



Agenda Date: 1/17/19
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)
(2018))
ORDER APPROVING)
STIPULATION)
DOCKET NO. ER18050543

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 18, 2018 ("May 2018 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 eleven (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 (\$0.000000 per kWh).¹

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, 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 Order² dated December 18, 2013, the Board approved an SREC Financing Program component of the Rider RGGI rate of \$0.000610 per kWh. By Order³ dated November 15, 2015, the Board approved an SREC Financing Program component of the Rider RGGI rate of \$0.000824 per kWh. By Order⁴ dated November 7, 2016, the Board approved an SREC Financing Program component of the Rider RGGI rate of \$0.000567 per kWh, which was further reduced to reflect a change in the applicable SUT to the a rate of \$0.000566 per kWh. By Order⁵ dated September 22, 2017, the Board approved an SREC Financing Program component of the Rider RGGI rate of \$0.000392 per kWh, which was further reduced to reflect a change in the applicable SUT to the current rate of \$0.000391 per kWh.

MAY 2018 PETITION

On May 18, 2018, ACE filed the instant petition seeking Board approval 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 2018, and forecasted costs from April 2018 through August 2019, ACE proposed to recover approximately \$3.74 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 \$0.000391 to \$0.000460 or an approximate, \$510,000 increase over the current level of revenues being recovered for the SREC Financing Program.

¹ All rates quoted herein include Sales and Use Tax ("SUT").

² 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 (December 18, 2013).

³ 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 (November 16, 2015).

⁴ 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 (2016), BPU Docket No. ER16050402 (November 30, 2016).

⁵ 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 (2017), BPU Docket No. ER17040357 (September 22, 2017).

In response to discovery, the Company updated the revenue requirement to reflect updated program data through September 30, 2018 and projected program costs from October 1, 2018 through August 31, 2019. ("September 2018 Update") The net effect of the September 2018 Update would modify the amount to be recovered through the Rider RGGI for this program to approximately \$3.04 million. The September 2018 Update also had the effect of decreasing the requested SREC Financing Program component of its Rider RGGI rate to \$0.000417 per kWh, which is still an increase from the current rate of \$0.000391.

Following notice in newspapers of general circulation within ACE's service territory, and the serving of notice upon affected municipalities and counties within the Company's service area, two (2) public hearings were held in May's Landing, New Jersey on November 14, 2018. No members of the public attended and no written comments were received by the Board.

STIPULATION

Following a review of the May 2018 Petition and conducting discovery, the Company, Staff, and Rate Counsel (collectively, the "Parties"), executed the Stipulation which resolves all factual and legal issues pertaining to the May 2018 Petition. The Parties have agreed to the following salient terms:⁶

1. The Parties agree that the actual SREC Financing Program costs incurred through September 30, 2018, as shown in the Updated Exhibit B to the 2018 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 a future proceeding.
2. The Parties agree that the proposed SREC Financing Program component of the Rider RGGI rate should be set at \$0.000417 per kWh, resulting in a rate increase on a typical residential customer using 679 kWh per month of \$0.02 or a 0.02 percent increase from the rate currently in effect, and that such increase is consistent with the terms and conditions of the Board's Orders, and therefore should be approved by the Board. The charge of \$0.000417 per kWh, is based on an annual revenue requirement of \$3,038,046 as shown in Attachment 1 of the Stipulation. This revenue requirement reflects actual results through September 30, 2018 and projected results through August 31, 2019, and includes a) a projected revenue requirement of \$3,419,258 for the forecasted period of October 2018 through August 2019; b) a deferred balance through September 30, 2018 of (\$384,265); and c) interest from January 1, 2018 through September 30, 2018 of \$3,052. The charge of \$0.000417 per kWh, inclusive of SUT, also incorporates the methodology that utilizes the average of the three (3) most recent actual SREC auction prices.
3. 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 Stipulation or on such other schedule as the Board shall determine. The proposed tariff sheets are attached to the Stipulation as Attachment 2.

⁶ 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.

DISCUSSION AND FINDING

The Board has carefully reviewed the record in this matter including the May 2018 Petition and the Stipulation. The Board is persuaded that the costs through September 2018 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.

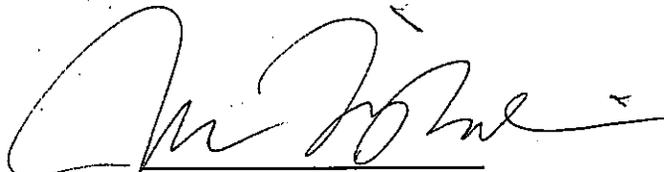
The Board **HEREBY APPROVES** an increase in the SREC Financing Program component of ACE's RGGI Recovery Charge to \$0.000417 per kWh, effective for service rendered on or after February 1, 2019. As a result, a typical residential customer using approximately 679 kWh per month will see an increase of \$0.02 or 0.02% on a total monthly bill.

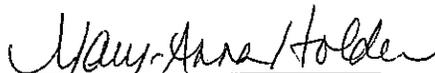
The Board **HEREBY ORDERS** ACE to file revised tariff sheets in compliance with the terms and conditions of the Stipulation prior to February 1, 2019.

This Board Order shall be effective as of January 27, 2019.

DATED: 1/17/19

BOARD OF PUBLIC UTILITIES
BY:


JOSEPH L. FIORDALISO
PRESIDENT


MARY-ANNA HOLDEN
COMMISSIONER


DIANNE SOLOMON
COMMISSIONER


UPENDRA J. CHIVUKULA
COMMISSIONER


ROBERT M. GORDON
COMMISSIONER

ATTEST: 
AIDA CAMACHO-WELCH
SECRETARY

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 (2018)
BPU Docket No. ER18050543

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January 3, 2019

**VIA FEDERAL EXPRESS and
ELECTRONIC MAIL**

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Aida Camacho-Welch
Secretary of the Board
Board of Public Utilities
44 South Clinton Avenue, 3rd Floor, Suite 314
P.O. Box 350
Trenton, New Jersey 08625-0350

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 (2018)
BPU Docket No. ER18050543

Dear Secretary Camacho-Welch:

Enclosed for filing are an original and ten (10) conformed copies of a fully executed Stipulation of Settlement (the "Stipulation") in connection with the above-referenced matter. 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 Thursday, January 17, 2019.

Please return one date-stamped and "filed" copy of this cover letter and the Stipulation in the pre-addressed, postage-prepaid envelope provided.

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,

A handwritten signature in black ink, appearing to read 'Passanante', written over a horizontal line. To the right of the line is the text '/jpr'.

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

Enclosure
cc: Service List

**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
(2018)**

**STATE OF NEW JERSEY
BOARD OF PUBLIC UTILITIES
STIPULATION OF SETTLEMENT
BPU DOCKET NO. ER18050543**

APPEARANCES:

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

Alex Moreau and Peter Van Brunt, Deputy Attorneys General, on behalf of the Staff of the New Jersey Board of Public Utilities (Gurbir S. Grewal, Attorney General of New Jersey); and

Felicia Thomas-Friel, Esq., 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 27th day of December, 2018, by and among Atlantic City Electric Company ("ACE" or the "Company"), the Staff of the New Jersey Board of Public Utilities ("Board Staff" or "Staff"), and the New Jersey Division of Rate Counsel ("Rate Counsel") (individually, a "Party" and collectively, the "Parties"), in settlement of all factual and legal issues pertaining to the above captioned Verified Petition and SREC Financing Program Update filed by the Company on or about May 17, 2018 (BPU Docket No. ER18050543) (the "2018 SREC Petition"). The 2018 SREC Petition was filed in response to the New Jersey Board of Public Utilities' (the "Board" or "BPU") Orders dated March 27, 2009 and September 16, 2009 (the "Orders") issued under BPU Docket No. EO08100875.

BACKGROUND

By Order dated August 7, 2008 (the "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 (the "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 of settlement on March 13, 2009 (the "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 (the "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") charge for the initial year be set at zero.

On or about April 12, 2012, ACE filed a Verified Petition (the “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 (the “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 (the “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 charge of \$0.000610 per kWh, inclusive of Sales and Use Tax (“SUT”).

On or about May 1, 2015 (the “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 charge. By Stipulation executed by the Parties on October 29, 2015 (the “2015 SREC Stipulation”), the Parties resolved all issues associated with the 2015 SREC Petition, and submitted the 2015 SREC Stipulation to the Board for its consideration and approval. By Order dated November 16, 2015, the Board approved the 2015 SREC Stipulation,

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

which established the SREC Financing Program component of the Rider RGGI charge of \$0.000824 per kWh, inclusive of SUT.

By Petition dated May 6, 2016 (the "2016 SREC Petition") the Company sought to further adjust its Rider RGGI charge associated with this program. The requested adjustment was for a decrease in the charge from \$0.000824 per kWh to \$0.000577 per kWh, inclusive of SUT. The Board assigned BPU Docket No. ER16050402 to the 2016 SREC Petition, and by Order dated November 30, 2016 (the "November 2016 Order"), approved the Stipulation of the Parties dated November 7, 2016, recommending the reduction in the Rider RGGI charge noted above. The November 2016 Order also modified the methodology utilized by the Company for forecasting future sales prices. This had the effect of further reducing the program's Rider RGGI charge to \$0.000567 per kWh, inclusive of SUT, which Rider RGGI charge was further adjusted to reflect a change in the applicable SUT to \$0.000566 per kWh.

By Petition dated April 6, 2017 (the "2017 SREC Petition"), the Company sought to further adjust its Rider RGGI charge associated with this program. The requested adjustment was a decrease in the SREC Financing Program component of the Company's Rider RGGI charge from \$0.000566 per kWh, inclusive of SUT, to \$0.000387 per kWh, also inclusive of SUT. The Company updated actual program costs through June 30, 2017, which had the effect of increasing the SREC charge requested by the Company's 2017 SREC Petition to \$0.000392 per kWh. Notwithstanding, the updated SREC charge remained a decrease from the then current rate. The Board assigned BPU Docket No. ER17040357 to the 2017 SREC Petition, and by Order dated September 22, 2017 (the "September 2017 Order"), the Board approved the

Stipulation of the Parties dated August 16, 2017, which recommended that the SREC Financing Program component of the Rider RGGI rate be set at \$0.000392 per kWh², inclusive of SUT.

Finally, on or about May 17, 2018, the Company filed the 2018 SREC Petition³. The 2018 SREC Petition requested that the Board authorize an increase in the Rider RGGI rate with respect to the SREC Financing Program from the current per kWh charge of \$0.000391 to \$0.000460, inclusive of SUT. Since the 2018 SREC Petition proposed an increase in the Rider RGGI rate for the SREC Financing Program, following the publication of the requisite Public Notice, two public hearings were held on November 14, 2018. No members of the public attended, and no comments were submitted, other than by the Parties, for the record. Discovery with regard to the 2018 SREC Petition was submitted by the Parties and responded to by the Company. Throughout the discovery process, the Company updated the data provided in the 2018 SREC Petition to include actual data through September 30, 2018. As a result of the update to the 2018 SREC Petition data, the proposed increase in the per kWh charge to the Rider RGGI rate for the SREC Financing Program component of the rate was reduced from \$0.000460 to \$0.000417, inclusive of SUT. Notwithstanding the updated rate reduction, the overall impact of the updated data remains an increase from the current level of the SREC Financing Program component of \$0.000391 per kWh of the Rider RGGI rate.

² Based upon the reduction in the New Jersey SUT that became effective on and after January 1, 2018, the SREC rate component of the Rider RGGI charge was reduced from \$0.000392 to \$0.000391 per kWh.

³ Subsequent to the filing of the 2018 SREC Petition, the Company, at the Board's direction, filed a separate Petition to reconcile the costs and revenues and set the 2019 Administrative Fee for what has been referred to as the SREC II program. The SREC II program is distinct from the SREC program that is the subject of the 2018 SREC Petition.

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 2018 SREC Petition.

1. The Parties agree that the actual SREC Financing Program costs incurred through September 30, 2018, as shown in the Updated **Exhibit B** to the 2018 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 a future proceeding.

2. The Parties agree that the proposed SREC Financing Program component of the Rider RGGI rate should be set at \$0.000417 per kWh, inclusive of SUT, resulting in a rate increase on a typical residential customer using 679 kWh per month of \$0.02 or a 0.02 percent increase from the rate currently in effect, and that such increase is consistent with the terms and conditions of the Board's Orders, and therefore should be approved by the Board. The charge of \$0.000417 per kWh, inclusive of SUT, is based on an annual revenue requirement of \$3,038,046 as shown in **Attachment 1** hereto⁴. This revenue requirement reflects actual results through September 30, 2018 and projected results through August 31, 2019, and includes a) a projected revenue requirement of \$3,419,258 for the forecasted period of October 2018 through August 2019; b) a deferred balance through September 30, 2018 of (\$384,265); and c) interest from January 1, 2018 through September 30, 2018 of \$3,052. The charge of \$0.000417 per kWh, inclusive of SUT, also incorporates the methodology that utilizes the average of the three (3) most recent actual SREC auction prices.

⁴ The annual revenue requirement includes ACE's portion of NERA's auction costs, as well as the Company's authorized SREC transaction fees.

3. 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 or on such other schedule as the Board shall determine. The proposed tariff sheets are attached as **Attachment 2**.

4. The Parties acknowledge and agree that adoption by the Board of this Stipulation fully resolves the 2018 SREC Petition.

SETTLEMENT IMPLEMENTATION

5. 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 charge applicable to the SREC Financing Program as proposed in the 2018 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.

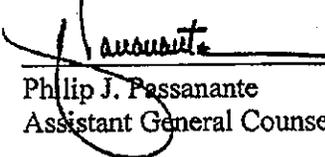
10. This Stipulation may be executed in any number of counterparts, each of which shall be considered one and the same agreement, and shall become effective when one or more counterparts have been signed by each of the Parties.

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: December 27, 2018

By: 
Philip J. Passanante
Assistant General Counsel

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

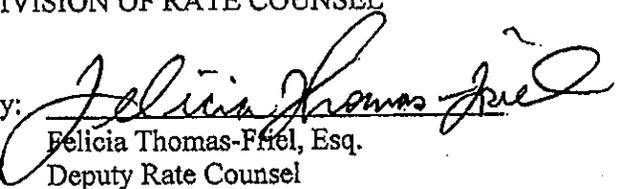
Dated: December 24, 2018

By: 
Alex Moreau
Deputy Attorney General

Peter Van Brunt
Deputy Attorney General

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

Dated: Dec. 27, 2018

By: 
Felicia Thomas-Friel, Esq.
Deputy Rate Counsel

Sarah Steindel, Esq.
Assistant Deputy Rate Counsel

Attachment 1

(Updated for Actuals through September 2018)

ATLANTIC CITY ELECTRIC COMPANY
RG&I Recovery Charge
Solar Renewable Energy Credit (SREC) Financing Program
SECTION I - FORECASTED YEAR RECOVERY SCHEDULE

Table 1 - Forecasted Program Year Monthly Delivered Sales (MWh)

Month	Delivered Sales (MWh)
Oct-18	637,406
Nov-18	699,249
Dec-18	650,499
Jan-19	730,198
Feb-19	849,677
Mar-19	654,468
Apr-19	597,301
May-19	560,341
Jun-19	690,045
Jul-19	902,280
Aug-19	991,497
	<u>7,781,888</u>

Table 2 - SREC Forecasted Program Year Revenue Requirement

(1) Month	(2) Auction Revenue (including collateral)	(3) Transaction Fees Uncollected	(4) SREC Purchases	(5) Administrative Costs	(6) Revenue Requirement = Col 3 + Col 4 + Col 5 - Col 2
Oct-18	\$ 1,350,055	\$ 147,422	\$ 2,332,056	\$ 10,442	\$ 1,138,866
Nov-18	\$ -	\$ -	\$ -	\$ 10,442	\$ 10,442
Dec-18	\$ 922,010	\$ 100,456	\$ -	\$ 10,442	\$ (811,110)
Jan-19	\$ -	\$ -	\$ 1,808,763	\$ 10,442	\$ 1,819,205
Feb-19	\$ -	\$ -	\$ -	\$ 10,442	\$ 10,442
Mar-19	\$ 578,044	\$ 62,881	\$ -	\$ 10,442	\$ (504,521)
Apr-19	\$ -	\$ -	\$ 995,474	\$ 10,442	\$ 1,005,917
May-19	\$ -	\$ -	\$ -	\$ 10,442	\$ 10,442
Jun-19	\$ 1,081,401	\$ 118,914	\$ 1,884,836	\$ 10,442	\$ 922,791
Jul-19	\$ -	\$ -	\$ -	\$ 10,442	\$ 10,442
Aug-19	\$ 3,344,508	\$ 429,775	\$ 6,819,130	\$ 114,863	\$ 3,419,236

Table 3 - SREC Prior Year Monthly Over/Under Recovered Balances

(1) Month	(2) Auction Revenue (including collateral)	(3) Transaction Fees Uncollected	(4) SREC Rate Revenue	(5) Transaction Fees Collected	(6) SREC Purchases	(7) Administrative Costs	(8) Over/(Under) Recovery = Col 2 - Col 3 - Col 4 + Col 5 - Col 6 - Col 7	(9) Over/(Under) Recovery Beginning Monthly Balance	(10) Over/(Under) Recovery Ending Monthly Balance	(11) = (Col 8 + Col 10) / 2 Avg Monthly Balance	(12) 11% (1-Composite Tax) Net of Tax	(13) 2yr. constant Maturity Treasury + 60 B.P. Avg Monthly Balance	(14) = Col 12 x Col 13 / 2 Interest
Jul-17	\$ 1,491,186	\$ 143,650	\$ 378,617	\$ 118,189	\$ 1,804,149	\$ 30,111	\$ (83,918)	\$ (482,525)	\$ (576,543)	\$ (529,584)	\$ (313,249)	\$ 2.01%	\$ (925)
Aug-17	\$ -	\$ -	\$ 388,555	\$ 119,829	\$ -	\$ (4,228)	\$ 512,612	\$ (576,543)	\$ (63,931)	\$ (320,237)	\$ (189,420)	\$ 1.94%	\$ (366)
Sep-17	\$ -	\$ -	\$ 349,865	\$ 107,951	\$ -	\$ 5,173	\$ 452,644	\$ (63,931)	\$ 389,714	\$ 162,391	\$ 96,055	\$ 1.95%	\$ 155
Oct-17	\$ 1,254,380	\$ 144,847	\$ 288,850	\$ 34,184	\$ 2,280,628	\$ 12,412	\$ (620,484)	\$ (389,714)	\$ (71,750)	\$ (41,918)	\$ (24,558)	\$ 2.09%	\$ (45)
Nov-17	\$ 1,176,776	\$ -	\$ 202,310	\$ 32,376	\$ 63,210	\$ 9,959	\$ 810,072	\$ (71,750)	\$ 739,320	\$ 500,310	\$ (24,472)	\$ 2.38%	\$ (18)
Dec-17	\$ 691,146	\$ 75,451	\$ 254,407	\$ 40,499	\$ 1,618,267	\$ 3,334	\$ (1,324,695)	\$ (739,320)	\$ (319,709)	\$ 300,328	\$ (59,333)	\$ 2.52%	\$ (225)
Jan-18	\$ -	\$ -	\$ 217,424	\$ 34,754	\$ -	\$ 4,169	\$ 248,048	\$ (319,709)	\$ (811,212)	\$ (148,964)	\$ (107,019)	\$ 2.76%	\$ (259)
Feb-18	\$ 693,408	\$ 67,228	\$ 204,715	\$ 32,329	\$ 15,276	\$ 11,384	\$ (636,563)	\$ (811,212)	\$ (583,164)	\$ (697,168)	\$ (104,159)	\$ 2.82%	\$ (245)
Mar-18	\$ -	\$ -	\$ 197,418	\$ 31,379	\$ 878,939	\$ 9,300	\$ (759,442)	\$ (583,164)	\$ (486,042)	\$ (106,321)	\$ (76,434)	\$ 2.85%	\$ (182)
Apr-18	\$ -	\$ -	\$ 184,675	\$ 29,443	\$ -	\$ 4,585	\$ 209,533	\$ (486,042)	\$ (276,510)	\$ (381,276)	\$ (274,699)	\$ 3.07%	\$ (708)
May-18	\$ -	\$ -	\$ 232,653	\$ 37,021	\$ -	\$ 5,769	\$ 253,944	\$ (276,510)	\$ (172,565)	\$ (144,538)	\$ (103,906)	\$ 3.07%	\$ (269)
Jun-18	\$ 1,263,000	\$ 195,656	\$ 416,348	\$ 50,488	\$ 1,794,679	\$ 13,378	\$ (373,072)	\$ (172,565)	\$ (34,749)	\$ (189,765)	\$ (172,042)	\$ 3.27%	\$ (333)
Jul-18	\$ -	\$ -	\$ 331,334	\$ 50,488	\$ -	\$ 3,396	\$ 367,068	\$ (34,749)	\$ (556,228)	\$ 17,197	\$ (169,765)	\$ 3.25%	\$ 392
Aug-18	\$ -	\$ -	\$ 319,582	\$ 50,872	\$ -	\$ -	\$ -	\$ 17,197	\$ 364,255	\$ 200,731	\$ 144,306	\$ -	\$ -
Sep-18	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Notes:
1.) Actuals Jul. 17 - Sept. 18

SECTION II - RG&I RECOVERY CHARGE (SREC COMPONENT) CALCULATION

Forecasted Revenue Requirement (Oct-18-Aug-19)	\$ 3,419,238
SREC Deferred Balance Over Recovery	\$ (384,265)
Interest (Jan. 18 - Sept. 18)	\$ 3,052
Total Revenue Requirement to be Recovered	\$ 3,038,025
Retail Sales - kWh	7,781,893,357
\$/MWh Surcharge	\$ 0.000390
Revenue	\$ 307,312
\$/MWh Assessment	\$ 0.000417
\$/MWh Surcharge with SUT	\$ -

ATLANTIC CITY ELECTRIC COMPANY
 RGGI Recovery Charge
 Solar Renewable Energy Credit (SREC) Financing Program
 Computation of NJ Tax Factors
 As of January 1, 2018

Line No.	Description		Statutory Tax Rate	
1	BPU Assessment		0.245%	
2	NJ Income Tax Rate		9.000%	
3	Federal Income Tax Rate		21.00%	
Line No.	Description	Computation	Total Tax Factor	Income Tax Factor
4	BPU Assessment	line 1	0.2450%	0.0000%
5	NJ Income Tax Factor	(100%-line 1) x line 2	8.9780%	9.0000%
6	Federal Income Tax Factor	(100% - (line 4 + line 5)) x line 3	19.0632%	19.1100%
7	Composite Tax Factor	line 4 + line 5 + line 6	28.2861%	28.1100%
8	Complement of Composite Tax Factor	100% - (line 4 + line 5 + line 6)	71.7139%	71.8900%

As of January 1, 2018

Line No.	Description		Statutory Tax Rate	
1	BPU Assessment		0.245%	
2	NJ Income Tax Rate		9.000%	
3	Federal Income Tax Rate		21.00%	
Line No.	Description	Computation	Total Tax Factor	Income Tax Factor
4	BPU Assessment	line 1	0.2450%	0.0000%
5	NJ Income Tax Factor	(100%-line 1) x line 2	8.9780%	9.0000%
6	Federal Income Tax Factor	(100% - (line 4 + line 5)) x line 3	19.0632%	19.1100%
7	Composite Tax Factor	line 4 + line 5 + line 6	28.2861%	28.1100%
8	Complement of Composite Tax Factor	100% - (line 4 + line 5 + line 6)	71.7139%	71.8900%

ATLANTIC CITY ELECTRIC COMPANY
 RGGI Recovery Charge
 Solar Renewable Energy Credit (SREC) Financing Program
 Computation of NJ Tax Factors
 Pre January 1, 2018

Line No.	Description	Statutory Tax Rate
1	BPU Assessment	0.286%
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	0.2860%	0.0000%
5	NJ Income Tax Factor	$(100\% - \text{line 1}) \times \text{line 2}$	8.9743%	9.0000%
6	Federal Income Tax Factor	$(100\% - (\text{line 4} + \text{line 5})) \times \text{line 3}$	31.7589%	31.8500%
7	Composite Tax Factor	line 4 + line 5 + line 6	41.0192%	40.8500%
8	Complement of Composite Tax Factor	$100\% - (\text{line 4} + \text{line 5} + \text{line 6})$	58.9808%	59.1500%

ATLANTIC CITY ELECTRIC COMPANY

RGGI Recovery Charge

Solar Renewable Energy Credit (SREC) Financing Program

New Jersey Interest Rates

(1)	(2)			
Date	Rate on 1st of Current Month 2yr. constant maturity Treasury	+ 60 bp	Interest Rate	
Jul-17	1.41%	0.60%	2.01%	
Aug-17	1.34%	0.60%	1.94%	
Sep-17	1.35%	0.60%	1.95%	
Oct-17	1.49%	0.60%	2.09%	
Nov-17	1.61%	0.60%	2.21%	
Dec-17	1.78%	0.60%	2.38%	
Jan-18	1.92%	0.60%	2.52%	
Feb-18	2.16%	0.60%	2.76%	
Mar-18	2.22%	0.60%	2.82%	
Apr-18	2.25%	0.60%	2.85%	
May-18	2.50%	0.60%	3.10%	
Jun-18	2.47%	0.60%	3.07%	
Jul-18	2.57%	0.60%	3.17%	
Aug-18	2.67%	0.60%	3.27%	
Sep-18	2.66%	0.60%	3.26%	

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) \$0.000417
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 ~~Thirteenth~~ Revised Sheet Replaces ~~Twelfth~~ 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) \$0.000394000417
This charge component is intended to recover net costs associated with the Solar Renewable Energy Certificate Program.

Date of Issue: ~~March 9, 2018~~

Effective Date: ~~March 10, 2018~~

~~Issued by: David M. Velazquez, President and Chief Executive Officer - Atlantic City Electric Company~~
~~Filed pursuant to Board of Public Utilities of the State of New Jersey directives associated with the BPU~~
~~Docket No. ER17090072~~
Issued by:

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 (2018)
BPU Docket No. EO18050543

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