



STATE OF NEW JERSEY
Board of Public Utilities
Two Gateway Center
Newark, NJ 07102
www.nj.gov/bpu/

ENERGY

IN THE MATTER OF THE PETITION OF ATLANTIC)	ORDER
CITY ELECTRIC COMPANY, PURSUANT TO)	
N.J.S.A. 48:2-13 AND N.J.S.A. 48:3-9)	
FOR AUTHORITY TO ISSUE SHORT-TERM)	
INDEBTEDNESS PRIOR TO JANUARY 1, 2012)	DOCKET NO. EF09080713

Phillip J. Passanante, Esq. Assistant General Counsel, Atlantic City Electric for Petitioner

BY THE BOARD:

On August 26, 2009, Atlantic City Electric Company ("Petitioner"), a public utility of the State of New Jersey, filed a petition with the New Jersey Board of Public Utilities ("Board") requesting authority pursuant to N.J.S.A. 48:2-13 and N.J.S.A. 48:3-9 to continue to issue, renew or extend unsecured short-term indebtedness ("Short-Term Debt") from time to time prior to January 1, 2012, in an aggregate principal amount outstanding at any one time not in excess of \$250 million. The Board, in its Order in BPU Docket No. EF07080625 dated November 29, 2007, authorized Petitioner to issue similar Short-Term Debt prior to January 1, 2010.

According to the petition, cash requirements associated with Petitioner's construction program will be provided by means of internally generated funds, and, to the extent necessary, through external financing. However, Petitioner anticipates that short-term external financing will be necessary to provide for temporary financing of construction program expenditures and other general corporate transactions. Petitioner has requested that the Board extend to January 1, 2012, the authorization previously granted by this Board in its Order dated November 29, 2007 in BPU Docket No. EF07080625 relating to the issuance of Short-Term Debt by the Petitioner and to establish a limit of \$250 million with regard to the aggregate amount of Short-Term Debt that may be outstanding at any one time, as amended by the Order dated April 14, 2008 in that docket.

Board Staff has reviewed the continuing electric construction program of Petitioner for which a portion of these moneys is intended as temporary financing, and has found that the funds for the construction program will be used for utility purposes to allow Petitioner to expand and improve its facilities.

The Department of the Public Advocate, Division of Rate Counsel ("Rate Counsel") has reviewed this matter and by letter dated November 16, 2009, stated that it is not opposed to Board approval of this petition with certain conditions including that the proceeds should only be used for utility purposes, that ACE is obligated to maintain a prudent mix of capital, and that Rate Counsel's lack of opposition is not intended to indicate any agreement with the Petitioner's capital spending program or capital structure policies.

The Board, after investigation, having considered the exhibits submitted in this matter along with the recommendations of Staff and Rate Counsel, and being satisfied that issuance, from time to time, of Short-Term Debt as proposed by Petitioner is to be made in accordance with law, is in the public interest and approving the purposes thereof, HEREBY ORDERS that Petitioner be and is HEREBY AUTHORIZED to issue unsecured short-term indebtedness payable not more than twelve (12) months after the date or dates thereof, from time to time, prior to January 1, 2012, in an aggregate principal amount outstanding at any one time not in excess of \$250 million.


This Order is issued subject to the following provisions:

1. Within 30 days after the close of each fiscal quarter, Petitioner shall file with the Board a statement setting forth in reasonable detail the amounts of its unsecured indebtedness outstanding, the dates of issue and maturity, and the rates of interest thereon.
2. This Order shall not be construed as a certification that the securities proposed to be issued will be represented by tangible or intangible assets of commensurate value or investment costs.
3. This Order shall not be construed as directly or indirectly fixing for any purpose whatsoever any value of the tangible or intangible assets now owned or hereafter to be owned by Petitioner.
4. This Order shall not affect or in any way limit the exercise of the authority of this Board or of this State, in any future petition or in any proceeding with respect to rates, franchises, service, financing, accounting, capitalization, depreciation or in any other matter affecting the Petitioner.
5. Petitioner shall submit to the Office of the Economist and to Board Staff copies of all resolutions that shall be adopted by the Board of Directors of Petitioner during the term of this Order, which shall have the effect of changing the amount of unsecured indebtedness within the limits established by this Order. Such submittals shall be for informational purposes only, and shall be made within ten (10) days following the taking of such action by Petitioner's Board of Directors.
6. On each day where the Petitioner determines that it requires short-term funds in the form of commercial paper, Petitioner shall first use commercially reasonable efforts to obtain competitive bids from at least three (3) commercial paper dealers. Petitioner shall then select the bid that offers the best terms at the lowest rate to Petitioner and to its New Jersey ratepayers. Petitioner shall maintain documentation as to such efforts to obtain competitive bids from at least three (3) commercial paper dealers. Such documentation shall be supplied to Board Staff or Rate Counsel upon request.

7. The authority granted in this Order shall become null and void and of no effect with respect to any portion which is not exercised prior to January 1, 2012.

DATED: 12/1/09

BOARD OF PUBLIC UTILITIES
BY:


JEANNE M. FOX
PRESIDENT


FREDERICK F. BUTLER
COMMISSIONER


JOSEPH L. FIORDALISO
COMMISSIONER

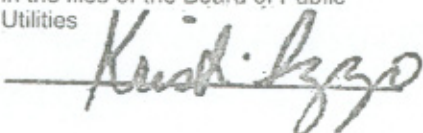

NICHOLAS ASSELTA
COMMISSIONER


ELIZABETH RANDALL
COMMISSIONER

ATTEST:


KRISTI IZZO
SECRETARY

I HEREBY CERTIFY that the within
document is a true copy of the original
in the files of the Board of Public
Utilities



Service List

In the Matter of the Petition of Atlantic City Electric Company, pursuant to N.J.S.A. 48:2-13 and N.J.S.A. 48:3-9 for Authority to Issue Short-Term Indebtedness prior to January 1, 2010

Docket No. EF07080625

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