



Agenda Date: 12/18/13
Agenda Item: 21

STATE OF NEW JERSEY
Board of Public Utilities
44 South Clinton Avenue, 9th Floor
Post Office Box 350
Trenton, New Jersey 08625-0350
www.nj.gov/bpu/

ENERGY

IN THE MATTER OF ATLANTIC CITY ELECTRIC)	ORDER
COMPANY'S ANNUAL FILING TO SET THE LEVEL)	
OF ITS "RIDER RGGI" RATE ASSOCIATED WITH ITS)	
SOLAR RENEWABLE ENERGY CERTIFICATE)	
FINANCING PROGRAM and;)	DOCKET NO. EO13030241
)	
N THE MATTER OF ATLANTIC CITY ELECTRIC)	
COMPANY RENEWABLE ENERGY PORTFOLIO)	
STANDARD-AMENDMENTS TO THE MINIMUM)	
FILING REQUIREMENTS FOR ENERGY EFFICIENCY,)	
RENEWABLE ENERGY, AND CONSERVATION)	
PROGRAMS; AND FOR ELECTRIC DISTRIBUTION)	
COMPANY SUBMITTALS OF FILINGS IN)	
CONNECTION WITH SOLAR FINANCING)	DOCKET NO. EO12040312

Parties of Record:

Stefanie A. Brand, Esq., Director, New Jersey Division of Rate Counsel
Philip J. Passanante, Esq., Atlantic City Electric Company

BY THE BOARD:

BACKGROUND AND PROCEDURAL HISTORY

By Order dated August 7, 2008 (the "August 2008 Order"), the New Jersey Board of Public Utilities ("Board") directed Jersey Central Power & Light Company ("JCP&L") and Atlantic City Electric Company ("ACE") to file, by September 30, 2008, a solar financing program based on Solar Renewable Energy Certificates ("SRECs"), utilizing and incorporating certain mandatory design and filing requirements. On October 1, 2008, ACE filed a proposed SREC financing program assigned to BPU Docket No. EO08100875.

ACE, JCP&L, Board Staff, the Division of Rate Counsel ("Rate Counsel"), and the Solar Alliance ("SA") considered the ACE and JCP&L filings in the course of 11 settlement meetings held between February and March 2009. Over the course of those settlement discussions, the ACE

and JCP&L proposals were incorporated into a single program (the "SREC Financing Program"), which included a cost recovery mechanism and incentives. ACE, JCP&L, Staff, and SA executed a stipulation on March 13, 2009 (the "Stipulation"). Rate Counsel was also a signatory to the Stipulation, but reserved its right to contest three specific issues. By Order dated March 27, 2009 (the "March 2009 Order"), the Board approved the Stipulation and decided the contested issues. On May 8, 2009, Rate Counsel filed a Notice of Appeal with the Superior Court of New Jersey, Appellate Division regarding the additional recoveries portion of the contested issues. On July 29, 2009, ACE, JCP&L, the Board, and Rate Counsel entered into a further stipulation of settlement with respect to the contested issues (the "Stipulation on Appeal"). By Order dated September 16, 2009, the Board modified its March 2009 Order to reflect the terms of the Stipulation on Appeal. Rate Counsel withdrew its appeal on September 23, 2009. The Order required that ACE's Rider RGGI rate for the initial year be set at zero (\$0.00).

On April 12, 2012, ACE filed a Verified Petition (the "2012 Petition") seeking a Board Order authorizing ACE to implement recovery of the costs associated with the SREC Financing Program from the commencement of the program through March 31, 2012, pursuant to the cost recovery mechanism approved in the March 31, 2009 and September 16, 2009 Board Orders. That proceeding was docketed as BPU Docket No. EO12040312.

On or about June 29, 2012 and August 31, 2012, ACE submitted responses to a series of data requests propounded by Rate Counsel. The June 29, 2012 submittal contained an update to Exhibit D of the filing reflecting certain adjustments based on responses to the data requests. After publication of notice in newspapers in ACE's service territory, two public hearings on the 2012 Petition were held in Hammonton, New Jersey on May 31, 2012. No members of the general public spoke with respect to the 2012 Petition.

On or about March 21, 2013, ACE filed a Verified Petition (the "2013 Petition") seeking a Board Order authorizing ACE to implement recovery of the costs associated with the SREC Financing Program and updating the actual costs. As of March 21, 2013, the date of the filing of the 2013 Petition, the April 2012 Petition had not been acted upon by the Board. The 2013 Petition included actual costs for the period from commencement of the program through January 2013. In addition, since the 2012 Petition remained an open docket, the projected billing determinants for the rate effective period reflected in the 2013 Petition had been updated to cover the period June 1, 2012 through May 31, 2014.

Discovery was submitted and responded to with respect to the 2013 Petition. Following appropriate notice in newspapers in general circulation in the Company's service territory, two public hearings were held in Hammonton, New Jersey on August 28, 2013, at which no member of the public appeared in opposition to the 2013 Petition.

Stipulation

ACE, Rate Counsel and Staff (the "Parties") actively participated in discovery and settlement negotiations, which ultimately resulted in the execution of a Stipulation of Settlement ("Stipulation") resolving all factual and legal issues pertaining to the 2012 and 2013 Petitions.

The Parties agree to the following salient terms:

1. The Parties agree that the actual SREC Financing Program Costs incurred through January 31, 2013, as shown in Exhibit B to the 2013 Petition, a copy of which is attached as Attachment 1 to the Stipulation, have been reviewed and deemed prudent and reasonable by the Parties. Actual costs incurred after that date are subject to review for reasonableness and prudence in future proceedings.
2. The proposed SREC RGGI Recovery Charge should be set at \$0.000610 per kWh, inclusive of SUT, resulting in a rate impact on a typical residential customer using 1000 kWh per month of \$0.61 or a 0.36 percent increase. The rate of \$0.000610 per kWh, inclusive of SUT, is based on an annual revenue requirement of \$5,527,545, as shown in Exhibit B to the Company's 2013 Petition, a copy of which is attached as Attachment 1 to the Stipulation. This revenue requirement reflects actual results through January 31, 2013 and includes: a) a deferred balance of \$5,264,652, b) interest of \$18,171, c) SREC Transaction Fees of \$232,971 and d) interest of \$11,751 projected through May 2014. This Stipulation resolves all issues with regard to the calculation of the revenue requirement through January 31, 2013.
3. The Company will submit updated tariff sheets within five (5) business days of the effective date of the Board's Order in this docket conforming to the agreed upon rates and terms set-forth in the above paragraphs. The proposed tariff sheets are attached as Attachment 2 to the Stipulation.
4. The Parties acknowledge and agree that the 2013 Petition, and adoption by the Board of this Stipulation, resolve the 2012 Petition.

DISCUSSION AND FINDING

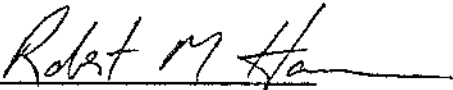
The Board has carefully reviewed the record in this matter including the 2012 and 2013 Petitions, and the Stipulation. The Board is persuaded that the costs through January 2013 as shown on Attachment 1 to the Stipulation have been reviewed and deemed to be reasonable and prudent, and therefore, based on its review, the Board **HEREBY FINDS** the Stipulation to be reasonable, in the public interest and in accordance with the law. Accordingly, the Board **HEREBY ADOPTS** the Stipulation as its own, as if fully set forth herein.

As a result of the Stipulation, customers will see an increase of \$0.61 or 0.36% in the monthly electric bills for a typical residential customers using 1,000 kwh per month.


This Board Order shall be effective as of January 1, 2014. The Board **HEREBY ORDERS** ACE to file revised tariff sheets in compliance with the terms and conditions of the Stipulation by January 1, 2014.

DATED: 12/18/13

BOARD OF PUBLIC UTILITIES
BY:



ROBERT M. HANNA
PRESIDENT

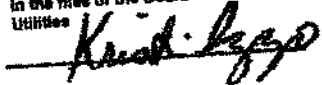

JEANNE M. FOX
COMMISSIONER


JOSEPH L. FIORDALISO
COMMISSIONER


MARY-ANNA HOLDEN
COMMISSIONER


DIANNE SOLOMON
COMMISSIONER

ATTEST:

KRISTI IZZO
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 ANNUAL FILING TO SET THE LEVEL OF ITS "RIDER RGGI" RATE ASSOCIATED WITH ITS SOLAR RENEWABLE ENERGY CERTIFICATE FINANCING PROGRAM - DOCKET NO. EO13030241; AND

IN THE MATTER OF ATLANTIC CITY ELECTRIC COMPANY RENEWABLE ENERGY PORTFOLIO STANDARD – AMENDMENTS TO THE MINIMUM FILING REQUIREMENTS FOR ENERGY EFFICIENCY, RENEWABLE ENERGY, AND CONSERVATION PROGRAMS AND FOR ELECTRIC DISTRIBUTION COMPANY SUBMITTALS OF FILINGS IN CONNECTION WITH SOLAR FINANCING - DOCKET NO. EO12040312

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Chris Christie
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Kim Guadagno
Lt. Governor

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Kristi Izzo
Secretary of the Board
(609) 292-1599

December 17, 2013

Eric DeGesero
Executive Vice President
Fuel Merchants Association of New Jersey
66 Morris Ave.
P.O. Box 477
Springfield, NJ 07081-0477

Dear Mr. DeGesero:

President Hanna asked me to respond to your letter of December 5, 2013, in which you requested a copy of each interruptible class customer's seven day alternative fuel supply data.

The gas local distribution companies are not required to file this information with the Board of Public Utilities. Therefore, the Board has no records that would be considered responsive to your request.

Please feel free to contact me if you have any questions.

Sincerely,

Kristi Izzo
Secretary of the Board

**IN THE MATTER OF ATLANTIC CITY
ELECTRIC COMPANY'S ANNUAL FILING
TO SET THE LEVEL OF ITS "RIDER RGGI"
RATE ASSOCIATED WITH ITS SOLAR
RENEWABLE ENERGY CERTIFICATE
FINANCING PROGRAM (2013)**

**IN THE MATTER OF ATLANTIC CITY
ELECTRIC COMPANY RENEWABLE
ENERGY PORTFOLIO STANDARD –
AMENDMENTS TO THE MINIMUM FILING
REQUIREMENTS FOR ENERGY
EFFICIENCY, RENEWABLE ENERGY, AND
CONSERVATION PROGRAMS; AND FOR
ELECTRIC DISTRIBUTION COMPANY
SUBMITTALS OF FILINGS IN
CONNECTION WITH SOLAR FINANCING**

**STATE OF NEW JERSEY
BOARD OF PUBLIC UTILITIES
STIPULATION OF SETTLEMENT
BPU DOCKET NO. EO13030241**

BPU DOCKET NO. EO12040312

APPEARANCES:

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

Alex Moreau and T. David Wand, Deputy Attorneys General, on behalf of the Staff of the New Jersey Board of Public Utilities; and

Felicia Thomas-Friel, Esq., Deputy Rate Counsel, Kurt S. Lewandowski, Assistant Deputy Rate Counsel and Sarah H. Steindel, Esq. Assistant Deputy Rate Counsel, on behalf of the New Jersey Division of Rate Counsel (Stefanie A. Brand, Director).

This Stipulation of Settlement (the "Stipulation") is hereby made and executed as of this 3rd day of December, 2013, 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, the "Parties"), in settlement of all factual and legal issues pertaining to the Company's Verified Petition and SREC Financing Program Update filed on or about April 12, 2012 "Verified Petition and SREC Financing Program Update (BPU Docket No. EO12040312) (the "2012 Petition") and Verified Petition filed on or about March 21, 2013 "Verified Petition and SREC Financing Program Update" (BPU Docket No. EO13030241) (the "2013 Petition"). The 2012 and 2013 Petitions were filed in response to the Board of Public Utilities' (the "Board" or "BPU") Orders dated March 27, 2009 and September 16, 2009 (the "Orders") issued under BPU Docket No. EO08100875.

BACKGROUND

By Order dated August 7, 2008 (the "August 2008 Order"), the Board directed Jersey Central Power & Light Company ("JCP&L") and ACE to file, by September 30, 2008, a solar financing program based on Solar Renewable Energy Certificates ("SRECs"), utilizing and incorporating certain mandatory design and filing requirements. On October 1, 2008, ACE filed a proposed SREC financing program in connection with BPU Docket No. EO08100875. ACE, JCP&L, Board Staff, Rate Counsel, and the Solar Alliance ("SA") considered the ACE and JCP&L filings in the course of 11 settlement meetings held between February and March 2009. Over the course of those settlement discussions, the ACE and JCP&L proposals were incorporated into a single program (the "SREC Financing Program"), which included a cost recovery mechanism and incentives. ACE, JCP&L, Staff, and SA executed a stipulation on March 13, 2009 (the "Stipulation"). Rate Counsel was also a signatory to the Stipulation, but

reserved its right to contest three specific issues. By Order dated March 27, 2009 (the "March 2009 Order"), the Board approved the Stipulation and decided the contested issues. On May 8, 2009, Rate Counsel filed a Notice of Appeal with the Superior Court of New Jersey, Appellate Division regarding the additional recoveries portion of the contested issues. On July 29, 2009, ACE, JCP&L, the Board, and Rate Counsel entered into a further stipulation of settlement with respect to the contested issues (the "Stipulation on Appeal"). By Order dated September 16, 2009, the Board modified its March 2009 Order to reflect the terms of the Stipulation on Appeal. Rate Counsel withdrew its appeal on September 23, 2009. The Order required that ACE's Rider RGGI rate for the initial year be set at zero (\$0.00).

The 2012 Petition seeks a Board Order authorizing ACE to implement recovery of the costs associated with the SREC Financing Program from the commencement of the program through March 31, 2012 pursuant to the cost recovery mechanism approved in the March 31, 2009 and September 16, 2009 Board Orders. That proceeding was docketed as BPU Docket No. EO12040312. On or about June 29, 2012 and August 31, 2012, ACE submitted responses to a series of data requests propounded by Rate Counsel. The June 29, 2012 submittal contained an update to Exhibit D of the filing reflecting certain adjustments based on responses to the data requests. Two public hearings on the 2012 Petition were held in Petitioner's service territory on May 31, 2012, as required by law. No members of the general public spoke with respect to the 2012 Petition.

As of the date of the filing of the 2013 Petition, the 2012 Petition had not been acted upon by the Board. The 2013 Petition included the period from the commencement of the program through January 2013. In addition, since the 2012 Petition remains an open docket,

the projected billing determinants for the rate effective period reflected in the 2013 Petition have been updated to cover the period June 1, 2012 through May 31, 2014.

Discovery was submitted and responded to with respect to the 2013 Petition. Following appropriate notice in newspapers in general circulation in the Company's service territory, two public hearings were held on August 28, 2013, at which no member of the public appeared in opposition to the 2013 Petition.

STIPULATION

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

1. The Parties agree that the actual SREC Financing Program Costs incurred through January 31, 2013 as shown in Exhibit B to the 2013 Petition, a copy of which is attached hereto as Attachment 1, have been reviewed and deemed prudent and reasonable by the Parties. Actual costs incurred after that date are subject to review for reasonableness and prudence in future proceedings.

2. The Parties agree that the proposed SREC RGGI Recovery Charge should be set at \$0.000610 per kWh, inclusive of SUT, resulting in a rate impact on a typical residential customer using 1000 kWh per month of \$0.61 or a 0.36 percent increase, and that such increase is consistent with the terms and conditions of the Board's Orders, and therefore should be approved by the Board. The rate of \$0.000610 per kWh, inclusive of SUT, is based on an annual revenue requirement of \$5,527,545, as shown in Exhibit B to the Company's 2013 Petition, a copy of which is attached hereto as Attachment 1. This revenue requirement reflects actual results through January 31, 2013 and includes a) a deferred balance of \$5,264,652, b) interest of

\$18,171, and c) SREC Transaction Fees of \$232,971, and d) interest of \$11,751 projected through May 2014. This Stipulation resolves all issues with regard to the calculation of the revenue requirement through January 31, 2013.

3. The Company will submit updated tariff sheets within five (5) business days of the effective date of the Board's Order in this docket conforming to the agreed upon rates and terms set-forth in the above paragraphs. The proposed tariff sheets are attached as Attachment 2.

4. The Parties acknowledge and agree that the 2013 Petition, and adoption by the Board of this Stipulation, resolve the 2012 Petition.

SETTLEMENT IMPLEMENTATION

The Parties hereby request that this Stipulation be considered by the Board at its first available agenda meeting following execution hereof by the Parties, and that the change in the Company's RGGI charge applicable to the SREC as proposed in the 2013 Petition be made effective for customer bills rendered on and after the first day of the calendar month following the effective date of the Board's approval hereof, consistent with N.J.S.A. 48:2-20.

CONCLUSION

5. 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 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 ten (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.

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

7. 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 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.

8. 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 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.

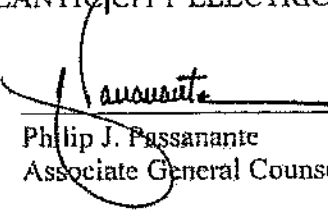
9. This Stipulation may be executed in any number of counterparts, each of which shall be considered one and the same agreement, and shall become effective when one or more counterparts have been signed by each of the Parties.

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 their entirety in accordance with the terms hereof.

[SIGNATURES APPEAR ON THE FOLLOWING PAGE]

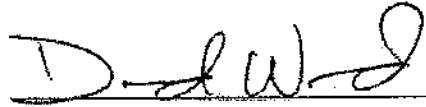
ATLANTIC CITY ELECTRIC COMPANY

Dated: December 3, 2013

By: 
Phillip J. Passanante
Associate General Counsel

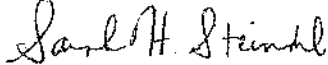
JOHN J. HOFFMAN
ACTING ATTORNEY GENERAL OF NEW
JERSEY
Attorney for the Staff of the New Jersey Board of
Public Utilities

Dated: 12/5/13

By: 
Alex Moreau
T. David Wand
Deputy Attorneys General

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

Dated: 12/5/13

By: 
Sarah H. Steindel
~~Kurt S. Lewandowski, Esq.~~
Assistant Deputy Rate Counsel

Attachment 1

ATLANTIC CITY ELECTRIC COMPANY
RCG Recovery Charge
Solar Renewable Energy Credit (SREC) Financing Program

SECTION 1 - FORECASTED YEAR RECOVERY SCHEDULE

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

Jun-13	773,458
Jul-13	978,226
Aug-13	1,050,124
Sept-13	847,590
Oct-13	743,822
Nov-13	668,153
Dec-13	721,978
Jan-14	820,378
Feb-14	773,753
Mar-14	755,363
Apr-14	711,022
May-14	685,071
	<u>5,638,937</u>

Table 2 - SREC Prior Year Monthly Over/Under Recovered Balances

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
Month	Auction Revenue	SREC Purchases	Administrative Costs	Over/(Under) Recovery	Over/(Under) Beginning Monthly Balance	Over/(Under) Ending Monthly Balance	Avg Monthly Balance	=Col 7 x (1-Composite Tax Factor)	2yr. constant Maturity Treasury + 60 B.P.	Interest	Cumulative Interest
				= Col 2 - Col 3 - Col 4			= (Col 5 + Col 6)/2	= Col 7 x Col 9/12			
Oct-09	\$ -	\$ -	\$ 21,301	\$ (21,301)	\$ -	\$ (21,301)	\$ (10,650)	\$ (6,300)	1.47%	\$ (8)	\$ (8)
Nov-09	\$ -	\$ -	\$ 39,712	\$ (39,712)	\$ (21,301)	\$ (61,013)	\$ (41,157)	\$ (24,344)	1.52%	\$ (31)	\$ (39)
Dec-09	\$ -	\$ -	\$ -	\$ -	\$ (61,013)	\$ (61,013)	\$ (61,013)	\$ (36,088)	1.27%	\$ (38)	\$ (77)
Jan-10	\$ -	\$ -	\$ 45,140	\$ (4,466)	\$ (61,013)	\$ (108,229)	\$ (83,621)	\$ (49,466)	1.69%	\$ (70)	\$ (146)
Feb-10	\$ -	\$ -	\$ 4,446	\$ (4,466)	\$ (106,229)	\$ (110,675)	\$ (108,452)	\$ (84,150)	1.46%	\$ (86)	\$ (234)
Mar-10	\$ -	\$ -	\$ 62,460	\$ (4,095)	\$ (110,675)	\$ (173,135)	\$ (141,905)	\$ (83,937)	1.40%	\$ (98)	\$ (322)
Apr-10	\$ -	\$ -	\$ 4,095	\$ (4,095)	\$ (173,135)	\$ (177,230)	\$ (175,183)	\$ (103,621)	1.65%	\$ (142)	\$ (465)
May-10	\$ -	\$ -	\$ 21,264	\$ (31,624)	\$ (177,230)	\$ (198,494)	\$ (187,992)	\$ (111,120)	1.60%	\$ (148)	\$ (613)
Jun-10	\$ -	\$ -	\$ 31,624	\$ (51,017)	\$ (198,494)	\$ (230,118)	\$ (214,305)	\$ (126,762)	1.38%	\$ (148)	\$ (761)
Jul-10	\$ -	\$ -	\$ 51,017	\$ (12,888)	\$ (230,118)	\$ (281,136)	\$ (255,627)	\$ (151,203)	1.23%	\$ (155)	\$ (914)
Aug-10	\$ -	\$ -	\$ 3,816	\$ (3,816)	\$ (281,136)	\$ (284,623)	\$ (287,579)	\$ (170,103)	1.19%	\$ (164)	\$ (1,078)
Sep-10	\$ -	\$ -	\$ 54,361	\$ (24,637)	\$ (284,623)	\$ (297,839)	\$ (285,931)	\$ (175,043)	1.10%	\$ (160)	\$ (1,238)
Oct-10	\$ -	\$ -	\$ 24,637	\$ (24,637)	\$ (297,839)	\$ (352,200)	\$ (325,020)	\$ (192,246)	1.02%	\$ (163)	\$ (1,402)
Nov-10	\$ -	\$ -	\$ 8,474	\$ (6,474)	\$ (352,200)	\$ (376,837)	\$ (384,519)	\$ (215,613)	0.94%	\$ (169)	\$ (1,571)
Dec-10	\$ -	\$ -	\$ 20,207	\$ (27,721)	\$ (376,837)	\$ (414,816)	\$ (400,064)	\$ (235,405)	1.13%	\$ (212)	\$ (1,783)
Jan-11	\$ -	\$ -	\$ 6,474	\$ (6,474)	\$ (414,816)	\$ (435,623)	\$ (424,918)	\$ (251,340)	1.20%	\$ (237)	\$ (2,020)
Feb-11	\$ -	\$ -	\$ 30,078	\$ 42,630	\$ (435,623)	\$ (483,487)	\$ (439,260)	\$ (259,922)	1.25%	\$ (253)	\$ (2,273)
Mar-11	\$ -	\$ -	\$ 67,236	\$ (67,236)	\$ (483,487)	\$ (400,866)	\$ (422,162)	\$ (246,720)	1.40%	\$ (273)	\$ (2,546)
Apr-11	\$ -	\$ -	\$ 16,551	\$ (16,551)	\$ (400,866)	\$ (468,103)	\$ (434,485)	\$ (269,888)	1.21%	\$ (269)	\$ (2,817)
May-11	\$ -	\$ -	\$ (546)	\$ (8,106)	\$ (468,103)	\$ (489,254)	\$ (476,798)	\$ (283,168)	1.04%	\$ (245)	\$ (3,067)
Jun-11	\$ -	\$ -	\$ 55,805	\$ 149,969	\$ (489,254)	\$ (497,462)	\$ (493,408)	\$ (291,851)	1.54%	\$ (375)	\$ (3,442)
Jul-11	\$ -	\$ -	\$ 376,833	\$ (55,805)	\$ (497,462)	\$ (347,494)	\$ (422,478)	\$ (248,896)	0.98%	\$ (204)	\$ (3,646)
Aug-11	\$ -	\$ -	\$ (112,756)	\$ (376,833)	\$ (347,494)	\$ (403,300)	\$ (422,478)	\$ (222,847)	0.79%	\$ (146)	\$ (3,792)
Sep-11	\$ -	\$ -	\$ 205,888	\$ 53,550	\$ (403,300)	\$ (1,183,741)	\$ (793,520)	\$ (469,367)	0.84%	\$ (329)	\$ (4,067)
Oct-11	\$ -	\$ -	\$ 2,700	\$ 2,700	\$ (1,183,741)	\$ (923,626)	\$ (623,254)	\$ (329,520)	0.84%	\$ (253)	\$ (4,320)
Nov-11	\$ -	\$ -	\$ 376,585	\$ 376,585	\$ (923,626)	\$ (946,785)	\$ (935,208)	\$ (553,174)	0.87%	\$ (401)	\$ (4,721)
Dec-11	\$ -	\$ -	\$ 23,159	\$ (23,159)	\$ (946,785)	\$ (946,785)	\$ (946,785)	\$ (648,416)	0.87%	\$ (470)	\$ (5,191)
Jan-12	\$ -	\$ -	\$ (62,936)	\$ (62,936)	\$ (946,785)	\$ (1,245,662)	\$ (1,096,224)	\$ (700,882)	0.87%	\$ (485)	\$ (5,676)
Feb-12	\$ -	\$ -	\$ 104,358	\$ 122,119	\$ (1,245,662)	\$ (1,121,543)	\$ (1,185,841)	\$ (854,268)	0.90%	\$ (504)	\$ (6,180)
Mar-12	\$ -	\$ -	\$ 24,597	\$ (24,597)	\$ (1,121,543)	\$ (1,146,140)	\$ (1,159,547)	\$ (894,671)	0.93%	\$ (527)	\$ (6,707)
Apr-12	\$ -	\$ -	\$ 18,958	\$ (44,407)	\$ (1,146,140)	\$ (1,323,543)	\$ (1,368,843)	\$ (954,268)	0.87%	\$ (548)	\$ (7,255)
May-12	\$ -	\$ -	\$ 21,956	\$ 166,363	\$ (1,323,543)	\$ (1,589,547)	\$ (1,511,865)	\$ (1,044,870)	0.85%	\$ (605)	\$ (7,860)
Jun-12	\$ -	\$ -	\$ 43,350	\$ (19,372)	\$ (1,589,547)	\$ (1,443,184)	\$ (1,443,184)	\$ (954,049)	0.90%	\$ (608)	\$ (8,468)
Jul-12	\$ -	\$ -	\$ 1,240,905	\$ (967,325)	\$ (1,443,184)	\$ (1,453,555)	\$ (1,443,184)	\$ (1,145,964)	0.84%	\$ (609)	\$ (9,077)
Aug-12	\$ -	\$ -	\$ 32,077	\$ (32,077)	\$ (1,453,555)	\$ (2,420,881)	\$ (1,937,218)	\$ (1,441,438)	0.84%	\$ (609)	\$ (9,686)
Sep-12	\$ -	\$ -	\$ 17,855	\$ (17,855)	\$ (2,420,881)	\$ (2,472,958)	\$ (2,461,868)	\$ (1,456,206)	0.83%	\$ (607)	\$ (10,293)
Oct-12	\$ -	\$ -	\$ 22,659	\$ (328,886)	\$ (2,472,958)	\$ (3,798,803)	\$ (3,135,309)	\$ (1,854,535)	0.86%	\$ (607)	\$ (10,900)
Nov-12	\$ -	\$ -	\$ 30,363	\$ (211,121)	\$ (3,798,803)	\$ (4,010,924)	\$ (3,905,364)	\$ (1,733)	0.80%	\$ (607)	\$ (11,507)
Dec-12	\$ -	\$ -	\$ 20,792	\$ (30,135)	\$ (4,010,924)	\$ (4,041,658)	\$ (4,025,991)	\$ (1,687)	0.85%	\$ (607)	\$ (12,114)
Jan-13	\$ -	\$ -	\$ 1,202,802	\$ (223,594)	\$ (4,041,658)	\$ (5,284,652)	\$ (4,652,455)	\$ (1,995)	0.87%	\$ (607)	\$ (12,721)

Table 3 - Forecasted Recovery of Year 1 Over/(Under) Recovered Balance

(1)	(2) = (Table 4 Col 6 + Table 4 Col 10) x Forecasted Annual Sales	(3) Over/(Under) Recovery Beginning Monthly Balance	(4) = Col 3 + Col 2 Over/(Under) Recovery Ending Monthly Balance	(5) = (Col 3 + Col 4) / 2 Over/(Under) Recovery Avg Monthly Balance	(6) = Col 5 x (1-Composite Tax Factor) Net of Tax Recovery Over/(Under) Avg Monthly Balance	(7) 2yr. constant Maturity Treasury + 60 B.P. 0.87%	(8) = Col 6 x Col 7 / 12 Interest
June-13	424,350	(5,282,923)	(4,858,473)	(5,070,648)	(2,873,787)	0.87%	(2,063)
Jul-13	656,694	(4,656,473)	(4,321,779)	(4,589,126)	(2,586,352)	0.87%	(1,853)
Aug-13	576,140	(4,321,779)	(3,745,639)	(4,033,709)	(2,215,545)	0.87%	(1,606)
Sept-13	519,886	(3,745,639)	(3,225,752)	(3,486,696)	(1,868,033)	0.87%	(1,363)
Oct-13	408,091	(3,225,752)	(2,817,661)	(3,021,707)	(1,665,647)	0.87%	(1,208)
Nov-13	366,576	(2,817,661)	(2,451,086)	(2,634,374)	(1,449,817)	0.87%	(1,051)
Dec-13	396,106	(2,451,086)	(2,054,980)	(2,253,033)	(1,215,621)	0.87%	(881)
Jan-14	450,092	(2,054,980)	(1,604,887)	(1,829,934)	(948,231)	0.87%	(688)
Feb-14	424,512	(1,604,887)	(1,189,375)	(1,392,631)	(688,192)	0.87%	(508)
Mar-14	414,422	(1,189,375)	(785,953)	(973,164)	(483,061)	0.87%	(328)
Apr-14	390,095	(785,953)	(375,858)	(579,905)	(222,320)	0.87%	(161)
May-14	376,858	(375,858)	(0)	(187,929)	(0)	0.87%	(0)
							(11,751)

Table 4 - SREC Transaction Fee

Total SRECs Procured through January 2013	\$	10,313	
SREC Transaction Fee	\$	22.59	per SREC
Total SREC Transaction Fees	\$	232,971	

SECTION II. RGGI RECOVERY CHARGE (SREC COMPONENT) CALCULATION

SREC Deferred Balance Recovery	\$	5,282,923	Table 2, Col 7 + Table 2, Col 11
Interest	\$	11,751	Table 3, Col 8
SREC Transaction Fees	\$	232,971	
Total Annual Amount to be Recovered	\$	5,527,545	
Retail Sales - kWh	\$	9,628,937,215	
\$/KWH Surcharge	\$	0.000574	
BPU Assessment	\$	0.000001	
\$/KWH Surcharge with SUT	\$	0.000615	

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

(1) Date	ACE Short-Term Debt Rate USE WEIGHTED AVE FOR BOTH CP & ST NOTES	(2) Rate on 1st of Current Month Yr. constant			(12) Cumulative Interest
		maturity Treasury	+ 60 bp	Interest Rate	
Jul-09	0.76%	1.0500%	0.60%	1.65%	
Aug-09	0.64%	1.1800%	0.60%	1.78%	
Sep-09	0.52%	0.9200%	0.60%	1.52%	
Oct-09	0.38%	0.8700%	0.60%	1.47%	
Nov-09	0.32%	0.9200%	0.60%	1.52%	
Dec-09	0.33%	0.6700%	0.60%	1.27%	
Jan-10	0.31%	1.0900%	0.60%	1.69%	
Feb-10	0.30%	0.8600%	0.60%	1.46%	
Mar-10	0.31%	0.8000%	0.60%	1.40%	
Apr-10	0.33%	1.0500%	0.60%	1.65%	
May-10	0.38%	1.0000%	0.60%	1.60%	
Jun-10	0.42%	0.7800%	0.60%	1.38%	
Jul-10	0.41%	0.8300%	0.60%	1.23%	
Aug-10	0.41%	0.5600%	0.60%	1.18%	
Sep-10	0.40%	0.5000%	0.60%	1.10%	
Oct-10	0.37%	0.4200%	0.60%	1.02%	
Nov-10	0.35%	0.3400%	0.60%	0.94%	
Dec-10	0.35%	0.5300%	0.60%	1.13%	
Jan-11	0.35%	0.6000%	0.60%	1.20%	
Feb-11	0.35%	0.6100%	0.60%	1.21%	
Mar-11	0.35%	0.6800%	0.60%	1.28%	
Apr-11	0.35%	0.8000%	0.60%	1.40%	0
May-11	0.31%	0.6100%	0.60%	1.21%	0
Jun-11	0.31%	0.4400%	0.60%	1.04%	0
Jul-11	0.29%	0.5000%	0.60%	1.54%	0
Aug-11	0.34%	0.3800%	0.60%	0.98%	0
Sep-11	0.30%	0.1900%	0.60%	0.79%	0
Oct-11	0.84%	0.2400%	0.60%	0.84%	0
Nov-11	0.68%	0.2300%	0.60%	0.83%	0
Dec-11	0.72%	0.2700%	0.60%	0.87%	0
Jan-12	0.83%	0.2700%	0.60%	0.87%	0
Feb-12	0.85%	0.2300%	0.60%	0.83%	0
Mar-12	0.89%	0.3000%	0.60%	0.90%	0
Apr-12		0.3300%	0.60%	0.93%	0
May-12		0.2700%	0.60%	0.87%	0
Jun-12		0.2500%	0.60%	0.85%	0
Jul-12		0.3000%	0.60%	0.90%	0
Aug-12		0.2400%	0.60%	0.84%	0
Sep-12		0.2300%	0.60%	0.83%	0

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

<u>Line No.</u>	<u>Description</u>	<u>Statutory Tax Rate</u>
1	BPU Assessment	0.500%
2	NJ Income Tax Rate	9.000%
3	Federal Income Tax Rate	35.00%

<u>Line No.</u>	<u>Description</u>	<u>Computation</u>	<u>Total Tax Factor</u>	<u>Income Tax Factor</u>
4	BPU Assessment	line 1	0.5000%	0.0000%
5	NJ Income Tax Factor	(100%-line 1) x line 2	8.9550%	9.0000%
6	Federal Income Tax Factor	(100% - (line 4 + line 5)) x line 3	31.6908%	31.8500%
7	Composite Tax Factor	line 4 + line 5 + line 6	41.1458%	40.8500%
8	Complement of Composite Tax Factor	100% - (line 4 + line 5 + line 6)	58.8543%	59.1500%

Attachment 2

ATLANTIC CITY ELECTRIC COMPANY

BPU NJ No. 11 Electric Service - Section IV Revised Sheet Replaces 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)	\$0.000493
This charge component is intended to recover costs associated with the Residential Controllable Smart Thermostat Demand Response Program.	
Solar Renewable Energy Credit (SREC) (\$/kWh)	\$0.000610
This charge component is intended to recover net costs associated with the Solar Renewable Energy Credit Program.	

Date of Issue:

Effective Date:

Issued by: