



**STATE OF NEW JERSEY**  
**Board of Public Utilities**  
44 South Clinton Avenue, 9<sup>th</sup> Floor  
Post Office Box 350  
Trenton, New Jersey 08625-0350  
[www.nj.gov/bpu/](http://www.nj.gov/bpu/)

ENERGY

IN THE MATTER OF THE PETITION OF ATLANTIC )  
CITY ELECTRIC COMPANY PURSUANT TO N.J.S.A. ) ORDER  
48:2-13 AND N.J.S.A. 48:3-9 FOR AUTHORITY TO )  
ISSUE UP TO \$350 MILLION OF SHORT-TERM )  
INDEBTEDNESS PRIOR TO JANUARY 1, 2016 ) DOCKET NO. EF13080772

**Parties of Record:**

**Stefanie A. Brand, Esq., Director**, New Jersey Division of Rate Counsel  
**Philip J. Passanante, Esq.**, Atlantic City Electric Company

**BY THE BOARD:**

On August 26, 2013, 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, 2016, in an aggregate principal amount outstanding at any one time not in excess of \$350 million. The Board, in its Order in Docket No. EF11090577, dated December 15, 2011, authorized Petitioner to issue similar Short-Term Debt, prior to January 1, 2014.

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 also be needed to provide for temporary financing of construction program expenditures and other general corporate transactions. Petitioner has requested that the Board extend to January 1, 2016, the authorization previously granted by this Board in its December 15, 2011 Order described above, and to raise the limit of that authorization from the previously authorized amount of \$250 million to \$350 million in the aggregate amount of Short-Term Debt that may be outstanding at any one time.

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, if used as represented, will be used for utility purposes to allow Petitioner to expand and improve its facilities. Based on that review, Board Staff agrees that the requested adjustment in the amount of authorized short term debt is reasonable.

The Division of Rate Counsel ("Rate Counsel") has reviewed this matter and, by letter dated December 4, 2013, stated that it does not oppose ACE's request for Short-Term debt authority including the increase to \$350 million. Rate Counsel recommends that the twelve provisions set forth in the previous Board Order granting the Company authority to issue the \$250 million of Short Term debt be included in this Order. Those provisions are included in this Order.

The Board, after investigation, having considered the petition and 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 and 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, 2016, in an aggregate principal amount outstanding at any one time not in excess of \$350 million.

This Order is issued subject to the following provisions:

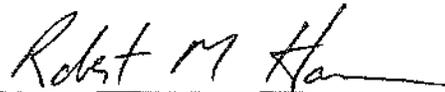
1. Within 30 days after the close of each fiscal quarter, Petitioner shall file with the Board a statement setting forth in reasonable detail the amounts of its unsecured indebtedness outstanding, the dates of issue and maturity, and the rates of interest thereon.
2. This Order shall not be construed 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. Petitioner is obligated to conduct its short-term borrowing at the lowest reasonable cost.
8. All Short-Term Debt issued pursuant to the authority granted by this Order is to be used to fund utility operations and investments only, not to fund unregulated affiliates.
9. The Board's approval of the Petition does not constitute pre-approval of any cost recovery from customers or rate setting.
10. Petitioner retains the obligation to use a prudent mix of capital to finance its utility operations and investments to provide service at lowest reasonable costs.
11. Rate Counsel reserves all rights to take appropriate positions in any future Board proceedings involving Petitioner.
12. 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, 2016.

This Order will be effective December 28, 2013.

DATED: 12/18/13

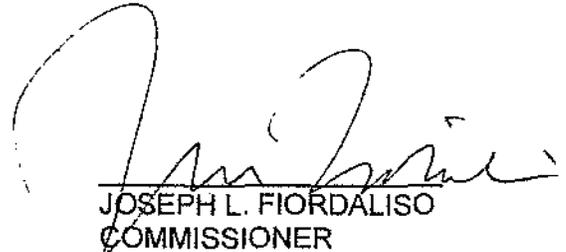
BOARD OF PUBLIC UTILITIES  
BY:



ROBERT M. HANNA  
PRESIDENT



JEANNE M. FOX  
COMMISSIONER



JOSEPH L. FIORDALISO  
COMMISSIONER



MARY-ANNA HOLDEN  
COMMISSIONER



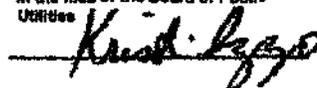
DIANNE SOLOMON  
COMMISSIONER

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 Pursuant to N.J.S.A. 48:2-13 and N.J.S.A. 48:3-9 for Authority to Issue up to \$350 Million of Short-Term Indebtedness Prior to January 1, 2016

DOCKET NO. EF13080772

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