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June 13, 2022

VIA ELECTRONIC MAIL

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Honorable Bob Gordon Commissioner Board of Public Utilities 44 South Clinton Avenue, 1st Floor P.O. Box 350 Trenton, New Jersey 08625-0350

RE: In the Matter of the Petition of Cumberland County Improvement Authority for the Approval of the Extension of Electric Public Utility Facilities of Atlantic City Electric Company Pursuant to N.J.S.A. 48:2-27 BPU Docket No. EO22020043

Dear Commissioner Gordon:

Atlantic City Electric Company ("ACE" or the "Company"), an intervener in the above referenced proceeding, submits the following response to the correspondence exchanged between Petitioner and the Division of Rate Counsel ("Rate Counsel") regarding the issues in dispute. ACE recognizes that N.J.A.C. 1:1-13.2(a)1 requires that the prehearing Order state "[t]he nature of the proceeding and the issue or issues to be resolved." In conferences and competing letters to your Office, Petitioner and Rate Counsel take contrary positions on whether this case presents questions on the service quality provided by ACE. Rate Counsel asserts that the question of whether ACE's service complies with N.J.S.A. 48:2-23 should be noted as an issue to be resolved. As stated at the prehearing conference, and on prior occasions, both in writing and orally, ACE respectfully objects to Rate Counsel's position that this matter is "an issue to be resolved."

Rate Counsel's claims that the Petition raises this issue are incorrect. Where the Petitioner cites N.J.S.A. 48:2-23, at Paragraph 6, it does so to support a statement on the general jurisdiction of the Board of Public Utilities. Rate Counsel directly cites paragraph 8, but selectively omits the portion of the quote where Petitioner concedes that "ACE has complied with its tariff and regulatory obligation to provide safe, adequate and proper service in Cumberland County for residential and existing business." With this concession, Petitioner quite plainly eliminates question as to whether it takes issue with ACE's existing service quality. Petitioner makes no

Commissioner Bob Gordon June 13, 2022 Page 2

directly contradictory claims that undermine its assertion that ACE has complied with its tariff and regulatory obligation to customers in the county.

All further discussion in the Petition is focused on the extension of facilities in the county to accommodate future economic redevelopment. At Paragraph 8, immediately after conceding that ACE service is "safe, adequate, and proper," Petitioner asserts that the existing infrastructure is insufficient to enable its plan for economic development. At Paragraph 12, Petitioner speaks about the proposed expansion or extension, the need "to construct" ACE facilities to Redevelopment Areas so that developers have "safe, adequate, and proper" electric service for their proposed developments. Even where Rate Counsel provides the quotation of Paragraph 12, it emphasizes the phrase "safe, adequate, and proper" while failing to recognize the forward nature of the phrasing "to construct." Likewise, references in Paragraph 11 and 15 to hosting capacity limitations concern the interconnection of new distributed energy systems into the grid, not the service provided to existing facilities. Indeed, Paragraph 15 references the county's goal "to develop pending proposed projects." Not one of these paragraphs, each cited by Rate Counsel, specifically asserts that the existing infrastructure or ACE's current service level is in violation of N.J.S.A. 48:2-23. It is apparent from both the Petition and the correspondence submitted by the Petitioner that it wishes to enable economic expansion and development in the county.

Where Rate Counsel alleges that Petitioner is attempting to "tread the needle," it reveals a fundamental misunderstanding of the Petition as future focused. It is not "contradictory" to indicate that "ACE's existing electric grid is both adequate for current customers but inadequate to meet the County's future needs," when the Petition seeks an extension of existing facilities. Under "Requested Relief," at Paragraph 16, Petitioner specifically (and solely) references N.J.S.A. 48:2-27. At Paragraph 29, Petitioner requests that the Board order a reasonable extension of existing facilities to accommodate future economic development. Petitioner's conclusion also only includes the statutory elements of N.J.S.A. 48:2-27. Again, Petitioner's focus is plainly on future extension, expansion, and economic development.

For these reasons, ACE asserts that the Petition does not support identifying satisfaction of the statutory elements of N.J.S.A. 48:2-23 as an issue in this proceeding and respectfully objects to Rate Counsel's inclusion of this issue in the proceeding.

Respectfully submitted,

Cynthia L.M. Holland An Attorney at Law of the State of New Jersey

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cc: Service List

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