



**STATE OF NEW JERSEY**  
**Board of Public Utilities**  
44 South Clinton Avenue, 9<sup>th</sup> Floor  
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, 2022 ) DOCKET NO. EF19091155

**Parties of Record:**

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

**BY THE BOARD:**

On September 12, 2019, 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 (the "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, 2022, in an aggregate principal amount outstanding at any one time not in excess of \$350 million. The Board, in an Order issued in connection with BPU Docket No. EF17080925, dated December 19, 2017, authorized Petitioner to issue similar Short-Term Debt prior to January 1, 2020.

Cash requirements associated with Petitioner's construction program will be provided by means of internally generated funds, and, to the extent necessary, through long-term 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, 2022, the authorization previously granted by this Board in its Order dated December 19, 2017 in BPU Docket No. EF17080925 relating to the issuance of Short-Term Debt by the Petitioner and to continue the limit of that authorization of \$350 million with regard to the aggregate amount of Short-Term Debt that may be outstanding at any one time.

Staff has reviewed the continuing electric construction program of Petitioner for which a portion of these moneys is intended as temporary financing, and 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.

The New Jersey Division of Rate Counsel ("Rate Counsel") reviewed this matter and, via correspondence dated November 13, 2019, provided that it does not oppose the Petitioner's

request for short-term debt authority, including maintaining the current ceiling of \$350 million. Rate Counsel requests, however, that the Board approve the request with certain conditions that were contained in the December 19, 2017 Order. Rate Counsel also requests that the Petitioner be required to file its next debt petition by no later than 150 days prior to the expiration of the authorization granted in this Order. Those conditions are included below.

**DISCUSSION AND FINDINGS:**

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, 2022, 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:

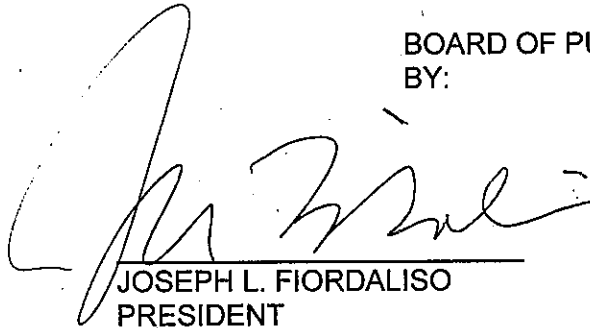
1. Within thirty (30) days after the close of each fiscal quarter, Petitioner shall file with the Board a statement setting forth in reasonable detail the amounts of its unsecured indebtedness outstanding, the dates of issue and maturity, and the rates of interest thereon.
2. This Order shall not be 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 maintain 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, 2022.
13. Petitioner shall file its next short-term debt petition by no later than 150 days prior to the expiration of the authorization granted in this Order.

This Order shall be effective on December 16, 2019.

DATED: 12/6/19

BOARD OF PUBLIC UTILITIES  
BY:




JOSEPH L. FIORDALISO  
PRESIDENT



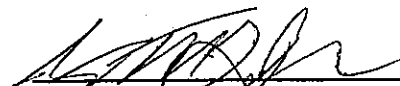
MARY-ANNA HOLDEN  
COMMISSIONER



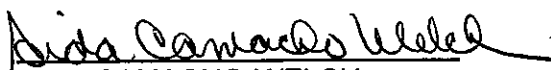
DIANNE SOLOMON  
COMMISSIONER



UPENDRA J. CHIVUKULA  
COMMISSIONER



ROBERT M. GORDON  
COMMISSIONER

ATTEST:   
AIDA CAMACHO-WELCH  
SECRETARY

IN THE MATTER OF THE 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, 2022  
DOCKET NO. EF19091156

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