

**NOTICE TO CUSTOMERS OF  
ATLANTIC CITY ELECTRIC COMPANY  
OF FILING OF  
ELECTRIC RATE INCREASE AND PUBLIC HEARINGS**

**IN THE MATTER OF THE PETITION OF ATLANTIC CITY ELECTRIC COMPANY  
FOR IMPLEMENTATION OF AN ADJUSTMENT TO ITS CONSERVATION  
INCENTIVE PROGRAM RATE MECHANISM AND ASSOCIATED CUSTOMER  
CLASS RATES (2022)**

**BPU Docket No. ER22070463**

**PLEASE TAKE NOTICE** that, on July 29, 2022, Atlantic City Electric Company (“ACE” or “Company”), a New Jersey public utility, filed a petition with the New Jersey Board of Public Utilities (“Board” or “BPU”) seeking authorization to implement adjustments to its Conservation Incentive Program (“CIP”) rate mechanism (“CIP Recovery Charge” or “Rider CIP”) based upon an initial deferral period of July 1, 2021 through June 30, 2022 (“Petition”). ACE has requested that the Board permit the proposed rate adjustments to become effective for electric service rendered on and after October 1, 2022.

On April 27, 2021, in BPU Docket No. EO20090621, the Board adopted a stipulation of settlement authorizing ACE to implement its energy efficiency (“EE”) programs (the “ACE EE Order”). The ACE EE Order approved a portfolio of EE programs with a budget of \$96,065,276 for the three-year term beginning July 1, 2021 and ending June 30, 2024 (the “EE Program”). In addition to the EE Program, the Board approved the Company’s implementation of a cost recovery mechanism, the EE Surcharge, which was included as a component of ACE’s Rider Regional Greenhouse Gas Initiative.

The Company also received the Board’s approval of a modified electric CIP calculation methodology to recover a portion of the Company’s revenues that might be lost due to the successful implementation of the EE Program and the related decrease in energy usage and energy sales. The Company was authorized to implement the CIP Recovery Charge (also known as Rider CIP). The ACE EE Order contemplates that the CIP Recovery Charge shall be adjusted annually and that any variances from the annual filings shall be trued-up in the subsequent year.

The CIP applies to the following ACE Rate Schedules: Residential Service (“RS”), Monthly General Service-Secondary (“MGS-S”), MGS-Primary (“MGS-P”), Annual General Service-Secondary (“AGS-S”), AGS Primary (“AGS-P”), Transmission General Service (“TGS”) Sub-Transmission, and TGS Transmission. The CIP is not applicable to Rate Schedules Direct Distribution Connection (DDC), Transaction Service (TS), Street and Private Lighting (SPL), and Contributed Street Lighting (CSL). The CIP Recovery Charge provides a rate adjustment related to changes in the average revenue per customer when compared to a baseline revenue per customer. The CIP margin deficiency to be collected from customers – or the margin excess to be refunded to customers – is calculated each month by applicable rate schedule by subtracting the baseline revenue per customer from the actual revenue per customer and multiplying the resulting revenue per customer by the actual number of customers for the month. ACE’s ability to recover an adjustment to its CIP is subject to the Company passing an earnings test and is subject to limitations based on offsetting savings achieved by the Company in the costs of Basic Generation Service.

As outlined in the Petition, ACE proposes to refund a net CIP amount of \$13,054,500 to customers within eligible rate classes. This represents \$13,304,089 of refunds owed to customers in the RS, MGS-S, MGS-P, AGS-P, and TGS Sub-Transmission rate classes, partially offset by \$249,589 of margin recovery for the AGS-S and TGS Transmission customer classes. As a result of the net CIP margin excess documented in the Petition, there are no limitations or deferrals to future periods.

If the Board approves this request, ACE estimates that a typical residential customer using Basic Generation Service with usage of 680 kilowatt hours (“kWh”) per month will see a bill *decrease* of (\$0.24) or (0.17) percent, from \$137.75 to \$137.51, as a result of this filing.

The complete bill impact analysis for all Rate Schedules, and its underlying assumptions, are outlined in the Petition. The exact amount that your bill will decrease depends upon the amount of electricity you use. A summary of the proposed rate changes is included with this Notice to help customers assess the impact of the proposed new rates on their monthly bills. The summary assumes that customers receive their electric supply from the Company and not from a third-party supplier.

The chart below provides information as to the monthly rate change by customer class:

| <b>Rate Class</b> | <b>Current Monthly CIP Rates With Sales &amp; Use Tax (“SUT”)</b> | <b>Proposed Monthly CIP Rates with SUT</b> |                                     |
|-------------------|---|--|-------------------------------------|
| RS                | \$0.000000  | (\$0.000354)                               | Per kilowatt-hour                   |
| MGSS              | \$0.000000  | (\$0.008526)                               | Per kilowatt-hour                   |
| MGSP              | \$0.000000  | (\$0.032302)                               | Per kilowatt-hour                   |
| AGSS              | \$0.00  | \$0.04                                     | Per-kilowatt of monthly peak demand |
| AGSP              | \$0.00  | (\$0.13)                                   | Per-kilowatt of monthly peak demand |
| TGST              | \$0.00  | (\$0.17)                                   | Per-kilowatt of monthly peak demand |
| TGS               | \$0.00  | \$0.05                                     | Per-kilowatt of monthly peak demand |

The chart below provides information as to the percentage rate change for all customer rates included on a customer’s monthly invoice by customer class:

| <b>Rate Schedule</b>                                     | <b>Percent Change by Customer Class</b> |
|--|---|
| Residential  | (0.16%)                                 |
| Monthly General Service Secondary                        | (4.35%)                                 |
| Monthly General Service Primary                          | (20.43%)                                |
| Annual General Service Secondary                         | 0.08%                                   |
| Annual General Service Primary                           | (0.24%)                                 |
| Transmission General Service – Sub-transmission          | (0.30%)                                 |
| Transmission General Service – Transmission              | 0.16%                                   |
| Street and Private Lighting/ Contributed Street Lighting | 0.00%                                   |
| Direct Distribution Connection                           | 0.00%                                   |

The impacts noted above are based upon a comparison with current rates as of July 1, 2022. Any final rate adjustments found by the Board to be just and reasonable may be modified and/or allocated by the Board in accordance with the provisions of N.J.S.A. 48:3-4, and for other good and legally sufficient reasons, to any class or classes of customers of the Company. Therefore, the rates set out above may increase or decrease based upon the Board’s decision.

A copy of this Notice of Filing and Public Hearings on the Petition is being served upon the clerk, executive or administrator of each municipality and county within the Company’s service territory. The Petition and this Notice have also been sent to the New Jersey Division of Rate Counsel (“Rate Counsel”), who will represent the interests of all ACE customers in this proceeding. Copies of ACE’s Petition and this Public Notice are posted on ACE’s website at [www.atlanticcityelectric.com/PublicPostings](http://www.atlanticcityelectric.com/PublicPostings).

**PLEASE TAKE FURTHER NOTICE** that, due to the COVID-19 pandemic, virtual public hearings have been scheduled on the following date and time(s) as noted below so that members of the public may present their views on the filing at the virtual public hearings:

|   |   |
|---|---|
| <b>Date:</b> Thursday, October 13, 2022   | <b>Date:</b> Thursday, October 13, 2022   |
| <b>Time:</b> 4:30 P.M.  | <b>Time:</b> 5:30 P.M.  |
| <p><b>VIRTUAL WEBINAR</b><br/>To join the meeting directly, enter <a href="https://tinyurl.com/3cmtemat">https://tinyurl.com/3cmtemat</a></p> <p>To join through a prompt for VTC conference ID, enter <a href="mailto:exelon@m.webex.com">exelon@m.webex.com</a> and then the VTC conference ID 1177104063 followed by #</p> <p><b>Dial-In Number:</b> 1-443-529-0267<br/><b>Phone Conference ID:</b> 665 564 245#</p> | <p><b>VIRTUAL WEBINAR</b><br/>To join meeting directly, enter <a href="https://tinyurl.com/3cmtemat">https://tinyurl.com/3cmtemat</a></p> <p>To join through a prompt for VTC conference ID, enter <a href="mailto:exelon@m.webex.com">exelon@m.webex.com</a> and then the VTC conference ID 1177104063 followed by #</p> <p><b>Dial-In Number:</b> 1-443-529-0267<br/><b>Phone Conference ID:</b> 665 564 245#</p> |

Representatives from the Company, Board Staff, and Rate Counsel will participate in the virtual public hearings. Members of the public are invited to participate by utilizing the link or dial-in information set forth above and may express their views on this Filing. All comments will be made a part of the final record of the proceeding and will be considered by the Board. In order to encourage full participation in this opportunity for public comment, please submit any requests for needed accommodations, such as interpreters or listening assistance, 48 hours prior to the above hearings to the Acting Board Secretary at [board.secretary@bpu.nj.gov](mailto:board.secretary@bpu.nj.gov).

The Board is also accepting written and/or electronic comments. While all comments will be given equal consideration and will be made part of the final record of this proceeding, the preferred method of transmittal is via the Board's [Public Document Search](#) tool. Search for the docket number listed above, and post by utilizing the "Post Comments" button. Emailed comments may be filed with the Acting Secretary of the Board, in pdf or Word format, to [board.secretary@bpu.nj.gov](mailto:board.secretary@bpu.nj.gov).

Written comments may also be submitted to the Acting Board Secretary, Carmen D. Diaz, at the Board of Public Utilities, 44 South Clinton Avenue, 1<sup>st</sup> Floor, P.O. Box 350, Trenton, New Jersey 08625-0350. All emailed or mailed comments should include the name of the filing and the docket number.

All comments are considered "public documents" for purposes of the State's Open Public Records Act. Commenters may identify information that they seek to keep confidential by submitting them in accordance with the confidentiality procedures set forth in N.J.A.C. 14:1-12.3.

Dated: September \_\_, 2022

Atlantic City Electric Company