

Atlantic City Electric seeks 7 percent rate increase

Written by James Fitzpatrick
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MAYS LANDING – Atlantic City Electric has announced plans to seek a rate increase that would increase average electric bills by 7 percent, or more than \$12 a month.

Today (Tuesday, Dec. 11) Atlantic City Electric asked the New Jersey Board of Public Utilities (BPU) to authorize a “base rate adjustment” of approximately \$69.7 million to help pay for reliability investments. The utility notes in a news release that has been making significant investments in New Jersey and plans to make additional infrastructure investments of more than \$700 million over the next five years to better serve its customers.

If the rate adjustment is approved as requested, a residential customer using 1,000 kilowatt hours per month would see a total monthly bill increase of \$12.69, or 42 cents per day, from \$182 to \$194.69 per month, a 7 percent increase over rates currently in effect.

The proposed \$69.7 million base rate adjustment reflects rising costs required to provide customers with safe and reliable electric service, the utility said. Factors include upgrades to existing infrastructure, enhancing the reliability of the distribution system and building new facilities to meet future customer needs in the areas served by Atlantic City Electric. It also includes some system restoration costs associated with the derecho in July and Hurricane Sandy in October, 2012.

“Atlantic City Electric strives to keep costs to a minimum. However, in order to continue providing quality service, it’s important to invest in new infrastructure and upgrade existing electrical systems,” said Vince Maione, Atlantic City Electric region president. “The distribution rate adjustment requested with this filing will enable us to continue our on-going reliability improvement programs to meet our customers’ expectations.”

Atlantic City Electric says it expects to invest approximately \$440 million from 2011-2013 in new capital infrastructure, a large portion of which is for reliability upgrades servicing homes and businesses across the company’s eight-county service area in southern New Jersey.

Distribution rates cover the cost of delivering power, not the cost of the power itself. Customers who buy energy from a competitive supplier continue to receive distribution service from Atlantic

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City Electric and therefore will be affected by this requested rate increase.

The new total monthly bill for customers who shop for their energy will vary according to the price charged by the customer's supplier.