



# New Jersey Board of Public Utilities

## PRESS RELEASE

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### **New Jersey Board of Public Utilities Approves Electricity Auction Results**

*Auction prices will result in stable electricity prices across all sectors. New rates effective June 1, 2010*

NEWARK, NJ – The New Jersey Board of Public Utilities (BPU) today unanimously approved the results of the state's ninth annual electricity auctions for Basic Generation Service (BGS), which determines the cost of electricity for most New Jersey residents and businesses. Today's Board approval will result in a minimal change in the price of the commodity effective June 1.

"Once again, New Jersey has had a competitive auction for electricity, which will provide stable costs for residents and businesses across the state," said Acting Board President Elizabeth Randall.

The Board's approval covers the results of two separate descending clock auctions conducted during the past week – one for fixed price service, which is used primarily by residential and small and medium sized commercial customers, and the other for hourly priced service used by large commercial and industrial customers. This year, the value of both auctions was approximately \$7 billion, representing approximately 8,500 megawatts of electric generating capacity.

The energy secured in the fixed price (FP) auction will meet one third of the state's residential and small business electric demand for the next three years starting June 1, 2010. The remaining two-thirds of demand will be met by generation secured in the auctions of 2008 and 2009. The supply acquired for the large commercial and industrial price (CIEP) customers will be for one year.

The average price obtained in this year's FP auction (\$.0961 per kwh) was lower than the average obtained last year (\$.1033 per kwh) and the electricity supplies auctioned in 2007 (\$.0988 per kwh), which will be replaced by supplies from today's auction. The auction will result in minimal changes in overall electric bills, ranging from a \$0.15/0.13% monthly increase for a typical residential customer in the Atlantic Electric service area to a \$1.38/1.1% monthly decrease for a customer in Rockland Electric's service area. The state's four electric distribution companies pass through the cost of these electric supplies and do not earn a profit on them.

The winning prices obtained in this year's CIEP auction declined from last year, ranging from 16% lower for PSE&G customers to 21% lower for Atlantic City Electric customers. These prices only affect a portion of the electric cost for a small number of large commercial and industrial customers. They will be reflected in the one-year capacity price for the period from June 1, 2010 to May 31, 2011. The CIEP price set in the auction is a stand-by rate provided for those customers not supplied by third-party suppliers. These customers access supply in the hourly energy marketplace. At this time, approximately 85 percent of the CIEP load is being provided through individual contracts with third-party suppliers negotiated in the competitive marketplace.

A total of 17 companies were registered to bid in the auctions this year. Fifteen of those bidders won the right to provide some portion of New Jersey's electric demand. The Board deemed the auction to be competitive throughout the bidding process based on the number of offerings for each block of power auctioned and the competitive prices that resulted.

BGS-CIEP 1-year Tranches:

EDC	Closing Price \$/Mw-day	Total Tranches Sold
ATLANTIC ELECTRIC	\$170.54	5
JCP&L	\$177.99	11
PSE&G	\$170.79	23
ROCKLAND	\$185.82	1

BGS-FP 36-Month Tranches:

EDC	Closing Price (cents/Kwh)	Total Tranches Sold
ATLANTIC ELECTRIC	9.856	7
JCP&L	9.517	18
PSE&G	9.577	28
ROCKLAND	10.332	1

The winning bidders of the residential Fixed Price (FP) Auction are:

Conectiv Energy Supply, Inc.
Consolidated Edison Energy, Inc.
Constellation Energy Commodities Group, Inc.
DTE Energy Trading, Inc.
First Energy Solutions Corp.
Hess Corporation
J.P. Morgan Ventures Energy Corporation
NRG Power Marketing, LLC
NextEra Energy Power Marketing, LLC
PPL EnergyPlus, LLC
PSEG Energy Resources & Trade, LLC
Sempra Energy Trading, LLC
TransCanada Power Marketing, Ltd.

The BGS-CIEP Auction winners are:

Consolidated Edison Energy, Inc.
Constellation Energy Commodities Group, Inc.
DTE Energy Trading, Inc.
Dominion Retail, Inc.
Hess Corporation
Morgan Stanley Capital Group. Inc.
NextEra Energy Power Marketing, LLC

The following table illustrates how the auction results will affect electricity supply costs for the average residential customer when the new rates take effect on June 1:

**Impact of BGS Auction on Average Residential Accounts**

Utility Company	Usage (kWh)	Current Bill	Increase Or Decrease	New Bill	Percent Change
Atlantic Electric	650	\$114.60	\$0.15	\$114.75	0.13%
JCP&L	650	\$119.69	-\$0.57	\$119.12	-0.5 %
PSE&G	650	\$122.27	-\$0.91	\$121.36	-0.7 %
Rockland	650	\$126.38	-\$1.38	\$125.00	-1.1 %

The auction for large commercial and industrial customers ran from February 5-9. The fixed price auction ran from February 8-9. The NJBPU must review the results of the auction within two business days of its closing, pursuant to the December 10, 2009, Board Order that authorized the BGS auction process. Because offers made at the auction are binding, there are no post-auction negotiations. All winning bidders and utilities are bound by the auction results.

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**About the New Jersey Board of Public Utilities (NJBPU):**

*The New Jersey Board of Public Utilities is a state agency and regulatory authority mandated to ensure safe, adequate, and proper utility services at reasonable rates for New Jersey customers. Critical services regulated by the NJBPU include natural gas, electricity, water, wastewater, telecommunications and cable television. The Board has general oversight responsibility for monitoring utility service, responding to consumer complaints, and investigating utility accidents. To find out more about the NJBPU, visit our web site at [www.nj.gov/bpu](http://www.nj.gov/bpu).*