



Agenda Date: 8/17/22
Agenda Item: 2G

STATE OF NEW JERSEY
Board of Public Utilities
44 South Clinton Avenue, 1st Floor
Post Office Box 350
Trenton, New Jersey 08625-0350
www.nj.gov/bpu/

ENERGY

IN THE MATTER OF THE PETITION OF)
ATLANTIC CITY ELECTRIC COMPANY FOR)
APPROVAL OF A TRUE-UP OF ITS ENERGY)
EFFICIENCY SURCHARGE, AND TO SET ITS)
ENERGY EFFICIENCY SURCHARGE FOR PLAN)
YEAR TWO OF ITS ENERGY EFFICIENCY)
PROGRAM) DOCKET NO. ER22020114

Parties of Record:

Philip J. Passanante, Esq., Assistant General Counsel, Atlantic City Electric Company
Brian O. Lipman, Esq., Director, New Jersey Division of Rate Counsel

BY THE BOARD:¹

On February 28, 2022, Atlantic City Electric Company (“ACE” or “Company”) filed a petition with the New Jersey Board of Public Utilities (“Board”) requesting approval to modify the Company’s Energy Efficiency (“EE”) program (“Program”) for the period July 1, 2022 through June 30, 2023 (“Plan Year Two”) (“Petition”). By this Decision and Order, the Board considers a stipulation of settlement (“Stipulation”) executed by ACE, the New Jersey Division of Rate Counsel (“Rate Counsel”), and Board Staff (“Staff”) (collectively, “Parties”) intended to resolve the Company’s requests related to the above docketed matter.

BACKGROUND

On January 13, 2008, L. 2007, c. 340 (“RGGI Act”) was signed into law. The RGGI Act resulted from the New Jersey Legislature’s findings that EE and conservation measures are essential elements of the State’s energy future, and that greater reliance on EE and conservation will provide significant benefits to the citizens of New Jersey. The Legislature also found that public utility involvement and competition in the conservation and EE industries are essential to maximize efficiencies.²

Pursuant to Section 13 of the RGGI Act, codified as N.J.S.A. 48:3-98.1(a)(1), an electric or gas

¹ Commissioner Zenon Christodoulou abstained from voting on this matter.

² N.J.S.A. 26:2C-45.

public utility may provide and invest in EE and conservation programs in its service territory on a regulated basis. Upon petition, such investment in EE and conservation programs may be eligible for rate treatment approval by the Board, including a return on equity, or other incentives or rate mechanisms that decouple utility revenue from sales of electricity and gas.³ Ratemaking treatment may include placing appropriate technology and program costs investments in the Utility's rate base, or recovering the Utility's technology and program costs through another ratemaking methodology approved by the Board.⁴ An electric or gas utility seeking cost recovery for any EE and conservation programs pursuant to N.J.S.A. 48:3-98.1 must file a petition with the Board.⁵

Also in May 2018, Governor Murphy signed into law the Clean Energy Act, L. 2018, c. 17 ("CEA"), which set forth ambitious goals to advance EE in the State. In the two (2) years following passage of the CEA, the Board, Staff, Rate Counsel, electric and natural gas public utility companies, and a broad range of stakeholders worked diligently and collaboratively to review and consider options and best practices on a myriad of topics related to EE.⁶

By Order dated June 10, 2020, the Board approved an EE transition framework for EE programs implemented pursuant to the CEA, including requirements for the utilities to establish programs that reduce the use of electricity and natural gas within their territories.⁷ In the June 2020 Order, the Board directed New Jersey's electric and gas companies to file petitions by September 25, 2020 for approval of three-year EE programs by the Board by May 1, 2021 to be implemented beginning July 1, 2021.

By Order dated April 27, 2021, the Board authorized ACE to implement its Program for the period July 1, 2021 through June 30, 2024 that would include implementation, administration and investment in a portfolio of programs, including eight (8) residential sub-programs, four (4) commercial and industrial sub-programs, and one (1) multi-family sub-program.⁸ The Company agreed that the total investment for the Program would not exceed approximately \$96 million, which included all capital expenditures. The Company further agreed that its recoverable administrative costs would not exceed approximately \$11.3 million. The Board also approved the Company's implementation of a cost recovery mechanism, the EE Surcharge, which is a component of Rider RGGI to recover costs associated with the Program.

³ N.J.S.A. 48:3-98.1(b).

⁴ Id.

⁵ Id.

⁶ The subject matter included details of program design and administration, application of utility targets, filing requirements, cost recovery mechanisms, performance incentives and penalties, evaluation, measurement, and verification, tracking and reporting requirements, a triennial review process, and ongoing stakeholder working groups.

⁷ In re the Implementation of P.L. 2018, c. 17 Regarding the Establishment of Energy Efficiency and Peak Demand Reduction Programs, BPU Docket Nos. QO19010040, QO19060748, QO17091004, Order dated June 10, 2020 ("June 2020 Order").

⁸ In re the Implementation of P.L. 2018, c. 17 Regarding the Establishment of Energy Efficiency and Peak Demand Reduction Programs, BPU Docket No. QO19010040 and In re the Petition of Atlantic City Electric Company for Approval of an Energy Efficiency Program, Cost Recovery Mechanism, and Other Related Relief for Plan Years One through Three, BPU Docket No. EO20090621, Order dated April 27, 2021.

Petition

In the Petition, the Company sought approval for cost recovery associated with its EE Program for Plan Year Two.⁹ The Company proposed to increase its current EE Surcharge component of its Rider Regional Greenhouse Initiative Charge (“Rider RGGI”) from \$0.000411 per kWh to \$0.000840 per kWh for Plan Year Two of the Program.

ACE also sought to true up its costs incurred from the period July 1, 2021 through June 30, 2022 (“Plan Year One”). ACE’s newly proposed rate reflects an over recovery from Plan Year One of \$724,323, and forecasted costs associated with Plan Year Two, resulting in a revenue requirement of approximately \$6.7 million for the current filing. The Petition included actual costs and revenues for July 1, 2021 through December 31, 2021, and forecasted costs and revenues expected to occur between January 1, 2022 and June 30, 2023.

On June 24, 2022, the Company provided an update to reflect actual results through May 31, 2022 that resulted in a revised revenue requirement of \$7.5 million.

Following publication of notices in newspapers in general circulation in the Company’s service territory, public hearings were conducted virtually on June 15, 2022 at 4:30 p.m. and 5:30 p.m.¹⁰ No members of the public attended the public hearings or filed comments related to the Petition.

STIPULATION

Following further review and discussions, the Parties executed the Stipulation, which provides for the following:¹¹

1. The Parties hereby agree to implement the Plan Year Two EE Surcharge component of the Rider RGGI of \$0.000840 per kWh, including SUT, consistent with actual results through December 31, 2021, and forecasted costs, revenues, and usage for the period January 2022 through June 2023, as provided in Schedule GTM-1 from the Petition and the Public Notice.
2. Tariff sheets consistent with the EE Surcharge component of the Rider RGGI are included in Attachment A of the Stipulation. The revenue requirement schedules updated for actual results through December 31, 2021 supporting the EE Surcharge are set forth in Attachment B of the Stipulation.
3. As a result of the proposed EE Surcharge set forth in Attachment A of the Stipulation, the Company estimates that a typical residential customer using Basic Generation Service with usage of 680 kWh per month would experience an increase in their monthly bill of approximately \$0.29, from \$142.74 to \$143.03, or approximately 0.20%.
4. The Parties agree that ACE shall be authorized to implement the rates set forth in Attachment A of the Stipulation on a final basis as set forth in the Stipulation. The revised tariff sheets relating to the EE Surcharge component of the Rider RGGI shall become

⁹ All rates quoted herein include losses and Sales and Use Tax (“SUT”) unless otherwise stated.

¹⁰ Due to the COVID-19 pandemic, public hearings were held virtually.

¹¹ Although summarized in this Order, the detailed terms of the Stipulation are controlling, subject to the findings and conclusions of this Order. Paragraphs are numbered to coincide with the Stipulation.

effective on the first day of the month following the Board's service of written authorization approving the Stipulation or as soon thereafter as possible, in accordance with N.J.S.A. 48:2-40. ACE will provide updated tariff sheets within five (5) business days of the effective date of the Board's Order in this docket reflecting the approved rates or at such other time as the Board shall order.

DISCUSSION AND FINDINGS

The Board reviewed the record in this proceeding, including the Petition and the Stipulation, and **HEREBY FINDS** the Stipulation to be reasonable, in the public interest, and in accordance with the law. Accordingly, the Board **HEREBY ADOPTS** the attached Stipulation in its entirety, and **HEREBY INCORPORATES** its terms and conditions as though fully stated herein, subject to any terms and conditions set forth in this Order.

Accordingly, the Board **HEREBY AUTHORIZES** ACE to implement a modified EE Surcharge of \$0.000840 per kWh for services rendered on or after September 1, 2022.

As a result of the Stipulation, a typical residential customer on BGS service using 680 kWh per month will see a monthly bill increase of \$0.29 or 0.20%.

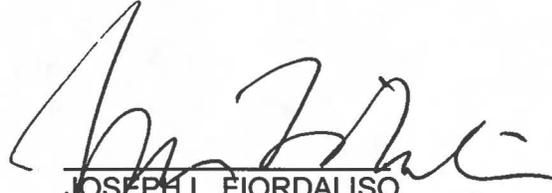
The Board **HEREBY DIRECTS** ACE to file revised tariff sheets conforming to the terms of the Stipulation prior to August 31, 2022.

The Company's costs, including those related to the Program, remain subject to audit by the Board. This Decision and Order shall not preclude nor prohibit the Board from taking any actions deemed to be appropriate as a result of any such audit.

This Order shall be effective on August 24, 2022.

DATED: August 17, 2022

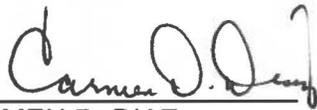
BOARD OF PUBLIC UTILITIES
BY:

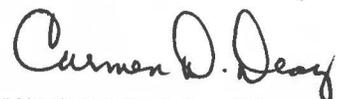

JOSEPH L. FIORDALISO
PRESIDENT


MARY ANNA HOLDEN
COMMISSIONER


DIANNE SOLOMON
COMMISSIONER


ROBERT M. GORDON
COMMISSIONER

ATTEST: 
CARMEN D. DIAZ
ACTING SECRETARY


I HEREBY CERTIFY that the within
document is a true copy of the original
in the files of the Board of Public Utilities.

IN THE MATTER OF THE PETITION OF ATLANTIC CITY ELECTRIC COMPANY FOR APPROVAL OF A TRUE-UP OF ITS ENERGY EFFICIENCY SURCHARGE, AND TO SET ITS ENERGY EFFICIENCY SURCHARGE FOR PLAN YEAR TWO OF ITS ENERGY EFFICIENCY PROGRAM

DOCKET NO. ER22020114

SERVICE LIST

<p><u>Board of Public Utilities</u> 44 South Clinton Avenue, 1st Floor Post Office Box 350 Trenton, NJ 08625-0350</p> <p>Carmen Diaz, Acting Secretary board.secretary@bpu.nj.gov</p> <p>Stacy Peterson, Deputy Executive Director stacy.peterson@bpu.nj.gov</p> <p><u>Office of the General Counsel</u></p> <p>Carol Artale, Esq., Deputy General Counsel carol.artale@bpu.nj.gov</p> <p>Heather Weisband, Esq., Senior Counsel heather.weisband@bpu.nj.gov</p> <p><u>Division of Energy</u></p> <p>Mike Kammer, Director mike.kammer@bpu.nj.gov</p> <p>Paul Lupo, Bureau Chief paul.lupo@bpu.nj.gov</p> <p>Ryan Moran ryan.moran@bpu.nj.gov</p> <p><u>New Jersey Division of Law</u> 25 Market Street Post Office Box 112 Trenton, NJ 08625</p> <p>Pamela Owen, ASC, DAG pamela.owen@law.njoag.gov</p> <p>Matko Ilic, DAG matko.ilic@law.njoag.gov</p>	<p><u>Atlantic City Electric Company</u> 500 North Wakefield Drive P.O. Box 6066 Newark, DE 19714</p> <p>Philip J. Passanante, Esq. philip.passanante@pepcoholdings.com</p> <p>Marisa Slaten marisa.slaten@exeloncorp.com</p> <p>Heather Hall heather.hall@pepcoholdings.com</p> <p>Diana DeAngelis diana.deangelis@pepcoholdings.com</p> <p><u>New Jersey Division of Rate Counsel</u> 140 East Front Street, 4th Floor Post Office Box 003 Trenton, NJ 08625</p> <p>Brian Lipman, Esq., Director blipman@rpa.nj.gov</p> <p>Maura Caroselli, Esq. mcaroselli@rpa.nj.gov</p> <p>Kurt Lewandowski, Esq. klewando@rpa.nj.gov</p> <p>Megan Lupo, Esq. mlupo@rpa.nj.gov</p> <p>Carlena Morrison cmorrison@rpa.nj.gov</p>
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<p>Steven Chaplar steven.chaplar@law.njoag.gov</p> <p>Daren Eppley, DAG daren.eppley@law.njoag.gov</p>	<p><u>Rate Counsel Consultants</u></p> <p>Robert J. Henkes Henkes Consulting 7 Sunset road Old Greenwich, CT 06870 rhenkes@optonline.net</p>
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August 2, 2022

VIA ELECTRONIC MAIL
carmen.diaz@bpu.nj.gov
board.secretary@bpu.nj.gov

Carmen D. Diaz
Acting Secretary of the Board
Board of Public Utilities
44 South Clinton Avenue, 1st Floor
P.O. Box 350
Trenton, New Jersey 08625-0350

RE: In the Matter of the Petition of Atlantic City Electric Company for Approval of a True-Up of Its Energy Efficiency Surcharge, and to Set Its Energy Efficiency Surcharge for Plan Year Two of Its Energy Efficiency Program
BPU Docket No. ER22020114

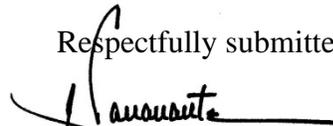
Dear Acting Secretary Diaz:

Enclosed herewith for filing is a fully executed Stipulation of Settlement (the “Stipulation”) in connection with the above-referenced matter.

Consistent with the Order issued by the New Jersey Board of Public Utilities (the “Board” or “BPU”) in connection with *In the Matter of the New Jersey Board of Public Utilities’ Response to the COVID-19 Pandemic for a Temporary Waiver of Requirements for Certain Non-Essential Obligations*, BPU Docket No. EO20030254, Order dated March 19, 2020, the Stipulation and its attachments are being electronically filed with the Acting Secretary of the Board, the Division of Law, the New Jersey Division of Rate Counsel, and all parties. No paper copies will follow.

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 THE PETITION OF
ATLANTIC CITY ELECTRIC COMPANY
FOR APPROVAL OF A TRUE-UP OF ITS
ENERGY EFFICIENCY SURCHARGE,
AND TO SET ITS ENERGY EFFICIENCY
SURCHARGE FOR PLAN YEAR TWO OF
ITS ENERGY EFFICIENCY PROGRAM**

**STATE OF NEW JERSEY
BOARD OF PUBLIC UTILITIES
BPU DOCKET NO. ER22020114
STIPULATION OF SETTLEMENT**

APPEARANCES:

Philip J. Passanante, Esq., Assistant General Counsel, for Petitioner, Atlantic City Electric Company.

Maura Caroselli, Esq., Deputy Rate Counsel, **Kurt S. Lewandowski**, Esq., Assistant Deputy Rate Counsel, **Megan Lupo**, Esq., Assistant Deputy Rate Counsel, for the New Jersey Division of Rate Counsel (**Brian O. Lipman**, Esq., Director).

Steven A. Chaplar, Deputy Attorney General, for the Staff of the New Jersey Board of Public Utilities (**Matthew J. Platkin**, Acting Attorney General of New Jersey).

On February 28, 2022, Atlantic City Electric Company (“ACE” or “Company”) made a filing with the New Jersey Board of Public Utilities (“BPU” or “Board”) seeking approval to true-up its Energy Efficiency (“EE”) Program cost recovery mechanism for the period July 1, 2021 through (as updated for actuals) June 30, 2022 (“Plan Year One”), and to set a new rate for its EE cost recovery mechanism for the period July 1, 2022 through June 30, 2023 (“Plan Year Two”) (“EE Cost Recovery Petition”).

BACKGROUND AND PROCEDURAL HISTORY

On September 25, 2020, ACE made a filing with the Board seeking approval of a portfolio of EE programs targeted at the Company’s residential, commercial, and industrial, and multi-family customer sectors to be implemented over a three (3)-year period beginning July 1, 2021 through June 30, 2024 (“ACE EE Proceeding”). The ACE EE Proceeding petition also requested approval of a cost recovery mechanism.

Following extensive discovery and settlement discussions, the parties to the ACE EE Proceeding executed a stipulation of settlement resolving all issues in the proceeding. As set out in detail in the stipulation of settlement, upon Board approval, ACE's EE initiative would entail the implementation, administration, and investment in a portfolio of programs, including eight (8) residential sub-programs, four (4) Commercial and Industrial sub-programs, and one (1) multi-family sub-program. By way of Order dated April 27, 2021, the Board approved the stipulation of settlement and authorized ACE to begin implementing its EE programs.¹ As described in detail in the ACE EE Order, the Company's approved portfolio of EE programs had a program and administration budget of \$96,065,276 for the three (3)-year term beginning July 1, 2021 and ending June 30, 2024 ("EE Program"). *See* ACE EE Order at Attachment 1.

In addition to the EE Program, the Board approved the Company's implementation of a cost recovery mechanism ("EE Surcharge"), which is included as a component of ACE's existing Rider Regional Greenhouse Gas Initiative ("Rider RGGI").² The ACE EE Order authorized the Company to implement an initial EE Surcharge component of the Rider RGGI of \$0.000411 per kilowatt-hour ("kWh") (including Sales and Use Tax ["SUT"]) based on the forecasted program costs for Plan Year One of the EE Program. The initial EE Surcharge resulted in an estimated bill impact for a typical residential customer using 679 kWhs per month of an increase of approximately \$0.28 or 0.21% per month for Plan Year One of the EE Program.

¹ *See In re the Implementation of P.L. 2018, c. 17 Regarding the Establishment of Energy Efficiency and Peak Demand Reduction Programs and In the Matter of the Petition of Atlantic City Electric Company for Approval of an Energy Efficiency Program, Cost Recovery Mechanism, and Other Related Relief for Plan Years One Through Three*, BPU Docket Nos. QO19010040 and EO20090621, Decision and Order Approving Stipulation dated April 27, 2021 ("ACE EE Order").

² The Company also requested, and received, the Board's approval of a modified electric Conservation Incentive Program ("CIP") calculation methodology to recover a portion of the Company's revenues that would be lost as a result of successful implementation of the EE Program and the related decrease in energy sales. The CIP is not the subject of this request and will be addressed in a separate filing to be made by ACE on or before July 31, 2022, for rates effective October 1, 2022, based on an initial deferral period of July 1, 2021 through June 30, 2022.

The ACE EE Order also recognized that the efforts of the Joint Utility Working Group and the Board's EE Working Groups were extensive and on-going and could result in recommendations that differed from the programs set forth the ACE EE Order. As further described in the EE Cost Recovery Petition, the Company was actively engaged in these collaborative efforts, and devoted significant time and resources to ensure that its EE Program is designed and implemented in a manner that is consistent with Board requirements, coordinates with other New Jersey public utilities (including the Statewide Program Coordinator), and yields the anticipated energy savings.

As noted above, ACE filed its EE Cost Recovery Petition on February 28, 2022, and sought Board approval to increase its current EE Surcharge to a rate of \$0.000840 per kWh, including SUT, for Plan Year Two of the EE Program. This proposed rate represents a decrease of \$0.000157 per kWh to the originally projected Plan Year Two rate. This decrease was driven primarily by lower-than-expected actual program costs through December 2021 in Plan Year One of approximately \$3.5 million dollars. The proposed Plan Year Two rate reflects an estimated over-recovery for Plan Year One of \$724,323, as well as the revenue requirement associated with the EE Program costs expected to be incurred in Plan Year Two. The proposed EE Surcharge was calculated using the Company's most current authorized return on equity and capital structure.³

³ ACE's most recently completed base rate case is *In re the Petition of Atlantic City Electric Company for Approval of Amendments to Its Tariff to Provide for an Increase in Rates and Charges for Electric Service Pursuant to N.J.S.A. 48:2-21 and N.J.S.A. 48:2-21.1, and for Other Appropriate Relief (12/2020)*, BPU Docket No. ER20120746 & OAL Docket No. PUC 00284-2021 S, Decision and Order Adopting Initial Decision and Stipulation of Settlement dated July 14, 2021. In that matter, the Board adopted an Initial Decision and Stipulation of Settlement which provided: "the Company shall have an overall rate of return of 6.99 percent, which is based upon a capital structure consisting of 50.21 percent equity with a cost rate of 9.60 percent, and 49.79 percent long-term debt with a cost rate of 4.35 percent." *Id.* at 2.

Notice of the Company's EE Cost Recovery Petition, including the date and time of public hearings, was placed in newspapers having a circulation within the Company's service territory, and was served on the Clerks of the municipalities, and all appropriate County Clerks/County Executives within the Company's service area ("Public Notice"). Due to the COVID-19 pandemic, the public hearings were conducted virtually at 4:30 P.M. and 5:30 P.M. on June 15, 2022. No members of the public provided comments at either hearing or filed written comments with the Board.

Rate Counsel and Board Staff propounded discovery questions, to which the Company provided detailed responses. In addition, as requested, the Company updated its request to reflect actual results through May 31, 2022 ("Update"). Because of the Update, the net revenue impact was revised from a revenue increase of \$6.7 million (inclusive of the Plan Year One over-recovery, including interest) to an increase of \$7.5 million. Since the Update was not completed before the virtual public hearings were held, only the original filed amounts are being authorized and approved pursuant to this Stipulation of Settlement dated as of August 2, 2022. ("Stipulation"). Additional amounts reflected in the Update will be reconciled and reviewed by the parties in a future filing. Board Staff, Rate Counsel, and the Company reserve all rights in connection with that filing, once made.

Following review of the EE Cost Recovery Petition, the Update, MFRs, discovery responses and the public hearings noted above, Board Staff, Rate Counsel and the Company (collectively, "Parties") hereby **STIPULATE and AGREE** to the following:

STIPULATED MATTERS

1. The Parties hereby agree to implement the Plan Year Two EE Surcharge component of the Rider RGGI of \$0.000840 per kWh, including SUT, consistent with actual results through December 31, 2021, and forecasted costs, revenues, and usage for the period January 2022 through June 2023, as provided in Schedule GTM-1 from the EE Cost Recovery Petition and the Public Notice.

2. Tariff sheets consistent with the EE Surcharge component of the Rider RGGI are included in **Attachment A** hereto. The revenue requirement schedules updated for actual results through December 31, 2021 supporting the EE Surcharge are set forth in **Attachment B**.

3. As a result of the proposed EE Surcharge set forth in **Attachment A**, the Company estimates that a typical residential customer using Basic Generation Service with usage of 680 kWh per month would experience an increase in their monthly bill of approximately \$0.29, from \$142.74 to \$143.03, or approximately 0.20%.

4. The Parties agree that ACE shall be authorized to implement the rates set forth in **Attachment A** on a final basis as set forth herein. The revised tariff sheets relating to the EE Surcharge component of the Rider RGGI shall become effective on the first day of the month following the Board's service of written authorization approving this Stipulation or as soon thereafter as possible, in accordance with N.J.S.A. 48:2-40. ACE will provide updated tariff sheets within five (5) business days of the effective date of the Board's Order in this docket reflecting the approved rates or at such other time as the Board shall order.

5. This Stipulation shall be binding on the Parties upon the effective date of a Board Order approving this Stipulation. This Stipulation shall bind the Parties in this matter only and shall have no precedential value. This Stipulation contains terms, each of which is interdependent

with the others and essential in its own right to the signing of this Stipulation. Each term is vital to the agreement as a whole, since the Parties expressly and jointly state that they would not have signed the Stipulation had any term been modified in any way. Since the Parties have compromised in numerous areas, each is entitled to certain procedures in the event that any modifications whatsoever are made to the Stipulation. If, upon consideration of this Stipulation, the Board were to modify any of the terms described above, each Party must be given the right to be placed in the position it was in before this Stipulation was entered. It is essential that each Party be afforded the option, prior to the implementation of any new rate resulting from any modification of this Stipulation, either to modify its own position to accept the proposed change(s) or to resume the proceeding as if no agreement had been reached. This proceeding, under such circumstances, would resume at the point where it was terminated. The Parties agree that these procedures are fair to all concerned, and therefore, they are made an integral and essential element of this Stipulation. None of the Parties shall be prohibited from or prejudiced in arguing a different policy or position before the Board in any other proceeding, as such agreements pertain only to this matter and to no other matter.

6. This Stipulation represents the full scope of the agreement between the Parties. This Stipulation may only be modified by a further written agreement executed by all the Parties to this Stipulation.

7. This Stipulation may be executed in as many counterparts as there are Signatory Parties of this Stipulation, each of which counterparts shall be an original, but all of which shall constitute one and the same instrument.

ATLANTIC CITY ELECTRIC COMPANY

August 2, 2022
Date

By:  _____
Philip J. Passanante, Esq.
Assistant General Counsel

MATTHEW J. PLATKIN
ACTING ATTORNEY GENERAL OF NEW JERSEY
Attorney for the Staff of the Board of Public Utilities

August 2, 2022
Date

By:  _____
Steven A. Chaplar, Esq.
Deputy Attorney General

BRIAN O. LIPMAN, ESQ.
DIRECTOR, DIVISION OF RATE COUNSEL

August 2, 2022
Date

By:  _____
Megan Lupo, Esq.
Assistant Deputy Rate Counsel

Attachment A

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-SEVC, 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

Solar Renewable Energy Certificate (SREC) (\$/kWh)	\$0.000189
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.	
Transition Renewable Energy Certificate (TREC) (\$/kWh)	\$0.000988
This charge component is intended to recover net costs associated with the Solar Transition Incentive Program.	
Energy Efficiency Surcharge (EE) (\$/kWh)	\$0.000840
This charge component is intended to recover the costs associated with the Energy Efficiency Program.	
Successor Solar Incentive Program (SuSI) (\$/kWh)	\$0.000379
This charge component is intended to recover the costs associated with the Successor Solar Incentive Program.	
<hr/>	
Total Rider RGGI Surcharge (\$/kWh)	\$0.002396

Date of Issue:

Effective Date:

Issued by:

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-SEVC, 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

Solar Renewable Energy Certificate (SREC) (\$/kWh)	\$0.000189
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.	

Transition Renewable Energy Certificate (TREC) (\$/kWh)	\$0.000988
This charge component is intended to recover net costs associated with the Solar Transition Incentive Program.	

Energy Efficiency Surcharge (EE) (\$/kWh)	\$0. 000411 <u>000840</u>
This charge component is intended to recover the costs associated with the Energy Efficiency Program.	

Successor Solar Incentive Program (SuSI) (\$/kWh)	\$0.000379
This charge component is intended to recover the costs associated with the Successor Solar Incentive Program.	

Total Rider RGGI Surcharge (\$/kWh)	\$0. 001967 <u>002396</u>
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Date of Issue:

Effective Date:

Issued by:

Attachment B

ACE
Energy Efficiency and Demand Response Surcharge
Residential and Commercial Energy Efficiency Programs

SECTION I ACE EE DR SURCHARGE CALCULATION

Table 1 - Summary of Revenue Requirement and Annual Charge

2023 (July 1, 2022 - June 30, 2023) Summary

Forecasted 10 Year Amortization (Straight Line)	1,992,696	Table 3, Col 6
Forecasted 5 Year Amortization (Straight Line)	110,923	Table 3, Col 7
Forecasted CCRF	1,160,970	Table 3, Col 17
Forecasted O&M Expense	4,193,526	Table 3, Col 18 + Col 19
Forecasted PJM Market Revenues	-	Table 3, Col 20
Forecasted Fed Tax credit	-	Table 3, Col 14
Prior Period True Up July 1, 2021 - June 30, 2022	(724,323)	Table 5, Col 6
Total Annual Amount to be Recovered	<u>6,733,793</u>	
Retail Sales - kwh	8,571,302,632	Table 2
\$/KWH Surcharge	0.000786	
BPU/RC Assessment	0.000002	
\$/KWH Surcharge with SUT	0.000840	

ACE
Energy Efficiency and Demand Response Surcharge
Residential and Commercial Energy Efficiency Programs

SECTION II FORECASTED YEAR AMORTIZATION SCHEDULE

Table 2 - Forecasted Program Year Monthly Delivered Sales (mWh)

2022			2023		
Jul-21	966,123	Actuals	Jul-22	892,497	Forecast
Aug-21	1,018,956	Actuals	Aug-22	960,985	Forecast
Sep-21	1,013,069	Actuals	Sep-22	849,047	Forecast
Oct-21	648,062	Actuals	Oct-22	701,323	Forecast
Nov-21	627,633	Actuals	Nov-22	627,821	Forecast
Dec-21	647,060	Actuals	Dec-22	674,944	Forecast
Jan-22	692,238	Forecast	Jan-23	710,856	Forecast
Feb-22	678,840	Forecast	Feb-23	685,067	Forecast
Mar-22	651,496	Forecast	Mar-23	655,623	Forecast
Apr-22	548,283	Forecast	Apr-23	549,412	Forecast
May-22	560,949	Forecast	May-23	561,659	Forecast
Jun-22	699,231	Forecast	Jun-23	702,069	Forecast
Total mWh	8,751,938		Total mWh	8,571,303	

ACE
Energy Efficiency and Demand Response Surcharge
Residential and Commercial Energy Efficiency Programs

Table 3 - Forecasted Program Year Monthly Amortization and CCRF
2022-2023

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
	= Previous Month Col 6	= Sum of Vintage Year Col 3	=Sum of Vintage Year Col 4	= Sum of Vintage Year Col 5	= Sum of Vintage Year Col 6	= Sum of Vintage Year Col 7	= Col 2 + Col 3 + Col 4 + Col 5	= (-Col 3 - Col 4 - Col 5 - Col 6 - Col 7) x Composite Tax Factor	
Month	Unamortized Beginning Balance	Regulatory Asset Costs (Direct and Share)	Regulatory Asset Costs (Loans)	PP&E Costs (IT Related)	10 Year Amortization	5 Year Amortization	Unamortized Ending Balance	Regulatory Asset Deferred Tax Activity	PP&E Deferred Tax Activity
Jun-22							8,123,517		
Jul-22	8,123,517	1,979,023	214,360	-	(85,317)	(9,244)	10,222,340	592,577	(2,598)
Aug-22	10,222,340	1,420,810	128,616	-	(98,228)	(9,244)	11,664,294	407,932	(2,598)
Sep-22	11,664,294	1,140,472	85,744	-	(108,447)	(9,244)	12,772,819	314,205	(2,598)
Oct-22	12,772,819	1,423,458	128,616	-	(121,381)	(9,244)	14,194,268	402,168	(2,598)
Nov-22	14,194,268	1,986,781	214,360	-	(139,724)	(9,244)	16,246,441	579,464	(2,598)
Dec-22	16,246,441	2,269,692	257,231	-	(160,781)	(9,244)	18,603,340	665,123	(2,598)
Jan-23	18,603,340	1,996,154	214,360	-	(179,202)	(9,244)	20,625,408	571,002	(2,598)
Feb-23	20,625,408	1,432,385	128,616	-	(192,211)	(9,244)	21,984,954	384,767	(2,598)
Mar-23	21,984,954	1,148,762	85,744	-	(202,498)	(9,244)	23,007,718	290,097	(2,598)
Apr-23	23,007,718	1,434,020	128,616	-	(215,520)	(9,244)	24,345,590	378,674	(2,598)
May-23	24,345,590	2,011,863	214,360	-	(234,072)	(9,244)	26,328,497	559,994	(2,598)
Jun-23	26,328,497	2,291,901	257,231	-	(255,315)	(9,244)	28,613,071	644,792	(2,598)
Total		<u>20,535,322</u>	<u>2,057,852</u>	-	<u>(1,992,696)</u>	<u>(110,923)</u>		<u>5,790,795</u>	<u>(31,176)</u>

**Table 3 - Forecasted Program Year Monthly Amortization and CCRF
2023**

	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)	(21)
	= Prior Month Col 11 + Col 9 + Col 10		= Col 11 + Col 12	= Col 8 + Col 13			= Col 14 Average x (Col 16)/12	= Col 17 / Complement of Composite Tax Factor			
Month	Normal Accum Deferred Tax	Excess ADIT Unamortized Ending Balance	Total Accum Deferred Tax	Unamortized Ending Balance Net of Accum Excess ADIT and Deferred Tax	Excess ADIT Monthly Amortization Adjusted for Income Tax	CCRF Rate Net-of-Tax	Estimated CCRF Net-of-Tax	Estimated CCRF Adjusted for Income Tax	O&M Expenses	O&M Cost Sharing	PJM Market Revenues
Jun-22	2,283,524		2,283,524	5,839,993							
Jul-22	2,873,503		2,873,503	7,348,837		6.38%	35,060	48,769	349,461	-	-
Aug-22	3,278,837		3,278,837	8,385,457		6.38%	41,827	58,182	349,461	-	-
Sep-22	3,590,444		3,590,444	9,182,375		6.38%	46,701	64,962	349,461	-	-
Oct-22	3,990,014		3,990,014	10,204,254		6.38%	51,536	71,688	349,461	-	-
Nov-22	4,566,880		4,566,880	11,679,561		6.38%	58,175	80,922	349,461	-	-
Dec-22	5,229,405		5,229,405	13,373,935		6.38%	66,601	92,642	349,461	-	-
Jan-23	5,797,809		5,797,809	14,827,599		6.38%	74,969	104,283	349,461	-	-
Feb-23	6,179,978		6,179,978	15,804,976		6.38%	81,432	113,273	349,461	-	-
Mar-23	6,467,477		6,467,477	16,540,241		6.38%	85,985	119,606	349,461	-	-
Apr-23	6,843,553		6,843,553	17,502,037		6.38%	90,496	125,881	349,461	-	-
May-23	7,400,949		7,400,949	18,927,548		6.38%	96,842	134,709	349,461	-	-
Jun-23	8,043,143		8,043,143	20,569,928		6.38%	104,998	146,053	349,461	-	-
Total							<u>834,621</u>	<u>1,160,970</u>	<u>4,193,526</u>	-	-

ACE
Energy Efficiency and Demand Response Surcharge
Residential and Commercial Energy Efficiency Programs

SECTION III - PRIOR YEAR TRUE UP

Table 4 - Actual Prior Year Monthly Revenue Requirement

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
	= Previous Month Col 8	= Sum of Vintage Year Col 3	= Sum of Vintage Year Col 4	= Sum of Vintage Year Col 5	= - Sum of Vintage Year Col 6	= - Sum of Vintage Year Col 7	= Col 2 + Col 3 + Col 4 + Col 5 - Col 6 - Col 7	= (Col 3 + Col 4 + Col 5 - Col 6 - Col 7) x Composite Tax Factor	= (Col 5 - Col 7) x Composite Tax Factor	= Prior Month Col 11 + Col 9 + Col 10
Month	Unamortized Beginning Balance	Regulatory Asset Costs (Direct and Share)	Regulatory Asset Costs (Loans)	PP&E Costs (IT Related)	10 Year Amortization	5 Year Amortization	Unamortized Ending Balance	Regulatory Asset Deferred Tax Activity	PP&E Deferred Tax Activity	Normal Accum Deferred Tax
Jun-21	-						-			-
Jul-21	-	384,512	-	92,306	3,204	1,538	472,075	107,186	25,515	132,701
Aug-21	472,075	1,013,760	-	186,118	11,652	4,640	1,655,661	281,693	51,013	465,407
Sep-21	1,655,661	113,002	-	188,240	12,594	7,778	1,936,531	28,225	50,728	544,360
Oct-21	1,936,531	522,630	-	30,184	16,949	8,281	2,464,115	142,147	6,157	692,664
Nov-21	2,464,115	468,180	-	36,967	20,851	8,897	2,939,515	125,744	7,891	826,299
Dec-21	2,939,515	504,436	-	20,801	25,054	9,244	3,430,455	134,754	3,249	964,302
Jan-22	3,430,455	878,498	109,160	-	33,285	9,244	4,375,584	268,274	(2,598)	1,229,978
Feb-22	4,375,584	621,412	65,496	-	39,009	9,244	5,014,239	182,124	(2,598)	1,409,504
Mar-22	5,014,239	493,640	43,664	-	43,487	9,244	5,498,813	138,812	(2,598)	1,545,718
Apr-22	5,498,813	622,955	65,496	-	49,224	9,244	6,128,797	179,687	(2,598)	1,722,807
May-22	6,128,797	886,140	109,160	-	57,518	9,244	7,057,335	263,611	(2,598)	1,983,820
Jun-22	7,057,335	1,011,472	130,992	-	67,038	9,244	8,123,517	302,302	(2,598)	2,283,524
Jul-22	8,123,517	1,979,023	214,360	-	85,317	9,244	10,222,340	592,577	(2,598)	2,873,503
Aug-22	10,222,340	1,420,810	128,616	-	98,228	9,244	11,664,294	407,932	(2,598)	3,278,837
Sep-22	11,664,294	1,140,472	85,744	-	108,447	9,244	12,772,819	314,205	(2,598)	3,590,444
Oct-22	12,772,819	1,423,458	128,616	-	121,381	9,244	14,194,268	402,168	(2,598)	3,990,014
Nov-22	14,194,268	1,986,781	214,360	-	139,724	9,244	16,246,441	579,464	(2,598)	4,566,880
Dec-22	16,246,441	2,269,692	257,231	-	160,781	9,244	18,603,340	665,123	(2,598)	5,229,405
Jan-23	18,603,340	1,996,154	214,360	-	179,202	9,244	20,625,408	571,002	(2,598)	5,797,809
Feb-23	20,625,408	1,432,385	128,616	-	192,211	9,244	21,984,954	384,767	(2,598)	6,179,978
Mar-23	21,984,954	1,148,762	85,744	-	202,498	9,244	23,007,718	290,097	(2,598)	6,467,477
Apr-23	23,007,718	1,434,020	128,616	-	215,520	9,244	24,345,590	378,674	(2,598)	6,843,553
May-23	24,345,590	2,011,863	214,360	-	234,072	9,244	26,328,497	559,994	(2,598)	7,400,949
Jun-23	26,328,497	2,291,901	257,231	-	255,315	9,244	28,613,071	644,792	(2,598)	8,043,143
Total		28,055,959	2,581,819	554,617	2,372,561	206,763		7,945,354	97,789	

ACE
Energy Efficiency and Demand Response Surcharge
Residential and Commercial Energy Efficiency Programs

SECTION III - PRIOR YEAR TRUE UP

Table 4 - Actual Prior Year Monthly Revenue Requirement

	(12)	(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)	(21)	(22)	(23)
		= Col 11 + Col 12	= Col 8 + Col 13			= Col 14 Average x (Col 16)/12	= Col 17 / Complement of Composite Tax Factor				= Col 6 + Col 7 - Col 15 + Col 18 + Col 19 + Col 20 - Col 21	
Month	Excess ADIT Unamortized Ending Balance	Total Accum Deferred Tax	Unamortized Ending Balance Net of Accum Deferred Tax	Excess ADIT Monthly Amortization Adjusted for Income Tax	CCRF Rate Net-of-Tax	Estimated CCRF Net-of-Tax	Estimated CCRF Adjusted for Income Tax	O&M Expenses	O&M Cost Sharing	PJM Market Revenues	Revenue Requirement	Actual Monthly DSM Surcharge Revenue
Jun-21	-	-	-									
Jul-21		132,701	339,374		6.41%	906	1,260	88,399	-	-	94,401	150,647
Aug-21		465,407	1,190,254		6.38%	4,066	5,656	98,163	-	-	120,112	384,762
Sep-21		544,360	1,392,171		6.38%	6,865	9,549	101,597	-	-	131,518	383,443
Oct-21		692,664	1,771,451		6.38%	8,410	11,698	115,463	-	-	152,391	256,289
Nov-21		826,299	2,113,216		6.38%	10,327	14,365	119,210	-	-	163,322	235,709
Dec-21		964,302	2,466,153		6.38%	12,174	16,934	154,474	-	-	205,706	249,687
Jan-22		1,229,978	3,145,606		6.38%	14,918	20,751	169,785	-	-	233,065	266,512
Feb-22		1,409,504	3,604,735		6.38%	17,945	24,961	169,785	-	-	242,999	261,353
Mar-22		1,545,718	3,953,095		6.38%	20,091	27,947	169,785	-	-	250,462	250,826
Apr-22		1,722,807	4,405,990		6.38%	22,221	30,910	169,785	-	-	259,163	211,089
May-22		1,983,820	5,073,515		6.38%	25,200	35,053	169,785	-	-	271,600	215,965
Jun-22		2,283,524	5,839,993		6.38%	29,012	40,356	169,785	-	-	286,423	269,204
Jul-22		2,873,503	7,348,837		6.38%	35,060	48,769	349,461	-	-	492,790	701,503
Aug-22		3,278,837	8,385,457		6.38%	41,827	58,182	349,461	-	-	515,115	755,334
Sep-22		3,590,444	9,182,375		6.38%	46,701	64,962	349,461	-	-	532,113	667,351
Oct-22		3,990,014	10,204,254		6.38%	51,536	71,688	349,461	-	-	551,773	551,240
Nov-22		4,566,880	11,679,561		6.38%	58,175	80,922	349,461	-	-	579,350	493,467
Dec-22		5,229,405	13,373,935		6.38%	66,601	92,642	349,461	-	-	612,128	530,506
Jan-23		5,797,809	14,827,599		6.38%	74,969	104,283	349,461	-	-	642,189	558,733
Feb-23		6,179,978	15,804,976		6.38%	81,432	113,273	349,461	-	-	664,188	538,462
Mar-23		6,467,477	16,540,241		6.38%	85,985	119,606	349,461	-	-	680,808	515,320
Apr-23		6,843,553	17,502,037		6.38%	90,496	125,881	349,461	-	-	700,105	431,838
May-23		7,400,949	18,927,548		6.38%	96,842	134,709	349,461	-	-	727,485	441,464
Jun-23		8,043,143	20,569,928		6.38%	104,998	146,053	349,461	-	-	760,072	551,826
Total						1,006,756	1,400,410	5,889,543	-	-	9,869,277	9,872,529

**ACE
Energy Efficiency and Demand Response Surcharge
Residential and Commercial Energy Efficiency Programs**

SECTION III - PRIOR YEAR TRUE UP

Table 5 - Prior Period Monthly Over/Under Recovered Balances

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
	= Table 4 Col 21	= Table 4 Col 22	= Col 3 - Col 2	= Prior Month Col 6	= Col 4 + Col 5	= (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
Jun-21									
Jul-21	\$ 94,401	150,647	\$ 56,246	\$ -	\$ 56,246	\$ 28,123	\$ 20,218	0.18%	\$ 3
Aug-21	\$ 120,112	384,762	\$ 264,650	\$ 56,246	\$ 320,896	\$ 188,571	\$ 135,564	0.18%	\$ 20
Sep-21	\$ 131,518	383,443	\$ 251,925	\$ 320,896	\$ 572,821	\$ 446,859	\$ 321,247	0.18%	\$ 48
Oct-21	\$ 152,391	256,289	\$ 103,898	\$ 572,821	\$ 676,718	\$ 624,770	\$ 449,147	0.20%	\$ 74
Nov-21	\$ 163,322	235,709	\$ 72,386	\$ 676,718	\$ 749,105	\$ 712,912	\$ 512,512	0.20%	\$ 88
Dec-21	\$ 205,706	249,687	\$ 43,981	\$ 749,105	\$ 793,086	\$ 771,095	\$ 554,340	0.27%	\$ 126
Jan-22	\$ 233,065	266,512	\$ 33,447	\$ 793,086	\$ 826,533	\$ 809,809	\$ 582,172	0.15%	\$ 73
Feb-22	\$ 242,999	261,353	\$ 18,354	\$ 826,533	\$ 844,887	\$ 835,710	\$ 600,792	0.15%	\$ 75
Mar-22	\$ 250,462	250,826	\$ 363	\$ 844,887	\$ 845,250	\$ 845,069	\$ 607,520	0.15%	\$ 76
Apr-22	\$ 259,163	211,089	\$ (48,074)	\$ 845,250	\$ 797,177	\$ 821,214	\$ 590,370	0.15%	\$ 74
May-22	\$ 271,600	215,965	\$ (55,634)	\$ 797,177	\$ 741,542	\$ 769,360	\$ 553,093	0.15%	\$ 69
Jun-22	\$ 286,423	269,204	\$ (17,219)	\$ 741,542	\$ 724,323	\$ 732,933	\$ 526,905	0.15%	\$ 66
Jul-22	\$ 492,790	701,503	\$ 208,713	\$ 725,114	\$ 933,828	\$ 829,471	\$ 596,307	0.15%	\$ 75
Aug-22	\$ 515,115	755,334	\$ 240,220	\$ 933,828	\$ 1,174,047	\$ 1,053,938	\$ 757,676	0.15%	\$ 95
Sep-22	\$ 532,113	667,351	\$ 135,238	\$ 1,174,047	\$ 1,309,285	\$ 1,241,666	\$ 892,634	0.15%	\$ 112
Oct-22	\$ 551,773	551,240	\$ (533)	\$ 1,309,285	\$ 1,308,752	\$ 1,309,018	\$ 941,053	0.15%	\$ 118
Nov-22	\$ 579,350	493,467	\$ (85,883)	\$ 1,308,752	\$ 1,222,869	\$ 1,265,811	\$ 909,991	0.15%	\$ 114
Dec-22	\$ 612,128	530,506	\$ (81,622)	\$ 1,222,869	\$ 1,141,248	\$ 1,182,059	\$ 849,782	0.15%	\$ 106
Jan-23	\$ 642,189	558,733	\$ (83,457)	\$ 1,141,248	\$ 1,057,791	\$ 1,099,520	\$ 790,445	0.15%	\$ 99
Feb-23	\$ 664,188	538,462	\$ (125,725)	\$ 1,057,791	\$ 932,066	\$ 994,929	\$ 715,254	0.15%	\$ 89
Mar-23	\$ 680,808	515,320	\$ (165,489)	\$ 932,066	\$ 766,577	\$ 849,322	\$ 610,577	0.15%	\$ 76
Apr-23	\$ 700,105	431,838	\$ (268,268)	\$ 766,577	\$ 498,310	\$ 632,444	\$ 454,664	0.15%	\$ 57
May-23	\$ 727,485	441,464	\$ (286,022)	\$ 498,310	\$ 212,288	\$ 355,299	\$ 255,424	0.15%	\$ 32
Jun-23	\$ 760,072	551,826	\$ (208,245)	\$ 212,288	\$ 4,043	\$ 108,165	\$ 77,760	0.15%	\$ 10

ACE
Weighted Average Cost of Capital
BRC Docket No. ER20120746

<u>Capital Structure</u>	Weight	Rate	Penalty/ Incentive	Weighted Rate	After Tax	Before Tax
Long Term Debt	49.79%	4.35%	N/A	2.17%	1.56%	2.17%
Preferred Stock	0.00%	0.00%	N/A	0.00%	0.00%	0.00%
Common Stock	50.21%	9.60%	N/A	4.82%	4.82%	6.70%
Total	100.00%			6.99%	6.38%	8.87%

Penalties/incentives are not applicable until Program Year 5 results; however, in order to ascertain that the model is flexible, this column is built into the model for future occurrence.

ACE
 NJ Tax Factor
 BRC Docket No. ER20120746

Line No.	Description	Statutory Tax Rate
1	BPU Assessment	0.269%
2	NJ Sales and Use Tax (SUT)	6.625%
3	NJ Income Tax Rate	9.000%
4	Federal Income Tax Rate	21.00%

Line No.	Description	Computation	Total Tax Factor	Income Tax Factor
5	BPU Assessment	line 1	0.2690%	0.0000%
6	NJ Sales and Use Tax (SUT)	line 2	6.6250%	0.0000%
7	NJ Income Tax Rate	$(100\% - (\text{line 1} + \text{line 2})) \times \text{line 3}$	8.3795%	9.0000%
8	Federal Income Tax Factor	$(100\% - (\text{line 5} + \text{line 6} + \text{line 7})) \times \text{line 4}$	17.7926%	19.1100%
9	Composite Tax Factor	line 5 + line 6 + line 7 + line 8	33.0661%	28.1100%
10	Complement of Composite Tax Factor	$100\% - (\text{line 4} + \text{line 5} + \text{line 6})$	66.9339%	71.8900%
11	Revenue Conversion Factor		1.49401	1.39101

In the Matter of the Petition of Atlantic City Electric Company for Approval of a True-Up of Its Energy Efficiency Surcharge, and to Set Its Energy Efficiency Surcharge for Plan Year Two of Its Energy Efficiency Program
BPU Docket No. ER22020114

Service List

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