



Agenda Date: 10/07/09

Agenda Item: 2A

## STATE OF NEW JERSEY

### Board of Public Utilities

Two Gateway Center

Newark, NJ 07102

[www.nj.gov/bpu/](http://www.nj.gov/bpu/)

IN THE MATTER OF THE PROVISION OF BASIC  
GENERATION SERVICE (BGS) FOR THE PERIOD  
BEGINNING JUNE 1, 2008 - BGS SREC RECOVERY  
MECHANISM PROCEEDING

ENERGY

DECISION AND ORDER

DOCKET NO. ER07060379

(EMAIL SERVICE LIST ATTACHED)

#### BY THE BOARD:

By Order dated January 25, 2008, in Docket No. ER07060379, the Board approved with modifications, the Joint Proposal of the State's electric distribution companies ("EDCs") for basic generation service ("BGS"), to procure one-third of the State's requirements for BGS fixed price ("FP"), and the annual Commercial and Industrial Energy Pricing ("CIEP") requirements for the period beginning June 1, 2008 ("2008 BGS Proceeding"), including proposed auction rules, Supplier Master Agreements ("SMA") and EDC-specific addenda. As part of its decision in the January 25, 2008 Order, the Board also ruled on an issue related to the responsibility of BGS suppliers under the SMA for Solar Alternative Compliance Payments ("SACP"). The terms of the SMA make these suppliers responsible for procuring solar renewable energy certificates ("SRECs") or paying the SACP to satisfy their portions of the solar renewable portfolio standard ("RPS").

In the January 25, 2008 Order, the Board approved the pass through to ratepayers of the cost of SRECs above \$300 per megawatt-hour for (1) June 1, 2008 through May 31, 2009 for the BGS contracts covering June 1, 2006 through May 31, 2009; and (2) June 1, 2008 through May 31, 2010 for the BGS contracts covering June 1, 2007 through May 31, 2010. In addition, the Board authorized the EDCs, beginning June 1, 2008, to recover in rates the pass through to ratepayers of the cost of SRECs above \$300 for the relevant period, provided that the costs are shown to be reasonable and prudent. The EDCs were directed to submit to the Board by June 1, 2008, a proposed rate recovery mechanism, including a method for demonstrating that any incremental costs were reasonably and prudently incurred, which process will provide the Department of the Public Advocate, Division of Rate Counsel and other parties an opportunity to be heard. As part of the rate recovery mechanism, BGS suppliers will be required to provide documentation justifying recovery, and the EDCs will be required to review and verify the costs requested to be recovered in rates and included in the filing.

In compliance with the Board's January 25, 2008 Order, on May 1, 2008, the EDCs made a joint compliance filing proposing a mechanism for determining the cost for SRECs above the \$300 benchmark for BGS-FP contracts for the June 1, 2006 through May 31, 2009 supply period and

for the June 1, 2007 through May 31, 2010 supply period, and a process to pass these costs through to ratepayers. The filing includes: 1) a mechanism to determine if incremental SREC costs claimed by BGS-FP suppliers are reasonable and prudent, 2) a proposal to recover the subject costs from ratepayers, and 3) a methodology for reimbursing BGS suppliers.

Therefore, the Board HEREBY INITIATES a proceeding to consider the EDCs' proposed mechanism for determining: 1) the reasonableness and prudence of the costs for SRECs above the \$300 benchmark which are incurred by BGS suppliers for BGS-FP contracts for the June 1, 2006 through May 31, 2009 supply period, and the June 1, 2007 through May 31, 2010 supply period, and 2) a process to pass these costs through to ratepayers. A copy of that proposal is attached to this Order as Attachment B. Furthermore, the Board HEREBY ADOPTS the preliminary procedural schedule in Attachment A to this Order.

The Board HEREBY DIRECTS that this Order be electronically served via email to parties on the attached service list and posted on the Board's website. All comments should be served electronically via email to parties on the attached service list, and filed with the Board's Secretary. Parties who would like to be added to the service list can do so by emailing their contact information to Frank Perrotti at [frank.perrotti@bpu.state.nj.us](mailto:frank.perrotti@bpu.state.nj.us).

DATED: 10/15/09

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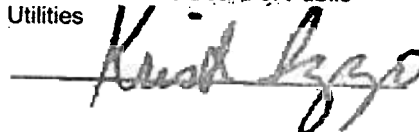
  
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ATTEST:

  
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SECRETARY

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





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I/M/O the Provision of Basic Generation Service for the Period Beginning June 1, 200  
Docket No. ER07060379  
SREC Recovery Mechanism Proceeding  
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Board of Public Utilities  
I/M/O the Provision of Basic Generation Service for the Period Beginning June 1, 200  
Docket No. ER07060379  
SREC Recovery Mechanism Proceeding  
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## ATTACHMENT A

### **I/M/O the Provision of Basic Generation Service ("BGS") For the Period Beginning June 1, 2008**

### **BGS SREC Recovery Mechanism Proceeding**

**Docket No. ER07060379**

### **Preliminary Procedural Schedule**

DATE	Activity or Decision Point
10/30/2009	Discovery request deadline
11/13/2009	Discovery response deadline
12/18/2009	Deadline for Initial Comments
1/08/2010	Deadline for Final Comments
End of January 2010	Expected Board decision



## **Attachment B**

Frances I. Sundheim  
Vice President and Corporate Rate Counsel

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May 1, 2008

**VIA HAND DELIVERY**

In the Matter of the Provision of  
Basic Generation Service for the  
Period Beginning June 1, 2008

Docket No. ER07060379

Kristi Izzo, Secretary  
Board of Public Utilities  
Two Gateway Center  
Newark, New Jersey 07102

Dear Secretary Izzo:

On behalf of itself and the other New Jersey electric distribution companies ("EDCs"), Jersey Central Power & Light Company, Atlantic City Electric Company, and Rockland Electric Company ("RECO")<sup>1</sup>, Public Service Electric and Gas Company ("PSE&G") is submitting to the Board of Public Utilities (the "Board") this joint compliance filing setting forth a mechanism for determining the cost for Solar Renewable Energy Certificates ("SRECs") above the \$300 benchmark for BGS-FP contracts for the June 1, 2006 through May 31, 2009 supply period and the June 1, 2007 through May 31, 2010 supply period, and a process to pass these costs through to ratepayers.

In its Order dated January 25, 2008, the Board approved the pass-through to ratepayers for the cost of SRECs above a \$300 per megawatt-hour threshold for BGS-FP contracts covering the June 1, 2006 through May 31, 2009, and the June 1, 2007 through May 31, 2010 supply periods. The Board further directed the EDCs to submit to the Board for approval the proposed rate recovery mechanism for these incremental costs, including a

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<sup>1</sup> RECO has secured, and will continue to secure, SRECs for that portion of its service territory that is located outside of PJM and which does not participate in the BGS Auction (i.e., RECO's Central and Western Divisions). RECO will submit a separate filing to the Board describing its recovery mechanism for incremental SREC costs applicable to its Central and Western Divisions.



method for demonstrating that these costs were reasonably and prudently incurred by the Basic Generation Service (BGS) suppliers.

Enclosed herein is the EDCs' proposed plan for rebating affected BGS-FP suppliers the incremental costs for SRECs needed for compliance with New Jersey's solar Renewable Portfolio Standards ("RPS") for energy reporting years 2008-2009 and 2009-2010. We ask the Board to consider this request on an expedited basis so that we may direct the BGS suppliers that may wish to recover the additional SREC costs at some future date to begin tracking SREC transactions in a manner consistent with the methodology discussed herein.

Kindly return a copy of this compliance filing stamped as "filed" to the undersigned in the self-addressed, prepaid envelope provided herewith.

Respectfully submitted,

*Original Signed by Frances I. Sundheim, Esq.*

Attachments

C Service List (via U.S. Mail)

## Attachment 1

In compliance with the Board's Order dated January 25, 2008, the EDCs submit the following methodology for qualifying SREC costs in excess of \$300 per MWh and proposed rate recovery mechanism for costs associated with paying BGS-FP suppliers for these incremental SREC costs.

The EDCs have identified three (3) topics that must be addressed to meet the conditions set forth by the Board. First, the proposal must include a mechanism to determine if incremental SREC costs claimed by BGS-FP suppliers are "reasonable and prudent." Second, the proposal must include a mechanism to recover the subject costs from ratepayers. Finally, the proposal must include a methodology for reimbursing BGS suppliers. The EDCs address each of these points below.

### **Determination of Incremental SREC Costs**

The EDCs have proposed a mechanism intended to pay suppliers the fair amounts for solar RPS compliance and eliminate possible gaming. Each supplier will be required to submit documentation of all SREC transactions by itself and its affiliates (solar alternative compliance payments or "SACP", plus buy and sell SREC transactions) for the reporting energy year (including energy year SRECs traded in the 2 month "true-up" window). The supplier will provide calculations of weighted average price for all SREC buy transactions net of sell transactions (excluding broker fees). The amount of the SACP included in the calculation will be capped such that, if a supplier sells SRECs during the energy year, but needs to make the SACP at the end of the year, the value of the SREC sales will be deducted from the refund calculation. For purposes of this analysis, costs for broker fees should not be included in the prices for buy or sell transactions.

Each EDC will calculate the amount due to each supplier by multiplying the net purchase cost over \$300 by the number of SRECs required by the BGS supplier to cover the solar RPS requirement for the BGS-FP load served under the June 1, 2006 - May 31, 2009 and June 1, 2007 - May 31, 2010 contracts.

Each BGS-FP supplier will be required to submit supporting data including total number of buy transactions and weighted cost of buy transactions; total number of sell transactions and weighted cost of sell transactions; and a sworn affidavit stating that all data submitted to the EDC is accurate and complete. Any supplier requesting relief must submit all documentation to the affected EDC at least two (2) weeks prior to the due date for the annual submission of the annual renewable portfolio standard compliance report (the "RPS report"). The form of this affidavit is included as Attachment 2.



Each EDC will include this documentation in the RPS report, and a summary of the total amount due to each supplier. The following is an illustrative example demonstrating how the incremental SREC cost will be determined for three (3) scenarios:

Examples for 2008/2009 supply period

*A BGS supplier holds one tranche in each of the 06/09 and 07/10 BGS supply periods. The total amount of energy supply per tranche is 500,000 MWh. The solar set-aside for the 2009 reporting year RPS is 0.16%, so the BGS supplier must secure 1600 MWh of solar energy credits.*

Scenario A) *Supplier does not sell any SRECs, but cannot secure enough SRECs to meet the solar RPS.*

*During the year, this supplier purchased 1200 SRECs at a weighted average price of \$500/SREC and was required to make the SACP (\$711) for the remaining amount (400 MWh).*

*The net cost would be calculated as follows:*

*$(1200 * \$500)$  [SREC purchases] +  $(400 * \$711)$  [SACP for amount needed to comply with RPS] = \$884,400 [Cost basis]*

*The amount refunded to the supplier would be calculated as follows:*

*SREC average cost:*

*$\$884,400/1600$  SREC = \$552.75 per SREC*

*SREC refund amount:*

*$(\$552.75[\text{Net average cost}] - \$300 [\text{Baseline cost}]) * 1600$  [SREC compliance amount] = \$404,400 [Payment to the supplier].*

*Net Supplier Cost =  $\$884,000 - \$404,440 = \$480,000 = \$300/\text{SREC}$*

Scenario B) *Supplier sells some SRECs at a profit, but still needs to use SACP for compliance.*

*During the year, this supplier purchased 1200 SRECs at a weighted average price of \$500/SREC. They sold 100 SRECs at \$550, and were required to make the SACP (\$711) for the remaining amount (500 MWh).*

*The net cost would be calculated as follows:*

*$(1200 * \$500)$  [SREC purchases] +  $(500 * \$711)$  [SACP for amount needed to comply with RPS] -  $(100 * \$550)$  [SREC sales] -  $\{100 * (\$711 - \$550)\}$  [incremental cost of SACP payment to rate payers resulting from sale] = \$884,400 [Cost basis]*

*The amount refunded to the supplier would be calculated as follows:*

*SREC average cost:*

$$\$884,400/1600 \text{ SREC} = \$552.75 \text{ per SREC}$$

*SREC refund amount:*

$$(\$552.75[\text{Net average cost}] - \$300[\text{Baseline cost}]) * 1600[\text{SREC compliance amount}] = \$404,400[\text{Payment to the supplier}].$$

$$\text{Net Supplier Cost} = \$884,000 - \$404,440 = \$480,000 = \$300/\text{SREC}$$

*Scenario C) Supplier sells some SRECs at a profit, but has sufficient SRECs for compliance with solar RPS and does not make SACP.*

*During the year, this supplier purchased 1700 SRECs at a weighted average price of \$500/SREC. They sold 100 SRECs at \$550.*

*The net cost would be calculated as follows:*

$$(1700 * \$500)[\text{SREC purchases}] + (0 * \$711)[\text{SACP for amount needed to comply with RPS}] - (100 * \$550)[\text{SREC sales}] - [0 * (\$711 - \$550)][\text{incremental cost of SREC sales to rate payers}] = \$795,000[\text{Cost basis}]$$

*The amount refunded to the supplier would be calculated as follows:*

$$\text{SREC average cost: } \$795,000/1600 \text{ SREC} = \$496.88 \text{ per SREC}$$

$$\text{Payment to supplier} = \$496.88 - \$300 = \$196.88 * 1600 = \$315,000$$

$$\text{Net Supplier Cost} = \$795,000 - \$315,000 = \$480,000 = \$300/\text{SREC}$$

### **Accounting and Cost Recovery Mechanism**

The EDCs propose to recover the expected amounts payable to suppliers through a separate BGS-FP charge that will be listed in each EDC's tariff to add an SREC surcharge, but that would be combined with other components of the BGS-FP charges (such as energy charges or reconciliation charges) for billing purposes.

Beginning on June 1, 2008, the EDCs propose to begin accruing the amounts that are expected to be paid to the affected BGS-FP suppliers based on the cost computed below. Amounts collected will be tracked separately and held on behalf of the suppliers using established accounting procedures. Any amounts collected (billed) from ratepayers prior to rebating affected BGS-FP suppliers will be subject to deferred accounting, including carrying costs. Such carrying cost will be calculated based on the methodology and interest rate adopted by the Board for the EDCs' BGS deferred balances.

The EDCs propose to calculate the incremental SREC cost charge as follows:



For the June 2008 - May 2009 BGS year, the EDCs will use the appropriate percentage of the BGS-FP load amounts<sup>1</sup> (including distribution losses) included in each EDC's BGS-FP pricing spreadsheets for the period beginning on June 1, 2008 as the basis for the calculation. The total amount of energy for the 2008-2009 reporting year would be multiplied by the solar "set-aside" amount of 0.16%.

For the June 2009-May 2010 BGS year, the EDCs will use the appropriate percentage of the expected BGS-FP load<sup>2</sup> as described above for the calculation. The total amount of energy in the 2009-2010 reporting year would be multiplied by the solar "set-aside" amount of 0.221%.

The expected incremental SREC costs to be accrued will also be based on an assumed SREC cost of \$611/MWh for the June 2008-May 2009 period, and \$593 for the June 2009-May 2010 period. These amounts are consistent with the SREC pricing levels needed to achieve the target internal rate of return for photovoltaic system investments (see Board Order dated December 6, 2007 in connection with Docket No. EO06100744 at 29). The \$300 SACP amount in effect for energy reporting years prior to 2008-2009 will then be subtracted from this amount.

The amount of the incremental SREC charge included in each EDC's tariff will be calculated by multiplying the assumed SREC cost times the BGS-FP energy amounts specified in the BGS pricing spreadsheet included with each EDC's BGS compliance filing.

Illustrative calculations of SREC incremental costs and the derivations of the tariff SREC surcharge are included below, and "form-of" tariff sheets are included as Attachment 3. The EDCs will file compliance tariff sheets including full derivation of the amount of the incremental SREC charge using EDC-specific load percentage and BGS-FP loss expansion factors.

**Illustrative Example Calculation for 2008-2009 BGS supply year.**

*For PSE&G, the total BGS-FP load is 32.526 million MWh, and BGS-FP loss expansion factor is 1.070243, and the load percentage factor is 66.6% The expected incremental SREC costs would be:*

$$32,526,058 \text{ MWh} * 1.070243 * 2/3 * 0.16\% * (\$611/\text{MWh} - \$300/\text{MWh}) = \$11,547,898$$

*The amount incremental SREC cost charge would be \$11,547,898/32.526 million MWh = \$0.3550/Mwh or 0.03550¢ /kWh (w/o sales and use tax).*

<sup>1</sup> For the June 2008-May 2009 delivery year, the appropriate percentage for PSE&G and ACE is 66.6%, while the appropriate percentage for JCP&L is 72.7% and the appropriate percentage for RECO is 50% (in the statewide auction process).

<sup>2</sup> For the June 2009-May 2010 delivery year, the appropriate percentage for PSE&G and ACE is 33.3%, the appropriate percentage for JCP&L is 34.1%, and the appropriate percentage for RECO is 25% (in the statewide auction process).

**Illustrative example calculation for the 2009-2010 BGS supply year**

*An EDC's total BGS-FP load is 32,526 million MWh. The expected incremental SREC costs would be:*

$$32,526,058 \text{ MWh} * 1.070243 * 1/3 * 0.221\% * (\$593/\text{MWh} - \$300/\text{MWh}) = \$7,513,676$$

*The amount of the incremental SREC cost charge would be  $\$7,513,676 / 32.526$  million MWh =  $\$0.2310/\text{Mwh}$  or  $0.02310\text{¢}/\text{kWh}$  (w/o sales and use tax).*

In the event that the total amount due to BGS suppliers is greater than the amount of the incremental SREC charge collected and held by an EDC, the difference between the amount paid to suppliers and the amount held will be collected, with interest on any under-recovery in the reconciliation period following payment to the suppliers. Conversely, in the event that the amounts collected through the incremental SREC charge are greater than the amounts paid to suppliers, the excess will be returned to ratepayers, with interest on any over-recovered amount, in the reconciliation period following payment. Once approved, the EDCs will file compliant revised tariff sheets to effectuate the recovery of the SREC surcharge for each applicable year.

**Supplier Payment Mechanism**

Suppliers will be paid after the submission of all required documentation and after the annual RPS compliance filing and authorization from the Board. As part of the RPS compliance filings in 2009 and 2010, the EDCs expect to ask the Board for approval to pay suppliers the amounts due. In the monthly payment statement following Board approval, each supplier will be paid in a single lump sum. No interest will be credited on behalf of the supplier for these incremental SREC payments.



## Attachment 2

### AFFIDAVIT

I, [signatory], an [authorized officer] of [BGS Supplier] “[BGS Supplier]”, declare that BGS Supplier has submitted documentation with this affidavit to [EDC] with respect to all solar renewable energy certificate (“SRECs”) purchase and sale transactions for [BGS Supplier] and its affiliates for the reporting energy year [June 1, 2008 through May 31, 2009] [June 1, 2009 through May 31, 2010]. All reported purchase and sale transactions were at arms-length terms.

Based on the purchase and sale information provided herewith, [BGS Supplier] has calculated that the weighted average price during the subject energy year for all arms-length SREC buy transactions net of all arms-length SREC sale transactions on a combined basis for itself and its affiliates is \$[\_\_\_\_\_].

For purposes of this affidavit the term “affiliate” means any entity controlling or controlled by or under common control with [BGS Supplier]. For purposes of this affidavit, a party controls an entity directly if the party holds a majority of shares, majority voting power, a majority of common directors, can appoint a majority of directors, or if the party in fact controls the entity’s affairs through some other means. A party controls an entity indirectly if the party controls another entity that controls the entity in question (or through a longer line of control; e.g., if the party controls another entity that controls an entity that controls the entity in question, etc.). The terms “controlling” and “controlled” have meanings correlative with the foregoing.

For purposes of this affidavit, an "arms-length" transaction is one with terms similar to those expected to be found in similar transactions between unaffiliated entities bargaining freely in an open market.

As an authorized officer of [BGS Supplier], I declare that the above statements are true and correct to the best of my knowledge, information and belief.

Date: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Sworn to and subscribed before me  
this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

\_\_\_\_\_  
[Name]



Attachment 3

Proposed "Form -Of" Tariff Sheets

**BASIC GENERATION SERVICE – FIXED PRICING (BGS-FP)  
ELECTRIC SUPPLY CHARGES**

**APPLICABLE TO:**

Default electric supply service for Rate Schedules RS, RSP, RHS, RLM, WH, WHS, HS, BPL, BPL-POF, PSAL, GLP and LPL-Secondary (less than 1,000 kilowatts).

**BGS ENERGY CHARGES:**

Applicable to Rate Schedules RS, RHS, RLM, WH, WHS, HS, BPL, BPL-POF and PSAL  
Charges per kilowatthour:

Rate Schedule	For usage in each of the months of October through May		For usage in each of the months of June through September	
	Charges	Charges Including SUT	Charges	Charges Including SUT
RS – first 600 kWh	x.xxxx ¢	x.xxxx ¢	x.xxxx ¢	x.xxxx ¢
RS – in excess of 600 kWh	x.xxxx ¢	x.xxxx ¢	x.xxxx ¢	x.xxxx ¢
RHS – first 600 kWh	x.xxxx ¢	x.xxxx ¢	x.xxxx ¢	x.xxxx ¢
RHS – in excess of 600 kWh	x.xxxx ¢	x.xxxx ¢	x.xxxx ¢	x.xxxx ¢
RLM On-Peak	x.xxxx ¢	x.xxxx ¢	x.xxxx ¢	x.xxxx ¢
RLM Off-Peak	x.xxxx ¢	x.xxxx ¢	x.xxxx ¢	x.xxxx ¢
WH	x.xxxx ¢	x.xxxx ¢	x.xxxx ¢	x.xxxx ¢
WHS	x.xxxx ¢	x.xxxx ¢	x.xxxx ¢	x.xxxx ¢
HS	x.xxxx ¢	x.xxxx ¢	x.xxxx ¢	x.xxxx ¢
BPL	x.xxxx ¢	x.xxxx ¢	x.xxxx ¢	x.xxxx ¢
BPL-POF	x.xxxx ¢	x.xxxx ¢	x.xxxx ¢	x.xxxx ¢
PSAL	x.xxxx ¢	x.xxxx ¢	x.xxxx ¢	x.xxxx ¢

The above Basic Generation Service Energy Charges reflect costs for Energy, Generation Capacity, Transmission, and Ancillary Services (including PJM Interconnection, L.L.C. (PJM) Administrative Charges). The portion of these charges related to Network Integration Transmission Service, including the PJM Seams Elimination Cost Assignment Charges, the PJM Reliability Must Run Charge and PJM Transmission Enhancement Charges may be changed from time to time on the effective date of such change to the PJM rate for these charges as approved by the Federal Energy Regulatory Commission (FERC).

The above Basic Generation Service Energy Charges also include an Incremental Solar Program Compliance Payment Charge of x.xxxx cents per kilowatthour (x.xxxx cents per kilowatthour including New Jersey Sales and Use Tax, SUT).

Kilowatt threshold noted above is based upon the customer's Peak Load Share of the overall summer peak load assigned to Public Service by the Pennsylvania-New Jersey-Maryland Office of the Interconnection (PJM). See Section 9.1, Measurement of Electric Service, of the Standard Terms and Conditions of this Tariff.

Date of Issue:

Issued by FRANCES I. SUNDHEIM, Vice President and Corporate Rate Counsel  
80 Park Plaza, Newark, New Jersey 07102  
Filed pursuant to Order of Board of Public Utilities dated  
in Docket No.

Effective:



## BASIC GENERATION SERVICE – FIXED PRICING (BGS-FP)

## ELECTRIC SUPPLY CHARGES

(Continued)

## BGS ENERGY CHARGES:

Applicable to Rate Schedules GLP and LPL-Sec.

Charges per kilowatthour:

Rate Schedule	For usage in each of the months of <u>October through May</u>		For usage in each of the months of <u>June through September</u>	
	<u>Charges</u>	<u>Charges Including SUT</u>	<u>Charges</u>	<u>Charges Including SUT</u>
GLP	x.xxxx ¢	x.xxxx ¢	x.xxxx ¢	x.xxxx ¢
GLP Night Use	x.xxxx ¢	x.xxxx ¢	x.xxxx ¢	x.xxxx ¢
LPL-Sec. under 750 kW				
On-Peak	x.xxxx ¢	x.xxxx ¢	x.xxxx ¢	x.xxxx ¢
Off-Peak	x.xxxx ¢	x.xxxx ¢	x.xxxx ¢	x.xxxx ¢
LPL-Sec. equal to or greater than 750 kW but less than 1,000 kW				
On-Peak	x.xxxx ¢	x.xxxx ¢	x.xxxx ¢	x.xxxx ¢
Off-Peak	x.xxxx ¢	x.xxxx ¢	x.xxxx ¢	x.xxxx ¢

The above Basic Generation Service Energy Charges reflect costs for Energy and Ancillary Services (including PJM Administrative Charges).

The above Basic Generation Service Energy Charges also include an Incremental Solar Program Compliance Payment Charge of x.xxxx cents per kilowatthour (x.xxxx cents per kilowatthour including New Jersey Sales and Use Tax, SUT).

Kilowatt thresholds noted above are based upon the customer's Peak Load Share of the overall summer peak load assigned to Public Service by the Pennsylvania-New Jersey-Maryland Office of the Interconnection (PJM). See Section 9.1, Measurement of Electric Service, of the Standard Terms and Conditions of this Tariff.

Date of Issue:

Issued by FRANCES I. SUNDHEIM, Vice President and Corporate Rate Counsel  
80 Park Plaza, Newark, New Jersey 07102  
Filed pursuant to Order of Board of Public Utilities dated  
in Docket No.

Effective:

**JERSEY CENTRAL POWER & LIGHT COMPANY**

**BPU No. 10 ELECTRIC - PART III**

**XXX Rev. Sheet No 36A  
Superseding XXX Rev. Sheet No. 36A**

**Rider BGS-FP  
Basic Generation Service – Fixed Pricing  
(Applicable to Service Classifications RS, RT, RGT, GS, GST, OL, SVL, MVL and ISL)**

**2) BGS Transmission Charge per KWH:** As provided in the respective tariff for Service Classifications RS, RT, RGT, GS, GST, OL, SVL, MVL and ISL. Effective January 1, 2008, a RMR surcharge of **\$0.000111** per KWH (includes Sales and Use Tax as provided in Rider SUT) will be added to the BGS Transmission Charge applicable to all KWH usage.

Effective February 1, 2008, a TEC surcharge of **\$0.000022** per KWH (includes Sales and Use Tax as provided in Rider SUT) will be added to the BGS Transmission Charge applicable to all KWH usage except lighting under Service Classifications OL, SVL, MVL and ISL.

**3) BGS Reconciliation Charge per KWH: (\$0.004034)** (includes Sales and Use Tax as provided in Rider SUT)

The above BGS Reconciliation Charge recovers the difference between the payments to BGS suppliers and the revenues from BGS customers for Basic Generation Service and is subject to quarterly true-up.

**4) BGS Incremental Solar Program Compliance Payment Charge per KWH: (\$X.XXXXXX)** (includes Sales and Use Tax as provided in Rider SUT)

The above BGS Incremental Solar Program Compliance Payment Charge recovers the Board-approved incremental costs associated with Solar Renewable Energy Certificates for BGS suppliers. For billing purposes, this Charge will be combined with the BGS Reconciliation Charge applicable to all KWH usage.

**Issued:**

**Effective:**

**Filed pursuant to Order of Board of Public Utilities  
Docket No. ER07060379 dated**

Issued by Stephen E. Morgan, President  
300 Madison Avenue, Morristown, NJ 07962-1911



**ATLANTIC CITY ELECTRIC COMPANY**

**BPU NJ No. 11 Electric Service - Section IV      XXX Revised Sheet Replaces XXX Revised Sheet No. 60b**

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**RIDER (BGS) continued**

**Basic Generation Service (BGS)**

**CIEP Standby Fee**      \$0.000161 per kWh

This charge recovers the costs associated with the winning BGS-CIEP bidders maintaining the availability of the hourly priced default electric supply service plus administrative charges pursuant to N.J.S.A. 48:2-60 and New Jersey Sales and Use Tax as set forth in Rider SUT. This charge is assessed on all kWhs delivered to all CIEP- eligible customers on Rate Schedules MGS Secondary, MGS Primary, AGS Secondary, AGS Primary or TGS.

**System Control Charge (SCC)**      \$\$0.000066 per kWh

This charge provides for recovery of appliance cycling load management costs. This charge includes administrative charges pursuant to N.J.S.A. 48:2-60 and New Jersey Sales and Use Tax as set forth in Rider SUT. This charge is assessed on all kWhs delivered to all electric customers.

**Retail Margin**      \$0.005377 per kWh

This charge is applicable to all customers taking service under BGS CIEP and those BGS-FP customers on Rate Schedules MGS Secondary, MGS Primary, AGS Secondary or AGS Primary whose annual PLS for generation capacity is equal to or greater than 750 kW as of November 1 of each year. This charge includes administrative charges pursuant to N.J.S.A. 48:2-60 and New Jersey Sales and Use Tax as set forth in Rider SUT

**BGS Incremental Solar Program Compliance Payment Charge per KWH: (\$X.XXXXXX) per kWh**

The above BGS Incremental Solar Program Compliance Payment Charge recovers the Board-approved incremental costs associated with Solar Renewable Energy Certificates for BGS suppliers. For billing purposes, this Charge will be combined with the BGS FP Charge applicable to all KWH usage. This charge is applicable to all customers taking service under BGS-FP. This charge includes administrative charges pursuant to N.J.S.A. 48:2-60 and New Jersey Sales and Use Tax as set forth in Rider SUT

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**Date of Issue:**

**Effective Date:**

**Issued by:**

**GENERAL INFORMATION**

**No. 28 BASIC GENERATION SERVICE ("BGS"): (Continued)**

**(A) BASIC GENERATION SERVICE – FIXED PRICING (BGS-FP)**

**Applicable to Service Classification Nos. 1, 2, 3, 4, 5 and 6**

Applicable to Service Classification Nos. 1, 2 (Non-Demand Billed), 3, 4, 5, and 6  
Charges per kilowatthour:

<u>Service Classification</u>	<u>Summer Months*</u>	<u>Other Months</u>
1 – First 250 kWh	XX.XXX ¢	XX.XXX ¢
1 – Over 250 kWh	XX.XXX ¢	XX.XXX ¢
2 (Non-Demand Billed) – All kWh	XX.XXX ¢	XX.XXX ¢
3 – Peak	XX.XXX ¢	XX.XXX ¢
3 – Off-Peak	XX.XXX ¢	XX.XXX ¢
4 – All kWh	XX.XXX ¢	XX.XXX ¢
5 – First 250 kWh	XX.XXX ¢	XX.XXX ¢
5 – Next 450 kWh	XX.XXX ¢	XX.XXX ¢
5 – Over 700 kWh	XX.XXX ¢	XX.XXX ¢
6 – All kWh	XX.XXX ¢	XX.XXX ¢

Applicable to Service Classification No. 2 Demand Billed customers who do not take BGS-CIEP service in accordance with General Information Section No. 28(B):

	<u>Summer Months*</u>	<u>Other Months</u>
Demand Charges		
First 5 kW (\$/kW)	No Charge	No Charge
Over 5 kW (\$/kW)	X.XXX	X.XXX
Usage Charges		
All kWh (¢/kWh)	XX.XXX ¢	XX.XXX ¢

The above Basic Generation Service Charges reflect costs for Energy, Generation Capacity, and Ancillary Services (including ISO Administrative Charges). The above Basic Generation Service Charges also include an Incremental Solar Program Compliance Payment Charge of x.xxxx cents per kilowatthour.

\* Definition of Summer Billing Months  
June through September

(Continued)

ISSUED:

EFFECTIVE:

ISSUED BY: John D. McMahon, President  
Saddle River, New Jersey 07458