

FERC Docket No. ER09-1257-0000¹, and (iii) the annual formula rate update filing made by Virginia Electric Power Company (“VEPCo”) in FERC Docket No. ER10-068.² The EDCs requested that the changes become effective on January 1, 2012.

The EDCs also requested authorization to compensate BGS Suppliers for the changes to the OATT resulting from the implementation of the PATH, PSE&G, and VEPCo project annual formula updates subject to the terms and conditions of the applicable Supplier Master Agreement(s) (“SMAs”). Any difference between the payments to BGS Suppliers and charges to customers would flow through each EDC’s BGS Reconciliation Charge.

According to the EDCs, this filing satisfies the requirements of Paragraph 15.9(a) (i) and (ii) of the BGS-FP and BGS-CIEP SMAs, which mandate that BGS-FP and BGS-CIEP suppliers be notified of rate changes for firm transmission service, and that the EDCs file for and obtain Board approval of an increase or decrease in retail rates commensurate with the FERC-implemented rate increases and decreases.

The Transmission Enhancement Charges (“TECs”) detailed in Schedule 12 of the PJM OATT were implemented to compensate transmission owners for the annual transmission revenue requirements for “Required Transmission Enhancements” that are requested by PJM for reliability or economic purposes. TECs are recovered by PJM through an additional transmission charge in the transmission zones assigned costs responsibility for Required Transmission Enhancement projects.

On February 28, 2008, FERC approved the PATH filings and accepted the tariffs for filing. On April 16, 2008, the EDCs filed a joint petition with the Board requesting recovery of the allocated PATH firm transmission service related charges. On April 29, 2008, FERC approved the VEPCo Filings and accepted for filing, effective January 1, 2008, VEPCo’s revised tariff sheets to the PJM OATT. On June 16, 2008, the EDCs filed a joint petition requesting recovery of the allocated VEPCo firm transmission service related charges. By Board Order dated September 15, 2008, the EDCs received approval from the Board to begin allocating TECs related to the VEPCo and PATH projects.³ Pursuant to FERC’s Order, VEPCo and PATH submitted their formula rate update compliance filings with FERC on or about October 28, 2011, in FERC Docket Nos. ER10-068 and ER08-386-000, respectively.

¹ While the revised formula rate filing that is the subject of this Order was made under FERC Docket No. ER09-1257, the original PSE&G formula rate filing was made under FERC Docket No. ER08-1233.

² While the revised formula rate filing that is the subject of this Order was made under FERC Docket No. ER10-068, the original VEPCo formula rate filing was made under FERC Docket No. ER-08-92-000.

³ In the Matter of the Provision of Basic Generation Service for Year Two of the Post-Transition Period and In the Matter of the Provision of Basic Generation Service for Year Three of the Post Transition Period and In the Matter of the Provision of Basic Generation Service for the Period Beginning June 1, 2006 and In the Matter of the Provision of Basic Generation Service for the Period Beginning June 1, 2007, BPU Docket Nos. E003050394, EO04040288, EO05040317, and EO06020119, Order dated September 12, 2008.

⁴ In the Matter of the Provision of Basic Generation Service for Year Two of the Post Transition Period and In the Matter of the Provision of Basic Generation Service for the Period Beginning June 1, 2006 and In the Matter of the Provision of Basic Generation Service for the Period Beginning June 1, 2007 and In the Matter of the Provision of Basic Generation Service for the Period Beginning June 1, 2008- PSE&G November 14, 2008 Filing. BPU Docket Nos. E003050394, EO05040317, EO06020119, and ER07060379, Order dated December 18, 2008.

On September 30, 2008, FERC approved PSE&G's filing to substitute a formula rate for its stated rates for Network Integration Transmission Services ("NITS") and Point-to-Point transmission service ("PSE&G Project"). The PSE&G formula rate also incorporates a number of transmission enhancement projects that are included in the OATT Schedule 12. FERC accepted the formula rate proposed by PSE&G, effective October 1, 2008. On October 15, 2008, PSE&G filed its updated formula rate with the FERC. On November 14, 2008, PSE&G filed with the Board to recover the FERC-approved formula rates applicable to PSE&G customers. On December 18, 2008, the Board authorized PSE&G to begin recovering TECs related to the PSE&G Project.⁴ On October 17, 2011, PSE&G made a compliance filing with FERC in Docket No. ER09-1257.

Each EDC is allocated a different portion of VEPCO's, PSE&G's, and PATH's transmission costs from PJM based on the cost for Required Transmission Enhancements in each EDC's transmission zone. Based on this allocation of the TEC costs for JCP&L, ACE, and RECO and their respective allocation among each EDC's customer service classes, the monthly bill for a residential customer using 650 kWh per month will increase by approximately the following amounts (including Sales and Use Tax): \$0.26 or 0.20% for JCP&L; \$0.07 or 0.06% for ACE, and \$0.88 or 0.70% for Rockland.

DISCUSSION AND FINDING

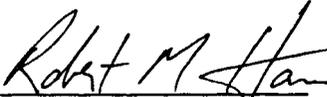
In the Board's Order dated December 2, 2003, in Docket No. EO03050394, the Board found that the pass through of any changes in the NITS charge, and other charges associated with the FERC-approved Open Access Transmission Tariff, is appropriate. Furthermore, by subsequent Orders, the Board approved Section 15.9 of the SMAs as filed by the EDCs which requires that the EDCs file for Board approval of any increases or decreases in their transmission charges that have been approved by the FERC. The SMAs also authorize the EDCs to increase or decrease the rates paid to suppliers for FERC-approved rates and changes to Firm Transmission Services once approved by the Board. The Board Orders further require that the EDCs review and verify the requested FERC authorized changes.

After review of the verifications and supporting documentation, the Board **HEREBY FINDS** that the December 2 filing satisfies the EDCs' obligations under Paragraph 15.9 (a)(i) and (ii) of the relevant SMAs, and **HEREBY APPROVES** the increase to the BGS-FP and BGS-CIEP rates requested by each EDC for its increased transmission charges resulting from the FERC-approved changes to the TECs effective as of the date of service of this Board Order. The EDCs are **HEREBY ORDERED** to compensate the BGS suppliers for this transmission rate increase subject to the terms and conditions of the SMAs.

Further, the Board **HEREBY DIRECTS** the EDCs to file tariffs and rates consistent with the Board's findings within five (5) business days of service of this Order.

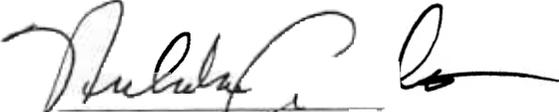
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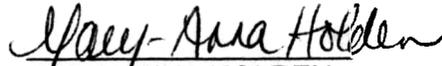
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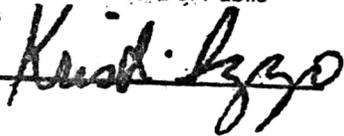

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MARY-ANNA HOLDEN
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ATTEST:


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



In the Matter of the Provision of Basic Generation Service and Compliance Tariff Filing
 Reflecting Changes to Schedule 12 Charges in PJM Open Access Transmission Tariff – ACE,
 JCP&L and RECO December 2, 2011
 BPU Docket No. EO11120855

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