



Agenda Date: 2/5/20
Agenda Item: 2B

STATE OF NEW JERSEY
Board of Public Utilities
44 South Clinton Avenue, 9th Floor
Trenton, New Jersey 08625-0350
www.nj.gov/bpu/

ENERGY

IN THE MATTER OF ATLANTIC CITY ELECTRIC)	ORDER ADOPTING
COMPANY’S VERIFIED PETITION TO RECONCILE)	STIPULATION
COSTS ASSOCIATED WITH ITS RESIDENTIAL)	
CONTROLLABLE SMART THERMOSTAT PROGRAM)	
FOR THE PERIOD FROM JUNE 1, 2018 THROUGH)	
MAY 31, 2019, TO MAINTAIN ITS RGGI RECOVERY)	
CHARGE FOR THE PERIOD OCTOBER 1, 2019)	
THROUGH MAY 31, 2020, AND TO ESTABLISH A)	
PLAN FOR THE TERMINATION OF THE PROGRAM)	
AS OF MAY 31, 2020)	DOCKET NO. ER19070816

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”) executed by Atlantic City Electric Company (“ACE” or “Company”), Board Staff (“Staff”), and the New Jersey Division of Rate Counsel (“Rate Counsel”) (collectively, the “Parties”). The Stipulation resolves all factual and legal issues pertaining to the Company’s July 12, 2019 Petition, which sought to reconcile costs associated with its Residential Controllable Smart Thermostat Program (“RCSTP” or “Program”) for the period from June 1, 2018 through May 31, 2019, to maintain the existing Rider Regional Greenhouse Gas Initiative Recovery (“Rider RGGI”) Charge associated with the Program at its current level of \$0.000000 per kWh for the period October 1, 2019 through May 31, 2020, which was previously approved by Board Order dated February 27, 2019.¹ (“July 2019 RCSTP Petition”). The July 2019 RCSTP Petition also proposed a plan for terminating the RCSTP as of May 31, 2020, as previously authorized by the Board.²

¹ In re Verified Petition To Reconcile Costs Associated with its Residential Controllable Smart Thermostat Program for the Period from June 1, 2017 Through May 31, 2018 and to Maintain its Rider RGGI Recovery Charge for the Period October 1, 2018 Through May 31, 2019, BPU Docket No. ER18090984, Order dated February 27, 2019, (“February 2019 Order”).

² In re Verified Petition To Reconcile Costs Associated with its Residential Controllable Smart Thermostat Program for the Period from June 1, 2014 Through May 31, 2015 and to Maintain its Rider RGGI Recovery Charge for the Period October 1, 2015 Through May 31, 2016, BPU Docket No. ER15080971, Order dated March 18, 2016.

BACKGROUND AND PROCEDURAL HISTORY

By Order dated July 1, 2008, the Board, pursuant to N.J.S.A. 48:3-98.1(a)(3), directed the State's four (4) electric distribution companies, including ACE, to submit proposals to the Board by August 1, 2008 for demand response ("DR") programs to be implemented for the period beginning June 1, 2009.³ In response to the 2008 Order, ACE submitted its DR petition to the Board on August 4, 2008, under N.J.S.A. 48:3-98.1.⁴ ("August 4 Filing") The August 4 Filing contained a proposal for the RCSTP for residential customers, along with other DR proposals.

By Order dated July 29, 2009, the Board authorized the Company to commence the rollout of the RCSTP over approximately eight (8) months, following program approval by the Board on a "region by region" basis within its service territory, and to continue over an approximate four (4) year period until all eligible customers have been afforded an opportunity to participate in the RCSTP.⁵ The stated objective was to enroll and maintain by the conclusion of the initial four (4) year period (May 31, 2014) approximately 42,200 residential customer participants, some of whom could have multiple controllable DR devices installed at their residences. The expected amount of DR reduction by the end of the initial four (4) year period was approximately 50.64 megawatts ("MW").

In addition to reducing the Company's demand for electric capacity to meet its customers' energy requirements, the RCSTP enabled ACE to participate in available PJM Base Residual Auctions ("BRAs") and Incremental Auctions ("IAs") that would provide economic support for the costs associated with establishing the Program. ACE agreed to use its best efforts to register, nominate, and/or bid each year's expected MW reduction resulting from the RCSTP into any and all PJM market(s) and/or program(s) for which the RCSTP is eligible during the life of the program. Specifically, the Company agreed to participate in PJM's BRAs and IAs in time to meet PJM registration deadlines, beginning and including registration for the summer 2010 auctions. The Initial Order provided that revenues from participation in PJM DR programs and market-based opportunities be used to offset the RCSTP costs and mitigate the impact on ratepayers' bills.

The Initial Order directed that ACE's reasonable and prudently incurred costs associated with the RCSTP be recovered through a Rider in the Company's tariff, Rider RGGI, consistent with the Board's treatment of other programs filed under N.J.S.A. 48:3-98.1. Revenues received, or to be received, from bids placed by the Company into PJM BRAs and IAs during the initial Program rollout period, plus any Federal Stimulus Award monies received by the Company pursuant to the American Recovery and Reinvestment Act of 2009 ("ARRA") associated with the RCSTP, as well as other financial commitments made by the Company as a result of prior stipulations and associated Board Orders, were expected to offset Program costs for the initial four (4) year rollout of the RCSTP. While the Initial Order approved the establishment of the RCSTP component

³ In re Demand Response Programs for the Period Beginning June 1, 2009 – Electric Distribution Company Programs, BPU Docket No. EO08050326, Order dated July 1, 2008, ("2008 Order").

⁴ In re Electric Public Utilities and Gas Public Utilities Offering Energy Efficiency and Conservation Programs, Investing in Class I Renewable Energy Resources, and Offering Class I Renewable Energy Programs in Their Respective Service Territories on a Regulated Basis Pursuant to N.J.S.A. 48:3-91, BPU Docket No. EO08030164, Order dated May 12, 2008.

⁵ In re In the Matter of Atlantic City Electric Company's Responsive Petition to the Board of Public Utilities Order Dated July 1, 2008 Regarding the Submission of Demand Response Programs for the Period Beginning June 1, 2009 for Electric Distribution Companies, and for Supplemental Inclusion of same in its "Blueprint for the Future" Filing Dated November 19, 2007, BPU Docket Nos. EO08050326, EO08080543 and EO07110881 and In the Matter of the Demand Response Programs for the Period Beginning June 1, 2009 – Electric Distribution Programs, BPU Docket No. EO08050326, Order dated July 29, 2009, ("Initial Order").

of its Rider RGGI Charge, no rate implementation occurred at that time. The Initial Order required ACE to provide annual update filings ("Annual Filings") with the Board with respect to: 1) the progress of customer acceptance of the RCSTP and the number of installations of the relevant devices achieved to date; 2) the status of PJM revenue credits associated with the RCSTP; 3) the status of the ARRA monies associated with the RCSTP received by ACE; 4) the impact of each of the above on the overall cost of the Program relative to the original cost estimate for the RCSTP, along with the resultant cost/benefit of the Program; and 5) the reset, if necessary, of the Rider RGGI Charge associated with the RCSTP for the upcoming program year in order for ACE to recover its costs of Program implementation.

On March 31, 2010, ACE filed its first Annual Filing as required by the Initial Order. By Order dated June 16, 2010, the Board approved an RCSTP component rate of the Rider RGGI Charge of \$0.000190 per kWh.⁶

By petition dated April 12, 2011, the Company filed its second Annual Filing on the RCSTP and provided a status report on RCSTP implementation. ("April 2011 Petition") The April 2011 Petition did not request a modification to the RCSTP component of ACE's Rider RGGI Charge. By petition dated April 11, 2012, the Company filed its third Annual Filing on the RCSTP. ("April 2012 Petition") In addition to the required information, the April 2012 Petition included a request to increase the RCSTP component of the Rider RGGI Charge for service rendered on and after July 1, 2012. By Order dated May 29, 2013, the Board approved a stipulation that resolved both the April 2011 Petition and the April 2012 Petition.⁷

By petition dated July 5, 2013, ACE filed its fourth Annual Filing and requested an increase in the RCSTP component of the Rider RGGI Charge. By Order dated September 18, 2013, the Board approved a stipulation among the Parties that increased the RCSTP component of ACE's RGGI Rider Charge to \$0.000493 per kWh.⁸ The September 2013 Order also authorized ACE to continue the Program beyond the initial four (4) year rollout, which was anticipated to be completed by May 31, 2014, and ordered ACE to file a petition no later than October 1, 2013 with proposed parameters for the continuation of the Program. ACE made the requisite filing on September 30, 2013.

By petition dated September 30, 2013, ACE filed a petition seeking authorization to continue implementation of its RCSTP for a four (4) year period commencing June 1, 2014 and ending on May 31, 2018. ("September 2013 Petition") The September 2013 Petition also constituted ACE's Annual Filing and sought approval to decrease the RCSTP component of ACE's Rider RGGI Charge for the period June 1, 2014 through May 31, 2015. By Order dated April 24, 2014, the

⁶ In re the Petition of Atlantic City Electric Company Requesting Approval of Changes to Its Electric Regional Greenhouse Gas Recovery ("RGGI") Charge in Connection to the Residential Controllable Smart Thermostat Program, BPU Docket No. ER10050351, Order dated June 16, 2010.

⁷ In re Atlantic City Electric Company's Verified Petition Requesting Authorization to Implement Changes to its Residential Controllable Smart Thermostat Program ("RCSTP") Component of its RGGI Recovery Charge for 2011-2012 and In re Atlantic City Electric Company's Verified Petition Requesting Authorization to Implement Changes to its Residential Controllable Smart Thermostat Program ("RCSTP") Component of its RGGI Recovery Charge for 2012-2013, BPU Docket Nos. ER11060379 and ER12050426, (Order dated May 29, 2013, ("May 2013 Order"). ⁸ In re Atlantic City Electric Company's Verified Petition Requesting Authorization to Implement Changes to its Residential Controllable Smart Thermostat Program Component of its RGGI Recovery Charge for 2012-2013, BPU Docket No. ER13070627, Order dated September 18, 2013, ("September 2013 Order").

⁸ In re Atlantic City Electric Company's Verified Petition Requesting Authorization to Implement Changes to its Residential Controllable Smart Thermostat Program Component of its RGGI Recovery Charge for 2012-2013, BPU Docket No. ER13070627, Order dated September 18, 2013, ("September 2013 Order").

Board approved a stipulation that reduced the RCSTP portion of the Rider RGGI Charge applicable to the RCSTP to \$0.000010 per kWh.⁹ Additionally, the April 2014 Order extended the RCSTP for an additional four (4) years from June 1, 2014 through May 31, 2018, which allowed the Company to continue participating in the PJM BRAs and IAs and to continue the Company's eligibility to receive revenues to offset the costs for the RCSTP.

By petition dated July 31, 2014, the Company filed an Annual Filing in conformance with the requirements of the Initial Order, to reconcile the results of the four (4) year initial implementation of the RCSTP. ("July 2014 Petition") Based upon the data provided in support of the reconciliation of the initial four (4) year implementation costs for the RCSTP, as well as the status of PJM revenue credits associated with the RCSTP, and the final accounting of the ARRA monies associated with the RCSTP received by the Company, the July 2014 Petition requested a further reduction in the RCSTP component of Rider RGGI of \$0.000010 per kWh to \$0.000000 per kWh. During the course of the July 2014 Petition, ACE advised the Parties that it wanted to submit a bid in the upcoming PJM BRA scheduled to be conducted in May 2015 ("May 2015 BRA") with a performance period commencing on June 1, 2018 and continuing through May 31, 2019. However, that performance period was beyond the current BPU authorized termination date for the RCSTP. Accordingly, the Company requested an extension of the RCSTP covering the performance period for the May 2015 BRA; otherwise, it would not submit a bid in that auction.¹⁰ By Order dated April 15, 2015, the Board approved the stipulation, which resolved the July 2014 Petition, authorizing a reduction of the Rider RGGI rate related to the RCSTP to \$0.000000 per kWh, granting an extension of the RCSTP for an additional year until May 31, 2019, and permitting the Company to participate in the May 2015 BRA.¹¹

By petition dated August 19, 2015, the Company filed an Annual Filing to reconcile the results for the period June 1, 2014 through May 31, 2015 and to seek an approval to maintain the RCSTP component of its Rider RGGI Charge of \$0.000000 per kWh for the period October 1, 2015 through May 31, 2016. ("August 2015 Petition"). On October 15, 2015, ACE amended the August 2015 Petition, seeking to extend the RCSTP for an additional 12 month period, commencing on June 1, 2019 and terminating on May 31, 2020, to allow ACE to submit bids into the BRA for May 2016. ("October 2015 Amendment") By Order dated March 18, 2016, the Board approved a stipulation that approved the August 2015 Petition and October 2015 Amendment, authorizing ACE to maintain its Rider RGGI Charge of \$0.000000 per kWh related to the RCSTP in addition to extending the Program for an additional year until May 31, 2020.¹²

⁹ In re Atlantic City Electric Company's Verified Petition Requesting Authorization to Continue Implementation of its Residential Controllable Smart Thermostat Program for the Four Year Period Commencing on or about June 1, 2014 and Modification of its RGGI Recovery Charge for 2014-2015, BPU Docket No. ER13100907, Order dated April 24, 2014, ("April 2014 Order").

¹⁰ According to ACE, to submit a bid in the May 2015 BRA, it had to submit the requisite documents to PJM on or about April 15, 2015.

¹¹ In re Atlantic City Electric Company's Verified Petition to Reconcile the Initial Four Year Term of Residential Controllable Smart Thermostat Program and to Reduce its RGGI Recovery Charge for the Period June 1, 2014 Through May 31, 2015, BPU Docket No. ER14070832, Order dated April 15, 2015.

¹² In re Atlantic City Electric Company's Verified Petition to Reconcile the Initial Four Year Term of Residential Controllable Smart Thermostat Program and to Maintain its RGGI Recovery Charge for the Period June 1, 2015 Through May 31, 2016, BPU Docket No. ER15080971, Order dated March 18, 2016.

¹³ In re Verified Petition To Reconcile Costs Associated with its Residential Controllable Smart Thermostat Program for the Period from June 1, 2015 Through May 31, 2016 and to Maintain its Rider RGGI Recovery Charge for the Period October 1, 2016 Through May 31, 2017, BPU Docket No. ER16090846, Order dated March 24, 2017.

By petition dated September 7, 2016, ACE filed an Annual Filing to reconcile the results for the period June 1, 2015 through May 31, 2016 and to seek an approval to maintain the current RCSTP component of its Rider RGGI Charge of \$0.000000 per kWh for the period October 1, 2016 through May 31, 2017. By Order dated March 24, 2017 Order, the Board approved a stipulation that authorized ACE to maintain the Rider RGGI Charge of \$0.000000 per kWh related to the RSCTP.¹³

By petition dated September 14, 2017, ACE filed an Annual Filing to reconcile the results for the period June 1, 2016 through May 31, 2017 and to seek an approval to maintain the current RCSTP component of its Rider RGGI Charge of \$0.000000 per kWh for the period October 1, 2017 through May 31, 2018. By Order dated February 28, 2018, the Board approved a stipulation that authorized ACE to maintain its current Rider RGGI Charge of \$0.000000 per kWh related to the RSCTP.¹⁴

By petition dated September 12, 2018, ACE filed an Annual Filing to reconcile costs associated with its RCSTP for the period of June 1, 2017 through May 31, 2018 and to seek an approval to maintain the current RCSTP component of its Rider RGGI Charge of \$0.000000 per kWh for the period of October 1, 2018 through May 31, 2019. In its February 2019 Order, the Board approved a stipulation that authorized ACE to maintain its Rider RGGI Charge of \$0.000000 per kWh related to the RSCTP. Additionally, the February 2019 Order directed ACE to propose a plan for the termination of the Program as of May 31, 2020, and to include a proposed method for the return of any over-collected Program revenues to customers.

July 2019 RCSTP Petition

In the July 2019 RCSTP Petition, the Company requested approval to reconcile costs associated with its RCSTP for the period June 1, 2018 through May 31, 2019, and to maintain its existing Rider RGGI recovery charge associated with the Program for the period October 1, 2019 through May 31, 2020. The filing proposed no change in the current Rider RGGI rate associated with the Program, which is \$0.000000 per kWh. The July 2019 RCSTP Petition also proposed a plan for the termination of the Program as of May 31, 2020 with the Company proposing to file a petition in the summer of 2020 detailing the final reconciliation of Program costs and revenues.

In the Company's preliminary termination plan, based upon actual data as of May 31, 2019, the Program had 45,577 active participants utilizing 51,862 devices. At the conclusion of the Program, participants would be advised and encouraged to retain Program devices following Program termination. The Company projected that approximately 2,200 customers will request that the Company remove Program devices. The Company also projected the RCSTP will have produced approximately \$5.472 million in excess revenue as of May 31, 2020, that will be returned to customers. ACE recommended that any excess revenues available for refund be included in, and returned to, customers as a credit to the Company's 2021 Non-Utility Generation Charge ("NGC") filing. ACE also recommended utilizing the 2021 NGC filing for purposes of refunding customers the excess revenues associated with the RCSTP, allowing the Parties sufficient time to evaluate the Company's determination of the appropriate level of excess revenues to be

¹³ In re Verified Petition To Reconcile Costs Associated with its Residential Controllable Smart Thermostat Program for the Period from June 1, 2015 Through May 31, 2016 and to Maintain its Rider RGGI Recovery Charge for the Period October 1, 2016 Through May 31, 2017, BPU Docket No. ER16090846, Order dated March 24, 2017.

¹⁴ In re Verified Petition To Reconcile Costs Associated with its Residential Controllable Smart Thermostat Program for the Period from June 1, 2016 Through May 31, 2017 and to Maintain its Rider RGGI Recovery Charge for the Period October 1, 2017 Through May 31, 2018, BPU Docket No. ER17090972, Order dated February 28, 2018.

refunded and will provide that excess revenues are returned to the same customer classes that supported the Program.

Since the Company requested no change in the RSCTP component of its Rider RGGI Charge, no public hearings were required or held in association with the July 2019 RCSTP Petition.

STIPULATION

The Parties have engaged in discovery and discussed the issues in this matter. As a result of those discussions, on January 9, 2020, the Parties executed the Stipulation in this matter. The Stipulation provides for the following:¹⁵

The Parties agree that the July 2019 RCSTP Petition, including the estimated costs and revenues, as more fully set forth in **Exhibit A** of the July 2019 RCSTP Petition, and attached to the Stipulation as **Attachment A**, is consistent in all material respects with the terms and conditions of the Initial Order, as well as all applicable subsequent Board Orders, and therefore should be approved by the Board. As provided in the May 2013 Order, all PJM revenues, including those from the sale of energy pursuant to PJM programs, derived from the Program shall continue to be credited to customers through the Rider RGGI charge or other successor clause. Any penalties arising from PJM bids shall not be recoverable from ACE's customers. A final accounting of all costs and revenues associated with the Program will be provided by the Company within 120 days of the Program's termination.

No later than August 15, 2020, the Company will submit a petition to the Board detailing the final reconciliation of Program costs and revenues. At that time, ACE will provide detailed costs and revenue analyses in support of its determination as to the final amount of excess revenues to be returned to customers. The petition will also include ACE's recommendation for the return of any excess revenue available for refund to customers, such as a credit to the Company's 2021 NGC.

DISCUSSION AND FINDING

The Board carefully reviewed the record in this proceeding, including the July 2019 RCSTP Petition and the attached Stipulation. The Board **HEREBY FINDS** that the Stipulation represents a fair and reasonable resolution of the issues, is in the public interest, and is in accordance with the law. Accordingly, the Board **HEREBY ADOPTS** the attached Stipulation as its own, incorporating by reference its terms and conditions as if fully set forth herein.

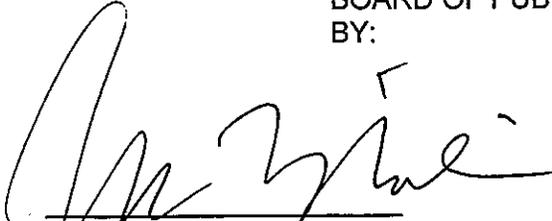
The Board **HEREBY APPROVES** the preservation of the current RCSTP Rate of \$0.000000 per kWh (including taxes) until changed by further order of the Board, as well the Company's proposed plan to submit a filing no later than August 15, 2020 detailing the final reconciliation of Program costs and revenues and the recommendation to refund customers with any excess revenues through the Company's NGC rate. As a result of the Stipulation, there will be no impact on the bills of ACE's ratepayers.

¹⁵ Although summarized 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 conclusion in this Order. Paragraphs are numbered to coincide with the Stipulation.

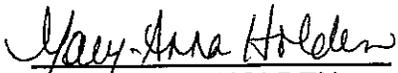
The effective date of this Order is February 15, 2020.

DATED: 2/5/20

BOARD OF PUBLIC UTILITIES
BY:



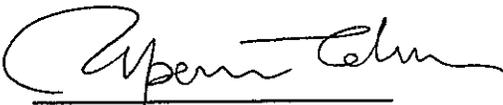
JOSEPH L. FIORDALISO
PRESIDENT



MARY-ANNA HOLDEN
COMMISSIONER



DIANNE SOLOMON
COMMISSIONER



UPENDRA J. CHIVUKULA
COMMISSIONER



ROBERT M. GORDON
COMMISSIONER

ATTEST: 

AIDA CAMACHO-WELCH
SECRETARY

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 ATLANTIC CITY ELECTRIC COMPANY'S VERIFIED PETITION TO RECONCILE COSTS ASSOCIATED WITH ITS RESIDENTIAL CONTROLLABLE SMART THERMOSTAT PROGRAM FOR THE PERIOD FROM JUNE 1, 2018 THROUGH MAY 31, 2019, TO MAINTAIN ITS RGGI RECOVERY CHARGE FOR THE PERIOD OCTOBER 1, 2019 THROUGH MAY 31, 2020, AND TO ESTABLISH A PLAN FOR THE TERMINATION OF THE PROGRAM AS OF MAY 31, 2020

BPU DOCKET NO. ER19070816

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January 10, 2020

**VIA FEDERAL EXPRESS and
ELECTRONIC MAIL**

aida.camacho@bpu.nj.gov

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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 Atlantic City Electric Company's Verified Petition to Reconcile Costs Associated With Its Residential Controllable Smart Thermostat Program for the Period June 1, 2018 Through May 31, 2019 and to Maintain Its Rider RGGI Recovery Charge for the Period October 1, 2019 Through May 31, 2020 BPU Docket No. ER19070816

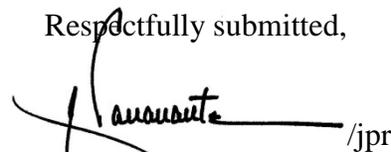
Dear Secretary Camacho-Welch:

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 next available agenda for consideration.

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,



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

Enclosure
cc: Service List

**IN THE MATTER OF ATLANTIC CITY
ELECTRIC COMPANY’S VERIFIED
PETITION TO RECONCILE COSTS
ASSOCIATED WITH ITS RESIDENTIAL
CONTROLLABLE SMART
THERMOSTAT PROGRAM FOR THE
PERIOD FROM JUNE 1, 2018
THROUGH MAY 31, 2019, TO
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CHARGE FOR THE PERIOD OCTOBER
1, 2019 THROUGH MAY 31, 2020, AND
TO ESTABLISH A PLAN FOR THE
TERMINATION OF THE PROGRAM AS
OF MAY 31, 2020**

**STATE OF NEW JERSEY
BOARD OF PUBLIC UTILITIES
BPU DOCKET NO. ER19070816

STIPULATION OF SETTLEMENT**

APPEARANCES:

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

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

Ami Morita, Esq., Deputy Rate Counsel and **T. David Wand, Esq.**, Assistant Deputy Rate Counsel, on behalf of the New Jersey Division of Rate Counsel (**Stefanie A. Brand Esq.**, Director).

This Stipulation of Settlement (the “Stipulation”) is hereby made and executed as of this 8th day of January, 2020, by and among Atlantic City Electric Company (“ACE” or the “Company”), the Staff of the New Jersey Board of Public Utilities (“Staff”), and the New Jersey Division of Rate Counsel (“Rate Counsel”) (individually, a “Party” and collectively, “Parties”), in settlement of all factual and legal issues pertaining to the Company’s July 12, 2019 Verified Petition, as fully described in the above caption (the “2019 Reconciliation Petition”).

Pursuant to the New Jersey Board of Public Utilities’ (the “Board” or “BPU”) Order dated July 31, 2009, which approved a stipulation of the Parties (the “2009 Stipulation”), the Company

is required to reconcile annually the costs and revenues associated with its Residential Controllable Smart Thermostat Program (the “Program” or the “RCSTP”) with the Board and the Parties.¹ (“2009 Order”) The specific details of the Program, including the related background information leading to its development and implementation, are fully set forth in the 2009 Stipulation, as well as the Orders issued in this regard, and as such, they are not repeated, but are deemed to be incorporated in this Stipulation.

As part of the 2019 Reconciliation Petition, ACE proposed to maintain the current Regional Greenhouse Gas Initiative Recovery Charge (referred to herein as “Rider RGGI”) component related to the Program at the previously approved rate of \$0.000000 per kWh; therefore, a public notice was not published in connection with this filing, and no public hearing was deemed to be required. The Parties join in recommending that the Board issue an Order approving this Stipulation based upon the following stipulated facts and issues.

BACKGROUND

The RCSTP was approved with an expectation that the Program would start in March 2010 with an initial roll out period of four (4) years, during which time ACE was required to offer the Program to all of its eligible customers and connect and maintain approximately 42,200 active participants, with approximately 42,300 qualifying units by mid-year 2014. Participants could elect to use one (1) or more Company provided thermostats or switches. Such demand response devices can be remotely managed by the Company in order to reduce electric usage at customers’ homes during periods of peak electric demand. ACE agreed to register, nominate, and/or bid² each year's expected Megawatt reduction resulting from the RCSTP into PJM’s Base Residual Auction (“BRA”) and Incremental Auctions in time to meet PJM registration deadlines, beginning and

¹ Board Order dated July 31, 2009 in BPU Docket Nos. EO08050326, EO08080543, and EO07110881.

² The term “bid” as used herein shall indicate what the Company will “offer” into the relevant PJM auctions.

including registration for summer 2010 auctions. The 2009 Order noted that revenues from participation in PJM demand response programs and market-based opportunities would be used to off-set Program costs and mitigate the impact on customers' bills.

ACE was required to provide annual update Reconciliation Petitions and quarterly reports to the Board and the Parties with respect to: (1) the progress of customer acceptance of the RCSTP and the number of installations of the relevant devices achieved to date; (2) the status of PJM revenue credits associated with the RCSTP; (3) the status of Federal Stimulus Award monies associated with the RCSTP received by the Company; (4) the impact of each of the above on the overall cost of the Program relative to the original cost estimate for the RCSTP, along with the resultant cost/benefit of the Program; and (5) to reset, if necessary, the Rider RGGI associated with the RCSTP for the upcoming program year in order for ACE to recover its costs of Program implementation.

On March 31, 2010, the Company filed its first update Petition with respect to the progress of the RCSTP establishing the initial RGGI rates for the RCSTP.³ On April 12, 2011, the Company filed its second update Petition with respect to the progress of the RCSTP.⁴ ACE proposed no change in the RGGI Charge in its April 2011 filing. On April 11, 2012, the Company filed its third update Petition with respect to the progress of the RCSTP as required by the 2009 Order.⁵ (“April 2012 Petition”). In its April 2012 Petition, ACE proposed certain changes to its then-existing Rider RGGI for the RCSTP.

Following the filing of the April 2012 Petition, the Parties submitted discovery to the Company with respect to the information included in the petition. Specifically, Staff and Rate

³ The March 31, 2010 Petition was assigned BPU Docket No. ER10050351.

⁴ The April 12, 2011 Petition was assigned BPU Docket No. ER11060379.

⁵ The April 11, 2012 Petition was assigned BPU Docket No. ER12050426.

Counsel questioned why the Company had not submitted bids in certain PJM auctions for which the RCSTP was eligible. By stipulation dated April 11, 2013, which was approved by Board Order dated May 29, 2013 (“May 2013 Order”), the Company agreed to make certain revenue credit adjustments associated with the RCSTP in order to provide its customers with the full value of PJM auction revenues to which they are entitled, and to make an additional revenue credit of \$300,000. In compliance with the 2009 Order, and consistent with the requirements of the May 2013 Order, the Company, on July 5, 2013 submitted its fourth RCSTP Update Petition (“July 2013 Petition”), covering the program costs and revenues for the Program year commencing on June 1, 2012 through May 31, 2013.⁶

In the July 2013 Petition, the Company advised the Board and the Parties that ACE expected to complete the initial RCSTP roll-out by May 31, 2014. On September 5, 2013, the Parties executed a stipulation (“September 2013 Stipulation”) which indicated that the Company would submit a further petition seeking the Board’s approval of an extension of the Program for an additional four (4) year period. By Order dated September 18, 2013, the Board approved the September 2013 Stipulation of the Parties. (“September 2013 Order”).

On or about October 1, 2013, consistent with the September 2013 Order, the Company filed a Verified Petition (“October 2013 Petition”) requesting the Board’s authorization to extend the RCSTP for an additional four (4) years, commencing June 1, 2014 at the 42,200 active participant level, and to reduce the applicable Rider RGGI charge effective June 1, 2014 to \$0.000010 per kWh.⁷ The Parties entered into a stipulation dated March 26, 2014, which was approved by the Board on April 24, 2014, approving the Company’s October 2013 Petition.

⁶ The July 5, 2013 Petition was assigned BPU Docket No. ER13070627.

⁷ The October 1, 2013 Petition was assigned BPU Docket No. ER13100907.

(“April 2014 Order”). The April 2014 Order authorized the Company to operate the RCSTP until May 31, 2018.

On or about July 30, 2014, the Company filed a Reconciliation Petition (“2014 Reconciliation Petition”) in conformance with the requirements of the 2009 Order, in order to reconcile the results of the four (4) year implementation of the RCSTP.⁸ Based upon the data provided in support of the reconciliation of the initial four (4) year implementation cost for the RCSTP, as well as the status of PJM revenue credits associated with the RCSTP, and the final accounting of the Federal Stimulus Award monies associated with the RCSTP received by the Company, the 2014 Reconciliation Petition sought a further reduction in the RGGI charge of \$0.000010 per kWh for the RCSTP to \$0.000000 per kWh.

Additionally, ACE advised the Parties that it wished to submit a bid in the PJM BRA scheduled to be conducted in May 2015, which auction had a performance period commencing on June 1, 2018 and continuing through May 31, 2019. However, that performance period was beyond the BPU authorized termination date for the RCSTP. The Company indicated that, without an extension of the RCSTP covering the performance period for the May 2015 BRA, it could not submit an offer in that auction. On April 2, 2015, the parties entered into a stipulation recommending the Board approve the Company’s proposed reduction in the Rider RGGI charge for the Program to \$0.000000 per kWh, and further that the requested extension of the Program to May 31, 2019 be authorized, which was approved by the Board on April 15, 2015.

On or about August 19, 2015, the Company filed its 2015 Initial Reconciliation Petition in conformance with the requirements of the 2009 Order. Based upon the data provided in support thereof, the 2015 Initial Reconciliation Petition sought to maintain the current RGGI charge of

⁸ The 2014 Reconciliation Petition was assigned BPU Docket No. ER14070832.

\$0.000000 per kWh for the RCSTP. Additionally, on or about October 5, 2015, ACE filed with the Board and the Parties an Amended Petition, seeking the Board's approval of an additional one (1) year extension of the RCSTP in order to allow it to submit an offer in the PJM BRA scheduled to be conducted in May 2016, which auction had a performance period commencing on June 1, 2019 and continuing through May 31, 2020. However, that performance period was beyond the BPU authorized termination date for the RCSTP. The Company indicated that, without an extension of the RCSTP covering the performance period for the May 2016 BRA, it would not be able to submit an offer in that auction. By Order dated March 18, 2016, the Board approved a stipulation of the Parties dated February 29, 2016, which approved the continuation of the existing Rider RGGI charge of \$0.000000 per kWh for the RCSTP, and that the Program term be extended through May 31, 2020.

By Petition dated September 7, 2016, the Company filed its 2016 Reconciliation Petition in conformance with the requirements of the 2009 Order. Based upon the data provided in support thereof, the 2016 Reconciliation Petition sought to maintain the current Rider RGGI charge of \$0.000000 per kWh for the Program for the period commencing on October 1, 2016, and ending on May 31, 2017. By stipulation of the Parties dated March 3, 2017, the Parties recommended the Board approve the 2016 Reconciliation Petition, which was approved by the Board in an Order dated March 24, 2017.

By Petition dated September 13, 2017, the Company filed its 2017 Reconciliation Petition in conformance with the requirements of the 2009 Order. Based upon the data provided in support thereof, the 2017 Reconciliation Petition sought to maintain the current Rider RGGI charge of \$0.000000 per kWh for the Program for the period commencing on October 1, 2017, and ending on May 31, 2018. By stipulation of the Parties dated February 12, 2018, the Parties recommended

the Board approve the 2017 Reconciliation Petition, which was approved by Order dated February 28, 2018.

By Petition dated September 12, 2018, the Company filed its 2018 Reconciliation Petition in conformance with the requirements of the 2009 Order. Based upon the data provided in support thereof, the 2018 Reconciliation Petition sought to maintain the current Rider RGGI charge of \$0.000000 per kWh for the Program for the period commencing on October 1, 2018, and ending on May 31, 2019. Following discovery and follow up discussions between the Parties, the Parties executed a stipulation dated February 14, 2019, recommending that the Board approve the 2018 Petition, which was approved by Order dated February 27, 2019. (“2019 Order”). Included in the stipulation approved by the 2019 Order was a provision that the Company include a plan for the termination of the Program as of May 31, 2020 in its 2019 Reconciliation Petition.

Finally, the Company filed its 2019 Reconciliation Petition in conformance with the requirements of the 2009 and 2019 Orders. Based upon the data provided in support thereof, the 2019 Reconciliation Petition sought to maintain the current Rider RGGI charge of \$0.000000 per kWh for the Program for the period commencing on October 1, 2019 and ending on May 31, 2020. Additionally, acknowledging that the Program would be terminating on May 31, 2020, the Company included an outline of steps to be taken in order to facilitate the termination process (the “termination plan”), as well as a proposed methodology for the return of any over-collected Program revenues to customers. **Attachment A**, included as part of the 2019 Reconciliation Petition as **Exhibit A**, sets forth all the relevant financial data for the Program, including the anticipated net credits to customers from the annual PJM auctions, revenues associated with Federal stimulus funds received pursuant to the American Recovery and Reinvestment Act of

2009, and other revenues generated during the term of the Program. **Attachment B**, included herewith, is the Rider RGGI tariff page, in clean and redline, for the RCSTP.

Formal discovery was submitted by Staff on August 13, 2019, and the Company provided its responses to that discovery on September 9, 2019. Similarly, Rate Counsel submitted discovery on August 28, 2019, to which the Company provided its responses on September 12, 2019.

STIPULATION

The Parties to this Stipulation HEREBY STIPULATE AND AGREE to the following findings, conclusions, and determinations for the purpose of a full, final, and complete resolution of the issues raised in the 2019 Reconciliation Petition.

The Parties agree in settlement of this matter that the 2019 Reconciliation Petition, including the estimated costs and revenues, as more fully set forth on **Exhibit A** of the 2019 Reconciliation Petition, and attached hereto as **Attachment A**, is consistent in all material respects with the terms and conditions of the 2009 Order, as well as all applicable subsequent Board Orders, and therefore should be approved by the Board. As provided in the May 2013 Order, all PJM revenues, including those from the sale of energy pursuant to PJM programs, derived from the Program shall continue to be credited to customers through the Rider RGGI charge or other successor clause. Any penalties arising from PJM bids shall not be recoverable from ACE's customers. A final accounting of all costs and revenues associated with the Program will be provided by the Company within 120 days of the Program's termination.

No later than August 15, 2020, the Company will submit a petition to the Board detailing the final reconciliation of Program costs and revenues. At that time, ACE will provide detailed costs and revenue analyses in support of its determination as to the final amount of excess revenues to be returned to customers. The petition will also include ACE's recommendation for the return

of any excess revenue available for refund to customers, such as a credit to the Company's 2021 Non-Utility Generation Charge ("NGC").

SETTLEMENT IMPLEMENTATION

The Parties hereby request that this proposed Stipulation be considered by the Board as soon as reasonably possible.

CONCLUSION

1. 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 that 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 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.

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

3. 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 Stipulating 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.

4. 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 Stipulating 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.

5. 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.

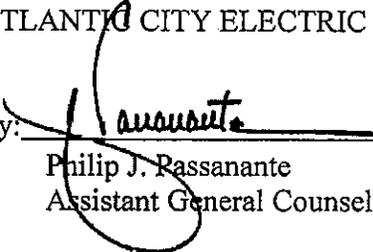
WHEREFORE, the Parties hereto have duly executed and do respectfully submit this Stipulation to the Board and recommend that the Board issue a Final Decision and Order adopting and approving this Stipulation in its entirety in accordance with the terms hereof.

[SIGNATURES APPEAR ON THE FOLLOWING PAGE]

ATLANTIC CITY ELECTRIC COMPANY

Dated: January 8, 2020

By: _____

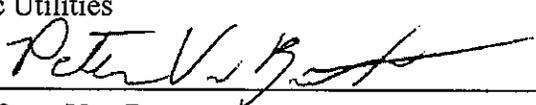

Philip J. Passanante
Assistant General Counsel

GURBIR S. GREWAL
ATTORNEY GENERAL OF
NEW JERSEY

Attorney for the Staff of the New Jersey Board of
Public Utilities

Dated: 1-9-2020

By: _____


Peter Van Brunt
Deputy Attorney General

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

Dated: 1/9/20

By: _____


T. David Wand, Esq.
Assistant Deputy Rate Counsel

Attachment A

ATLANTIC CITY ELECTRIC COMPANY
RGGI Recovery Charge
Demand Response Program

SECTION I FORECASTED YEAR AMORTIZATION SCHEDULE

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

Oct-19	639,684
Nov-19	618,179
Dec-19	681,029
Jan-20	739,011
Feb-20	706,602
Mar-20	673,851
Apr-20	576,135
May-20	552,954
	<u>5,187,446</u>

Table 2 - Forecasted Program Year Monthly Amortization and CCRF

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
Month	Unamortized Beginning Balance	Additional Program Costs	Amortization	Unamortized Ending Balance	Deferred Tax Activity	Accum Deferred Tax	Unamortized Ending Balance Net of Accum Deferred Tax	CCRF Rate Net-of-Tax	Estimated CCRF Net-of-Tax	Estimated CCRF Adjusted for Income Tax	O&M Expense	PJM Market Revenues	Revenue Requirement
				= Col 2 + Col 3 - Col 4	= (Col 3 - Col 4) x Composite Tax Factor		= Col 5 - Col 7		= Col 8 x (Col 9)/12	= Col 10/(1-Composite Tax Factor)			=Col 4 + Col 11 + Col 12 - Col 13
Oct-19 \$	2,568 \$	1,077 \$	- \$	3,645 \$	303	1,025 \$	2,620	6.44%	12 \$	17 \$	67,514	\$167,473	(99,941)
Nov-19 \$	3,645 \$	1,077 \$	- \$	4,722 \$	303	1,328 \$	3,394	6.44%	16 \$	22 \$	67,514	\$162,070	(94,534)
Dec-19 \$	4,722 \$	1,077 \$	- \$	5,799 \$	303	1,631 \$	4,168	6.44%	20 \$	28 \$	67,514	\$167,473	(99,930)
Jan-20 \$	5,799 \$	1,077 \$	- \$	6,877 \$	303	1,934 \$	4,943	6.44%	24 \$	34 \$	67,514	\$167,473	(99,924)
Feb-20 \$	6,877 \$	1,077 \$	- \$	7,954 \$	303	2,237 \$	5,717	6.44%	29 \$	40 \$	67,514	\$151,266	(83,711)
Mar-20 \$	7,954 \$	1,077 \$	- \$	9,031 \$	303	2,540 \$	6,491	6.44%	33 \$	46 \$	67,514	\$167,473	(99,912)
Apr-20 \$	9,031 \$	1,077 \$	- \$	10,108 \$	303	2,843 \$	7,265	6.44%	37 \$	51 \$	67,514	\$162,070	(94,505)
May-20 \$	10,108 \$	1,077 \$	- \$	11,186 \$	303	3,146 \$	8,040	6.44%	41 \$	57 \$	67,514	\$167,473	(99,901)
Total										<u>295</u>	<u>540,116</u>	<u>1,312,769</u>	<u>(772,358)</u>

SECTION II - PRIOR YEAR TRUE UP

Table 3 - Actual Prior Period Monthly Revenue Requirement (Actuals through May 19, Estimates Jun-Sep 19)

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
Month	Unamortized Beginning Balance	Actual Additional Program Costs	Actual Amortization	Unamortized Ending Balance	Deferred Tax Activity	Accum Deferred Tax	Unamortized Ending Balance Net of Accum Deferred Tax	CCRF Rate Net-of-Tax	Estimated CCRF Net-of-Tax	= Col 10/(1- Composite Tax Factor) Estimated CCRF Adjusted for Income Tax	O&M Expense	PJM Market Revenues	Revenue Requirement
				= Col 2 + Col 3 - Col 4	= (Col 3 - Col 4) x Composite Tax Factor		= Col 5 - Col 7		= Col 8 x (Col 9)/12				=Col 4 + Col 11 + Col 12 - Col 13
May-18	\$ -	\$ 19,430	\$ 140	\$ 19,289	\$ 5,422	\$ 5,422	\$ 13,867	6.82%	\$ 39	\$ 55	\$ 91,888	\$ 204,789	\$ (112,706)
Jun-18	\$ 19,289	\$ (13,856)	\$ 5,434	\$ -	\$ (5,422)	\$ -	\$ 0	6.82%	\$ 39	\$ 55	\$ 51,789	\$ 342,310	\$ (285,032)
Jul-18	\$ -	\$ 9,510	\$ 220	\$ 9,290	\$ 2,611	\$ 2,611	\$ 6,679	6.82%	\$ 19	\$ 26	\$ 162,128	\$ 353,725	\$ (191,350)
Aug-18	\$ 9,290	\$ 14,084	\$ 246	\$ 23,128	\$ 3,890	\$ 6,501	\$ 16,627	6.82%	\$ 66	\$ 92	\$ 133,656	\$ 353,725	\$ (219,731)
Sep-18	\$ 23,128	\$ 2,216	\$ 242	\$ 25,102	\$ 555	\$ 7,056	\$ 18,046	6.82%	\$ 99	\$ 137	\$ 94,698	\$ 342,314	\$ (247,238)
Oct-18	\$ 25,102	\$ 1,055	\$ 179	\$ 25,978	\$ 246	\$ 7,302	\$ 18,676	6.82%	\$ 104	\$ 145	\$ 97,818	\$ 362,250	\$ (264,107)
Nov-18	\$ 25,978	\$ 3,815	\$ 153	\$ 29,640	\$ 1,029	\$ 8,331	\$ 21,309	6.82%	\$ 114	\$ 158	\$ 86,969	\$ 342,333	\$ (255,054)
Dec-18	\$ 29,640	\$ 4,099	\$ 162	\$ 33,577	\$ 1,107	\$ 9,438	\$ 24,139	6.82%	\$ 129	\$ 180	\$ 90,835	\$ 353,744	\$ (262,568)
Jan-19	\$ 33,577	\$ 3,350	\$ 179	\$ 36,748	\$ 891	\$ 10,329	\$ 26,419	6.82%	\$ 144	\$ 200	\$ 90,448	\$ 353,716	\$ (262,889)
Feb-19	\$ 36,748	\$ (2,345)	\$ 162	\$ 34,241	\$ (705)	\$ 9,624	\$ 24,617	6.82%	\$ 145	\$ 202	\$ 68,889	\$ 319,512	\$ (250,259)
Mar-19	\$ 34,241	\$ (478)	\$ 150	\$ 33,613	\$ (177)	\$ 9,447	\$ 24,166	6.82%	\$ 139	\$ 193	\$ 78,831	\$ 353,730	\$ (274,556)
Apr-19	\$ 33,613	\$ 1,853	\$ 134	\$ 35,331	\$ 483	\$ 9,930	\$ 25,401	6.44%	\$ 133	\$ 185	\$ 129,283	\$ 342,323	\$ (212,721)
May-19	\$ 35,331	\$ 2,766	\$ 136	\$ 37,961	\$ 739	\$ 10,669	\$ 27,292	6.44%	\$ 141	\$ 197	\$ 28,351	\$ 353,734	\$ (325,050)
Jun-19	\$ 37,961	\$ 1,077	\$ 39,038	\$ -	\$ (10,669)	\$ -	\$ 0	6.44%	\$ 73	\$ 102	\$ 67,514	\$ 162,070	\$ (55,415)
Jul-19	\$ -	\$ 1,077	\$ 206	\$ 871	\$ 245	\$ 245	\$ 626	6.44%	\$ 2	\$ 2	\$ 67,514	\$ 167,473	\$ (99,750)
Aug-19	\$ 871	\$ 1,077	\$ 227	\$ 1,721	\$ 239	\$ 484	\$ 1,237	6.44%	\$ 5	\$ 7	\$ 67,514	\$ 167,473	\$ (99,724)
Sep-19	\$ 1,721	\$ 1,077	\$ 231	\$ 2,568	\$ 238	\$ 722	\$ 1,846	6.44%	\$ 8	\$ 12	\$ 67,514	\$ 162,070	\$ (94,313)

Note: The amount in column 4 for the month of June 19 includes \$37,961 credited as amortization based on the revenue requirements amount being negative through May 2019. This amount is credited as amortization in order to reduce the unamortized program balance based on the mechanism described and approved in the 07/31/2009 NJ Board Order.

Table 4 - Prior Period Monthly Over/Under Recovered Balances

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
	= Table 3 Col 14		= Col 3 - Col 2			= (Col 5 + Col 6)/2	=Col 7 x (1-Composite Tax Factor)		= Col 8 x Col 9/12
Month	Revenue Requirement	Actual Monthly DSM Surcharge Revenue	Over/(Under) Recovery	Over/(Under) Recovery Beginning Monthly Balance	Over/(Under) Recovery Ending Monthly Balance	Avg Monthly Balance	Net of Tax Avg Monthly Balance	STD Rate	Interest
May-18	\$ (112,706)	\$ -	\$ 112,706	\$ 1,101,507	\$ 1,214,212	\$ 1,157,859	\$ 832,385	2.25%	\$ 1,559
Jun-18	\$ (285,032)	\$ -	\$ 285,032	\$ 1,222,141	\$ 1,507,174	\$ 1,364,657	\$ 981,052	2.31%	\$ 1,890
Jul-18	\$ (191,350)	\$ 0	\$ 191,351	\$ 1,507,174	\$ 1,698,524	\$ 1,602,849	\$ 1,152,288	2.35%	\$ 2,255
Aug-18	\$ (219,731)	\$ (0)	\$ 219,731	\$ 1,698,524	\$ 1,918,255	\$ 1,808,390	\$ 1,300,051	2.24%	\$ 2,428
Sep-18	\$ (247,238)	\$ -	\$ 247,238	\$ 1,918,255	\$ 2,165,493	\$ 2,041,874	\$ 1,467,903	2.24%	\$ 2,746
Oct-18	\$ (264,107)	\$ 0	\$ 264,107	\$ 2,165,493	\$ 2,429,600	\$ 2,297,547	\$ 1,651,706	2.40%	\$ 3,305
Nov-18	\$ (255,054)	\$ -	\$ 255,054	\$ 2,429,600	\$ 2,684,654	\$ 2,557,127	\$ 1,838,319	2.44%	\$ 3,744
Dec-18	\$ (262,568)	\$ -	\$ 262,568	\$ 2,684,654	\$ 2,947,222	\$ 2,815,938	\$ 2,024,378	2.58%	\$ 4,353
Jan-19	\$ (262,889)	\$ -	\$ 262,889	\$ 2,947,222	\$ 3,210,110	\$ 3,078,666	\$ 2,213,253	2.64%	\$ 4,869
Feb-19	\$ (250,259)	\$ (0)	\$ 250,259	\$ 3,210,110	\$ 3,460,369	\$ 3,335,240	\$ 2,397,704	2.61%	\$ 5,225
Mar-19	\$ (274,556)	\$ -	\$ 274,556	\$ 3,460,369	\$ 3,734,925	\$ 3,597,647	\$ 2,586,349	2.61%	\$ 5,627
Apr-19	\$ (212,721)	\$ -	\$ 212,721	\$ 3,734,925	\$ 3,947,646	\$ 3,841,286	\$ 2,761,500	2.64%	\$ 6,075
May-19	\$ (325,050)	\$ (0)	\$ 325,050	\$ 3,947,646	\$ 4,272,696	\$ 4,110,171	\$ 2,954,802	2.69%	\$ 6,628
Jun-19	\$ (55,415)	\$ -	\$ 55,415	\$ 4,321,842	\$ 4,377,257	\$ 4,349,549	\$ 3,126,891	2.69%	\$ 7,014
Jul-19	\$ (99,750)	\$ -	\$ 99,750	\$ 4,377,257	\$ 4,477,007	\$ 4,427,132	\$ 3,182,665	2.69%	\$ 7,139
Aug-19	\$ (99,724)	\$ -	\$ 99,724	\$ 4,477,007	\$ 4,576,731	\$ 4,526,869	\$ 3,254,366	2.69%	\$ 7,300
Sep-19	\$ (94,313)	\$ -	\$ 94,313	\$ 4,576,731	\$ 4,671,044	\$ 4,623,887	\$ 3,324,113	2.69%	\$ 7,457

SECTION III RGGI RECOVERY CHARGE (DR COMPONENT) CALCULATION

Forecasted Amortization	\$	-	Table 2, Col 4
Forecasted CCRF (Based on 7.09% ROR, adj. for income tax)	\$	295	Table 2, Col 11
Ongoing O&M	\$	540,116	Table 2, Col 12
Forecasted PJM Market Revenues	\$	(1,312,769)	Table 2, Col 13
Prior Period True Up	\$	(4,699,954)	Table 4 Col 6 + Table 4 Col 10 (Jun 19 - Sep 19)
Forecasted Revenue Requirement	\$	(5,472,312)	
Total Annual Amount to be Recovered	\$	(5,472,312)	
Retail Sales - kwh		5,187,446,396	
\$/KWH Surcharge	\$	-	
BPU Assessment	\$	-	
\$/KWH Surcharge with SUT	\$	-	

Note: The components of the revenue requirement calculation result in a negative amount which will be used to reduce the unamortized program cost balance as per the initial Board Order. The revenue requirement includes actuals through May 31, 2019 and forecasted amounts for the periods of June 1, 2019 - May 31, 2020. This amount will be adjusted once actuals have been updated through May 31, 2020 and the unamortized program cost balance will be adjusted accordingly in June 2020 by the resulting figure. If the programs cost balance has been fully amortized then any over-recovery will be returned to ratepayers at the end of the program.

ACE DLC Expenditure Breakdown June 2019 - May 2020	
	June 2019 - May 2020
Installation Schedule	
Outdoor switch (DCU)	6
Thermostat	12
Total Installed Devices	18
Installation Cost	
Hardware	\$2,069
Installation	\$1,246
Inventory Carrying Charges + Spares	\$9,612
Subtotal, Equipment & Systems	\$12,927
Customer Service & Support (incl Marketing)	\$298,321
Customer Service Visits - Non Warranty	\$15,322
Supplemental Event Support	\$27,447
Installation Incentives to Customers	\$930
PHI project management	\$81,000
Radio Paging System Usage	\$103,032
Control System - Support and Maintenance	\$141,783
Database Management	\$8,506
Contractor's Project Management	\$133,833
Subtotal, Mngmnt & Operating Exp	\$810,174
Total	\$823,101

ACE - NEW JERSEY

RGGI Surcharge Workpaper

Residential Controllable Smart Thermostat Program

Amortization Table

10 Year Recovery

Month	2019			Unamortized Ending Balance
	Unamortized Beginning Balance	Additional Program Costs	Amortization	
Jul-19	\$ -	\$ 1,077	\$ (206)	\$ 871
Aug-19	\$ 871	\$ 1,077	\$ (227)	\$ 1,721
Sep-19	\$ 1,721	\$ 1,077	\$ (231)	\$ 2,568
		\$ 3,232	\$ (664)	

Amortization Table		
Monthly	SubTotal	Count
9		
9	9	1
9	18	2

2018/2019 Amort of Prior Cost		
Oct-19	27	3
Nov-19	27	4
Dec-19	27	5
Jan-20	27	6
Feb-20	27	7
Mar-20	27	8
Apr-20	27	9
May-20	27	10
	215	

Amortization True-Up Calculation	
	2019
Total Annual Amort Needed	\$ 27
Unamortized Balance Reduction	\$ -
Actual Amortization Booked	\$ (664)
Difference	\$ (637)

	Amort True Up	\$ (637)
	Prior Cost Amort	\$ 215
Oct - May	2019/20 Cost Amort	\$ 251
	<u>Total 19/20 Amort</u>	\$ (170)

ATLANTIC CITY ELECTRIC COMPANY

RGGI Recovery Charge

Residential Controllable Smart Thermostat Program

ACE Capital Structure

As of January 1, 2018

<u>Capital Structure</u>	<u>Weight</u>	<u>Rate</u>	Weighted <u>Rate</u>	After <u>Tax</u>	Before <u>Tax</u>	
Long Term Debt	49.53%	5.56%	2.75%	1.98%	2.75%	28.11%
Preferred Stock	0.00%	0.00%	0.00%	0.00%	0.00%	
Common Stock	<u>50.47%</u>	9.60%	<u>4.85%</u>	<u>4.85%</u>	<u>6.74%</u>	
Total	100.00%		7.60%	6.82%	9.49%	

As of April 1, 2019

<u>Capital Structure</u>	<u>Weight</u>	<u>Rate</u>	Weighted <u>Rate</u>	After <u>Tax</u>	Before <u>Tax</u>	
Long Term Debt	50.06%	4.58%	2.29%	1.65%	2.29%	28.11%
Preferred Stock	0.00%	0.00%	0.00%	0.00%	0.00%	
Common Stock	<u>49.94%</u>	9.60%	<u>4.79%</u>	<u>4.79%</u>	<u>6.67%</u>	
Total	100.00%		7.09%	6.44%	8.96%	

ATLANTIC CITY ELECTRIC COMPANY
 RGGI Recovery Charge
 Residential Controllable Smart Thermostat Program
 Computation of NJ Tax Factors

21% Tax Factor

Line No.	Description		Statutory Tax Rate	
1	BPU Assessment		0.286%	
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	0.2860%	0.0000%
5	NJ Income Tax Factor	(100%-line 1) x line 2	8.9743%	9.0000%
6	Federal Income Tax Factor	(100% - (line 4 + line 5)) x line 3	19.0553%	19.1100%
7	Composite Tax Factor	line 4 + line 5 + line 6	28.3156%	28.1100%
8	Complement of Composite Tax Factor	100% - (line 4 + line 5 + line 6)	71.6844%	71.8900%

TABLE 1

Residential Controllable Smart Thermostat Program ("RCSTP") Annual RGGI Surcharge Filing
Proposed Settlement of PJM Bidding Issues

	(A)	(B)	(C)	(D)	(E)	(F)	(G)
Line	Month	Actual PJM Revenues Received	PJM Revenue Commitments	Difference Monthly	Difference Cumulative	Interest Rate	Interest Amount 1/
				(B)+(C)			(E)x((F)/12)
1	Jun-11	\$41,177	(\$31,030)	\$10,147	\$10,147	0.31%	\$3
2	Jul-11	\$42,550	(\$32,064)	\$10,486	\$20,633	0.29%	\$5
3	Aug-11	\$42,550	(\$32,064)	\$10,486	\$31,119	0.34%	\$9
4	Sep-11	\$41,177	(\$31,030)	\$10,147	\$41,266	0.30%	\$10
5	Oct-11	\$42,550	(\$32,064)	\$10,486	\$51,752	0.64%	\$28
6	Nov-11	\$41,177	(\$31,030)	\$10,147	\$61,899	0.66%	\$34
7	Dec-11	\$42,550	(\$32,064)	\$10,486	\$72,385	0.72%	\$43
8	Jan-12	\$42,550	(\$32,064)	\$10,486	\$82,871	0.83%	\$57
9	Feb-12	\$39,805	(\$29,996)	\$9,809	\$92,680	0.85%	\$65
10	Mar-12	\$42,550	(\$32,064)	\$10,486	\$103,166	0.90%	\$77
11	Apr-12	\$41,177	(\$31,030)	\$10,147	\$113,313	0.92%	\$87
12	May-12	\$42,550	(\$32,064)	\$10,486	\$123,799	0.42%	\$43
PJM Plan Year 11-12		\$502,364	(\$378,565)	\$123,799			\$461
13	Jun-12	\$2,500	(\$96,311)	(\$93,811)	\$29,987	0.41%	\$10
14	Jul-12	\$2,583	(\$99,522)	(\$96,939)	(\$66,951)	0.42%	(\$23)
15	Aug-12	\$2,583	(\$99,522)	(\$96,939)	(\$163,890)	0.41%	(\$57)
16	Sep-12	\$2,500	(\$96,311)	(\$93,811)	(\$257,701)	0.41%	(\$89)
17	Oct-12	\$2,583	(\$99,522)	(\$96,939)	(\$354,640)	0.42%	(\$123)
18	Nov-12	\$2,500	(\$96,311)	(\$93,811)	(\$448,451)	0.42%	(\$157)
19	Dec-12	\$2,583	(\$99,522)	(\$96,939)	(\$545,390)	0.41%	(\$185)
20	Jan-13	\$2,583	(\$99,522)	(\$96,939)	(\$642,328)	0.39%	(\$210)
21	Feb-13	\$2,333	(\$89,891)	(\$87,557)	(\$729,885)	0.36%	(\$216)
22	Mar-13	\$2,583	(\$99,522)	(\$96,939)	(\$826,824)	0.36%	(\$246)
23	Apr-13	\$2,500	(\$96,311)	(\$93,811)	(\$920,635)	0.35%	(\$268)
24	May-13	\$2,583	(\$99,522)	(\$96,939)	(\$1,017,574)	0.30%	(\$253)
PJM Plan Year 12-13		\$30,416	(\$1,171,789)	(\$1,141,373)			(\$1,814)

TABLE 1

Residential Controllable Smart Thermostat Program ("RCSTP") Annual RGGI Surcharge Filing
Proposed Settlement of PJM Bidding Issues

	(A)	(B)	(C)	(D)	(E)	(F)	(G)
Line	Month	Actual PJM Revenues Received	PJM Revenue Commitments	Difference Monthly	Difference Cumulative	Interest Rate	Interest Amount 1/
				(B)+(C)			(E)x((F)/12)
25	Jun-13	\$64,800	(\$251,709)	(\$186,909)	(\$1,204,483)	0.26%	(\$263)
26	Jul-13	\$66,960	(\$260,100)	(\$193,140)	(\$1,397,623)	0.26%	(\$300)
27	Aug-13	\$66,960	(\$260,100)	(\$193,140)	(\$1,590,763)	0.26%	(\$350)
28	Sep-13	\$64,800	(\$251,709)	(\$186,909)	(\$1,777,672)	0.27%	(\$397)
29	Oct-13	\$66,960	(\$260,100)	(\$193,140)	(\$1,970,812)	0.32%	(\$521)
30	Nov-13	\$64,800	(\$251,709)	(\$186,909)	(\$2,157,722)	0.27%	(\$481)
31	Dec-13	\$66,960	(\$260,100)	(\$193,140)	(\$2,350,861)	0.27%	(\$520)
32	Jan-14	\$66,960	(\$260,100)	(\$193,140)	(\$2,544,001)	0.27%	(\$568)
33	Feb-14	\$60,480	(\$234,929)	(\$174,449)	(\$2,718,450)	0.26%	(\$594)
34	Mar-14	\$66,960	(\$260,100)	(\$193,140)	(\$2,911,590)	0.24%	(\$587)
35	Apr-14	\$64,800	(\$251,709)	(\$186,909)	(\$3,098,499)	0.25%	(\$634)
36	May-14	\$66,960	(\$260,100)	(\$193,140)	(\$3,291,639)	0.25%	(\$683)
PJM Plan Year 13-14		\$788,400	(\$3,062,465)	(\$2,274,065)			(\$5,897)
37	Jun-14	\$200,138	(\$157,126)	\$43,012	(\$3,248,626)	0.25%	(\$685)
38	Jul-14	\$1,343,611 *	(\$162,363)	\$1,181,247	(\$2,067,379)	0.26%	(\$440)
39	Aug-14	\$206,810	(\$162,363)	\$44,446	(\$2,022,933)	0.25%	(\$426)
40	Sep-14	\$200,138	(\$157,126)	\$43,012	(\$1,979,921)	0.26%	(\$426)
41	Oct-14	\$206,810	(\$162,363)	\$44,446	(\$1,935,474)	0.27%	(\$436)
42	Nov-14	\$200,138	(\$157,126)	\$43,012	(\$1,892,462)	0.30%	(\$469)
43	Dec-14	\$206,810	(\$162,363)	\$44,446	(\$1,848,016)	0.40%	(\$614)
44	Jan-15	\$206,810	(\$162,363)	\$44,446	(\$1,803,570)	0.43%	(\$651)
45	Feb-15	\$186,796	(\$146,651)	\$40,145	(\$1,763,425)	0.40%	(\$595)
46	Mar-15	\$206,810	(\$162,363)	\$44,446	(\$1,718,979)	0.50%	(\$709)
47	Apr-15	\$200,138	(\$157,126)	\$43,012	(\$1,675,966)	0.51%	(\$716)
48	May-15	\$206,810	(\$162,363)	\$44,446	(\$1,631,520)	0.47%	(\$637)
PJM Plan Year 14-15		\$3,571,818	(\$1,911,699)	\$1,660,119			(\$6,805)

TABLE 1

Residential Controllable Smart Thermostat Program ("RCSTP") Annual RGGI Surcharge Filing
Proposed Settlement of PJM Bidding Issues

	(A)	(B)	(C)	(D)	(E)	(F)	(G)
Line	Month	Actual PJM Revenues Received	PJM Revenue Commitments	Difference Monthly	Difference Cumulative	Interest Rate	Interest Amount 1/
				(B)+(C)			(E)x((F)/12)
49	Jun-15	\$293,892	(\$213,512)	\$80,381	(\$1,551,139)	0.46%	(\$599)
50	Jul-15	\$303,689	(\$220,629)	\$83,060	(\$1,468,079)	0.45%	(\$554)
51	Aug-15	\$303,689	(\$220,629)	\$83,060	(\$1,385,019)	0.45%	(\$524)
52	Sep-15	\$293,892	(\$213,512)	\$80,381	(\$1,304,638)	0.45%	(\$492)
53	Oct-15	\$303,689	(\$220,629)	\$83,060	(\$1,221,578)	0.45%	(\$461)
54	Nov-15	\$293,892	(\$213,512)	\$80,381	(\$1,141,197)	0.46%	(\$436)
55	Dec-15	\$303,689	(\$220,629)	\$83,060	(\$1,058,137)	0.53%	(\$469)
56	Jan-16	\$303,689	(\$220,629)	\$83,060	(\$975,077)	0.65%	(\$528)
57	Feb-16	\$284,096	(\$206,394)	\$77,701	(\$897,375)	0.33%	(\$247)
58	Mar-16	\$303,689	(\$220,629)	\$83,060	(\$814,315)	0.36%	(\$244)
59	Apr-16	\$293,892	(\$213,512)	\$80,381	(\$733,934)	0.42%	(\$257)
60	May-16	\$303,689	(\$220,629)	\$83,060	(\$650,874)	0.41%	(\$222)
PJM Plan Year 15-16		\$3,585,486	(\$2,604,840)	\$980,646			(\$5,033)
61	Jun-16	\$206,929	(\$161,898)	\$45,031	(\$605,843)	0.41%	(\$205)
62	Jul-16	\$213,826	(\$167,294)	\$46,532	(\$559,311)	0.36%	(\$168)
63	Aug-16	\$213,826	(\$167,294)	\$46,532	(\$512,779)	0.33%	(\$141)
64	Sep-16	\$206,929	(\$161,898)	\$45,031	(\$467,747)	0.23%	(\$90)
65	Oct-16	\$213,826	(\$167,294)	\$46,532	(\$421,215)	0.27%	(\$95)
66	Nov-16	\$206,929	(\$161,898)	\$45,031	(\$376,184)	0.26%	(\$82)
67	Dec-16	\$213,826	(\$167,294)	\$46,532	(\$329,652)	0.32%	(\$88)
68	Jan-17	\$213,826	(\$167,294)	\$46,532	(\$283,120)	0.41%	(\$97)
69	Feb-17	\$193,134	(\$151,104)	\$42,029	(\$241,091)	0.86%	(\$173)
70	Mar-17	\$213,826	(\$167,294)	\$46,532	(\$194,559)	0.50%	(\$81)
71	Apr-17	\$206,929	(\$161,898)	\$45,031	(\$149,527)	0.60%	(\$75)
72	May-17	\$213,826	(\$167,294)	\$46,532	(\$102,995)	1.14%	(\$98)
PJM Plan Year 16-17		\$2,517,634	(\$1,969,755)	\$547,879			(\$1,391)

TABLE 1

Residential Controllable Smart Thermostat Program ("RCSTP") Annual RGGI Surcharge Filing
Proposed Settlement of PJM Bidding Issues

	(A)	(B)	(C)	(D)	(E)	(F)	(G)
Line	Month	Actual PJM Revenues Received	PJM Revenue Commitments	Difference Monthly	Difference Cumulative	Interest Rate	Interest Amount 1/
				(B)+(C)			(E)x((F)/12)
73	Jun-17	\$198,360	(\$163,080)	\$35,280	(\$67,715)	1.32%	(\$74)
74	Jul-17	\$204,972	(\$168,516)	\$36,456	(\$31,259)	1.41%	(\$37)
75	Aug-17	\$204,972	(\$168,516)	\$36,456	\$5,197	1.40%	\$6
76	Sep-17	\$198,360	(\$163,080)	\$35,280	\$40,477	1.43%	\$48
77	Oct-17	\$204,972	(\$168,516)	\$36,456	\$76,933	1.42%	\$91
78	Nov-17	\$198,360	(\$163,080)	\$35,280	\$112,213	1.40%	\$131
79	Dec-17	\$204,972	(\$168,516)	\$36,456	\$148,669	1.70%	\$211
80	Jan-18	\$204,972	(\$168,516)	\$36,456	\$185,125	1.78%	\$275
81	Feb-18	\$185,136	(\$152,208)	\$32,928	\$218,053	1.82%	\$330
82	Mar-18	\$204,972	(\$168,516)	\$36,456	\$254,509	2.13%	\$451
83	Apr-18	\$198,360	(\$163,080)	\$35,280	\$289,789	2.33%	\$563
84	May-18	\$204,972	(\$168,516)	\$36,456	\$326,245	2.25%	\$611
PJM Plan Year 17-18		\$2,413,380	(\$1,984,140)	\$429,240			\$2,606
SubTotal		\$13,409,499	(\$13,083,254)		\$326,245		(\$17,874)
Additional Payment			(\$300,000)		(\$300,000)		

* Note: The amount in column B for the month of July 14 includes \$1,136,801 credited to customers pursuant to the Board's May 2013 Order which represents the deficiency from the PJM revenues received and the PJM revenue commitments \$810,556 plus an additional \$300,000 payment and \$26,245 of interest.

Actual Committed Levels Under Past and Future PJM Auctions

Total Due Ratepayers	
PJM Commitments	(\$13,083,254)
Additional Payments	(\$300,000)
Interest	(\$17,874)
Total Due Ratepayers	(\$13,401,128)
PJM Revenues Received	\$13,409,499
(Over)/Under Balance	\$8,371

For informational purposes only
(represents the amount of interest provided initially compared to actuals, there will be no true up to collect this amount)

1/ Short Term Interest Rate per Stipulation, rates are based on actuals through May 2018.

Table 6

Net PJM credits and interest reflected in RGGI Charge as of					May 31, 2019			
Rate Effective Period	PJM credits + Interest to be Reflected in RGGI Charge				PJM credits + Interest actually Reflected in RGGI Charge to date			
	PJM Credits to be Reflected in RGGI Surcharge When PJM Revenues are Received	Interest to be Reflected in RGGI Surcharge When PJM Revenues are Received	Total to be reflected	Cumulative total to be reflected	PJM Revenues Actually Received and reflected in RGGI Charge	PJM Revenues Actually Received Applicable to April 2013 Stipulation Terms	Cumulative total Actual PJM Revenues reflected in RGGI Charge	Net PJM credits and interest reflected in RGGI Charge Over (under)
	a	b	c = a + b	d	e	f	g	h
6/1/2011 - 5/31/2012	\$378,565	(\$461)	\$ 378,104	\$ 378,104	\$ 502,364	\$ 502,364	\$ 502,364	\$ 124,260
6/1/2012 - 5/31/2013	\$1,171,789	\$1,814	\$ 1,173,604	\$ 1,551,708	\$ 161,026	\$ 30,416	\$ 532,781	\$ (1,018,927)
6/1/2013 - 5/31/2014	\$3,062,465	\$5,897	\$ 3,068,362	\$ 4,620,070	\$ 875,726	\$ 788,400	\$ 1,321,181	\$ (3,298,889)
6/1/2014 - 5/31/2015	\$1,911,699	\$6,805	\$ 1,918,504	\$ 6,538,574	\$ 3,570,067	\$ 3,571,818	\$ 4,892,999	\$ (1,645,575)
6/1/2015 - 5/31/2016	\$2,604,840	\$5,033	\$ 2,609,874	\$ 9,148,448	\$ 3,585,908	\$ 3,585,486	\$ 8,478,485	\$ (669,963)
6/1/2016 - 5/31/2017	\$1,969,755	\$1,391	\$ 1,971,146	\$ 11,119,594	\$ 2,515,352	\$ 2,517,634	\$ 10,996,119	\$ (123,475)
6/1/2017 - 5/31/2018	\$1,984,140	(\$2,606)	\$ 1,981,534	\$ 13,101,128	\$ 2,411,299	\$ 2,413,380	\$ 13,409,499	\$ 308,371
Sub-total PJM Credits	\$13,083,254							
Additional Payment	\$300,000							

Note: The amount in columns e and f for the period of 6/1/2014 - 5/31/2015 includes \$1,136,801 credited to customers pursuant to the Board's May 2013 Order which represents the deficiency from the PJM revenues received and the PJM revenue commitments, \$810,556, plus an additional \$300,000 payment and \$26,245 of interest.

Data Sources

- a Exhibit A, Pages 10-13, Table 1, Column C
- b Exhibit A, Pages 10-13, Table 1, Column G
- e Exhibit A, Page 2, Table 3, Column 13. Includes PJM revenues not covered by April 2013 Stipulation and related Board Order, e.g. energy sales.

Rate Effective Period	Supplemental PJM credits to be Reflected in RGGI Charge		Supplemental PJM credits actually Reflected in RGGI Charge to date		
	PJM Credits to be Reflected in RGGI Surcharge When PJM Revenues are Received	Cumulative total to be reflected	PJM Revenues Actually Received and reflected in RGGI Charge	PJM Revenues Actually Received Applicable to Base Residual Auction	Cumulative total Actual PJM Revenues reflected in RGGI Charge
6/1/2018 - 5/31/2019	\$4,166,893	\$ 17,268,021	\$ 4,173,416	\$ 4,166,893	\$ 17,576,392
6/1/2019 - 5/31/2020	\$1,971,854				

ATLANTIC CITY ELECTRIC COMPANY
RGGI Recovery Charge
Demand Response Program
New Jersey Deferral Calculation Interest Rates

(1) (2)

<u>Date</u>	<u>ACE Short-Term Debt Rate</u> USE WEIGHTED AVE FOR BOTH CP & ST NOTES
May-18	2.25%
Jun-18	2.31%
Jul-18	2.35%
Aug-18	2.24%
Sep-18	2.24%
Oct-18	2.40%
Nov-18	2.44%
Dec-18	2.58%
Jan-19	2.64%
Feb-19	2.61%
Mar-19	2.61%
Apr-19	2.64%
May-19	2.69%

Attachment B

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.

Solar Renewable Energy Certificate (SREC II) (\$/kWh) \$0.000000
This charge component is intended to recover net costs associated with the Solar Renewable Energy Certificate II Program.

Date of Issue:

Effective Date:

Issued by:

I/M/O Atlantic City Electric Company's Verified Petition to Reconcile Costs Associated With Its Residential Controllable Smart Thermostat Program for the Period From June 1, 2018 Through May 31, 2019, to Maintain Its RGGI Recovery Charge for the Period October 1, 2019 Through May 31, 2020, and to Establish a Plan for the Termination of the Program as of May 31, 2020
BPU Docket No. ER19070816

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