



Agenda Date: 5/12/10
Agenda Item: 2F

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)	DECISION AND ORDER
ATLANTIC CITY ELECTRIC COMPANY)	APPROVING STIPULATION
FOR APPROVAL OF AMENDMENTS TO ITS)	AND ADOPTING INITIAL
TARIFF TO PROVIDE FOR AN INCREASE IN RATES)	DECISION
AND CHARGES FOR ELECTRIC SERVICE PURSUANT)	
TO N.J.S.A. 48:2-21 and N.J.S.A. 48:2-21.1 AND FOR)	
OTHER APPROPRIATE RELIEF)	DOCKET NO. ER09080664

Philip J. Passanante, Esq. and Nicolas W. Mattia Jr., Esq. on behalf of Atlantic City Electric Company

Paul Flanagan, Esq. Ami Morita, Esq., Diane Schulze, Esq., and James Glassen, Esq. (Stefanie A. Brand, Director Department of the Public Advocate,) on behalf of the Division of Rate Counsel

Brandi A. Colander, Esq., and Luis G. Martinez, Esq. on behalf of the Natural Resources Defense Council

Holly Rachel Smith, Esq. on behalf Wal-Mart Stores East, LP and Sam's East, Inc

Alex Moreau and Jessica Campbell, Deputy Attorney Generals, on behalf of the Staff of the New Jersey Board of Public Utilities (**Paula Dow,** Attorney General of New Jersey)

BY THE BOARD¹:

Pursuant to N.J.S.A. 48:2-21 and N.J.S.A. 48:2-21.1, on August 14, 2009, Atlantic City Electric Company ("ACE" or "Company") filed a petition with the New Jersey Board of Public Utilities ("BPU" or "Board") seeking a net increase of approximately \$51.6 million in the Company's base electric distribution rates, a decrease to its Regulatory Assets Recovery Charge ("RARC"), the implementation of a Bill Stabilization Adjustment ("BSA"), a Pension Cost Tracking mechanism (referred to as a Pension and Other Post Employment Benefits Expense Mitigation Rate or "POEMR" Rider), modification to the method for amortization of an excess depreciation reserve, and implementation of a Distribution Infrastructure Investment Tracker ("DIIT").

The petition stated that the increased distribution rates, and changes in the Company's proposed tariff, were designed to produce additional revenues of \$54.1 million, representing a 4.04% increase in electric distribution rates.

¹ Commissioner Elizabeth Randall did not participate in this matter.

The test year was based on the twelve months ended December 31, 2009, and contained three months of actual results and nine months of projected data, and post test-year adjustments for projected changes, some of which extend through the end of December, 2010.

The petition was transmitted to the Office of Administrative Law ("OAL") on September 15, 2009 and was assigned to Administrative Law Judge ("ALJ") Irene Jones.

On December 18, 2009, ALJ Jones issued her Pre-hearing Order, which set deadlines for submittal of testimony, established dates for public and evidentiary hearings, and set deadlines for the filing of initial and reply briefs.

On March 2, 2010, ALJ Jones granted the motions to intervene filed by the Natural Resources Defense Council ("NRDC") and Wal-Mart Stores East, LP, and Sam's East, Inc. ("Wal-Mart").

Notice of the public hearing was published in newspapers of general circulation in ACE's service area. Two hearings were held in Mays Landing on April 22, 2010. One member of the public appeared at this public hearing who did not address the proposed increase but just had certain questions about the case to which the Company responded.

Following the review of the Company's filing, the Department of the Public Advocate, Division of Rate Counsel ("Rate Counsel"), NRDC, Wal-Mart, Staff of the Board ("Staff") and the Company (collectively, the "Stipulating Parties") engaged in extensive discovery over several months.

On January 12, 2010, the Company filed updated schedules which included nine months of actual and three months of estimated data ("9+3 Update"). The 9+3 Update supported a revenue requirement of \$49 million which is \$5.1 million less than the \$54.1 million originally requested by the Company in the petition. On February 19, 2010, ACE filed its twelve month actual data which further reduced ACE's revenue requirement request to \$45.8 million.

The Stipulating Parties met on numerous occasions to discuss settlement, and executed a stipulation dated April 28, 2010 ("Stipulation"), the salient points of which are as follows:

THE PROPOSED STIPULATION²

1. Upon Board approval, ACE will be permitted to increase its base rates in a manner designed to produce a total annual revenue requirement increase of \$20 million or an increase in base rates of 1.6 percent.
2. The new distribution base rates reflect a rate of return on equity of 10.3% with a corresponding overall rate of return of 8.69%, and an equity component of 49.1% of total capitalization.
3. The increase in base revenues should be distributed equally among the Company's rate classes on an across-the-board basis. All rate components, such as customer charge, demand and energy rates, shall be increased on an equal percentage basis. Attached to the Stipulation as Exhibit A are the tariff sheets reflecting the stipulated

² Although described at some length in this Order, should there be any conflict between this summary and the Stipulation, the terms of the Stipulation control, subject to the findings and conclusions in this Order.

increase in annual operating revenues. Attached to the Stipulation as Exhibit B is a schedule showing the net effect of the increase on the rates for all customer classes.

The Company's proposed AGS and TGS rate design will be implemented and result in cost recovery for these customer classifications through the customer charge, an unblocked distribution demand charge and a reactive demand charge.

ACE has agreed to submit, as part of any future base rate case petition, a cost of service study ("COSS") based on the peak and average methodology that classifies transmission and distribution plant and related costs on a combination of demand and energy based allocators. In addition, the Company will have the right to file, and support, any COSS method it considers more appropriate.

Specifically, ACE will provide as part of any future base rate case a COSS using the Peak and Average Cost of Service Study methodology under the following parameters: first, calculate load factors for each voltage level of the non-FERC regulated distribution system; utilize coincident peak ("CP") demand for the peak demand portion of the load factor calculation; at each voltage level, classify to the energy cost component that portion of cost equal to the voltage level load factor; allocate these energy classified costs base upon each class' share of average demand at the particular voltage level; classify the balance of costs (i.e., one minus voltage level load factor) to the demand cost component; allocate these demand classified costs based upon each class' contribution to the voltage level CP demand.

4. The Company proposed the adoption of two regulatory tracking mechanisms: the Distribution Infrastructure Investment Tracker ("DIIT") and the Pension and Other Post Employment Benefits Mitigation Rate ("POEMR"). The Company will not seek to implement either of these mechanisms while these new rates remain in effect.
5. The depreciation rates determined by the Board as part of the Company's last base rate decision (BPU Docket No. ER03020110, dated May 26, 2005) shall remain unchanged while these new rates remain in effect.
6. By letter dated May 1, 2009, the Company filed with the Board a letter request seeking authorization to defer for regulatory accounting purposes certain 2009 pension-related costs. The Company will withdraw this letter request within seven (7) days of Board approval of this Stipulation.
7. The Company proposed to adjust its Regulatory Asset Recovery Charge ("RARC") by removing from the current RARC the costs associated with regulatory assets that have been fully amortized. The Company proposed to further adjust the RARC by including the following five additional regulatory assets: (a) deferred costs of \$222,338 associated with a 2002 Board audit of affiliate relations; (b) deferred costs of \$987,243 associated with the 2008 Board management audit; (c) costs of approximately \$2,964,337 million related to the Company's participation in a legal proceeding seeking damages from the United States Department of Energy ("DOE") for the reduction in value of ACE's former interests in certain nuclear power plants; (d) deferred costs totaling \$1,930,000 million projected through December 31, 2009, related to the development of the Company's Smart Grid initiative; and (e) deferred costs of \$4,360,557 million related to the Company's efforts to restructure its Non-Utility Generation ("NUG") purchase power agreements. The RARC shall be adjusted as follows:

- (i) all items currently being recovered through the RARC shall continue to be recovered until fully amortized;
 - (ii) item (a) above shall not be included in the RARC for recovery;
 - (iii) item (b) above shall be fully recoverable in the RARC;
 - (iv) the Company shall recover 50% of the costs identified in item (c) through the RARC, and shall not seek recovery of the remaining 50% of its' legal costs associated with its lawsuit against the DOE;
 - (v) item (d) above shall not be included in the RARC for recovery;
 - (vi) item (e) shall be fully recoverable in the RARC; and
 - (vii) as of June 1, 2010, it is expected that the RARC will have an over recovered balance in an amount in excess of \$3 million. The Company shall credit the RARC with the entirety of the over recovered balance as of that date. Attached to the Stipulation as Exhibit C is the revised calculation of the RARC to be effective as of that date.
8. The new rates resulting from this Stipulation are to become effective for service rendered on and after June 1, 2010.
9. The Stipulating Parties have agreed that there are a number of issues that require additional time and analysis. Accordingly, , on or about November 1, 2010, ACE shall file a petition seeking consideration of the following unresolved issues as part of a Phase 2 proceeding:
- Bill Stabilization Adjustment
 - Infrastructure Investment True-up (2010 True-up and Prudency)
 - Customer Service
 - System Reliability

The impact of this rate change on the monthly bill of a typical residential customer using 1000 kWh per month is an increase of \$1.92 or 1.2 percent.

On May 3, 2010, the Board received ALJ Jones Initial Decision in the proceeding. ALJ Jones found that the Signatory Parties to the Stipulation voluntarily agreed to a settlement in this matter, and that the Stipulation fully disposes of all issues in controversy, except those issues deferred to a Phase 2 proceeding, and is consistent with the law.

DISCUSSION AND FINDINGS

Based on the Board's review and consideration of the record in this proceeding, including the Stipulation and Initial Decision, the Board HEREBY FINDS the Initial Decision and the Stipulation to be reasonable, in the public interest and in accordance with the law. Therefore the Board HEREBY ADOPTS ALJ Jones' Initial Decision and the Stipulation as its own, as if fully set forth herein. The Board notes that the stipulated increase in electric distribution rates is \$20 million or 1.6% compared to the \$54.1 million or 4.04% originally sought by the Company in its petition.

The Board HEREBY DIRECTS that the Company shall not file a DIIT or POEMR while the rates approved by this Order remain in effect.

The Board HEREBY DIRECTS that the rates resulting from this Stipulation become effective for service rendered on and after June 1, 2010.


The Board HEREBY DIRECTS that the issues of Bill Stabilization Adjustment, Infrastructure Investment True-up and prudence, Customer Service, and System Reliability be addressed as part of a Phase 2 proceeding to be filed on or about November 1, 2010.

The Board HEREBY FINDS that the tariff sheets attached to the Stipulation conform to the terms of the Stipulation, and HEREBY APPROVES the attached tariff sheets. The Board HEREBY DIRECTS the Company to file within the next five (5) business days the compliance tariff sheets that are attached to the Stipulation, with an effective date of June 1, 2010, consistent with the terms of this Order.

The Company's costs will remain subject to audit by the Board. This Decision and Order shall not preclude nor prohibit the Board from taking any actions determined to be appropriate as a result of any such audit.

DATED: 5/12/10

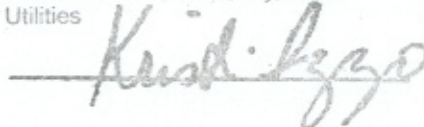
BOARD OF PUBLIC UTILITIES
BY:


LEE A. SOLOMON
PRESIDENT
JEANNE M. FOX
COMMISSIONER
JOSEPH L. FIORDALISO
COMMISSIONER
NICHOLAS ASSELTA
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



In the Matter of the Petition of Atlantic City Electric Company for Approval of Amendments to its
Tariff to Provide for an Increase in Rates and Charges for Electric Service and for Other
Appropriate Relief - BPU Docket No. ER09080664

SERVICE LIST

BOARD OF PUBLIC UTILITIES		
Mark Beyer Board of Public Utilities Two Gateway Center Newark, NJ 07102	Jerome May Board of Public Utilities Two Gateway Center Newark, NJ 07102	Eric Hartsfield Board of Public Utilities Two Gateway Center Newark, NJ 07102
Alice Bator Board of Public Utilities Two Gateway Center Newark, NJ 07102	Sheila Iannaccone Board of Public Utilities Two Gateway Center Newark, NJ 07102	Jacqueline Galka Board of Public Utilities Two Gateway Center Newark, NJ 07102
Beverly Tyndell Board of Public Utilities Two Gateway Center Newark, NJ 07102	Robert Schultheis Board of Public Utilities Two Gateway Center Newark, NJ 07102	Scott Sumliner Board of Public Utilities Two Gateway Center Newark, NJ 07102
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Alex Moreau, DAG Division of Law 124 Halsey Street, 5 th Floor P.O. Box 45029 Newark, NJ 07101	Jessica Campbell, DAG Division of Law 124 Halsey Street, 5 th Floor P.O. Box 45029 Newark, NJ 07101	Babette Tenzer, DAG Division of Law 124 Halsey Street, 5 th Floor P.O. Box 45029 Newark, NJ 07101

ATLANTIC CITY ELECTRIC COMPANY	OTHERS	OTHERS
Philip J. Passanante, Esq. Atlantic City Electric Co. 800 King Street, 5 th Floor P.O. Box 231 Wilmington, Del. 19801	Richard Webster, Esq. Eastern Environmental Law Center 744 Broad Street, Suite 1525 Newark, NJ 07102	Holly Rachel Smith, Esq. Hitt Business Center 3803 Rectortown Road Marshall, VA 20115

CAS
BESLOW
RPH
MOREAU
TENZER
CAMPBELL
ENRQBY (1)



New Jersey
OFFICE OF ADMINISTRATIVE LAW



ER09080604

DECISION

SETTLEMENT

OAL DKT. NO. PUC 6643-09

AGENCY DKT. NO.

IN THE MATTER OF THE PETITION OF
ATLANTIC CITY ELECTRIC COMPANY
FOR APPROVAL OF AMENDMENTS TO
ITS TARIFF TO PROVIDE FOR AN
INCREASE IN RATES AND CHARGES
FOR ELECTRIC SERVICE PURSUANT
TO N.J.S.A. AND N.J.S.A.
AND FOR OTHER APPROPRIATE RELIEF

Philip J. Passanante, Esq., Assistant General Counsel; Nicholas W. Mattia, Jr.
Esq. (Dickstein Shapiro, LLP); and Theodore F. Duver, Esq., Richard
Lorenzo, Esq. Arthur Adelberg, Esq. (Loeb and Loeb, LLP) on behalf of
Petitioner

Paul Flanagan, Esq., Ami Morita, Esq., Diane Esq., James
Esq. (Stefanie A. Brand, Director, Department of the Public Advocate), on
behalf of the Division of Rate Counsel

Jessica Campbell, and Alex Moreau, Deputy Attorney Generals for the Staff of
the Board of Public Utilities (Paula Dow, Attorney General of New Jersey,
attorney)

Brandi Colander, Esq. and Luis G. Martinez, Esq. on behalf of the Natural
Resources Defense Council

Holly Rachel Smith, Esq. on behalf of Wal-Mart Stores East LP and Sam's East
Inc.

Record Closed: April 29, 2010

Decided: April 30, 2010

ALJ:

On or about August 14, 2009, petitioner, Atlantic City Electric Company, or "Company") filed a Verified Petition with the State Board of Public Utilities seeking to increase its base rates for electric service-by- \$51.6 million. Additionally, the Company sought a Bill stabilization Adjustment a change in depreciation rates and a tracking clause for pension costs, among other changes in its rates and tariffs.

On or about September 24, 2009, the Board transmitted the matter to the Office of Administrative Law for hearing as a contested case pursuant to N.J.S.A. to 15 and N.J.S.A. to 13. prehearing conference was held on November 17, 2009 wherein a procedural schedule was established. at the prehearing conference was the Company, the Board Staff and the Division of Rate Counsel, Department of the Public Advocate.

On February 19, 2010 petitioner updated its filing which reduced its requested increase to approximately \$45.8 million. On 2, 2010, Intervenor status was granted to and Sam's East, (collectively, Val-Mart") and the National Resources Defense Council ("NRDC"). Additionally, Pro Vice status was granted to counsel for Wal-Mart and the NRDC.

Pursuant to the Prehearing Order, public hearings were held in the Company's service territory on April 22, 2010.

Prior to the start of the evidentiary hearings, the parties exchanged extensive discovery and engaged in numerous discovery and settlement conferences. On April 29, 2010 the parties filed a Stipulation of Settlement with the undersigned.

Pursuant to the terms of the attached stipulation, the parties have agreed to an increase in base rates of approximately \$20 million which results in an overall base rate increase of 1.6%. The parties further agree that the \$20 million increase will be distributed' equally to all rate classes on an across the board basis as set forth in the tariffs sheets in Exhibits A and B which are attached the Stipulation of **Settlement**. The attached Stipulation of Settlement also sets forth the parties agreement on issues

relating to the Return on Equity, Depreciation, Proposed Tracking Clauses, Deferred Pension Costs and Regulatory Asset Recovery Charges.

Finally, the parties have agreed to a Phase two proceeding which shall commence on the Company's filing for a Phase 2 proceeding on or about November 2010.

I have reviewed the record and the terms of the Stipulation of Settlement and I
FIND:

1. The parties have voluntarily to the settlement as evidenced by their signatures or the signatures of their representatives.
- ... The settlement fully dispose of all issues in controversy and is consistent the law.

Therefore, it is ORDERED that the parties comply with the settlement terms and that these proceedings be and are hereby CONCLUDED.

I hereby my initial decision with the BOARD OF PUBLIC UTILITIES for consideration.

This recommended decision may be adopted, modified or rejected by the
BOARD OF PUBLIC UTILITIES, which by law is authorized to make a final decision in

Board

adopt;

within forty-five (45) days and unless such time limit is otherwise extended, this
recommended decision shall become a final decision in accordance with N.J.S.A.
52:14B-10.

4/30/10
DATE

Irene Jones
IRENE JONES, ALJ

Date Received at Agency:

2010

Floyd Xiong

Date Mailed to Parties:

sej

IN THE MATTER OF THE PETITION OF
ATLANTIC CITY ELECTRIC COMPANY
FOR APPROVAL OF AMENDMENTS TO
ITS TARIFF TO PROVIDE FOR AN
INCREASE IN RATES AND CHARGES
FOR ELECTRIC SERVICE PURSUANT
TO N.J.S.A. 48:2-21 AND N.J.S.A. 48:2-21.1
AND FOR OTHER APPROPRIATE
RELIEF

STATE OF NEW JERSEY
BOARD OF PUBLIC UTILITIES

BPU DOCKET NO. ER09080664
OAL DOCKET NO. PUCRL 06643-2009N

STIPULATION OF SETTLEMENT

APPEARANCES:

Philip J. Passanante, Esq., Assistant General Counsel; Nicholas W. Mattia, Jr., Esq. (Dickstein Shapiro, LLP); and Theodore F. Duver, Esq., Richard Lorenzo, Esq., Arthur Adelberg, Esq. (Loeb and Loeb, LLP), on behalf of Petitioner

Paul Flanagan, Esq.; Ami Morita, Esq. Diane Schulze, Esq. James Glassen, Esq. (Stefanie A. Brand, Director, Department of the Public Advocate), on behalf of the Division of Rate Counsel

Jessica Campbell, Deputy Attorney General; and Alex Moreau, Deputy Attorney General; (Paula T. Dow, Attorney General of New Jersey) on behalf of the Staff of the Board of Public Utilities

Brandi Colander, Esq. and Luis G. Martinez, Esq. on behalf of the Natural Resources Defense Council

Holly Rachel Smith, Esq. on behalf of Wal-Mart Stores East LP and Sam's East Inc.

TO THE HONORABLE BOARD OF PUBLIC UTILITIES:

This Stipulation of Settlement (the "Stipulation") is hereby made and executed as of this 28th day of April, 2010, by and among Atlantic City Electric Company ("ACE", "Petitioner" or the "Company"), the Staff of the Board of Public Utilities ("Staff"), the New Jersey Department of the Public Advocate, Division of Rate Counsel ("Rate Counsel"), the Natural Resources Defense Council ("NRDC") and Wal-Mart Stores East, LP and Sam's East Inc. (collectively "Wal-Mart") (individually, a "Party" and collectively, the "Parties"), in settlement of all factual and legal issues, except as to those issues being reserved for

consideration in Phase 2, insofar as they relate to ACE's August 14, 2009 Petition (the "Petition") to the New Jersey Board of Public Utilities ("Board" or "BPU") in the above-captioned proceeding.

Petitioner is a corporation organized and existing under the laws of the State of New Jersey and is subject to the jurisdiction of the Board. Petitioner has its principal offices at 800 King Street, Post Office Box 231, Wilmington, Delaware, 19899 and maintains a regional office at 5100 Harding Highway, Mays Landing, New Jersey 08330. Petitioner serves approximately 547,000 customers located in 8 counties located in southern New Jersey. On August 14, 2009, ACE submitted the Petition seeking an increase in its base rates of approximately \$51.6 million, the establishment of a Bill Stabilization Adjustment ("BSA"), as well as other related matters, including information regarding consolidated taxes. On February 19, 2010 the Company filed its preliminary 2009 update to the Petition which had the effect of reducing the amount of requested base rate relief to approximately \$45.8 million. During the period following the filing of the Petition and to date, the Parties have propounded approximately 719 discovery requests, all of which have been responded to by Petitioner. The Board transmitted the Petition to the New Jersey Office of Administrative Law ("OAL") as a contested matter. The OAL assigned the Honorable Irene Jones, Administrative Law Judge, to preside over the matter. Public hearings were duly noticed and held at 3:30 p.m. and 5:30 p.m. in Mays Landing, New Jersey on Thursday, April 22, 2010. One individual appeared at the public hearing to inquire about the impact of the matter on his monthly bill. He indicated on the record, after consultation with the Parties present, that his question was satisfactorily answered.

By Order dated March 2, 2010 Judge Jones granted the Motions to Intervene filed by Wal-Mart and NRDC, and further granted the Pro Hac Vice Motions filed on behalf of Brandi Colander and Luis G. Martinez for NRDC, and Holly Rachel Smith on behalf of Wal-Mart.

Additionally, the Parties have engaged in settlement discussions, which discussions have resulted in this Stipulation. The parties to this Stipulation agree to the following resolution of the issues to be considered in this matter (the "Settlement") and hereby stipulate as follows:

SETTLEMENT TERMS AND CONDITIONS

1. Structure of Settlement. The Parties hereby stipulate that the terms of this Settlement represent a fair conclusion with respect to the issues to be resolved in this proceeding. As noted herein, a number of issues have been specifically agreed upon, the details of which are set forth below. Any "Issue(s) to be resolved" identified in the December 18, 2009 Prehearing Order in this proceeding that is not specifically addressed herein is deemed resolved for purposes of this Stipulation. Additionally, the Parties have agreed to reserve certain issues identified below for resolution as part of a Phase 2 proceeding.

2. Revenue Requirements. Based upon a test year ending December 31, 2009, the Company requested an annual increase in its current retail base rates for electric service of \$51.6 million, which was later reduced to approximately \$45.8 million as a result of the 12/0 update. In the interest of achieving a satisfactory resolution of the issues to be decided in this case, the Parties agree that a \$20 million increase in the Company's annual revenue requirement is just and reasonable to cover its cost of service. This base rate increase results in a 1.6 percent increase in annual revenues.

3. Cost of Service and Tariff Design. The Parties agree to implement new rates, based upon a \$20 million increase in revenues, for service rendered on and after June 1, 2010. In that regard, the Parties agree that this increase in base revenues should be distributed equally

among Petitioner's rate classes on an across-the-board basis. All rate components, such as customer charge, demand and energy rates, shall be increased on an equal percentage basis. Attached hereto as **Exhibit A** are the tariff sheets necessary to produce the increase in annual operating revenues stipulated hereto. Attached hereto as **Exhibit B** is a schedule depicting the net effect on the rates for Petitioner's customer classifications. The impact of this rate change on a typical residential customer using 1000 kwh per month is \$1.92 or 1.2 percent.

In addition, the Parties agree that the Company will implement its proposal for the AGS and TGS customer classifications, which will result in cost recovery for these customer classifications through the customer charge, an unblocked distribution demand charge, and a reactive demand charge.

ACE will submit, as part of any future base rate case petition, a cost of service study ("COSS") based on the peak and average methodology that classifies transmission and distribution plant and related costs on a combination of demand and energy based allocators. In addition, the Company will have the right to file, and support, any COSS method it considers more appropriate.

Specifically, ACE will provide as part of any future base rate case a COSS using the Peak and Average Cost of Service Study methodology under the following parameters: first, calculate load factors for each voltage level of the non-FERC regulated distribution system; utilize coincident peak ("CP") demand for the peak demand portion of the load factor calculation; at each voltage level, classify to the energy cost component that portion of cost equal to the voltage level load factor; allocate these energy classified costs based upon each class' share of average demand at the particular voltage level; classify the balance of costs (i.e., one minus

voltage level load factor) to the demand cost component; allocate these demand classified costs based upon each class' contribution to the voltage level CP demand.

The Company will provide total Company and class specific load and consumption data utilized in this Cost of Service Study and also perform a rate design consistent with the results of the Average and Peak Cost of Service Study Methodology as discussed above.

4. Return on Equity and Rate Base. The Parties agree that for purposes of resolving this case, the Company shall be deemed to have a stated return on equity of 10.3 percent, with a corresponding overall rate of return of 8.69 percent, and that the equity component of its total capitalization shall be deemed to be 49.1 percent. Additionally, for purposes of this Stipulation the Parties agree that the Company's rate base shall be deemed to be \$761,634,000.

5. Trackers. As part of the Petition, the Company proposed the adoption of two regulatory tracking mechanisms: the Distribution Infrastructure Investment Tracker ("DIIT") and the Pension and Other Post Employment Benefits Mitigation Rate ("POEMR"). The Parties agree that, for purposes of this Stipulation, the Company will not seek to implement the DIIT or the POEMR while these new tariff rates remain in effect.

6. Depreciation. The Parties agree that the depreciation rates determined by the Board as part of the Company's last base rate decision (BPU Docket No. ER03020110, dated May 26, 2005) shall remain unchanged while these new tariff rates remain in effect.

7. Deferred Pension Costs. By letter dated May 1, 2009, the Company filed with the Board a letter request seeking authorization to defer for regulatory accounting purposes certain 2009 pension-related costs. The Board assigned the matter BPU Docket No. EO09050355 and transmitted it to the OAL. By subsequent letter dated December 14, 2009,

after consultation with Rate Counsel and Staff, the Company requested the assigned Administrative Law Judge to remand the matter to the Board, which was done. The Parties agree as part of this Stipulation that, upon approval hereof by the Board, the Company will, within seven (7) days of the Board's approval hereof, withdraw its May 1, 2009 letter request for deferred Accounting.

8. **Regulatory Asset Recovery Charge ("RARC").** As part of the Petition, the Company proposed to adjust the RARC by removing from the current RARC the costs associated with regulatory assets that have been fully amortized. The Company proposed to further adjust the RARC by adding five additional regulatory assets, namely: (i) \$222,338 of deferred costs associated with a 2002 Board audit of affiliate relations; (ii) \$987,243 of deferred costs associated with the 2008 Board management audit; (iii) costs amounting to approximately \$2,964,337 related to the Company's participation in a legal proceeding seeking damages from the United States Department of Energy ("DOE") for the reduction in value of ACE's former interests in certain nuclear power plants; (iv) deferred costs totaling \$1,930,000 projected through December 31, 2009, related to the development of the Company's Smart Grid initiative; and (v) deferred costs of \$4,360,557 related to the Company's efforts to restructure its Non-Utility Generation ("NUG") purchase power agreements. In furtherance of settlement in this matter, the Parties agree that the RARC shall be adjusted as follows:

- (a) all items currently being recovered through the RARC shall continue to be recovered until fully amortized;
- (b) item (i) above shall not be included in the RARC for recovery;
- (c) item (ii) above shall be fully recoverable in the RARC;
- (d) the Company shall recover 50 percent of the costs identified in item (iii) above through the RARC, and shall not seek recovery of the remaining 50% of its' legal costs associated with its lawsuit against the DOE;

- (e) item (iv) above shall not be included in the RARC for recovery;
- (f) item (v) shall be fully recoverable in the RARC; and
- (g) as of June 1, 2010, it is expected that the RARC will have an over recovered balance in an amount in excess of \$3 million. The Company shall credit the RARC with the entirety of the over recovered balance as of June 1, 2010.

Attached hereto as **Exhibit C** is the revised calculation of the RARC to be effective as of June 1, 2010.

9. Effective Date. The Parties agree that this Stipulation should be considered by the Board at its next agenda meeting currently set for May 12, 2010. The Parties further agree that upon approval of this Stipulation by the Board, the new rates resulting from this Stipulation are to become effective on and after June 1, 2010. The Company agrees to file with the Board compliance tariff sheets within five (5) business days of receipt of the signed Board Order approving this Stipulation.

10. Phase 2. The Parties have agreed that there are a number of issues that require additional time and analysis. Accordingly, the issues identified below are not included in this Stipulation for purposes of resolution at this time. The Parties agree that the Petitioner shall file, on or about November 1, 2010 a petition seeking consideration of the unresolved issues as part of a Phase 2 proceeding. That petition will remain active for such period of time as is necessary for the Parties to undertake a prudency review of the Company's completed Infrastructure Investment program as required by the Board's Order dated April 28, 2009 in Docket Nos. EO09010049 and GO09010054. Additionally, within 30 days following the Board's approval of this Stipulation, the Parties agree to commence discussions with respect to the BSA, any proposed alternatives thereto, and the issues to be reviewed and reported upon related to Customer Service and System Reliability.

The unresolved issues being reserved are:

- Bill Stabilization Adjustment;
- Infrastructure Investment (2010 True-up and Prudency);
- Customer Service; and
- System Reliability

MISCELLANEOUS

11. This Stipulation shall be binding on the Parties upon approval by the Board.

This Stipulation shall bind the Parties in this matter only and shall have no precedential value.

12. This Stipulation contains terms, each of which is interdependent with the others and essential in its own right to the signing of this Stipulation. Each term is vital to the agreement as a whole, since the Parties expressly and jointly state that they would not have signed the Stipulation had any term been modified in any way. Since the Parties have compromised in numerous areas, each is entitled to certain procedures in the event that any modifications whatsoever are made to the Stipulation.

13. If upon consideration of this Stipulation, the Board were to modify any of the terms described above, the signatory Parties each must be given the right to be placed in the position it was before the Stipulation was entered into. It is essential that each Party be afforded the option, prior to the implementation of any new rate resulting from any modification of this Stipulation, either to modify its own position to accept the proposed change(s), or to resume the proceeding as if no agreement had been reached. This proceeding, under such circumstance, would resume at the point where it was terminated.

14. The Parties agree that these procedures are fair to all concerned, and therefore, they are made an integral and essential element of this Stipulation.

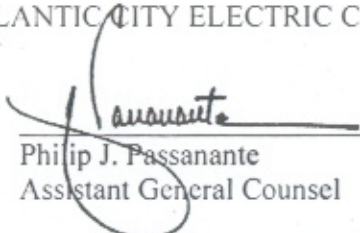
CONCLUSION

Wherefore, for the reasons set forth above, the Parties to this Stipulation request that the Board approve and adopt this Stipulation and Settlement in its entirety, and issue a Decision and Order determining that the resolutions of the issues in this proceeding as proposed in this Stipulation are just and reasonable.

[SIGNATURES APPEAR ON THE FOLLOWING PAGE]

ATLANTIC CITY ELECTRIC COMPANY

Dated: April 28, 2010

By: 
Philip J. Passanante
Assistant General Counsel

DEPARTMENT OF THE PUBLIC ADVOCATE
Division of Rate Counsel

Dated: _____

By: _____
Stefanie A. Brand, Esq.
Director

PAULA T. DOW
ATTORNEY GENERAL OF NEW JERSEY
Attorney for the Staff of the New Jersey Board of
Public Utilities

Dated: _____

By: _____
Alex Moreau,
Jessica Campbell
DEPUTY ATTORNEYS GENERAL

NATURAL RESOURCES DEFENSE COUNCIL

Dated: _____

By: _____
Brandi A. Colander, Esq.

WAL-MART STORES EAST, LP and
SAM'S EAST, INC

Dated: _____

By: _____
Holly Rachel Smith, Esq.

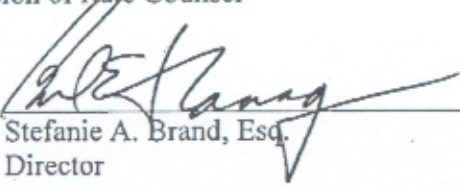
ATLANTIC CITY ELECTRIC COMPANY

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Philip J. Passanante
Assistant General Counsel

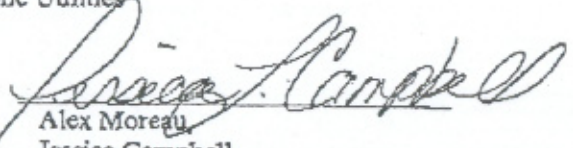
DEPARTMENT OF THE PUBLIC ADVOCATE
Division of Rate Counsel

Dated: _____

By: _____
Stefanie A. Brand, Esq.
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PAULA T. DOW
ATTORNEY GENERAL OF NEW JERSEY
Attorney for the Staff of the New Jersey Board of
Public Utilities

Dated: _____

By:  _____
Alex Moreau
Jessica Campbell
DEPUTY ATTORNEYS GENERAL

NATURAL RESOURCES DEFENSE COUNCIL

Dated: _____

By: _____
Brandi A. Colander, Esq.

WAL-MART STORES EAST, LP and
SAM'S EAST, INC

Dated: _____

By: _____
Holly Rachel Smith, Esq.

ATLANTIC CITY ELECTRIC COMPANY

Dated: _____

By: _____
Philip J. Passanante
Assistant General Counsel

DEPARTMENT OF THE PUBLIC ADVOCATE
Division of Rate Counsel

Dated: _____

By: _____
Stefanie A. Brand, Esq.
Director

PAULA T. DOW
ATTORNEY GENERAL OF NEW JERSEY
Attorney for the Staff of the New Jersey Board of
Public Utilities

Dated: _____

By: _____
Alex Moreau,
Jessica Campbell
DEPUTY ATTORNEYS GENERAL

NATURAL RESOURCES DEFENSE COUNCIL

Dated: 4/28/10

By: Brandi A. Colander
Brandi A. Colander, Esq.

WAL-MART STORES EAST, LP and
SAM'S EAST, INC

Dated: _____

By: _____
Holly Rachel Smith, Esq.

ATLANTIC CITY ELECTRIC COMPANY

Dated: _____

By: _____
Philip J. Passanante
Assistant General Counsel

DEPARTMENT OF THE PUBLIC ADVOCATE
Division of Rate Counsel

Dated: _____

By: _____
Stefanie A. Brand, Esq.
Director

PAULA T. DOW
ATTORNEY GENERAL OF NEW JERSEY
Attorney for the Staff of the New Jersey Board of
Public Utilities

Dated: _____

By: _____
Alex Murcau,
Jessica Campbell
DEPUTY ATTORNEYS GENERAL

NATURAL RESOURCES DEFENSE COUNCIL

Dated: _____

By: _____
Brandi A. Colander, Esq.

WAL-MART STORES EAST, LP and
SAM'S EAST, INC

Dated: April 28, 2010

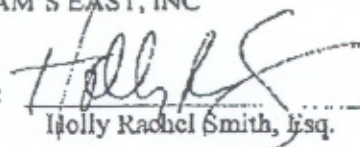
By: 
Holly Rachel Smith, Esq.

Exhibit A

ATLANTIC CITY ELECTRIC COMPANY
BPU NJ No. 11 Electric Service - Section IV

Revised Sheet Replaces

Revised Sheet No. 5

RATE SCHEDULE RS
(Residential Service)
AVAILABILITY

Available for full domestic service to individually metered residential customers, including rural domestic customers, engaged principally in agricultural pursuits.

	SUMMER June Through September	WINTER October Through May
Delivery Service Charges:		
Customer Charge (\$/Month)	\$2.73	\$2.73
Distribution Rates (\$/kWh)		
First Block (Summer <= 750 kWh; Winter <= 500kWh)	\$0.031162	\$0.031140
Excess kWh	\$0.035864	\$0.025180
Non-Utility Generation Charge (NGC) (\$/kWh)	See Rider NGC	
Societal Benefits Charge (\$/kWh)		
Consumer Education Program Charge	See Rider SBC	
Clean Energy Program	See Rider SBC	
Universal Service Fund	See Rider SBC	
Lifeline	See Rider SBC	
Uncollectible Accounts	See Rider SBC	
Regulatory Asset Recovery Charge (RARC) (\$/kWh)	See Rider RARC	
Transition Bond Charge (TBC) (\$/kWh)	See Rider SEC	
Market Transition Charge Tax (MTC-Tax) (\$/kWh)	See Rider SEC	
System Control Charge (SCC) (\$/kWh)	See Rider BGS	
Transmission Service Charges (\$/kWh):		
Transmission Rate	\$0.007746	\$0.007746
Reliability Must Run Transmission Surcharge	\$0.000000	\$0.000000
Transmission Enhancement Charge (\$/kWh)	See Rider BGS	
Basic Generation Service Charge (\$/kWh)	See Rider BGS	
Regional Greenhouse Gas Initiative Recovery Charge (\$/kWh)	See Rider RGGI	
Infrastructure Investment Surcharge	See Rider IIS	

TRANSITION ENERGY FACILITY ASSESSMENT (TEFA)

Energy charges (kWh) under this rate schedule shall be adjusted as set forth in Rider TEFA.

CORPORATE BUSINESS TAX (CBT)

Charges under this rate schedule include a component for Corporate Business Taxes as set forth in Rider CBT.

NEW JERSEY SALES AND USE TAX (SUT)

Charges under this rate schedule include a component for New Jersey Sales and Use Tax as set forth in Rider SUT.

Date of Issue:
Issued by:

Effective Date:

ATLANTIC CITY ELECTRIC COMPANY

BPU NJ No. 11 Electric Service - Section IV

Revised Sheet Replaces

Revised Sheet No. 11

RATE SCHEDULE MGS-SECONDARY
(Monthly General Service)

AVAILABILITY

Available at any point of Company's system where facilities of adequate character and capacity exist for the entire electric service requirements of any customer delivered at one point and metered at or compensated to the voltage of delivery. This schedule is not available to residential customers.

	SUMMER June Through September	WINTER October Through May
Delivery Service Charges:		
Customer Charge		
Single Phase	\$5.21	\$5.21
Three Phase	\$6.51	\$6.51
Distribution Demand Charge (for each kW in excess of 3 kW)	\$5.02	\$4.13
Reactive Demand Charge (For each kvar over one-third of kW demand)	\$0.40	\$0.40
Distribution Rates (\$/kWh)		
For each of the first 300 kWh	\$0.043461	\$0.043537
For each of the next 900 kWh	\$0.025426	\$0.019979
For each additional kWh over 1,200 kWhs	\$0.022333	\$0.019979
Ceiling Limit	\$0.048512	\$0.048512
Non-Utility Generation Charge (NGC) (\$/kWh)	See Rider NGC	
Societal Benefits Charge (\$/kWh)		
Consumer Education Program Charge	See Rider SBC	
Clean Energy Program	See Rider SBC	
Universal Service Fund	See Rider SBC	
Lifeline	See Rider SBC	
Uncollectible Accounts	See Rider SBC	
Regulatory Assets Recovery Charge (\$/kWh)	See Rider RARC	
Transition Bond Charge (TBC) (\$/kWh)	See Rider SEC	
Market Transition Charge Tax (MTC-Tax) (\$/kWh)	See Rider SEC	
System Control Charge (SCC) (\$/kWh)	See Rider BGS	
CIEP Standby Fee (\$/kWh)	See Rider BGS	
Transmission Demand Charge (\$/kW for each kW in excess of 3 kW)	\$3.74	\$3.36
Reliability Must Run Transmission Surcharge (\$/kWh)	\$0.000000	\$0.000000
Transmission Enhancement Charge (\$/kWh)	See Rider BGS	
Basic Generation Service Charge (\$/kWh)	See Rider BGS	
Regional Greenhouse Gas Initiative Recovery Charge (\$/kWh)	See Rider RGGI	
Infrastructure Investment Surcharge	See Rider IIS	

The minimum monthly bill will be \$4.80 per month plus any applicable adjustment.

TRANSITION ENERGY FACILITY ASSESSMENT (TEFA)

Energy charges (kWh) under this rate schedule shall be adjusted as set forth in Rider TEFA.

Date of Issue:

Effective Date:

Issued by:

ATLANTIC CITY ELECTRIC COMPANY

BPU NJ No. 11 Electric Service - Section IV

Revised Sheet Replaces

Revised Sheet No. 14

RATE SCHEDULE MGS-PRIMARY
 (Monthly General Service)
AVAILABILITY

Available at any point of Company's system where facilities of adequate character and capacity exist for the entire electric service requirements of any customer delivered at one point and metered at or compensated to the voltage of delivery. This schedule is not available to residential customers.

	SUMMER	WINTER
	June Through September	October Through May

Delivery Service Charges:

Customer Charge

Single Phase

\$5.21

\$5.21

Three Phase

\$6.51

\$6.51

Distribution Demand Charge (for each kW in excess of 3 kW)

\$5.21

\$4.28

Reactive Demand Charge

\$0.40

\$0.40

(For each kvar over one-third of kW demand)

Distribution Rates (\$/kWh)

For each of the first 300 kWh

\$0.044831

\$0.044908

For each of the next 900 kWh

\$0.026505

\$0.020968

For each additional kWh over 1,200 kWhs

\$0.023361

\$0.020968

Ceiling Limit

\$0.049963

\$0.049963

Non-Utility Generation Charge (NGC) (\$/kWh)

See Rider NGC

Societal Benefits Charge (\$/kWh)

Consumer Education Program Charge

See Rider SBC

Clean Energy Program

See Rider SBC

Universal Service Fund

See Rider SBC

Lifeline

See Rider SBC

Uncollectible Accounts

See Rider SBC

Regulatory Assets Recovery Charge (\$/kWh)

See Rider RARC

Transition Bond Charge (TBC) (\$/kWh)

See Rider SEC

Market Transition Charge Tax (MTC-Tax) (\$/kWh)

See Rider SEC

System Control Charge (SCC) (\$/kWh)

See Rider BGS

CIEP Standby Fee (\$/kWh)

See Rider BGS

Transmission Demand Charge

\$3.66

\$3.31

(\$/kW for each kW in excess of 3 kW)

Reliability Must Run Transmission Surcharge (\$/kWh)

\$0.000000

\$0.000000

Transmission Enhancement Charge (\$/kWh)

See Rider BGS

Basic Generation Service Charge (\$/kWh)

See Rider BGS

Regional Greenhouse Gas Initiative

Recovery Charge (\$/kWh)

See Rider RGGI

Infrastructure Investment Surcharge

See Rider IIS

The minimum monthly bill will be \$4.80 per month plus any applicable adjustment.

TRANSITION ENERGY FACILITY ASSESSMENT (TEFA)

Energy charges (kWh) under this rate schedule shall be adjusted as set forth in Rider TEFA.

Date of Issue:

Effective Date:

Issued by:

ATLANTIC CITY ELECTRIC COMPANY
BPU NJ No. 11 Electric Service - Section IV

Revised Sheet Replaces

Revised Sheet No. 17

RATE SCHEDULE AGS-SECONDARY
(Annual General Service)
AVAILABILITY

Available at any point of Company's system where facilities of adequate character and capacity exist for the entire electric service requirements of any customer contracting for annual service delivered at one point and metered at or compensated to the voltage of delivery.

MONTHLY RATE**Delivery Service Charges:**

Customer Charge	\$101.34
-----------------	----------

Distribution Demand Charge (\$/kW)	\$5.93
------------------------------------	--------

Reactive Demand (for each kvar over one-third of kW demand)	\$0.51
---	--------

Non-Utility Generation Charge (NGC) (\$/kWh)	See Rider NGC
--	---------------

Societal Benefits Charge (\$/kWh)

Consumer Education Program Charge	See Rider SBC
-----------------------------------	---------------

Clean Energy Program	See Rider SBC
----------------------	---------------

Universal Service Fund	See Rider SBC
------------------------	---------------

Lifeline	See Rider SBC
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Uncollectible Accounts	See Rider SBC
------------------------	---------------

Regulatory Assets Recovery Charge (\$/kWh)	See Rider RARC
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Transition Bond Charge (TBC) (\$/kWh)	See Rider SEC
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Market Transition Charge Tax (MTC-Tax) (\$/kWh)	See Rider SEC
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System Control Charge (SCC) (\$/kWh)	See Rider BGS
--------------------------------------	---------------

CIEP Standby Fee (\$/kWh)	See Rider BGS
---------------------------	---------------

Transmission Demand Charge (\$/kW)

Including 25 kW	\$1.59	\$1.59
-----------------	--------	--------

Per kW for the next 875 kW	\$1.59	\$1.59
----------------------------	--------	--------

Per kW for the next 9100 kW	\$1.59	\$1.59
-----------------------------	--------	--------

Per kW for each additional kW	\$1.57	\$1.57
-------------------------------	--------	--------

Winter Excess Demand*	N/A	\$1.06
-----------------------	-----	--------

Reliability Must Run Transmission Surcharge (\$/kWh)	\$0.000000	\$0.000000
--	------------	------------

Transmission Enhancement Charge (\$/kWh)	See Rider BGS
--	---------------

Basic Generation Service Charge (\$/kWh)	See Rider BGS
--	---------------

Regional Greenhouse Gas Initiative Recovery Charge (\$/kWh)	See Rider RGGI
---	----------------

Infrastructure Investment Surcharge	See Rider IIS
-------------------------------------	---------------

*During the months October thru' May inclusive, for demand in excess of the metered demand recorded during the months June thru' September inclusive.

Date of Issue:
Issued by:

Effective Date:

ATLANTIC CITY ELECTRIC COMPANY
BPU NJ No. 11 Electric Service - Section IV

Revised Sheet Replaces

Revised Sheet No. 19

RATE SCHEDULE AGS-PRIMARY
(Annual General Service)
AVAILABILITY

Available at any point of Company's system where facilities of adequate character and capacity exist for the entire electric service requirements of any customer contracting for annual service delivered at one point and metered at or compensated to the voltage of delivery.

MONTHLY RATE**Delivery Service Charges:**

Customer Charge	\$101.34	
Distribution Demand Charge (\$/kW)	\$5.26	
Reactive Demand (for each kvar over one-third of kW demand)	\$0.42	
Non-Utility Generation Charge (NGC) (\$/kWh)	See Rider NGC	
Societal Benefits Charge (\$/kWh)		
Consumer Education Program Charge	See Rider SBC	
Clean Energy Program	See Rider SBC	
Universal Service Fund	See Rider SBC	
Lifeline	See Rider SBC	
Uncollectible Accounts	See Rider SBC	
Regulatory Assets Recovery Charge (\$/kWh)	See Rider RARC	
Transition Bond Charge (TBC) (\$/kWh)	See Rider SEC	
Market Transition Charge Tax (MTC-Tax) (\$/kWh)	See Rider SEC	
System Control Charge (SCC) (\$/kWh)	See Rider BGS	
CIEP Standby Fee (\$/kWh)	See Rider BGS	
Transmission Demand Charge (\$/kW)		
Including 25 kW	\$1.61	\$1.61
Per kW for the next 875 kW	\$1.61	\$1.61
Per kW for the next 9100 kW	\$1.60	\$1.60
Per kW for each additional kW	\$1.57	\$1.57
Winter Excess*	N/A	\$0.88
Reliability Must Run Transmission Surcharge (\$/kWh)	\$0.000000	\$0.000000
Transmission Enhancement Charge (\$/kWh)	See Rider BGS	
Basic Generation Service Charge (\$/kWh)	See Rider BGS	
Regional Greenhouse Gas Initiative Recovery Charge (\$/kWh)	See Rider RGGI	
Infrastructure Investment Surcharge	See Rider IIS	

*During the months October thru May inclusive, for demand in excess of the metered demand recorded during the months June thru September inclusive.

Date of Issue:**Effective Date:****Issued by:**

ATLANTIC CITY ELECTRIC COMPANY

BPU NJ No. 11 Electric Service - Section IV

Revised Sheet Replaces

Revised Sheet No. 29

RATE SCHEDULE TGS**AVAILABILITY**

Available at any point of Company's system where facilities of adequate character and capacity exist for the entire electric service requirements of any customer contracting for annual service delivered at one point and metered at or compensated to the voltage at transmission level (69 kV or higher) or subtransmission level (23 or 34.5 kV).

MONTHLY RATE**Delivery Service Charges:**

Customer Charge	\$96.92
Distribution Demand Charge (\$/kW)	\$2.20
Reactive Demand (for each kvar over one-third of kW demand)	\$0.17
Non-Utility Generation Charge (NGC) (\$/kWh)	See Rider NGC

Societal Benefits Charge (\$/kWh)

Consumer Education Program Charge	See Rider SBC
Clean Energy Program	See Rider SBC
Universal Service Fund	See Rider SBC
Lifeline	See Rider SBC
Uncollectible Accounts	See Rider SBC

Regulatory Assets Recovery Charge (\$/kWh)	See Rider RARC
--	----------------

Transition Bond Charge (TBC) (\$/kWh)	See Rider SEC
---------------------------------------	---------------

Market Transition Charge Tax (MTC-Tax) (\$/kWh)	See Rider SEC
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System Control Charge (SCC) (\$/kWh)	See Rider BGS
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CIEP Standby Fee (\$/kWh)	See Rider BGS
---------------------------	---------------

Transmission Demand Charge (\$/kW)

Including 25 kW	\$1.60	\$1.60
Per kW for the next 875 kW	\$1.60	\$1.60
Per kW for the next 9100 kW	\$1.59	\$1.59
Per kW for each additional kW	\$1.56	\$1.56
Winter Excess Demand*	N/A	\$0.78

Reliability Must Run Transmission Surcharge (\$/kWh)	\$0.000000	\$0.000000
--	------------	------------

Transmission Enhancement Charge (\$/kWh)	See Rider BGS
--	---------------

Basic Generation Service Charge (\$/kWh)	See Rider BGS
--	---------------

Regional Greenhouse Gas Initiative Recovery Charge (\$/kWh)	See Rider RGGI
---	----------------

Infrastructure Investment Surcharge	See Rider IIS
-------------------------------------	---------------

*During the months October through May inclusive, for demand in excess of the metered demand recorded during the months June thru September inclusive.

Date of Issue:**Effective Date:****Issued by:**

ATLANTIC CITY ELECTRIC COMPANY
BPU NJ No. 11 Electric Service - Section IV

Revised Sheet Replaces

Revised Sheet No. 31

RATE SCHEDULE DDC
(Direct Distribution Connection)

AVAILABILITY

Available at any point of the Company's existing distribution system where facilities of adequate character exist for the connection of fixed, constant and predictable non-residential loads not to exceed one kilowatt

T&D DAILY RATE

Service and Demand Charge:	\$0.360761	Per day for each service connection plus
Energy Charge:	\$4.943917	Per day for each kilowatt of effective load

The Service and Demand and Energy Charges includes the following charges:

Distribution:

Service and Demand (per day per connection)	\$0.360761
Energy (per day for each kW of effective load)	\$1.737648

Non-Utility Generation Charge (NGC) (\$/kWh)

See Rider NGC

Societal Benefits Charge (\$/kWh)

Consumer Education Program Charge	See Rider SBC
Clean Energy Program	See Rider SBC
Universal Service Fund	See Rider SBC
Lifeline	See Rider SBC
Uncollectible Accounts	See Rider SBC

Regulatory Assets Recovery Charge (\$/kWh)

See Rider RARC

Transition Bond Charge (TBC) (\$/kWh)

See Rider SEC

Market Transition Charge Tax (MTC-Tax) (\$/kWh)

See Rider SEC

System Control Charge (SCC) (\$/kWh)

See Rider BGS

Transmission Rate (\$/kWh)

\$0.002834

Reliability Must Run Transmission Surcharge (\$/kWh)

\$0.000000

Transmission Enhancement Charge (\$/kWh)

See Rider BGS

Basic Generation Service Charge (\$/kWh)

See Rider BGS

Regional Greenhouse Gas Initiative Recovery Charge (\$/kWh)

See Rider RGGI

Infrastructure Investment Surcharge

See Rider IIS

TRANSITION ENERGY FACILITY ASSESSMENT (TEFA)

Energy charges (kWh) under this rate schedule shall be adjusted as set forth in Rider TEFA.

CORPORATE BUSINESS TAX (CBT)

Charges under this rate schedule include a component for Corporate Business Taxes as set forth in Rider CBT.

NEW JERSEY SALES AND USE TAX (SUT)

Charges under this rate schedule include a component for New Jersey Sales and Use Tax as set forth in Rider SUT.

LOAD CONSUMPTION

Effective load shall be determined by the Company and be specified in the contract. Effective load is defined as the sum of the products of the connected load in kilowatts times the percent load on at one time. No changes in attached load may be made by the customer without the permission of the Company and customer shall allow the Company access to his premises to assure conformance with this provision.

Date of Issue:

Effective Date:

Issued by:

ATLANTIC CITY ELECTRIC

BPU NJ No. 11 Electric Service - Section IV

Revised Sheet Replaces

Revised Sheet No. 35

RATE SCHEDULE SPL
(Street and Private Lighting)

AVAILABILITY OF SERVICE

Available for general lighting service in service by December 14, 1982, new lights requested for installation before January 1, 1983 or high pressure sodium fixtures in the area served by the Company.

The Company will provide and maintain a lighting system and provide fixture and electric energy sufficient to operate said fixture continuously, automatically controlled, from approximately one-half hour after sunset until approximately one-half-hour before sunrise, every night and all night, approximately forty-two hundred (4200) hours per annum during the term of years hereinafter set forth.

The following rates shall be applied to the kWh Usage for the particular light type and size to determine the monthly charge per light.

Delivery Service Charges:

Average Distribution Rate (\$/kWh)	\$0.152739
------------------------------------	------------

Non-Utility Generation Charge (NGC) (\$/kWh)	See Rider NGC
--	---------------

Societal Benefits Charge (\$/kWh)

Consumer Education Program Charge	See Rider SBC
Clean Energy Program	See Rider SBC
Universal Service Fund	See Rider SBC
Lifeline	See Rider SBC
Uncollectible Accounts	See Rider SBC

Regulatory Assets Recovery Charge (\$/kWh)	See Rider RARC
--	----------------

Transition Bond Charge (TBC) (\$/kWh)	See Rider SEC
---------------------------------------	---------------

System Control Charge (SCC) (\$/kWh)	See Rider BGS
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Market Transition Charge Tax (MTC-Tax) (\$/kWh)	See Rider SEC
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Transmission Rate (\$/kWh)	\$0.000000
----------------------------	------------

Reliability Must Run Transmission Surcharge (\$/kWh)	\$0.000000
--	------------

Transmission Enhancement Charge (\$/kWh)	See Rider BGS
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Basic Generation Service Charge (\$/kWh)	See Rider BGS
--	---------------

Regional Greenhouse Gas Initiative	
------------------------------------	--

Recovery Charge (\$/kWh)	See Rider RGGI
--------------------------	----------------

Infrastructure Investment Surcharge	See Rider IIS
-------------------------------------	---------------

Date of Issue:

Effective Date:

Issued by:

ATLANTIC CITY ELECTRIC COMPANY

BPU NJ No. 11 Electric Service - Section IV

Revised Sheet Replaces

Revised Sheet No. 36

RATE SCHEDULE SPL (Continued)

(Street and Private Lighting)

RATE (Mounted on Existing Pole)

	<u>WATTS</u>	<u>LUMENS</u>	<u>MONTHLY</u>		<u>STATUS</u>
			Total	w/o BGS and Transmission	
<u>INCANDESCENT</u>					
Standard	103	1,000	8.06	4.42	Closed
Standard	202	2,500	14.97	7.84	Closed
Standard	327	4,000	22.72	11.17	Closed
Standard	448	6,000	30.80	14.98	Closed
<u>MERCURY VAPOR</u>					
Standard	100	3,500	11.71	7.23	Closed
Standard	175	6,800	17.02	9.85	Closed
Standard	250	11,000	22.73	12.66	Closed
Standard	400	20,000	34.47	18.43	Closed
Standard	700	35,000	57.42	29.73	Closed
Standard	1,000	55,000	79.53	40.61	Closed
<u>HIGH PRESSURE SODIUM</u>					
Retrofit	150	11,000	15.28	8.99	Closed
Retrofit	360	30,000	31.96	17.20	Closed
<u>RATE (Overhead/RUE)</u>					
	<u>WATTS</u>	<u>LUMENS</u>	<u>MONTHLY</u>		<u>STATUS</u>
			Total	w/o BGS and Transmission	
<u>HIGH PRESSURE SODIUM</u>					
Cobra Head	50	3,600	9.69	7.50	Open
Cobra Head	70	5,500	10.83	7.86	Open
Cobra Head	100	8,500	12.55	8.42	Open
Cobra Head	150	14,000	15.33	9.39	Open
Cobra Head	250	24,750	24.03	13.61	Open
Cobra Head	400	45,000	32.63	16.38	Open
Shoe Box	150	14,000	17.22	11.28	Open
Shoe Box	250	24,750	25.44	15.02	Open
Shoe Box	400	45,000	34.25	18.00	Open
Post Top	50	3,600	10.48	8.29	Open
Post Top	100	8,500	13.39	9.26	Open
Post Top	150	14,000	17.04	11.10	Open
Flood/Profile	150	14,000	15.14	9.20	Open
Flood/Profile	250	24,750	22.49	12.07	Open
Flood/Profile	400	45,000	32.15	15.90	Open
<u>METAL HALIDE</u>					
Flood/Profile	400	31,000	35.24	18.99	Open
Flood/Profile	1,000	96,000	72.26	33.97	Open

Date of Issue:
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Effective Date:

ATLANTIC CITY ELECTRIC COMPANY

BPU NJ No. 11 Electric Service - Section IV

Revised Sheet Replaces

Revised Sheet No. 37

RATE SCHEDULE SPL (Continued)
(Street and Private Lighting)

RATE (Underground)

	<u>WATTS</u>	<u>LUMENS</u>	<u>MONTHLY</u>	<u>STATUS</u>	
			Total	w/o BGS and Transmission	
<u>HIGH PRESSURE</u>					
<u>SODIUM</u>					
Cobra Head	50	3,600	13.56	11.37	Open
Cobra Head	70	5,500	14.70	11.73	Open
Cobra Head	100	8,500	16.41	12.28	Open
Cobra Head	150	14,000	19.20	13.26	Open
Cobra Head	250	24,750	26.94	16.52	Open
Cobra Head	400	45,000	35.54	19.29	Open
Shoe Box	150	14,000	21.10	15.16	Open
Shoe Box	250	24,750	29.31	18.89	Open
Shoe Box	400	45,000	38.11	21.86	Open
Post Top	50	3,600	12.29	10.10	Open
Post Top	100	8,500	15.22	11.09	Open
Post Top	150	14,000	21.14	15.20	Open
Flood/Profile	150	14,000	19.88	13.94	Open
Flood/Profile	250	24,750	27.22	16.80	Open
Flood/Profile	400	45,000	36.02	19.77	Open
Flood/Profile	400	31,000	39.21	22.96	Open
Flood/Profile	1000	96,000	76.23	37.94	Open

Bill will be rendered monthly and be prorated based on the billing cycle

Lamp sizes listed are standard ratings. Actual output shall be within commercial tolerances. The mercury vapor post standard (no longer available) will be supplied at an annual cost of \$23.09 in addition to the appropriate rate for the fixture mounted on an existing pole. For installations on or before January 17, 1986, or lamp sizes 3500 Lumen or greater, an ornamental standard will be supplied at an annual cost of \$65.81 in addition to the appropriate rate for the fixture mounted on an existing pole. For standards installed after January 17, 1986, non-ornamental standards are available at an annual cost of \$96.11 in addition to the appropriate rate for the fixture mounted on an existing pole. Installation charges may be required for new construction. Ornamental standards are available under the CLE rate schedule.

TRANSITION ENERGY FACILITY ASSESSMENT (TEFA)

Energy charges (kWh) under this rate schedule shall be adjusted as set forth in Rider TEFA.

CORPORATE BUSINESS TAX (CBT)

Charges under this rate schedule include a component for Corporate Business Taxes as set forth in Rider CBT.

NEW JERSEY SALES AND USE TAX (SUT)

Charges under this rate schedule include a component for New Jersey Sales and Use Tax as set forth in Rider SUT.

Date of Issue:

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Issued by:

ATLANTIC CITY ELECTRIC COMPANY

BPU NJ No. 11 Electric Service - Section IV

Revised Sheet Replaces

Revised Sheet No. 39

RATE SCHEDULE CSL
(Contributed Street Lighting)**AVAILABILITY**

Available for general lighting service in the service area of the Company

The Company will install and maintain a lighting system and provide electric energy sufficient to operate fixtures continuously, automatically controlled, for approximately one-half-hour after sunset until approximately one-half-hour before sunrise, every night and all night, approximately forty-two hundred (4200) hours per annum during the term of years hereinafter set forth. The installed cost of the fixtures, standards, and other installed equipment (if necessary) shall be paid by the customer upon installation. All equipment shall be the property of the Company (see Rate Schedule CLE). The rates below provide for ordinary maintenance and replacement of lamps and automatic controls. The rates below do not provide for replacement due to expiration of the service life of installed fixtures, standards or other equipment.

The following rates shall be applied to the kWh Usage for the particular light type and size to determine the monthly charge per light.

Delivery Service Charges:

Average Distribution Rate (\$/kWh) \$0.152739

Non-Utility Generation Charge (NGC) (\$/kWh) See Rider NGC

Societal Benefits Charge (\$/kWh)

Consumer Education Program Charge See Rider SBC

Clean Energy Program See Rider SBC

Universal Service Fund See Rider SBC

Lifeline See Rider SBC

Uncollectible Accounts See Rider SBC

Regulatory Assets Recovery Charge (\$/kWh) See Rider RARC

Transition Bond Charge (TBC) (\$/kWh) See Rider SEC

System Control Charge (SCC) (\$/kWh) See Rider BGS

Market Transition Charge Tax (MTC-Tax) (\$/kWh) See Rider SEC

Transmission Rate (\$/kWh) \$0.000000

Reliability Must Run Transmission Surcharge (\$/kWh) \$0.000000

Transmission Enhancement Charge (\$/kWh) See Rider BGS

Basic Generation Service Charge (\$/kWh) See Rider BGS

Regional Greenhouse Gas Initiative

Recovery Charge (\$/kWh) See Rider RGGI

Infrastructure Investment Surcharge See Rider IIS

TRANSITION ENERGY FACILITY ASSESSMENT (TEFA)

Energy charges (kWh) under this rate schedule shall be adjusted as set forth in Rider TEFA.

CORPORATE BUSINESS TAX (CBT)

Charges under this rate schedule include a component for Corporate Business Taxes as set forth in Rider CBT.

NEW JERSEY SALES AND USE TAX (SUT)

Charges under this rate schedule include a component for New Jersey Sales and Use Tax as set forth in Rider SUT.

PRICE TO COMPARE

A customer may choose to receive electric supply from a third party supplier as defined in Section 11 of the Standard Terms and Conditions of this Tariff. A customer who receives electric supply from a third party supplier will not be billed the Basic Generation Service Charges or the Transmission Service Charges. Customers who receive electric supply from a third party supplier will continue to be billed the System Control Charge (SCC) and, as applicable to customers eligible for BGS CIEP, the CIEP Standby Fee.

Date of Issue:

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ATLANTIC CITY ELECTRIC COMPANY
BPU NJ No. 11 Electric Service - Section IV

Revised Sheet Replaces

Revised Sheet No. 40

RATE SCHEDULE CSL (continued)
(Contributed Street Lighting)
RATE (Mounted on Existing Pole)

High Pressure Sodium Lamp		<u>WATTS</u>	<u>LUMENS</u>	<u>MONTHLY</u>		<u>STATUS</u>
<u>HPS</u>				Total	w/o BGS and Transmission	
<u>HIGH PRESSURE SODIUM</u>						
All	50	3,600	5.54	3.35	Open	
All	70	5,500	6.71	3.74	Open	
All	100	8,500	8.42	4.29	Open	
All	150	14,000	11.20	5.26	Open	
All	250	24,750	17.93	7.51	Open	
All	400	45,000	26.57	10.32	Open	

Bill will be rendered monthly and be prorated based on the billing cycle

Lamp sizes listed are standard ratings. Actual output shall be within commercial tolerances.
For fixtures mounted on an existing ornamental standard, the existing standard will continue to be supplied at an annual cost of \$65.81 until the expiration of its service life in addition to the appropriate rate for the fixtures on an existing pole.

TERMS OF CONTRACT

Contracts under this schedule will be made for a period of not less than one (1) year or more than five (5) years and for specified numbers and sizes of fixtures. In all cases where the customer shall authorize additional fixtures within the contract period, the number of lamps shall be increased throughout the remainder of the contract period.

In no case shall the Company be obliged to furnish lighting unless the customer shall reimburse the Company for all expenses incurred to install additional lines for such fixtures, the cost of such fixtures and accessories and the cost of the installation of the fixtures, lines and accessories.

Removal of fixtures and related facilities shall be at the direction of the customer and the customer shall reimburse the Company for all removal costs.

CREDITS

The annual charge per unit reflects an outage allowance based on normal and abnormal operating conditions.

TERMS AND CONDITIONS OF SERVICE

See Section II inclusive for Terms and Conditions of Service.

Customers requiring service under unusual conditions, or whose service requirements are different from those provided for herein may obtain such service under mutually acceptable contractual arrangements.

"In accordance with P.L. 1997, c. 162, the charges in this Rate Schedule include provision for the New Jersey Corporation Business Tax, the New Jersey Sales and Use Tax, and until it expires on January 1, 2003, a temporary Transitional Energy Facility Assessment. When billed to customers exempt from one or more of these taxes, as set forth in Riders CBT, SUT and TEFA, such charges will be reduced by the relevant amount of such taxes included therein."

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ATLANTIC CITY ELECTRIC COMPANY
BPU NJ No. 11 Electric Service - Section IV

Revised Sheet Replaces

Revised Sheet No. 44

RIDER STB-STANDBY SERVICE

(Applicable to MGS, AGS, TGS and SPP Rate Schedules)

AVAILABILITY

This rider is available to customers having other sources of electrical energy supply, but who desire to purchase Standby Service from the Company. The terms of this rider shall not be available in any month when the customer's Generation Availability for the current and preceding five (5) months does not exceed 50%.

DEFINITIONS

Standby Service:

Standby Service is defined as the additional electrical capacity available to a customer in the event of a forced outage and during a mutually agreed upon customer's scheduled maintenance shutdown of the customer owned electrical energy source.

Standby Service Capacity:

The Standby Service Capacity shall be the maximum electrical capacity in kW supplied by the customer owned electrical energy source during the current and preceding five (5) months. Such Standby Service Capacity may be revised with Company approval as changes in the customer's load conditions warrant.

Generation Availability:

Generation Availability is defined as the availability of the customer owned electrical energy source during the current and preceding five (5) months and shall be determined by dividing the Kwhrs produced during this period by the product of the Standby Service Capacity times 4380 hours.

MODIFICATION OF DEMAND DETERMINATION

The monthly billing demand shall be as defined under the "Demand Determination" section of the applicable rate schedule.

The Standby Service Demand shall be the "Standby Service Capacity" as defined above.

During the billing months in which a forced outage or mutually agreed upon customer's scheduled maintenance shutdown occurs, the billing demand will be determined by subtracting the Standby Service Capacity from the total demand and waives the minimum charge provision of the applicable rate schedule. Electric service is provided under the terms of the applicable rate schedule. Total demand is defined as the sum of the Company's demand meter plus demand supplied by the other sources of electrical energy, all computed to the nearest whole kilowatt during a fifteen minute period.

STANDBY SERVICE CHARGE

This rider imposes a Standby Service Charge at the following voltage levels:

Tariff	Transmission Stand By Rate	Distribution Stand By Rate
	(\$/kW)	(\$/kW)
MGS-Secondary	\$0.38	\$0.27
MGS Primary	\$0.37	\$0.50
AGS Secondary	\$0.16	\$0.60
AGS Primary	\$0.16	\$0.53
TGS	\$0.16	\$0.22

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ATLANTIC CITY ELECTRIC COMPANY

BPU NJ No. 11 Electric Service - Section IV

Revised Replaces

Revised Sheet No. 59

RIDER (RARC)

Regulatory Assets Recovery Charge (RARC)

Customers receiving service under Electric Rate Schedules RS, MGS, AGS, TS, TGS, DDC, SPL, and CSL and any customer taking service under special contractual arrangements.

Components of the Regulatory Assets Recovery Charge are as follows:

- Asbestos Removal
- FAS 106 Cost Recovery [Post Retirement Benefits other than Pension (PBOP)]
- Other Regulatory Assets

The Company's Regulatory Assets Recovery Charge to be effective on and after the date indicated below is \$0.000281/kWh.

Date of Issue:

Effective Date:

Issued by:

Exhibit B

Atlantic City Electric Company
Development of Proposed Distribution Rates
Rate Class Allocation of Distribution Revenue Requirements
Revenue Requirement

Exhibit B
Page 1 of 1

\$ 20,000,000

Rate Schedule

Annualized Current Distribution Revenue

Revenue Change (\$)

Proposed Revenue

Revenue Change based on Annualized Current Revenue (%)

Rate Class % Revenue Change to Overall % Change

Total Revenue for 12 Months ending March 31, 2009

Overall % Rate Increase

	RESIDENTIAL	MONTHLY GENERAL SERV SECONDARY	MONTHLY GENERAL SERV PRIMARY	ANNUAL GENERAL SERV SECONDARY	ANNUAL GENERAL SERV PRIMARY	TRANSMISSION GENERAL SERV	STREET LIGHTING SERVICE	DIRECT DISTRIBUTION CONNECTION
Total								
\$ 233,075,522	\$ 129,724,683	\$ 44,055,041	\$ 535,778	\$ 34,891,080	\$ 6,236,498	\$ 6,055,634	\$ 10,405,787	\$ 1,121,440.81
\$ 20,000,000	\$ 11,131,537	\$ 3,781,175	\$ 45,975	\$ 2,993,867	\$ 535,147	\$ 523,060	\$ 892,910	\$ 96,230
\$ 253,075,522	\$ 140,856,200	\$ 47,846,216	\$ 581,753	\$ 37,885,047	\$ 6,771,646	\$ 6,618,694	\$ 11,298,697	\$ 1,217,670
8.6%	8.6%	8.6%	8.6%	8.6%	8.6%	8.6%	8.6%	8.6%
	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
\$ 1,241,692,379	\$ 680,982,478	\$ 201,160,459	\$ 2,085,668	\$ 263,749,515	\$ 29,706,046	\$ 33,330,135	\$ 18,067,321	\$ 2,580,755
1.61%	1.6%	1.9%	2.2%	1.1%	1.8%	1.6%	4.8%	3.7%

Exhibit C

Table #1 Summary of Current BPU Approved Items Included in RARC

Existing Items	Annual Revenue Requirement
Asbestos Removal Costs	\$ 270,000
SFAS 106 - Pension/OPEB	\$ 1,540,000
Total Existing Regulatory Asset Recovery	\$ 1,810,000

Table #2 Summary of Prior Expenditures Proposed for Inclusion in RARC

Item	Settlement (12/31/2009 balances)
2008 Management Audit Costs	\$ 987,243
2002 NJ Affiliate Audit Costs	\$ -
Deferred SmartGrid Costs	\$ -
Deferred Nuclear Fuel Rod Legal Costs	\$ 1,482,168
NUG Buyout Costs	\$ 4,360,557
Total	\$ 6,829,968
Less:	
Remove Projected Unearned RARC Revenue Balance as of 5/31/2010	\$ 3,703,000
Net RARC Balance as of 5/31/2010	\$ 3,126,968

Table #3 Amortization Schedule for Recovery of Proposed Additional Regulatory Assets

Net Balance to be Returned	\$	3,126,968			
Interest Rate (Pre-Tax)		1.40%	(updated for 2 Year Treasuries as of March 31, 2010)		
Interest Rate (After-Tax)		0.828%			
Amortization Period (years)		4			
Annual Amortization		\$797,992.71			
Monthly Amortization		\$66,499.39			

Month	Starting Balance	Amortization	Monthly Interest	Ending Balance
Starting Balance				\$ 3,126,968
May-10	\$ 3,126,968	\$ 64,364	\$ 2,136	\$ 3,062,604
Jun-10	\$ 3,062,604	\$ 64,408	\$ 2,091	\$ 2,998,196
Jul-10	\$ 2,998,196	\$ 64,453	\$ 2,047	\$ 2,933,743
Aug-10	\$ 2,933,743	\$ 64,497	\$ 2,002	\$ 2,869,246
Sep-10	\$ 2,869,246	\$ 64,542	\$ 1,958	\$ 2,804,705
Oct-10	\$ 2,804,705	\$ 64,586	\$ 1,913	\$ 2,740,118
Nov-10	\$ 2,740,118	\$ 64,631	\$ 1,869	\$ 2,675,488
Dec-10	\$ 2,675,488	\$ 64,675	\$ 1,824	\$ 2,610,812
Jan-11	\$ 2,610,812	\$ 64,720	\$ 1,779	\$ 2,546,092
Feb-11	\$ 2,546,092	\$ 64,765	\$ 1,735	\$ 2,481,327
Mar-11	\$ 2,481,327	\$ 64,809	\$ 1,690	\$ 2,416,518
Apr-11	\$ 2,416,518	\$ 64,854	\$ 1,645	\$ 2,351,664
May-11	\$ 2,351,664	\$ 64,899	\$ 1,600	\$ 2,286,765
Jun-11	\$ 2,286,765	\$ 64,944	\$ 1,556	\$ 2,221,821
Jul-11	\$ 2,221,821	\$ 64,989	\$ 1,511	\$ 2,156,833
Aug-11	\$ 2,156,833	\$ 65,033	\$ 1,466	\$ 2,091,799
Sep-11	\$ 2,091,799	\$ 65,078	\$ 1,421	\$ 2,026,721
Oct-11	\$ 2,026,721	\$ 65,123	\$ 1,376	\$ 1,961,598
Nov-11	\$ 1,961,598	\$ 65,168	\$ 1,331	\$ 1,896,429
Dec-11	\$ 1,896,429	\$ 65,213	\$ 1,286	\$ 1,831,216
Jan-12	\$ 1,831,216	\$ 65,258	\$ 1,241	\$ 1,765,958
Feb-12	\$ 1,765,958	\$ 65,303	\$ 1,196	\$ 1,700,655
Mar-12	\$ 1,700,655	\$ 65,348	\$ 1,151	\$ 1,635,306
Apr-12	\$ 1,635,306	\$ 65,393	\$ 1,106	\$ 1,569,913
May-12	\$ 1,569,913	\$ 65,439	\$ 1,061	\$ 1,504,474
Jun-12	\$ 1,504,474	\$ 65,484	\$ 1,016	\$ 1,438,990
Jul-12	\$ 1,438,990	\$ 65,529	\$ 970	\$ 1,373,461
Aug-12	\$ 1,373,461	\$ 65,574	\$ 925	\$ 1,307,887
Sep-12	\$ 1,307,887	\$ 65,619	\$ 880	\$ 1,242,268
Oct-12	\$ 1,242,268	\$ 65,665	\$ 835	\$ 1,176,603
Nov-12	\$ 1,176,603	\$ 65,710	\$ 789	\$ 1,110,893
Dec-12	\$ 1,110,893	\$ 65,755	\$ 744	\$ 1,045,137
Jan-13	\$ 1,045,137	\$ 65,801	\$ 699	\$ 979,337
Feb-13	\$ 979,337	\$ 65,846	\$ 653	\$ 913,490
Mar-13	\$ 913,490	\$ 65,892	\$ 608	\$ 847,599
Apr-13	\$ 847,599	\$ 65,937	\$ 562	\$ 781,661
May-13	\$ 781,661	\$ 65,983	\$ 517	\$ 715,679
Jun-13	\$ 715,679	\$ 66,028	\$ 471	\$ 649,650
Jul-13	\$ 649,650	\$ 66,074	\$ 426	\$ 583,576
Aug-13	\$ 583,576	\$ 66,119	\$ 380	\$ 517,457
Sep-13	\$ 517,457	\$ 66,165	\$ 334	\$ 451,292
Oct-13	\$ 451,292	\$ 66,211	\$ 289	\$ 385,081
Nov-13	\$ 385,081	\$ 66,257	\$ 243	\$ 318,824
Dec-13	\$ 318,824	\$ 66,302	\$ 197	\$ 252,522
Jan-14	\$ 252,522	\$ 66,348	\$ 151	\$ 186,174
Feb-14	\$ 186,174	\$ 66,394	\$ 106	\$ 119,780
Mar-14	\$ 119,780	\$ 66,440	\$ 60	\$ 53,341
Apr-14	\$ 53,341	\$ 53,341	\$ 18	\$ -

Table #4 Regulatory Asset Recovery Charge Rate Design

Existing Revenue Requirements (from Table 1)	\$	1,810,000
Levelized Recovery of New RARC Items	\$	797,993
Sub-Total	\$	2,607,993
Revenue Requirement Adjusted for BPU/RPA Assessment	\$	2,621,098
New Revenue Requirement Adjusted for SUT	\$	2,804,575
Annual Sales (kWh)		9,998,270,403
RARC (\$/kWh)	\$	0.000281