



October 31, 2023

Via eTariff

The Honorable Kimberly D. Bose
Secretary
Federal Energy Regulatory Commission
888 First Street, N.E.
Washington, DC 20426

**Re: *PJM Interconnection, L.L.C.; Atlantic City Electric Company*
Docket No. ER22-2200-000
Settlement Agreement**

Dear Secretary Bose:

Pursuant to Rule 602 of the Rules of Practice and Procedure of the Federal Energy Regulatory Commission (“Commission” or “FERC”), 18 C.F.R. § 385.602 (2022), Atlantic City Electric Company (“ACE” or “Company”) submits for filing on behalf of the Settling Parties¹ in these proceedings an executed Settlement Agreement (“Settlement Agreement” or “Settlement”) and related documents that resolve, upon the Commission’s approval of this Settlement Agreement without condition or modification unacceptable to the Settling Parties, all issues in

¹ The Settling Parties are: Atlantic City Electric Company, New Jersey Board of Public Utilities (“NJ BPU”), New Jersey Division of Rate Counsel (“Rate Counsel”), and Public Power Association of New Jersey (“PPANJ”) (each a “Settling Party” or “Party” and collectively, the “Settling Parties” or “Parties”).

Docket No. ER22-2200 and all sub-dockets thereto. The Settlement Agreement has been executed by or is not opposed by all parties to this proceeding.²

I. INFORMATION SUBMITTED WITH THIS FILING

This submission includes, along with this transmittal letter, the following documents in addition to the Tariff Records:

- Explanatory Statement;
- Settlement Agreement;
- Clean Revised Tariff Attachment 12;
- Marked Revised Tariff Attachment 12;
- Informational Exhibit; and
- Certificate of Service.

II. COMMENTS

In accordance with Rule 602(f), 18 C.F.R. § 385.602(f), initial comments on the Settlement Agreement are due no later than 20 days from the date of this filing. Pursuant to Rule 602(f)(3), 18 C.F.R. § 385.602(f)(3), any failure to file a comment constitutes a waiver of all objections to the Settlement Agreement. Reply comments are due no later than 30 days from the date of this filing.

III. SERVICE

Pursuant to Rules 602(d) and 2010 (18 C.F.R. §§ 385.602(d) and 385.2010 (2022)), the Settling Parties have served, either by paper or electronic service, the Settlement Agreement and

² Pursuant to Order No. 714, this filing is being submitted by PJM Interconnection, L.L.C. (“PJM”) on behalf of ACE as part of an XML filing package that conforms with the Commission’s regulations. PJM has agreed to make all filings on behalf of the PJM Transmission Owners in order to retain administrative control over the PJM Open Access Transmission Tariff (“OATT”). Thus, ACE has requested that PJM submit this filing in the eTariff system as part of PJM’s electronic Intra PJM OATT.

all related documents listed above on all parties listed on the official service list compiled by the Secretary in this proceeding and on all other persons required to be served by operation of Rule 602(d).

In addition, PJM has served a copy of this filing on all PJM Members and on all state utility regulatory commissions in the PJM Region by posting this filing electronically. In accordance with the Commission's regulations,³ PJM will post a copy of this filing to the FERC filings section of its internet site, located at the following link:

<http://www.pjm.com/documents/ferc-manuals/ferc-filings.aspx> with a specific link to the newly-filed document, and will send an e-mail on the same date as this filing to all PJM Members and all state utility regulatory commissions in the PJM Region⁴ alerting them that this filing has been made by PJM and is available by following such link. If the document is not immediately available by using the referenced link, the document will be available through the referenced link within 24 hours of the filing. Also, a copy of this filing will be available on the Commission's eLibrary website located at the following link: <http://www.ferc.gov/docs-filing/elibrary.asp> in accordance with the Commission's regulations and Order No. 714.

IV. REQUESTED RELIEF

The Settling Parties request that the Settlement be certified to the Commission for its approval, and that the Commission approve the Settlement Agreement without condition or modification. In accordance with Section 3.1 of the Settlement Agreement, the Settlement Agreement will have an effective date of September 1, 2022 upon issuance of an order approving this Settlement Agreement without modification or condition, or if the Commission issues an

³ See 18 C.F.R §§ 35.2(e) and 385.2010(f)(3).

⁴ PJM already maintains, updates and regularly uses e-mail lists for all PJM members and affected state commissions.

order conditioning or modifying the Settlement Agreement, fifteen days after such order if no Settling Party gives notice of termination pursuant to Section 3.1 of the Settlement Agreement.

Thank you for your assistance in this matter.

Respectfully submitted,

/s/ Lisa B. Luftig
Lisa B. Luftig

Counsel for Atlantic City Electric Company

cc: Hon. Stephanie Nagel
All Parties

**UNITED STATES OF AMERICA
BEFORE THE
FEDERAL ENERGY REGULATORY COMMISSION**

PJM Interconnection, L.L.C.
Atlantic City Electric Company

Docket No. ER22-2200-000

EXPLANATORY STATEMENT

The Settling Parties in this proceeding submit this Explanatory Statement in support of the enclosed Settlement Agreement (“Settlement Agreement” or “Settlement”) that resolves Docket No. ER22-2200 and all sub-dockets thereto (the “Proceeding”). As set forth in the Settlement Agreement, the Settling Parties are Atlantic City Electric Company (“ACE” or “Company”), New Jersey Board of Public Utilities (“NJ BPU”), New Jersey Division of Rate Counsel (“Rate Counsel”), and Public Power Association of New Jersey (“PPANJ”) (each a “Settling Party” or “Party” and collectively the “Settling Parties” or “Parties”).¹

I. BACKGROUND

On June 27, 2022, pursuant to Section 205(d) of the Federal Power Act,² ACE submitted revisions to the PJM Interconnection, L.L.C. (“PJM”) Open Access Transmission Tariff (“OATT”), consisting of proposed revisions to the stated transmission depreciation rates contained in its formula transmission rate at Attachment H-1A of the PJM OATT to be effective September 1, 2022 and reflected in the 2023 formula rate annual update period beginning June 1, 2023.

¹ This Explanatory Statement is provided solely to comply with Rule 602(c)(1)(ii) of the Commission’s Rules of Practice and Procedure and is not intended, and does not, alter any of the provisions of the Settlement Agreement or Formula Rate. In the event of any inconsistency between the Explanatory Statement and the Settlement Agreement or Formula Rate, the Settlement Agreement and Formula Rate shall control.

² 16 U.S.C. § 824d(d) (2023).

The New Jersey Division of Rate Counsel filed a protest opposing ACE's June 27 Filing, and requested a hearing.

On August 31, 2022, the Commission issued an order on ACE's filing in which ACE's proposed revisions to the PJM OATT were accepted for filing, suspended for a nominal period, to become effective September 1, 2022, subject to refund, and set for hearing and settlement judge procedures.

On September 8, 2022, the Chief Administrative Law Judge designated Judge Nagel as the Settlement Judge.³ Judge Nagel convened multiple settlement conferences through which the Parties sought to settle their disputes. As a result of these efforts, the Settling Parties have reached an agreement on the terms and conditions of a settlement that would resolve all issues in this proceeding.

II. ITEMS INCLUDED IN THE SETTLEMENT PACKAGE

Along with this Explanatory Statement, the Settling Parties include the following items representing the complete settlement package:

1. Transmittal Letter;
2. Settlement Agreement;
3. Exhibit A, clean revised Attachment 12 to the PJM OATT Attachment H-1A (Formula Rate Template);
4. Exhibit B, redline/strikeout showing the agreed upon changes to revised Attachment 12 to the PJM OATT Attachment H-1A (Formula Rate Template);
5. Exhibit C, informational exhibit describing settlement depreciation rates; and

³ *PJM Interconnection, L.L.C.*, Order of Chief Judge Designating Settlement Judge, Docket No. ER22-2200-000 (Sept. 8, 2022).

6. Certificate of Service.

III. SUMMARY OF THE SETTLEMENT

The Settlement establishes the transmission plant depreciation rates to be included in ACE's Formula Rate Template, as well as the general plant and intangible asset depreciation rates, and resolves all disputes between the Parties regarding those depreciation rates. A summary of the provisions of the Settlement is included below.

The Preamble describes the Parties and the effect of the Settlement on Docket No. ER22-2200 and all sub-dockets thereto.

Section 1.1 provides the definitions applicable to the Settlement.

Section 2.1.1 identifies the tariff records filed as part of the Settlement, noting that Exhibits A and B include changes to the Formula Rate Template included in Attachment H-1A to PJM's OATT, together with a redline/strikethrough version of the Formula Rate Template showing such changes. Exhibit C, included for informational purposes, shows the portion of each plant account's depreciation rate that is attributable to service lives and the portion that is attributable to net salvage.

The changes to the Formula Rate Template shown in Exhibits A and B to the Settlement are to the Settlement depreciation rates set forth in Attachment 12 to the Formula Rate Template, which reflect the negotiated stated transmission depreciation rates.

Section 2.1.2 provides that ACE will include a note in Attachment 12 of the Formula Rate Template setting forth ACE's obligations with respect to ACE's future submission of revised transmission depreciation rates.

Section 2.1.3 provides that the Settlement resolves all issues set for hearing of the Parties generally and each individual Party related to or arising out of the issues in Docket No. ER22-

2200 and all sub-dockets thereto, and further provides that the Settlement does not foreclose any Parties' rights with respect to issues not explicitly addressed in the Settlement Agreement.

Article III and its subparts address procedural aspects of the Settlement. Section 3.1 sets forth that upon Commission approval of the Settlement, the Settlement depreciation rates become effective as of September 1, 2022. This section also sets forth what constitutes Commission approval of the Settlement.

Section 3.2 provides that within thirty days after Commission approval of the Settlement, a compliance filing will be made by ACE in conjunction with PJM to submit the tariff records included in Exhibit A and Exhibit B of the Settlement to be effective on September 1, 2022. Additionally, this section provides that the Parties shall not oppose or protest a filing made by ACE in conformity with this Section 3.2.

Section 3.3 provides that ACE shall implement the depreciation rates included in the revised Formula Rate Template in the first Annual Update following FERC approval of the Settlement by a true up, with interest, of its rates and charges, for the period beginning September 1, 2022 and continuing through the date of such true up, using the depreciation rates included in the revised Formula Rate Template.

Sections 4.1 and 4.2 state that the Settlement constitutes the entire agreement among the Settling Parties and that the various provisions of the Settlement are not severable.

Sections 4.3, 4.4, and 4.5 state that the Settlement constitutes a negotiated agreement and shall be inadmissible as evidence in any proceeding except a proceeding to enforce or interpret the Settlement; that the settlement discussions among the Settling Parties are privileged and confidential; and that each Settling Party shall cooperate with and not take any action inconsistent with the Settlement. Section 4.3 also states that the Settlement does not constitute

precedent. Section 4.6 discusses waiver requirements, and Sections 4.8 through 4.13 contain miscellaneous provisions regarding Settlement interpretation, successors and assigns, authorization, complete settlement, and notices. Section 4.14 states that nothing in the Settlement shall be construed as affecting Section 205 or Section 206 filing rights.

Section 4.7 discusses the standard of review to be applied for any proposed modification to the Settlement after it has become effective. Unless the Parties otherwise agree in writing, any modification to the Settlement Agreement proposed by one of the Parties after the Settlement Agreement has become effective in accordance with Section 3.1 shall, as between them, be subject to the “public interest” application of the just and reasonable standard of review set forth in *United Gas Pipe Line Co. v. Mobile Gas Serv. Corp.*, 350 U.S. 332 (1956) and *Federal Power Commission v. Sierra Pacific Power Co.*, 350 U.S. 348 (1956) (the *Mobile-Sierra* doctrine), as clarified in *Morgan Stanley Capital Group, Inc. v. Public Util. Dist. No. 1 of Snohomish County, Washington*, 128 S.Ct. 2733, 171 L. Ed. 2d 607 (2008) and refined in *NRG Power Mktg. v. Maine Pub. Utils. Comm’n*, 130 S. Ct. 693, 700 (2010). The standard of review for any modifications to the Settlement Agreement requested by a non-Party or initiated by the Commission acting *sua sponte* will be the most stringent standard permissible under applicable law.. See *NRG Power Mktg. v. Maine Pub. Utils. Comm’n*, 130 S. Ct. 693, 700 (2010). Any filings under FPA Section 205 or 206 to change the depreciation rates shall not be considered modifications of the Settlement Agreement.

IV. REQUIRED INFORMATION

In accordance with the Chief Administrative Law Judge’s December 15, 2016 Amended Notice to the Public on Information to be Provided with Settlement Agreements and Guidance on the Role of Settlement Judges, the Settling Parties provide the following information:

A. Does the settlement affect other pending cases?

The Settlement by its terms shall have no effect on other cases currently pending before the Commission.

B. Does the settlement involve issues of first impression?

The Settlement does not involve issues of first impression.

C. Does the settlement depart from Commission precedent?

The Settlement does not depart from Commission precedent.

D. Does the settlement seek to impose a standard of review other than the ordinary just and reasonable standard with respect to any changes to the settlement that might be sought by either a third party or the Commission acting *sua sponte*?

Section 4.7 of the Settlement provides that the standard of review for any modifications to the Settlement requested by a non-Party or initiated by the Commission acting *sua sponte* will be the most stringent standard permissible under applicable law. *See NRG Power Mktg. v. Maine Pub. Utils. Comm'n*, 130 S. Ct. 693, 700 (2010).

V. CONCLUSION

For the foregoing reasons, the Settlement Agreement is in the public interest, and the Settling Parties respectfully request that the Commission approve it without condition or modification.

Respectfully submitted,

/s/ Lisa B. Luftig

Lisa B. Luftig

On Behalf of the Settling Parties

cc: Hon. Stephanie Nagel
All Parties

**UNITED STATES OF AMERICA
BEFORE THE
FEDERAL ENERGY REGULATORY COMMISSION**

PJM Interconnection, L.L.C.
Atlantic City Electric Company

Docket No. ER22-2200-000

SETTLEMENT AGREEMENT

This Settlement Agreement (“Settlement Agreement” or “Settlement”) is made pursuant to Rule 602 of the Rules of Practice and Procedure of the Federal Energy Regulatory Commission (“Commission” or “FERC”), 18 C.F.R. § 385.602 (2022), by and among Atlantic City Electric Company (“ACE” or “Company”), New Jersey Board of Public Utilities (“NJ BPU”), New Jersey Division of Rate Counsel (“Rate Counsel”), and Public Power Association of New Jersey (“PPANJ”) (each a “Settling Party” or “Party” and collectively the “Settling Parties” or “Parties”). The Settling Parties enter into this Settlement Agreement to resolve all issues in these dockets.

ARTICLE I

- 1.1 “Formula Rate Template” means the provisions contained in Attachments H-1A to PJM’s OATT.
- 1.2 “Formula Rate Protocols” means the provisions contained in Attachment H-1B to PJM’s OATT.
- 1.3 “ACE” means Atlantic City Electric Company, a utility subsidiary of Pepco Holdings, Inc.
- 1.4 “PJM OATT” means the PJM Open Access Transmission Tariff.
- 1.5 “Settlement Effective Date” means the date this Settlement Agreement becomes effective in accordance with Section 3.1 of the Settlement Agreement.
- 1.6 “Annual Update” has the meaning set forth in the Formula Rate Protocols.

ARTICLE II

2.1 *Settlement Terms*

Effective as set forth in Article III, Attachment 12 of the Formula Rate Template included in Exhibit A to this Settlement Agreement shall replace and supersede the Attachment 12 of the Formula Rate Template currently included in the PJM OATT. Exhibit B to this Settlement Agreement shows in redline/strikeout the agreed-upon changes to the Attachment 12 of the Formula Rate Template. Specifically, Exhibit B reflects the revisions to the depreciation and amortization rates set forth in Attachment 12 to the Formula Rate Template, reflecting the negotiated stated transmission depreciation rates, as well as the stated general plant and intangible asset depreciation rates.

- 2.1.1 Exhibit C, included for informational purposes, sets forth the portion of the settlement transmission plant depreciation rates included in the Formula

Rate Template comprised of service lives rates and the portion comprised of net salvage rates for each account.

- 2.1.2 ACE will include as footnote 2 to Attachment 12 in the revised Formula Rate Template in Exhibits A and B, that for purposes of determining when ACE must file its next depreciation study and request for approval of depreciation rates as required under the settlement approved in FERC Docket Nos. ER19-5-003, *et al.*, ACE filed to establish the foregoing depreciation rates on June 27, 2022, in FERC Docket No. ER22-2200.
- 2.1.3 This Settlement Agreement resolves all issues set for hearing in Docket No. ER22-2200, and all sub-dockets thereto. This Settlement Agreement does not foreclose any of the Parties' rights with respect to issues not explicitly addressed in the Settlement Agreement, nor shall it be deemed to bind any party (except in any proceeding to enforce this Settlement Agreement or as otherwise expressly provided for in the Settlement Agreement), in any future proceeding, and shall not be deemed precedential or prejudicial to any Party's rights.

ARTICLE III

- 3.1 *Effectiveness of Settlement Agreement.* Upon Commission approval of this Settlement Agreement as set forth in this Section 3.1, the provisions of the Settlement Agreement shall be effective as of September 1, 2022. Commission approval of this Settlement Agreement will occur if (a) FERC accepts or approves this Settlement Agreement without condition or modification by Final Order, or (b) the Commission accepts or approves this Settlement Agreement with condition(s) or modification(s) by Final Order, if no Settling Party files notice with the

Commission within fifteen (15) days of the acceptance or approval of the Settlement Agreement stating that it objects to such condition(s) or modification(s). If any Settling Party files such notice, the Settlement Agreement shall be null and void and of no force or effect, and the Parties shall be deemed to have reserved all of their respective rights and remedies in this proceeding. For purposes of this Settlement Agreement, an order shall be deemed to be a “Final Order” as of the date rehearing is denied by the Commission, or if rehearing is not sought, the date on which the right to seek rehearing expires.

3.2 *Compliance Filing.* Within 30 (thirty) days following Commission approval of the Settlement Agreement as set forth in Section 3.1, ACE, in conjunction with PJM, shall submit the tariff records included in Exhibit A and Exhibit B to the Commission through eTariff as a compliance filing, to be effective on the Settlement Effective Date. The Parties shall not oppose or protest a filing made by ACE in conformity with this Section 3.2.

3.3 *Refunds Effectuated through True up.* In the first Annual Update following Commission Approval of this Settlement Agreement, ACE shall true up, with interest calculated in accordance with 18 C.F.R. § 35.19a, its rates and charges, for the period beginning September 1, 2022 through the date of such true up, using the depreciation rates included in the revised Formula Rate Template.

ARTICLE IV

4.1 *Scope of the Agreement.* This Settlement Agreement constitutes the entire agreement among the Settling Parties with respect to the subject matter addressed herein, and supersedes any and all prior or contemporaneous representations, agreements, instruments and understandings between them, whether written or oral.

There are no other oral understandings, terms, or conditions, and none of the Settling Parties has relied upon any representation, express or implied, not contained in this Settlement Agreement.

- 4.2 *Non-Severability.* The Settling Parties agree and understand that the various provisions of this Settlement Agreement are not severable and shall not become operative unless and until this Settlement Agreement and the revised tariff records provided for herein become effective as set forth in Section 3.1.
- 4.3 *No Precedent.* This Settlement Agreement is submitted pursuant to Rule 602 of the Commission’s Rules of Practice and Procedure, 18 C.F.R. § 385.602 (2021), and is inadmissible as evidence in any proceeding except a proceeding involving a claim of breach of, or an effort to enforce, this Settlement Agreement. No element of this Settlement Agreement constitutes precedent or should be deemed “settled practice” as that term was interpreted in *Public Service Commission of New York v. FERC*, 642 F.2d 1335 (D.C. Cir. 1980). It is further understood and agreed that this Settlement Agreement constitutes a negotiated agreement with multiple elements of consideration and, except as explicitly set forth herein, no Party shall be deemed to have approved, accepted, agreed, or consented to any principle or position in this proceeding.
- 4.4 *Settlement Discussions.* The discussions between and among the Parties that have produced this Settlement Agreement have been conducted with the explicit understanding, pursuant to Rule 602 of the Commission’s Rules of Practice and Procedure, 18 C.F.R. § 385.602 (2021), that all offers of settlement and discussions relating thereto shall be privileged and confidential, shall be without prejudice to

the position of any Party or participant presenting any such offer or participating in any such discussion, and are not to be used in any manner in connection with this proceeding, any other proceeding, or otherwise, except to the extent necessary to enforce or interpret its terms.

4.5 *Further Assurances.* All Parties shall cooperate with, and shall not take any action inconsistent with: (i) the filing of this Settlement Agreement with FERC, and (ii) efforts to obtain FERC acceptance or approval of this Settlement Agreement without change or condition. No Party shall take any action that is inconsistent with the provisions of this Settlement Agreement.

4.6 *Waiver.* No provision of this Settlement Agreement may be waived except through a writing signed by an authorized representative of the waiving Settling Party or Settling Parties. Waiver of any particular provision of this Settlement Agreement shall not be deemed to waive any other provision or provisions hereof.

4.7 *Modifications/Standard of Review.* Unless the Parties otherwise agree in writing, any modification to this Settlement Agreement proposed by one of the Parties after the Settlement Agreement has become effective in accordance with Section 3.1 shall, as between them, be subject to the “public interest” application of the just and reasonable standard of review set forth in *United Gas Pipe Line Co. v. Mobile Gas Service Corp.*, 350 U.S. 332 (1956) and *Federal Power Commission v. Sierra Pacific Power Co.*, 350 U.S. 348 (1956) (the *Mobile-Sierra* doctrine), as clarified in *Morgan Stanley Capital Group, Inc. v. Public Utility District No. 1 of Snohomish County, Washington*, 554 U.S. 527 (2008) and refined in *NRG Power Marketing, LLC v. Maine Public Utilities Commission*, 558 U.S. 165, 174-75 (2010). The

standard of review for any modifications to this Settlement Agreement requested by a non-Party or initiated by the Commission acting *sua sponte* will be the most stringent standard permissible under applicable law. *See NRG Power Mktg., LLC v. Maine Pub. Utils. Comm'n*, 558 U.S. at 174-75. Any filings under FPA Section 205 or 206 to change the depreciation rates shall not be considered modifications of the Settlement Agreement.

- 4.8 *Successors and Assigns.* This Settlement Agreement is binding upon and for the benefit of the Settling Parties and their successors and assigns.
- 4.9 *Captions and References to Sections.* The captions in this Settlement Agreement are for convenience of reference only and are not a part of this Settlement Agreement and do not in any way limit or amplify the terms and provisions of this Settlement Agreement and shall have no effect on its interpretation. Unless otherwise indicated, references to “Sections” in this Settlement Agreement refer to sections in this Settlement Agreement.
- 4.10 *Ambiguities Neutrally Construed.* This Settlement Agreement is the result of negotiations among, and has been reviewed by, each Settling Party and its respective counsel. Accordingly, this Settlement Agreement shall be deemed to be the product of each Settling Party, and no ambiguity shall be construed in favor of or against any Settling Party based on authorship of this Settlement Agreement.
- 4.11 *Authorization.* Each person executing this Settlement Agreement on behalf of a Party represents and warrants that he or she is duly authorized and empowered to act on behalf of, and to authorize this Settlement Agreement to be executed on behalf of, the Party that he or she represents.

- 4.12 *Notices.* All notices, demands, and other communications hereunder shall be in writing and shall be delivered to a Settling Party's "Corporate Official" as found on the Commission's website at <http://www.ferc.gov/docs-filing/corp-off.asp> or the representative(s) of each Settling Party included on the official service list in Docket No. ER22-2200-000, if the Settling Party has no "Corporate Official". Notices will also be provided to the persons on the Commission's official service list in the referenced dockets.
- 4.13 *Counterparts.* This Settlement Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original and all of which together shall be deemed to be one and the same instrument.
- 4.14 *Section 205 and 206 Filings.* Nothing contained herein shall be construed as affecting in any way the right of ACE unilaterally to make an application of any type to the Commission to modify prospectively, in whole or in part, the Formula Rate including the depreciation rates set forth herein under section 205 of the FPA, or to oppose any filing made or action taken under section 206 of the FPA. Nothing contained herein shall be construed as affecting in any way the right of the Commission, any Settling Party, or any other entity to unilaterally make an application of any type to the Commission to modify prospectively, in whole or in part, ACE's Formula Rate under section 206 of the FPA, including the depreciation rates set forth herein, or to oppose any filing made under section 205 of the FPA.

IN WITNESS WHEREOF, the Parties have caused this Settlement Agreement to be duly executed.

ATLANTIC CITY ELECTRIC COMPANY

By: *Andrew Rey* Date: 10/26/23

NEW JERSEY BOARD OF PUBLIC UTILITIES

By: _____ Date: _____

NEW JERSEY DIVISION OF RATE COUNSEL

By: _____ Date: _____

PUBLIC POWER ASSOCIATION OF NEW JERSEY

By: _____ Date: _____

IN WITNESS WHEREOF, the Parties have caused this Settlement Agreement to be duly executed.

ATLANTIC CITY ELECTRIC COMPANY

By: _____ Date: _____

NEW JERSEY BOARD OF PUBLIC UTILITIES

- Deputy Attorney General

By:  _____ Date: October 25, 2023

NEW JERSEY DIVISION OF RATE COUNSEL

By: _____ Date: _____

PUBLIC POWER ASSOCIATION OF NEW JERSEY

By: _____ Date: _____

IN WITNESS WHEREOF, the Parties have caused this Settlement Agreement to be duly executed.

ATLANTIC CITY ELECTRIC COMPANY

By: _____ Date: _____

NEW JERSEY BOARD OF PUBLIC UTILITIES

By: _____ Date: _____

NEW JERSEY DIVISION OF RATE COUNSEL

By:  _____ Date: 25-Oct-2023

Stephen C. Pearson
Attorney for New Jersey Rate Counsel
PUBLIC POWER ASSOCIATION OF NEW JERSEY

By: _____ Date: _____

IN WITNESS WHEREOF, the Parties have caused this Settlement Agreement to be duly executed.

ATLANTIC CITY ELECTRIC COMPANY

By: _____ Date: _____

NEW JERSEY BOARD OF PUBLIC UTILITIES

By: _____ Date: _____

NEW JERSEY DIVISION OF RATE COUNSEL

By: _____ Date: _____

PUBLIC POWER ASSOCIATION OF NEW JERSEY

By:  _____ Date: 10/25/23
BRIAN VANDA Executive Director _____

Exhibit A

Clean Revised Attachment 12 to PJM OATT Attachment H-1A (Formula Rate Template)

Atlantic City Electric Company *Attachment 12 - Depreciation Rates*

(A)	(B)	(C)
Number	Plant Type	Applied Depreciation Rate
	Electric Transmission	
350.2	Land and Land Rights	2.03%
352	Structures and Improvements	1.69%
353	Station Equipment	3.10%
354	Towers and Fixtures	1.96%
355	Poles and Fixtures	3.77%
356	Overhead Conductors and Devices	3.42%
357	Underground Conduit	2.09%
358	Underground Conductors and Devices	1.35%
359	Roads and Trails	1.54%
	Electric General	
390	Structures and Improvements	1.29%
390.1	Structures and Improvements	2.40%
390.2	Structures and Improvements	3.59%
390.3	Structures and Improvements	2.48%
391.3	Office Furniture and Equipment	20.00%
391.1	Office Furniture and Equipment	5.00%
392	Transportation Equipment	9.08%
392.1	Transportation Equipment	9.08%
392.3	Transportation Equipment	9.08%
392.8	Transportation Equipment	9.08%
393	Stores Equipment	4.00%
394	Tools, Shop, Garage Equipment	4.00%

394.1	Tools, Shop, Garage Equipment	4.00%
395	Laboratory Equipment	0.00%
396	Power Operated Equipment	0.00%
397.1	Communication Equipment	6.67%
397.2	Communication Equipment	4.78%
398.1	Miscellaneous Equipment	5.01%
	Electric Intangible	
302	Franchises and Consents	0.00%
303	Miscellaneous Intangible Plant	-
303.1	2-year plant	50.00%
303.2	3-year plant	33.33%
303.3	4-year plant	25.00%
303.4	5-year plant	20.00%
303.5	7-year plant	14.29%
303.6	10-year plant	10.00%
303.7	12-year plant	8.33%
303.8	15-year plant	6.67%

Depreciation and amortization rates as approved by FERC in Docket # ER22-2200

For purposes of determining when ACE must file its next depreciation study and request for approval of depreciation rates as required under the settlement approved in FERC Docket Nos. ER19-5-003, *et al.*, ACE filed to establish the foregoing depreciation rates on June 27, 2022, in FERC Docket No. ER22-2200.

Note:

Exhibit B

Marked Revised Attachment 12 to PJM OATT Attachment H-1A (Formula Rate Template)

Atlantic City Electric Company *Attachment 12 - Depreciation Rates*

(A) Number	(B) Plant Type	(C) Applied Depreciation Rate
	Electric Transmission	
350	Land and Land Rights	2.03%
352	Structures and Improvements	1.78% 1.69%
353	Station Equipment	3.49% 3.10%
354	Towers and Fixtures	2.40% 1.96%
355	Poles and Fixtures	4.26% 3.77%
356	Overhead Conductors and Devices	3.73% 3.42%
357	Underground Conduit	2.09%
358	Underground Conductors and Devices	1.50% 1.35%
359	Roads and Trails	1.54%
	Electric General	
390	Structures and Improvements	1.29%
390.1	Structures and Improvements	2.40%
390.2	Structures and Improvements	3.59%
390.3	Structures and Improvements	2.48%
391.3	Office Furniture and Equipment	20.00%
391.1	Office Furniture and Equipment	5.00%
391.1A	Office Furniture and Equipment	
392	Transportation Transportation Equipment	9.08%
392.1	Transportation Transportation Equipment	9.08%
392.3	Transportation Equipment	9.08%
392.8	Transportation Equipment	9.08%
393	Stores Equipment	4.00%
394	Tools, Shop, Garage Equipment	4.00%

394.1	Tools, Shop, Garage Equipment	4.00%
395	Laboratory Equipment	0.00%
396	Power Operated Equipment	0.00%
397.1	Communication Equipment	6.67%
397.2	Communication Equipment	4.78%
398.1	Miscellaneous Equipment	5.01%
	Electric Intangible	
302	Franchises and Consents	0.00%
303	Miscellaneous Intangible Plant	-
303.1	2-year plant	50.00%
303.2	3-year plant	33.33%
303.3	4-year plant	25.00%
303.4	5-year plant	20.00%
303.5	7-year plant	14.29%
303.6	10-year plant	10.00%
303.7	12-year plant	8.33%
303.8	15-year plant	6.67%

Depreciation and amortization rates as approved by FERC in Docket #ER22-2200

For purposes of determining when ACE must file its next depreciation study and request for approval of depreciation rates as required under the settlement approved in FERC Docket Nos. ER19-5-003, *et al.*, ACE filed to establish the foregoing depreciation rates on June 27, 2022, in FERC Docket No. ER22-2200.

Note:

Exhibit C

Informational Exhibit Describing Composition of Settlement Depreciation Rates

FERC Account		Service Lives Rate	Net Salvage Rate	Settlement Depreciation Rate (Total)
350.20	LAND RIGHTS	2.03%	0.00%	2.03%
352.00	STRUCTURES AND IMPROVEMENTS	1.47%	0.22%	1.69%
353.00	STATION EQUIPMENT	2.57%	0.53%	3.10%
354.00	TOWERS AND FIXTURES	1.22%	0.74%	1.96%
355.00	POLES AND FIXTURES	2.34%	1.43%	3.77%
356.00	OVERHEAD CONDUCTORS AND DEVICES	2.11%	1.31%	3.42%
357.00	UNDERGROUND CONDUIT	2.09%	0.00%	2.09%
358.00	UNDERGROUND CONDUCTORS AND DEVICES	1.23%	0.12%	1.35%
359.00	ROAD AND TRAILS	1.54%	0.00%	1.54%

CERTIFICATE OF SERVICE

I hereby certify that I have this day served by electronic mail a copy of the foregoing document upon each person designated on the official service list compiled by the Secretary in this proceeding.

Dated at Washington, D.C. this 31st day of October, 2023.

/s/ Lisa B. Luftig
Lisa B. Luftig
Exelon Corporation