



Agenda Date: 4/15/15
Agenda Item: 2F

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)
COMPANY'S VERIFIED PETITION TO RECONCILE)
THE INITIAL FOUR YEAR TERM OF RESIDENTIAL)
CONTROLLABLE SMART THERMOSTAT PROGRAM)
AND TO REDUCE ITS RGGI RECOVERY CHARGE)
FOR THE PERIOD JUNE 1, 2014 THROUGH MAY 31,)
2015) DOCKET NO. ER14070832

Parties of Record:

Philip J. Passanante, Esq., Atlantic City Electric Company
Nicholas W. Mattia Jr., Esq., Dickstein Shapiro, LLC, on behalf of Atlantic City Electric Company
Stefanie A. Brand, Esq., Director, New Jersey Division of Rate Counsel

BY THE BOARD:

By this decision and Order the New Jersey Board of Public Utilities ("Board") considers a Stipulation of Settlement executed on April 2, 2015 by and among Atlantic City Electric Company ("ACE" or "Company"), the Staff of the Board ("Staff"), and the New Jersey Division of Rate Counsel ("Rate Counsel") (collectively, the "Parties") ("April 2015 Stipulation") resolving all factual and legal issues pertaining to the Company's July 31, 2014 Residential Controllable Small Thermostat Program ("RCSTP" or the "Program") petition seeking the Board's acceptance of its reconciliation of the initial four year term of the RCSTP and approval of its request to reduce its RGGI Recovery Charge used to recover the costs of the Program from the current charge of \$.000010 per kwh to \$0.0000 per kwh for the period through May 31, 2015. The April 2015 Stipulation also seeks approval to extend the Program for an additional year beyond the four year extension period previously approved by the Board, that commencing on June 1, 2014, and currently goes through May 31, 2018¹.

¹In the Matter of Atlantic City Electric Company's Verified Petition Requesting Authorization to Continue Implementation of its Residential Controllable Smart Thermostat Program ("RCSTP") for the Four-Year Period Commencing on or about June 1, 2014, and Modification of its RGGI Recovery Charge for 2014-2015, Docket No. ER13100907 (April 24, 2014)

BACKGROUND AND PROCEDURAL HISTORY

By Order dated July 1, 2008 (“2008 Order”), the Board, pursuant to N.J.S.A. 48:3-98.1(a)(3), directed the State’s four electric distribution companies, including ACE, to submit proposals to the Board by August 1, 2008 for demand response (“DR”) programs to be implemented for the period beginning June 1, 2009.² In response to the 2008 Order, ACE submitted its DR petition to the Board on August 4, 2008 (“August 4 Filing”), under N.J.S.A. 48:3-98.1.³ The August 4 Filing contained a proposal for the RCSTP for residential customers, along with other DR proposals.

By Board Order dated July 31, 2009 (the “Initial Order”), the Board adopted a Stipulation dated June 30, 2009 (the “Initial Stipulation”), entered into by and among the Parties. The Initial Order authorized the Company to commence the roll-out of the RCSTP for approximately eight months following program approval by the Board on a “region by region” basis within its service territory, and continue over an approximate four year period until all eligible customers had been afforded an opportunity to participate in the RCSTP. The stated objective was to enroll and maintain by the conclusion of the initial roll-out period (May 31, 2014) approximately 42,000 residential customer participants, some of whom could have multiple controllable demand response devices installed at their residences.

The RCSTP was marketed to customers as the “Energy Wise Rewards Program,” a DR program that replaced the Company’s Peak Savers Club, which was to be terminated by May 31, 2014. The RCSTP was approved as a voluntary air conditioner cycling program for all residential customers with central air conditioners and/or heat pumps in ACE’s service territory. DR devices, either thermostats or switches, were installed at the homes of program participants and remotely controlled by the Company to reduce electric usage during periods of peak electric demand. The expected amount of DR reduction by the end of the initial four year roll-out period was approximately 50.64 megawatts.

Initially, the RCSTP operated as a 50% duty cycling program in which the air conditioning unit compressors of participating customers were cycled off for 15 minutes out of each half hour period. A RCSTP participant may override a Company imposed cycling event no more than two times per year without penalty by calling the Company, but may not override any PJM called cycling events.

Under the Program, participants received a one-time \$50 incentive payment for each Qualifying Unit, but if a customer did not participate in the program for the full twelve month period, the participant would be required to forfeit the one time enrollment incentive credit. Participants had the option to select either a programmable thermostat (“Smart Thermostat”) or an outdoor cycling device for each Qualifying Unit, depending upon personal preference or equipment constraints.

² In the Matter of Demand Response Programs for the Period Beginning June 1, 2009 – Electric Distribution Company Programs, BPU Docket No. EO08050326.

³ In the Matter of Electric Public Utilities and Gas Public Utilities Offering Energy Efficiency and Conservation Programs, Investing in Class I Renewable Energy Resources, and Offering Class I Renewable Energy Programs in Their Respective Service Territories on a Regulated Basis Pursuant to N.J.S.A. 48:3-91, BPU Docket No. EO08030164 (May 12, 2008).

In addition to reducing the Company's demand for electric capacity to meet its customers' energy requirements, the RCSTP would enable ACE to participate in available PJM Base Residual Auctions ("BRAs") and Incremental Auctions ("IAs") that would provide economic support for the costs associated with establishing the Program. ACE agreed to use its best efforts to register, nominate and/or bid each year's expected MW reduction resulting from the RCSTP into any and all PJM market(s), and/or program(s) for which the RCSTP is eligible during the life of the program. Specifically, the Company agreed to participate in PJM's BRAs and IAs in time to meet PJM registration deadlines, beginning and including registration for the Summer 2010 auctions. The Initial Order provided that revenues from participation in PJM DR programs and market-based opportunities would be used to offset the RCSTP costs and mitigate the impact on ratepayers' bills.

The Initial Order directed that ACE's reasonable and prudently incurred costs associated with the RCSTP be recovered through the RRC, consistent with the Board's treatment of other programs filed under N.J.S.A. 48:3-98.1.

On August 6, 2009, ACE, along with other PHI utility subsidiaries, filed a plan with the United States Department of Energy ("DOE") for a Smart Grid Investment Grant ("SGIG") Program, pursuant to the American Recovery and Reinvestment Act of 2009 ("ARRA"), which included funding for a portion of the costs associated with the RCSTP. On October 27, 2009, ACE learned it was selected to receive a grant of up to 50 percent of \$13.4 million associated with the RCSTP, for which the Company could receive a maximum matching ARRA award of \$6.7 million. On March 5, 2010, the Company officially received notification of the DOE SGIG grant.

Revenues received, or to be received, from bids placed by the Company into PJM BRAs and IAs during the Initial Program rollout period, plus Federal Stimulus Award monies received by the Company pursuant to the ARRA associated with the RCSTP, as well as other financial commitments made by the Company as a result of prior Stipulations and associated Board Orders, were expected to offset Program costs for the initial four year rollout of the RCSTP.

On March 31, 2010, ACE filed its first true-up petition and Program update.⁴ On June 2, 2010, ACE, Rate Counsel, and Staff entered into a stipulation to approve an increase in the RRC charge for the initial RCSTP costs. The stipulation was subsequently approved by the Board on June 16, 2010.

On April 12, 2011, the Company filed its second required annual update on the RCSTP. The 2011 petition provided a status report on RCSTP implementation but did not propose any modification to the RRC Charge.

⁴ In the Matter of Atlantic City Electric Company Requesting Approval of Changes to Its Electric Regional Greenhouse Gas Recovery ("RGGI") Charge in Connection to the Residential Controllable Smart Thermostat Program, Docket No. ER10050351.

On April 11, 2012, the Company filed its third annual update on the RCSTP.⁵ The 2012 petition included a status report on RCSTP implementation; an update regarding the Federal Stimulus grant money received by the Company associated with the RCSTP, and a proposal for an increase in the RRC Charge for service rendered on and after July 1, 2012. Rate Counsel and Staff questioned why the Company had not submitted DR bids in certain PJM capacity auctions for which the RCSTP was eligible and which was required by the terms of the 2009 Stipulation. The Company acknowledged that it should have submitted bids in several PJM auctions, and that it had failed to do so. This omission resulted in ACE's customers not receiving the full value of certain PJM auction revenues that they otherwise would have been entitled to receive, pursuant to the terms of the 2009 Stipulation and Board Order. By Order dated May 29, 2013 ("May 2013 Order") the Board approved a Stipulation which set the PJM revenue credit adjustments that ACE had agreed to make to provide its customers with the full amount of PJM auction revenues to which they were entitled under the 2009 Stipulation. Moreover, the settlement called for certain commitments to be made by ACE with respect to compensating ratepayers for PJM revenues and other credits to offset Program costs in its annual filing for recovery of the RCSTP costs through its RRC charge, and certain parameters with respect to the amount of MW to be bid into the PJM Auctions.

On July 5, 2013, the Company filed a petition advising the Board and Parties that ACE expected to complete the initial RCSTP roll-out, consistent with the provisions of the Initial Order, as well as subsequent Board Orders issued with respect to the RCSTP, by May 31, 2014 and the associated projected Program costs and revenues. By Order dated September 18, 2013, (the "September 2013 Order"), the Board approved a Stipulation among the Parties agreeing that the RCSTP should continue in operation beyond the initial four year rollout of the Program which was anticipated to be completed by May 31, 2014. The September 2013 Order also included a provision requiring the submission of the petition currently under review.

As previously stated, ACE filed this petition on September 30, 2013 seeking authorization to continue implementation of its RCSTP for a four year period commencing June 1, 2014 and ending on May 31, 2018. In addition, the Company requested that the current RRC applicable to the RCSTP of \$0.000493 per kWh decreased for the period June 1, 2014 through May 31, 2015 to \$0.000010 per kWh, resulting in a net decrease in Program rates of \$0.000483 per kWh. This reduction in Program-related rates resulted in an annual revenue decrease in charges to customers of \$2.8 million (including Sales and Use Tax). All components of the Company's RRC calculation associated with the RCSTP, including those in the revised Exhibit B referenced in the petition, were subject to true-up in the Company's next scheduled RCSTP submittal which at that time was to be filed in July 2014. On April 24, 2014, the Board approved a Stipulation of Settlement ("April 2014 Stipulation") which reduced that portion of the RRC applicable to the RCSTP to \$0.000010 per kWh. The April 2014 Stipulation extended the RCSTP for four more years from June 1, 2014 through May 31, 2018 allowing the Company to continue participating in the PJM Base Residual Auction and Incremental Auctions and thus, continuing to be eligible to receive revenues to offset the costs for the RCSTP.

⁵ In the Matter of Atlantic City Electric Company's Responsive Petition to the Board of Public Utilities Order Dated July 1, 2008 Regarding the Submission of Demand Response Programs for the Period Beginning June 1, 2009 for Electric Distribution Companies, and for Supplemental Inclusion of Same in Its "Blueprint for the Future" Filing Dated November 17, 2007, BPU Docket Nos. EO08050326, EO08080543, EO07110881; and In the Matter of Demand Response Programs for the Period Beginning June 1, 2009 – Electric Distribution Company Programs, Docket No. EO08050326.

On July 31, 2014, the Company filed the instant reconciliation petition in conformance with the requirements of the 2009 Order, to reconcile the results of the four year initial implementation of the RCSTP ("Reconciliation Petition"). Based upon the data provided in support of the reconciliation of the initial four year implementation costs for the RCSTP, as well as the status of PJM revenue credits associated with the RCSTP, and the final accounting of the Federal Stimulus Award monies associated with the RCSTP received by the Company, the Reconciliation Petition requested a further reduction in the current RGGI charge of \$0.000010 per kwh for the RCSTP to \$0.00000 per kWh. During the course of the instant petition, ACE advised the Parties that it wishes to submit a bid in the upcoming BRA scheduled to be conducted in May 2015, which auction has a performance period commencing on June 1, 2018 and continuing through May 31, 2019. However, that performance period is beyond the current BPU authorized termination date for the RCSTP. The Company indicated that, without an extension of the RCSTP covering the performance period for the May 2015 BRA, it will not submit a bid in that auction. Further, to submit a bid in the May 2015 BRA, it must submit the requisite documents to PJM on or about April 15, 2015.

Because approval of the Reconciliation Petition would not result in a rate increase, but rather a rate decrease, to customers, no public hearing was required. After several discovery and settlement conferences, the Parties reached a settlement in this matter. On April 2, 2015, the Parties executed a Stipulation which is outlined below.⁶

STIPULATION

- The Parties agree in settlement of this matter that the Reconciliation Petition, including the estimated costs and revenues, as more fully set forth on Exhibit A of the Reconciliation Petition and attached to the Stipulation as Attachment I, is consistent with the terms and conditions of the 2009 Order, as well as all applicable subsequent Board Orders, and therefore should be approved by the Board.
- Additionally, the Parties agree that the Company should submit a bid in the upcoming PJM May 2015 BRA. The Parties further agree that, in order for the Company to submit such a bid and be able to meet its performance obligations consistent therewith, the RCSTP should be extended for an additional year beyond the current authorization. Therefore, the Parties agree and request that the termination date for the RCSTP be extended to May 31, 2019.

⁶ Although described at some length in this Order, should there be any conflict between this summary and the Stipulation, the terms of the Stipulation control, subject to the findings and conclusions contained in this Order.

- As provided in the May 2013 Order, all PJM revenues, including those from the sale of energy pursuant to PJM programs, derived from the Program shall continue to be credited to customers through the RGGI Charge or other successor clause. Any penalties arising from PJM bids shall not be recoverable from ACE's customers.
- The Parties request that the Stipulation be considered by the Board at its first available agenda meeting. The Parties further request that the change in the RGGI Charge applicable to the RCSTP as proposed in the Reconciliation Petition be made effective for customer bills rendered on and after May 1, 2015, and that the term of the RCSTP be extended one year, with a new termination date of May 31, 2019.

DISCUSSION AND FINDING

The Board carefully reviewed the Reconciliation Petition and the April 2015 Stipulation. Based on that review, the Board **HEREBY FINDS** the Stipulation to be reasonable, in the public interest and in accordance with the law. In the Initial Stipulation, ACE agreed to make its best efforts to register, nominate and bid each year's expected MW reduction resulting from the RCSTP into PJM's Base Residual and Incremental Auctions in time to meet PJM deadlines, beginning with the 2010 auctions. Such requirements and commitments were critical to the overall cost-effectiveness of the Program. Indeed, the Board's approval was predicated on the finding that the RCSTP was cost-effective for ratepayers, in part due to anticipated revenues from wholesale market opportunities for which the program was eligible.

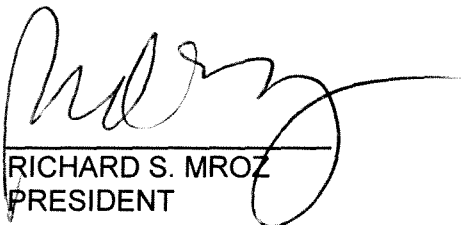
The April 2015 Stipulation requests that the Board approve a further extension of the RCSTP for one more year to May 31, 2019, allowing the Company to continue participating in the PJM Base Residual Auction and Incremental Auctions and hopefully, continuing to receive revenues to offset the costs for the RCSTP. Moreover, the April 2015 Stipulation further reduces the RRC rate to \$0.00 which will reduce the bills of ACE's ratepayers. Accordingly, the Board **HEREBY ADOPTS** the Stipulation in its entirety, and **HEREBY DIRECTS** the Parties to comply with the terms and conditions of the Stipulation. Further, the Board **HEREBY APPROVES** the changes to the associated tariff sheets as proposed by ACE and attached as Exhibit C to the April 2015 Stipulation, and **HEREBY ORDERS** the Company to file compliance tariffs within five (5) days of service of this Order.

The monthly and annual impact to a typical ACE residential customer using 1000 kwh per month is negligible due to the rate going from \$.000010 to \$0.00.

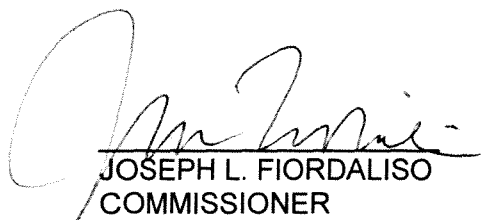
This Board Order shall be effective on April 27, 2015 with rates implemented through the Tariff Sheets to be effective for service rendered on and after May 1, 2015.

DATED: 4/15/15

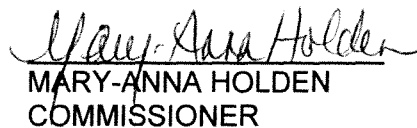
BOARD OF PUBLIC UTILITIES
BY:



RICHARD S. MROZ
PRESIDENT



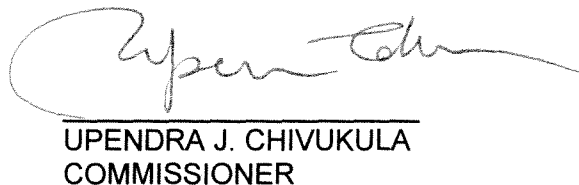
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COMMISSIONER

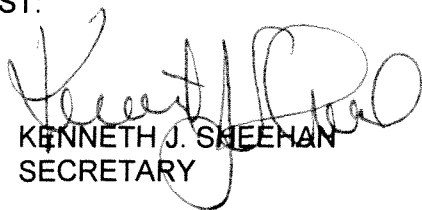


DIANNE SOLOMON
COMMISSIONER



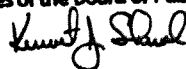
UPENDRA J. CHIVUKULA
COMMISSIONER

ATTEST:



KENNETH J. SHEEHAN
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 VERIFIED PETITION TO
RECONCILE THE INITIAL FOUR YEAR TERM OF RESIDENTIAL CONTROLLABLE SMART
THERMOSTAT PROGRAM AND TO REDUCE ITS RGGI RECOVERY CHARGE FOR THE
PERIOD JUNE 1, 2014 THROUGH MAY 31, 2015

DOCKET NO. ER14070832

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**IN THE MATTER OF ATLANTIC CITY
ELECTRIC COMPANY'S VERIFIED
PETITION TO RECONCILE THE INITIAL
FOUR YEAR TERM OF RESIDENTIAL
CONTROLLABLE SMART THERMOSTAT
PROGRAM AND TO REDUCE ITS RGGI
RECOVERY CHARGE FOR THE PERIOD
JUNE 1, 2014 THROUGH MAY 31, 2015**

**STATE OF NEW JERSEY
BOARD OF PUBLIC UTILITIES
STIPULATION OF
SETTLEMENT
BPU DOCKET NO. ER14070832**

This Stipulation of Settlement (the "Stipulation") is hereby made and executed as of this 1st day of April, 2015, 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" or the "Signatory Parties"), in settlement of all factual and legal issues pertaining to the Company's July 30, 2014 "Verified Petition to Reconcile the First Four Year Term of Residential Controllable Smart Thermostat Program (the "RCSTP" or "Program") and Reduce Its RGGI Recovery Charge for the Period June 1, 2014 through May 31, 2015" (the "Reconciliation Petition").

Pursuant to the Board of Public Utilities' (the "Board") Order dated July 31, 2009 (the "2009 Order"), which approved the Stipulation of the Parties (the "2009 Stipulation"), the Company is required to reconcile the costs and revenues associated with the initial four year rollout, which ended on May 31, 2014, of its RCSTP with the Board and the Parties. The specific details of the Program, including the related background information leading to its development and implementation thereof, are fully set forth in the 2009 Stipulation, as well as the Orders issued in this regard, and as such, they are not repeated, but are deemed to be incorporated in this Stipulation.

If approved, the Reconciliation Petition involves a rate decrease; therefore, public notice was not published for circulation. The Signatory Parties join in recommending that the Board issue an Order Approving Stipulation based upon the following facts and stipulated issues.

BACKGROUND

The RCSTP was approved with an expectation that the Program would start in March 2010 with an initial four year roll out period, during which time ACE was required to offer the Program to all of its eligible customers and connect approximately 42,200 active participants and approximately 42,400 Qualifying Units (either thermostats or switches) by mid-year 2014. Such demand response devices can be remotely managed by the Company in order to reduce electric usage in customers' homes during periods of peak electric demand. ACE agreed to register, nominate, and/or bid¹ each year's expected Megawatt reduction resulting from the RCSTP into PJM's Base Residual and Incremental Auctions in time to meet PJM registration deadlines, beginning and including registration for summer 2010 auctions. The 2009 Order noted that revenues from participation in PJM DR programs and market-based opportunities would be used to off-set Program costs and mitigate the impact on customers' bills.

ACE was required to provide an annual update filing to the Board and the Parties with respect to: (1) the progress of customer acceptance of the RCSTP, and the number of installations of the relevant devices achieved to date; (2) the status of PJM revenue credits associated with the RCSTP; (3) the status of Federal Stimulus Award monies associated with the RCSTP received by the Company; (4) the impact of each of the above on the overall cost of the Program relative to the original cost estimate for the RCSTP, along with the resultant cost/benefit of the Program; and (5) to reset, if necessary, the Regional Greenhouse Gas Initiative

¹The term "bid" as used herein shall indicate what the Company will "offer" into the relevant PJM auctions.

Recovery Charge (the "RGGI Charge") associated with the RCSTP for the upcoming program year in order for ACE to recover its costs of Program implementation.

On March 31, 2010, the Company filed its first update petition with respect to the progress of the RCSTP establishing the initial RGGI rates for the RCSTP. On April 12, 2011, the Company filed its second update Petition with respect to the progress of the RCSTP. ACE proposed no change in the RGGI Charge in its April 2011 filing. On April 11, 2012 (the "April 2012 filing"), the Company filed its third update Petition with respect to the progress of the RCSTP as required by the 2009 Order. In its April 2012 filing (the "2012 Petition") ACE proposed certain changes to its then-existing RGGI Charge for the RCSTP.

Following the filing of the 2012 Petition, the Parties submitted discovery to the Company with respect to the information included in the petition. Specifically, Staff and Rate Counsel questioned why the Company had not submitted bids in certain PJM auctions for which the RCSTP was eligible. By Stipulation dated April 11, 2013 (the "April 2013 Stipulation"), which Stipulation was approved by Board Order dated May 29, 2013 (the May 2013 Order"), the Company agreed to make certain revenue credit adjustments associated with the RCSTP in order to provide its customers with the full value of PJM auction revenues to which they are entitled, and to make an additional revenue credit of \$300,000. In compliance with the 2009 Order, and consistent with the requirements of the April 2013 Stipulation and related May 2013 Order, the Company, on July 5, 2013 submitted its Fourth RCSTP Update covering the program costs and revenues for the Program year commencing on June 1, 2012 through May 31, 2013.

By Petition filed with the Board on or about July 5, 2013 (the "July 2013 Petition"), the Company advised the Board and the Parties that ACE expected to complete the initial RCSTP roll-out by May 31, 2014. By Stipulation dated September 5, 2013 (the "September 2013

Stipulation”)², the Parties requested the Board issue an Order approving same. The September 2013 Stipulation indicated that the Company would submit a further petition seeking the Board’s approval of a four year extension of the Program. By Order dated September 18, 2013 (the “September 2013 Order”), the Board approved the Stipulation of the Parties.

On or about October 1, 2013, consistent with the September 2013 Stipulation and Order, the Company filed a Verified Petition (the “October 2013 Petition”) requesting the Board’s authorization to extend the RCSTP for an additional four year period commencing June 1, 2014 at the 42,200 active participant level, and to reduce the applicable RGGI charge effective June 1, 2014 to \$0.000010 per kWh. The Parties entered into a Stipulation dated March 26, 2014 (the “March 2014 Stipulation”), recommending that the Board approve the Company’s October 2013 Petition in those regards. By Order dated April 24, 2014 (the “April 2014 Order”),³ the Board approved the March 2014 Stipulation. The April 2014 Order authorizes the Company to operate the RCSTP until May 31, 2018.

On or about July 30, 2014, the Company filed the Reconciliation Petition in conformance with the requirements of the 2009 Order, in order to reconcile the results of the four year implementation of the RCSTP. Based upon the data provided in support of the reconciliation of the initial four year implementation cost for the RCSTP, as well as the status of PJM revenue credits associated with the RCSTP, and the final accounting of the Federal Stimulus Award monies associated with the RCSTP received by the Company, the Reconciliation Petition sought a further reduction in the current RGGI charge of \$0.000010 per kWh for the RCSTP to \$0.00000 per kWh. ACE has advised the Parties that it wishes to submit a bid in the upcoming PJM Base

² The September 2013 Stipulation and the September 2013 Order were captioned under BPU Docket No. ER13070627.

³ The March 2014 Stipulation and the April 2014 Order were captioned under BPU Docket No. ER13100907.

Residual Auction (“BRA”) scheduled to be conducted in May 2015, which auction has a performance period commencing on June 1, 2018 and continuing through May 31, 2019. However, that performance period is beyond the current BPU authorized termination date for the RCSTP. The Company has indicated that, without an extension of the RCSTP covering the performance period for the May 2015 BRA, it will not submit a bid in that auction. Further, in order to submit a bid in the May 2015 BRA, it must submit the requisite documents to PJM on or about April 15, 2015.

While no formal discovery was submitted by any Party in this matter, the Parties engaged in discussions with regard to the Company’s Reconciliation Petition. During those conferences, the Company was requested to provide additional data with respect to (a) the net PJM credits, both received and anticipated to be received in the future, and (b) the estimated Program costs for the period June 2014 through May 2018 of maintaining the active participant level at the targeted 42,200 customers, net of annual attrition⁴. (See Attachment 1). Because approval of the Reconciliation Petition would not result in a rate increase, but rather a rate decrease, to customers, no public hearing is required.

STIPULATION

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

The Parties agree in settlement of this matter that the Reconciliation Petition, including the estimated costs and revenues, as more fully set forth on Exhibit A of the Reconciliation Petition and attached hereto as Attachment 1, is consistent with the terms and conditions of the

⁴ On November 10, 2014, the Company provided the requested information as indicated above to the Parties. Additionally, as of November 23, 2014 (the latest date for which the Company has such data), ACE has enrolled 43,932 active participants in the Program.

2009 Order, as well as all applicable subsequent Board Orders, and therefore should be approved by the Board. As contemplated by the 2009 Order, the initial roll out of the RCSTP was anticipated to be completed by May 31, 2014. As noted in the Reconciliation Petition, the extreme weather experienced in the Company's service territory during the winter of 2014 caused it to not meet the anticipated completion date. However, as noted above, the Company, as of the date of this Stipulation, is exceeding the targeted 42,200 active program participants.

Additionally, the Parties agree that the Company should submit a bid in the upcoming PJM May 2015 BRA. The Parties further agree that, in order for the Company to submit such a bid and be able to meet its performance obligations consistent therewith, the RCSTP should be extended for an additional year beyond the current authorization. Therefore, the Parties agree and request that the termination date for the RCSTP be extended to May 31, 2019.

As provided in the May 2013 Order, all PJM revenues, including those from the sale of energy pursuant to PJM programs, derived from the Program shall continue to be credited to customers through the RGGI Charge or other successor clause. Any penalties arising from PJM bids shall not be recoverable from ACE's customers.

SETTLEMENT IMPLEMENTATION

The Stipulating Parties hereby request that this proposed Stipulation be considered by the Board at its first available agenda meeting. The Parties further request that the change in the RGGI Charge applicable to the RCSTP as proposed in the Reconciliation Petition be made effective for customer bills rendered on and after May 1, 2015, and that the term of the RCSTP be extended for one year, with a new termination date of May 31, 2019. See Attachment 2 hereto (original Exhibit C to the Reconciliation Petition).

CONCLUSION

1. 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.

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

3. 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 Stipulating 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.

4. 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 Stipulating 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.

5. 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 its entirety in accordance with the terms hereof.

[SIGNATURES APPEAR ON THE FOLLOWING PAGE]

ATLANTIC CITY ELECTRIC COMPANY

Dated: April 1, 2015

By: 
Philip J. Pissanante
Associate General Counsel

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

Dated: April 3, 2015

By: 
Veronica Beke
Deputy Attorney General

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

Dated: 4-2-12

By: 
ASST DEP. RATE COUNSEL

Attachment 1

ATLANTIC CITY ELECTRIC COMPANY
RGGI Recovery Charge
Demand Response Program

SECTION I FORECASTED YEAR AMORTIZATION SCHEDULE

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

Oct-14	696,462
Nov-14	638,592
Dec-14	717,184
Jan-15	781,798
Feb-15	731,902
Mar-15	701,782
Apr-15	657,739
May-15	637,704
	<u>5,563,163</u>

Table 2 - Forecasted Program Year Monthly Amortization and CCRF

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
				= Col 2 + Col 3 - Col 4	= (Col 3 - Col 4) x Composite Tax Factor		= Col 5 - Col 7 Unamortized Ending Balance Net of Accum Deferred Tax		= Col 8 x (Col 9)/12	= Col 10 x 1/(1- Composite Tax Factor)			= Col 4 + Col 11 + Col 12 - Col 13
Month	Unamortized Beginning Balance	Additional Program Costs	Amortization	Unamortized Ending Balance	Deferred Tax Activity	Accum Deferred Tax	CCR Rate Net-of-Tax	Estimated CCRF Net-of-Tax	Estimated CCRF Adjusted for Income Tax	O&M Expense	PJM Market Revenues	Revenue Requirement	
Oct-14 \$	2,942,662 \$	96,726 \$	6,189 \$	3,033,199 \$	36,984	1,239,059 \$	6.69% \$	9,858 \$	16,666 \$	\$ 231,467	206,810 \$	47,513	
Nov-14 \$	3,033,199 \$	96,726 \$	5,675 \$	3,124,251 \$	37,195	1,276,254 \$	6.69% \$	10,157 \$	17,172 \$	\$ 231,467	200,138 \$	54,176	
Dec-14 \$	3,124,251 \$	96,726 \$	6,373 \$	3,214,604 \$	36,909	1,313,163 \$	6.69% \$	10,457 \$	17,678 \$	\$ 231,467	206,810 \$	48,709	
Jan-15 \$	3,214,604 \$	96,726 \$	6,947 \$	3,304,383 \$	36,675	1,349,838 \$	6.69% \$	10,754 \$	18,181 \$	\$ 231,467	206,810 \$	49,786	
Feb-15 \$	3,304,383 \$	96,726 \$	6,504 \$	3,394,605 \$	36,856	1,386,694 \$	6.69% \$	11,051 \$	18,683 \$	\$ 231,467	186,796 \$	69,858	
Mar-15 \$	3,394,605 \$	96,726 \$	6,236 \$	3,485,095 \$	36,965	1,423,659 \$	6.69% \$	11,349 \$	19,187 \$	\$ 231,467	206,810 \$	50,081	
Apr-15 \$	3,485,095 \$	96,726 \$	5,845 \$	3,575,976 \$	37,125	1,460,784 \$	6.69% \$	11,648 \$	19,692 \$	\$ 231,467	200,138 \$	56,866	
May-15 \$	3,575,976 \$	96,726 \$	5,667 \$	3,667,036 \$	37,198	1,497,982 \$	6.69% \$	11,948 \$	20,200 \$	\$ 231,467	206,810 \$	50,525	
Total			49,436						147,459	1,851,740	1,621,121	427,513	

SECTION II - PRIOR YEAR TRUE UP

Table 3 - Actual Prior Period Monthly Revenue Requirement (Actuals through May 14, Estimates Jun-Sep 14)

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
				= Col 2 + Col 3 - Col 4	= (Col 3 - Col 4) x Composite Tax Factor		= Col 5 - Col 7		= Col 8 x (Col 9)/12	= Col 10 x 1/(1- Composite Tax Factor)			= Col 4 + Col 11 + Col 12 - Col 13
Month	Unamortized Beginning Balance	Actual Additional Program Costs	Actual Amortization	Unamortized Ending Balance	Deferred Tax Activity	Accum Deferred Tax	Unamortized Ending Balance Net of Accum Deferred Tax	CCRF Rate Net-of-Tax	Estimated CCRF Net-of-Tax	Estimated CCRF Adjusted for Income Tax	O&M Expense	PJM Market Revenues	Revenue Requirement
Jun-10	\$ -	\$ 29,197	\$ -	\$ 29,197	\$ 11,927	\$ 11,927	\$ 17,270	7.21%	\$ 52	\$ 88			\$ 88
Jul-10	\$ 29,197	\$ 102,752	\$ 19,409	\$ 112,540	\$ 34,045	\$ 45,972	\$ 66,568	7.21%	\$ 252	\$ 426	\$ (666,101)		\$ (646,266)
Aug-10	\$ 112,540	\$ (2,986)	\$ 20,326	\$ 20,326	\$ (9,523)	\$ 36,449	\$ 52,778	7.21%	\$ 359	\$ 606	\$ 889,982		\$ 910,914
Sep-10	\$ 89,227	\$ 205,453	\$ 17,452	\$ 277,229	\$ 76,798	\$ 113,247	\$ 163,982	7.21%	\$ 651	\$ 1,101	\$ 185,116		\$ 203,669
Oct-10	\$ 277,229	\$ 117,567	\$ 13,263	\$ 387,533	\$ 42,608	\$ 155,855	\$ 225,678	7.21%	\$ 1,171	\$ 1,980	\$ (542,049)		\$ (526,806)
Nov-10	\$ 381,533	\$ (77,904)	\$ 10,759	\$ 292,870	\$ (36,219)	\$ 119,636	\$ 173,234	7.21%	\$ 1,199	\$ 2,027	\$ 386,390		\$ 399,176
Dec-10	\$ 292,870	\$ 138,578	\$ 13,088	\$ 418,360	\$ 51,263	\$ 170,899	\$ 247,461	7.21%	\$ 1,264	\$ 2,138	\$ 61,750		\$ 76,977
Jan-11	\$ 418,360	\$ 90,415	\$ 15,462	\$ 493,313	\$ 493,313	\$ 201,517	\$ 291,796	7.21%	\$ 1,621	\$ 2,740	\$ 162,860		\$ 181,026
Feb-11	\$ 493,313	\$ 76,414	\$ 12,617	\$ 557,109	\$ 26,061	\$ 227,578	\$ 329,531	7.21%	\$ 1,867	\$ 3,157	\$ 132,263		\$ 148,038
Mar-11	\$ 557,109	\$ (32,797)	\$ 12,737	\$ 511,575	\$ (18,601)	\$ 208,977	\$ 302,598	7.21%	\$ 1,900	\$ 3,212	\$ 165,164		\$ 181,113
Apr-11	\$ 511,575	\$ 326,083	\$ 11,148	\$ 826,509	\$ 128,651	\$ 337,628	\$ 488,881	7.21%	\$ 2,379	\$ 4,022	\$ 147,385		\$ 162,555
May-11	\$ 826,509	\$ 196,299	\$ 11,552	\$ 1,011,256	\$ 75,469	\$ 413,097	\$ 598,159	7.21%	\$ 3,267	\$ 5,523	\$ 306,114		\$ 323,189
Jun-11	\$ 1,011,256	\$ 312,932	\$ 14,353	\$ 1,309,835	\$ 121,970	\$ 535,067	\$ 774,768	7.21%	\$ 4,126	\$ 6,976	\$ 107,433	\$ 41,177	\$ 87,585
Jul-11	\$ 1,309,835	\$ 419,794	\$ 17,642	\$ 1,711,987	\$ 164,279	\$ 699,346	\$ 1,012,641	7.21%	\$ 5,372	\$ 9,082	\$ 212,766	\$ 42,550	\$ 196,940
Aug-11	\$ 1,711,987	\$ (196,668)	\$ 17,969	\$ 1,497,351	\$ (87,679)	\$ 611,667	\$ 885,684	7.21%	\$ 5,705	\$ 9,646	\$ 5,105	\$ 42,550	\$ (9,830)
Sep-11	\$ 1,497,351	\$ 240,483	\$ 18,025	\$ 1,719,808	\$ 1,719,808	\$ 702,541	\$ 1,017,267	7.21%	\$ 5,719	\$ 9,669	\$ 131,808	\$ 41,177	\$ 118,325
Oct-11	\$ 1,719,808	\$ (187,785)	\$ 12,579	\$ 1,519,444	\$ (81,849)	\$ 620,692	\$ 898,752	7.21%	\$ 5,759	\$ 9,736	\$ 202,633	\$ 42,550	\$ 182,398
Nov-11	\$ 1,519,444	\$ 168,045	\$ 10,922	\$ 1,676,567	\$ 64,185	\$ 684,877	\$ 991,690	7.21%	\$ 5,682	\$ 9,606	\$ 308,882	\$ 41,177	\$ 288,233
Dec-11	\$ 1,676,567	\$ (99,481)	\$ 11,878	\$ 1,565,208	\$ (45,490)	\$ 639,387	\$ 925,821	7.21%	\$ 5,763	\$ 9,743	\$ (62,069)	\$ 42,550	\$ (82,999)
Jan-12	\$ 1,565,208	\$ (69,571)	\$ 13,612	\$ 1,482,025	\$ (33,980)	\$ 605,407	\$ 876,618	7.21%	\$ 5,417	\$ 9,158	\$ 165,159	\$ 42,550	\$ 145,379
Feb-12	\$ 1,482,025	\$ 218,156	\$ 12,036	\$ 1,688,145	\$ 84,200	\$ 689,607	\$ 998,538	7.21%	\$ 5,636	\$ 9,528	\$ 74,002	\$ 39,805	\$ 55,761
Mar-12	\$ 1,688,145	\$ (219,323)	\$ 11,737	\$ 1,457,085	\$ (94,388)	\$ 595,219	\$ 861,866	7.21%	\$ 5,591	\$ 9,453	\$ (99,503)	\$ 42,550	\$ (120,863)
Apr-12	\$ 1,457,085	\$ 97,725	\$ 10,900	\$ 1,543,910	\$ 35,468	\$ 630,687	\$ 913,223	7.21%	\$ 5,335	\$ 9,019	\$ 273,303	\$ 41,177	\$ 252,044
May-12	\$ 1,543,910	\$ 123,035	\$ 11,313	\$ 1,655,632	\$ 45,638	\$ 676,325	\$ 979,307	7.21%	\$ 5,688	\$ 9,616	\$ 181,573	\$ 42,550	\$ 159,952
Jun-12	\$ 1,655,632	\$ (6,176)	\$ 12,783	\$ 1,636,673	\$ (7,745)	\$ 668,580	\$ 968,093	7.21%	\$ 5,853	\$ 9,895	\$ 20,510	\$ 2,500	\$ 40,688
Jul-12	\$ 1,636,673	\$ 203,709	\$ 18,054	\$ 1,822,329	\$ 1,822,329	\$ 75,840	\$ 1,077,909	7.21%	\$ 6,149	\$ 10,396	\$ 155,823	\$ 2,583	\$ 181,689
Aug-12	\$ 1,822,329	\$ 93,274	\$ 19,444	\$ 1,896,158	\$ 30,159	\$ 774,579	\$ 1,121,579	7.21%	\$ 6,611	\$ 11,176	\$ 256,292	\$ 2,583	\$ 284,329
Sep-12	\$ 1,896,158	\$ (78,612)	\$ 17,245	\$ 1,800,301	\$ (39,158)	\$ 735,421	\$ 1,064,880	7.21%	\$ 6,571	\$ 11,110	\$ 12,132	\$ 2,500	\$ 37,988
Oct-12	\$ 1,800,301	\$ 139,623	\$ 11,999	\$ 1,927,925	\$ 52,134	\$ 787,555	\$ 1,140,370	7.21%	\$ 6,628	\$ 11,205	\$ 380,883	\$ 23,176	\$ 380,910
Nov-12	\$ 1,927,925	\$ 43,659	\$ 11,136	\$ 1,960,448	\$ 13,286	\$ 800,841	\$ 1,159,607	6.69%	\$ 6,408	\$ 10,833	\$ 7,637	\$ 113,606	\$ (84,000)
Dec-12	\$ 1,960,448	\$ 90,438	\$ 12,073	\$ 2,038,813	\$ 32,012	\$ 832,853	\$ 1,205,960	6.69%	\$ 6,591	\$ 11,142	\$ 199,096	\$ 1,879	\$ 220,433
Jan-13	\$ 2,038,813	\$ 102,116	\$ 13,123	\$ 2,127,807	\$ 36,354	\$ 869,207	\$ 1,258,600	6.69%	\$ 6,866	\$ 11,608	\$ 263,679	\$ 2,510	\$ 285,900
Feb-13	\$ 2,127,807	\$ 205,653	\$ 12,216	\$ 2,321,243	\$ 79,019	\$ 948,226	\$ 1,373,017	6.69%	\$ 7,332	\$ 12,395	\$ 278,987	\$ 2,260	\$ 301,339
Mar-13	\$ 2,321,243	\$ (63,187)	\$ 12,502	\$ 2,245,554	\$ (30,919)	\$ 917,307	\$ 1,328,247	6.69%	\$ 7,526	\$ 12,723	\$ (69,203)	\$ 2,502	\$ (46,479)
Apr-13	\$ 2,245,554	\$ 207,666	\$ 11,624	\$ 2,441,596	\$ 80,083	\$ 997,390	\$ 1,444,206	6.69%	\$ 7,724	\$ 13,059	\$ 380,107	\$ 2,423	\$ 402,366
May-13	\$ 2,441,596	\$ 68,657	\$ 10,876	\$ 2,499,377	\$ 23,603	\$ 1,020,993	\$ 1,478,384	6.69%	\$ 8,142	\$ 13,766	\$ 216,503	\$ 2,504	\$ 238,641
Jun-13	\$ 2,499,377	\$ 48,994	\$ 12,558	\$ 2,535,814	\$ 14,884	\$ 1,035,877	\$ 1,499,937	6.69%	\$ 8,298	\$ 14,028	\$ (23,828)	\$ 64,664	\$ (61,906)
Jul-13	\$ 2,535,814	\$ 156,145	\$ 17,214	\$ 2,674,744	\$ 56,753	\$ 1,092,630	\$ 1,582,114	6.69%	\$ 8,595	\$ 15,32	\$ 254,142	\$ 66,820	\$ 219,068
Aug-13	\$ 2,674,744	\$ 146,976	\$ 17,328	\$ 2,804,393	\$ 52,961	\$ 1,145,591	\$ 1,658,802	6.69%	\$ 9,039	\$ 15,281	\$ 264,484	\$ 66,834	\$ 230,273
Sep-13	\$ 2,804,393	\$ (57,596)	\$ 15,092	\$ 2,731,704	\$ (29,693)	\$ 1,115,898	\$ 1,615,806	6.69%	\$ 9,132	\$ 15,440	\$ (38,417)	\$ 84,123	\$ (92,008)
Oct-13	\$ 2,731,704	\$ 62,272	\$ 47,026	\$ 2,746,950	\$ 6,228	\$ 1,122,126	\$ 1,624,824	6.69%	\$ 9,038	\$ 15,279	\$ 106,458	\$ 66,838	\$ 101,926
Nov-13	\$ 2,746,950	\$ 128,494	\$ 41,388	\$ 2,834,056	\$ 35,583	\$ 1,157,709	\$ 1,676,347	6.69%	\$ 9,207	\$ 15,565	\$ 155,360	\$ 64,707	\$ 147,606
Dec-13	\$ 2,834,056	\$ 22,413	\$ 49,627	\$ 2,806,842	\$ (11,117)	\$ 1,146,592	\$ 1,660,250	6.69%	\$ 9,305	\$ 15,732	\$ 23,428	\$ 136,235	\$ (47,448)
Jan-14	\$ 2,806,842	\$ (24,747)	\$ 52,079	\$ 2,730,015	\$ (31,384)	\$ 1,115,208	\$ 1,614,807	6.69%	\$ 9,134	\$ 15,442	\$ 175,376	\$ 66,834	\$ 176,063
Feb-14	\$ 2,730,015	\$ 50,127	\$ 52,001	\$ 2,728,142	\$ (765)	\$ 1,114,443	\$ 1,613,699	6.69%	\$ 9,004	\$ 15,222	\$ 60,665	\$ 60,367	\$ 67,521
Mar-14	\$ 2,728,142	\$ 70,146	\$ 53,061	\$ 2,745,226	\$ 6,979	\$ 1,121,422	\$ 1,623,804	6.69%	\$ 9,029	\$ 15,265	\$ 147,996	\$ 66,834	\$ 149,488
Apr-14	\$ 2,745,226	\$ 67,277	\$ 45,705	\$ 2,766,799	\$ 8,812	\$ 1,130,234	\$ 1,636,565	6.69%	\$ 9,093	\$ 15,372	\$ 68,605	\$ 64,664	\$ 65,018
May-14	\$ 2,766,799	\$ 69,379	\$ 42,890	\$ 2,793,288	\$ 20,821	\$ 1,141,055	\$ 1,652,233	6.69%	\$ 9,172	\$ 15,506	\$ 143,764	\$ 66,820	\$ 135,340
Jun-14	\$ 2,793,288	\$ 96,726	\$ 48,722	\$ 2,841,292	\$ 19,610	\$ 1,160,665	\$ 1,680,627	6.69%	\$ 9,295	\$ 15,714	\$ 231,467	\$ 200,138	\$ 95,765
Jul-14	\$ 2,841,292	\$ 96,726	\$ 62,399	\$ 2,875,619	\$ 14,023	\$ 1,174,688	\$ 1,700,931	6.69%	\$ 9,431	\$ 15,944	\$ 231,467	\$ 1,343,610	\$ (1,033,799)
Aug-14	\$ 2,875,619	\$ 96,726	\$ 66,662	\$ 2,905,683	\$ 12,281	\$ 1,186,969	\$ 1,718,714	6.69%	\$ 9,537	\$ 16,123	\$ 231,467	\$ 206,810	\$ 107,443
Sep-14	\$ 2,905,683	\$ 96,726	\$ 59,747	\$ 2,942,662	\$ 15,106	\$ 1,202,075	\$ 1,740,587	6.69%	\$ 9,648	\$ 16,310	\$ 231,467	\$ 200,138	\$ 107,386

Note: The amount in column 13 for the month of July 14 includes \$1,136,801 credited to customers pursuant to the Board's May 2013 Order which represents the deficiency from the PJM revenues received and the PJM revenue commitments (\$810,556) plus an additional \$300K payment.

Table 4 - Prior Period Monthly Over/Under Recovered Balances

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
	= Table 3 Col 13		= Col 3 - Col 2			= (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
Jul-10	\$ (646,266)	\$ 109,976	\$ 756,242	\$ (836,158)	\$ (79,916)	\$ (458,037)	\$ (270,929)	0.41%	\$ (93)
Aug-10	\$ 910,914	\$ 212,354	\$ (698,560)	\$ (79,916)	\$ (778,476)	\$ (429,196)	\$ (253,869)	0.41%	\$ (86)
Sep-10	\$ 203,669	\$ 187,250	\$ (16,419)	\$ (778,476)	\$ (794,895)	\$ (786,685)	\$ (465,324)	0.40%	\$ (154)
Oct-10	\$ (526,806)	\$ 138,360	\$ 665,167	\$ (794,895)	\$ (129,728)	\$ (462,311)	\$ (273,457)	0.37%	\$ (64)
Nov-10	\$ 399,176	\$ 113,697	\$ (285,479)	\$ (129,728)	\$ (415,208)	\$ (272,468)	\$ (161,165)	0.35%	\$ (47)
Dec-10	\$ 76,977	\$ 136,518	\$ 59,542	\$ (415,208)	\$ (355,666)	\$ (385,437)	\$ (227,986)	0.35%	\$ (67)
Jan-11	\$ 181,062	\$ 157,802	\$ (23,261)	\$ (355,666)	\$ (378,926)	\$ (367,296)	\$ (217,256)	0.35%	\$ (64)
Feb-11	\$ 148,038	\$ 136,816	\$ (11,221)	\$ (378,926)	\$ (390,147)	\$ (384,537)	\$ (227,454)	0.35%	\$ (67)
Mar-11	\$ 181,113	\$ 128,129	\$ (52,984)	\$ (390,147)	\$ (443,131)	\$ (416,639)	\$ (246,442)	0.35%	\$ (73)
Apr-11	\$ 162,555	\$ 118,284	\$ (44,271)	\$ (443,131)	\$ (487,402)	\$ (465,267)	\$ (275,205)	0.35%	\$ (81)
May-11	\$ 323,189	\$ 119,022	\$ (204,167)	\$ (487,402)	\$ (691,570)	\$ (589,486)	\$ (348,681)	0.31%	\$ (91)
Jun-11	\$ 87,585	\$ 145,938	\$ 58,353	\$ (691,570)	\$ (633,216)	\$ (662,393)	\$ (391,805)	0.31%	\$ (101)
Jul-11	\$ 196,940	\$ 184,236	\$ (12,704)	\$ (633,216)	\$ (645,920)	\$ (639,568)	\$ (378,305)	0.29%	\$ (92)
Aug-11	\$ (9,830)	\$ 200,105	\$ 209,935	\$ (645,920)	\$ (435,985)	\$ (540,953)	\$ (319,973)	0.34%	\$ (91)
Sep-11	\$ 118,325	\$ 170,344	\$ 52,019	\$ (435,985)	\$ (383,966)	\$ (409,976)	\$ (242,501)	0.30%	\$ (61)
Oct-11	\$ 182,398	\$ 132,207	\$ (50,192)	\$ (383,966)	\$ (434,158)	\$ (409,062)	\$ (241,960)	0.64%	\$ (129)
Nov-11	\$ 288,233	\$ 113,311	\$ (174,922)	\$ (434,158)	\$ (609,079)	\$ (521,619)	\$ (308,537)	0.66%	\$ (170)
Dec-11	\$ (82,999)	\$ 126,031	\$ 209,029	\$ (609,079)	\$ (400,050)	\$ (504,565)	\$ (298,450)	0.72%	\$ (178)
Jan-12	\$ 145,379	\$ 136,578	\$ (8,802)	\$ (400,050)	\$ (408,852)	\$ (404,451)	\$ (239,233)	0.83%	\$ (165)
Feb-12	\$ 55,761	\$ 126,636	\$ 70,875	\$ (408,852)	\$ (337,977)	\$ (373,414)	\$ (220,874)	0.85%	\$ (156)
Mar-12	\$ (120,863)	\$ 122,657	\$ 243,520	\$ (337,977)	\$ (94,457)	\$ (216,217)	\$ (127,892)	0.90%	\$ (95)
Apr-12	\$ 252,044	\$ 119,583	\$ (139,462)	\$ (94,457)	\$ (233,918)	\$ (164,188)	\$ (97,117)	0.92%	\$ (75)
May-12	\$ 159,952	\$ 118,009	\$ (41,943)	\$ (233,918)	\$ (275,862)	\$ (254,890)	\$ (150,767)	0.42%	\$ (52)
Jun-12	\$ 40,688	\$ 139,292	\$ 98,604	\$ (275,862)	\$ (177,258)	\$ (226,560)	\$ (134,010)	0.41%	\$ (46)
Jul-12	\$ 181,589	\$ 183,324	\$ 1,634	\$ (177,258)	\$ (175,624)	\$ (176,441)	\$ (104,365)	0.42%	\$ (36)
Aug-12	\$ 284,329	\$ 202,432	\$ (81,897)	\$ (175,624)	\$ (257,521)	\$ (216,572)	\$ (128,102)	0.41%	\$ (44)
Sep-12	\$ 37,988	\$ 176,595	\$ 138,607	\$ (257,521)	\$ (118,914)	\$ (188,217)	\$ (111,331)	0.41%	\$ (38)
Oct-12	\$ 380,910	\$ 130,119	\$ (250,792)	\$ (118,914)	\$ (369,705)	\$ (244,310)	\$ (144,509)	0.42%	\$ (50)
Nov-12	\$ (84,000)	\$ 112,522	\$ 196,522	\$ (369,705)	\$ (173,183)	\$ (271,444)	\$ (160,559)	0.42%	\$ (56)
Dec-12	\$ 220,433	\$ 124,528	\$ (95,905)	\$ (173,183)	\$ (269,089)	\$ (221,136)	\$ (130,802)	0.41%	\$ (44)
Jan-13	\$ 285,900	\$ 134,128	\$ (151,772)	\$ (269,089)	\$ (420,861)	\$ (344,975)	\$ (204,053)	0.39%	\$ (67)
Feb-13	\$ 301,339	\$ 129,128	\$ (172,211)	\$ (420,861)	\$ (593,072)	\$ (506,966)	\$ (299,871)	0.36%	\$ (89)
Mar-13	\$ (46,479)	\$ 129,825	\$ 176,305	\$ (593,072)	\$ (416,767)	\$ (504,920)	\$ (298,660)	0.36%	\$ (89)
Apr-13	\$ 402,366	\$ 122,263	\$ (280,103)	\$ (416,767)	\$ (696,871)	\$ (556,819)	\$ (329,358)	0.35%	\$ (96)
May-13	\$ 238,641	\$ 110,371	\$ (128,270)	\$ (696,871)	\$ (825,141)	\$ (761,006)	\$ (450,135)	0.30%	\$ (112)
Jun-13	\$ (61,906)	\$ 131,996	\$ 193,901	\$ (825,141)	\$ (631,239)	\$ (728,190)	\$ (430,724)	0.26%	\$ (94)
Jul-13	\$ 219,068	\$ 178,199	\$ (40,868)	\$ (631,239)	\$ (672,108)	\$ (651,674)	\$ (385,465)	0.26%	\$ (83)
Aug-13	\$ 230,273	\$ 179,443	\$ (50,830)	\$ (672,108)	\$ (722,938)	\$ (697,523)	\$ (412,585)	0.26%	\$ (91)
Sep-13	\$ (92,008)	\$ 157,561	\$ 249,569	\$ (722,938)	\$ (473,369)	\$ (598,154)	\$ (353,808)	0.27%	\$ (79)
Oct-13	\$ 101,926	\$ 239,880	\$ 137,954	\$ (473,369)	\$ (335,415)	\$ (404,392)	\$ (239,198)	0.32%	\$ (63)
Nov-13	\$ 147,606	\$ 288,829	\$ 141,223	\$ (335,415)	\$ (194,192)	\$ (264,804)	\$ (156,631)	0.27%	\$ (35)
Dec-13	\$ (47,448)	\$ 332,859	\$ 380,307	\$ (194,192)	\$ 186,115	\$ (4,039)	\$ (2,389)	0.27%	\$ (1)
Jan-14	\$ 176,063	\$ 359,253	\$ 183,190	\$ 186,115	\$ 369,305	\$ 277,710	\$ 164,265	0.27%	\$ 37
Feb-14	\$ 67,521	\$ 348,835	\$ 281,314	\$ 369,305	\$ 650,619	\$ 509,962	\$ 301,642	0.26%	\$ 66
Mar-14	\$ 149,488	\$ 358,358	\$ 208,870	\$ 650,619	\$ 859,489	\$ 755,054	\$ 446,614	0.24%	\$ 90
Apr-14	\$ 65,018	\$ 311,639	\$ 246,621	\$ 859,489	\$ 1,106,109	\$ 982,799	\$ 581,326	0.25%	\$ 119
May-14	\$ 135,340	\$ 291,363	\$ 156,023	\$ 1,106,109	\$ 1,262,133	\$ 1,184,121	\$ 700,408	0.25%	\$ 145
Jun-14	\$ 95,765	\$ (89,209)	\$ (89,209)	\$ 1,235,459	\$ 1,146,250	\$ 1,190,854	\$ 704,390	0.25%	\$ 146
Jul-14	\$ (1,033,799)	\$ 8,397	\$ 1,042,196	\$ 1,146,250	\$ 2,188,446	\$ 1,667,348	\$ 986,236	0.25%	\$ 205
Aug-14	\$ 107,443	\$ 8,970	\$ (98,473)	\$ 2,188,446	\$ 2,089,973	\$ 2,139,210	\$ 1,265,343	0.25%	\$ 263
Sep-14	\$ 107,386	\$ 8,040	\$ (99,346)	\$ 2,089,973	\$ 1,990,627	\$ 2,040,300	\$ 1,206,837	0.25%	\$ 250

SECTION III. RGGI RECOVERY CHARGE (DR COMPONENT) CALCULATION

Forecasted Amortization (Straight Line)	\$	49,436	Table 2, Col 4
Forecasted CCRF (Based on 8.04% ROR, adj. for income tax)	\$	147,459	Table 2, Col 11
Ongoing O&M	\$	1,851,740	Table 2 Col 12
Forecasted PJM Market Revenues	\$	(1,621,121)	Table 2, Col 13
Prior Period True Up	\$	(1,991,491)	Table 4 Col 6 + Table 4 Col 10 (Jun 14 - Sept 14)
Forecasted Revenue Requirement	\$	(1,563,977)	
Total Annual Amount to be Recovered	\$	(1,563,977)	See Note Below
Retail Sales - kwh		5,563,162,665	
\$/KWH Surcharge	\$	-	
BPU Assessment	\$	-	
\$/KWH Surcharge with SUT	\$	-	

Note: The components of the revenue requirement calculation result in a negative amount which will be used to reduce the unamortized program cost balance as per the initial Board Order. The revenue requirement includes actuals through May 31, 2014 and forecasted amounts for the periods of June 1, 2014 - May 31, 2015. This amount will be adjusted once actuals have been updated through May 31, 2015 and the unamortized program cost balance will be adjusted accordingly in June 2015 by the resulting figure.

ACE DLC Expenditure Breakdown June 2014 - May 2015	
	June 2014 - May 2015
Installation Schedule	
Outdoor switch (DCU)	4,197
Thermostat	1,399
Total Installed Devices	5,596
Installation Cost	
Hardware	\$576,351
Installation	\$363,709
Inventory Carrying Charges + Spares	\$17,291
Customer Service Visits - Non Warranty	\$203,363
Load Research Meters	\$0
Load Research Feeders	\$0
Subtotal, Equipment & Systems	\$1,160,714
Customer Service & Support (incl Marketing)	\$1,769,809
Enrollment Incentives to Customers	\$279,776
Load Research Monitoring	\$0
PHI project management	\$161,008
Measurement & Verification	\$100,000
Radio Paging System Usage	\$88,980
Control System	\$0
Software & Database	\$65,100
Contractor's Project Management	\$312,936
Subtotal, Mngmnt & Operating Exp	\$2,777,609
Total	\$3,938,324

ACE - NEW JERSEY
RGGI Surcharge Workpaper
Residential Controllable Smart Thermostat Program
Amortization Table

10 Year Recovery

Month	Unamortized Beginning Balance	2010 Additional Program Costs	2011 Additional Program Costs	2012 Additional Program Costs	2013 Additional Program Costs	2014 Additional Program Costs	Amortization	Unamortized Ending Balance
Jun-10	\$ -	\$ 29,197					\$ -	\$ 29,197
Jul-10	\$ 29,197	\$ 102,752					\$ (19,409)	\$ 112,540
Aug-10	\$ 112,540	\$ (2,986)					\$ (20,326)	\$ 89,227
Sep-10	\$ 89,227	\$ 205,453					\$ (17,452)	\$ 277,229
Oct-10	\$ 277,229	\$ 117,567					\$ (13,263)	\$ 381,533
Nov-10	\$ 381,533	\$ (77,904)					\$ (10,759)	\$ 292,870
Dec-10	\$ 292,870	\$ 138,578					\$ (13,088)	\$ 418,360
Jan-11	\$ 418,360	\$ 90,415					\$ (15,462)	\$ 493,313
Feb-11	\$ 493,313	\$ 76,414					\$ (12,617)	\$ 557,109
Mar-11	\$ 557,109	\$ (32,797)					\$ (12,737)	\$ 511,575
Apr-11	\$ 511,575	\$ 326,083					\$ (11,148)	\$ 826,509
May-11	\$ 826,509	\$ 196,299					\$ (11,552)	\$ 1,011,256
Jun-11	\$ 1,011,256		\$ 312,932				\$ (14,353)	\$ 1,309,835
Jul-11	\$ 1,309,835		\$ 419,794				\$ (17,642)	\$ 1,711,987
Aug-11	\$ 1,711,987		\$ (196,668)				\$ (17,969)	\$ 1,497,351
Sep-11	\$ 1,497,351		\$ 240,483				\$ (18,025)	\$ 1,719,808
Oct-11	\$ 1,719,808		\$ (187,785)				\$ (12,579)	\$ 1,519,444
Nov-11	\$ 1,519,444		\$ 168,045				\$ (10,922)	\$ 1,676,567
Dec-11	\$ 1,676,567		\$ (99,481)				\$ (11,878)	\$ 1,565,208
Jan-12	\$ 1,565,208		\$ (69,571)				\$ (13,612)	\$ 1,482,025
Feb-12	\$ 1,482,025		\$ 218,156				\$ (12,036)	\$ 1,688,145
Mar-12	\$ 1,688,145		\$ (219,323)				\$ (11,737)	\$ 1,457,085
Apr-12	\$ 1,457,085		\$ 97,725				\$ (10,900)	\$ 1,543,910
May-12	\$ 1,543,910		\$ 123,035				\$ (11,313)	\$ 1,655,632
Jun-12	\$ 1,655,632			\$ (6,176)			\$ (12,783)	\$ 1,636,673
Jul-12	\$ 1,636,673			\$ 203,709			\$ (18,054)	\$ 1,822,329
Aug-12	\$ 1,822,329			\$ 93,274			\$ (19,444)	\$ 1,896,158
Sep-12	\$ 1,896,158			\$ (78,612)			\$ (17,245)	\$ 1,800,301
Oct-12	\$ 1,800,301			\$ 139,623			\$ (11,999)	\$ 1,927,925
Nov-12	\$ 1,927,925			\$ 43,659			\$ (11,136)	\$ 1,960,448
Dec-12	\$ 1,960,448			\$ 90,438			\$ (12,073)	\$ 2,038,813
Jan-13	\$ 2,038,813			\$ 102,116			\$ (13,123)	\$ 2,127,807
Feb-13	\$ 2,127,807			\$ 205,653			\$ (12,216)	\$ 2,321,243
Mar-13	\$ 2,321,243			\$ (63,187)			\$ (12,502)	\$ 2,245,554
Apr-13	\$ 2,245,554			\$ 207,666			\$ (11,624)	\$ 2,441,596
May-13	\$ 2,441,596			\$ 68,657			\$ (10,876)	\$ 2,499,377
Jun-13	\$ 2,499,377				\$ 48,994		\$ (12,558)	\$ 2,535,814
Jul-13	\$ 2,535,814				\$ 156,145		\$ (17,214)	\$ 2,674,744
Aug-13	\$ 2,674,744				\$ 146,976		\$ (17,328)	\$ 2,804,393
Sep-13	\$ 2,804,393				\$ (57,596)		\$ (15,092)	\$ 2,731,704
Oct-13	\$ 2,731,704				\$ 62,272		\$ (47,026)	\$ 2,746,950
Nov-13	\$ 2,746,950				\$ 128,494		\$ (41,388)	\$ 2,834,056
Dec-13	\$ 2,834,056				\$ 22,413		\$ (49,627)	\$ 2,806,842
Jan-14	\$ 2,806,842				\$ (24,747)		\$ (52,079)	\$ 2,730,015
Feb-14	\$ 2,730,015				\$ 50,127		\$ (52,001)	\$ 2,728,142
Mar-14	\$ 2,728,142				\$ 70,146		\$ (53,061)	\$ 2,745,226
Apr-14	\$ 2,745,226				\$ 67,277		\$ (45,705)	\$ 2,766,799
May-14	\$ 2,766,799				\$ 69,379		\$ (42,890)	\$ 2,793,288
Jun-14	\$ 2,793,288					\$ 96,726	\$ (48,722)	\$ 2,841,292
Jul-14	\$ 2,841,292					\$ 96,726	\$ (62,399)	\$ 2,875,619
Aug-14	\$ 2,875,619					\$ 96,726	\$ (66,662)	\$ 2,905,683
Sep-14	\$ 2,905,683					\$ 96,726	\$ (59,747)	\$ 2,942,662
		1,169,070	807,342	1,006,821	739,880	386,905	(1,167,356)	

Amortization Table		
Monthly	SubTotal	Count
243		
856	243	1
(25)	1,100	2
1,712	1,075	3
980	2,787	4
(649)	3,767	5
1,155	3,117	6
753	4,272	7
637	5,026	8
(273)	5,662	9
2,717	5,389	10
1,636	8,106	11
2,608	9,742	12
3,498	12,350	13
(1,639)	15,848	14
2,004	14,209	15
(1,565)	16,213	16
1,400	14,649	17
(829)	16,049	18
(580)	15,220	19
1,818	14,640	20
(1,828)	16,458	21
814	14,630	22
1,025	15,445	23
(51)	16,470	24
1,698	16,419	25
777	18,116	26
(655)	18,893	27
1,164	18,238	28
364	19,402	29
754	19,766	30
851	20,519	31
1,714	21,370	32
(527)	23,084	33
1,731	22,558	34
572	24,288	35
408	24,860	36
1,301	25,269	37
1,225	26,570	38
(480)	27,795	39
519	27,315	40
1,071	27,834	41
187	28,904	42
(206)	29,091	43
418	28,885	44
585	29,303	45
561	29,887	46
578	30,448	47
806	31,026	48
806	31,832	49
806	32,638	50
806	33,444	51
2014/2015 Amort of Prior Cost		
14-Oct	34,250	52
14-Nov	34,250	53
14-Dec	34,250	54
15-Jan	34,250	55
15-Feb	34,250	56
15-Mar	34,250	57
15-Apr	34,250	58
15-May	34,250	59
	274,001	

Amortization True-Up Calculation						
	2010	2011	2012	2013	2014	
Total Annual Amort Needed	\$ 40,544	\$ 175,454	\$ 239,124	\$ 336,159	\$ 128,940	
Actual Amortization Booked	\$ 157,814	\$ 162,966	\$ 163,076	\$ 445,969	\$ 237,531	
Difference	\$ (117,271)	\$ 12,488	\$ 76,048	\$ (109,810)	\$ (108,591)	
					\$ (247,135)	

	Amort True Up	(247,135)
	Prior Cost Amort	274,001
Oct - May	2014/15 Cost Amort	22,569
	<u>Total 2014 Amort</u>	<u>49,436</u>

ATLANTIC CITY ELECTRIC COMPANY

RGGI Recovery Charge

Residential Controllable Smart Thermostat Program

ACE Capital Structure 1-Jun-13

<u>Capital Structure</u>	<u>Weight</u>	<u>Rate</u>	<u>Weighted Rate</u>	<u>After Tax</u>	<u>Before Tax</u>
Long Term Debt	51.30%	6.41%	3.29%	1.95%	3.29%
Preferred Stock	0.00%	0.00%	0.00%	0.00%	0.00%
Common Stock	48.70%	9.75%	4.75%	4.75%	8.03%
Total	100.00%		8.04%	6.69%	11.32%

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

Line No.	Description		Statutory Tax Rate	
1	BPU Assessment		0.285%	
2	NJ Income Tax Rate		9.000%	
3	Federal Income Tax Rate		35.00%	

Line No.	Description	Computation	Total Tax Factor	Income Tax Factor
4	BPU Assessment	line 1	0.2850%	0.0000%
5	NJ Income Tax Factor	(100%-line 1) x line 2	8.9744%	9.0000%
6	Federal Income Tax Factor	(100% - (line 4 + line 5)) x line 3	31.7592%	31.8500%
7	Composite Tax Factor	line 4 + line 5 + line 6	41.0186%	40.8500%
8	Complement of Composite Tax Factor	100% - (line 4 + line 5 + line 6)	58.9814%	59.1500%

TABLE 1

**Residential Controllable Smart Thermostat Program ("RCSTP") Annual RGGI Surcharge Filing
Proposed Settlement of PJM Bidding Issues**

	(A)	(B)	(C)	(D)	(E)	(F)	(G)
Line	Month	Actual PJM Revenues Received	PJM Revenue Commitments	Difference Monthly	Difference Cumulative	Interest Rate	Interest Amount 1/
				(B)+(C)			(E)x(F)/12)
1	Jun-11	\$41,177	(\$31,030)	\$10,147	\$10,147	0.31%	\$3
2	Jul-11	\$42,550	(\$32,064)	\$10,486	\$20,633	0.29%	\$5
3	Aug-11	\$42,550	(\$32,064)	\$10,486	\$31,119	0.34%	\$9
4	Sep-11	\$41,177	(\$31,030)	\$10,147	\$41,266	0.30%	\$10
5	Oct-11	\$42,550	(\$32,064)	\$10,486	\$51,752	0.64%	\$28
6	Nov-11	\$41,177	(\$31,030)	\$10,147	\$61,899	0.66%	\$34
7	Dec-11	\$42,550	(\$32,064)	\$10,486	\$72,385	0.72%	\$43
8	Jan-12	\$42,550	(\$32,064)	\$10,486	\$82,871	0.83%	\$57
9	Feb-12	\$39,805	(\$29,996)	\$9,809	\$92,680	0.85%	\$65
10	Mar-12	\$42,550	(\$32,064)	\$10,486	\$103,166	0.90%	\$77
11	Apr-12	\$41,177	(\$31,030)	\$10,147	\$113,313	0.92%	\$87
12	May-12	\$42,550	(\$32,064)	\$10,486	\$123,799	0.42%	\$43
PJM Plan Year 11-12		\$502,364	(\$378,565)	\$123,799			\$461
13	Jun-12	\$2,500	(\$96,311)	(\$93,811)	\$29,987	0.41%	\$10
14	Jul-12	\$2,583	(\$99,522)	(\$96,939)	(\$66,951)	0.42%	(\$23)
15	Aug-12	\$2,583	(\$99,522)	(\$96,939)	(\$163,890)	0.41%	(\$57)
16	Sep-12	\$2,500	(\$96,311)	(\$93,811)	(\$257,701)	0.41%	(\$89)
17	Oct-12	\$2,583	(\$99,522)	(\$96,939)	(\$354,640)	0.42%	(\$123)
18	Nov-12	\$2,500	(\$96,311)	(\$93,811)	(\$448,451)	0.42%	(\$157)
19	Dec-12	\$2,583	(\$99,522)	(\$96,939)	(\$545,390)	0.41%	(\$185)
20	Jan-13	\$2,583	(\$99,522)	(\$96,939)	(\$642,328)	0.39%	(\$210)
21	Feb-13	\$2,333	(\$89,891)	(\$87,557)	(\$729,885)	0.36%	(\$216)
22	Mar-13	\$2,583	(\$99,522)	(\$96,939)	(\$826,824)	0.36%	(\$246)
23	Apr-13	\$2,500	(\$96,311)	(\$93,811)	(\$920,635)	0.35%	(\$268)
24	May-13	\$2,583	(\$99,522)	(\$96,939)	(\$1,017,574)	0.30%	(\$253)
PJM Plan Year 12-13		\$30,416	(\$1,171,789)	(\$1,141,373)			(\$1,814)

TABLE 1

**Residential Controllable Smart Thermostat Program ("RCSTP") Annual RGGI Surcharge Filing
Proposed Settlement of PJM Bidding Issues**

	(A)	(B)	(C)	(D)	(E)	(F)	(G)
Line	Month	Actual PJM Revenues Received	PJM Revenue Commitments	Difference Monthly	Difference Cumulative	Interest Rate	Interest Amount 1/
				(B)+(C)			(E)x((F)/12)
25	Jun-13	\$64,800	(\$251,709)	(\$186,909)	(\$1,204,483)	0.26%	(\$263)
26	Jul-13	\$66,960	(\$260,100)	(\$193,140)	(\$1,397,623)	0.26%	(\$300)
27	Aug-13	\$66,960	(\$260,100)	(\$193,140)	(\$1,590,763)	0.26%	(\$350)
28	Sep-13	\$64,800	(\$251,709)	(\$186,909)	(\$1,777,672)	0.27%	(\$397)
29	Oct-13	\$66,960	(\$260,100)	(\$193,140)	(\$1,970,812)	0.32%	(\$521)
30	Nov-13	\$64,800	(\$251,709)	(\$186,909)	(\$2,157,722)	0.27%	(\$481)
31	Dec-13	\$66,960	(\$260,100)	(\$193,140)	(\$2,350,861)	0.27%	(\$520)
32	Jan-14	\$66,960	(\$260,100)	(\$193,140)	(\$2,544,001)	0.27%	(\$568)
33	Feb-14	\$60,480	(\$234,929)	(\$174,449)	(\$2,718,450)	0.26%	(\$594)
34	Mar-14	\$66,960	(\$260,100)	(\$193,140)	(\$2,911,590)	0.24%	(\$587)
35	Apr-14	\$64,800	(\$251,709)	(\$186,909)	(\$3,098,499)	0.25%	(\$634)
36	May-14	\$66,960	(\$260,100)	(\$193,140)	(\$3,291,639)	0.25%	(\$673)
PJM Plan Year 13-14		\$788,400	(\$3,062,465)	(\$2,274,065)			(\$5,888)
37	Jun-14	\$200,138	(\$157,126)	\$43,012	(\$3,248,626)	0.25%	(\$665)
38	Jul-14	\$206,810	(\$162,363)	\$44,446	(\$3,204,180)	0.25%	(\$655)
39	Aug-14	\$206,810	(\$162,363)	\$44,446	(\$3,159,734)	0.25%	(\$646)
40	Sep-14	\$200,138	(\$157,126)	\$43,012	(\$3,116,722)	0.25%	(\$638)
41	Oct-14	\$206,810	(\$162,363)	\$44,446	(\$3,072,275)	0.25%	(\$628)
42	Nov-14	\$200,138	(\$157,126)	\$43,012	(\$3,029,263)	0.25%	(\$620)
43	Dec-14	\$206,810	(\$162,363)	\$44,446	(\$2,984,817)	0.25%	(\$611)
44	Jan-15	\$206,810	(\$162,363)	\$44,446	(\$2,940,371)	0.25%	(\$601)
45	Feb-15	\$186,796	(\$146,651)	\$40,145	(\$2,900,226)	0.25%	(\$593)
46	Mar-15	\$206,810	(\$162,363)	\$44,446	(\$2,855,780)	0.25%	(\$584)
47	Apr-15	\$200,138	(\$157,126)	\$43,012	(\$2,812,767)	0.25%	(\$575)
48	May-15	\$206,810	(\$162,363)	\$44,446	(\$2,768,321)	0.25%	(\$566)
PJM Plan Year 14-15		\$2,435,017	(\$1,911,699)	\$523,318			(\$7,383)

TABLE 1

**Residential Controllable Smart Thermostat Program ("RCSTP") Annual RGI Surcharge Filing
Proposed Settlement of PJM Bidding Issues**

	(A)	(B)	(C)	(D)	(E)	(F)	(G)
Line	Month	Actual PJM Revenues Received	PJM Revenue Commitments	Difference Monthly	Difference Cumulative	Interest Rate	Interest Amount 1/
				(B)+(C)			(E)x((F)/12)
49	Jun-15	\$293,892	(\$213,512)	\$80,381	(\$2,687,940)	0.25%	(\$550)
50	Jul-15	\$303,689	(\$220,629)	\$83,060	(\$2,604,880)	0.25%	(\$533)
51	Aug-15	\$303,689	(\$220,629)	\$83,060	(\$2,521,820)	0.25%	(\$516)
52	Sep-15	\$293,892	(\$213,512)	\$80,381	(\$2,441,439)	0.25%	(\$499)
53	Oct-15	\$303,689	(\$220,629)	\$83,060	(\$2,358,379)	0.25%	(\$482)
54	Nov-15	\$293,892	(\$213,512)	\$80,381	(\$2,277,998)	0.25%	(\$466)
55	Dec-15	\$303,689	(\$220,629)	\$83,060	(\$2,194,938)	0.25%	(\$449)
56	Jan-16	\$303,689	(\$220,629)	\$83,060	(\$2,111,878)	0.25%	(\$432)
57	Feb-16	\$284,096	(\$206,394)	\$77,701	(\$2,034,176)	0.25%	(\$416)
58	Mar-16	\$303,689	(\$220,629)	\$83,060	(\$1,951,116)	0.25%	(\$399)
59	Apr-16	\$293,892	(\$213,512)	\$80,381	(\$1,870,735)	0.25%	(\$383)
60	May-16	\$303,689	(\$220,629)	\$83,060	(\$1,787,675)	0.25%	(\$366)
PJM Plan Year 15-16		\$3,585,486	(\$2,604,840)	\$980,646			(\$5,491)
61	Jun-16	\$206,929	(\$161,898)	\$45,031	(\$1,742,644)	0.25%	(\$356)
62	Jul-16	\$213,826	(\$167,294)	\$46,532	(\$1,696,112)	0.25%	(\$347)
63	Aug-16	\$213,826	(\$167,294)	\$46,532	(\$1,649,580)	0.25%	(\$337)
64	Sep-16	\$206,929	(\$161,898)	\$45,031	(\$1,604,548)	0.25%	(\$328)
65	Oct-16	\$213,826	(\$167,294)	\$46,532	(\$1,558,016)	0.25%	(\$319)
66	Nov-16	\$206,929	(\$161,898)	\$45,031	(\$1,512,985)	0.25%	(\$309)
67	Dec-16	\$213,826	(\$167,294)	\$46,532	(\$1,466,453)	0.25%	(\$300)
68	Jan-17	\$213,826	(\$167,294)	\$46,532	(\$1,419,921)	0.25%	(\$290)
69	Feb-17	\$193,134	(\$151,104)	\$42,029	(\$1,377,892)	0.25%	(\$282)
70	Mar-17	\$213,826	(\$167,294)	\$46,532	(\$1,331,360)	0.25%	(\$272)
71	Apr-17	\$206,929	(\$161,898)	\$45,031	(\$1,286,328)	0.25%	(\$263)
72	May-17	\$213,826	(\$167,294)	\$46,532	(\$1,239,796)	0.25%	(\$254)
PJM Plan Year 16-17		\$2,517,634	(\$1,969,755)	\$547,879			(\$3,658)

TABLE 1

**Residential Controllable Smart Thermostat Program ("RCSTP") Annual RGGI Surcharge Filing
Proposed Settlement of PJM Bidding Issues**

(A)	(B)	(C)	(D)	(E)	(F)	(G)	
Line	Month	Actual PJM Revenues Received	PJM Revenue Commitments	Difference Monthly	Difference Cumulative	Interest Rate	Interest Amount 1/
				(B)+(C)			(E)x((F)/12)
73	Jun-17	\$198,360	(\$163,080)	\$35,280	(\$1,204,516)	0.25%	(\$246)
74	Jul-17	\$204,972	(\$168,516)	\$36,456	(\$1,168,060)	0.25%	(\$239)
75	Aug-17	\$204,972	(\$168,516)	\$36,456	(\$1,131,604)	0.25%	(\$231)
76	Sep-17	\$198,360	(\$163,080)	\$35,280	(\$1,096,324)	0.25%	(\$224)
77	Oct-17	\$204,972	(\$168,516)	\$36,456	(\$1,059,868)	0.25%	(\$217)
78	Nov-17	\$198,360	(\$163,080)	\$35,280	(\$1,024,588)	0.25%	(\$210)
79	Dec-17	\$204,972	(\$168,516)	\$36,456	(\$988,132)	0.25%	(\$202)
80	Jan-18	\$204,972	(\$168,516)	\$36,456	(\$951,676)	0.25%	(\$195)
81	Feb-18	\$185,136	(\$152,208)	\$32,928	(\$918,748)	0.25%	(\$188)
82	Mar-18	\$204,972	(\$168,516)	\$36,456	(\$882,292)	0.25%	(\$180)
83	Apr-18	\$198,360	(\$163,080)	\$35,280	(\$847,012)	0.25%	(\$173)
84	May-18	\$204,972	(\$168,516)	\$36,456	(\$810,556)	0.25%	(\$166)
PJM Plan Year 17-18		\$2,413,380	(\$1,984,140)	\$429,240			(\$2,472)
SubTotal		\$12,272,698	(\$13,083,254)		(\$810,556)		(\$26,244)
Additional Payment			(\$300,000)		(\$300,000)		

Actual Committed Levels Under Past and Future PJM Auctions

Total Due Ratepayers		
PJM Commitments		(\$13,083,254)
Additional Payments		(\$300,000)
Interest		(\$26,244)
Total Due Ratepayers		(\$13,409,498)
PJM Revenues Received		\$12,272,698
Final Amount Due Ratepayers		(\$1,136,801)

1/ Short Term Interest Rate per Stipulation, rates are based on actuals through April 2014 and estimated with no change through May 2018.

Table 6

Net PJM credits and interest reflected in RGGI Charge as of

May 31, 2014

Rate Effective Period	PJM credits + Interest to be Reflected in RGGI Charge				PJM credits + Interest actually Reflected in RGGI Charge to date			
	PJM Credits to be Reflected in RGGI Surcharge When PJM Revenues are Received	Interest to be Reflected in RGGI Surcharge When PJM Revenues are Received	Total to be reflected	Cumulative total to be reflected	PJM Revenues Actually Received and reflected in RGGI Charge	PJM Revenues Actually Received Applicable to April 2013 Stipulation Terms	Cumulative total Actual PJM Revenues reflected in RGGI Charge	Net PJM credits and interest reflected in RGGI Charge Over (under)
	a	b	c = a + b	d	e	f	g	h
6/1/2011 - 5/31/2012	\$378,565	(\$461)	\$ 378,104	\$ 378,104	\$ 502,364	\$ 502,364	\$ 502,364	\$ 124,260
6/1/2012 - 5/31/2013	\$1,171,789	\$1,814	\$ 1,173,604	\$ 1,551,708	\$ 161,026	\$ 30,416	\$ 532,781	\$ (1,018,927)
6/1/2013 - 5/31/2014	\$3,062,465	\$5,888	\$ 3,068,353	\$ 4,620,060	875,726	788,400	\$ 1,321,181	\$ (3,298,880)
6/1/2014 - 5/31/2015	\$1,911,699							
6/1/2015 - 5/31/2016	\$2,604,840							
6/1/2016 - 5/31/2017	\$1,969,755							
6/1/2017 - 5/31/2018	\$1,984,140							
Sub-total PJM Credits	\$13,083,254							
Additional Payment	\$300,000							

Data Sources

- a Column C, Table 1
- b Page 9, Table 1, Column G
- e Column 13, Table 3 of Exhibit A. Includes PJM revenues not covered by April 2013 Stipulation and related Board Order, e.g. energy sales.

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

(1)	(2)
<u>Date</u>	<u>ACE Short-Term Debt Rate</u> <u>USE WEIGHTED AVE</u> <u>FOR BOTH CP & ST</u> <u>NOTES</u>
Jul-10	0.41%
Aug-10	0.41%
Sep-10	0.40%
Oct-10	0.37%
Nov-10	0.35%
Dec-10	0.35%
Jan-11	0.35%
Feb-11	0.35%
Mar-11	0.35%
Apr-11	0.35%
May-11	0.31%
Jun-11	0.31%
Jul-11	0.29%
Aug-11	0.34%
Sep-11	0.30%
Oct-11	0.64%
Nov-11	0.66%
Dec-11	0.72%
Jan-12	0.83%
Feb-12	0.85%
Mar-12	0.90%
Apr-12	0.92%
May-12	0.42%
Jun-12	0.41%
Jul-12	0.42%
Aug-12	0.41%
Sep-12	0.41%
Oct-12	0.42%
Nov-12	0.42%
Dec-12	0.41%
Jan-13	0.39%
Feb-13	0.36%
Mar-13	0.36%
Apr-13	0.35%
May-13	0.30%
Jun-13	0.26%
Jul-13	0.26%
Aug-13	0.26%
Sep-13	0.27%
Oct-13	0.32%
Nov-13	0.27%
Dec-13	0.27%
Jan-14	0.27%
Feb-14	0.26%
Mar-14	0.24%
Apr-14	0.25%
May-14	0.25%

Attachment 2

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) \$0.000000
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