



Agenda Date: 11/30/16
Agenda Item: 2C

STATE OF NEW JERSEY
Board of Public Utilities
44 South Clinton Avenue, 3rd Floor, Suite 314
Post Office Box 350
Trenton, New Jersey 08625-0350
www.nj.gov/bpu/

ENERGY

IN THE MATTER OF THE APPLICATION OF)
ATLANTIC CITY ELECTRIC COMPANY TO ADJUST)
THE LEVEL OF ITS "RIDER RGGI" RATE)
ASSOCIATED WITH ITS SOLAR RENEWABLE)
ENERGY CERTIFICATE FINANCING PROGRAM)
(2016))
ORDER APPROVING)
STIPULATION)
DOCKET NO. ER16050402)

Parties of Record:

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

BY THE BOARD:

By this Order, the New Jersey Board of Public Utilities ("Board" or "BPU") considers a Stipulation of Settlement ("Stipulation") with respect to the verified petition filed by Atlantic City Electric Company ("ACE" or "Company") on May 6, 2016 ("2016 Petition") requesting approval of an increase in its Regional Greenhouse Gas Initiative Recovery Charge Rider ("Rider RGGI") to recover costs incurred in its Solar Renewable Energy Certificate ("SREC") Financing Program ("SREC Financing Program").

Background and Procedural History

By Order dated August 7, 2008, the Board directed Jersey Central Power & Light Company ("JCP&L") and ACE to file, by September 30, 2008, a solar financing program based on SRECs, utilizing and incorporating certain mandatory design and filing requirements. On October 1, 2008, ACE filed a proposed SREC financing program assigned to BPU Docket No. EO08100875.

ACE, JCP&L, Board Staff ("Staff"), the New Jersey Division of Rate Counsel ("Rate Counsel"), and the Solar Alliance ("SA") considered the ACE and JCP&L filings in the course of 11 settlement meetings held between February and March 2009. Over the course of those settlement discussions, the ACE and JCP&L proposals were incorporated into a single program, which included a cost recovery mechanism and incentives. ACE, JCP&L, Staff, and SA executed a stipulation on March 13, 2009 (the "March 2009 Stipulation"). Rate Counsel was also a signatory to the March 2009 Stipulation, but reserved its right to contest three specific issues. By Order dated March 27, 2009 (the "March 2009 Order"), the Board approved the

March 2009 Stipulation and decided the contested issues. Among other things, the March 2009 Order approved the recovery of costs through an SREC Financing Program rate component of the Rider RGGI equal to a per kWh charge applicable to all customers. As net program costs for the first year of the program were uncertain, the March 2009 Order required that ACE's Rider RGGI rate component for this program be set at zero (\$0.0000 per kWh).

On May 8, 2009, Rate Counsel filed a Notice of Appeal with the Superior Court of New Jersey, Appellate Division regarding the additional recoveries portion of the contested issues. On July 29, 2009, ACE, JCP&L, the Board Staff, and Rate Counsel entered into a further stipulation of settlement with respect to the contested issues (the "Stipulation on Appeal"). By Order dated September 16, 2009, the Board modified its March 2009 Order to reflect the terms of the Stipulation on Appeal. Rate Counsel withdrew its appeal on September 23, 2009.

By Order dated December 18, 2013, the Board approved an SREC Financing Program component of the Rider RGGI rate of \$0.000610 per kWh (including Sales and Use Tax ("SUT")).¹ By Order dated November 15, 2015, the Board approved the current SREC Financing Program component of the Rider RGGI rate of \$0.000824 per kWh including SUT.²

2016 Petition

By petition dated May 6, 2016, ACE filed the 2016 Petition seeking Board authorization to adjust the level of the Rider RGGI charge associated with ACE's SREC Financing Program rate component. Based on actual program costs through March 2016, and forecasted costs from April 2016 through August 2017, ACE proposed to recover approximately \$4.7 million of costs associated with the SREC Financing Program. ACE requested that the Board approve its request to adjust the SREC Financing Program component of its Rider RGGI rate from the current per kWh charge of \$0.000824 to \$0.000577, or an approximate \$2.5 million decrease over the current level of revenues being recovered for the SREC Financing Program.

In response to discovery, the Company updated the revenue requirement to reflect updated program data through August 31, 2016. The net effect of the updated data was to reduce the amount to be recovered through the Rider RGGI for this program to approximately \$4.6 million.

Stipulation

Following discovery, the Company, Staff and Rate Counsel (collectively, the "Parties"), actively participated in settlement negotiations, which ultimately resulted in the execution of the Stipulation which resolves all factual and legal issues pertaining to the 2016 Petition. The Parties have agreed to the following salient terms:³

¹ In re Atlantic City Electric Company's Annual Filing to Set the Level of its "Rider RGGI" Rate Associated with its Solar Renewable Energy Certificate Financing Program AND In re Atlantic City Electric Company Renewable Energy Portfolio Standard-Amendments to the Minimum Filing Requirements for Energy Efficiency, Renewable Energy and Conservation Programs; and for Electric Distribution Company Submittals of Filings in Connection with Solar Financing, BPU Docket Nos. EO13030241 and EO12040312, Order dated December 18, 2013.

² In re the Application of Atlantic City Electric Company to Adjust the Level of its "Rider RGGI" Rate Associated with its Solar Renewable Energy Certificate Financing Program (2015), BPU Docket No. EO15050505, Order dated November 16, 2015.

³ Although described 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 contained in this Order.

1. The Parties agree that the actual SREC Financing Program costs incurred through August 31, 2016 as shown in the Updated Exhibit B to the 2016 SREC Petition, a copy of which is attached to the Stipulation as Attachment 1, have been reviewed and deemed prudent and reasonable by the Parties. Actual costs incurred after that date are subject to review for reasonableness and prudence in future proceedings.
2. The Parties agree that the methodology for forecasting future SREC sales prices to be utilized by the Company in its annual reconciliation of its SREC Financing Program, as proposed by Staff and described in detail herein, is appropriate and should be approved. Specifically, the agreed-upon methodology utilizes the average of the three most recent actual SREC auction prices, similar to how other New Jersey electric utilities develop their forecasts.
3. The Parties agree that the proposed SREC Financing Program component of the Rider RGGI rate should be set at \$0.000567 per kWh, inclusive of SUT, resulting in a rate decrease on a typical residential customer using 1,000 kWh per month of \$0.26 or a 0.14 percent decrease below the rate currently in effect, and that such decrease is consistent with the terms and conditions of the Board's Orders, and therefore should be approved by the Board. The rate of \$0.000567 per kWh, inclusive of SUT, is based on an annual revenue requirement of \$4,619,540, as shown in Attachment 1 to the Stipulation. This revenue requirement reflects actual results through August 31, 2016 and projected results through August 31, 2017, and includes a) a projected revenue requirement of \$2,144,168 for the forecasted period of September 2016 through August 2017; b) a deferred balance through August 31, 2016 of \$2,450,864; and c) interest from January 1, 2016 through August 31, 2016 of \$24,508. The rate of \$0.000567 per kWh, inclusive of SUT, also incorporates the methodology which utilizes the average of the three most recent actual SREC auction prices.
4. The Company will submit updated tariff sheets within five (5) business days of the effective date of the Board's Order in this docket conforming to the agreed upon rates and terms set-forth in the above paragraphs. The proposed tariff sheets are attached to the Stipulation as Attachment 2.
5. The Parties acknowledge and agree that adoption by the Board of this Stipulation fully resolves the 2016 SREC Petition.

DISCUSSION AND FINDING

The Board has carefully reviewed the record in this matter including the 2016 Petition and the Stipulation. The Board is persuaded that the costs through August 2016 as shown on Attachment 1 to the Stipulation have been reviewed and deemed to be reasonable and prudent. Accordingly, the Board **HEREBY FINDS** the Stipulation to be reasonable, in the public interest and in accordance with the law. Accordingly, the Board **HEREBY ADOPTS** the Stipulation as its own, as if fully set forth herein.

The Board **HEREBY APPROVES** a decrease in the SREC Financing Program component of ACE's RGGI Recovery Charge to \$0.000567 per kWh, including SUT effective for service rendered on or after January 1, 2017. As a result, a typical residential customer using

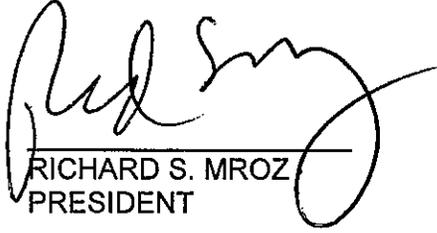
approximately 1,000 kWh per month will see a decrease of \$0.26 or 0.14% on a total monthly bill.

The Board **HEREBY ORDERS** ACE to file revised tariff sheets in compliance with the terms and conditions of the Stipulation prior to January 1, 2017.

This Board Order shall be effective as of December 10, 2016.

DATED: 11/30/16

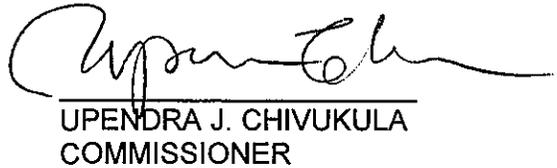
BOARD OF PUBLIC UTILITIES
BY:

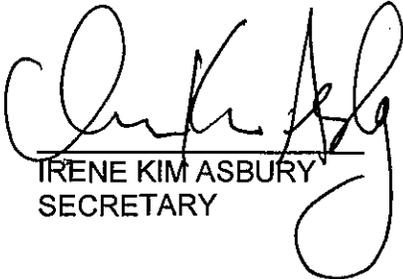

RICHARD S. MROZ
PRESIDENT


JOSEPH L. FIORDALISO
COMMISSIONER

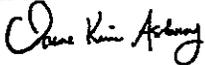

MARY-ANNA HOLDEN
COMMISSIONER


DIANNE SOLOMON
COMMISSIONER


UPENDRA J. CHIVUKULA
COMMISSIONER

ATTEST: 
IRENE KIM ASBURY
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 APPLICATION OF ATLANTIC CITY ELECTRIC COMPANY TO
ADJUST THE LEVEL OF ITS "RIDER RGGI" RATE ASSOCIATED WITH ITS SOLAR
RENEWABLE ENERGY CERTIFICATE FINANCING PROGRAM (2016)
BPU Docket No. ER16050402**

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November 10, 2016

**VIA FEDERAL EXPRESS and
ELECTRONIC MAIL**
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board.secretary@bpu.nj.gov

Irene Kim Asbury, Esquire
Secretary of the Board
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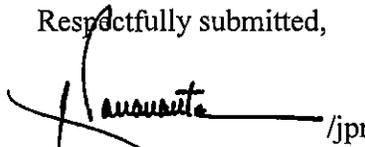
RE: In the Matter of the Application of Atlantic City Electric Company to Adjust the Level of Its "Rider RGGI" Rate Associated With Its Solar Renewable Energy Certificate Financing Program (2016)
BPU Docket No. ER16050402

Dear Secretary Asbury:

Attached hereto for filing are three conformed copies of a fully executed Stipulation of Settlement (the "Stipulation") in connection with the above-referenced matter.¹ It is Atlantic City Electric Company's understanding that the Stipulation will be placed on the agenda for consideration at the regular meeting currently scheduled for Wednesday, November 30, 2016.

Thank you for your cooperation and courtesies. Feel free to contact me with any questions or if I can be of further assistance.

Respectfully submitted,


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

Enclosure

cc: Service List

¹ This filing has been made consistent with the Board's Order Waiving Provisions of N.J.A.C. 14:4-2, N.J.A.C. 14:17-4.2(a), N.J.A.C. 14:1-1.6(c), and N.J.A.C. 14:17-1.6(d), issued on July 29, 2016 in connection with *In the Matter of the Board's E-Filing Program*, BPU Docket No. AX16020100.

**IN THE MATTER OF THE APPLICATION
OF ATLANTIC CITY ELECTRIC
COMPANY TO ADJUST THE LEVEL OF
ITS "RIDER RGGI" RATE ASSOCIATED
WITH ITS SOLAR RENEWABLE ENERGY
CERTIFICATE FINANCING PROGRAM
(2016)**

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

BPU DOCKET NO. ER16050402**

APPEARANCES:

Philip J. Passanante, Esq., Assistant General Counsel, on behalf of Petitioner, Atlantic City Electric Company;

**Alex Moreau and Veronica Beke, Deputy Attorneys General, on behalf of the Staff of the New Jersey Board of Public Utilities (Christopher S. Porrino, Attorney General of New Jersey);
and**

Felicia Thomas-Friel, Esq., Deputy Rate Counsel, Kurt S. Lewandowski, Esq., Assistant Deputy Rate Counsel, and Sarah Steindel, Esq., Assistant Deputy Rate Counsel, on behalf of the New Jersey Division of Rate Counsel (Stefanie A. Brand, Director).

This Stipulation of Settlement ("Stipulation") is hereby made and executed as of this 7th day of November, 2016, by and among Atlantic City Electric Company ("ACE" or "Company"), the Staff of the New Jersey Board of Public Utilities ("Staff"), and the New Jersey Division of Rate Counsel ("Rate Counsel") (individually, "Party" and collectively, "Parties"), in settlement of all factual and legal issues pertaining to the above captioned Verified SREC Financing Program Petition filed by the Company on or about May 6, 2016 (BPU Docket No. ER16050402) ("2016 SREC Petition"). The 2016 SREC Petition was filed in response to the New Jersey Board of Public Utilities' ("Board" or "BPU") Orders dated March 27, 2009 and September 16, 2009 ("Orders") issued under BPU Docket No. EO08100875.

BACKGROUND

By Order dated August 7, 2008 ("August 2008 Order"), the Board directed Jersey Central Power & Light Company ("JCP&L") and ACE to file, by September 30, 2008, a solar financing program based on Solar Renewable Energy Certificates ("SRECs"), utilizing and incorporating certain mandatory design and filing requirements. On October 1, 2008, ACE filed a proposed SREC Financing Program ("SREC Financing Program") in connection with BPU Docket No. EO08100875. ACE, JCP&L, Board Staff, Rate Counsel, and the Solar Alliance ("SA") considered the ACE and JCP&L filings in the course of 11 settlement meetings held between February and March 2009. Over the course of those settlement discussions, the ACE and JCP&L proposals were incorporated into a single SREC Financing Program, which included a cost recovery mechanism and incentives. ACE, JCP&L, Staff, and SA executed a stipulation on March 13, 2009 ("2009 Stipulation"). Rate Counsel was also a signatory to the 2009 Stipulation, but reserved its right to contest three specific issues. By Order dated March 27, 2009 ("March 2009 Order"), the Board approved the 2009 Stipulation and decided the contested issues. On May 8, 2009, Rate Counsel filed a Notice of Appeal with the Superior Court of New Jersey, Appellate Division regarding the additional recoveries portion of the contested issues. On July 29, 2009, ACE, JCP&L, the Board, and Rate Counsel entered into a further stipulation of settlement with respect to the contested issues ("Stipulation on Appeal"). By Order dated September 16, 2009, the Board modified its March 2009 Order to reflect the terms of the Stipulation on Appeal. Rate Counsel withdrew its appeal on September 23, 2009. The Order required that ACE's Regional Greenhouse Gas Initiative Recovery Charge ("Rider RGGI") rate for the initial year be set at zero.

On or about April 12, 2012, ACE filed a Verified Petition ("April 2012 SREC Petition") seeking a Board Order authorizing ACE to implement recovery of the costs associated with the SREC Financing Program from the commencement of the program through March 31, 2012, pursuant to the cost recovery mechanism approved in the March 27, 2009 and September 16, 2009 Board Orders. That proceeding was docketed as BPU Docket No. EO12040312. Additionally, ACE sought amendments to the Company's Rider RGGI associated with that program.

By Petition dated March 21, 2013 ("March 2013 SREC Petition"), ACE sought authorization to implement recovery of the costs associated with the SREC Financing Program and updated the April 2012 SREC Petition in BPU Docket No. EO13030241.¹ By stipulation dated on or about December 3, 2013 ("2013 SREC Stipulation"), the Parties recommended to the Board that the Company's April 2012 SREC Petition, as updated by the Company's March 2013 SREC Petition, be approved. By Order dated December 18, 2013, the Board approved the 2013 SREC Stipulation, which established an SREC Financing Program component of the Rider RGGI rate of \$0.000610 per kwh (inclusive of Sales and Use Tax ("SUT")).

On or about May 1, 2015 ("2015 SREC Petition"), the Company sought to update its SREC Financing Program's costs, and increase the level of the SREC Financing Program component of the Rider RGGI rate. By stipulation executed by the Parties on October 29, 2015 ("2015 Stipulation"), the Parties resolved all issues associated with the 2015 SREC Petition, and submitted the 2015 Stipulation to the Board for its consideration and approval. By Order dated November 16, 2015 the Board approved the 2015 Stipulation, which established the current SREC Financing Program component of the Rider RGGI rate of \$0.000824 (inclusive of SUT).

¹ As of the date of the March 2013 SREC Petition, the Board had not acted upon the April 2012 SREC Petition.

As noted above, the Company filed the 2016 SREC Petition on or about May 6, 2016. The 2016 SREC Petition requested a decrease in the SREC Financing Program component of the Company's Rider RGGI rate. Therefore, no public hearings were deemed to be required and none were held. In addition to reconciling the Company's SREC Financing Program's actual costs and revenues through March 2016, and adjusting downward the level of the SREC Financing Program component of the Rider RGGI rate, the Company sought to adjust the methodology for determining program costs to include forecasted costs for the period from April 2016 through August 2017, consistent with the use of forecasted costs by other New Jersey electric utilities and as approved by the Board, and to continue utilizing this forecasting methodology in future SREC Financing Program reconciliation petitions.

Discovery with regard to the 2016 SREC Petition was submitted by the Parties and responded to by the Company. In addition, the Parties engaged in settlement discussions with respect to the matter. During those discussions, Staff proposed an alternative methodology for developing the forecasted costs for SREC auction sales. Specifically, Staff proposed utilizing the average of the three most recent actual SREC auction prices, similar to how other New Jersey electric utilities develop their forecasts. The Company and Rate Counsel agree with Staff's proposal in this regard. Following the settlement discussion, by email communication to the Parties dated September 26, 2016, the Company updated actual program costs through the end of August 2016, and included the revenue impact of the Staff proposal for forecasting SREC auction sales prices.

STIPULATION

The Parties to this Stipulation HEREBY STIPULATE AND AGREE to the following findings, conclusions, and determinations for purposes of a full, final, and complete resolution of the issues raised in the 2016 SREC Petition.

1. The Parties agree that the actual SREC Financing Program costs incurred through August 31, 2016 as shown in the Updated Exhibit B to the 2016 SREC Petition, a copy of which is attached hereto as **Attachment 1**, have been reviewed and deemed prudent and reasonable by the Parties. Actual costs incurred after that date are subject to review for reasonableness and prudence in future proceedings.

2. The Parties agree that the methodology for forecasting future SREC sales prices to be utilized by the Company in its annual reconciliation of its SREC Financing Program, as proposed by Staff and described in detail herein, is appropriate and should be approved. Specifically, the agreed-upon methodology utilizes the average of the three most recent actual SREC auction prices, similar to how other New Jersey electric utilities develop their forecasts.

3. The Parties agree that the proposed SREC Financing Program component of the Rider RGGI rate should be set at \$0.000567 per kWh, inclusive of SUT, resulting in a rate decrease on a typical residential customer using 1,000 kWh per month of \$0.26 or a 0.14 percent decrease below the rate currently in effect, and that such decrease is consistent with the terms and conditions of the Board's Orders, and therefore should be approved by the Board. The rate of \$0.000567 per kWh, inclusive of SUT, is based on an annual revenue requirement of \$4,619,540, as shown in **Attachment 1** hereto². This revenue requirement reflects actual results through August 31, 2016 and projected results through August 31, 2017, and includes a) a projected revenue requirement of \$2,144,168 for the forecasted period of September 2016

² The annual revenue requirement includes ACE's portion of NERA's auction costs, as well as the Company's authorized SREC transaction fees.

through August 2017; b) a deferred balance through August 31, 2016 of \$2,450,864; and c) interest from January 1, 2016 through August 31, 2016 of \$24,508. The rate of \$0.000567 per kWh, inclusive of SUT, also incorporates the methodology which utilizes the average of the three most recent actual SREC auction prices.

4. The Company will submit updated tariff sheets within five (5) business days of the effective date of the Board's Order in this docket conforming to the agreed upon rates and terms set-forth in the above paragraphs. The proposed tariff sheets are attached as Attachment 2.

5. The Parties acknowledge and agree that adoption by the Board of this Stipulation fully resolves the 2016 SREC Petition.

SETTLEMENT IMPLEMENTATION

The Parties hereby request that this Stipulation be considered by the Board at its first available agenda meeting following execution hereof by the Parties, and that the change in the Company's Rider RGGI rate applicable to the SREC Financing Program as proposed in the 2016 SREC Petition, as updated, be made effective for customer bills rendered on and after the first day of the calendar month following the effective date of the Board's approval, consistent with N.J.S.A. 48:2-20.

CONCLUSION

6. The Parties agree that this Stipulation contains mutual balancing and interdependent clauses and is intended to be accepted and approved in its entirety. In the event any particular provision of this Stipulation is not accepted and approved in its entirety by the Board or is modified by a court of competent jurisdiction, then any Party aggrieved thereby shall not be bound to proceed with this Stipulation and shall have the right, upon written notice, to be provided to all other Parties within ten (10) days after receipt of any such adverse decision, to

litigate all issues addressed herein to a conclusion. More particularly, in the event this Stipulation is not adopted in its entirety by the Board in an appropriate Order, or is modified by a court of competent jurisdiction, then any Party hereto is free, upon the timely provision of such written notice, to pursue its then available legal remedies with respect to all issues addressed in this Stipulation, as though this Stipulation had not been signed.

7. The Parties agree that this Stipulation shall be binding on them for all purposes herein.

8. It is specifically understood and agreed that this Stipulation represents a negotiated agreement and, except as otherwise expressly provided for herein:

- a. by executing this Stipulation, no Party waives any rights it possesses under any prior Stipulation, except where the terms of this Stipulation supersede such prior Stipulation; and
- b. the contents of this Stipulation shall not in any way be considered, cited or used by any of the Parties as an indication of any Party's position on any related or other issue litigated in any other proceeding or forum, except to enforce the terms of this Stipulation.

9. It is specifically understood and agreed that this Stipulation represents a negotiated agreement and has been made exclusively for the purpose of this proceeding. Except as expressly provided herein, the Parties shall not be deemed to have approved, agreed to or consented to any principle or methodology underlying or supposed to underlie any agreement provided herein in total or by specific item. The Parties further agree that this Stipulation is in no way binding upon them in any other proceeding, except to enforce the terms of this Stipulation.

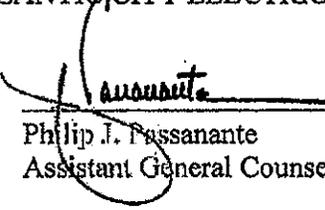
10. This Stipulation may be executed in any number of counterparts, each of which shall be considered one and the same agreement, and shall become effective when one or more counterparts have been signed by each of the Parties.

WHEREFORE, the Parties hereto have duly executed and do respectfully submit this Stipulation to the Board and recommend that the Board issue a Final Decision and Order adopting and approving this Stipulation in its entirety in accordance with the terms hereof.

[SIGNATURES APPEAR ON THE FOLLOWING PAGE]

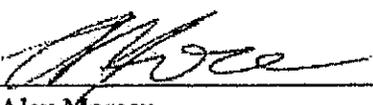
ATLANTIC CITY ELECTRIC COMPANY

Dated: November 7, 2016

By: 
Philip J. Passanante
Assistant General Counsel

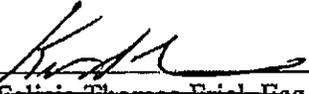
CHRISTOPHER S. PORRINO
ATTORNEY GENERAL OF NEW JERSEY
Attorney for the Staff of the New Jersey Board of
Public Utilities

Dated: November 7, 2016

By: 
Alex Moreau
Deputy Attorney General

STEFANIE A. BRAND, ESQ.
DIRECTOR
DIVISION OF RATE COUNSEL

Dated: Nov 7, 2016

By: 
~~Felicia Thomas-Friel, Esq.~~
~~Deputy Rate Counsel~~
Kurt S. Lewandowski, Esq.
Assistant Deputy Rate Counsel

Attachment 1

ATLANTIC CITY ELECTRIC COMPANY
 RGGI Recovery Charge
 Solar Renewable Energy Certificate (SREC) Financing Program
 New Jersey Deferral Calculation Interest Rates

(1)	(2)		
	Rate on 1st of Current Month		
	2yr. constant		
<u>Date</u>	<u>maturity Treasury</u>	<u>+ 60 bp</u>	<u>Interest Rate</u>
Aug-15	0.68%	0.60%	1.28%
Sep-15	0.70%	0.60%	1.30%
Oct-15	0.64%	0.60%	1.24%
Nov-15	0.77%	0.60%	1.37%
Dec-15	0.91%	0.60%	1.51%
Jan-16	1.02%	0.60%	1.62%
Feb-16	0.81%	0.60%	1.41%
Mar-16	0.85%	0.60%	1.45%
Apr-16	0.76%	0.60%	1.36%
May-16	0.80%	0.60%	1.40%
Jun-16	0.91%	0.60%	1.51%
Jul-16	0.59%	0.60%	1.19%
Aug-16	0.67%	0.60%	1.27%

ATLANTIC CITY ELECTRIC COMPANY
 RGGI Recovery Charge
 Solar Renewable Energy Certificate (SREC) Financing Program
 Computation of NJ Tax Factors

Line No.	Description	Statutory Tax Rate
1	BPU Assessment	0.242%
2	NJ Income Tax Rate	9.000%
3	Federal Income Tax Rate	35.00%

Line No.	Description	Computation	Total Tax Factor	Income Tax Factor
4	BPU Assessment	line 1	0.2420%	0.0000%
5	NJ Income Tax Factor	(100%-line 1) x line 2	8.9782%	9.0000%
6	Federal Income Tax Factor	(100% - (line 4 + line 5)) x line 3	31.7729%	31.8500%
7	Composite Tax Factor	line 4 + line 5 + line 6	40.9931%	40.8500%
8	Complement of Composite Tax Factor	100% - (line 4 + line 5 + line 6)	59.0069%	59.1500%

Attachment 2

ATLANTIC CITY ELECTRIC COMPANY
BPU NJ No. 11 Electric Service - Section IV Revised Sheet Replaces Revised Sheet No. 64

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. Except where indicated otherwise, 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

Residential Controllable Smart Thermostat Program (RCSTP) (\$/kWh) \$0.000000
This charge component is intended to recover costs associated with the Residential Controllable Smart Thermostat Demand Response Program.

Solar Renewable Energy Certificate (SREC) (\$/kWh) \$0.000567
This charge component is intended to recover net costs associated with the Solar Renewable Energy Certificate Program.

Date of Issue:

Effective Date:

Issued by:

ATLANTIC CITY ELECTRIC COMPANY
BPU NJ No. 11. Electric Service - Section IV Eighth- Revised Sheet Replaces Seventh- Revised Sheet No. 64

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. Except where indicated otherwise, 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

Residential Controllable Smart Thermostat Program (RCSTP) (\$/kWh) \$0.000000
This charge component is intended to recover costs associated with the Residential Controllable Smart Thermostat Demand Response Program.

Solar Renewable Energy Certificate (SREC) (\$/kWh) \$0.000824000567
This charge component is intended to recover net costs associated with the Solar Renewable Energy Certificate Program.

Date of Issue: March-25,-2016

Effective Date: March-28,-2016

Issued by: ~~David M. Velazquez, 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. ER15080971

In the Matter of the Application of Atlantic City Electric Company to Adjust the Level of Its
"Rider RGGI" Rate Associated With Its Solar Renewable Energy Certificate Financing Program (2016)
BPU Docket No. ER16050402

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