - A)                              | \$ -          | \$ -          | \$ -        | \$ -          | \$ -          | \$ -          |
| D. DEFERRED REVENUE ADJUSTMENT FROM November, 20XX                         | \$ -          | \$ -          | \$ -        | \$ -          | \$ -          | \$ -          |
| E. CUMULATIVE TRUE UP FOR OVER/UNDER COLLECTIONS IN PREVIOUS MONTH (C + D) | \$ -          | \$ -          | \$ -        | \$ -          | \$ -          | \$ -          |
| <b>III. CALCULATION OF RATE ADJUSTMENT APPLICABLE TO: December, 20XX</b>   |               |               |             |               |               |               |
| <b>A. REVENUE ADJUSTMENT APPLICABLE TO: December, 20XX</b>                 |               |               |             |               |               |               |
| 1. AMOUNT REQUIRED (from I.C1)   | \$ 3,511      | \$ 2,919      | \$ 40       | \$ 289        | \$ 112        | \$ 122        |
| 2. CUMULATIVE TRUE UP IN PREVIOUS MONTH                                    | \$ -          | \$ -          | \$ -        | \$ -          | \$ -          | \$ -          |
| 3. REVENUE ADJUSTMENT (1 + 2)  | \$ 3,511      | \$ 2,919      | \$ 40       | \$ 289        | \$ 112        | \$ 122        |
| B. CLASS FORECASTED kWh FOR: December, 20XX                                | 340,880,406   | 59,539,899    | 1,230,086   | 158,791,335   | 41,741,447    | 103,101,025   |
| C. RATE ADJUSTMENT APPLICABLE TO: December, 20XX (A3 divide by B)          | \$ 0.000010   | \$ 0.000049   | \$ 0.000033 | \$ 0.000002   | \$ 0.000003   | \$ 0.000001   |
| <b>IV. TEST OF BSA AGAINST 10% LIMIT</b>                                   |               |               |             |               |               |               |
| A. 10% OF AVERAGE TEST YEAR RATE PER kWh FOR December                      | \$ 0.002779   | \$ 0.003251   | \$ 0.002915 | \$ 0.001715   | \$ 0.000423   | \$ 0.001084   |
| B. RATE ADJUSTMENT APPLICABLE (from III.C)                                 | \$ 0.000010   | \$ 0.000049   | \$ 0.000033 | \$ 0.000002   | \$ 0.000003   | \$ 0.000001   |
| C. DEFERRED RATE ADJUSTMENT OUTSIDE OF 10% CAP                             | \$ -          | \$ -          | \$ -        | \$ -          | \$ -          | \$ -          |
| D. BSA RATE TO BE BILLED IN December, 20XX                                 | \$ 0.000010   | \$ 0.000049   | \$ 0.000033 | \$ 0.000002   | \$ 0.000003   | \$ 0.000001   |
| <b>V. SUMMARY</b>  |               |               |             |               |               |               |
| A. TOTAL REVENUE ADJUSTMENT (from III.A3)                                  | 3,511         | 2,919         | 40          | 289           | 112.44        | 121.70        |
| B. DEFERRED REVENUE (IV.C x III.B)   | -             | -             | -           | -             | -             | -             |
| C. REVENUE TO BE RECOVERED IN December, 20XX                               | 3,511         | 2,919         | 40          | 289           | 112           | 122           |
| D. BSA RATE TO BE BILLED FOR BILLING MONTH OF December, 20XX (from IV.D)   | 0.000010      | 0.000049      | 0.000033    | 0.000002      | 0.000003      | 0.000001      |

ATLANTIC CITY ELECTRIC COMPANY  
**CALCULATION OF THE MONTHLY RATE ADJUSTMENT - Rider "BSA"**  
**FOR THE BILLING MONTH OF: January, 20XX**

| SCHEDULE   | R  | MGS Secondary | MGS Primary | AGS Secondary | AGS Primary | TGS       |    |             |    |            |    |             |
|--|----|---------------|-------------|---------------|-------------|-----------|----|-------------|----|------------|----|-------------|
| <b>I. CALCULATION OF REQUIRED REVENUE ADJUSTMENT</b>                       |    |               |             |               |             |           |    |             |    |            |    |             |
| <b>A. CALCULATION OF NORMALIZED MONTHLY TEST YEAR REVENUE</b>              |    |               |             |               |             |           |    |             |    |            |    |             |
| 1. CLASS CUSTOMER COUNT FOR CURRENT BILLING MONTH OF November              |    | 478,751       | 52,956      | 53            | 3,314       | 153       | 84 |             |    |            |    |             |
| 2. AVERAGE CLASS BASE REVENUE PER CUSTOMER IN THE TEST YEAR BILLING MONTH  | \$ | 16.96         | \$          | 59.64         | \$          | 578.75    | \$ | 821.39      | \$ | 3,586.03   | \$ | 5,505.06    |
| 3. ALLOWED REVENUE (1 x 2)   | \$ | 8,119,617     | \$          | 3,158,232     | \$          | 30,674    | \$ | 2,722,086   | \$ | 548,662.59 | \$ | 462,425.04  |
| <b>B. ACTUAL MONTHLY REVENUE</b>   |    |               |             |               |             |           |    |             |    |            |    |             |
| 1. ACTUAL MONTHLY CLASS DISTRIBUTION BASE REVENUE IN \$ FOR November       | \$ | 8,115,693     | \$          | 3,155,312     | \$          | 30,634    | \$ | 2,721,801   | \$ | 548,549    | \$ | 462,303     |
| <b>C. REQUIRED REVENUE ADJUSTMENT</b>                                      |    |               |             |               |             |           |    |             |    |            |    |             |
| 1. DIFFERENCE BETWEEN TEST YEAR REVENUE AND ACTUAL REVENUE (A3 - B1)       | \$ | 3,924         | \$          | 2,919         | \$          | 40        | \$ | 286         | \$ | 114        | \$ | 122         |
| <b>II. RECONCILIATION OF BSA REVENUE ADJUSTMENT COLLECTED</b>              |    |               |             |               |             |           |    |             |    |            |    |             |
| A. REVENUE ADJUSTMENT COLLECTED IN November, 20XX                          | \$ | 180,000       | \$          | 100,000       | \$          | 7,000     | \$ | 50,000      | \$ | 6,000      | \$ | 2,000       |
| B. REVENUE ADJUSTMENT ALLOWED FOR November, 20XX                           | \$ | 180,000       | \$          | 100,000       | \$          | 7,000     | \$ | 50,000      | \$ | 6,000      | \$ | 2,000       |
| C. RECONCILIATION ADJUSTMENT REQUIRED (B - A)                              | \$ | -             | \$          | -             | \$          | -         | \$ | -           | \$ | -          | \$ | -           |
| D. DEFERRED REVENUE ADJUSTMENT FROM December, 20XX                         | \$ | -             | \$          | -             | \$          | -         | \$ | -           | \$ | -          | \$ | -           |
| E. CUMULATIVE TRUE UP FOR OVER/UNDER COLLECTIONS IN PREVIOUS MONTH (C + D) | \$ | -             | \$          | -             | \$          | -         | \$ | -           | \$ | -          | \$ | -           |
| <b>III. CALCULATION OF RATE ADJUSTMENT APPLICABLE TO: January, 20XX</b>    |    |               |             |               |             |           |    |             |    |            |    |             |
| <b>A. REVENUE ADJUSTMENT APPLICABLE TO: January, 20XX</b>                  |    |               |             |               |             |           |    |             |    |            |    |             |
| 1. AMOUNT REQUIRED (from I.C1)   | \$ | 3,924         | \$          | 2,919         | \$          | 40        | \$ | 286         | \$ | 114        | \$ | 122         |
| 2. CUMULATIVE TRUE UP IN PREVIOUS MONTH                                    | \$ | -             | \$          | -             | \$          | -         | \$ | -           | \$ | -          | \$ | -           |
| 3. REVENUE ADJUSTMENT (1 + 2)  | \$ | 3,924         | \$          | 2,919         | \$          | 40        | \$ | 286         | \$ | 114        | \$ | 122         |
| B. CLASS FORECASTED kWh FOR: January, 20XX                                 |    | 375,557,414   |             | 97,613,435    |             | 1,197,452 |    | 166,366,518 |    | 50,815,044 |    | 126,573,328 |
| C. RATE ADJUSTMENT APPLICABLE TO: January, 20XX (A3 divide by B)           | \$ | 0.000010      | \$          | 0.000030      | \$          | 0.000034  | \$ | 0.000002    | \$ | 0.000002   | \$ | 0.000001    |
| <b>IV. TEST OF BSA AGAINST 10% LIMIT</b>                                   |    |               |             |               |             |           |    |             |    |            |    |             |
| A. 10% OF AVERAGE TEST YEAR RATE PER kWh FOR January                       | \$ | 0.002726      | \$          | 0.003223      | \$          | 0.002953  | \$ | 0.001694    | \$ | 0.000425   | \$ | 0.001064    |
| B. RATE ADJUSTMENT APPLICABLE (from III.C)                                 | \$ | 0.000010      | \$          | 0.000030      | \$          | 0.000034  | \$ | 0.000002    | \$ | 0.000002   | \$ | 0.000001    |
| C. DEFERRED RATE ADJUSTMENT OUTSIDE OF 10% CAP                             | \$ | -             | \$          | -             | \$          | -         | \$ | -           | \$ | -          | \$ | -           |
| D. BSA RATE TO BE BILLED IN January, 20XX                                  | \$ | 0.000010      | \$          | 0.000030      | \$          | 0.000034  | \$ | 0.000002    | \$ | 0.000002   | \$ | 0.000001    |
| <b>V. SUMMARY</b>  |    |               |             |               |             |           |    |             |    |            |    |             |
| A. TOTAL REVENUE ADJUSTMENT (from III.A3)                                  |    | 3,924         |             | 2,919         |             | 40        |    | 286         |    | 113.55     |    | 121.95      |
| B. DEFERRED REVENUE (IV.C x III.B)   |    | -             |             | -             |             | -         |    | -           |    | -          |    | -           |
| C. REVENUE TO BE RECOVERED IN January, 20XX                                |    | 3,924         |             | 2,919         |             | 40        |    | 286         |    | 114        |    | 122         |
| D. BSA RATE TO BE BILLED FOR BILLING MONTH OF January, 20XX (from IV.D)    |    | 0.000010      |             | 0.000030      |             | 0.000034  |    | 0.000002    |    | 0.000002   |    | 0.000001    |

ATLANTIC CITY ELECTRIC COMPANY  
**CALCULATION OF THE MONTHLY RATE ADJUSTMENT - Rider "BSA"**  
**FOR THE BILLING MONTH OF: February, 20XX**

| SCHEDULE   | R  | MGS Secondary | MGS Primary  | AGS Secondary | AGS Primary  | TGS           |               |
|--|----|---------------|--------------|---------------|--------------|---------------|---------------|
| <b>I. CALCULATION OF REQUIRED REVENUE ADJUSTMENT</b>                       |    |               |              |               |              |               |               |
| <b>A. CALCULATION OF NORMALIZED MONTHLY TEST YEAR REVENUE</b>              |    |               |              |               |              |               |               |
| 1. CLASS CUSTOMER COUNT FOR CURRENT BILLING MONTH OF December              |    | 479,012       | 52,951       | 59            | 3,273        | 153           | 76            |
| 2. AVERAGE CLASS BASE REVENUE PER CUSTOMER IN THE TEST YEAR BILLING MONTH  | \$ | 20.82         | \$ 38.48     | \$ 639.80     | \$ 876.02    | \$ 3,114.22   | \$ 6,042.76   |
| 3. ALLOWED REVENUE (1 x 2)   | \$ | 9,973,030     | \$ 2,037,524 | \$ 37,748     | \$ 2,867,213 | \$ 476,475.66 | \$ 459,249.76 |
| <b>B. ACTUAL MONTHLY REVENUE</b>   |    |               |              |               |              |               |               |
| 1. ACTUAL MONTHLY CLASS DISTRIBUTION BASE REVENUE IN \$ FOR December       | \$ | 9,968,331     | \$ 2,034,605 | \$ 37,708     | \$ 2,866,926 | \$ 476,363    | \$ 459,128    |
| <b>C. REQUIRED REVENUE ADJUSTMENT</b>                                      |    |               |              |               |              |               |               |
| 1. DIFFERENCE BETWEEN TEST YEAR REVENUE AND ACTUAL REVENUE (A3 - B1)       | \$ | 4,699         | \$ 2,919     | \$ 40         | \$ 287       | \$ 113        | \$ 121        |
| <b>II. RECONCILIATION OF BSA REVENUE ADJUSTMENT COLLECTED</b>              |    |               |              |               |              |               |               |
| A. REVENUE ADJUSTMENT COLLECTED IN December, 20XX                          | \$ | 180,000       | \$ 100,000   | \$ 7,000      | \$ 50,000    | \$ 6,000      | \$ 2,000      |
| B. REVENUE ADJUSTMENT ALLOWED FOR December, 20XX                           | \$ | 180,000       | \$ 100,000   | \$ 7,000      | \$ 50,000    | \$ 6,000      | \$ 2,000      |
| C. RECONCILIATION ADJUSTMENT REQUIRED (B - A)                              | \$ | -             | \$ -         | \$ -          | \$ -         | \$ -          | \$ -          |
| D. DEFERRED REVENUE ADJUSTMENT FROM January, 20XX                          | \$ | -             | \$ -         | \$ -          | \$ -         | \$ -          | \$ -          |
| E. CUMULATIVE TRUE UP FOR OVER/UNDER COLLECTIONS IN PREVIOUS MONTH (C + D) | \$ | -             | \$ -         | \$ -          | \$ -         | \$ -          | \$ -          |
| <b>III. CALCULATION OF RATE ADJUSTMENT APPLICABLE TO: February, 20XX</b>   |    |               |              |               |              |               |               |
| <b>A. REVENUE ADJUSTMENT APPLICABLE TO: February, 20XX</b>                 |    |               |              |               |              |               |               |
| 1. AMOUNT REQUIRED (from I.C1)   | \$ | 4,699         | \$ 2,919     | \$ 40         | \$ 287       | \$ 113        | \$ 121        |
| 2. CUMULATIVE TRUE UP IN PREVIOUS MONTH                                    | \$ | -             | \$ -         | \$ -          | \$ -         | \$ -          | \$ -          |
| 3. REVENUE ADJUSTMENT (1 + 2)  | \$ | 4,699         | \$ 2,919     | \$ 40         | \$ 287       | \$ 113        | \$ 121        |
| B. CLASS FORECASTED kWh FOR: February, 20XX                                |    | 342,026,025   | 94,951,472   | 1,017,719     | 163,944,443  | 47,884,993    | 107,552,494   |
| C. RATE ADJUSTMENT APPLICABLE TO: February, 20XX (A3 divide by B)          | \$ | 0.000014      | \$ 0.000031  | \$ 0.000039   | \$ 0.000002  | \$ 0.000002   | \$ 0.000001   |
| <b>IV. TEST OF BSA AGAINST 10% LIMIT</b>                                   |    |               |              |               |              |               |               |
| A. 10% OF AVERAGE TEST YEAR RATE PER kWh FOR February                      | \$ | 0.002744      | \$ 0.003162  | \$ 0.002987   | \$ 0.001640  | \$ 0.000421   | \$ 0.001050   |
| B. RATE ADJUSTMENT APPLICABLE (from III.C)                                 | \$ | 0.000014      | \$ 0.000031  | \$ 0.000039   | \$ 0.000002  | \$ 0.000002   | \$ 0.000001   |
| C. DEFERRED RATE ADJUSTMENT OUTSIDE OF 10% CAP                             | \$ | -             | \$ -         | \$ -          | \$ -         | \$ -          | \$ -          |
| D. BSA RATE TO BE BILLED IN February, 20XX                                 | \$ | 0.000014      | \$ 0.000031  | \$ 0.000039   | \$ 0.000002  | \$ 0.000002   | \$ 0.000001   |
| <b>V. SUMMARY</b>  |    |               |              |               |              |               |               |
| A. TOTAL REVENUE ADJUSTMENT (from III.A3)                                  |    | 4,699         | 2,919        | 40            | 287          | 112.73        | 121.48        |
| B. DEFERRED REVENUE (IV.C x III.B)   |    | -             | -            | -             | -            | -             | -             |
| C. REVENUE TO BE RECOVERED IN February, 20XX                               |    | 4,699         | 2,919        | 40            | 287          | 113           | 121           |
| D. BSA RATE TO BE BILLED FOR BILLING MONTH OF February, 20XX (from IV.D)   |    | 0.000014      | 0.000031     | 0.000039      | 0.000002     | 0.000002      | 0.000001      |

ATLANTIC CITY ELECTRIC COMPANY  
**CALCULATION OF THE MONTHLY RATE ADJUSTMENT - Rider "BSA"**  
**FOR THE BILLING MONTH OF: March, 20XX**

| SCHEDULE   | R  | MGS Secondary | MGS Primary  | AGS Secondary | AGS Primary  | TGS           |               |
|--|----|---------------|--------------|---------------|--------------|---------------|---------------|
| <b>I. CALCULATION OF REQUIRED REVENUE ADJUSTMENT</b>                       |    |               |              |               |              |               |               |
| <b>A. CALCULATION OF NORMALIZED MONTHLY TEST YEAR REVENUE</b>              |    |               |              |               |              |               |               |
| 1. CLASS CUSTOMER COUNT FOR CURRENT BILLING MONTH OF January               |    | 479,562       | 53,047       | 49            | 3,321        | 137           | 73            |
| 2. AVERAGE CLASS BASE REVENUE PER CUSTOMER IN THE TEST YEAR BILLING MONTH  | \$ | 22.47         | \$ 62.44     | \$ 759.67     | \$ 893.09    | \$ 4,155.25   | \$ 7,759.46   |
| 3. ALLOWED REVENUE (1 x 2)   | \$ | 10,775,758    | \$ 3,312,109 | \$ 37,224     | \$ 2,965,952 | \$ 569,269.25 | \$ 566,440.58 |
| <b>B. ACTUAL MONTHLY REVENUE</b>   |    |               |              |               |              |               |               |
| 1. ACTUAL MONTHLY CLASS DISTRIBUTION BASE REVENUE IN \$ FOR January        | \$ | 10,771,074    | \$ 3,309,190 | \$ 37,184     | \$ 2,965,637 | \$ 569,157    | \$ 566,319    |
| <b>C. REQUIRED REVENUE ADJUSTMENT</b>                                      |    |               |              |               |              |               |               |
| 1. DIFFERENCE BETWEEN TEST YEAR REVENUE AND ACTUAL REVENUE (A3 - B1)       | \$ | 4,684         | \$ 2,919     | \$ 40         | \$ 315       | \$ 112        | \$ 122        |
| <b>II. RECONCILIATION OF BSA REVENUE ADJUSTMENT COLLECTED</b>              |    |               |              |               |              |               |               |
| A. REVENUE ADJUSTMENT COLLECTED IN January, 20XX                           | \$ | 180,000       | \$ 100,000   | \$ 7,000      | \$ 50,000    | \$ 6,000      | \$ 2,000      |
| B. REVENUE ADJUSTMENT ALLOWED FOR January, 20XX                            | \$ | 180,000       | \$ 100,000   | \$ 7,000      | \$ 50,000    | \$ 6,000      | \$ 2,000      |
| C. RECONCILIATION ADJUSTMENT REQUIRED (B - A)                              | \$ | -             | \$ -         | \$ -          | \$ -         | \$ -          | \$ -          |
| D. DEFERRED REVENUE ADJUSTMENT FROM February, 20XX                         | \$ | -             | \$ -         | \$ -          | \$ -         | \$ -          | \$ -          |
| E. CUMULATIVE TRUE UP FOR OVER/UNDER COLLECTIONS IN PREVIOUS MONTH (C + D) | \$ | -             | \$ -         | \$ -          | \$ -         | \$ -          | \$ -          |
| <b>III. CALCULATION OF RATE ADJUSTMENT APPLICABLE TO: March, 20XX</b>      |    |               |              |               |              |               |               |
| <b>A. REVENUE ADJUSTMENT APPLICABLE TO: March, 20XX</b>                    |    |               |              |               |              |               |               |
| 1. AMOUNT REQUIRED (from I.C1)   | \$ | 4,684         | \$ 2,919     | \$ 40         | \$ 315       | \$ 112        | \$ 122        |
| 2. CUMULATIVE TRUE UP IN PREVIOUS MONTH                                    | \$ | -             | \$ -         | \$ -          | \$ -         | \$ -          | \$ -          |
| 3. REVENUE ADJUSTMENT (1 + 2)  | \$ | 4,684         | \$ 2,919     | \$ 40         | \$ 315       | \$ 112        | \$ 122        |
| B. CLASS FORECASTED kWh FOR: March, 20XX                                   |    | 322,530,108   | 91,961,218   | 1,270,801     | 162,260,985  | 47,784,181    | 117,416,125   |
| C. RATE ADJUSTMENT APPLICABLE TO: March, 20XX (A3 divide by B)             | \$ | 0.000015      | \$ 0.000032  | \$ 0.000032   | \$ 0.000002  | \$ 0.000002   | \$ 0.000001   |
| <b>IV. TEST OF BSA AGAINST 10% LIMIT</b>                                   |    |               |              |               |              |               |               |
| A. 10% OF AVERAGE TEST YEAR RATE PER kWh FOR March                         | \$ | 0.002788      | \$ 0.003232  | \$ 0.002886   | \$ 0.001668  | \$ 0.000409   | \$ 0.001095   |
| B. RATE ADJUSTMENT APPLICABLE (from III.C)                                 | \$ | 0.000015      | \$ 0.000032  | \$ 0.000032   | \$ 0.000002  | \$ 0.000002   | \$ 0.000001   |
| C. DEFERRED RATE ADJUSTMENT OUTSIDE OF 10% CAP                             | \$ | -             | \$ -         | \$ -          | \$ -         | \$ -          | \$ -          |
| D. BSA RATE TO BE BILLED IN March, 20XX                                    | \$ | 0.000015      | \$ 0.000032  | \$ 0.000032   | \$ 0.000002  | \$ 0.000002   | \$ 0.000001   |
| <b>V. SUMMARY</b>  |    |               |              |               |              |               |               |
| A. TOTAL REVENUE ADJUSTMENT (from III.A3)                                  |    | 4,684         | 2,919        | 40            | 315          | 112.20        | 121.79        |
| B. DEFERRED REVENUE (IV.C x III.B)   |    | -             | -            | -             | -            | -             | -             |
| C. REVENUE TO BE RECOVERED IN March, 20XX                                  |    | 4,684         | 2,919        | 40            | 315          | 112           | 122           |
| D. BSA RATE TO BE BILLED FOR BILLING MONTH OF March, 20XX (from IV.D)      |    | 0.000015      | 0.000032     | 0.000032      | 0.000002     | 0.000002      | 0.000001      |

ATLANTIC CITY ELECTRIC COMPANY  
**CALCULATION OF THE MONTHLY RATE ADJUSTMENT - Rider "BSA"**  
**FOR THE BILLING MONTH OF: April, 20XX**

| SCHEDULE   | R  | MGS Secondary | MGS Primary  | AGS Secondary | AGS Primary  | TGS           |               |
|--|----|---------------|--------------|---------------|--------------|---------------|---------------|
| <b>I. CALCULATION OF REQUIRED REVENUE ADJUSTMENT</b>                       |    |               |              |               |              |               |               |
| <b>A. CALCULATION OF NORMALIZED MONTHLY TEST YEAR REVENUE</b>              |    |               |              |               |              |               |               |
| 1. CLASS CUSTOMER COUNT FOR CURRENT BILLING MONTH OF February              |    | 479,344       | 53,072       | 54            | 3,344        | 134           | 73            |
| 2. AVERAGE CLASS BASE REVENUE PER CUSTOMER IN THE TEST YEAR BILLING MONTH  | \$ | 20.61         | \$ 59.55     | \$ 592.51     | \$ 846.31    | \$ 3,948.57   | \$ 6,520.67   |
| 3. ALLOWED REVENUE (1 x 2)   | \$ | 9,879,280     | \$ 3,160,549 | \$ 31,996     | \$ 2,830,061 | \$ 529,108.38 | \$ 476,008.91 |
| <b>B. ACTUAL MONTHLY REVENUE</b>   |    |               |              |               |              |               |               |
| 1. ACTUAL MONTHLY CLASS DISTRIBUTION BASE REVENUE IN \$ FOR February       | \$ | 9,875,657     | \$ 3,157,630 | \$ 31,955     | \$ 2,829,758 | \$ 528,996    | \$ 475,887    |
| <b>C. REQUIRED REVENUE ADJUSTMENT</b>                                      |    |               |              |               |              |               |               |
| 1. DIFFERENCE BETWEEN TEST YEAR REVENUE AND ACTUAL REVENUE (A3 - B1)       | \$ | 3,623         | \$ 2,919     | \$ 40         | \$ 302       | \$ 112        | \$ 122        |
| <b>II. RECONCILIATION OF BSA REVENUE ADJUSTMENT COLLECTED</b>              |    |               |              |               |              |               |               |
| A. REVENUE ADJUSTMENT COLLECTED IN February, 20XX                          | \$ | 180,000       | \$ 100,000   | \$ 7,000      | \$ 50,000    | \$ 6,000      | \$ 2,000      |
| B. REVENUE ADJUSTMENT ALLOWED FOR February, 20XX                           | \$ | 180,000       | \$ 100,000   | \$ 7,000      | \$ 50,000    | \$ 6,000      | \$ 2,000      |
| C. RECONCILIATION ADJUSTMENT REQUIRED (B - A)                              | \$ | -             | \$ -         | \$ -          | \$ -         | \$ -          | \$ -          |
| D. DEFERRED REVENUE ADJUSTMENT FROM March, 20XX                            | \$ | -             | \$ -         | \$ -          | \$ -         | \$ -          | \$ -          |
| E. CUMULATIVE TRUE UP FOR OVER/UNDER COLLECTIONS IN PREVIOUS MONTH (C + D) | \$ | -             | \$ -         | \$ -          | \$ -         | \$ -          | \$ -          |
| <b>III. CALCULATION OF RATE ADJUSTMENT APPLICABLE TO: April, 20XX</b>      |    |               |              |               |              |               |               |
| <b>A. REVENUE ADJUSTMENT APPLICABLE TO: April, 20XX</b>                    |    |               |              |               |              |               |               |
| 1. AMOUNT REQUIRED (from I.C1)   | \$ | 3,623         | \$ 2,919     | \$ 40         | \$ 302       | \$ 112        | \$ 122        |
| 2. CUMULATIVE TRUE UP IN PREVIOUS MONTH                                    | \$ | -             | \$ -         | \$ -          | \$ -         | \$ -          | \$ -          |
| 3. REVENUE ADJUSTMENT (1 + 2)  | \$ | 3,623         | \$ 2,919     | \$ 40         | \$ 302       | \$ 112        | \$ 122        |
| B. CLASS FORECASTED kWh FOR: April, 20XX                                   |    | 274,763,450   | 84,510,285   | 967,777       | 153,438,930  | 44,352,794    | 116,056,568   |
| C. RATE ADJUSTMENT APPLICABLE TO: April, 20XX (A3 divide by B)             | \$ | 0.000013      | \$ 0.000035  | \$ 0.000041   | \$ 0.000002  | \$ 0.000003   | \$ 0.000001   |
| <b>IV. TEST OF BSA AGAINST 10% LIMIT</b>                                   |    |               |              |               |              |               |               |
| A. 10% OF AVERAGE TEST YEAR RATE PER kWh FOR April                         | \$ | 0.002878      | \$ 0.003350  | \$ 0.003135   | \$ 0.001726  | \$ 0.000402   | \$ 0.001035   |
| B. RATE ADJUSTMENT APPLICABLE (from III.C)                                 | \$ | 0.000013      | \$ 0.000035  | \$ 0.000041   | \$ 0.000002  | \$ 0.000003   | \$ 0.000001   |
| C. DEFERRED RATE ADJUSTMENT OUTSIDE OF 10% CAP                             | \$ | -             | \$ -         | \$ -          | \$ -         | \$ -          | \$ -          |
| D. BSA RATE TO BE BILLED IN April, 20XX                                    | \$ | 0.000013      | \$ 0.000035  | \$ 0.000041   | \$ 0.000002  | \$ 0.000003   | \$ 0.000001   |
| <b>V. SUMMARY</b>  |    |               |              |               |              |               |               |
| A. TOTAL REVENUE ADJUSTMENT (from III.A3)                                  |    | 3,623         | 2,919        | 40            | 302          | 112.38        | 121.51        |
| B. DEFERRED REVENUE (IV.C x III.B)   |    | -             | -            | -             | -            | -             | -             |
| C. REVENUE TO BE RECOVERED IN April, 20XX                                  |    | 3,623         | 2,919        | 40            | 302          | 112           | 122           |
| D. BSA RATE TO BE BILLED FOR BILLING MONTH OF April, 20XX (from IV.D)      |    | 0.000013      | 0.000035     | 0.000041      | 0.000002     | 0.000003      | 0.000001      |

ATLANTIC CITY ELECTRIC COMPANY  
**CALCULATION OF THE MONTHLY RATE ADJUSTMENT - Rider "BSA"**  
**FOR THE BILLING MONTH OF: May, 20XX**

| SCHEDULE   | R  | MGS Secondary | MGS Primary  | AGS Secondary | AGS Primary  | TGS           |               |
|--|----|---------------|--------------|---------------|--------------|---------------|---------------|
| <b>I. CALCULATION OF REQUIRED REVENUE ADJUSTMENT</b>                       |    |               |              |               |              |               |               |
| <b>A. CALCULATION OF NORMALIZED MONTHLY TEST YEAR REVENUE</b>              |    |               |              |               |              |               |               |
| 1. CLASS CUSTOMER COUNT FOR CURRENT BILLING MONTH OF March                 |    | 479,542       | 53,065       | 53            | 3,354        | 142           | 83            |
| 2. AVERAGE CLASS BASE REVENUE PER CUSTOMER IN THE TEST YEAR BILLING MONTH  | \$ | 19.74         | \$ 58.96     | \$ 728.51     | \$ 849.41    | \$ 3,879.72   | \$ 6,086.74   |
| 3. ALLOWED REVENUE (1 x 2)   | \$ | 9,466,159     | \$ 3,128,888 | \$ 38,611     | \$ 2,848,921 | \$ 550,920.24 | \$ 505,199.42 |
| <b>B. ACTUAL MONTHLY REVENUE</b>   |    |               |              |               |              |               |               |
| 1. ACTUAL MONTHLY CLASS DISTRIBUTION BASE REVENUE IN \$ FOR March          | \$ | 9,461,196     | \$ 3,125,969 | \$ 38,571     | \$ 2,848,627 | \$ 550,808    | \$ 505,078    |
| <b>C. REQUIRED REVENUE ADJUSTMENT</b>                                      |    |               |              |               |              |               |               |
| 1. DIFFERENCE BETWEEN TEST YEAR REVENUE AND ACTUAL REVENUE (A3 - B1)       | \$ | 4,963         | \$ 2,919     | \$ 40         | \$ 294       | \$ 112        | \$ 122        |
| <b>II. RECONCILIATION OF BSA REVENUE ADJUSTMENT COLLECTED</b>              |    |               |              |               |              |               |               |
| A. REVENUE ADJUSTMENT COLLECTED IN March, 20XX                             | \$ | 180,000       | \$ 100,000   | \$ 7,000      | \$ 50,000    | \$ 6,000      | \$ 2,000      |
| B. REVENUE ADJUSTMENT ALLOWED FOR March, 20XX                              | \$ | 180,000       | \$ 100,000   | \$ 7,000      | \$ 50,000    | \$ 6,000      | \$ 2,000      |
| C. RECONCILIATION ADJUSTMENT REQUIRED (B - A)                              | \$ | -             | \$ -         | \$ -          | \$ -         | \$ -          | \$ -          |
| D. DEFERRED REVENUE ADJUSTMENT FROM April, 20XX                            | \$ | -             | \$ -         | \$ -          | \$ -         | \$ -          | \$ -          |
| E. CUMULATIVE TRUE UP FOR OVER/UNDER COLLECTIONS IN PREVIOUS MONTH (C + D) | \$ | -             | \$ -         | \$ -          | \$ -         | \$ -          | \$ -          |
| <b>III. CALCULATION OF RATE ADJUSTMENT APPLICABLE TO: May, 20XX</b>        |    |               |              |               |              |               |               |
| <b>A. REVENUE ADJUSTMENT APPLICABLE TO: May, 20XX</b>                      |    |               |              |               |              |               |               |
| 1. AMOUNT REQUIRED (from I.C1)   | \$ | 4,963         | \$ 2,919     | \$ 40         | \$ 294       | \$ 112        | \$ 122        |
| 2. CUMULATIVE TRUE UP IN PREVIOUS MONTH                                    | \$ | -             | \$ -         | \$ -          | \$ -         | \$ -          | \$ -          |
| 3. REVENUE ADJUSTMENT (1 + 2)  | \$ | 4,963         | \$ 2,919     | \$ 40         | \$ 294       | \$ 112        | \$ 122        |
| B. CLASS FORECASTED kWh FOR: May, 20XX                                     |    | 235,260,587   | 81,039,440   | 1,199,369     | 155,170,101  | 45,955,666    | 117,854,500   |
| C. RATE ADJUSTMENT APPLICABLE TO: May, 20XX (A3 divide by B)               | \$ | 0.000021      | \$ 0.000036  | \$ 0.000034   | \$ 0.000002  | \$ 0.000002   | \$ 0.000001   |
| <b>IV. TEST OF BSA AGAINST 10% LIMIT</b>                                   |    |               |              |               |              |               |               |
| A. 10% OF AVERAGE TEST YEAR RATE PER kWh FOR May                           | \$ | 0.002962      | \$ 0.003451  | \$ 0.002811   | \$ 0.001687  | \$ 0.000430   | \$ 0.001041   |
| B. RATE ADJUSTMENT APPLICABLE (from III.C)                                 | \$ | 0.000021      | \$ 0.000036  | \$ 0.000034   | \$ 0.000002  | \$ 0.000002   | \$ 0.000001   |
| C. DEFERRED RATE ADJUSTMENT OUTSIDE OF 10% CAP                             | \$ | -             | \$ -         | \$ -          | \$ -         | \$ -          | \$ -          |
| D. BSA RATE TO BE BILLED IN May, 20XX                                      | \$ | 0.000021      | \$ 0.000036  | \$ 0.000034   | \$ 0.000002  | \$ 0.000002   | \$ 0.000001   |
| <b>V. SUMMARY</b>  |    |               |              |               |              |               |               |
| A. TOTAL REVENUE ADJUSTMENT (from III.A3)                                  |    | 4,963         | 2,919        | 40            | 294          | 112.43        | 121.80        |
| B. DEFERRED REVENUE (IV.C x III.B)   |    | -             | -            | -             | -            | -             | -             |
| C. REVENUE TO BE RECOVERED IN May, 20XX                                    |    | 4,963         | 2,919        | 40            | 294          | 112           | 122           |
| D. BSA RATE TO BE BILLED FOR BILLING MONTH OF May, 20XX (from IV.D)        |    | 0.000021      | 0.000036     | 0.000034      | 0.000002     | 0.000002      | 0.000001      |



ATLANTIC CITY ELECTRIC COMPANY  
**CALCULATION OF THE MONTHLY RATE ADJUSTMENT - Rider "BSA"**  
**FOR THE BILLING MONTH OF: June, 20XX**

| SCHEDULE   | R  | MGS Secondary | MGS Primary  | AGS Secondary | AGS Primary  | TGS           |               |
|--|----|---------------|--------------|---------------|--------------|---------------|---------------|
| <b>I. CALCULATION OF REQUIRED REVENUE ADJUSTMENT</b>                       |    |               |              |               |              |               |               |
| <b>A. CALCULATION OF NORMALIZED MONTHLY TEST YEAR REVENUE</b>              |    |               |              |               |              |               |               |
| 1. CLASS CUSTOMER COUNT FOR CURRENT BILLING MONTH OF April                 |    | 479,590       | 53,013       | 54            | 3,385        | 162           | 96            |
| 2. AVERAGE CLASS BASE REVENUE PER CUSTOMER IN THE TEST YEAR BILLING MONTH  | \$ | 17.36         | \$ 56.21     | \$ 591.36     | \$ 823.40    | \$ 2,983.97   | \$ 5,115.81   |
| 3. ALLOWED REVENUE (1 x 2)   | \$ | 8,325,682     | \$ 2,979,900 | \$ 31,933     | \$ 2,787,209 | \$ 483,403.14 | \$ 491,117.76 |
| <b>B. ACTUAL MONTHLY REVENUE</b>   |    |               |              |               |              |               |               |
| 1. ACTUAL MONTHLY CLASS DISTRIBUTION BASE REVENUE IN \$ FOR April          | \$ | 8,321,656     | \$ 2,976,980 | \$ 31,893     | \$ 2,786,898 | \$ 483,291    | \$ 490,996    |
| <b>C. REQUIRED REVENUE ADJUSTMENT</b>                                      |    |               |              |               |              |               |               |
| 1. DIFFERENCE BETWEEN TEST YEAR REVENUE AND ACTUAL REVENUE (A3 - B1)       | \$ | 4,026         | \$ 2,919     | \$ 40         | \$ 311       | \$ 112        | \$ 121        |
| <b>II. RECONCILIATION OF BSA REVENUE ADJUSTMENT COLLECTED</b>              |    |               |              |               |              |               |               |
| A. REVENUE ADJUSTMENT COLLECTED IN April, 20XX                             | \$ | 180,000       | \$ 100,000   | \$ 7,000      | \$ 50,000    | \$ 6,000      | \$ 2,000      |
| B. REVENUE ADJUSTMENT ALLOWED FOR April, 20XX                              | \$ | 180,000       | \$ 100,000   | \$ 7,000      | \$ 50,000    | \$ 6,000      | \$ 2,000      |
| C. RECONCILIATION ADJUSTMENT REQUIRED (B - A)                              | \$ | -             | \$ -         | \$ -          | \$ -         | \$ -          | \$ -          |
| D. DEFERRED REVENUE ADJUSTMENT FROM May, 20XX                              | \$ | -             | \$ -         | \$ -          | \$ -         | \$ -          | \$ -          |
| E. CUMULATIVE TRUE UP FOR OVER/UNDER COLLECTIONS IN PREVIOUS MONTH (C + D) | \$ | -             | \$ -         | \$ -          | \$ -         | \$ -          | \$ -          |
| <b>III. CALCULATION OF RATE ADJUSTMENT APPLICABLE TO: June, 20XX</b>       |    |               |              |               |              |               |               |
| <b>A. REVENUE ADJUSTMENT APPLICABLE TO: June, 20XX</b>                     |    |               |              |               |              |               |               |
| 1. AMOUNT REQUIRED (from I.C1)   | \$ | 4,026         | \$ 2,919     | \$ 40         | \$ 311       | \$ 112        | \$ 121        |
| 2. CUMULATIVE TRUE UP IN PREVIOUS MONTH                                    | \$ | -             | \$ -         | \$ -          | \$ -         | \$ -          | \$ -          |
| 3. REVENUE ADJUSTMENT (1 + 2)  | \$ | 4,026         | \$ 2,919     | \$ 40         | \$ 311       | \$ 112        | \$ 121        |
| B. CLASS FORECASTED kWh FOR: June, 20XX                                    |    | 320,347,756   | 100,480,712  | 1,518,525     | 173,364,854  | 49,107,910    | 129,585,879   |
| C. RATE ADJUSTMENT APPLICABLE TO: June, 20XX (A3 divide by B)              | \$ | 0.000013      | \$ 0.000029  | \$ 0.000026   | \$ 0.000002  | \$ 0.000002   | \$ 0.000001   |
| <b>IV. TEST OF BSA AGAINST 10% LIMIT</b>                                   |    |               |              |               |              |               |               |
| A. 10% OF AVERAGE TEST YEAR RATE PER kWh FOR June                          | \$ | 0.002977      | \$ 0.003607  | \$ 0.003476   | \$ 0.001643  | \$ 0.000381   | \$ 0.000973   |
| B. RATE ADJUSTMENT APPLICABLE (from III.C)                                 | \$ | 0.000013      | \$ 0.000029  | \$ 0.000026   | \$ 0.000002  | \$ 0.000002   | \$ 0.000001   |
| C. DEFERRED RATE ADJUSTMENT OUTSIDE OF 10% CAP                             | \$ | -             | \$ -         | \$ -          | \$ -         | \$ -          | \$ -          |
| D. BSA RATE TO BE BILLED IN June, 20XX                                     | \$ | 0.000013      | \$ 0.000029  | \$ 0.000026   | \$ 0.000002  | \$ 0.000002   | \$ 0.000001   |
| <b>V. SUMMARY</b>  |    |               |              |               |              |               |               |
| A. TOTAL REVENUE ADJUSTMENT (from III.A3)                                  |    | 4,026         | 2,919        | 40            | 311          | 112.17        | 121.26        |
| B. DEFERRED REVENUE (IV.C x III.B)   |    | -             | -            | -             | -            | -             | -             |
| C. REVENUE TO BE RECOVERED IN June, 20XX                                   |    | 4,026         | 2,919        | 40            | 311          | 112           | 121           |
| D. BSA RATE TO BE BILLED FOR BILLING MONTH OF June, 20XX (from IV.D)       |    | 0.000013      | 0.000029     | 0.000026      | 0.000002     | 0.000002      | 0.000001      |

ATLANTIC CITY ELECTRIC COMPANY  
**CALCULATION OF THE MONTHLY RATE ADJUSTMENT - Rider "BSA"**  
**FOR THE BILLING MONTH OF: July, 20XX**

| SCHEDULE   | R  | MGS Secondary | MGS Primary  | AGS Secondary | AGS Primary  | TGS           |               |
|--|----|---------------|--------------|---------------|--------------|---------------|---------------|
| <b>I. CALCULATION OF REQUIRED REVENUE ADJUSTMENT</b>                       |    |               |              |               |              |               |               |
| <b>A. CALCULATION OF NORMALIZED MONTHLY TEST YEAR REVENUE</b>              |    |               |              |               |              |               |               |
| 1. CLASS CUSTOMER COUNT FOR CURRENT BILLING MONTH OF May                   |    | 479,771       | 53,159       | 64            | 3,378        | 124           | 74            |
| 2. AVERAGE CLASS BASE REVENUE PER CUSTOMER IN THE TEST YEAR BILLING MONTH  | \$ | 15.29         | \$ 55.37     | \$ 554.52     | \$ 815.68    | \$ 4,061.53   | \$ 7,209.27   |
| 3. ALLOWED REVENUE (1 x 2)   | \$ | 7,335,699     | \$ 2,943,542 | \$ 35,489     | \$ 2,755,367 | \$ 503,629.72 | \$ 533,485.98 |
| <b>B. ACTUAL MONTHLY REVENUE</b>   |    |               |              |               |              |               |               |
| 1. ACTUAL MONTHLY CLASS DISTRIBUTION BASE REVENUE IN \$ FOR May            | \$ | 7,330,859     | \$ 2,940,623 | \$ 35,449     | \$ 2,755,064 | \$ 503,517    | \$ 533,365    |
| <b>C. REQUIRED REVENUE ADJUSTMENT</b>                                      |    |               |              |               |              |               |               |
| 1. DIFFERENCE BETWEEN TEST YEAR REVENUE AND ACTUAL REVENUE (A3 - B1)       | \$ | 4,839         | \$ 2,919     | \$ 40         | \$ 303       | \$ 113        | \$ 121        |
| <b>II. RECONCILIATION OF BSA REVENUE ADJUSTMENT COLLECTED</b>              |    |               |              |               |              |               |               |
| A. REVENUE ADJUSTMENT COLLECTED IN May, 20XX                               | \$ | 180,000       | \$ 100,000   | \$ 7,000      | \$ 50,000    | \$ 6,000      | \$ 2,000      |
| B. REVENUE ADJUSTMENT ALLOWED FOR May, 20XX                                | \$ | 180,000       | \$ 100,000   | \$ 7,000      | \$ 50,000    | \$ 6,000      | \$ 2,000      |
| C. RECONCILIATION ADJUSTMENT REQUIRED (B - A)                              | \$ | -             | \$ -         | \$ -          | \$ -         | \$ -          | \$ -          |
| D. DEFERRED REVENUE ADJUSTMENT FROM June, 20XX                             | \$ | -             | \$ -         | \$ -          | \$ -         | \$ -          | \$ -          |
| E. CUMULATIVE TRUE UP FOR OVER/UNDER COLLECTIONS IN PREVIOUS MONTH (C + D) | \$ | -             | \$ -         | \$ -          | \$ -         | \$ -          | \$ -          |
| <b>III. CALCULATION OF RATE ADJUSTMENT APPLICABLE TO: July, 20XX</b>       |    |               |              |               |              |               |               |
| <b>A. REVENUE ADJUSTMENT APPLICABLE TO: July, 20XX</b>                     |    |               |              |               |              |               |               |
| 1. AMOUNT REQUIRED (from I.C1)   | \$ | 4,839         | \$ 2,919     | \$ 40         | \$ 303       | \$ 113        | \$ 121        |
| 2. CUMULATIVE TRUE UP IN PREVIOUS MONTH                                    | \$ | -             | \$ -         | \$ -          | \$ -         | \$ -          | \$ -          |
| 3. REVENUE ADJUSTMENT (1 + 2)  | \$ | 4,839         | \$ 2,919     | \$ 40         | \$ 303       | \$ 113        | \$ 121        |
| B. CLASS FORECASTED kWh FOR: July, 20XX                                    |    | 484,723,784   | 131,107,739  | 2,170,945     | 195,854,038  | 56,358,862    | 137,449,190   |
| C. RATE ADJUSTMENT APPLICABLE TO: July, 20XX (A3 divide by B)              | \$ | 0.000010      | \$ 0.000022  | \$ 0.000019   | \$ 0.000002  | \$ 0.000002   | \$ 0.000001   |
| <b>IV. TEST OF BSA AGAINST 10% LIMIT</b>                                   |    |               |              |               |              |               |               |
| A. 10% OF AVERAGE TEST YEAR RATE PER kWh FOR July                          | \$ | 0.003078      | \$ 0.003605  | \$ 0.003351   | \$ 0.001476  | \$ 0.000385   | \$ 0.001008   |
| B. RATE ADJUSTMENT APPLICABLE (from III.C)                                 | \$ | 0.000010      | \$ 0.000022  | \$ 0.000019   | \$ 0.000002  | \$ 0.000002   | \$ 0.000001   |
| C. DEFERRED RATE ADJUSTMENT OUTSIDE OF 10% CAP                             | \$ | -             | \$ -         | \$ -          | \$ -         | \$ -          | \$ -          |
| D. BSA RATE TO BE BILLED IN July, 20XX                                     | \$ | 0.000010      | \$ 0.000022  | \$ 0.000019   | \$ 0.000002  | \$ 0.000002   | \$ 0.000001   |
| <b>V. SUMMARY</b>  |    |               |              |               |              |               |               |
| A. TOTAL REVENUE ADJUSTMENT (from III.A3)                                  |    | 4,839         | 2,919        | 40            | 303          | 113.12        | 121.25        |
| B. DEFERRED REVENUE (IV.C x III.B)   |    | -             | -            | -             | -            | -             | -             |
| C. REVENUE TO BE RECOVERED IN July, 20XX                                   |    | 4,839         | 2,919        | 40            | 303          | 113           | 121           |
| D. BSA RATE TO BE BILLED FOR BILLING MONTH OF July, 20XX (from IV.D)       |    | 0.000010      | 0.000022     | 0.000019      | 0.000002     | 0.000002      | 0.000001      |

ATLANTIC CITY ELECTRIC COMPANY  
**CALCULATION OF THE MONTHLY RATE ADJUSTMENT - Rider "BSA"**  
**FOR THE BILLING MONTH OF: August, 20XX**

| SCHEDULE   | R  | MGS Secondary | MGS Primary  | AGS Secondary | AGS Primary  | TGS           |               |
|--|----|---------------|--------------|---------------|--------------|---------------|---------------|
| <b>I. CALCULATION OF REQUIRED REVENUE ADJUSTMENT</b>                       |    |               |              |               |              |               |               |
| <b>A. CALCULATION OF NORMALIZED MONTHLY TEST YEAR REVENUE</b>              |    |               |              |               |              |               |               |
| 1. CLASS CUSTOMER COUNT FOR CURRENT BILLING MONTH OF June                  |    | 479,890       | 53,187       | 48            | 3,411        | 134           | 86            |
| 2. AVERAGE CLASS BASE REVENUE PER CUSTOMER IN THE TEST YEAR BILLING MONTH  | \$ | 20.92         | \$ 71.74     | \$ 1,157.57   | \$ 879.24    | \$ 3,754.57   | \$ 6,043.62   |
| 3. ALLOWED REVENUE (1 x 2)   | \$ | 10,039,299    | \$ 3,815,555 | \$ 55,563     | \$ 2,999,088 | \$ 503,112.38 | \$ 519,751.32 |
| <b>B. ACTUAL MONTHLY REVENUE</b>   |    |               |              |               |              |               |               |
| 1. ACTUAL MONTHLY CLASS DISTRIBUTION BASE REVENUE IN \$ FOR June           | \$ | 10,032,720    | \$ 3,812,311 | \$ 55,519     | \$ 2,998,788 | \$ 502,999    | \$ 519,630    |
| <b>C. REQUIRED REVENUE ADJUSTMENT</b>                                      |    |               |              |               |              |               |               |
| 1. DIFFERENCE BETWEEN TEST YEAR REVENUE AND ACTUAL REVENUE (A3 - B1)       | \$ | 6,579         | \$ 3,244     | \$ 45         | \$ 299       | \$ 113        | \$ 121        |
| <b>II. RECONCILIATION OF BSA REVENUE ADJUSTMENT COLLECTED</b>              |    |               |              |               |              |               |               |
| A. REVENUE ADJUSTMENT COLLECTED IN June, 20XX                              | \$ | 180,000       | \$ 100,000   | \$ 7,000      | \$ 50,000    | \$ 6,000      | \$ 2,000      |
| B. REVENUE ADJUSTMENT ALLOWED FOR June, 20XX                               | \$ | 180,000       | \$ 100,000   | \$ 7,000      | \$ 50,000    | \$ 6,000      | \$ 2,000      |
| C. RECONCILIATION ADJUSTMENT REQUIRED (B - A)                              | \$ | -             | \$ -         | \$ -          | \$ -         | \$ -          | \$ -          |
| D. DEFERRED REVENUE ADJUSTMENT FROM July, 20XX                             | \$ | -             | \$ -         | \$ -          | \$ -         | \$ -          | \$ -          |
| E. CUMULATIVE TRUE UP FOR OVER/UNDER COLLECTIONS IN PREVIOUS MONTH (C + D) | \$ | -             | \$ -         | \$ -          | \$ -         | \$ -          | \$ -          |
| <b>III. CALCULATION OF RATE ADJUSTMENT APPLICABLE TO: August, 20XX</b>     |    |               |              |               |              |               |               |
| <b>A. REVENUE ADJUSTMENT APPLICABLE TO: August, 20XX</b>                   |    |               |              |               |              |               |               |
| 1. AMOUNT REQUIRED (from I.C1)   | \$ | 6,579         | \$ 3,244     | \$ 45         | \$ 299       | \$ 113        | \$ 121        |
| 2. CUMULATIVE TRUE UP IN PREVIOUS MONTH                                    | \$ | -             | \$ -         | \$ -          | \$ -         | \$ -          | \$ -          |
| 3. REVENUE ADJUSTMENT (1 + 2)  | \$ | 6,579         | \$ 3,244     | \$ 45         | \$ 299       | \$ 113        | \$ 121        |
| B. CLASS FORECASTED kWh FOR: August, 20XX                                  |    | 504,901,940   | 134,003,907  | 2,292,613     | 191,918,777  | 53,100,271    | 138,830,200   |
| C. RATE ADJUSTMENT APPLICABLE TO: August, 20XX (A3 divide by B)            | \$ | 0.000013      | \$ 0.000024  | \$ 0.000019   | \$ 0.000002  | \$ 0.000002   | \$ 0.000001   |
| <b>IV. TEST OF BSA AGAINST 10% LIMIT</b>                                   |    |               |              |               |              |               |               |
| A. 10% OF AVERAGE TEST YEAR RATE PER kWh FOR August                        | \$ | 0.003072      | \$ 0.003536  | \$ 0.003185   | \$ 0.001460  | \$ 0.000387   | \$ 0.000971   |
| B. RATE ADJUSTMENT APPLICABLE (from III.C)                                 | \$ | 0.000013      | \$ 0.000024  | \$ 0.000019   | \$ 0.000002  | \$ 0.000002   | \$ 0.000001   |
| C. DEFERRED RATE ADJUSTMENT OUTSIDE OF 10% CAP                             | \$ | -             | \$ -         | \$ -          | \$ -         | \$ -          | \$ -          |
| D. BSA RATE TO BE BILLED IN August, 20XX                                   | \$ | 0.000013      | \$ 0.000024  | \$ 0.000019   | \$ 0.000002  | \$ 0.000002   | \$ 0.000001   |
| <b>V. SUMMARY</b>  |    |               |              |               |              |               |               |
| A. TOTAL REVENUE ADJUSTMENT (from III.A3)                                  |    | 6,579         | 3,244        | 45            | 299          | 113.08        | 121.14        |
| B. DEFERRED REVENUE (IV.C x III.B)   |    | -             | -            | -             | -            | -             | -             |
| C. REVENUE TO BE RECOVERED IN August, 20XX                                 |    | 6,579         | 3,244        | 45            | 299          | 113           | 121           |
| D. BSA RATE TO BE BILLED FOR BILLING MONTH OF August, 20XX (from IV.D)     |    | 0.000013      | 0.000024     | 0.000019      | 0.000002     | 0.000002      | 0.000001      |

ATLANTIC CITY ELECTRIC COMPANY  
**CALCULATION OF THE MONTHLY RATE ADJUSTMENT - Rider "BSA"**  
**FOR THE BILLING MONTH OF: September, 20XX**

| SCHEDULE   | R  | MGS Secondary | MGS Primary  | AGS Secondary | AGS Primary  | TGS           |               |
|--|----|---------------|--------------|---------------|--------------|---------------|---------------|
| <b>I. CALCULATION OF REQUIRED REVENUE ADJUSTMENT</b>                       |    |               |              |               |              |               |               |
| <b>A. CALCULATION OF NORMALIZED MONTHLY TEST YEAR REVENUE</b>              |    |               |              |               |              |               |               |
| 1. CLASS CUSTOMER COUNT FOR CURRENT BILLING MONTH OF July                  |    | 480,007       | 53,220       | 54            | 3,447        | 137           | 87            |
| 2. AVERAGE CLASS BASE REVENUE PER CUSTOMER IN THE TEST YEAR BILLING MONTH  | \$ | 32.72         | \$ 93.49     | \$ 1,417.98   | \$ 882.55    | \$ 4,366.34   | \$ 6,400.70   |
| 3. ALLOWED REVENUE (1 x 2)   | \$ | 15,705,829    | \$ 4,975,323 | \$ 76,571     | \$ 3,042,150 | \$ 598,188.58 | \$ 556,860.90 |
| <b>B. ACTUAL MONTHLY REVENUE</b>   |    |               |              |               |              |               |               |
| 1. ACTUAL MONTHLY CLASS DISTRIBUTION BASE REVENUE IN \$ FOR July           | \$ | 15,699,959    | \$ 4,972,080 | \$ 76,526     | \$ 3,041,843 | \$ 598,076    | \$ 556,740    |
| <b>C. REQUIRED REVENUE ADJUSTMENT</b>                                      |    |               |              |               |              |               |               |
| 1. DIFFERENCE BETWEEN TEST YEAR REVENUE AND ACTUAL REVENUE (A3 - B1)       | \$ | 5,870         | \$ 3,244     | \$ 45         | \$ 307       | \$ 113        | \$ 121        |
| <b>II. RECONCILIATION OF BSA REVENUE ADJUSTMENT COLLECTED</b>              |    |               |              |               |              |               |               |
| A. REVENUE ADJUSTMENT COLLECTED IN July, 20XX                              | \$ | 180,000       | \$ 100,000   | \$ 7,000      | \$ 50,000    | \$ 6,000      | \$ 2,000      |
| B. REVENUE ADJUSTMENT ALLOWED FOR July, 20XX                               | \$ | 180,000       | \$ 100,000   | \$ 7,000      | \$ 50,000    | \$ 6,000      | \$ 2,000      |
| C. RECONCILIATION ADJUSTMENT REQUIRED (B - A)                              | \$ | -             | \$ -         | \$ -          | \$ -         | \$ -          | \$ -          |
| D. DEFERRED REVENUE ADJUSTMENT FROM August, 20XX                           | \$ | -             | \$ -         | \$ -          | \$ -         | \$ -          | \$ -          |
| E. CUMULATIVE TRUE UP FOR OVER/UNDER COLLECTIONS IN PREVIOUS MONTH (C + D) | \$ | -             | \$ -         | \$ -          | \$ -         | \$ -          | \$ -          |
| <b>III. CALCULATION OF RATE ADJUSTMENT APPLICABLE TO: September, 20XX</b>  |    |               |              |               |              |               |               |
| <b>A. REVENUE ADJUSTMENT APPLICABLE TO: September, 20XX</b>                |    |               |              |               |              |               |               |
| 1. AMOUNT REQUIRED (from I.C1)   | \$ | 5,870         | \$ 3,244     | \$ 45         | \$ 307       | \$ 113        | \$ 121        |
| 2. CUMULATIVE TRUE UP IN PREVIOUS MONTH                                    | \$ | -             | \$ -         | \$ -          | \$ -         | \$ -          | \$ -          |
| 3. REVENUE ADJUSTMENT (1 + 2)  | \$ | 5,870         | \$ 3,244     | \$ 45         | \$ 307       | \$ 113        | \$ 121        |
| B. CLASS FORECASTED kWh FOR: September, 20XX                               |    | 428,111,529   | 124,977,484  | 1,889,122     | 187,378,683  | 49,687,095    | 127,645,768   |
| C. RATE ADJUSTMENT APPLICABLE TO: September, 20XX (A3 divide by B)         | \$ | 0.000014      | \$ 0.000026  | \$ 0.000024   | \$ 0.000002  | \$ 0.000002   | \$ 0.000001   |
| <b>IV. TEST OF BSA AGAINST 10% LIMIT</b>                                   |    |               |              |               |              |               |               |
| A. 10% OF AVERAGE TEST YEAR RATE PER kWh FOR September                     | \$ | 0.003085      | \$ 0.003645  | \$ 0.003470   | \$ 0.001535  | \$ 0.000382   | \$ 0.001022   |
| B. RATE ADJUSTMENT APPLICABLE (from III.C)                                 | \$ | 0.000014      | \$ 0.000026  | \$ 0.000024   | \$ 0.000002  | \$ 0.000002   | \$ 0.000001   |
| C. DEFERRED RATE ADJUSTMENT OUTSIDE OF 10% CAP                             | \$ | -             | \$ -         | \$ -          | \$ -         | \$ -          | \$ -          |
| D. BSA RATE TO BE BILLED IN September, 20XX                                | \$ | 0.000014      | \$ 0.000026  | \$ 0.000024   | \$ 0.000002  | \$ 0.000002   | \$ 0.000001   |
| <b>V. SUMMARY</b>  |    |               |              |               |              |               |               |
| A. TOTAL REVENUE ADJUSTMENT (from III.A3)                                  |    | 5,870         | 3,244        | 45            | 307          | 112.54        | 121.18        |
| B. DEFERRED REVENUE (IV.C x III.B)   |    | -             | -            | -             | -            | -             | -             |
| C. REVENUE TO BE RECOVERED IN September, 20XX                              |    | 5,870         | 3,244        | 45            | 307          | 113           | 121           |
| D. BSA RATE TO BE BILLED FOR BILLING MONTH OF September, 20XX (from IV.D)  |    | 0.000014      | 0.000026     | 0.000024      | 0.000002     | 0.000002      | 0.000001      |

**ATLANTIC CITY ELECTRIC COMPANY  
RESIDENTIAL SERVICE ("RS")  
8 WINTER MONTHS (October Through May)**

Exhibit C  
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**Impact of BSA on EE Program Non Participants**

| <u>Monthly Usage</u><br>(kWh) | <u>Present Delivery</u><br>(\$) | <u>Present Supply+T</u><br>(\$) | <u>Present Total</u><br>(\$) | <u>New Delivery</u><br>(\$) | <u>New Supply+T</u><br>(\$) | <u>New Total</u><br>(\$) | <u>Difference Delivery</u><br>(\$) |
|-------------------------------|---------------------------------|---------------------------------|------------------------------|-----------------------------|-----------------------------|--------------------------|------------------------------------|
| 0                             | \$ 2.51                         | \$ -                            | \$ 2.51                      | \$ 2.51                     | \$ -                        | \$ 2.51                  | \$ -                               |
| 25                            | \$ 3.46                         | \$ 2.73                         | \$ 6.19                      | \$ 3.46                     | \$ 2.73                     | \$ 6.19                  | \$ -                               |
| 50                            | \$ 4.41                         | \$ 5.46                         | \$ 9.87                      | \$ 4.42                     | \$ 5.46                     | \$ 9.88                  | \$ 0.01                            |
| 75                            | \$ 5.37                         | \$ 8.19                         | \$ 13.56                     | \$ 5.37                     | \$ 8.19                     | \$ 13.56                 | \$ -                               |
| 100                           | \$ 6.32                         | \$ 10.92                        | \$ 17.24                     | \$ 6.32                     | \$ 10.92                    | \$ 17.24                 | \$ -                               |
| 150                           | \$ 8.22                         | \$ 16.39                        | \$ 24.61                     | \$ 8.23                     | \$ 16.39                    | \$ 24.62                 | \$ 0.01                            |
| 200                           | \$ 10.13                        | \$ 21.85                        | \$ 31.98                     | \$ 10.13                    | \$ 21.85                    | \$ 31.98                 | \$ -                               |
| 250                           | \$ 12.03                        | \$ 27.31                        | \$ 39.34                     | \$ 12.04                    | \$ 27.31                    | \$ 39.35                 | \$ 0.01                            |
| 300                           | \$ 13.94                        | \$ 32.77                        | \$ 46.71                     | \$ 13.94                    | \$ 32.77                    | \$ 46.71                 | \$ -                               |
| 350                           | \$ 15.84                        | \$ 38.24                        | \$ 54.08                     | \$ 15.85                    | \$ 38.24                    | \$ 54.09                 | \$ 0.01                            |
| 400                           | \$ 17.75                        | \$ 43.70                        | \$ 61.45                     | \$ 17.75                    | \$ 43.70                    | \$ 61.45                 | \$ -                               |
| 450                           | \$ 19.65                        | \$ 49.16                        | \$ 68.81                     | \$ 19.66                    | \$ 49.16                    | \$ 68.82                 | \$ 0.01                            |
| 500                           | \$ 21.55                        | \$ 54.62                        | \$ 76.17                     | \$ 21.56                    | \$ 54.62                    | \$ 76.18                 | \$ 0.01                            |
| 600                           | \$ 24.84                        | \$ 65.55                        | \$ 90.39                     | \$ 24.85                    | \$ 65.55                    | \$ 90.40                 | \$ 0.01                            |
| 700                           | \$ 28.12                        | \$ 76.47                        | \$ 104.59                    | \$ 28.13                    | \$ 76.47                    | \$ 104.60                | \$ 0.01                            |
| 750                           | \$ 29.77                        | \$ 81.94                        | \$ 111.71                    | \$ 29.77                    | \$ 81.94                    | \$ 111.71                | \$ -                               |
| 800                           | \$ 31.41                        | \$ 87.40                        | \$ 118.81                    | \$ 31.42                    | \$ 87.40                    | \$ 118.82                | \$ 0.01                            |
| 900                           | \$ 34.69                        | \$ 98.32                        | \$ 133.01                    | \$ 34.70                    | \$ 98.32                    | \$ 133.02                | \$ 0.01                            |
| <b>1000</b>                   | <b>\$ 37.98</b>                 | <b>\$ 109.25</b>                | <b>\$ 147.23</b>             | <b>\$ 37.99</b>             | <b>\$ 109.25</b>            | <b>\$ 147.24</b>         | <b>\$ 0.01</b>                     |
| 1200                          | \$ 44.54                        | \$ 131.10                       | \$ 175.64                    | \$ 44.56                    | \$ 131.10                   | \$ 175.66                | \$ 0.02                            |
| 1500                          | \$ 54.40                        | \$ 163.87                       | \$ 218.27                    | \$ 54.42                    | \$ 163.87                   | \$ 218.29                | \$ 0.02                            |
| 2000                          | \$ 70.82                        | \$ 218.49                       | \$ 289.31                    | \$ 70.85                    | \$ 218.49                   | \$ 289.34                | \$ 0.03                            |
| 2500                          | \$ 87.24                        | \$ 273.12                       | \$ 360.36                    | \$ 87.27                    | \$ 273.12                   | \$ 360.39                | \$ 0.03                            |
| 3000                          | \$ 103.66                       | \$ 327.74                       | \$ 431.40                    | \$ 103.70                   | \$ 327.74                   | \$ 431.44                | \$ 0.04                            |
| 3500                          | \$ 120.08                       | \$ 382.36                       | \$ 502.44                    | \$ 120.13                   | \$ 382.36                   | \$ 502.49                | \$ 0.05                            |
| 4000                          | \$ 136.51                       | \$ 436.99                       | \$ 573.50                    | \$ 136.56                   | \$ 436.99                   | \$ 573.55                | \$ 0.05                            |

**ATLANTIC CITY ELECTRIC COMPANY**  
**RESIDENTIAL SERVICE ("RS")**  
**4 SUMMER MONTHS (June Through September)**

Exhibit C  
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**Impact of BSA on EE Program Non Participants**

| <u>Monthly Usage</u><br>(kWh) | <u>Present Delivery</u><br>(\$) | <u>Present Supply+T</u><br>(\$) | <u>Present Total</u><br>(\$) | <u>New Delivery</u><br>(\$) | <u>New Supply+T</u><br>(\$) | <u>New Total</u><br>(\$) | <u>Difference Delivery</u><br>(\$) |
|-------------------------------|---------------------------------|---------------------------------|------------------------------|-----------------------------|-----------------------------|--------------------------|------------------------------------|
| 0                             | \$ 2.51                         | \$ -                            | \$ 2.51                      | \$ 2.51                     | \$ -                        | \$ 2.51                  | \$ -                               |
| 25                            | \$ 3.46                         | \$ 3.80                         | \$ 7.26                      | \$ 3.46                     | \$ 3.80                     | \$ 7.26                  | \$ -                               |
| 50                            | \$ 4.42                         | \$ 7.60                         | \$ 12.02                     | \$ 4.42                     | \$ 7.60                     | \$ 12.02                 | \$ -                               |
| 75                            | \$ 5.37                         | \$ 11.40                        | \$ 16.77                     | \$ 5.37                     | \$ 11.40                    | \$ 16.77                 | \$ -                               |
| 100                           | \$ 6.32                         | \$ 15.21                        | \$ 21.53                     | \$ 6.32                     | \$ 15.21                    | \$ 21.53                 | \$ -                               |
| 150                           | \$ 8.23                         | \$ 22.81                        | \$ 31.04                     | \$ 8.23                     | \$ 22.81                    | \$ 31.04                 | \$ -                               |
| 200                           | \$ 10.13                        | \$ 30.41                        | \$ 40.54                     | \$ 10.13                    | \$ 30.41                    | \$ 40.54                 | \$ -                               |
| 250                           | \$ 12.04                        | \$ 38.01                        | \$ 50.05                     | \$ 12.04                    | \$ 38.01                    | \$ 50.05                 | \$ -                               |
| 300                           | \$ 13.94                        | \$ 45.62                        | \$ 59.56                     | \$ 13.95                    | \$ 45.62                    | \$ 59.57                 | \$ 0.01                            |
| 350                           | \$ 15.85                        | \$ 53.22                        | \$ 69.07                     | \$ 15.85                    | \$ 53.22                    | \$ 69.07                 | \$ -                               |
| 400                           | \$ 17.75                        | \$ 60.82                        | \$ 78.57                     | \$ 17.76                    | \$ 60.82                    | \$ 78.58                 | \$ 0.01                            |
| 450                           | \$ 19.66                        | \$ 68.42                        | \$ 88.08                     | \$ 19.66                    | \$ 68.42                    | \$ 88.08                 | \$ -                               |
| 500                           | \$ 21.56                        | \$ 76.03                        | \$ 97.59                     | \$ 21.57                    | \$ 76.03                    | \$ 97.60                 | \$ 0.01                            |
| 600                           | \$ 25.38                        | \$ 91.23                        | \$ 116.61                    | \$ 25.38                    | \$ 91.23                    | \$ 116.61                | \$ -                               |
| 700                           | \$ 29.19                        | \$ 106.44                       | \$ 135.63                    | \$ 29.19                    | \$ 106.44                   | \$ 135.63                | \$ -                               |
| 750                           | \$ 31.09                        | \$ 114.04                       | \$ 145.13                    | \$ 31.10                    | \$ 114.04                   | \$ 145.14                | \$ 0.01                            |
| 800                           | \$ 33.23                        | \$ 122.12                       | \$ 155.35                    | \$ 33.24                    | \$ 122.12                   | \$ 155.36                | \$ 0.01                            |
| 900                           | \$ 37.49                        | \$ 138.28                       | \$ 175.77                    | \$ 37.51                    | \$ 138.28                   | \$ 175.79                | \$ 0.02                            |
| <b>1000</b>                   | <b>\$ 41.76</b>                 | <b>\$ 154.44</b>                | <b>\$ 196.20</b>             | <b>\$ 41.77</b>             | <b>\$ 154.44</b>            | <b>\$ 196.21</b>         | <b>\$ 0.01</b>                     |
| 1200                          | \$ 50.30                        | \$ 186.77                       | \$ 237.07                    | \$ 50.31                    | \$ 186.77                   | \$ 237.08                | \$ 0.01                            |
| 1500                          | \$ 63.10                        | \$ 235.25                       | \$ 298.35                    | \$ 63.12                    | \$ 235.25                   | \$ 298.37                | \$ 0.02                            |
| 2000                          | \$ 84.45                        | \$ 316.06                       | \$ 400.51                    | \$ 84.47                    | \$ 316.06                   | \$ 400.53                | \$ 0.02                            |
| 2500                          | \$ 105.79                       | \$ 396.87                       | \$ 502.66                    | \$ 105.82                   | \$ 396.87                   | \$ 502.69                | \$ 0.03                            |
| 3000                          | \$ 127.13                       | \$ 477.68                       | \$ 604.81                    | \$ 127.17                   | \$ 477.68                   | \$ 604.85                | \$ 0.04                            |
| 3500                          | \$ 148.47                       | \$ 558.49                       | \$ 706.96                    | \$ 148.51                   | \$ 558.49                   | \$ 707.00                | \$ 0.04                            |
| 4000                          | \$ 169.81                       | \$ 639.30                       | \$ 809.11                    | \$ 169.86                   | \$ 639.30                   | \$ 809.16                | \$ 0.05                            |

**ATLANTIC CITY ELECTRIC COMPANY**  
**RESIDENTIAL SERVICE ("RS")**  
**Annual Average**

Exhibit C  
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**Impact of BSA on EE Program Non Participants**

| <u>Monthly Usage</u><br>(kWh) | <u>Present Delivery</u><br>(\$) | <u>Present Supply+T</u><br>(\$) | <u>Present Total</u><br>(\$) | <u>New Delivery</u><br>(\$) | <u>New Supply+T</u><br>(\$) | <u>New Total</u><br>(\$) | <u>Difference Delivery</u><br>(\$) |
|-------------------------------|---------------------------------|---------------------------------|------------------------------|-----------------------------|-----------------------------|--------------------------|------------------------------------|
| 0                             | \$ 2.51                         | \$ -                            | \$ 2.51                      | \$ 2.51                     | \$ -                        | \$ 2.51                  | \$ -                               |
| 25                            | \$ 3.46                         | \$ 3.09                         | \$ 6.55                      | \$ 3.46                     | \$ 3.09                     | \$ 6.55                  | \$ -                               |
| 50                            | \$ 4.41                         | \$ 6.17                         | \$ 10.58                     | \$ 4.42                     | \$ 6.17                     | \$ 10.59                 | \$ 0.01                            |
| 75                            | \$ 5.37                         | \$ 9.26                         | \$ 14.63                     | \$ 5.37                     | \$ 9.26                     | \$ 14.63                 | \$ -                               |
| 100                           | \$ 6.32                         | \$ 12.35                        | \$ 18.67                     | \$ 6.32                     | \$ 12.35                    | \$ 18.67                 | \$ -                               |
| 150                           | \$ 8.22                         | \$ 18.53                        | \$ 26.75                     | \$ 8.23                     | \$ 18.53                    | \$ 26.76                 | \$ 0.01                            |
| 200                           | \$ 10.13                        | \$ 24.70                        | \$ 34.83                     | \$ 10.13                    | \$ 24.70                    | \$ 34.83                 | \$ -                               |
| 250                           | \$ 12.03                        | \$ 30.88                        | \$ 42.91                     | \$ 12.04                    | \$ 30.88                    | \$ 42.92                 | \$ 0.01                            |
| 300                           | \$ 13.94                        | \$ 37.05                        | \$ 50.99                     | \$ 13.94                    | \$ 37.05                    | \$ 50.99                 | \$ -                               |
| 350                           | \$ 15.84                        | \$ 43.23                        | \$ 59.07                     | \$ 15.85                    | \$ 43.23                    | \$ 59.08                 | \$ 0.01                            |
| 400                           | \$ 17.75                        | \$ 49.41                        | \$ 67.16                     | \$ 17.75                    | \$ 49.41                    | \$ 67.16                 | \$ -                               |
| 450                           | \$ 19.65                        | \$ 55.58                        | \$ 75.23                     | \$ 19.66                    | \$ 55.58                    | \$ 75.24                 | \$ 0.01                            |
| 500                           | \$ 21.55                        | \$ 61.76                        | \$ 83.31                     | \$ 21.56                    | \$ 61.76                    | \$ 83.32                 | \$ 0.01                            |
| 600                           | \$ 25.02                        | \$ 74.11                        | \$ 99.13                     | \$ 25.03                    | \$ 74.11                    | \$ 99.14                 | \$ 0.01                            |
| 700                           | \$ 28.48                        | \$ 86.46                        | \$ 114.94                    | \$ 28.48                    | \$ 86.46                    | \$ 114.94                | \$ -                               |
| 750                           | \$ 30.21                        | \$ 92.64                        | \$ 122.85                    | \$ 30.21                    | \$ 92.64                    | \$ 122.85                | \$ -                               |
| 800                           | \$ 32.02                        | \$ 98.97                        | \$ 130.99                    | \$ 32.03                    | \$ 98.97                    | \$ 131.00                | \$ 0.01                            |
| 900                           | \$ 35.62                        | \$ 111.64                       | \$ 147.26                    | \$ 35.64                    | \$ 111.64                   | \$ 147.28                | \$ 0.02                            |
| <b>1000</b>                   | <b>\$ 39.24</b>                 | <b>\$ 124.31</b>                | <b>\$ 163.55</b>             | <b>\$ 39.25</b>             | <b>\$ 124.31</b>            | <b>\$ 163.56</b>         | <b>\$ 0.01</b>                     |
| 1200                          | \$ 46.46                        | \$ 149.66                       | \$ 196.12                    | \$ 46.48                    | \$ 149.66                   | \$ 196.14                | \$ 0.02                            |
| 1500                          | \$ 57.30                        | \$ 187.66                       | \$ 244.96                    | \$ 57.32                    | \$ 187.66                   | \$ 244.98                | \$ 0.02                            |
| 2000                          | \$ 75.36                        | \$ 251.01                       | \$ 326.37                    | \$ 75.39                    | \$ 251.01                   | \$ 326.40                | \$ 0.03                            |
| 2500                          | \$ 93.42                        | \$ 314.37                       | \$ 407.79                    | \$ 93.45                    | \$ 314.37                   | \$ 407.82                | \$ 0.03                            |
| 3000                          | \$ 111.48                       | \$ 377.72                       | \$ 489.20                    | \$ 111.52                   | \$ 377.72                   | \$ 489.24                | \$ 0.04                            |
| 3500                          | \$ 129.54                       | \$ 441.07                       | \$ 570.61                    | \$ 129.59                   | \$ 441.07                   | \$ 570.66                | \$ 0.05                            |
| 4000                          | \$ 147.61                       | \$ 504.43                       | \$ 652.04                    | \$ 147.66                   | \$ 504.43                   | \$ 652.09                | \$ 0.05                            |

**ATLANTIC CITY ELECTRIC COMPANY**

Typical Monthly RS Bill Impact Under Rider BSA and Tier 1,2 and 3 Usage Reduction

Exhibit C  
Page 18 of 19

**Sample Bill - Summer Rates**

|                                       | <u>Rate</u>   | <u>Usage Level</u> |                  | <u>Change</u>     |
|---------------------------------------|---------------|--------------------|------------------|-------------------|
|                                       |               | 1000               | 867              |                   |
| <b>Delivery Service Charges:</b>      |               |                    |                  |                   |
| Customer Charge                       | \$2.51        | \$2.51             | \$2.51           | \$0.00            |
| Distribution Charge:                  |               |                    |                  |                   |
| First 750kWh X                        | \$ 0.031714   | 23.79              | 23.79            | -                 |
| Over 750kWh X                         | \$ 0.036045   | 9.01               | 4.21             | (4.81)            |
| Market Transition Charge:             | \$ 0.002578   | 2.58               | 2.23             | (0.34)            |
| Net Non-Utility Generation Charge:    | \$ (0.004026) | (4.03)             | (3.49)           | 0.54              |
| Fossil Asset Sale Credit:             | \$ (0.006931) | (6.93)             | (6.01)           | 0.92              |
| Societal Benefits Charge:             | \$ 0.008276   | 8.28               | 7.17             | (1.10)            |
| System Control Charge                 | \$ 0.000066   | 0.07               | 0.06             | (0.01)            |
| Transition Bond Charge (TBC) (\$/kWh) | \$ 0.005800   | 5.80               | 5.03             | (0.77)            |
| Regulatory Assets Recovery Charge     | \$ 0.000632   | 0.63               | 0.55             | (0.08)            |
| <i>EE Surcharge (Proposed)</i>        | \$ 0.000244   | 0.24               | 0.21             | (0.03)            |
| <b>Supply Charges:</b>                |               |                    |                  |                   |
| Transmission Charge:                  | \$ 0.007916   | 7.92               | 6.86             | (1.06)            |
| Basic Generation Service Charge:      |               |                    |                  |                   |
| First 750kWh X                        | \$ 0.144137   | 108.10             | 108.10           | -                 |
| Over 750kWh X                         | \$ 0.153703   | 38.43              | 17.93            | (20.49)           |
| <b>Total Bill</b>                     |               | <b>\$ 196.39</b>   | <b>\$ 169.15</b> | <b>\$ (27.24)</b> |
| BSA (From Attachment 3 Page 2)        | \$ 0.000013   | \$ -               | \$ 0.01          | \$ 0.01           |
| Net Savings                           |               |                    |                  | \$ (27.23)        |

**Sample Bill - Winter Rates**

|                                       | <u>Rate</u>   | <u>Usage Level</u> |                  | <u>Change</u>     |
|---------------------------------------|---------------|--------------------|------------------|-------------------|
|                                       |               | 1000               | 867              |                   |
| <b>Delivery Service Charges:</b>      |               |                    |                  |                   |
| Customer Charge                       | \$2.51        | \$2.51             | \$2.51           | \$0.00            |
| Distribution Charge:                  |               |                    |                  |                   |
| First 750kWh X                        | \$ 0.031694   | 23.77              | 23.77            | -                 |
| Over 750kWh X                         | \$ 0.026206   | 6.55               | 3.06             | (3.49)            |
| Market Transition Charge:             | \$ 0.002578   | 2.58               | 2.23             | (0.34)            |
| Net Non-Utility Generation Charge:    | \$ (0.004026) | (4.03)             | (3.49)           | 0.54              |
| Fossil Asset Sale Credit:             | \$ (0.006931) | (6.93)             | (6.01)           | 0.92              |
| Societal Benefits Charge:             | \$ 0.008276   | 8.28               | 7.17             | (1.10)            |
| System Control Charge                 | \$ 0.000066   | 0.07               | 0.06             | (0.01)            |
| Transition Bond Charge (TBC) (\$/kWh) | \$ 0.005800   | 5.80               | 5.03             | (0.77)            |
| Regulatory Assets Recovery Charge     | \$ 0.000632   | 0.63               | 0.55             | (0.08)            |
| <i>EE Surcharge (Proposed)</i>        | \$ 0.000244   | 0.24               | 0.21             | (0.03)            |
| <b>Supply Charges:</b>                |               |                    |                  |                   |
| Transmission Charge:                  | \$ 0.007916   | 7.92               | 6.86             | (1.06)            |
| Basic Generation Service Charge:      |               |                    |                  |                   |
| First 750kWh X                        | \$ 0.101331   | 76.00              | 76.00            | -                 |
| Over 750kWh X                         | \$ 0.101331   | 25.33              | 11.82            | (13.51)           |
| <b>Total Bill</b>                     |               | <b>\$ 148.72</b>   | <b>\$ 129.77</b> | <b>\$ (18.95)</b> |
| BSA (From Attachment 3 Page 2)        | \$ 0.000013   | \$ -               | \$ 0.01          | \$ 0.01           |
| Net Savings                           |               |                    |                  | \$ (18.93)        |



**RIDER BSA**

**Bill Stabilization Adjustment (BSA)**

A. Bill Stabilization Adjustment

The Distribution Charges billed under the Company's Rate Schedules RS, MGS Secondary, MGS Primary, AGS Secondary, AGS Primary and TGS shall be subject to a Bill Stabilization Adjustment (BSA). The BSA shall be computed monthly for application in the second succeeding billing month. It shall consist of a factor designed to reflect differences between base period and actual base rate revenues, plus a factor designed to reconcile prior period Bill Stabilization Adjustments with actual billed BSA adjustments.

B. Calculation of BSA

- (1) The BSA shall be computed by dividing the difference between the actual monthly revenue and the base period revenue, plus any applicable true-up amount from previous months, by the forecast billing units (kWh or kW) applicable to the service classification for the second succeeding month. The base period revenue is defined as monthly sum of the product of the average revenue per customer for the each billing month at rates approved in the latest base rate proceeding and the number of customers in the current corresponding billing month.
- (2) Formulaically:

$$BSA = \frac{A - B * C + D}{E}$$

Where:

BSA = the monthly Bill Stabilization Adjustment factor for the class in \$ per kWh or kW

A = Monthly Distribution Revenue in \$

B = Average Distribution revenue per customer for the corresponding month in the base period

C = Class customer count for the corresponding month

D = cumulative true-up for over/under-collections in previous months in \$

E = Service Classification Billing Unit (kWh or kW) for the second succeeding month

- (3) The amount of the adjustment factor for any rate schedule may not exceed +/- 10% of the average base period rate per kWh or per kW, for the associated Service Classification. Any excess amount above the cap shall be collected in a subsequent month.

C. Filing

The Company shall file monthly with the Board a copy of the computation of the BSA current factors and/or reconciliation factors at least ten days prior to application on customers' bills. The Company shall furnish Board Staff sufficient workpapers for the review and audit of the BSA.

The current applicable Bill Stabilization Adjustment is available on the Company's website at [www.atlanticcityelectric.com](http://www.atlanticcityelectric.com).

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Date of Issue:

Effective Date:

Issued by: President - Atlantic City Electric Company

Filed pursuant to Order of the Board of Public Utilities of the State of New Jersey as presented in Docket No.

# EXHIBIT D

**IN THE MATTER OF THE PETITION OF ATLANTIC CITY ELECTRIC COMPANY  
FOR APPROVAL OF AN ENERGY EFFICIENCY STIMULUS PROGRAM,  
AND APPROVAL OF AN ASSOCIATED COST RECOVERY MECHANISM AND BILL  
STABILIZATION ADJUSTMENT PURSUANT TO N.J.S.A. 48:3-98.1  
BPU DOCKET NO. E009010056**

**MIMIMUM FILING REQUIREMENTS  
FOR PETITIONS UNDER N.J.S.A. 48:3-98.1**

| <b>I. General Filing Requirements</b>  | <b>Filing Reference</b>   |
|--|---|
| <p><b>a.</b> The utility shall provide with all filings, information and data pertaining to the specific program proposed, as set forth in applicable sections of N.J.A.C. 14:1-5.11 and N.J.A.C. 14:1-5.12.</p>   | <p>Attachment 1 – Comparative Balance Sheet for 3 years – 2005, 2006 and 2007 from FERC FORM 1 Report</p> <p>Attachment 2 – Comparative Income Statement for 3 years – 2005, 2006 and 2007 from FERC FORM 1 Report</p> <p>Attachment 3 – Most recent Balance Sheet – September 2008 from FERC FORM 1 Report</p> <p>Petition – Certification</p> |
| <p><b>b.</b> All filings shall contain information and financial statements for the proposed program in accordance with the applicable Uniform System of Accounts that is set forth in N.J.A.C. 14:1-5.12. The utility shall provide the Accounts and Account numbers that will be utilized in booking the revenues, costs, expenses and assets pertaining to each proposed program so that they can be properly separated and allocated from other regulated and/or other programs.</p>   | <p align="center">To be provided upon approval</p>  |
| <p><b>c.</b> The utility shall provide supporting explanations, assumptions, calculations, and work papers for each proposed program and cost recovery mechanism petition filed under N.J.S.A. 48:3-98.1 and for all qualitative and quantitative analyses therein. The utility shall provide electronic copies of all materials and supporting schedules, with all inputs and formulae intact.</p>  | <p align="center">See <b>Exhibits A, B and C</b></p>  |
| <p><b>d.</b> The utility shall file testimony supporting its petition.</p>   | <p>Waiver requested</p>   |
| <p><b>e.</b> For any small scale or pilot program, the utility shall only be subject to the requirements in this Section and Sections II, III, and IV. The utility shall, however, provide its estimate of costs and a list of data it intends to collect in a subsequent review of the benefits of the program. Information in Section V may be required for pilot and small programs if such programs are particularly large or complex. A “small scale” project is defined as one that would result in either a rate increase of less than a half of one percent of the average residential customer’s bill or an additional annual</p> | <p>The proposal represents a small scale program – the total revenue requirement is approximately \$2.4 million and the estimated rate increase is approximately 0.2 percent of the average residential customer’s bill. See <b>Exhibits A, B and C.</b></p>  |

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| total revenue requirement of less than \$5 million. A pilot program shall be no longer than three years, but can be extended under appropriate circumstances.   |                                   |
| f. If the utility is filing for an increase in rates, charges etc. or for approval of a program which may increase rates/charges to ratepayers in the future, the utility shall include a draft public notice with the petition and proposed publication dates.   | See <b>Exhibit E</b>              |
| <b>II. Program Description</b>  | <b>Filing Reference</b>           |
| a. The utility shall provide a detailed description of each proposed program for which the utility seeks approval.  | See <b>Exhibit A</b>              |
| b. The utility shall provide a detailed explanation of the differences and similarities between each proposed program and existing and/or prior programs offered by the New Jersey Clean Energy Program, or the utility.  | See <b>Exhibit A</b>              |
| c. The utility shall provide a description of how the proposed program will complement, and impact existing programs being offered by the utility and the New Jersey Clean Energy Program with all supporting documentation.  | See <b>Exhibit A</b>              |
| d. The utility shall provide a detailed description of how the proposed program is consistent with and/or different from other utility programs or pilots in place or proposed with all supporting documentation.   | See <b>Exhibit A</b>              |
| e. The utility shall provide a detailed description of how the proposed program comports with New Jersey State policy as reflected in reports, including the New Jersey Energy Master Plan, or, pending issuance of the final Energy Master Plan, the draft Energy Master Plan, and the greenhouse gas emissions reports to be issued by the New Jersey Department of Environmental Protection pursuant to N.J.S.A. 26:2C-42(b) and (c) and N.J.S.A. 26:2C-43 of the Global Warming Response Act, N.J.S.A. 26:2C-37 et seq. | See <b>Exhibit A</b> and Petition |
| f. The utility shall provide the features and benefits for each proposed program including the following:<br>i. the target market and customer eligibility if incentives are to be offered;<br>ii. the program offering and customer incentives;  | See <b>Exhibit A</b>              |

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| iii. the quality control method including inspection;<br>iv. program administration; and<br>v. program delivery mechanisms.  |   |
| <b>g.</b> The utility shall provide the criteria upon which it chose the program.  | See <b>Exhibit A</b> and Petition   |
| <b>h.</b> The utility shall provide the estimated program costs by the following categories: administrative (all utility costs), marketing/sales, training, rebates/incentives including inspections and quality control, program implementation (all contract costs) and evaluation and other.  | See <b>Exhibit A</b>  |
| <b>i.</b> The utility shall provide the extent to which the utility intends to utilize employees, contractors or both to deliver the program and, to the extent applicable, the criteria the utility will use for contractor selection.  | See <b>Exhibit A</b>  |
| <b>j.</b> In the event the program contemplates an agreement between the utility and its contractors and/or the utility and its ratepayers, copies of the proposed standard contract or agreement between the ratepayer and the utility, the contractor and the utility, and/or the contractor and the ratepayer shall be provided.                | To extent applicable, will be provided following program approval.                      |
| <b>k.</b> The utility shall provide a detailed description of the process for resolving any customer complaints related to these programs.   | Not applicable  |
| <b>l.</b> The utility shall describe the program goals including number of participants on an annual basis and the energy savings, renewable energy generation and resource savings, both projected annually and over the life of the measures.  | See <b>Exhibit A</b>  |
| <b>m.</b> Marketing – The utility shall provide the following: a description of where and how the proposed program/project will be marketed or promoted throughout the demographic segments of the utility’s customer base including an explanation of how prices and the service for each proposed program/project will be conveyed to customers. | See <b>Exhibit A</b>  |
| <b>III. Additional Required Information</b>  | <b>Filing Reference</b>   |
| <b>a.</b> The utility shall describe whether the proposed programs will generate incremental activity in the energy efficiency/conservation/renewable energy marketplace and what, if any, impact on competition may be created, including any impact on employment, economic development and the  | Not applicable<br>(filing made pursuant to Governor Corzine’s October 16, 2008 address) |

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| <p>development of new business with all supporting documentation. This shall include a breakdown of the impact on the employment within this marketplace as follows: marketing/sales, training, program implementation, installation, equipment, manufacturing and evaluation and other applicable markets. With respect to the impact on competition the analysis should include the competition between utilities and other entities already currently delivering the service in the market or new markets that may be created.</p>   |  |
| <p><b>b.</b> The utility shall provide a description of any known market barriers that may impact the program and address the potential impact on such known market barriers for each proposed program with all supporting documentation. This analysis shall include barriers across the various markets including residential (both single and multi-family), commercial and industrial (both privately owned and leased buildings), as well as between small, medium and large commercial and industrial markets. This should include both new development and retrofit or replacement upgrades across the market sectors.</p> | <p align="center">Not applicable<br/>(filing made pursuant to Governor Corzine's<br/>October 16, 2008 address)</p> |
| <p><b>c.</b> The utility shall provide a qualitative/quantitative description of any anticipated environmental benefits associated with the proposed program and a quantitative estimate of such benefits for the program overall and for each participant in the program with all supporting documentation. This shall include an estimate of the energy saved in kWh and/or therms and the avoided air emissions, wastewater discharges, waste generation and water use or other saved or avoided resources.</p>  | <p align="center">Not applicable<br/>(filing made pursuant to Governor Corzine's<br/>October 16, 2008 address)</p> |
| <p><b>d.</b> To the extent known, the utility shall identify whether there are similar programs available in the existing marketplace and provide supporting documentation if applicable. This shall include those programs that provide other societal benefits to other under-served markets. This should include an analysis of the services already provided in the market place, and the level of competition.</p>   | <p align="center">Not applicable<br/>(filing made pursuant to Governor Corzine's<br/>October 16, 2008 address)</p> |
| <p><b>e.</b> The utility shall provide an analysis of the benefits or impacts in regard to Smart Growth.</p>  | <p align="center">Not applicable<br/>(filing made pursuant to Governor Corzine's<br/>October 16, 2008 address)</p> |

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| <p><b>f.</b> The utility shall propose the method for treatment of Renewable Energy Certificates ("REC") including solar RECs or any other certificate developed by the Board of Public Utilities, including Greenhouse Gas Emissions Portfolio and Energy Efficiency Portfolio Standards including ownership, and use of the certificate revenue stream(s).</p>   | <p align="center">Not applicable<br/>(filing made pursuant to Governor Corzine's<br/>October 16, 2008 address)</p> |
| <p><b>g.</b> The utility shall propose the method for treatment of any air emission credits and offsets, including Regional Greenhouse Gas Initiative carbon dioxide allowances and offsets including ownership, and use of the certificate revenue stream(s).</p>   | <p align="center">Not applicable</p>   |
| <p><b>h.</b> The utility shall analyze the proposed quantity and expected prices for any REC, solar REC, air emission credits, offsets or allowances or other certificates to the extent possible.</p>   | <p align="center">Not Applicable</p>   |
| <p><b>IV. Cost Recovery Mechanism</b></p>  | <p align="center"><b>Filing Reference</b></p>  |
| <p><b>a.</b> The utility shall provide appropriate financial data for the proposed program, including estimated revenues, expenses and capitalized investments, for each of the first three years of operations and at the beginning and end of each year of said three-year period. The utility shall include pro forma income statements for the proposed program, for each of the first three years of operations and actual or estimated balance sheets as at the beginning and end of each years of said three year period.</p> | <p>See <b>Exhibits B and C</b></p>   |
| <p><b>b.</b> Shall provide detailed spreadsheets of the accounting treatment of the cost recovery including describing how costs will be amortized, which accounts will be debited or credited each month, and how the costs will flow through the proposed method of recovery of program costs.</p>   | <p>To be provided following program authorization</p>  |
| <p><b>c.</b> The utility shall provide a detailed explanation, with all supporting documentation, of the recovery mechanism it proposes to utilize for cost recovery of the proposed program, including proposed recovery through the Societal Benefits Charge, a separate clause established for these programs, base rate revenue requirements, government funding reimbursement, retail margin, and/or other.</p>   | <p>See <b>Exhibits B and C</b></p>   |

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| <p><b>d.</b> The utility's petition for approval, including proposed tariff sheets and other required information, shall be verified as to its accuracy and shall be accompanied by a certification of service demonstrating that the petition was served on the Department of the Public Advocate, Division of Rate Counsel simultaneous to its submission to the Board.</p>   | <p>See Petition and Cover Letter</p>  |
| <p><b>e.</b> The utility shall provide an annual rate impact summary by year for the proposed program, and an annual cumulative rate impact summary for all approved and proposed programs showing the impact of individual programs as well as the cumulative impact of all programs upon each customer class of implementing each program and all approved and proposed programs based upon a revenue requirement analysis that identifies all estimated program costs and revenues for each proposed program on an annual basis. The utility shall also provide an annual bill impact summary by year for each program, and an annual cumulative bill impact summary by year for all approved and proposed programs showing bill impacts on a typical customer for each class.</p> | <p>See <b>Exhibits B, C and E</b></p> |
| <p><b>f.</b> The utility shall provide, with supporting documentation, a detailed breakdown of the total costs for the proposed program, identified by cost segment (capitalized costs, operating expense, administrative expense, etc.). This shall also include a detailed analysis and breakdown and separation of the embedded and incremental costs that will be incurred to provide the services under the proposed program with all supporting documentation.</p>  | <p>See <b>Exhibit A</b></p>           |
| <p><b>g.</b> The utility shall provide a detailed revenue requirement analysis that clearly identifies all estimated program costs and revenues for the proposed program on an annual basis, including effects upon rate base and pro forma income calculations.</p>  | <p>See <b>Exhibits A, B and C</b></p> |



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| <p><b>h.</b> The utility shall provide, with supporting documentation: (i) a calculation of its current capital structure as well as its calculation of the capital structure approved by the Board in its most recent electric and/or gas base rate cases, and (ii) a statement as to its allowed overall rate of return approved by the Board in its most recent electric and/or gas base rate cases.</p>  | <p>See Petition and <b>Exhibit B</b></p>                       |
| <p><b>i.</b> If the utility is seeking carrying costs for a proposed program, the filing shall include a description of the methodology, capital structure, and capital cost rates used by the utility.</p>  | <p>See Petition and <b>Exhibit B</b></p>                       |
| <p><b>j.</b> A utility seeking incentives or rate mechanism that decouples utility revenues from sales, shall provide all supporting justification, and rationale for incentives, along with supporting documentation, assumptions and calculations.</p>   | <p>See Petition and <b>Exhibit C</b></p>                       |
| <p><b>V. Cost/Benefit Analysis</b></p>   | <p align="center"><b>Filing Reference</b></p>                  |
| <p><b>a.</b> The utility shall provide a detailed analysis with supporting documentation of the net benefits associated with the proposed program, including, if appropriate, a comprehensive and detailed avoided cost savings study with supporting documentation. The value of the avoided environmental impacts and the environmental benefits and the value of any avoided or deferred energy infrastructure should be stated separately.</p> | <p align="center">Not applicable<br/>(small scale program)</p> |
| <p><b>b.</b> The utility shall calculate a cost/benefit analysis utilizing the Total Resource Cost ("TRC") test that assesses all program costs and benefits from a societal perspective. The utility may also provide any cost benefit analysis that it believes appropriate with supporting rationales and documentation.</p>  | <p align="center">Not applicable<br/>(small scale program)</p> |
| <p><b>c.</b> The utility shall quantify all direct and indirect benefits as well as provide projected costs resulting from a proposed program that is subject to a cost/benefit test.</p>  | <p align="center">Not applicable<br/>(small scale program)</p> |
| <p><b>d.</b> Renewable energy programs shall not be subject to a cost/benefit test but the utility must quantify all direct and indirect benefits resulting from such a proposed program as well as provide the projected costs. The utility must also demonstrate how such a proposed program will support energy and environmental statewide planning</p>  | <p align="center">Not applicable<br/>(small scale program)</p> |

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**MIMIMUM FILING REQUIREMENTS  
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| <p>objectives, such as attainment of the Renewable Portfolio Standard and any emission requirements.</p>   |  |
| <p><b>e.</b> The utility must demonstrate for the proposed program that it results in a positive benefit/cost ratio, or, if the utility cannot make such a demonstration, it must provide the rationale for why the proposed program should be approved.</p>   | <p align="center">Not applicable<br/>(small scale program)</p> |
| <p><b>f.</b> The level of energy and capacity savings utilized in these calculations shall be based upon the most recent protocols approved by the Board of Public Utilities to measure energy savings for the New Jersey Clean Energy Program. In the event no such protocols exist, or to the extent that a protocol does not exist for a filed program, the utility must submit a measurement protocol for the program or contemplated measure for approval by the Board.</p> | <p align="center">Not applicable<br/>(small scale program)</p> |
| <p><b>g.</b> The utility shall also quantify and deduct from the energy and capacity savings any free rider effects and the business as usual benefits from homeowners and businesses installing Energy Efficiency or Renewable Energy without the N.J.S.A. 48:3-98.1 benefits or incentives.</p>  | <p align="center">Not applicable<br/>(small scale program)</p> |

# EXHIBIT E

**NOTICE TO  
ATLANTIC CITY ELECTRIC COMPANY  
CUSTOMERS**

**IN THE MATTER OF THE PETITION OF ATLANTIC CITY  
ELECTRIC COMPANY FOR APPROVAL OF AN ENERGY  
EFFICIENCY STIMULUS PROGRAM, AND APPROVAL OF AN  
ASSOCIATED COST RECOVERY MECHANISM AND BILL  
STABILIZATION ADJUSTMENT PURSUANT  
TO N.J.S.A. 48:3-98.1**

**Notice of Filing  
and  
Public Hearing**

**TAKE NOTICE** that, on February 20, 2009, Atlantic City Electric Company (“ACE” or the “Company”) filed a Petition, along with supporting documentation, with the New Jersey Board of Public Utilities (“Board” or “NJBPU”) in connection with BPU Docket No. EO09010056 (the “Petition”). The Company is seeking the Board’s approval to implement and administer an Energy Efficiency Stimulus Program (“EESP”) and to approve an associated cost recovery mechanism and Bill Stabilization Adjustment (“BSA”).

ACE seeks Board approval to implement the EESP. Implementation of the EESP would accelerate and enhance energy efficiency investments and help improve and stimulate the State’s economy and create new employment opportunities. These energy efficiency projects will also enable the Company to provide its customers, through rebates and other services, with the opportunity to use energy more efficiently and cost effectively.

ACE is proposing to undertake approximately \$10.08 million in energy efficiency projects. Conditioned upon receipt of appropriate approvals (where required), these projects will be initiated and/or completed during the 12 month period following NJBPU approval of the Petition.

Commensurate with the implementation of the EESP, ACE proposes to implement a RGGI Surcharge Tariff (also referred to herein as the “Rider RGGI”). Rider RGGI will be designed to allow the Company to timely and fully recover its revenue requirements associated with the EESP. Carrying charges calculated at the Company’s current cost of capital will be applicable on any over/under recovered balance on a monthly basis. Additionally, the Company proposes

to implement a BSA which will allow the Company to recover its Board-authorized level of revenues, which could be impacted by the implementation of the EESP.

The RGGI Surcharge Tariff would be applicable to all rate schedules and will be applied equally to customer invoices on a per kilowatt-hour (“kWh”) basis.

Table 1 provides customers with an approximate indication of the net effect of the proposed increase in rates resulting from Rider RGGI upon implementation pursuant to NJBPU approval. The annual percentage increase applicable to individual customers will vary according to each customer’s usage during a month. The approximate impact of the proposed increase on a typical customer’s monthly bill, subject to Board approval of the RGGI Surcharge Tariff, is demonstrated in Table 2.

TABLE 1  
RATE INCREASE AS COMPARED TO THE  
RATES IN EFFECT AS OF JANUARY 1, 2009

| Rate Class   | Overall Monthly Class Average Per Customer<br>(Includes 7% Sales and Use Tax) |                             |                        |
|--|---|-----------------------------|------------------------|
|  | Current<br>Monthly<br>Bill  | Proposed<br>Monthly<br>Bill | Proposed %<br>Increase |
| Residential Service (RS)                               | \$ 130.99   | \$ 131.18                   | 0.14%                  |
| Monthly General Service - Secondary<br>(MGS Secondary) | \$ 282.24   | \$ 282.72                   | 0.17%                  |
| Monthly General Service - Primary (MGS<br>Primary)     | \$ 3,940.76   | \$ 3,947.24                 | 0.16%                  |
| Annual General Service - Secondary<br>(AGS Secondary)  | \$ 7,850.29   | \$ 7,863.33                 | 0.17%                  |
| Annual General Service - Primary (AGS<br>Primary)      | \$ 48,654.25  | \$ 48,741.59                | 0.18%                  |
| Transmission General Service (TGS)                     | \$ 175,364.90   | \$ 175,744.18               | 0.22%                  |
| Direct Distribution Connection (DDC)                   | \$ 355.40   | \$ 355.80                   | 0.11%                  |
| Street & Area Lighting                                 | \$ 213.12   | \$ 213.33                   | 0.10%                  |

TABLE 2  
IMPACT OF THE RGGI SURCHARGE TARIFF ON RESIDENTIAL ELECTRIC BILLS

| <b>Monthly kWhr Use</b> | <b>Present Bill</b> | <b>Proposed Bill</b> | <b>Proposed Increase (\$)</b> | <b>Proposed Increase (%)</b> |
|-------------------------|---------------------|----------------------|-------------------------------|------------------------------|
| 100                     | \$ 18.67            | \$ 18.69             | \$ 0.02                       | 0.11%                        |
| 300                     | \$ 50.99            | \$ 51.06             | \$ 0.07                       | 0.14%                        |
| 500                     | \$ 83.31            | \$ 83.44             | \$ 0.13                       | 0.16%                        |
| 750                     | \$ 122.80           | \$ 122.99            | \$ 0.19                       | 0.15%                        |
| 1000                    | \$ 163.44           | \$ 163.69            | \$ 0.25                       | 0.15%                        |
| 2000                    | \$ 326.02           | \$ 326.51            | \$ 0.49                       | 0.15%                        |
| 2500                    | \$ 407.32           | \$ 407.93            | \$ 0.61                       | 0.15%                        |
| 3000                    | \$ 488.61           | \$ 489.35            | \$ 0.74                       | 0.15%                        |

Based upon the Company's filing, a typical residential customer using 1000 kWh per month would see an increase in such customer's monthly bill from \$163.44 to \$163.69 or \$0.25 or 0.15%.

Any final rate adjustments (with resulting customer bill impacts) from those set forth herein found to be just and reasonable as a 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 good and legally sufficient reasons to any class or classes of customers of the Company. Accordingly, the charges identified herein may increase or decrease based upon the Board's ultimate decision in this matter.

Copies of ACE's filing are available at the Company's offices located at 5100 Harding Highway, Mays Landing, New Jersey 08330 and at the Board of Public Utilities at Two Gateway Center, Newark, New Jersey 07102.

In order to afford members of the public an opportunity to present their views on the Petition, the following date, times and location for public hearings have been set with respect to the Company's EESP filing:

Date: TBD  
 Location: TBD  
 Times: 3:30 p.m. and 5:30 p.m.

In order to encourage full participation in these public hearings by members of the public, please submit any requests for special accommodations, including interpreters, listening devices or mobility assistance to the Company at least 48 hours in advance of the hearing. Customers may also submit written comments to the Secretary of the Board of Public Utilities, Attention: Kristi Izzo, at the address indicated above, whether or not they attend the public hearings.

DATED: March XX, 2009

ATLANTIC CITY ELECTRIC COMPANY

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**IN THE MATTER OF THE PETITION  
OF ATLANTIC CITY ELECTRIC  
COMPANY FOR APPROVAL OF AN  
ENERGY EFFICIENCY STIMULUS  
PROGRAM, AND APPROVAL OF AN  
ASSOCIATED COST RECOVERY  
MECHANISM AND BILL  
STABILIZATION ADJUSTMENT  
PURSUANT TO N.J.S.A. 48:3-98.1**

---

**STATE OF NEW JERSEY  
BOARD OF PUBLIC UTILITIES**

**BPU Docket No. EO09010056**

**CERTIFICATION OF SERVICE**

**PHILIP J. PASSANANTE**, of full age, certifies as follows:

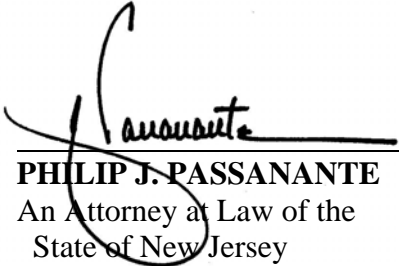
1. I am an attorney at law of the State of New Jersey and am Assistant General Counsel to Atlantic City Electric Company, the Petitioner in the within matter, with which I am familiar.

2. I hereby certify that, on February 20, 2009, I caused an original and eleven (11) copies of the within Verified Petition and exhibits thereto to be sent by overnight courier service to Kristi Izzo, Secretary to the Board, Board of Public Utilities, Two Gateway Center, Newark, New Jersey 07102. I also caused an electronic copy to be sent to Secretary Izzo at [kristi.izzo@bpu.state.nj.us](mailto:kristi.izzo@bpu.state.nj.us).

3. I further certify that, on February 20, 2009, I caused a complete copy of the Verified Petition and exhibits thereto to be sent by First Class Mail to each of the parties listed in the attached Service List, except for any copies that were directed to the Division of Rate Counsel. Copies directed to the Division of Rate Counsel were sent by overnight courier service.

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: February 20, 2009

 /jpr  
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I/M/O the Petition of Atlantic City Electric Company for Approval  
of an Energy Efficiency Stimulus Program, and Approval of an  
Associated Cost Recovery Mechanism and Bill Stabilization Adjustment

Pursuant To N.J.S.A. 48:3-98.1

BPU Docket No. EO09010056

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A PHI Company

February 23, 2009

**VIA ELECTRONIC MAIL and  
FEDERAL EXPRESS**

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Board of Public Utilities  
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**RE:** In the Matter of the Petition of Atlantic City Electric Company for  
Approval of an Energy Efficiency Stimulus Program, and Approval of  
an Associated Cost Recovery Mechanism and Bill Stabilization  
Adjustment Pursuant to N.J.S.A. 48:3-98.1  
BPU Docket No. EO09010056

Dear Secretary Izzo:

Enclosed please find an original and eleven (11) copies of **Exhibit D** to the Verified Petition of Atlantic City Electric Company ("ACE" or the "Company") in the above-entitled matter, which has been supplemented to include Attachments 1, 2 and 3. In order to expedite distribution of this information, the Company is also providing Board Staff and representatives of the Division of Rate Counsel with electronic copies.

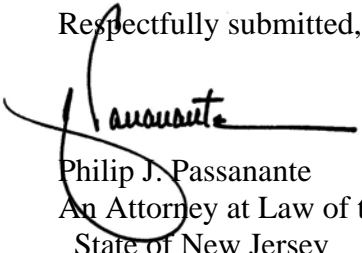
As stated in ACE's February 20, 2009 correspondence, the Company respectfully submits that evidentiary hearings are not necessary in order for the Board to authorize implementation of the Energy Efficiency Stimulus Program outlined in the Petition. The Company will work diligently with all parties to expeditiously implement a resolution that is consistent with Governor Corzine's Economic Assistance and Recovery Plan.

Kindly supplement the Petition with this **Exhibit D** and return a date-stamped copy to the undersigned in the enclosed postage-prepaid, self-addressed envelope.

Kristi Izzo  
February 23, 2009  
Page 2

ACE looks forward to working with the Board and all interested stakeholders to bring this proposal to a prompt and successful conclusion.

Respectfully submitted,

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

Enclosures

cc: Service List

# EXHIBIT D

**(Supplemented to Include Attachments 1, 2 and 3)**

**IN THE MATTER OF THE PETITION OF ATLANTIC CITY ELECTRIC COMPANY  
FOR APPROVAL OF AN ENERGY EFFICIENCY STIMULUS PROGRAM,  
AND APPROVAL OF AN ASSOCIATED COST RECOVERY MECHANISM AND BILL  
STABILIZATION ADJUSTMENT PURSUANT TO N.J.S.A. 48:3-98.1  
BPU DOCKET NO. E009010056**

**MIMIMUM FILING REQUIREMENTS  
FOR PETITIONS UNDER N.J.S.A. 48:3-98.1**

| <b>I. General Filing Requirements</b>  | <b>Filing Reference</b>  |
|--|--|
| <p><b>a.</b> The utility shall provide with all filings, information and data pertaining to the specific program proposed, as set forth in applicable sections of N.J.A.C. 14:1-5.11 and N.J.A.C. 14:1-5.12.</p>   | <p>Attachment 1 – Comparative Balance Sheet for 3 years – 2005, 2006 and 2007 from FERC FORM 1 Report<br/>Attachment 2 – Comparative Income Statement for 3 years – 2005, 2006 and 2007 from FERC FORM 1 Report<br/>Attachment 3 – Most recent Balance Sheet – September 2008 from FERC FORM 1 Report<br/>Petition – Certification</p> |
| <p><b>b.</b> All filings shall contain information and financial statements for the proposed program in accordance with the applicable Uniform System of Accounts that is set forth in N.J.A.C. 14:1-5.12. The utility shall provide the Accounts and Account numbers that will be utilized in booking the revenues, costs, expenses and assets pertaining to each proposed program so that they can be properly separated and allocated from other regulated and/or other programs.</p>   | <p align="center">To be provided upon approval</p>   |
| <p><b>c.</b> The utility shall provide supporting explanations, assumptions, calculations, and work papers for each proposed program and cost recovery mechanism petition filed under N.J.S.A. 48:3-98.1 and for all qualitative and quantitative analyses therein. The utility shall provide electronic copies of all materials and supporting schedules, with all inputs and formulae intact.</p>  | <p align="center">See <b>Exhibits A, B and C</b></p>   |
| <p><b>d.</b> The utility shall file testimony supporting its petition.</p>   | <p>Waiver requested</p>  |
| <p><b>e.</b> For any small scale or pilot program, the utility shall only be subject to the requirements in this Section and Sections II, III, and IV. The utility shall, however, provide its estimate of costs and a list of data it intends to collect in a subsequent review of the benefits of the program. Information in Section V may be required for pilot and small programs if such programs are particularly large or complex. A “small scale” project is defined as one that would result in either a rate increase of less than a half of one percent of the average residential customer’s bill or an additional annual</p> | <p>The proposal represents a small scale program – the total revenue requirement is approximately \$2.4 million and the estimated rate increase is approximately 0.2 percent of the average residential customer’s bill. See <b>Exhibits A, B and C.</b></p>   |

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STABILIZATION ADJUSTMENT PURSUANT TO N.J.S.A. 48:3-98.1  
BPU DOCKET NO. E009010056**

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| total revenue requirement of less than \$5 million. A pilot program shall be no longer than three years, but can be extended under appropriate circumstances.   |                                   |
| f. If the utility is filing for an increase in rates, charges etc. or for approval of a program which may increase rates/charges to ratepayers in the future, the utility shall include a draft public notice with the petition and proposed publication dates.   | See <b>Exhibit E</b>              |
| <b>II. Program Description</b>  | <b>Filing Reference</b>           |
| a. The utility shall provide a detailed description of each proposed program for which the utility seeks approval.  | See <b>Exhibit A</b>              |
| b. The utility shall provide a detailed explanation of the differences and similarities between each proposed program and existing and/or prior programs offered by the New Jersey Clean Energy Program, or the utility.  | See <b>Exhibit A</b>              |
| c. The utility shall provide a description of how the proposed program will complement, and impact existing programs being offered by the utility and the New Jersey Clean Energy Program with all supporting documentation.  | See <b>Exhibit A</b>              |
| d. The utility shall provide a detailed description of how the proposed program is consistent with and/or different from other utility programs or pilots in place or proposed with all supporting documentation.   | See <b>Exhibit A</b>              |
| e. The utility shall provide a detailed description of how the proposed program comports with New Jersey State policy as reflected in reports, including the New Jersey Energy Master Plan, or, pending issuance of the final Energy Master Plan, the draft Energy Master Plan, and the greenhouse gas emissions reports to be issued by the New Jersey Department of Environmental Protection pursuant to N.J.S.A. 26:2C-42(b) and (c) and N.J.S.A. 26:2C-43 of the Global Warming Response Act, N.J.S.A. 26:2C-37 et seq. | See <b>Exhibit A</b> and Petition |
| f. The utility shall provide the features and benefits for each proposed program including the following:<br>i. the target market and customer eligibility if incentives are to be offered;<br>ii. the program offering and customer incentives;  | See <b>Exhibit A</b>              |



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| iii. the quality control method including inspection;<br>iv. program administration; and<br>v. program delivery mechanisms.  |   |
| <b>g.</b> The utility shall provide the criteria upon which it chose the program.  | See <b>Exhibit A</b> and Petition   |
| <b>h.</b> The utility shall provide the estimated program costs by the following categories: administrative (all utility costs), marketing/sales, training, rebates/incentives including inspections and quality control, program implementation (all contract costs) and evaluation and other.  | See <b>Exhibit A</b>  |
| <b>i.</b> The utility shall provide the extent to which the utility intends to utilize employees, contractors or both to deliver the program and, to the extent applicable, the criteria the utility will use for contractor selection.  | See <b>Exhibit A</b>  |
| <b>j.</b> In the event the program contemplates an agreement between the utility and its contractors and/or the utility and its ratepayers, copies of the proposed standard contract or agreement between the ratepayer and the utility, the contractor and the utility, and/or the contractor and the ratepayer shall be provided.                | To extent applicable, will be provided following program approval.                      |
| <b>k.</b> The utility shall provide a detailed description of the process for resolving any customer complaints related to these programs.   | Not applicable  |
| <b>l.</b> The utility shall describe the program goals including number of participants on an annual basis and the energy savings, renewable energy generation and resource savings, both projected annually and over the life of the measures.  | See <b>Exhibit A</b>  |
| <b>m.</b> Marketing – The utility shall provide the following: a description of where and how the proposed program/project will be marketed or promoted throughout the demographic segments of the utility’s customer base including an explanation of how prices and the service for each proposed program/project will be conveyed to customers. | See <b>Exhibit A</b>  |
| <b>III. Additional Required Information</b>  | <b>Filing Reference</b>   |
| <b>a.</b> The utility shall describe whether the proposed programs will generate incremental activity in the energy efficiency/conservation/renewable energy marketplace and what, if any, impact on competition may be created, including any impact on employment, economic development and the  | Not applicable<br>(filing made pursuant to Governor Corzine’s October 16, 2008 address) |

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| <p>development of new business with all supporting documentation. This shall include a breakdown of the impact on the employment within this marketplace as follows: marketing/sales, training, program implementation, installation, equipment, manufacturing and evaluation and other applicable markets. With respect to the impact on competition the analysis should include the competition between utilities and other entities already currently delivering the service in the market or new markets that may be created.</p>   |  |
| <p><b>b.</b> The utility shall provide a description of any known market barriers that may impact the program and address the potential impact on such known market barriers for each proposed program with all supporting documentation. This analysis shall include barriers across the various markets including residential (both single and multi-family), commercial and industrial (both privately owned and leased buildings), as well as between small, medium and large commercial and industrial markets. This should include both new development and retrofit or replacement upgrades across the market sectors.</p> | <p align="center">Not applicable<br/>(filing made pursuant to Governor Corzine's<br/>October 16, 2008 address)</p> |
| <p><b>c.</b> The utility shall provide a qualitative/quantitative description of any anticipated environmental benefits associated with the proposed program and a quantitative estimate of such benefits for the program overall and for each participant in the program with all supporting documentation. This shall include an estimate of the energy saved in kWh and/or therms and the avoided air emissions, wastewater discharges, waste generation and water use or other saved or avoided resources.</p>  | <p align="center">Not applicable<br/>(filing made pursuant to Governor Corzine's<br/>October 16, 2008 address)</p> |
| <p><b>d.</b> To the extent known, the utility shall identify whether there are similar programs available in the existing marketplace and provide supporting documentation if applicable. This shall include those programs that provide other societal benefits to other under-served markets. This should include an analysis of the services already provided in the market place, and the level of competition.</p>   | <p align="center">Not applicable<br/>(filing made pursuant to Governor Corzine's<br/>October 16, 2008 address)</p> |
| <p><b>e.</b> The utility shall provide an analysis of the benefits or impacts in regard to Smart Growth.</p>  | <p align="center">Not applicable<br/>(filing made pursuant to Governor Corzine's<br/>October 16, 2008 address)</p> |

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| <p><b>f.</b> The utility shall propose the method for treatment of Renewable Energy Certificates ("REC") including solar RECs or any other certificate developed by the Board of Public Utilities, including Greenhouse Gas Emissions Portfolio and Energy Efficiency Portfolio Standards including ownership, and use of the certificate revenue stream(s).</p>   | <p align="center">Not applicable<br/>(filing made pursuant to Governor Corzine's<br/>October 16, 2008 address)</p> |
| <p><b>g.</b> The utility shall propose the method for treatment of any air emission credits and offsets, including Regional Greenhouse Gas Initiative carbon dioxide allowances and offsets including ownership, and use of the certificate revenue stream(s).</p>   | <p align="center">Not applicable</p>   |
| <p><b>h.</b> The utility shall analyze the proposed quantity and expected prices for any REC, solar REC, air emission credits, offsets or allowances or other certificates to the extent possible.</p>   | <p align="center">Not Applicable</p>   |
| <p><b>IV. Cost Recovery Mechanism</b></p>  | <p align="center"><b>Filing Reference</b></p>  |
| <p><b>a.</b> The utility shall provide appropriate financial data for the proposed program, including estimated revenues, expenses and capitalized investments, for each of the first three years of operations and at the beginning and end of each year of said three-year period. The utility shall include pro forma income statements for the proposed program, for each of the first three years of operations and actual or estimated balance sheets as at the beginning and end of each years of said three year period.</p> | <p>See <b>Exhibits B and C</b></p>   |
| <p><b>b.</b> Shall provide detailed spreadsheets of the accounting treatment of the cost recovery including describing how costs will be amortized, which accounts will be debited or credited each month, and how the costs will flow through the proposed method of recovery of program costs.</p>   | <p>To be provided following program authorization</p>  |
| <p><b>c.</b> The utility shall provide a detailed explanation, with all supporting documentation, of the recovery mechanism it proposes to utilize for cost recovery of the proposed program, including proposed recovery through the Societal Benefits Charge, a separate clause established for these programs, base rate revenue requirements, government funding reimbursement, retail margin, and/or other.</p>   | <p>See <b>Exhibits B and C</b></p>   |

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| <p><b>d.</b> The utility's petition for approval, including proposed tariff sheets and other required information, shall be verified as to its accuracy and shall be accompanied by a certification of service demonstrating that the petition was served on the Department of the Public Advocate, Division of Rate Counsel simultaneous to its submission to the Board.</p>   | <p>See Petition and Cover Letter</p>  |
| <p><b>e.</b> The utility shall provide an annual rate impact summary by year for the proposed program, and an annual cumulative rate impact summary for all approved and proposed programs showing the impact of individual programs as well as the cumulative impact of all programs upon each customer class of implementing each program and all approved and proposed programs based upon a revenue requirement analysis that identifies all estimated program costs and revenues for each proposed program on an annual basis. The utility shall also provide an annual bill impact summary by year for each program, and an annual cumulative bill impact summary by year for all approved and proposed programs showing bill impacts on a typical customer for each class.</p> | <p>See <b>Exhibits B, C and E</b></p> |
| <p><b>f.</b> The utility shall provide, with supporting documentation, a detailed breakdown of the total costs for the proposed program, identified by cost segment (capitalized costs, operating expense, administrative expense, etc.). This shall also include a detailed analysis and breakdown and separation of the embedded and incremental costs that will be incurred to provide the services under the proposed program with all supporting documentation.</p>  | <p>See <b>Exhibit A</b></p>           |
| <p><b>g.</b> The utility shall provide a detailed revenue requirement analysis that clearly identifies all estimated program costs and revenues for the proposed program on an annual basis, including effects upon rate base and pro forma income calculations.</p>  | <p>See <b>Exhibits A, B and C</b></p> |

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| <p><b>h.</b> The utility shall provide, with supporting documentation: (i) a calculation of its current capital structure as well as its calculation of the capital structure approved by the Board in its most recent electric and/or gas base rate cases, and (ii) a statement as to its allowed overall rate of return approved by the Board in its most recent electric and/or gas base rate cases.</p>  | <p>See Petition and <b>Exhibit B</b></p>                       |
| <p><b>i.</b> If the utility is seeking carrying costs for a proposed program, the filing shall include a description of the methodology, capital structure, and capital cost rates used by the utility.</p>  | <p>See Petition and <b>Exhibit B</b></p>                       |
| <p><b>j.</b> A utility seeking incentives or rate mechanism that decouples utility revenues from sales, shall provide all supporting justification, and rationale for incentives, along with supporting documentation, assumptions and calculations.</p>   | <p>See Petition and <b>Exhibit C</b></p>                       |
| <p><b>V. Cost/Benefit Analysis</b></p>   | <p align="center"><b>Filing Reference</b></p>                  |
| <p><b>a.</b> The utility shall provide a detailed analysis with supporting documentation of the net benefits associated with the proposed program, including, if appropriate, a comprehensive and detailed avoided cost savings study with supporting documentation. The value of the avoided environmental impacts and the environmental benefits and the value of any avoided or deferred energy infrastructure should be stated separately.</p> | <p align="center">Not applicable<br/>(small scale program)</p> |
| <p><b>b.</b> The utility shall calculate a cost/benefit analysis utilizing the Total Resource Cost ("TRC") test that assesses all program costs and benefits from a societal perspective. The utility may also provide any cost benefit analysis that it believes appropriate with supporting rationales and documentation.</p>  | <p align="center">Not applicable<br/>(small scale program)</p> |
| <p><b>c.</b> The utility shall quantify all direct and indirect benefits as well as provide projected costs resulting from a proposed program that is subject to a cost/benefit test.</p>  | <p align="center">Not applicable<br/>(small scale program)</p> |
| <p><b>d.</b> Renewable energy programs shall not be subject to a cost/benefit test but the utility must quantify all direct and indirect benefits resulting from such a proposed program as well as provide the projected costs. The utility must also demonstrate how such a proposed program will support energy and environmental statewide planning</p>  | <p align="center">Not applicable<br/>(small scale program)</p> |

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| <p>objectives, such as attainment of the Renewable Portfolio Standard and any emission requirements.</p>   |   |
| <p><b>e.</b> The utility must demonstrate for the proposed program that it results in a positive benefit/cost ratio, or, if the utility cannot make such a demonstration, it must provide the rationale for why the proposed program should be approved.</p>   | <p style="text-align: center;">Not applicable<br/>(small scale program)</p> |
| <p><b>f.</b> The level of energy and capacity savings utilized in these calculations shall be based upon the most recent protocols approved by the Board of Public Utilities to measure energy savings for the New Jersey Clean Energy Program. In the event no such protocols exist, or to the extent that a protocol does not exist for a filed program, the utility must submit a measurement protocol for the program or contemplated measure for approval by the Board.</p> | <p style="text-align: center;">Not applicable<br/>(small scale program)</p> |
| <p><b>g.</b> The utility shall also quantify and deduct from the energy and capacity savings any free rider effects and the business as usual benefits from homeowners and businesses installing Energy Efficiency or Renewable Energy without the N.J.S.A. 48:3-98.1 benefits or incentives.</p>  | <p style="text-align: center;">Not applicable<br/>(small scale program)</p> |

EXHIBIT D

**Attachment 1**

Atlantic City Electric Company  
Balance Sheet  
Assets

Attachment 1  
Page 1 of 2

| Row | ACCOUNTS  | 2007               | 2006               | 2005               |
|-----|---|--------------------|--------------------|--------------------|
| 1   | UTILITY PLANT   |                    |                    |                    |
| 2   | Utility Plant (101-106, 114)  | \$1,955,208,578.00 | \$1,940,621,122.00 | \$1,857,360,758.00 |
| 3   | Construction Work in Progress (107)                                     | \$121,443,556.00   | \$71,366,100.00    | \$56,832,094.00    |
| 4   | TOTAL Utility Plant (Enter Total of lines 2 and 3)                      | \$2,076,652,134.00 | \$2,011,987,222.00 | \$1,914,192,852.00 |
| 5   | (Less) Accum. Prov. for Depr. Amort. Depl. (108, 110, 111, 115)         | \$633,518,715.00   | \$629,819,870.00   | \$585,280,042.00   |
| 6   | Net Utility Plant (Enter Total of line 4 less 5)                        | \$1,443,133,419.00 | \$1,382,167,352.00 | \$1,328,912,810.00 |
| 7   | Nuclear Fuel in Process of Ref., Conv., Enrich., and Fab. (120.1)       | \$0.00             | \$0.00             | \$0.00             |
| 8   | Nuclear Fuel Materials and Assemblies-Stock Account (120.2)             | \$0.00             | \$0.00             | \$0.00             |
| 9   | Nuclear Fuel Assemblies in Reactor (120.3)                              | \$0.00             | \$0.00             | \$0.00             |
| 10  | Spent Nuclear Fuel (120.4)  | \$0.00             | \$0.00             | \$0.00             |
| 11  | Nuclear Fuel Under Capital Leases (120.6)                               | \$0.00             | \$0.00             | \$0.00             |
| 12  | (Less) Accum. Prov. for Amort. of Nucl. Fuel Assemblies (120.5)         | \$0.00             | \$0.00             | \$0.00             |
| 13  | Net Nuclear Fuel (Enter Total of lines 7-11 less 12)                    | \$0.00             | \$0.00             | \$0.00             |
| 14  | Net Utility Plant (Enter Total of lines 6 and 13)                       | \$1,443,133,419.00 | \$1,382,167,352.00 | \$1,328,912,810.00 |
| 15  | Utility Plant Adjustments (116)   | \$0.00             | \$0.00             | \$0.00             |
| 16  | Gas Stored Underground - Noncurrent (117)                               | \$0.00             | \$0.00             | \$0.00             |
| 17  | OTHER PROPERTY AND INVESTMENTS  | \$0.00             | \$0.00             | \$0.00             |
| 18  | Nonutility Property (121)   | \$1,339,040.00     | \$1,339,040.00     | \$1,339,040.00     |
| 19  | (Less) Accum. Prov. for Depr. and Amort. (122)                          | \$0.00             | \$0.00             | \$0.00             |
| 20  | Investments in Associated Companies (123)                               | \$0.00             | \$0.00             | \$0.00             |
| 21  | Investment in Subsidiary Companies (123.1)                              | \$2,960,001.00     | \$2,960,001.00     | \$2,960,001.00     |
| 22  | (For Cost of Account 123.1, See Footnote Page 224, line 42)             | \$0.00             | \$0.00             | \$0.00             |
| 23  | Noncurrent Portion of Allowances  | \$0.00             | \$0.00             | \$0.00             |
| 24  | Other Investments (124)   | \$0.00             | \$0.00             | \$0.00             |
| 25  | Sinking Funds (125)   | \$0.00             | \$0.00             | \$0.00             |
| 26  | Depreciation Fund (126)   | \$0.00             | \$0.00             | \$0.00             |
| 27  | Amortization Fund - Federal (127)                                       | \$0.00             | \$0.00             | \$0.00             |
| 28  | Other Special Funds (128)   | \$1,026,290.00     | \$6,213,958.00     | \$6,199,037.00     |
| 29  | Special Funds (Non Major Only) (129)                                    | \$0.00             | \$0.00             | \$0.00             |
| 30  | Long-Term Portion of Derivative Assets (175)                            | \$0.00             | \$0.00             | \$0.00             |
| 31  | Long-Term Portion of Derivative Assets - Hedges (176)                   | \$0.00             | \$0.00             | \$0.00             |
| 32  | TOTAL Other Property and Investments (Lines 18-21 and 23-31)            | \$5,325,331.00     | \$10,512,999.00    | \$10,498,078.00    |
| 33  | CURRENT AND ACCRUED ASSETS  | \$0.00             | \$0.00             | \$0.00             |
| 34  | Cash and Working Funds (Non-major Only) (130)                           | \$0.00             | \$0.00             | \$0.00             |
| 35  | Cash (131)  | \$7,014,464.00     | \$5,365,268.00     | \$3,819,631.00     |
| 36  | Special Deposits (132-134)  | \$0.00             | \$4,040,296.00     | \$0.00             |
| 37  | Working Fund (135)  | \$133,636.00       | \$145,107.00       | \$412,382.00       |
| 38  | Temporary Cash Investments (136)  | \$0.00             | \$0.00             | \$0.00             |
| 39  | Notes Receivable (141)  | \$0.00             | \$0.00             | \$0.00             |
| 40  | Customer Accounts Receivable (142)                                      | \$119,333,686.00   | \$97,203,059.00    | \$94,329,211.00    |
| 41  | Other Accounts Receivable (143)   | \$42,209,327.00    | \$36,173,997.00    | \$70,322,695.00    |
| 42  | (Less) Accum. Prov. for Uncollectible Acct.-Credit (144)                | \$4,896,000.00     | \$5,457,462.00     | \$5,153,079.00     |
| 43  | Notes Receivable from Associated Companies (145)                        | \$0.00             | \$0.00             | \$4,042,005.00     |
| 44  | Accounts Receivable from Assoc. Companies (146)                         | \$0.00             | \$0.00             | \$0.00             |
| 45  | Fuel Stock (151)  | \$0.00             | \$7,898,180.00     | \$20,746,643.00    |
| 46  | Fuel Stock Expenses Undistributed (152)                                 | \$0.00             | \$0.00             | \$0.00             |
| 47  | Residuals (Elec) and Extracted Products (153)                           | \$0.00             | \$0.00             | \$0.00             |
| 48  | Plant Materials and Operating Supplies (154)                            | \$12,973,200.00    | \$17,021,299.00    | \$15,604,463.00    |
| 49  | Merchandise (155)   | \$0.00             | \$0.00             | \$0.00             |
| 50  | Other Materials and Supplies (156)                                      | \$0.00             | \$0.00             | \$0.00             |
| 51  | Nuclear Materials Held for Sale (157)                                   | \$0.00             | \$0.00             | \$0.00             |
| 52  | Allowances (158.1 and 158.2)  | \$121,288.00       | \$442,694.00       | \$1,790,655.00     |
| 53  | (Less) Noncurrent Portion of Allowances                                 | \$0.00             | \$0.00             | \$0.00             |
| 54  | Stores Expense Undistributed (163)                                      | \$1,031,369.00     | \$1,684,512.00     | \$1,427,523.00     |
| 55  | Gas Stored Underground - Current (164.1)                                | \$0.00             | \$0.00             | \$0.00             |
| 56  | Liquefied Natural Gas Stored and Held for Processing (164.2-164.3)      | \$0.00             | \$0.00             | \$0.00             |
| 57  | Prepayments (165)   | \$57,140,806.00    | \$66,428,998.00    | \$9,930,540.00     |
| 58  | Advances for Gas (166-167)  | \$0.00             | \$0.00             | \$0.00             |
| 59  | Interest and Dividends Receivable (171)                                 | \$0.00             | \$0.00             | \$507,329.00       |
| 60  | Rents Receivable (172)  | \$3,293,300.00     | \$3,273,785.00     | \$3,954,507.00     |
| 61  | Accrued Utility Revenues (173)  | \$38,129,515.00    | \$31,830,243.00    | \$42,025,983.00    |
| 62  | Miscellaneous Current and Accrued Assets (174)                          | \$0.00             | \$0.00             | \$0.00             |
| 63  | Derivative Instrument Assets (175)                                      | \$0.00             | \$0.00             | \$0.00             |
| 64  | (Less) Long-Term Portion of Derivative Instrument Assets (175)          | \$0.00             | \$0.00             | \$0.00             |
| 65  | Derivative Instrument Assets - Hedges (176)                             | \$0.00             | \$0.00             | \$0.00             |
| 66  | (Less) Long-Term Portion of Derivative Instrument Assets - Hedges (176) | \$0.00             | \$0.00             | \$0.00             |
| 67  | Total Current and Accrued Assets (Lines 34 through 66)                  | \$276,484,591.00   | \$266,049,976.00   | \$263,760,488.00   |
| 68  | DEFERRED DEBITS   | \$0.00             | \$0.00             | \$0.00             |
| 69  | Unamortized Debt Expenses (181)   | \$4,713,966.00     | \$4,964,861.00     | \$4,561,214.00     |
| 70  | Extraordinary Property Losses (182.1)                                   | \$0.00             | \$0.00             | \$0.00             |
| 71  | Unrecovered Plant and Regulatory Study Costs (182.2)                    | \$0.00             | \$0.00             | \$0.00             |
| 72  | Other Regulatory Assets (182.3)   | \$818,753,197.00   | \$903,054,850.00   | \$1,031,092,650.00 |
| 73  | Prelim. Survey and Investigation Charges (Electric) (183)               | \$53,934.00        | \$39,677.00        | \$0.00             |
| 74  | Preliminary Natural Gas Survey and Investigation Charges 183.1)         | \$0.00             | \$0.00             | \$0.00             |
| 75  | Other Preliminary Survey and Investigation Charges (183.2)              | \$0.00             | \$0.00             | \$0.00             |
| 76  | Clearing Accounts (184)   | (\$2,412,729.00)   | (\$2,662,630.00)   | (\$84,440.00)      |
| 77  | Temporary Facilities (185)  | \$0.00             | \$0.00             | \$0.00             |
| 78  | Miscellaneous Deferred Debits (186)                                     | \$42,986,206.00    | \$29,632,647.00    | \$17,908,941.00    |
| 79  | Def. Losses from Disposition of Utility Plt. (187)                      | \$0.00             | \$0.00             | \$0.00             |
| 80  | Research, Devel. and Demonstration Expend. (188)                        | \$0.00             | \$0.00             | \$0.00             |
| 81  | Unamortized Loss on Required Debt (189)                                 | \$14,101,084.00    | \$15,341,732.00    | \$16,586,877.00    |
| 82  | Accumulated Deferred Income Taxes (190)                                 | \$129,118,987.00   | \$119,163,130.00   | \$125,381,158.00   |
| 83  | Unrecovered Purchased Gas Costs (191)                                   | \$0.00             | \$0.00             | \$0.00             |
| 84  | Total Deferred Debits (lines 69 through 83)                             | \$1,007,314,645.00 | \$1,069,534,267.00 | \$1,195,446,400.00 |
| 85  | TOTAL ASSETS (lines 14-16, 32, 67, and 84)                              | \$2,732,257,986.00 | \$2,728,264,594.00 | \$2,798,617,776.00 |



| Row | ACCOUNTS   | 2007               | 2006               | 2005               |
|-----|--|--------------------|--------------------|--------------------|
| 1   | PROPRIETARY CAPITAL  |                    |                    |                    |
| 2   | Common Stock Issued (201)  | \$25,638,051.00    | \$25,638,051.00    | \$25,638,051.00    |
| 3   | Preferred Stock Issued (204)   | \$6,214,500.00     | \$6,214,500.00     | \$6,214,500.00     |
| 4   | Capital Stock Subscribed (202, 205)                                  | \$0.00             | \$0.00             | \$0.00             |
| 5   | Stock Liability for Conversion (203, 206)                            | \$0.00             | \$0.00             | \$0.00             |
| 6   | Premium on Capital Stock (207)                                       | \$107,755,439.00   | \$107,755,439.00   | \$107,755,439.00   |
| 7   | Other Paid-In Capital (208-211)                                      | \$202,755,707.00   | \$199,734,733.00   | \$186,273,658.00   |
| 8   | Installments Received on Capital Stock (212)                         | \$0.00             | \$0.00             | \$0.00             |
| 9   | (Less) Discount on Capital Stock (213)                               | \$0.00             | \$0.00             | \$0.00             |
| 10  | (Less) Capital Stock Expense (214)                                   | \$574,285.00       | \$574,285.00       | \$574,285.00       |
| 11  | Retained Earnings (215, 215.1, 216)                                  | \$141,846,141.00   | \$132,006,896.00   | \$178,619,821.00   |
| 12  | Unappropriated Undistributed Subsidiary Earnings (216.1)             | \$0.00             | \$0.00             | \$0.00             |
| 13  | (Less) Reacquired Capital Stock (217)                                | \$0.00             | \$0.00             | \$0.00             |
| 14  | Noncorporate Proprietorship (Non-major only) (218)                   | \$0.00             | \$0.00             | \$0.00             |
| 15  | Accumulated Other Comprehensive Income (219)                         | \$0.00             | \$0.00             | \$0.00             |
| 16  | Total Proprietary Capital (lines 2 through 15)                       | \$483,635,553.00   | \$470,775,334.00   | \$503,927,184.00   |
| 17  | LONG-TERM DEBT   | \$0.00             | \$0.00             | \$0.00             |
| 18  | Bonds (221)  | \$438,715,000.00   | \$438,715,000.00   | \$333,715,000.00   |
| 19  | (Less) Reacquired Bonds (222)  | \$0.00             | \$0.00             | \$0.00             |
| 20  | Advances from Associated Companies (223)                             | \$450,656,501.00   | \$469,505,563.00   | \$501,558,253.00   |
| 21  | Other Long-Term Debt (224)   | \$50,000,000.00    | \$66,000,000.00    | \$131,000,000.00   |
| 22  | Unamortized Premium on Long-Term Debt (225)                          | \$0.00             | \$0.00             | \$0.00             |
| 23  | (Less) Unamortized Discount on Long-Term Debt-Debit (226)            | \$396,669.00       | \$422,136.00       | \$447,603.00       |
| 24  | Total Long-Term Debt (lines 18 through 23)                           | \$938,974,832.00   | \$973,798,427.00   | \$965,825,650.00   |
| 25  | OTHER NONCURRENT LIABILITIES   | \$0.00             | \$0.00             | \$0.00             |
| 26  | Obligations Under Capital Leases - Noncurrent (227)                  | \$0.00             | \$0.00             | \$189,545.00       |
| 27  | Accumulated Provision for Property Insurance (228.1)                 | \$0.00             | \$0.00             | \$0.00             |
| 28  | Accumulated Provision for Injuries and Damages (228.2)               | \$0.00             | \$0.00             | \$0.00             |
| 29  | Accumulated Provision for Pensions and Benefits (228.3)              | \$0.00             | \$0.00             | \$2,909,100.00     |
| 30  | Accumulated Miscellaneous Operating Provisions (228.4)               | \$0.00             | \$0.00             | \$0.00             |
| 31  | Accumulated Provision for Rate Refunds (229)                         | \$0.00             | \$0.00             | \$0.00             |
| 32  | Long-Term Portion of Derivative Instrument Liabilities               | \$0.00             | \$0.00             | \$0.00             |
| 33  | Long-Term Portion of Derivative Instrument Liabilities - Hedges      | \$0.00             | \$0.00             | \$0.00             |
| 34  | Asset Retirement Obligations (230)                                   | \$122,107.00       | \$63,357,915.00    | \$0.00             |
| 35  | Total Other Noncurrent Liabilities (lines 26 through 34)             | \$122,107.00       | \$63,357,915.00    | \$3,098,645.00     |
| 36  | CURRENT AND ACCRUED LIABILITIES                                      | \$0.00             | \$0.00             | \$0.00             |
| 37  | Notes Payable (231)  | \$29,096,160.00    | \$1,199,818.00     | \$0.00             |
| 38  | Accounts Payable (232)   | \$96,596,081.00    | \$80,670,339.00    | \$152,275,937.00   |
| 39  | Notes Payable to Associated Companies (233)                          | \$0.00             | \$0.00             | \$0.00             |
| 40  | Accounts Payable to Associated Companies (234)                       | \$18,311,702.00    | \$27,318,253.00    | \$38,332,070.00    |
| 41  | Customer Deposits (235)  | \$20,659,857.00    | \$19,492,095.00    | \$16,966,232.00    |
| 42  | Taxes Accrued (236)  | \$25,297,304.00    | \$8,504,565.00     | \$75,805,836.00    |
| 43  | Interest Accrued (237)   | \$8,807,059.00     | \$9,036,267.00     | \$8,082,338.00     |
| 44  | Dividends Declared (238)   | \$43,807.00        | \$43,807.00        | \$43,807.00        |
| 45  | Matured Long-Term Debt (239)   | \$0.00             | \$0.00             | \$0.00             |
| 46  | Matured Interest (240)   | \$0.00             | \$0.00             | \$0.00             |
| 47  | Tax Collections Payable (241)  | \$0.00             | \$142,450.00       | \$142,450.00       |
| 48  | Miscellaneous Current and Accrued Liabilities (242)                  | \$137,195,856.00   | \$136,773,133.00   | \$150,210,508.00   |
| 49  | Obligations Under Capital Leases-Current (243)                       | \$0.00             | \$0.00             | \$18,059.00        |
| 50  | Derivative Instrument Liabilities (244)                              | \$0.00             | \$0.00             | \$0.00             |
| 51  | (Less) Long-Term Portion of Derivative Instrument Liabilities        | \$0.00             | \$0.00             | \$0.00             |
| 52  | Derivative Instrument Liabilities - Hedges (245)                     | \$0.00             | \$0.00             | \$0.00             |
| 53  | (Less) Long-Term Portion of Derivative Instrument Liabilities-Hedges | \$0.00             | \$0.00             | \$0.00             |
| 54  | Total Current and Accrued Liabilities (lines 37 through 53)          | \$336,007,826.00   | \$283,180,727.00   | \$441,877,237.00   |
| 55  | DEFERRED CREDITS   | \$0.00             | \$0.00             | \$0.00             |
| 56  | Customer Advances for Construction (252)                             | \$438,736.00       | \$567,071.00       | \$677,141.00       |
| 57  | Accumulated Deferred Investment Tax Credits (255)                    | \$11,059,154.00    | \$14,942,923.00    | \$16,505,493.00    |
| 58  | Deferred Gains from Disposition of Utility Plant (256)               | \$0.00             | \$0.00             | \$0.00             |
| 59  | Other Deferred Credits (253)   | \$4,936,944.00     | \$13,236,626.00    | \$9,297,479.00     |
| 60  | Other Regulatory Liabilities (254)                                   | \$433,443,068.00   | \$360,808,520.00   | \$309,904,957.00   |
| 61  | Unamortized Gain on Reacquired Debt (257)                            | \$0.00             | \$0.00             | \$0.00             |
| 62  | Accum. Deferred Income Taxes-Accel. Amort.(281)                      | \$0.00             | \$0.00             | \$0.00             |
| 63  | Accum. Deferred Income Taxes-Other Property (282)                    | \$500,647,370.00   | \$459,138,014.00   | \$404,102,260.00   |
| 64  | Accum. Deferred Income Taxes-Other (283)                             | \$22,992,396.00    | \$88,459,037.00    | \$143,401,730.00   |
| 65  | Total Deferred Credits (lines 56 through 64)                         | \$973,517,668.00   | \$937,152,191.00   | \$883,889,060.00   |
| 66  | TOTAL LIABILITIES AND STOCKHOLDER EQUITY (lines 16, 24, 35, 54,65)   | \$2,732,257,986.00 | \$2,728,264,594.00 | \$2,798,617,776.00 |

EXHIBIT D

**Attachment 2**

Atlantic City Electric Company  
Income Statement

| Row | Account  | 2007               | 2006               | 2005               |
|-----|--|--------------------|--------------------|--------------------|
| 1   | UTILITY OPERATING INCOME   |                    |                    |                    |
| 2   | Operating Revenues (400)   | \$1,556,072,815.00 | \$1,491,679,944.00 | \$1,025,348,479.00 |
| 3   | Operating Expenses   | \$0.00             | \$0.00             | \$0.00             |
| 4   | Operation Expenses (401)   | \$1,262,158,048.00 | \$1,149,891,474.00 | \$676,478,223.00   |
| 5   | Maintenance Expenses (402)   | \$23,029,213.00    | \$41,262,792.00    | \$38,589,755.00    |
| 6   | Depreciation Expense (403)   | \$50,670,278.00    | \$48,529,835.00    | \$50,867,672.00    |
| 7   | Depreciation Expense for Asset Retirement Costs (403.1)                | \$0.00             | \$0.00             | \$0.00             |
| 8   | Amort. & Depl. of Utility Plant (404-405)                              | (\$12,712,445.00)  | (\$10,698,422.00)  | (\$4,645,861.00)   |
| 9   | Amort. of Utility Plant Acq. Adj. (406)                                | \$0.00             | \$0.00             | \$0.00             |
| 10  | Amort. Property Losses, Unrecov Plant and Regulatory Study Costs (407) | \$0.00             | \$0.00             | \$0.00             |
| 11  | Amort. of Conversion Expenses (407)                                    | \$0.00             | \$0.00             | \$0.00             |
| 12  | Regulatory Debits (407.3)  | \$42,193,087.00    | \$73,577,159.00    | \$77,722,569.00    |
| 13  | (Less) Regulatory Credits (407.4)                                      | \$0.00             | \$0.00             | \$2,244,172.00     |
| 14  | Taxes Other Than Income Taxes (408.1)                                  | \$26,087,232.00    | \$29,959,741.00    | \$29,353,089.00    |
| 15  | Income Taxes - Federal (409.1)   | \$60,950,345.00    | \$20,203,418.00    | \$105,349,795.00   |
| 16  | - Other (409.1)  | \$14,703,196.00    | \$11,540,138.00    | \$22,725,137.00    |
| 17  | Provision for Deferred Income Taxes (410.1)                            | \$87,626,164.00    | \$151,483,525.00   | \$36,347,012.00    |
| 18  | (Less) Provision for Deferred Income Taxes-Cr. (411.1)                 | \$122,030,300.00   | \$147,844,736.00   | \$119,420,200.00   |
| 19  | Investment Tax Credit Adj. - Net (411.4)                               | \$127,106.00       | (\$1,366,091.00)   | (\$1,002,312.00)   |
| 20  | (Less) Gains from Disp. of Utility Plant (411.6)                       | \$0.00             | \$0.00             | \$0.00             |
| 21  | Losses from Disp. of Utility Plant (411.7)                             | \$0.00             | \$0.00             | \$0.00             |
| 22  | (Less) Gains from Disposition of Allowances (411.8)                    | \$0.00             | \$0.00             | \$0.00             |
| 23  | Losses from Disposition of Allowances (411.9)                          | \$0.00             | \$0.00             | \$0.00             |
| 24  | Accretion Expense (411.10)   | \$0.00             | \$0.00             | \$0.00             |
| 25  | TOTAL Utility Operating Expenses (Enter Total of lines 4 thru 24)      | \$1,432,801,924.00 | \$1,366,538,833.00 | \$910,120,707.00   |
| 26  | Net Util Oper Inc (Enter Tot line 2 less 25) Carry to Pg117,line 27    | \$123,270,891.00   | \$125,141,111.00   | \$115,227,772.00   |
| 27  | Net Utility Operating Income (Carried forward from page 114)           | \$123,270,891.00   | \$125,141,111.00   | \$115,227,772.00   |
| 28  | Other Income and Deductions  | \$0.00             | \$0.00             | \$0.00             |
| 29  | Other Income   | \$0.00             | \$0.00             | \$0.00             |
| 30  | Nonutility Operating Income  | \$0.00             | \$0.00             | \$0.00             |
| 31  | Revenues From Merchandising, Jobbing and Contract Work (415)           | \$5,716,154.00     | \$5,601,053.00     | \$6,879,123.00     |
| 32  | (Less) Costs and Exp. of Merchandising, Job. & Contract Work (416)     | \$7,894,108.00     | \$7,067,677.00     | \$7,930,355.00     |
| 33  | Revenues From Nonutility Operations (417)                              | \$114,850.00       | \$159,068.00       | \$338,184.00       |
| 34  | (Less) Expenses of Nonutility Operations (417.1)                       | \$953,046.00       | \$1,816,761.00     | \$10,036,277.00    |
| 35  | Nonoperating Rental Income (418)                                       | \$0.00             | \$0.00             | \$0.00             |
| 36  | Equity in Earnings of Subsidiary Companies (418.1)                     | \$0.00             | \$0.00             | \$0.00             |
| 37  | Interest and Dividend Income (419)                                     | \$807,413.00       | \$2,189,448.00     | \$2,185,836.00     |
| 38  | Allowance for Other Funds Used During Construction (419.1)             | \$1,085,799.00     | \$675,442.00       | \$1,584,040.00     |
| 39  | Miscellaneous Nonoperating Income (421)                                | \$3,993,026.00     | \$1,858,942.00     | \$4,608,387.00     |
| 40  | Gain on Disposition of Property (421.1)                                | \$376,613.00       | \$108.00           | \$101,725.00       |
| 41  | TOTAL Other Income (Enter Total of lines 31 thru 40)                   | \$3,246,701.00     | \$1,599,623.00     | (\$2,269,337.00)   |
| 42  | Other Income Deductions  | \$0.00             | \$0.00             | \$0.00             |
| 43  | Loss on Disposition of Property (421.2)                                | \$0.00             | \$0.00             | \$0.00             |
| 44  | Miscellaneous Amortization (425)                                       | \$0.00             | \$0.00             | \$0.00             |
| 45  | Donations (426.1)  | \$110,296.00       | \$186,168.00       | \$161,674.00       |
| 46  | Life Insurance (426.2)   | (\$235,404.00)     | (\$445,052.00)     | \$0.00             |
| 47  | Penalties (426.3)  | \$51,453.00        | \$80,239.00        | \$45,074.00        |
| 48  | Exp. for Certain Civic, Political & Related Activities (426.4)         | \$84,733.00        | \$30,623.00        | \$0.00             |
| 49  | Other Deductions (426.5)   | \$3,253,053.00     | \$12,012.00        | \$0.00             |
| 50  | TOTAL Other Income Deductions (Total of lines 43 thru 49)              | \$3,264,131.00     | (\$136,010.00)     | \$206,748.00       |
| 51  | Taxes Applic. to Other Income and Deductions                           | \$0.00             | \$0.00             | \$0.00             |
| 52  | Taxes Other Than Income Taxes (408.2)                                  | \$0.00             | \$0.00             | \$0.00             |
| 53  | Income Taxes-Federal (409.2)   | \$577,414.00       | \$653,006.00       | (\$546,242.00)     |
| 54  | Income Taxes-Other (409.2)   | \$163,162.00       | \$184,523.00       | (\$154,354.00)     |
| 55  | Provision for Deferred Inc. Taxes (410.2)                              | \$0.00             | \$0.00             | \$0.00             |
| 56  | (Less) Provision for Deferred Income Taxes-Cr. (411.2)                 | \$0.00             | \$0.00             | \$0.00             |
| 57  | Investment Tax Credit Adj.-Net (411.5)                                 | \$0.00             | \$0.00             | \$0.00             |
| 58  | (Less) Investment Tax Credits (420)                                    | \$0.00             | \$0.00             | \$0.00             |
| 59  | TOTAL Taxes on Other Income and Deductions (Total of lines 52-58)      | \$740,576.00       | \$837,529.00       | (\$700,596.00)     |
| 60  | Net Other Income and Deductions (Total of lines 41, 50, 59)            | (\$758,006.00)     | \$898,104.00       | (\$1,775,489.00)   |
| 61  | Interest Charges   | \$0.00             | \$0.00             | \$0.00             |
| 62  | Interest on Long-Term Debt (427)                                       | \$28,943,604.00    | \$28,562,883.00    | \$27,993,765.00    |
| 63  | Amort. of Debt Disc. and Expense (428)                                 | \$1,720,303.00     | \$2,491,690.00     | \$1,509,624.00     |
| 64  | Amortization of Loss on Required Debt (428.1)                          | \$1,240,648.00     | \$1,245,145.00     | \$1,245,145.00     |
| 65  | (Less) Amort. of Premium on Debt-Credit (429)                          | \$0.00             | \$0.00             | \$0.00             |
| 66  | (Less) Amortization of Gain on Required Debt-Credit (429.1)            | \$0.00             | \$0.00             | \$0.00             |
| 67  | Interest on Debt to Assoc. Companies (430)                             | \$23,508,077.00    | \$24,476,852.00    | \$26,074,634.00    |
| 68  | Other Interest Expense (431)   | \$8,821,831.00     | \$7,372,406.00     | \$3,214,131.00     |
| 69  | (Less) Allowance for Borrowed Funds Used During Construction-Cr. (432) | \$1,830,348.00     | \$759,674.00       | \$761,038.00       |
| 70  | Net Interest Charges (Total of lines 62 thru 69)                       | \$62,404,115.00    | \$63,389,302.00    | \$59,276,261.00    |
| 71  | Income Before Extraordinary Items (Total of lines 27, 60 and 70)       | \$60,108,770.00    | \$62,649,913.00    | \$54,176,022.00    |
| 72  | Extraordinary Items  | \$0.00             | \$0.00             | \$0.00             |
| 73  | Extraordinary Income (434)   | \$0.00             | \$0.00             | \$0.00             |
| 74  | (Less) Extraordinary Deductions (435)                                  | \$0.00             | \$0.00             | (\$15,195,721.00)  |
| 75  | Net Extraordinary Items (Total of line 73 less line 74)                | \$0.00             | \$0.00             | \$15,195,721.00    |
| 76  | Income Taxes-Federal and Other (409.3)                                 | \$0.00             | \$0.00             | \$6,207,452.00     |
| 77  | Extraordinary Items After Taxes (line 75 less line 76)                 | \$0.00             | \$0.00             | \$8,988,269.00     |
| 78  | Net Income (Total of line 71 and 77)                                   | \$60,108,770.00    | \$62,649,913.00    | \$63,164,291.00    |

EXHIBIT D

**Attachment 3**

| Row | ACCOUNTS  | 3 Q<br>2008        | 1 Q<br>2008        | 4 Q<br>2007        |
|-----|---|--------------------|--------------------|--------------------|
| 1   | UTILITY PLANT   |                    |                    |                    |
| 2   | Utility Plant (101-106, 114)  | \$2,113,026,140.00 | \$1,977,239,919.00 | \$1,955,208,578.00 |
| 3   | Construction Work in Progress (107)                                     | \$68,620,623.00    | \$146,919,775.00   | \$121,443,556.00   |
| 4   | TOTAL Utility Plant (Enter Total of lines 2 and 3)                      | \$2,181,646,763.00 | \$2,124,159,694.00 | \$2,076,652,134.00 |
| 5   | (Less) Accum. Prov. for Depr. Amort. Depl. (108, 110, 111, 115)         | \$657,782,077.00   | \$640,531,137.00   | \$633,518,715.00   |
| 6   | Net Utility Plant (Enter Total of line 4 less 5)                        | \$1,523,864,686.00 | \$1,483,628,557.00 | \$1,443,133,419.00 |
| 7   | Nuclear Fuel in Process of Ref., Conv., Enrich., and Fab. (120.1)       | \$0.00             | \$0.00             | \$0.00             |
| 8   | Nuclear Fuel Materials and Assemblies-Stock Account (120.2)             | \$0.00             | \$0.00             | \$0.00             |
| 9   | Nuclear Fuel Assemblies in Reactor (120.3)                              | \$0.00             | \$0.00             | \$0.00             |
| 10  | Spent Nuclear Fuel (120.4)  | \$0.00             | \$0.00             | \$0.00             |
| 11  | Nuclear Fuel Under Capital Leases (120.6)                               | \$0.00             | \$0.00             | \$0.00             |
| 12  | (Less) Accum. Prov. for Amort. of Nucl. Fuel Assemblies (120.5)         | \$0.00             | \$0.00             | \$0.00             |
| 13  | Net Nuclear Fuel (Enter Total of lines 7-11 less 12)                    | \$0.00             | \$0.00             | \$0.00             |
| 14  | Net Utility Plant (Enter Total of lines 6 and 13)                       | \$1,523,864,686.00 | \$1,483,628,557.00 | \$1,443,133,419.00 |
| 15  | Utility Plant Adjustments (116)   | \$0.00             | \$0.00             | \$0.00             |
| 16  | Gas Stored Underground - Noncurrent (117)                               | \$0.00             | \$0.00             | \$0.00             |
| 17  | OTHER PROPERTY AND INVESTMENTS  | \$0.00             | \$0.00             | \$0.00             |
| 18  | Nonutility Property (121)   | \$1,339,040.00     | \$1,339,040.00     | \$1,339,040.00     |
| 19  | (Less) Accum. Prov. for Depr. and Amort. (122)                          | \$0.00             | \$0.00             | \$0.00             |
| 20  | Investments in Associated Companies (123)                               | \$0.00             | \$0.00             | \$0.00             |
| 21  | Investment in Subsidiary Companies (123.1)                              | \$2,960,001.00     | \$2,960,001.00     | \$2,960,001.00     |
| 22  | (For Cost of Account 123.1. See Footnote Page 224, line 42)             | \$0.00             | \$0.00             | \$0.00             |
| 23  | Noncurrent Portion of Allowances  | \$0.00             | \$0.00             | \$0.00             |
| 24  | Other Investments (124)   | \$0.00             | \$0.00             | \$0.00             |
| 25  | Sinking Funds (125)   | \$0.00             | \$0.00             | \$0.00             |
| 26  | Depreciation Fund (126)   | \$0.00             | \$0.00             | \$0.00             |
| 27  | Amortization Fund - Federal (127)                                       | \$0.00             | \$0.00             | \$0.00             |
| 28  | Other Special Funds (128)   | \$757,608.00       | \$961,222.00       | \$1,026,290.00     |
| 29  | Special Funds (Non Major Only) (129)                                    | \$0.00             | \$0.00             | \$0.00             |
| 30  | Long-Term Portion of Derivative Assets (175)                            | \$0.00             | \$0.00             | \$0.00             |
| 31  | Long-Term Portion of Derivative Assets - Hedges (176)                   | \$0.00             | \$0.00             | \$0.00             |
| 32  | TOTAL Other Property and Investments (Lines 18-21 and 23-31)            | \$5,056,649.00     | \$5,260,263.00     | \$5,325,331.00     |
| 33  | CURRENT AND ACCRUED ASSETS  | \$0.00             | \$0.00             | \$0.00             |
| 34  | Cash and Working Funds (Non-major Only) (130)                           | \$0.00             | \$0.00             | \$0.00             |
| 35  | Cash (131)  | \$6,251,457.00     | \$8,158,026.00     | \$7,014,464.00     |
| 36  | Special Deposits (132-134)  | \$0.00             | \$0.00             | \$0.00             |
| 37  | Working Fund (135)  | \$132,102.00       | \$132,102.00       | \$133,636.00       |
| 38  | Temporary Cash Investments (136)  | \$40,851,917.00    | \$2,700,239.00     | \$0.00             |
| 39  | Notes Receivable (141)  | \$0.00             | \$0.00             | \$0.00             |
| 40  | Customer Accounts Receivable (142)                                      | \$141,965,255.00   | \$114,823,339.00   | \$119,333,686.00   |
| 41  | Other Accounts Receivable (143)   | \$38,762,058.00    | \$43,395,933.00    | \$42,209,327.00    |
| 42  | (Less) Accum. Prov. for Uncollectible Acct.-Credit (144)                | \$6,627,304.00     | \$5,502,187.00     | \$4,896,000.00     |
| 43  | Notes Receivable from Associated Companies (145)                        | \$0.00             | \$0.00             | \$0.00             |
| 44  | Accounts Receivable from Assoc. Companies (146)                         | \$0.00             | \$0.00             | \$0.00             |
| 45  | Fuel Stock (151)  | \$0.00             | \$0.00             | \$0.00             |
| 46  | Fuel Stock Expenses Undistributed (152)                                 | \$0.00             | \$0.00             | \$0.00             |
| 47  | Residuals (Elec) and Extracted Products (153)                           | \$0.00             | \$0.00             | \$0.00             |
| 48  | Plant Materials and Operating Supplies (154)                            | \$12,851,438.00    | \$13,914,257.00    | \$12,973,200.00    |
| 49  | Merchandise (155)   | \$0.00             | \$0.00             | \$0.00             |
| 50  | Other Materials and Supplies (156)                                      | \$0.00             | \$0.00             | \$0.00             |
| 51  | Nuclear Materials Held for Sale (157)                                   | \$0.00             | \$0.00             | \$0.00             |
| 52  | Allowances (158.1 and 158.2)  | \$3,400.00         | \$121,289.00       | \$121,288.00       |
| 53  | (Less) Noncurrent Portion of Allowances                                 | \$0.00             | \$0.00             | \$0.00             |
| 54  | Stores Expense Undistributed (163)                                      | \$789,444.00       | \$854,335.00       | \$1,031,369.00     |
| 55  | Gas Stored Underground - Current (164.1)                                | \$0.00             | \$0.00             | \$0.00             |
| 56  | Liquefied Natural Gas Stored and Held for Processing (164.2-164.3)      | \$0.00             | \$0.00             | \$0.00             |
| 57  | Prepayments (165)   | \$89,723,545.00    | \$55,390,448.00    | \$57,140,806.00    |
| 58  | Advances for Gas (166-167)  | \$0.00             | \$0.00             | \$0.00             |
| 59  | Interest and Dividends Receivable (171)                                 | \$0.00             | \$0.00             | \$0.00             |
| 60  | Rents Receivable (172)  | \$4,199,337.00     | \$4,833,950.00     | \$3,293,300.00     |
| 61  | Accrued Utility Revenues (173)  | \$43,099,383.00    | \$20,374,285.00    | \$38,129,515.00    |
| 62  | Miscellaneous Current and Accrued Assets (174)                          | \$0.00             | \$0.00             | \$0.00             |
| 63  | Derivative Instrument Assets (175)                                      | \$0.00             | \$0.00             | \$0.00             |
| 64  | (Less) Long-Term Portion of Derivative Instrument Assets (175)          | \$0.00             | \$0.00             | \$0.00             |
| 65  | Derivative Instrument Assets - Hedges (176)                             | \$0.00             | \$0.00             | \$0.00             |
| 66  | (Less) Long-Term Portion of Derivative Instrument Assets - Hedges (176) | \$0.00             | \$0.00             | \$0.00             |
| 67  | Total Current and Accrued Assets (Lines 34 through 66)                  | \$372,002,032.00   | \$259,196,016.00   | \$276,484,591.00   |
| 68  | DEFERRED DEBITS   | \$0.00             | \$0.00             | \$0.00             |
| 69  | Unamortized Debt Expenses (181)   | \$3,315,071.00     | \$4,182,803.00     | \$4,713,966.00     |
| 70  | Extraordinary Property Losses (182.1)                                   | \$0.00             | \$0.00             | \$0.00             |
| 71  | Unrecovered Plant and Regulatory Study Costs (182.2)                    | \$0.00             | \$0.00             | \$0.00             |
| 72  | Other Regulatory Assets (182.3)   | \$731,379,456.00   | \$768,223,124.00   | \$818,753,197.00   |
| 73  | Prelim. Survey and Investigation Charges (Electric) (183)               | \$1,366.00         | \$8,000.00         | \$53,934.00        |
| 74  | Preliminary Natural Gas Survey and Investigation Charges 183.1)         | \$0.00             | \$0.00             | \$0.00             |
| 75  | Other Preliminary Survey and Investigation Charges (183.2)              | \$0.00             | \$0.00             | \$0.00             |
| 76  | Clearing Accounts (184)   | (\$1,088,771.00)   | (\$819,701.00)     | (\$2,412,729.00)   |
| 77  | Temporary Facilities (185)  | \$0.00             | \$0.00             | \$0.00             |
| 78  | Miscellaneous Deferred Debits (186)                                     | \$41,500,041.00    | \$38,833,656.00    | \$42,986,206.00    |
| 79  | Def. Losses from Disposition of Utility Plt. (187)                      | \$0.00             | \$0.00             | \$0.00             |
| 80  | Research, Devel. and Demonstration Expend. (188)                        | \$0.00             | \$0.00             | \$0.00             |
| 81  | Unamortized Loss on Reacquired Debt (189)                               | \$14,419,560.00    | \$14,238,519.00    | \$14,101,084.00    |
| 82  | Accumulated Deferred Income Taxes (190)                                 | \$135,917,153.00   | \$138,438,689.00   | \$129,118,987.00   |
| 83  | Unrecovered Purchased Gas Costs (191)                                   | \$0.00             | \$0.00             | \$0.00             |
| 84  | Total Deferred Debits (lines 69 through 83)                             | \$925,443,876.00   | \$963,105,090.00   | \$1,007,314,645.00 |
| 85  | TOTAL ASSETS (lines 14-16, 32, 67, and 84)                              | \$2,826,367,243.00 | \$2,711,189,926.00 | \$2,732,257,986.00 |

I/M/O the Petition of Atlantic City Electric Company for Approval  
of an Energy Efficiency Stimulus Program, and Approval of an  
Associated Cost Recovery Mechanism and Bill Stabilization Adjustment

Pursuant To N.J.S.A. 48:3-98.1

BPU Docket No. EO09010056

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**EXHIBIT E**

**NOTICE TO  
ATLANTIC CITY ELECTRIC COMPANY  
CUSTOMERS**

**IN THE MATTER OF THE PETITION OF ATLANTIC CITY  
ELECTRIC COMPANY FOR APPROVAL OF AN ENERGY  
EFFICIENCY STIMULUS PROGRAM, AND APPROVAL OF AN  
ASSOCIATED COST RECOVERY MECHANISM AND BILL  
STABILIZATION ADJUSTMENT PURSUANT  
TO N.J.S.A. 48:3-98.1**

**Notice of Filing  
and  
Public Hearing**

**TAKE NOTICE** that, on February 20, 2009, Atlantic City Electric Company (“ACE” or the “Company”) filed a Petition, along with supporting documentation, with the New Jersey Board of Public Utilities (“Board” or “NJBPU”) in connection with BPU Docket No. EO09010056 (the “Petition”). The Company is seeking the Board’s approval to implement and administer an Energy Efficiency Stimulus Program (“EESP”) and to approve an associated cost recovery mechanism and Bill Stabilization Adjustment (“BSA”).

ACE seeks Board approval to implement the EESP. Implementation of the EESP would accelerate and enhance energy efficiency investments and help improve and stimulate the State’s economy and create new employment opportunities. These energy efficiency projects will also enable the Company to provide its customers, through rebates and other services, with the opportunity to use energy more efficiently and cost effectively.

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ACE is proposing to undertake approximately \$10.08 million in energy efficiency projects. Conditioned upon receipt of appropriate approvals (where required), these projects will be initiated and/or completed during the 12 month period following NJBPU approval of the Petition.

Commensurate with the implementation of the EESP, ACE proposes to implement a RGGI Surcharge Tariff (also referred to herein as the “Rider RGGI”). Rider RGGI will be designed to allow the Company to timely and fully recover its revenue requirements associated with the EESP. Carrying charges calculated at the Company’s current cost of capital will be applicable on any over/under recovered balance on a monthly basis. Additionally, the Company proposes

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to implement a BSA which will allow the Company to recover its Board-authorized level of revenues, which could be impacted by the implementation of the EESP.

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The RGGI Surcharge Tariff would be applicable to all rate schedules and will be applied equally to customer invoices on a per kilowatt-hour (“kWh”) basis.

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Table 1 provides customers with an approximate indication of the net effect of the proposed increase in rates resulting from Rider RGGI upon implementation pursuant to NJBPU approval. The annual percentage increase applicable to individual customers will vary according to each customer’s usage during a month. The approximate impact of the proposed increase on a typical customer’s monthly bill, subject to Board approval of the RGGI Surcharge Tariff, is demonstrated in Table 2.

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Deleted: Recovery Charge by the Board

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TABLE 1  
RATE INCREASE AS COMPARED TO THE  
RATES IN EFFECT AS OF JANUARY 1, 2009

| Rate Class   | Overall Monthly Class Average Per Customer<br>(Includes 7% Sales and Use Tax) |                             |                        |
|--|---|-----------------------------|------------------------|
|  | Current<br>Monthly<br>Bill  | Proposed<br>Monthly<br>Bill | Proposed %<br>Increase |
| Residential Service (RS)                               | \$ 130.99   | \$ 131.18                   | 0.14%                  |
| Monthly General Service - Secondary<br>(MGS Secondary) | \$ 282.24   | \$ 282.72                   | 0.17%                  |
| Monthly General Service - Primary (MGS<br>Primary)     | \$ 3,940.76   | \$ 3,947.24                 | 0.16%                  |
| Annual General Service - Secondary<br>(AGS Secondary)  | \$ 7,850.29   | \$ 7,863.33                 | 0.17%                  |
| Annual General Service - Primary (AGS<br>Primary)      | \$ 48,654.25  | \$ 48,741.59                | 0.18%                  |
| Transmission General Service (TGS)                     | \$ 175,364.90   | \$ 175,744.18               | 0.22%                  |
| Direct Distribution Connection (DDC)                   | \$ 355.40   | \$ 355.80                   | 0.11%                  |
| Street & Area Lighting                                 | \$ 213.12   | \$ 213.33                   | 0.10%                  |

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TABLE 2  
 IMPACT OF THE RGGI SURCHARGE TARIFF ON RESIDENTIAL ELECTRIC BILLS

| Monthly kWhr Use | Present Bill | Proposed Bill | Proposed Increase (\$) | Proposed Increase (%) |
|------------------|--------------|---------------|------------------------|-----------------------|
| 100              | \$ 18.67     | \$ 18.69      | \$ 0.02                | 0.11%                 |
| 300              | \$ 50.99     | \$ 51.06      | \$ 0.07                | 0.14%                 |
| 500              | \$ 83.31     | \$ 83.44      | \$ 0.13                | 0.16%                 |
| 750              | \$ 122.80    | \$ 122.99     | \$ 0.19                | 0.15%                 |
| 1000             | \$ 163.44    | \$ 163.69     | \$ 0.25                | 0.15%                 |
| 2000             | \$ 326.02    | \$ 326.51     | \$ 0.49                | 0.15%                 |
| 2500             | \$ 407.32    | \$ 407.93     | \$ 0.61                | 0.15%                 |
| 3000             | \$ 488.61    | \$ 489.35     | \$ 0.74                | 0.15%                 |

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Based upon the Company's filing, a typical residential customer using 1000 kWh per month\* would see an increase in such customer's monthly bill from \$163.44 to \$163.69 or \$0.25 or 0.15%.

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Any final rate adjustments (with resulting customer bill impacts) from those set forth herein found to be just and reasonable as a 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 good and legally sufficient reasons to any class or classes of customers of the Company. Accordingly, the charges identified herein may increase or decrease based upon the Board's ultimate decision in this matter.

Copies of ACE's filing are available at the Company's offices located at 5100 Harding Highway, Mays Landing, New Jersey 08330 and at the Board of Public Utilities at Two Gateway Center, Newark, New Jersey 07102.

In order to afford members of the public an opportunity to present their views on the Petition, the following date, times and location for public hearings have been set with respect to the Company's EESP filing:

Date: TBD  
 Location: TBD  
 Times: 3:30 p.m. and 5:30 p.m.

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In order to encourage full participation in these public hearings by members of the public, please\* submit any requests for special accommodations, including interpreters, listening devices or mobility assistance to the Company at least 48 hours in advance of the hearing. Customers may also submit written comments to the Secretary of the Board of Public Utilities, Attention: Kristi Izzo, at the address indicated above, whether or not they attend the public hearings.

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DATED: March XX, 2009

ATLANTIC CITY ELECTRIC COMPANY