



STATE OF NEW JERSEY
Board of Public Utilities
Two Gateway Center
Newark, NJ 07102
www.nj.gov/bpu/

ENERGY

IN THE MATTER OF DEMAND RESPONSE) PROGRAMS FOR THE PERIOD BEGINNING) JUNE 1, 2009—ELECTRIC DISTRIBUTION) COMPANY PROGRAMS)	ORDER DESIGNATING) PRESIDING COMMISSIONER) DOCKET NO. EO08050326
IN THE MATTER OF THE VERIFIED PETITION OF) ROCKLAND ELECTRIC COMPANY FOR APPROVAL OF) A DEMAND RESPONSE PROGRAM PURSUANT TO) N.J.S.A. 48:3-98.1 FOR THE PERIOD BEGINNING) JUNE 1, 2009 – ELECTRIC DISTRIBUTION COMPANY) PROGRAMS)	DOCKET NO. EO08080541
IN THE MATTER OF THE VERIFIED PETITION OF) JERSEY CENTRAL POWER AND LIGHT COMPANY) CONCERNING A PROPOSAL FOR FOUR SMALL) SCALE/PILOT DEMAND RESPONSE PROGRAMS FOR) THE PERIOD BEGINNING JUNE 1, 2009)	DOCKET NO. EO08080542
IN THE MATTER OF ATLANTIC CITY ELECTRIC) COMPANY'S RESPONSIVE PETITION TO THE BOARD) OF PUBLIC UTILITIES ORDER DATED JULY 1, 2008) REGARDING THE SUBMISSION OF DEMAND) RESPONSE PROGRAMS FOR THE PERIOD) BEGINNING JUNE 1, 2009 FOR ELECTRIC) DISTRIBUTION COMPANIES, AND FOR) SUPPLEMENTAL INCLUSION OF SAME IN IT'S) "BLUEPRINT FOR THE FUTURE" FILING DATED) NOVEMBER 19, 2007)	DOCKET NO. EO07110881) DOCKET NO. EO08080543
IN THE MATTER OF THE PETITION OF PUBLIC) SERVICE ELECTRIC AND GAS COMPANY FOR) APPROVAL OF A DEMAND RESPONSE PROGRAM) AND ASSOCIATED COST RECOVERY MECHANISM) PURSUANT TO THE BPU ORDER, IN THE MATTER OF) DEMAND RESPONSE PROGRAMS FOR THE PERIOD) BEGINNING JUNE 1, 2009 – ELECTRIC DISTRIBUTION) COMPANY PROGRAMS FOR THE PERIOD BEGINNING) JUNE 1, 2009)	DOCKET NO. EO08080544

(SERVICE LIST ATTACHED)

BY THE BOARD¹:

By Order dated July 1, 2008, pursuant to N.J.S.A. 48:3-98.1 ("Section 98.1"), the Board directed the State's electric distribution companies ("EDCs"), Public Service Electric & Gas Company ("PSE&G"), Jersey Central Power & Light Company ("JCP&L"), Atlantic City Electric Company ("ACE"), and Rockland Electric Company ("RECO"), to submit proposals for demand response ("DR") programs to be implemented for the period beginning June 1, 2009. The July 1 Order also set a procedural schedule designed to maximize stakeholder participation while expediting the process to increase the use of DR.

Proposals were submitted in a timely manner by PSE&G, JCP&L, ACE and RECO. These proposals contained more than a dozen separate programs, ranging from residential air conditioning cycling to a system for electricity storage and an ice-making system that could be used to shift load necessary for running air conditioning.

Concerned that the expedited procedural schedule contained in the July 1 Order did not allow sufficient time for fully evaluating the more innovative and complex EDC proposals, Staff and Rate Counsel agreed that additional time was necessary, but were concerned that extending the procedural schedule could jeopardize the timely implementation of those DR programs that contemplated participation in the relevant PJM Interconnection LLC ("PJM") programs in time to meet the deadline for registering DR with PJM for the period beginning June 1, 2009.

To address these concerns, Staff and Rate Counsel suggested a plan of action. After careful consideration of the request and the input of the EDCs, the Board at its September 12, 2008 agenda meeting, issued an Order directing Staff, among other things, to meet individually with each of the EDCs and Rate Counsel to identify those programs within the EDCs' August 2008 filings that may be reviewed within a modification of the procedural schedule attached to the July 1 Order, as well as those programs which will require extended review. Staff, the EDCs and Rate Counsel were further directed to develop proposed procedural schedules for the latter programs that will permit the implementation of programs approved by the Board by June 1, 2010. Those schedules are still being developed.

The filings described below represent the programs from the electric utilities that are proposed for implementation beginning in June 2009 using a modified procedural schedule:

Atlantic City Electric Company

On August 4, 2008, in response to the Board's July 1 Order, Atlantic City Electric Company ("ACE") submitted a petition for the Board's authorization to implement and recover costs of demand response programs for its New Jersey customers designed to reduce electricity demands on its system during periods of high electricity demand and high electric prices.

¹ Commissioner Frederick F. Butler did not participate in this matter.

² BPU Docket Nos. EO08050326, EO08080541, EO08080542, EO07110881, EO08080543, EO08080544

ACE proposes to implement a Residential Controllable Smart Thermostat Program to permit the utility to reduce summer air conditioner and heat pump load during peak periods of electricity use, and the Internet-Based Demand Response Program to support non-residential customers' participation in PJM demand response program. ACE's proposed Demand Response programs will require an initial investment of more than \$16 million over a five year period. According to the petition, ACE expects to achieve at least a 50MW reduction in demand by 2013 in the residential program and an additional 10MW reduction from the internet based program. The net cost benefit from the smart thermostat program alone is estimated at over \$40 million.

ACE proposes to amortize the costs of the Demand Response program over a 15 year period with a carrying charge equal to its authorized rate of return, as approved by the Board in its May 26, 2005 Order in Docket No. ER03020110. According to ACE, these costs, which it proposes to recover through the existing System Control Charge ("SCC"), will have a maximum monthly impact of \$0.17 on a residential customer using 1,000 kWh per month, or a monthly increase of 0.12% based on current rates. ACE requests that monthly over and under-recoveries be carried as deferred balances with interest computed at its current short-term debt rate. Per the letter of September 26, 2008 to ACE from Staff regarding the modified schedule, only the Residential Controllable Smart Thermostat Program would be targeted for implementation in June 2009.

Public Service Electric & Gas Company

On August 5, 2008, in response to the Board's July 1 Order, Public Service Electric & Gas Company ("PSE&G") submitted a petition for approval of a demand response program and associated cost recovery mechanism. The petition outlined five proposed sub-programs: Residential Central Air Conditioning Cycling; Residential Pool Pump Load Control; Small Commercial Customer Air Conditioning Cycling; Commercial and Industrial Curtailment Services; and Load Shifting Demonstration.

Following discussions between PSE&G, Staff and Rate Counsel, as ordered by the Board, the Residential Central Air Conditioning Cycling and the Small Commercial Customer Air Conditioning Cycling sub-programs were designated for expedited consideration. Review and analysis of the three remaining programs was deferred.

The Residential Central Air Conditioning Cycling sub-program aims to reduce peak demand in summer months by automatically cycling a home's cooling unit through switches or thermostats. Under PSE&G's proposal, customers currently enrolled in its legacy program will have their equipment replaced over a five-year period, while new customers are recruited and enrolled. PSE&G estimates the total cost of the program from 2009 through 2013 to be \$57.5 million, with an expected goal of 130.9 megawatts (MW).

The Small Commercial Customer Air Conditioning Cycling sub-program will be targeted to small commercial customers. Each new participant enrolled in the program is expected to have an incremental kilowatt ("kW") impact of 1.66 kW. PSE&G projects a total investment of \$5.04 million for this sub-program, with a goal by 2011 of 19.1 MW.

PSE&G proposes to recover the cost of its demand response programs through a separate component of the electric RGGI Recovery Charge mechanism. Per the letter of September 26, 2008 to PSE&G from Staff regarding the modified schedule, only the Residential Central Air Conditioner ("AC") Cycling Sub-Program and Small Commercial Customer AC Cycling Sub-Program would be targeted for implementation in June 2009.

Jersey Central Power and Light Company

On August 1, 2008, in response to the Board's July 1 Order, Jersey Central Power and Light Company ("JCP&L"), requested the Board's approval of four small scale/pilot programs that will account for 83 MW of JCP&L's 93 MW share of the statewide goal for DR for the period beginning July 1, 2009, as set forth in the July 1 Order. The Board has approved allowing the company to apply its 8 MW Integrated Distribution Energy Resource ("IDER") pilot program toward its total DR share. The remaining 2 MW shortfall in JCP&L's total DR responsibility is accounted for by its request in its June 1, 2008 BGS petition for authorization to include in its overall requirement, the 2 MW of DR resulting from a BGS rate design change. The four programs consist of a 60 MW Tariff-Based Curtailment Program, a 15 MW expansion of its recently approved IDER program through the Expanded IDER Program, a 5 MW load reduction in the Permanent Peak Load Shift Program, and a 3 MW Electric Storage Program.

According to JCP&L, the total revenue requirement for all four programs is \$39,551,359. JCP&L requests recovery, with deferred accounting, of all-in costs of the proposed DR programs, including the amortization of any capital investments with a return equal to the company's overall pre-tax cost of capital of 11.61% as determined in its last base rate case through a new rider, the Demand Response clause ("DRC"). The Company further requests that interest on over-and under-recoveries be accrued at the same rate and that the recovery of the revenues attributable to the IDER pilot that are currently collected under Rider System control charge ("SCC") be transferred to the new rider DRC, and that a new Rider Curtailment Program pilot ("CURP") be implemented. Per the letter of September 26, 2008 to JCP&L from Staff regarding the modified schedule, only the Expanded IDER Program would be targeted for implementation in June 2009.

Rockland Electric Company

On August 1, 2008, in response to the Board's July 1 Order, Rockland Electric Company ("RECO"), requested the Board's approval of its AC Cycling Program and Demand Response Incentive Program. RECO plans to obtain 3 MW, or 25% of its overall DR three year goal of 12 MW, from its AC Cycling program, targeted to residential and small commercial and industrial customers. RECO proposes to obtain the additional 9 MW of DR through incentives provided to customers directly, or through curtailment service providers ("CSPs"), selected by the company through an RFP process. RECO expects that CSPs will market primarily to mid and large size commercial and industrial customers. Per the letter of October 6, 2008, to RECO from Staff, regarding the modified schedule, only the AC Cycling Program is targeted for implementation in June 2009.

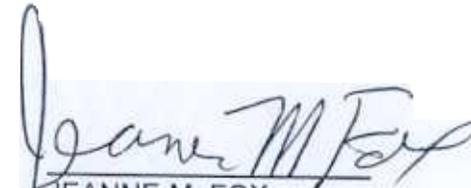
DISCUSSION

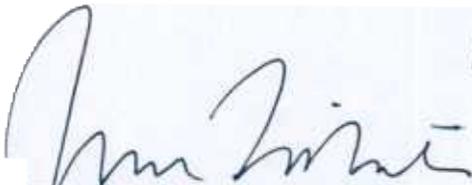
The Board, having determined that the petitions described above should be retained by the Board for hearing, as authorized by N.J.S.A. 48:2-32, **HEREBY DESIGNATES** Commissioner Joseph L. Fiordaliso or his designee(s) as the presiding officer who is authorized to rule on all motions that arise during the proceedings and modify any schedules that may be set as necessary to secure just and expeditious determination of the issues.

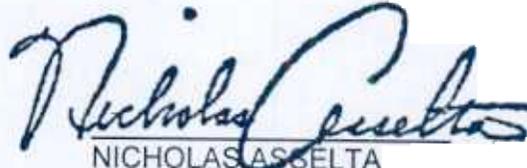
The Board **HEREBY DIRECTS** Staff to post this Order on the Board's website.

DATED: 3/12/09

BOARD OF PUBLIC UTILITIES
BY:


JEANNE M. FOX
PRESIDENT


JOSEPH L. FIORDALISO
COMMISSIONER

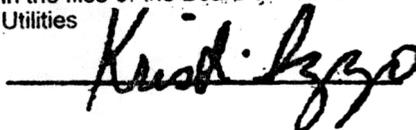

NICHOLAS ASSELTA
COMMISSIONER


ELIZABETH RANDALL
COMMISSIONER

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



Board of Public Utilities
I/M/O Demand Response Programs for the Period Beginning June 1, 2009 – Electric Distribution Company Programs,
Docket No. EO08050326
Service List

BPU STAFF

Kristi Izzo, Secretary
Board of Public Utilities
Two Gateway Center
Newark, NJ 07102
kristi.izzo@bpu.state.nj.us

Ronald Reisman
Office of the Ombudsperson
Board of Public Utilities
Two Gateway Center
Newark, NJ 07102
ronald.reisman@bpu.state.nj.us

Nusha Wyner, Director
Division of Energy
Board of Public Utilities
Two Gateway Center
Newark, New Jersey 07102
nusha.wyner@bpu.state.nj.us

Frank Perrotti
Division of Energy
Board of Public Utilities
Two Gateway Center
Newark, New Jersey 07102
frank.perrotti@bpu.state.nj.us

Alice Bator, Chief
Division of Energy
Board of Public Utilities
Two Gateway Center
Newark, New Jersey 07102
alice.bator@bpu.state.nj.us

Linda Nowicki
Division of Energy
Board of Public Utilities
44 S. Clinton Ave.
Trenton, NJ 08625
linda.nowicki@bpu.state.nj.us

Robert Schultheis
Division of Energy
Board of Public Utilities
Two Gateway Center
Newark, New Jersey 07102
robert.schultheis@bpu.state.nj.us

Sheila Iannaccone
Division of Energy
Board of Public Utilities
Two Gateway Center
Newark, New Jersey 07102
sheila.iannaccone@bpu.state.nj.us

John Garvey
Division of Energy
Board of Public Utilities
Two Gateway Center
Newark, New Jersey 07102
john.garvey@bpu.state.nj.us

Nnajindu Ugoji
Division of Energy
Board of Public Utilities
Two Gateway Center
Newark, New Jersey 07102
naji.ugoji@bpu.state.nj.us

Andrea Sarmentero-Garzon
Counsel's Office
Board of Public Utilities
Two Gateway Center
Newark, New Jersey 07102
andrea.sarmentero-garzon@bpu.state.nj.us

Suzanne Patnaude
Counsel's Office
Board of Public Utilities
Two Gateway Center
Newark, New Jersey 07102
suzanne.patnaude@bpu.state.nj.us

DAG
Elise Goldblat
Division of Law
Dept. of Law & Public Safety
124 Halsey Street
P.O. Box 45029
Newark, New Jersey 07102
elise.goldblat@dol.lps.state.nj.us

Babette Tenzer
Division of Law
Dept. of Law & Public Safety
124 Halsey Street
P.O. Box 45029
Newark, NJ 07102
babette.tenzer@dol.lps.state.nj.us

Alex Moreau
Division of Law
Dept. of Law & Public Safety
124 Halsey Street
P.O. Box 45029
Newark, NJ 07102
alex.moreau@dol.lps.state.nj.us

Jessica Campbell
Division of Law
Dept. of Law & Public Safety
124 Halsey Street
P.O. Box 45029
Newark, NJ 07102
jessica.campbell@dol.lps.state.nj.us

Anne Shatto
Division of Law
Dept. of Law & Public Safety
124 Halsey Street
P.O. Box 45029
Newark, NJ 07102
anne.shatto@dol.lps.state.nj.us

Kerri Kirschbaum
Division of Law
Dept. of Law & Public Safety
124 Halsey Street
P.O. Box 45029
Newark, NJ 07102
kerri.kirschbaum@dol.lps.state.nj.us

Caroline Vachier
Division of Law
Dept. of Law & Public Safety
124 Halsey Street
P.O. Box 45029
Newark, NJ 07102
caroline.vachier@dol.lps.state.nj.us

RATEPAYER ADVOCATE
Stefanie A. Brand, Director
Ratepayer Advocate & Director
Division of Rate Counsel
31 Clinton Street, 11th Floor
P.O. Box 46005
Newark, New Jersey 07102
sbrand@rpa.state.nj.us

Paul Flanagan
Division of Rate Counsel
31 Clinton Street, 11th Floor
P.O. Box 46005
Newark, New Jersey 07102
pflanagan@rpa.state.nj.us

Ami Morita
Division of Rate Counsel
31 Clinton Street, 11th Floor
P.O. Box 46005
Newark, New Jersey 07101
amorita@rpa.state.nj.us

Board of Public Utilities
I/M/O Demand Response Programs for the Period Beginning June 1, 2009 – Electric Distribution Company Programs, Docket
No. EO08050326
Service List

Diane Schulze
Division of Rate Counsel
31 Clinton Street, 11th Floor
P.O. Box 46005
Newark, New Jersey 07101
dschulze@rpa.state.nj.us

Kurt Lewandowski, Esq.
Division of Rate Counsel
31 Clinton Street, 11th Floor
P.O. Box 46005
Newark, New Jersey 07101
klewando@rpa.state.nj.us

James Glassen, Esq.
Division of Rate Counsel
31 Clinton Street, 11th Floor
P.O. Box 46005
Newark, New Jersey 07101
jglassen@rpa.state.nj.us

Rate Counsel Consultants
Brian Biewald
Synapse Energy Economics, Inc.
22 Pearl St.
Cambridge, MA 02139
bbiewald@synapse-energy.com

Robert Fagan
Synapse Energy Economics, Inc.
22 Pearl St.
Cambridge, MA 02139
rfagan@synapse-energy.com

Rick Hornby
Synapse Energy Economics, Inc.
22 Pearl St.
Cambridge, MA 02139
rhornby@synapse-energy.com

Jenn Kallay
Synapse Energy Economics, Inc.
22 Pearl St.
Cambridge, MA 02139
jkallay@synapse-energy.com

ATLANTIC CITY ELECTRIC
Walter L. Davis
Atlantic City Electric Co. – 63ML38
New Castle Regional Office
Eagle Run Road
P.O. Box 9239
Newark, DE 19714
walt.davis@atlanticcityelectric.com

Philip J. Passanante, Esq.
Assistant General Counsel
Atlantic City Electric Co. – 89KS42
800 King St., 5th Floor
P.O. Box 231
Wilmington, DE 19899-0231
philip.passanante@pepcoholdings.com

Nicholas W. Mattia, Jr., Esq.
Dickstein Shapiro LLP
1825 Eye St., NW
Washington, DC 20006-5304
mattian@dicksteinshapiro.com
Wayne Barndt
Pepco Holdings, Inc. – 79NC59
New Castle Regional Office 401
Eagle Run Road
P.O. Box 9239
Newark, DE 19714
wayne.barndt@pepcoholdings.com

Roger E. Pedersen
Manager, NJ Regulatory Affairs
Atlantic City Electric Co. – 63ML38
5100 Harding Highway
Mays Landing, NJ 08330
roger.pedersen@pepcoholdings.com

Kenneth J. Parker, President
Atlantic City Electric Co. – 63ML38
5100 Harding Highway
Mays Landing, NJ 08330
kenneth.parker@atlanticcityelectric.com

JCP&L
Michael J. Filippone
JCP&L
300 Madison Avenue
PO Box 1911
Morristown, NJ 07962-1911
mfilippone@firstenergycorp.com

Eva Gardow
JCP&L
300 Madison Ave,
P.O. Box 1911
Morristown, NJ 07962-1911
egardow@firstenergycorp.com

Chris Siebens
FirstEnergy – Rates Department
2800 Pottsville Pike
Reading, PA 19640
csiebens@firstenergycorp.com

Arthur E. Korkosz, Esq.
FirstEnergy Corp.
76 South Main St.
Akron, OH 44308
korkosza@firstenergycorp.com

Marc B. Lasky, Esq.
Morgan, Lewis & Bockius
Headquarters Plaza
Morristown, NJ
mlasky@morganlewis.com

Michael J. Connolly, Esq.
Morgan, Lewis & Bockius
Headquarters Plaza
Morristown, NJ
mconnolly@morganlewis.com

ROCKLAND ELECTRIC
John L. Carley, Esq.
Consolidated Edison Co. of NY,
Inc.
4 Irving Place
New York, NY 10003
carleyj@coned.com

James C. Meyer, Esq.
Riker, Danzig, Scherer, Hyland &
Perretti LLP
Headquarters Plaza
One Speedwell Ave.
P.O. Box 1981
Morristown, NJ
jmeyer@riker.com

Jane Quin
Orange & Rockland
390 West Route 59
Spring Valley, NY 10977-5300
quinj@oru.com

PSE&G
Frances I. Sundheim, Esq.
Public Service Electric & Gas Co.
80 Park Plaza, T-08C
Newark, NJ 07101
frances.sundheim@pseg.com

Gregory Eisenstark, Esq.
PSEG Services Corporation
80 Park Plaza, T5G
Newark, NJ 07102
gregory.eisenstark@pseg.com

Board of Public Utilities
I/M/O Demand Response Programs for the Period Beginning June 1, 2009 – Electric Distribution Company Programs, Docket
No. EO08050326 and
I/M/O Demand Response Programs for the Period Beginning June 1, 2009 – Market-based Programs,
Docket No. EO08060421
Service List

Connie E. Lembo
Public Service Electric & Gas Co.
80 Park Plaza, T-08C
Newark, NJ 07101
Constance.lembo@pseg.com

OTHERS

Tom Rutigliano
Consumer Powerline
17 State Street, 19th Floor
New York, NY 10004
trutigliano@consumerpowerline.com

Glen Smith, President and CEO
Energy Curtailment Specialists
4455 Genesee Street
Buffalo NY 14225
gesmith@ecsny.com

Paul Tyno, Exec. Vice President
Energy Curtailment Specialists
4455 Genesee Street
Buffalo NY 14225
ptyno@ecsny.com

Dara Biltekoff, Corporate Counsel
Energy Curtailment Specialists
4455 Genesee Street
Buffalo NY 14225
dara@ecsgrid.com

Elizabeth Eisenhauer
Energy Curtailment Specialists
4455 Genesee Street
Buffalo NY 14225
eeisenhauer@ecsdemandresponse.com

Kenneth D. Schisler
Senior Director, Regulatory Affairs
EnerNOC, Inc.
75 Federal St., Suite 300
Boston, MA 02110
kschisler@enernoc.com

Divesh Gupta, Counsel
Constellation Energy Resources, LLC
111 Market Place, Suite 500
Baltimore, MD 21202
divesh.gupta@constellation.com

Timothy Daniels, Dir., Energy Policy
Constellation Energy Resources, LLC
810 Seventh Avenue, Suite 400
New York, NY 10019
timothy.daniels@constellation.com

Marc A. Hanks
Director, Government & Regulatory
Affairs
Direct Energy
mhanks@strategicenergy.com

Charles Alexander Castle
Bevan, Mosca, Giuditta & Zarillo, PC
776 Mountain Blvd, Suite 202
Watchung, NJ 07069
ccastle@bmgzlaw.com

David Holland, Account Executive -
Energy Services
Honeywell Utility Solutions
Wayne Interchange Plaza 1
145 Rt. 46 West
Wayne, New Jersey 07470
dave.holland@honeywell.com

Steven S. Goldenberg, Esq.
Fox Rothschild LLP
997 Lenox Drive, Building 3
Lawrenceville, NJ 08648
SGoldenberg@foxrothschild.com

David Ellis, Senior Vice President
Enerwise Global Technologies, Inc.
511 School House Road, Suite 200
Kennett Square, PA 19348
david.ellis@enerwise.com

Phil Germinario
Manager, Demand Response and
Green Power
SUEZ Energy Resources NA, Inc.
333 Thornall St., 6th Floor
Edison, NJ 08837
phil.germinario@suezenergyna.com

Ritchie Don Priddy
Director, Demand Response
Marketing
SUEZ Energy Resources NA, Inc.
1990 Post Oak Blvd., Suite 1900
Houston, TX 77056
rpriddy@suezenergyna.com

Joseph Janocha
Manager, Regulatory Affairs
Atlantic City Electric Co – 63ML38
5100 Harding Highway
Mays Landing, NJ 08330
joseph.janocha@pepcoholdings.com

Andrea Reid
Energy Division
Board of Public Utilities
Two Gateway Center
Newark, NJ 07102
andrea.reid@bpu.state.nj.us

Frank Magnotti
Comverge, Inc.
120 Eagle Rock Ave.
East Hanover, NJ 07936
fmagnotti@comverge.com

Troy Anatra
Comverge, Inc.
120 Eagle Rock Ave.
East Hanover, NJ 07936
tanatra@comverge.com

Laurie Wiegand-Jackson
North America Power Partners LLC
44 Cooper St., Suite 111
Woodbury, NJ 08096
lwi@northamericapowerpartners.com

Lisa Gurkas
Division of Rate Counsel
31 Clinton Street, 11th Floor
P.O. Box 46005
Newark, New Jersey 07102
lgurkas@rpa.state.nj.us

Susan Covino
Manager, Demand Side Response
PJM Interconnection, LLC
955 Jefferson Avenue
Valley Forge Corporate Center
Norristown, PA 19403
covins@pjm.com