



A PHI Company

Philip J. Passanante  
Associate General Counsel

92DC42  
500 N. Wakefield Drive  
Newark, DE 19702

P.O. Box 6066  
Newark, DE 19714-6066

302.429.3105 - Telephone  
302.429.3801 - Facsimile  
philip.passanante@pepcoholdings.com

August 31, 2015

Municipal Clerk  
Township of Tabernacle  
163 Carranza Road  
Tabernacle, NJ 08088-1405

**RE:** In the Matter of the Provision of Basic Generation Service  
for the Period Beginning June 1, 2016  
BPU Docket No. ER15040482

Notice of Filing and Public Hearing(s)

Dear Sir/Madame:

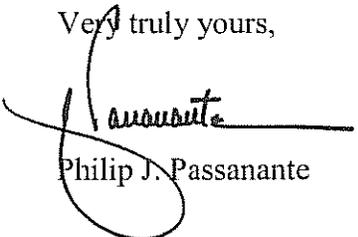
On behalf of Atlantic City Electric Company ("ACE") and pursuant to N.J.A.C. 14:1-5.12, enclosed please find a copy of a Notice of Public Hearing (the "Notice") in connection with the above-captioned matter.

Please be advised that this Notice has been – or will soon be – published in local newspapers serving ACE's entire service territory.

Interested parties can also file written comments with the Secretary of the Board of Public Utilities (44 South Clinton Avenue, 9<sup>th</sup> Floor, Trenton, New Jersey 08625) or can e-mail them to [board.secretary@bpu.state.nj.us](mailto:board.secretary@bpu.state.nj.us). Please include the phrase "2016 Energy Year BGS Filing" and the docket number in the subject line. Copies should also be sent to ACE at the Mays Landing Regional Office, 5100 Harding Highway, Mays Landing, New Jersey 08330, Attention: Regulatory Affairs Manager.

Thank you for your time and attention to the above.

Very truly yours,

  
Philip J. Passanante /jpr

Enclosures

**NOTICE TO  
ATLANTIC CITY ELECTRIC COMPANY  
CUSTOMERS**

**Notice of Filing and Public Hearings for Basic Generation Service  
Charges Procured by Atlantic City Electric Company on Behalf of Its  
Basic Generation Service Customers**

and

**Notice of Proposed Recovery Through Its Basic Generation Service Charges  
of Costs Resulting from Statewide Auction for Basic Generation Service**

**BPU Docket No. ER 15040482**

**PLEASE TAKE NOTICE** that, on or about July 1, 2015, Atlantic City Electric Company (“ACE”) filed a proposal (Annual Proposal for Basic Generation Service [“BGS”] Requirements to be Procured Effective June 1, 2016) with the New Jersey Board of Public Utilities (the “Board”), requesting that the Board approve the procurement of BGS through a statewide competitive auction process with new BGS charges to become effective June 1, 2016. The Board has docketed this matter as BPU Docket No. ER15040482. BGS is provided to all ACE customers who do not procure their electric supply requirements from a third party supplier. Also addressed in ACE’s filing are the PJM sponsored changes to the PJM Reliability Pricing Model (RPM, Capacity). The Board has authorized ACE to recover this potential increase in capacity costs through the BGS rates, however, the Federal Energy Regulatory Commission (“FERC”) has not approved market design for several transition periods.

The New Jersey Electric Distribution Companies (“EDCs”), such as ACE, are mandated to provide BGS in accordance with the requirements of the Electric Discount and Energy Competition Act (the “Act”). BGS is currently procured through a statewide competitive auction process in which all of the EDCs seek offers for BGS supply from electric generation suppliers. In this auction process, electric generation suppliers bid in a descending-clock auction on specified portions of the electric requirements for BGS customers for each of the EDCs. The Board has approved this type of auction for each year since 2001 and has found that this auction process meets the statutory requirements of the Act.

At 10:00 A.M. on Monday, September 28, 2015, a “legislative-type” hearing on the BGS proposals will be held in the 1st Floor Board Room of the Board’s office located at 44 South Clinton Avenue, Trenton, New Jersey. The Board is expected to rule on the EDCs’ BGS proposal(s) shortly thereafter. The Board’s Agenda Meeting schedule can be found at [www.nj.gov/bpu/](http://www.nj.gov/bpu/).

The maximum starting price for the next auction to procure BGS supply for customers eligible to receive BGS at residential small commercial pricing (“BGS-RSCP”) has not yet been determined. The final price for BGS- RSCP supply from the BGS-RSCP auction conducted in 2015 was 8.606 cents per kilowatt-hour for a 36-month supply period. The final price from the 2016 BGS-RSCP auction is blended with the prices procured for the previous two auctions to develop the BGS-RSCP rate to be paid by BGS-RSCP customers beginning June 1, 2016.

The maximum starting price for the next auction to procure BGS supply for commercial and industrial customers eligible to receive hourly-priced BGS (“BGS-CIEP”) has not yet been determined. For the BGS-CIEP auction conducted in 2015, the Generation Capacity Charge cleared at \$235.89 per MW-day.

The final prices for the BGS supply procured in the 2016 BGS-RSCP and BGS-CIEP auctions may be higher than or lower than the auction clearing prices obtained in the 2015 auctions. Auction prices are converted to customer charges, which may be higher or lower than current charges, depending on the outcome of the auctions, consistent with market conditions. Electric Supply rates also include network transmission charges set by FERC. BGS-RSCP and BGS-CIEP rates may change to reflect any increases or decreases in FERC-approved transmission and capacity charges.

Customers eligible to be served under the BGS-RSCP rate include customers served under ACE’s rate schedules RS, DDC, SPL, CSL, and MGS and AGS customers with a peak load share of less than 500 kW. BGS-CIEP will be the only default supply option available to customers served on rate schedule TGS and to customers served on rate schedules MGS Secondary, MGS Primary, AGS Secondary, and AGS Primary with a peak load share of 500 kW and higher as of November 1 of the year prior to the BGS auctions.

**PLEASE TAKE FURTHER NOTICE** that the Board has scheduled a local public hearing on the above filing at the following date, time, and location so that members of the public may present their views. The hearing will continue until all public witnesses are heard.

<b>Date:</b> Monday, September 21, 2015
<b>Time:</b> 1:30 P.M.
<b>Location:</b> Atlantic City Electric Company Offices 1 <sup>st</sup> Floor Conference Room 5100 Harding Highway Mays Landing, New Jersey 08330

In order to encourage full participation in this opportunity for public comment, please submit any requests for needed accommodations, including interpreters, listening devices or mobility assistance, 48 hours prior to the above hearings. Members of the public will have an opportunity to be heard and/or submit written comments or statements at the public hearing, if they wish to do so; any such comments will be made part of the public record and will be considered by the Board prior to voting on the matter. Customers may file written comments with the Secretary of the Board of Public Utilities (44 South Clinton Avenue, 9th Floor, Post Office Box 350, Trenton, New Jersey 08625-0350), regardless of whether or not they attend the public hearings. Copies of relevant filings associated with this matter are available at <http://bgs-auction.com/bgs.auction.regproc.asp>.

Dated: September 1, 2015



A P&G Company