

NOTICE TO  
ATLANTIC CITY ELECTRIC COMPANY  
CUSTOMERS

Notice of a Filing  
and Notice of Public Hearings

In the Matter of the 2020/2021 Annual Compliance Filings for the  
Universal Service Fund Program Factor Within the Societal Benefits Charge Rate  
BPU Docket No. ER20060392

TAKE NOTICE that, on June 25, 2020, Atlantic City Electric Company (“ACE” or “Company”) made an Annual Compliance Filing with the Board of Public Utilities (“Board” or “BPU”) and provided supporting documentation for changes in the Universal Service Fund (“USF”) and Lifeline components of ACE’s Societal Benefits Charge (“SBC”) to become effective on October 1, 2020. The requested program changes result in an increase to the USF component and an increase to the Lifeline component of the SBC. The requested change in the USF and Lifeline components is made pursuant to Board Orders, and includes the recovery of funding for the USF Program through uniform statewide rates. The USF Program was established by the Board pursuant to the Electric Discount and Energy Competition Act, N.J.S.A. 48:3-49, et seq, (“EDECA”), to provide funds to assist qualifying low-income individuals in paying their energy bills. The State of New Jersey’s Department of Community Affairs is the Administrator of the USF Program, and the New Jersey Department of Human Services is the Administrator of the Lifeline programs and authorizes the disbursement of benefits to eligible customers in the respective programs.

Based upon the results and available estimates known to date for the 2019/2020 USF program year, and the available estimates for the 2020/2021 USF program year, it is anticipated that the USF rates will be set to recover \$125.6 million, of which, \$100.2 million will be recovered through electric rates with the remaining \$25.4 million recovered through gas rates on a statewide basis. The Lifeline rates are anticipated to collect \$74.6 million, of which \$50.0 million will be recovered through electric rates with the remaining \$24.6 million recovered through gas rates on a statewide basis.

The proposed charges for electric customers are as follows:

Universal Service/Lifeline Fund Components of Societal Benefits Charge				
	Present	Present (Incl. Sales and Use	Proposed	Proposed (Incl. Sales and Use Tax)
USF-Electric per kWh	\$0.001249	\$0.001332	\$0.001428	\$0.001523
Lifeline-Electric per kWh	\$0.000708	\$0.000755	\$0.000712	\$0.000759

**It is important to note that the above requests will not result in any profit to ACE.** The revenues received under the proposed USF and Lifeline Program factors are designed to permit the Company to recover its costs associated with these programs. Actual program costs will be reconciled with the revenues received through the USF and Lifeline Program charges in the next scheduled annual USF and Lifeline filing to be made on or before July 1, 2021.

The effect of the proposed changes in the electric USF/Lifeline Program charge on typical Residential electric bills, if approved by the Board, is illustrated below:

Residential Electric Service				
Typical Average Monthly Bill				
(Includes Sales and Use Tax)				
			Increase	
	Present Charges (1)	Proposed Charges (2)	Amount	Percent
650 kWh average monthly use	\$125.96	\$126.09	\$0.13	0.10
679 kWh average monthly use	\$131.32	\$131.45	\$0.13	0.10
1,000 kWh average monthly use	\$192.42	\$192.62	\$0.20	0.10
1,500 kWh average monthly use	\$288.33	\$288.63	\$0.30	0.10

- (1) Based upon Basic Generation Service Residential Small Commercial Pricing (BGS-RSCP) and Delivery Rates in effect June 1, 2020 and assumes that the customer receives BGS-RSCP service from ACE.
- (2) Same as (1) above except includes change in USF/Lifeline.

Based upon the Company's filing with a proposed effective date of October 1, 2020, and utilizing then current rates at the time of the filing, a typical residential customer using 679 kWh per month would see an increase in the customer's monthly bill of \$0.13 from \$131.32 to \$131.45 or 0.10%. The percentage change applicable to specific customers will vary according to the applicable service classification and the level of the customer's usage.

The Board has the statutory authority to establish the USF and Lifeline charges at levels it finds just and reasonable. Therefore, the Board may establish the USF and Lifeline charges at levels other than those proposed by the Company.

The 2020 USF and Lifeline filing is posted on the Company's website at [www.atlanticcityelectric.com/PublicPostings](http://www.atlanticcityelectric.com/PublicPostings).

PLEASE TAKE FURTHER NOTICE that, due to the COVID-19 pandemic, a telephonic public hearing will be conducted on the following date and times so that members of the public may present their views on the Company's filing:

<b>Date:</b> Wednesday, August 26, 2020	<b>Date:</b> Wednesday, August 26, 2020
<b>Time:</b> 4:30 P.M.	<b>Time:</b> 5:30 P.M.
<b>Dial-in Number:</b> 1-866-326-9183	<b>Dial-in Number:</b> 1-866-326-9183
<b>Passcode:</b> 617161#	<b>Passcode:</b> 617161#

A hearing officer designated by the Board will preside over the telephonic public hearing. Representatives of the Company, Board's Staff, and the New Jersey Division of Rate Counsel will also participate via phone in the public hearing. Members of the public are invited to listen and participate by phone via the above designated dial-in number and passcode and may express their views on this filing. Any comments made will be part of the final record of the proceeding to be considered by the Board. In order to encourage full participation in this opportunity for public comments, please submit any requests for needed accommodations, such as interpreters or listening devices, 48 hours prior to the above hearings to the Board's Secretary at [board.secretary@bpu.nj.gov](mailto:board.secretary@bpu.nj.gov).

The Board is also accepting written and/or emailed comments. Although both will be given equal consideration, the preferred method of transmittal is via email to ensure timely receipt while the Board continues to work remotely due to the COVID-19 pandemic. Written comments may be submitted to the Board Secretary, Aida Camacho, at the Board of Public Utilities, 44 South Clinton Avenue, 9th Floor, P.O. Box 350, Trenton, NJ 08625-0350. Email comments should be submitted to: [board.secretary@bpu.nj.gov](mailto:board.secretary@bpu.nj.gov). Please include the name of the petition and the docket number when submitting comments.

Dated: August 6, 2020

Atlantic City Electric Company