

**NOTICE TO CUSTOMERS OF
ATLANTIC CITY ELECTRIC COMPANY
OF FILING REGARDING
RATE ADJUSTMENT AND PUBLIC HEARINGS**

**IN THE MATTER OF THE PETITION OF ATLANTIC CITY ELECTRIC COMPANY
FOR IMPLEMENTATION OF AN ADJUSTMENT TO ITS CONSERVATION
INCENTIVE PROGRAM RATE MECHANISM AND ASSOCIATED CUSTOMER
CLASS RATES (2023)**

BPU Docket No. ER23070479

PLEASE TAKE NOTICE that, on July 31, 2023, Atlantic City Electric Company (“ACE” or “Company”), a New Jersey public utility, filed a petition with the New Jersey Board of Public Utilities (“Board” or “BPU”) seeking authorization to implement adjustments to its Conservation Incentive Program (“CIP”) rate mechanism (“CIP Recovery Charge” or “Rider CIP”) based upon actual results for the program year July 1, 2022 through June 30, 2023 (“Petition”). ACE requested that the Board permit the proposed rate adjustments to become effective for electric service rendered on and after October 1, 2023.

On April 27, 2021, in BPU Docket No. EO20090621, the Board adopted a stipulation of settlement authorizing ACE to implement its energy efficiency (“EE”) programs (the “ACE EE Order”). The ACE EE Order approved a portfolio of EE programs with a budget of \$96,065,276 for the three-year term beginning July 1, 2021 and ending June 30, 2024 (the “EE Program”). In addition to the EE Program, the Board approved the Company’s implementation of a cost recovery mechanism, the EE Surcharge, which was included as a component of ACE’s Rider Regional Greenhouse Gas Initiative.

The Company also received the Board’s approval of a modified electric CIP calculation methodology to recover a portion of the Company’s revenues that might be lost due to the successful implementation of the EE Program and the related decrease in energy usage and energy sales. The Company was authorized to implement the CIP Recovery Charge (also known as Rider CIP). The ACE EE Order contemplates that the CIP Recovery Charge shall be adjusted annually and that any variances from the annual filings shall be trued-up in the subsequent year.

The CIP applies to the following ACE Rate Schedules: Residential Service (“RS”), Monthly General Service-Secondary (“MGS-S”), MGS-Primary (“MGS-P”), Annual General Service-Secondary (“AGS-S”), AGS Primary (“AGS-P”), Transmission General Service (“TGS”) Sub-Transmission, and TGS Transmission. The CIP is not applicable to Rate Schedules Direct Distribution Connection (DDC), Street and Private Lighting (SPL), and Contributed Street Lighting (CSL). The CIP Recovery Charge provides a rate adjustment related to changes in the average revenue per customer when compared to a baseline revenue per customer. The CIP margin deficiency to be collected from customers – or the margin excess to be refunded to customers – is calculated each month by applicable rate schedule by subtracting the baseline revenue per customer from the actual revenue per customer and multiplying the resulting revenue per customer by the actual number of customers for the month. ACE’s ability to recover an adjustment to its CIP is subject to the Company passing an earnings test and is subject to limitations based on offsetting savings achieved by the Company in the costs of Basic Generation Service (“BGS”).

As outlined in the Petition, ACE proposes to refund a net CIP amount of \$5,318,121 to customers within eligible rate classes, which includes a margin excess of \$7,007,377 carryforward from CIP Year 1. This represents \$20,798,191 of refunds owed to customers in the MGS-S, MGS-P, AGS-S, AGS-P, TGS Sub-Transmission, and TGS rate classes, partially offset by \$15,480,070 of margin recovery for the RS customer classes.

If the Board approves this request, ACE estimates that a typical residential customer using BGS with usage of 680 kilowatt hours (“kWh”) per month will see a bill *increase* of \$3.11 or 2.11 percent, from \$147.17 to \$150.28 as a result of this filing.

The complete bill impact analysis for all Rate Schedules, and its underlying assumptions, are outlined in the Petition. The exact amount that your bill will decrease depends upon the amount of electricity you use. A summary of the proposed rate changes is included with this Notice to help customers assess the impact of the proposed new rates on their monthly bills. The summary assumes that customers receive their electric supply from the Company and not from a third-party supplier.

The chart below provides information as to the monthly rate change by customer class:

Rate Class	Current Monthly CIP Rates with Sales & Use Tax (“SUT”)	Proposed Monthly CIP Rates with SUT	
RS	(\$0.000354)	\$0.004224	Per kilowatt-hour
MGSS	(\$0.008526)	(\$0.013181)	Per kilowatt-hour
MGSP	(\$0.032302)	(\$0.025754)	Per kilowatt-hour
AGSS	\$0.04	(\$0.19)	Per-kilowatt of monthly peak demand
AGSP	(\$0.13)	(\$0.37)	Per-kilowatt of monthly peak demand
TGST	(\$0.17)	(\$0.29)	Per-kilowatt of monthly peak demand
TGS	\$0.05	(\$0.19)	Per-kilowatt of monthly peak demand

The chart below provides information as to the percentage rate change for all customer rates included on a customer’s monthly invoice by customer class:

Rate Schedule	Percent Change by Customer Class
Residential	2.08%
Monthly General Service Secondary	(2.40%)
Monthly General Service Primary	4.92%
Annual General Service Secondary	(0.43%)
Annual General Service Primary	(0.43%)
Transmission General Service – Sub-transmission	(0.16%)
Transmission General Service – Transmission	(0.33%)
Street and Private Lighting/ Contributed Street Lighting	0.00%
Direct Distribution Connection	0.00%

The impacts noted above are based upon a comparison with current rates as of July 1, 2023. Any final rate adjustments found by the Board to be just and reasonable may be modified and/or allocated by the Board in accordance with the provisions of N.J.S.A. 48:3-4, and for other good and legally sufficient reasons, to any class or classes of customers of the Company. Therefore, the rates set out above may increase or decrease based upon the Board’s decision.

A copy of this Notice of Filing and Public Hearings on the Petition is being served upon the clerk, executive or administrator of each municipality and county within the Company’s service territory. The Petition and this Notice have been posted on ACE’s website at www.atlanticcityelectric.com/PublicPostings and has also been sent to the New Jersey Division of Rate Counsel (“Rate Counsel”), who will represent the interests of all ACE customers in this proceeding. The Petition is also available to review online through the Board’s website, <https://publicaccess.bpu.state.nj.us>, where you can search by the above-captioned docket number. The Petition and Board file may also be reviewed at the Board located at 44 South Clinton Avenue, 1st Floor, Trenton, New Jersey, with an appointment. To make an appointment, call (609) 913-6298.

PLEASE TAKE FURTHER NOTICE that, due to the COVID-19 pandemic, virtual public hearings are scheduled for the following dates and times so that members of the public may present their views on the Company’s Petition:

Date: Wednesday, November 29, 2023	Date: Wednesday, November 29, 2023
Time: 4:30 P.M.	Time: 5:30 P.M.
<p>VIRTUAL WEBINAR To join the meeting directly, enter https://tinyurl.com/ysmptmm2</p> <p>To join through a prompt for VTC conference ID, enter exelon@m.webex.com and then the VTC conference ID 114 987 963 0 followed by #</p>	<p>VIRTUAL WEBINAR To join meeting directly, enter https://tinyurl.com/ysmptmm2</p> <p>To join through a prompt for VTC conference ID, enter exelon@m.webex.com and then the VTC conference ID 114 987 963 0 followed by #</p>

Dial-In Number: 1-443-529-0267 Phone Conference ID: 991 355 413#	Dial-In Number: 1-443-529-0267 Phone Conference ID: 991 355 413#
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Representatives from the Company, Rate Counsel, and the Board’s Staff will participate in the virtual public hearings. Members of the public may participate by utilizing the link or Dial-In number set forth above, to express their views regarding the filing. All comments will be made part of the final record of the proceeding to be considered by the Board. To encourage full participation in this opportunity for public comment, please submit any requests for needed accommodations, such as interpreters and/or listening assistance, 48 hours prior to the above hearings to the Secretary at board.secretary@bpu.nj.gov.

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

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

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

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

Dated: November 9, 2023

ATLANTIC CITY ELECTRIC COMPANY