



Agenda Date: 12/18/24
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, TO IMPLEMENT DEFERRED)
ACCOUNTING, AND FOR OTHER APPROPRIATE)
RELIEF) BPU DOCKET NO. ER24110854

Parties of Record:

Brian O. Lipman, Esq., Director, New Jersey Division of Rate Counsel
Clark Stalker, Esq., Associate General Counsel, Atlantic City Electric Company

BY THE BOARD:

On November 21, 2024, 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 \$120 million, excluding Sales and Use Tax (“SUT”), to be effective for electric service provided on and after December 21, 2024 (“Petition”).¹

According to the Petition, the Company’s electric distribution rates provided in its present tariff: 1) are inadequate to recover its operating expenses, taxes, and fixed charges; 2) provide insufficient operating revenues to reflect increased investment in its rate base; and 3) 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.

¹ The Company’s request includes a \$109 million incremental revenue deficiency associated with the costs and investments, as well as the transfer of \$11.1 million in revenues related to the Company’s completed Infrastructure Investment Program (“IIP”) that is currently being recovered through Rider IIP. The overall revenue requirement is \$120,018,587, excluding SUT, and \$127,969,819, including SUT.

By the Petition, ACE also requested:

- 1) A return on equity of 10.70%;
- 2) A Board-conducted final prudence review of its IIP that concluded on June 30, 2023 (“IIP 1.0”);
- 3) A Board-conducted prudence and cost recovery review of its Powering the Future IIP and the recovery of program costs through base rates or investments made through September 30, 2024, as well as post-test year investments anticipated through March 31, 2025;
- 4) Board authority to recover the costs of investments and operation and maintenance expenses incurred during the test year period through September 30, 2024 related to its Smart Energy Network costs;
- 5) Recovery of the costs associated with a work stoppage that occurred from November 5, 2023 through December 5, 2023, due to the expiration of a collective bargaining agreement;
- 6) Board authority to define wildfires as “major events” and authorization to use deferred accounting treatment to record the costs of wildfires and wildfire mitigation activities undertaken by the Company;
- 7) Board authority to use deferred accounting treatment for the costs of obtaining an Incidental Eagle Take Permit as well as the costs of related system investments required regarding the requirements of the federal Bald and Golden Eagle Detection Act;
- 8) Accounting requests related to a series of Private Letter Rulings by the Internal Revenue Service;
- 9) Review and approval of updated Conservation Incentive Program revenue target calculations;
- 10) Approval of an electric vehicle off-peak charging credit; and
- 11) Several tariff and cost of service modifications.

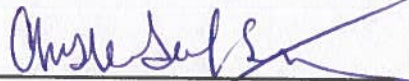
Because the proposed revisions, if approved, will increase existing rates and change or alter existing classifications in the Company’s tariff, it is **HEREBY ORDERED** that:

- 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 April 21, 2025 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 ten (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 Office of Administrative Law (“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. Proof of Service of this Order shall be filed with the Board.

This Order shall be effective on December 18, 2024.

DATED: December 18, 2024

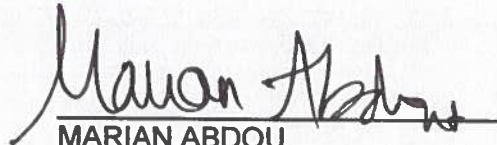
BOARD OF PUBLIC UTILITIES
BY:



CHRISTINE GUHL-SADOVY
PRESIDENT



DR. ZENON CHRISTODOULOU
COMMISSIONER

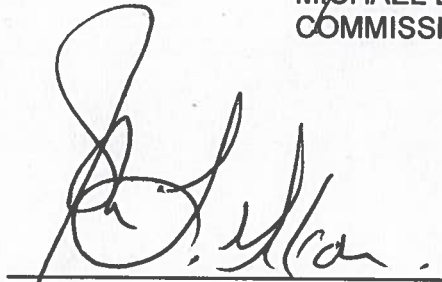


MARIAN ABDU
COMMISSIONER



MICHAEL BANGE
COMMISSIONER

ATTEST:


SHERRI L. GOLDEN
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, TO IMPLEMENT DEFERRED ACCOUNTING, AND FOR OTHER APPROPRIATE RELIEF

BPU DOCKET NO. ER24110854

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