



Agenda Date: 3/6/23
Agenda Item: IIA

STATE OF NEW JERSEY
Board of Public Utilities
44 South Clinton Avenue, 1st Floor
Post Office Box 350
Trenton, New Jersey 08625-0350
www.nj.gov/bpu/

ENERGY

IN THE MATTER OF THE PETITION OF ATLANTIC)
CITY ELECTRIC COMPANY FOR APPROVAL OF)
AMENDMENTS TO ITS TARIFF TO PROVIDE FOR AN)
INCREASE IN RATES AND CHARGES FOR ELECTRIC)
SERVICE PURSUANT TO N.J.S.A. 48:2-21 AND)
N.J.S.A. 48:2-21.1, AND FOR OTHER APPROPRIATE)
RELIEF (2023)) DOCKET NO. ER23020091

Parties of Record:

Brian O. Lipman, Esq., Director, New Jersey Division of Rate Counsel
Cynthia L.M. Holland, Esq., Atlantic City Electric Company

BY THE BOARD:

On February 15, 2023, pursuant to N.J.S.A. 48:2-21, N.J.S.A. 48:2-21.1, and N.J.A.C. 14:1-5.12, Atlantic City Electric Company (“ACE” or “Company”), a public utility of the State of New Jersey subject to the jurisdiction of the New Jersey Board of Public Utilities (“Board”), filed a petition for approval of an increase in its current base rates for electric service of approximately \$104.8 million, excluding Sales and Use Tax (“SUT”), to be effective for electric service provided on or after March 17, 2023 (“Petition”).

According to the Petition, the Company’s electric distribution rates set forth in its present tariff are inadequate to recover its operating expenses, taxes, and fixed charges; provide insufficient operating revenues to reflect increased investment in its rate base; and are inadequate for ACE to maintain financial viability. Further, ACE asserted that its present rates do not provide a fair opportunity to earn a reasonable rate of return on the Company’s property used to provide utility service.

By the Petition, ACE requested:

- 1) A return on equity of 10.50%
- 2) Board recognition of certain post-test-year costs and investments so the Company and its investors may be compensated for investments made to serve customers;
- 3) That the Board conduct a prudence review of its PowerAhead Program and find that its recovery of certain PowerAhead costs through the provisional cost recovery mechanism is final and no longer subject to refund;

- 4) Board authority to recover the costs of certain capital investments and Operation and Maintenance expenses incurred during the test year period through June 30, 2023 related to its Smart Energy Network costs;
- 5) Board authority to recover the regulatory asset balance as of June 30, 2023 for costs associated with its EVsmart initiative to be amortized over three years with the unamortized balance included in rate base;
- 6) Board authority to make certain tariff changes, including the addition of two (2) new light emitting diode street lighting options and a new "Electric Vehicle Equivalent Residential Rate" tariff offering; and
- 7) Board authority to refund to customers a gross receipts tax reserve liability via a one-time credit of \$994,337, not including SUT.

Because the proposed revisions, if approved, will increase existing rates and change or alter existing classifications in the Company's tariff, it is **HEREBY ORDERED** that:

- (1) Pursuant to N.J.S.A. 48:2-21(d), and consistent with N.J.A.C. 14:1-5.12, the proposed revisions are suspended until July 15, 2023, unless prior to that date the Board makes a determination disposing of the petition or enters an Order further suspending the proposed revisions;
- (2) ACE shall, at least 10 days prior to the date set for hearing on the petition by the Office of Administrative Law ("OAL"), file with this Board, and with the OAL, proof of compliance with the notice provisions of N.J.S.A. 48:2-32.2 and N.J.A.C. 14:1-5.12(b) and (c), which notice shall include a statement that any relief found by the Board to be just and reasonable may be allocated by the Board to any class or classes of customers on any rate or schedule as the Board may determine; and
- (3) ACE shall serve copies of this Order upon the OAL, the New Jersey Division of Rate Counsel (140 East Front Street, 4th Floor, Post Office Box 003, Trenton, N.J. 08625), the clerk of each affected municipality, the clerk of the Boards of County Commissioners of each affected county, and where appropriate, the executive officer of the affected county within its service area. Service of the petition, notice of hearings and this Order may be made simultaneously. Proof of Service of this Order shall be filed with the Board.

This Order shall be effective on March 13, 2023.

DATED: March 6, 2023

BOARD OF PUBLIC UTILITIES
BY:



JOSEPH L. FIORDALISO
PRESIDENT



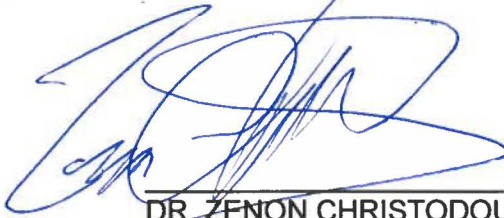
MARY-ANNA HOLDEN
COMMISSIONER



DIANNE SOLOMON
COMMISSIONER



ROBERT M. GORDON
COMMISSIONER



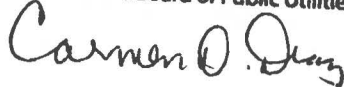
DR. ZENON CHRISTODOULOU
COMMISSIONER

ATTEST:



CARMEN D. DIAZ
ACTING 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 THE PETITION OF ATLANTIC CITY ELECTRIC COMPANY FOR APPROVAL OF AMENDMENTS TO ITS TARIFF TO PROVIDE FOR AN INCREASE IN RATES AND CHARGES FOR ELECTRIC SERVICE PURSUANT TO N.J.S.A. 48:2-21 AND N.J.S.A. 48:2-21.1, AND FOR OTHER APPROPRIATE RELIEF (2023)

BPU Docket No. ER23020091

SERVICE LIST

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