

**NOTICE TO CUSTOMERS OF
ATLANTIC CITY ELECTRIC COMPANY
OF FILING REGARDING
RATE ADJUSTMENT 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 (2025)**

BPU Docket No. ER25070461

PLEASE TAKE NOTICE that, on July 31, 2025, 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 actual results for the program year July 1, 2024 through June 30, 2025 (“Petition”). ACE requested that the Board permit the proposed rate adjustments to become effective for electric service rendered on and after October 1, 2025.

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 an established budget for the three-year term beginning July 1, 2021 and ending June 30, 2024 (the “EE Program”). By Order dated May 22, 2024, also in BPU Docket No. EO20090621, the EE Program was extended with an associated budget increase. In addition to the EE Program, the Board has 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 tried-up in the subsequent year. This applies to the EE Program and its extension.

The CIP applies to the following ACE Rate Schedules: Residential Service (“RS”), Monthly General Service-Secondary (“MGSS”), MGS-Primary (“MGSP”), Annual General Service-Secondary (“AGSS”), AGS Primary (“AGSP”), Transmission General Service - Sub-Transmission (“TGST”), and Transmission General Service (“TGS”). The CIP is not applicable to Rate Schedules Direct Distribution Connection (“DDC”), 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 (“BGS”).

As outlined in the Petition, ACE proposes to collect a net CIP amount of \$9,573,865, which represents \$10,822,575 of margin deficiency for the residential, \$4,523,556 for MGSP, \$260,961 for TGST, and \$338,252 for TGS customer classes, partially offset by \$6,371,480 of refunds owed to customers in the MGSS, AGSS, and AGSP customer classes. The carryforward balance for CIP Year 3 is in the amount of margin deficiency \$22,774,566. The total net CIP balance to be collected from customers over the upcoming CIP period is \$32,348,432.

If the Board approves this request, the Company estimates that a typical Residential customer using 643 kWh would see a bill decrease of \$1.01 or 0.62%, from \$162.67 to \$161.66, due to this filing. The exact amount that any such bill will decrease or increase depends upon the amount of electricity usage per customer.

The impact noted above is based upon a comparison with current rates as of July 1, 2025. 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 been posted on ACE’s website at www.atlanticcityelectric.com/PublicPostings and has 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. The Petition is also available to review online through the Board’s website, <https://publicaccess.bpu.state.nj.us>, where you can search by the above-captioned docket number. The Petition and Board file may also be reviewed at the Board located at 44 South Clinton Avenue, 1st Floor, Trenton, New Jersey, with an appointment. To make an appointment, call (609) 913-6298.

PLEASE TAKE FURTHER NOTICE that virtual public hearings are scheduled for the following dates and times so that members of the public may present their views on the Company’s Petition:

Date: September 30, 2025
Times: 4:30 P.M.
VIRTUAL WEBINAR To join the meeting directly, enter: https://www.microsoft.com/en-us/microsoft-teams/join-a-meeting?rtc=1 Join a Microsoft Teams Meeting by ID Microsoft Teams Meeting ID: 286 822 080 372 Passcode: ET2k5ir2 Dial-In Number: (443) 529-0267 Phone Conference ID: 101 071 476#

Date: September 30, 2025
Times: 5:30 P.M.
VIRTUAL WEBINAR To join the meeting directly, enter: https://www.microsoft.com/en-us/microsoft-teams/join-a-meeting?rtc=1 Join a Microsoft Teams Meeting by ID Microsoft Teams Meeting ID: 286 822 080 372 Passcode: ET2k5ir2 Dial-In Number: (443) 529-0267 Phone Conference ID: 101 071 476#

Representatives from the Company, Rate Counsel, and the Board’s Staff will participate in the virtual public hearings. Members of the public may participate by utilizing the link or Dial-In number set forth above, to express their views regarding the filing. All comments will be made part of the final record of the proceeding to be considered by the Board. To encourage full participation in this opportunity for public comment, please submit any requests for needed accommodations, such as interpreters and/or listening assistance, forty-eight (48) hours prior to the above hearings to the Secretary at board.secretary@bpu.nj.gov.

The Board is also accepting written comments. Comments may be submitted directly to the specific docket listed above using the “Post Comments” button on the Board’s Public Document Search tool. Comments are public documents for purposes of the State’s Open Public Records Act. Only public documents should be submitted using the “Post Comments” button on the Board’s Public Document Search tool. Any confidential information should be submitted in accordance with the procedures set forth in N.J.A.C. 14:1-12.3. In addition to hard copy submissions, confidential information may be filed electronically via the Board’s e-filing system or by email to the Secretary of the Board, Sherri L. Lewis. Please include “Confidential Information” in the subject line of any email. Instructions for confidential e-filing are found on the Board’s webpage, <https://www.nj.gov/bpu/agenda/efiling/>. Please include the docket number listed above to assist in identifying the matter you are commenting on.

Emailed and/or written comments may also be submitted to:

Secretary of the Board
44 South Clinton Ave., 1st Floor
PO Box 350
Trenton, New Jersey 08625-0350
Email: board.secretary@bpu.nj.gov

All emailed or mailed comments should include the name of the Petition and the Docket Number.