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500 N. Wakefield Drive
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atlanticcityelectric.com

June 24, 2024

VIA ELECTRONIC MAIL
sherri.golden@bpu.nj.gov
board.secretary@bpu.nj.gov

Sherri L. Golden, RMC
Secretary of the Board
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 Atlantic City Electric Company for Authority
to Issue Up to \$875 Million of Long-Term Debt Securities Pursuant to
N.J.S.A. 48:3-9 (2025 - 2026)
BPU Docket No. _____

Dear Secretary Golden:

Attached is the Certified Petition of Atlantic City Electric Company (“ACE” or the “Company”) for Authority to Issue Up to \$875 Million of Long-Term Debt Securities Pursuant to N.J.S.A. 48:3-9.¹

The Company respectfully requests that New Jersey Board of Public Utilities (the “Board” or “BPU”) retain jurisdiction over this filing and complete its review of the renewed authority requested herein by **November 21, 2024**. ACE further requests that any Order granting the relief requested herein be effective as of the date of issuance of such Order or the Effective Date established in that Order, at the Board’s discretion.

Pursuant to the Order issued by the Board in connection with *In the Matter of the New Jersey Board of Public Utilities’ Response to the COVID-19 Pandemic for a Temporary Waiver of Requirements for Certain Non-Essential Obligations*, BPU Docket No. EO20030254, Order dated March 19, 2020, this Petition and related documents are being electronically filed with the Secretary of the Board, the Division of Law, and the New Jersey Division of Rate Counsel. No paper copies will follow.

¹ This filing is made under Certification of a corporate officer of ACE in lieu of an Affidavit of Verification. The Certification is consistent with the requirements of the New Jersey Court Rules.

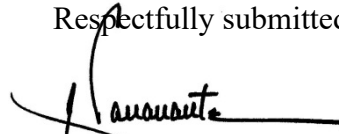
Sherri L. Golden, RMC

June 24, 2024

Page 2

Thank you for your cooperation and courtesies. Feel free to contact the undersigned with any questions.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Passanante", with a large, sweeping flourish that loops around the text.

Philip J. Passanante
An Attorney at Law of the
State of New Jersey

Enclosure

cc: Service List

**IN THE MATTER OF THE PETITION
OF ATLANTIC CITY ELECTRIC
COMPANY FOR AUTHORITY TO
ISSUE UP TO \$875 MILLION OF LONG-
TERM DEBT SECURITIES PURSUANT
TO N.J.S.A. 48:3-9 (2025 – 2026)**

**STATE OF NEW JERSEY
BOARD OF PUBLIC UTILITIES**

BPU DOCKET NO. _____

CERTIFIED PETITION

Petitioner, ATLANTIC CITY ELECTRIC COMPANY (“Petitioner,” “ACE” or the “Company”), a public utility corporation of the State of New Jersey, having an office and mailing address of 5100 Harding Highway, Mays Landing, in the State of New Jersey 08330, and an office at 500 N. Wakefield Drive, in the City of Newark, State of Delaware 19702-5440, respectfully submits this Petition to the Board of Public Utilities (the “Board”) pursuant to N.J.S.A. 48:3-9 and states that:

1. The Company is a public utility corporation organized and existing under the laws of the State of New Jersey and is engaged in the purchase, transmission, distribution, and sale of electric power to approximately 572,000 residential, commercial, and industrial customers in southern New Jersey. The Company provides default electricity supply to retail customers who do not choose a competitive supplier.

2. Petitioner is a wholly owned subsidiary of Pepco Holdings LLC (“PHI”), a limited liability company organized and existing under the laws of the State of Delaware. PHI is, in turn, a wholly owned subsidiary of PH Holdco LLC (“PHLLC”), a limited liability company organized and existing under the laws of the State of Delaware. PHLLC is, in turn, 99.9% owned by Exelon Energy Delivery Company, LLC (“EEDC”), a limited liability company organized and existing under the laws of the State of Delaware. EEDC is, in turn, a limited liability company wholly owned by Exelon Corporation.

3. Petitioner is engaged in a construction program with estimated expenditures of approximately \$1.5 billion for the years 2024 – 2026, designed to improve and extend its facilities to enable it to better serve the public. Information with respect to Petitioner's construction program for 2024 - 2026, containing general categories of the work to be done and estimates of the costs thereof, is attached hereto as **Exhibit A**. The Company seeks the flexibility to issue long-term debt to permanently finance up to \$875 million of short-term debt anticipated to be incurred for outlays associated with its 2024 - 2026 construction program.

4. The Company has \$150 million in taxable bonds scheduled to mature during 2024 – 2026 as shown in **Exhibit B**.

5. The Company respectfully requests authorization to issue and sell through one or more transactions and from time to time, but not later than December 31, 2026, debt securities (referred to herein generally as “Debt Securities”) in an aggregate principal amount of not more than \$875 million to: (i) to refund maturing debt securities, (ii) finance a portion of ACE’s 2024 - 2026 construction program, and (iii) convert a portion of its short-term debt expected to be incurred associated with its capital expenditure program to permanent financing.¹

6. The Debt Securities may consist of First Mortgage Bonds issued under the Company’s Mortgage and Deed of Trust dated January 15, 1937, or any successor mortgage thereto; Senior Notes issued under the Company’s Indenture (for Senior Debt Securities) dated as of April 1, 2004; or unsecured Notes, issued under the Company’s Indenture dated March 1, 1997.

¹ ACE’s existing long-term debt authorization was approved and authorized by the Board in *In the Matter of the Petition of Atlantic City Electric Company for Authority to Issue Up to \$700 Million of Long-Term Debt Securities Pursuant to N.J.S.A. 48:3-9 (2022 – 2024)*, BPU Docket No. EF22020044, Order issued July 13, 2022.

7. The Debt Securities may be sold in transactions as to which a registration statement filed with the United States (“U.S.”) Securities and Exchange Commission (the “SEC”) under the Securities Act of 1933, as amended (the “Securities Act”) is in effect.

8. The Debt Securities may be issued and sold publicly or in private placements directly to prospective purchasers through one or more underwriters or placement agents to be selected by the Company. The arrangements between ACE and the underwriters or placement agents, if any, regarding the issuance and sale of the Debt Securities will be set forth in one or more agreements to be executed at the time of issuance. Forms of such agreements will be provided to the Board upon request.

9. The Debt Securities may be issued in one or more series and will have maturities between 12 months and 40 years from the date of issuance. Other terms of the Debt Securities, including call provisions and interest rates, will be determined depending on the maturities selected and market conditions at the time such terms and rates are set. Based on current and historical market conditions, the Company anticipates that the maximum coupon spread over U.S. Treasury securities for the Debt Securities will be consistent with the Market Yield Spread Table attached as **Exhibit C**.

10. The spreads set forth in **Exhibit C** are based upon the difference between the market yield of corporate debt securities having ratings comparable to Petitioner’s Debt Securities and U.S. Treasury securities with like maturities. If market conditions change materially, Petitioner acknowledges that it will seek Board approval for an updated yield spread schedule.

11. Debt Securities may include tax-exempt bonds issued through a governmental authority and/or may be issued as credit enhancement for such tax-exempt bonds.

12. Debt Securities may include secured or unsecured bank loans (“Bank Loans”). Bank Loans would carry interest rates (fixed or variable) and maturities, and other terms and conditions, all of which would be dependent upon market conditions prevailing at the time of execution.

13. Communications and correspondence regarding this matter should be sent to Petitioner and its counsel at the following addresses:

Philip J. Passanante, Esquire
Assistant General Counsel
Atlantic City Electric Company
Mail Code 92DC42
500 N. Wakefield Drive
Newark, DE 19702-5440
Direct Dial: (667) 313-0418 (Teams)

Facsimile: (302) 429-3801
E-mail: philip.passanante@pepcoholdings.com

with a copy to the following representatives of the Company:

Ryan Brown
Assistant Treasurer
Atlantic City Electric Company
10 South Dearborn Street, 54th Floor
Chicago, IL 60603
Direct Dial: (312) 394-2091
Facsimile: (312) 394-8867
E-mail: ryan.brown@exeloncorp.com

and

Andre Cramer
Business Analyst, Regulatory Services
Atlantic City Electric Company – 92DC42
500 North Wakefield Drive
P.O. Box 6066
Newark, Delaware 19714-6066
Direct Dial: (302) 867-1316 (Mobile)
E-Mail: andre.cramer@atlanticcityelectric.com

14. Information relating to the current financial condition of Petitioner is contained in the Annual Report of Petitioner to the Board for the quarter ended March 31, 2024, which information is incorporated herein by reference.

15. A certified copy of the resolution(s) of the Board of Directors of Petitioner authorizing the filing of this Petition is attached as **Exhibit D**.

16. Petitioner acknowledges that any Order issued in connection with this filing will not be construed as directly or indirectly fixing, for any purpose whatsoever, any value of the tangible or intangible assets now owned or hereafter to be owned by Petitioner.

17. Petitioner acknowledges that any Order issued in connection with this filing will not be construed as certification that any Debt Securities herein authorized will be represented by tangible or intangible assets of commensurate value or investment cost.

18. Petitioner acknowledges that any Order issued by the Board in connection with this filing will neither affect nor in any way limit the exercise of the authority of the Board or of the State of New Jersey in any future petition or in any future proceeding with respect to rates, franchises, services, financing (including method of sale of securities), accounting, capitalization or any other matters affecting Petitioner, the Division of Rate Counsel or Board Staff, and that said parties reserve the right to examine the transaction and its impact on rates in the context of the Company's next base rate case.

19. Petitioner acknowledges that any Order issued in connection with this filing will not constitute pre-approval or presumed approval of any costs associated with the transactions outlined in this Petition for which approval is sought.

20. Petitioner acknowledges that any Order issued in connection with this filing will not affect or limit in any way the manner in which it registers the Debt Securities with the SEC.

21. Petitioner will provide the Division of Rate Counsel and the Board with a copy of its SEC registration statement for the Debt Securities, upon request.

22. Petitioner will provide the Board with copies of all executed indentures, upon request.

23. Petitioner acknowledges that the Debt Securities will not be redeemed at a premium prior to maturity without further Board approval.

24. The Company will not issue any Debt Securities at coupon rates in excess of those that would result from the comparable U.S. Treasury security plus the Market Yield Spread Table included herein as **Exhibit C**. If market conditions change, the Petitioner may submit to the Board for approval of a request to issue Debt Securities at coupon rates in excess of those that would result from the Market Yield Spread Table. Any such request submitted by the Company for approval of the Board will be accompanied by a statement of the basis or rationale therefor. If the Board approves such request, ACE may issue Debt Securities at the revised rates.

25. Debt Securities will be issued for the purposes identified herein and will not be used for the purpose of any affiliate transactions.

26. Petitioner will endeavor to issue Debt Securities in a manner that achieves the lowest reasonable cost of capital for customers.

27. Petitioner acknowledges that it is obligated to use a prudent mix of capital to finance its utility operations and investments.

28. Attached to this Petition are the following exhibits:

Exhibit A: 2024 – 2026 Construction Program Summary;

Exhibit B: there are \$150 million in long-term debt retirements in 2024 - 2026;

Exhibit C: Market Yield Spread Table; and

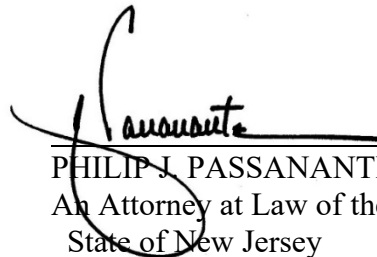
Exhibit D: Board Resolutions.

WHEREFORE, the Petitioner, ATLANTIC CITY ELECTRIC COMPANY, respectfully requests that the Board of Public Utilities grant authorization and approval for the Petitioner through December 31, 2026 to:

- (i) issue and sell in one or more series up to \$875 million in aggregate of Debt Securities; and
- (ii) take such other or further action as may be necessary or desirable in connection with the transactions described herein.

Respectfully submitted,
On behalf of
ATLANTIC CITY ELECTRIC COMPANY

Dated: June 24, 2024



PHILIP J. PASSANANTE
An Attorney at Law of the
State of New Jersey

Assistant General Counsel
Atlantic City Electric Company
500 N. Wakefield Drive
Newark, DE 19702-5440
(667) 313-0418 – Telephone (Teams)
(302) 429-3801 – Facsimile

**IN THE MATTER OF THE PETITION OF
ATLANTIC CITY ELECTRIC COMPANY
FOR AUTHORITY TO ISSUE UP TO \$875
MILLION OF LONG-TERM DEBT
SECURITIES PURSUANT TO N.J.S.A.
48:3-9 (2025 – 2026)**

**STATE OF NEW JERSEY
BOARD OF PUBLIC UTILITIES**

CERTIFICATION IN SUPPORT OF PETITION

AMBER M. PERRY, of full age, certifies as follows:

1. I am the Vice President of Regulatory Policy and Strategy of and for Atlantic City Electric Company (“ACE”), the Petitioner named in the foregoing Petition. I am duly authorized to make this Certification on ACE’s behalf.
2. I hereby certify that I have read the contents of the foregoing Petition and supporting documents thereto.
3. I further and finally certify that the information contained therein is true and correct to the best of my knowledge, information, and belief. I am aware that, if any of the foregoing statements made by me are willfully false, I am subject to punishment.

Dated: 6/20/2024

Amber M. Perry
AMBER M. PERRY

Exhibit A

Atlantic City Electric Company
Projected Capital Expenditures
(millions of dollars)

	2024	2025	2026	3 Year Total
Distribution	275	275	300	850
Transmission	150	250	225	625
Total Construction Costs	425	525	525	1,475

*Numbers may not sum due to rounding

Exhibit B

ATLANTIC CITY ELECTRIC COMPANY
Debt Securities to be Repaid During
2024 to 2026

Debt securities to be repaid during 2024 – 2026

<u>Date Issued</u>	<u>Maturity Date</u>	<u>Amount</u>	<u>Security</u>	<u>CUSIP/PPN</u>
12/8/2015	12/1/2025	\$150,000,000	Mortgage-backed senior notes	048303E*8

Exhibit C

Market Yield Spread Table
(as of June 21, 2024)

<u>Range of Maturities</u>	<u>Maximum Coupon Spread (Basis Points) June 21, 2024 Proposed</u>
1 year to less than 18 months	100
18 months to less than 2 years	150
2 years to less than 3 years	175
3 years to less than 4 years	175
4 years to less than 5 years	175
5 years to less than 7 years	200
7 years to less than 10 years	200
10 years to less than 15 years	225
15 years to less than 20 years	250
20 years to less than 30 years	250
30 years to less than 40 years	275

Exhibit D

ATLANTIC CITY ELECTRIC COMPANY

**WRITTEN CONSENT OF THE SOLE DIRECTOR
TO ACTION TAKEN WITHOUT A MEETING**

June 21, 2024

The undersigned, being the sole director of Atlantic City Electric Company, a New Jersey corporation (the “**Company**”), acting pursuant to the provisions of N.J.S.A. 14A:6-7.1(5) and the Company’s Bylaws, does hereby consent and agree to the adoption of the following resolutions, with the same force and effect as if made at a duly convened and held meeting of the Board of Directors of the Company:

WHEREAS, the Company is engaged in a construction program of additions and improvements to its electric facilities, which are necessary for the Company to continue providing safe, adequate, and proper service to its customers; and

WHEREAS, cash requirements associated with the Company’s construction program are to be provided by means of internally generated funds, proceeds of short-term debt issuances and commercial loans, and permanent long-term external financing will be necessary to finance the Company’s construction program, repay short-term debt associated with its capital expenditure program, and provide for the funding of maturities of its outstanding long-term debt; and

WHEREAS, to facilitate the Company’s permanent financing needs at appropriate times and upon favorable terms and conditions, and in order to accommodate other corporate obligations, the Company desires to obtain cash through the issuance and sale through one or more transactions and from time to time, but not later than December 31, 2026, of debt securities (as described hereinbelow) in an aggregate maximum principal amount of not more than \$875,000,000 with maturities of 12 months to 40 years from the date of issuance (Long-Term Debt); and

WHEREAS, pursuant to N.J.S.A. 48:3-9, the Company wishes to seek approval of the New Jersey Board of Public Utilities (the “**NJBPU**”) to issue and sell through one or more transactions and from time to time, but not later than December 31, 2026, Long-Term Debt in an aggregate principal amount of not more than \$875,000,000, which Long-Term Debt will consist of borrowings in the form of (i) First Mortgage Bonds issued under the Company’s Mortgage and Deed of Trust dated January 15, 1937, as amended; (ii) Senior Notes issued under the Company’s Indenture dated as of April 1, 2004; (iii) unsecured notes issued under the Company’s Indenture dated March 1, 1997; (iv) tax-exempt bonds issued through a governmental authority and/or Long-Term Debt issued as credit enhancement therefor; and (v) other secured or unsecured bank loans carrying fixed or variable interest rates and maturities and other terms and conditions dependent upon market conditions prevailing at the time of execution; and

WHEREAS, management of the Company believes these actions to be in the best interests of the Company and recommends that the Board of Directors approve the following resolutions.

NOW, THEREFORE, BE IT

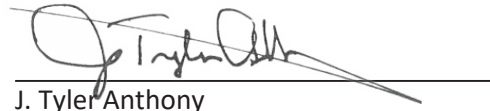
RESOLVED, that the President, any Vice President, Treasurer or any Assistant Treasurer (the “**Authorized Officers**”) of the Company be, and hereby are, authorized to direct the preparation, execution and filing of a petition with the NJBPU, to seek the approval of the NJBPU to permit the Company to issue and sell, prior to January 1, 2027, Long-Term Debt in an aggregate principal amount of not more than \$875,000,000, which Long-Term Debt will consist of borrowings in the form of (i) First Mortgage Bonds issued under the Company’s Mortgage and Deed of Trust dated January 15, 1937, as amended; (ii) Senior Notes issued under the Company’s Indenture dated as of April 1, 2004; (iii) unsecured notes issued under the Company’s Indenture dated March 1, 1997; (iv) tax-exempt bonds issued through a governmental authority and/or Long-Term Debt issued as credit enhancement therefor; and (v) other secured or unsecured bank loans carrying fixed or variable interest rates and maturities and other terms and conditions dependent upon market conditions prevailing at the time of execution, and the proceeds of such Long-Term Debt will be used to (a) finance a portion of the Company’s 2024 - 2026 construction program expenditures, and convert a portion of the Company’s short-term debt expected to be incurred in connection with the Company’s capital expenditure program to permanent financing, and (b) to take any and all actions as may be required in connection with the filing of such petition; and

FURTHER RESOLVED, that the Authorized Officers of the Company be, and hereby are, authorized on behalf of the Company, empowered and directed to take or cause to be taken any and all such other and further actions and to execute, acknowledge, and deliver any and all such other agreements, amendments, and documents as they deem necessary and desirable in order to carry into effect the purpose and intent of the foregoing resolutions; and

FURTHER RESOLVED, that any and all actions previously taken by the Company or any of the directors or officers of the Company in connection with the documents, transactions, and actions contemplated by the foregoing resolutions be, and they hereby are, adopted, ratified, confirmed, and approved in all respects as the acts and deeds of the Company.

[Signature page follows]

IN WITNESS WHEREOF, the undersigned, constituting the sole Director of the Company, has caused this consent to be executed as of the day first written above.



J. Tyler Anthony

**IN THE MATTER OF THE PETITION
OF ATLANTIC CITY ELECTRIC
COMPANY FOR AUTHORITY TO
ISSUE UP TO \$875 MILLION OF LONG-
TERM DEBT SECURITIES PURSUANT
TO N.J.S.A. 48:3-9 (2025 – 2026)**

**STATE OF NEW JERSEY
BOARD OF PUBLIC UTILITIES**

CERTIFICATION OF SERVICE

PHILIP J. PASSANANTE, of full age, certifies as follows:

1. I am an attorney at law of the State of New Jersey and am Assistant General Counsel to Atlantic City Electric Company, the Petitioner in the within matter, with which I am familiar.

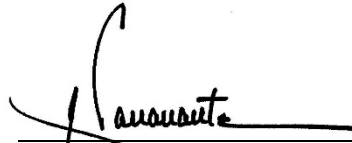
2. I hereby certify that, on the date below, I caused the within Petition and the supporting attachments thereto to be filed with the New Jersey Board of Public Utilities (the “Board” or “BPU”) through its eFiling Portal. I also caused an electronic copy to be sent to the Board Secretary’s office at board.secretary@bpu.state.nj.us.

3. I further certify that, on the date below, I caused a complete copy of the Petition and the supporting attachments thereto to be sent by electronic mail to each of the parties listed in the attached Service List, including the Division of Law and the New Jersey Division of Rate Counsel.

4. Pursuant to the Order issued by the Board in connection with *In the Matter of the New Jersey Board of Public Utilities’ Response to the COVID-19 Pandemic for a Temporary Waiver of Requirements for Certain Non-Essential Obligations*, BPU Docket No. EO20030254, Order dated March 19, 2020, only electronic copies of this Petition will be served to those named on the Service List.

5. I further and finally certify that the foregoing statements made by me are true. I am aware that, if any of the foregoing statements made by me are willfully false, I am subject to punishment.

Dated: June 24, 2024

A handwritten signature in black ink, appearing to read "Passanante", is written over a horizontal line.

PHILIP J. PASSANANTE

Assistant General Counsel

Atlantic City Electric Company – 92DC42

500 North Wakefield Drive

P.O. Box 6066

Newark, Delaware 19714-6066

Telephone: (667) 313-0418 (Teams)

E-Mail: philip.passanante@pepcoholdings.com

In the Matter of the Petition of Atlantic City Electric Company for Authority to Issue Up to \$875 Million of
Long-Term Debt Securities Pursuant to N.J.S.A. 48:3-9 (2025 – 2026)
BPU Docket No. _____

Service List

BPU

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ACE

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