



Agenda Date: 06/14/07
Agenda Item: 2C

State of New Jersey
Board of Public Utilities
Two Gateway Center
Newark, NJ 07102
www.bpu.state.nj.us

IN THE MATTER OF THE PROVISION) ENERGY
OF BASIC GENERATION SERVICE FOR)
YEAR TWO OF THE POST-TRANSITION) DECISION AND ORDER
PERIOD)
) DOCKET NO. ER07060379

(SERVICE LIST ATTACHED)

BY THE BOARD:

By prior Board Orders, Docket No. EO05040317, dated 12/08/05 and Docket No. EO06020119, dated 12/22/06 the Board approved, with modifications, the joint Basic Generation Service (BGS) proposals of Conectiv Power Delivery (Conectiv), Jersey Central Power & Light Company (JCP&L), Public Service Electric and Gas Company (PSE&G) and Rockland Electric Company (Rockland) that used a descending clock auction format to procure two-thirds of the State's BGS requirements for Fixed-Price (FP) customers through periods extending to May 31, 2010. In those prior Orders, the Board did not address how the remaining one-third of the State's BGS requirements for FP customers, as well as the State's annual BGS requirements for Commercial and Industrial Energy Pricing (CIEP) customers would be procured for the period beginning June 1, 2008.

The process adopted by the Board to determine how to procure BGS for the past six years provided opportunity for participation by all interested parties through both written comments and at public hearings which resulted in a wide range of BGS suggestions, a timely Board decision and, ultimately, a successful procurement process. Accordingly, the Board intends to initiate a proceeding, consistent with the procedure employed for the past six years, to determine what type of process should be used to procure BGS FP and CIEP Service for the period beginning June 1, 2008. The proposed schedule would result in a Board decision in October of 2007 on the process, to be followed by the procurement of BGS FP and CIEP requirements in February 2008, subject to Board approval.

Therefore, the Board DIRECTS the Electric Distribution Companies (EDCs) Conectiv, JCP&L, PSE&G, and Rockland to file proposals no later than July 2, 2007 addressing how to procure the remaining one third of the State's BGS FP and the annual CIEP requirements for the period beginning June 1, 2008. In addition, the Board also invites all other interested stakeholders to file alternative BGS procurement proposals with the Board by July 2, 2007.

Furthermore, the Board ADOPTS the preliminary procedural schedule in Attachment A to this Order. Interested parties should file discovery and comments with the Board's Secretary and circulate them electronically through the electric list server used by Staff for these types of communications. Parties should adhere to the attached schedule unless otherwise directed.

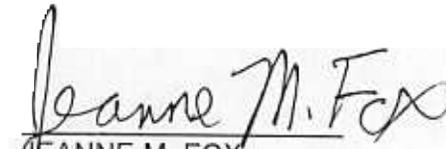
Parties will be advised of the time and place of the legislative-style hearing identified in Attachment A through the electric list server used by Staff for these types of communications. The Board and/or Staff will also notify parties through the electric list server and, when possible, through the BPU webpage of the time and location of any meetings or hearings as well as any schedule changes.

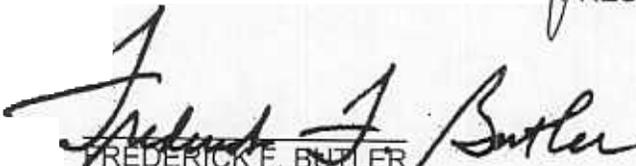
Further, the Boston Pacific Company, Inc. (BP) was hired by the Board in December 2006 to oversee and monitor the 2007 Auction process proposed by the four EDCs in New Jersey to procure supplies for BGS FP and CIEP customers. Among the many related tasks, BP was responsible for providing a Final Report on the auction results with recommendations to improve future auctions. At its May 23, 2007 Agenda meeting the Board acknowledged receipt of the BP Final Report. The BP Final Report is available on the Board's website at the following link http://www.bpu.state.nj.us/wwwroot/energy/BGSfinal_20070430.pdf.

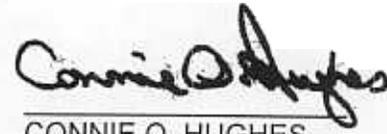
BP in its BGS Final Report provided recommendations for changes to be considered by the EDCs, stakeholders and the Board through the BGS proceedings process in an attempt to improve future BGS Auctions. These include issues pertaining to RPM and CIEP; Three One-Year Products; and Random Element of Decrements within the BGS Auction process. As part of the July 2, 2007 EDCs BGS filings, the Board DIRECTS that the EDCs as well as interested stakeholders address the recommendations in the Boston Pacific (BP) BGS Final Report relating to: RPM and CIEP; Three One-Year Products; and Random Element of Decrements.

DATED: 6/22/07

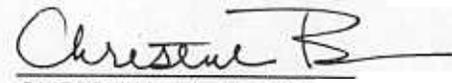
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BY:


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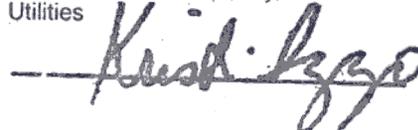

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ATTEST:


KRISTI IZZO
SECRETARY

I HEREBY CERTIFY that the within document is a true copy of the original in the files of the Board of Public Utilities



ATTACHMENT A
ER07060379

Preliminary 2008 BGS Auction Schedule

DATE	Activity or Decision Point
7/02/2007	Filing by all parties of Proposals and/or Modifications for BGS 2008
7/20/2007	Discovery request deadline
8/03/2007	Discovery response deadline
8/24/2007	Deadline for Initial Comments on all proposals
TBA	Legislative-type Board Hearing
TBA	Public Hearing*
9/28/2007	Deadline for Final Comments
Mid	Expected Board decision on BGS proposals
October	
End of	EDC Compliance Filing
October	
Mid	Expected Board decision on Compliance Filing
November	
Feb 2006	BGS Auctions

* This is a placeholder for public hearings (time and place to be scheduled by the EDCs in conjunction with the BPU), as required.

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Basic Generation Service ("BGS")
ER07060379
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