



Agenda Date: 2/11/15
Agenda Item: 2J

STATE OF NEW JERSEY
Board of Public Utilities
44 South Clinton Avenue, 9th Floor
Post Office Box 350
Trenton, New Jersey 08625-0350
www.nj.gov/bpu/

ENERGY

IN THE MATTER OF THE PROVISION OF BASIC	)	DECISION AND ORDER
GENERATION SERVICE AND COMPLIANCE TARIFF	)	APPROVING THE PASS-
FILING REFLECTING CHANGES TO SCHEDULE 12	)	THROUGH OF FERC
CHARGES IN PJM OPEN ACCESS TRANSMISSION	)	AUTHORIZED CHANGES IN
TARIFF – JERSEY CENTRAL POWER & LIGHT	)	FIRM TRANSMISSION
COMPANY, ATLANTIC CITY ELECTRIC COMPANY,	)	SERVICE RELATED
PUBLIC SERVICE ELECTRIC AND GAS COMPANY	)	CHARGES
AND ROCKLAND ELECTRIC COMPANY DECEMBER	)	
19, 2014 FILING	)	DOCKET NO. ER14121414

Parties of Record:

Stefanie A. Brand, Esq., Director, New Jersey Division of Rate Counsel
Alexander C. Stern, Esq., Public Service Electric and Gas Company
John L. Carley, Esq., Rockland Electric Company
Gregory Eisenstark, Esq., Windels Marx Lane & Mittendorf, LLP, on behalf of Jersey
Central Power & Light Company
Philip Passanante, Esq., Atlantic City Electric Company

BY THE BOARD¹:

On December 19, 2014, Atlantic City Electric Company ("ACE"), Jersey Central Power & Light Company ("JCP&L"), Public Service Electric and Gas Company, ("PSE&G") and Rockland Electric Company ("RECO") (collectively, the "EDCs") filed a joint petition with the New Jersey Board of Public Utilities ("Board") requesting recovery of Federal Energy Regulatory Commission ("FERC") approved changes in firm transmission service related charges.

¹ Commissioner Upendra J. Chivukula recused himself due to a potential conflict of interest and as such took no part in the discussion or deliberation of this matter.

The EDCs' proposed tariff changes reflect changes to the Basic Generation Service ("BGS") Residential/Small Commercial Pricing ("BGS-RSCP")² and Commercial and Industrial Energy Pricing ("BGS-commercial and industrial electricity pricing "CIEP") rates to customers resulting from changes to the PJM Open Access Transmission Tariff ("OATT") made in response to: (i) the annual formula rate update filing made by Potomac-Appalachian Transmission Highline, L.L.C. ("PATH") in FERC Docket No. ER-08-386-000, (ii), the annual formula rate update filing made by Virginia Electric Power Company ("VEPCo") in FERC Docket No. ER08-92-000; and (iii) the annual formula rate update filing made by PSE&G in FERC Docket No. ER09-1257-000. The EDCs requested that the changes become effective on January 1, 2015.

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-RSCP and BGS-CIEP SMAs, which mandate that BGS-RSCP 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 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 cost 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.

² This was formerly known as the BGS – Fixed Price or BGS-FP.

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. EO03050394, EO04040288, EO05040317, and EO06020119, Order dated September 12, 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

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 the EDCs 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): \$0.14 or 0.12% for ACE; \$0.33 or 0.4% for JCP&L; \$0.26 or 0.22% for PSE&G; \$1.56 or 1.39% for RECO.

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 charges associated with NITS and other charges associated with the FERC-approved OATT 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 19, 2014 filing satisfies the EDCs' obligations under Paragraph 15.9 (a)(i) and (ii) of the relevant SMAs, and **HEREBY APPROVES** the changes to the BGS-RSCP and BGS-CIEP rates requested by each EDC for its revised transmission charges resulting from the FERC-approved changes to the TECs as of the effective date of this Order. The EDCs are **HEREBY ORDERED** to compensate the BGS suppliers as needed for this transmission rate change subject to the terms and conditions of the SMAs.

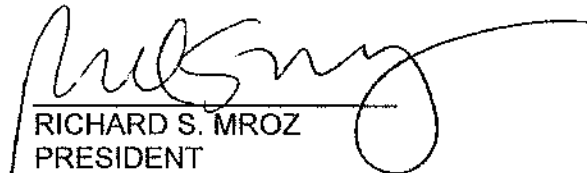
⁴ In the Matter of the Provision of Basic Generation Service for Year Two of the Post Transition Period and In the Matter of the Provision of Basic Generation Service for the Period Beginning June 1, 2006 and In the Matter of the Provision of Basic Generation Service for the Period Beginning June 1, 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. EO03050394, EO05040317, EO06020119, and ER07060379, Order dated December 18, 2008.

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

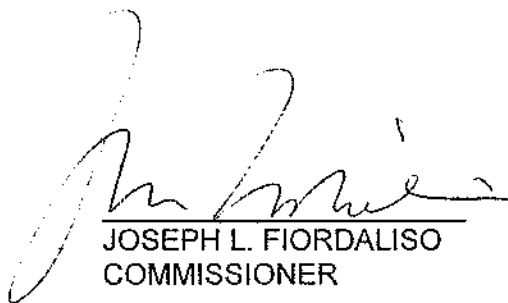
The effective date of this Order is February 23, 2015.

DATED: 2/11/15

BOARD OF PUBLIC UTILITIES
BY:



RICHARD S. MROZ
PRESIDENT



JOSEPH L. FIORDALISO
COMMISSIONER

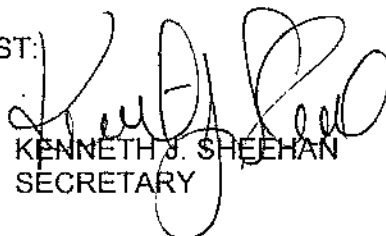


MARY-ANNA HOLDEN
COMMISSIONER



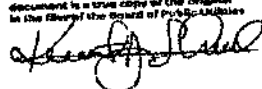
DIANNE SOLOMON
COMMISSIONER

ATTEST:



KENNETH J. SHEEHAN
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 – JERSEY CENTRAL POWER & LIGHT
COMPANY, ATLANTIC CITY ELECTRIC COMPANY, PUBLIC SERVICE ELECTRIC AND GAS
COMPANY AND ROCKLAND ELECTRIC COMPANY DECEMBER 19, 2014 FILING
DOCKET NO. ER14121414

SERVICE LIST

Kenneth J. Sheehan, Secretary
State of New Jersey
Board of Public Utilities
44 South Clinton Avenue, 9th Floor
Post Office Box 350
Trenton, NJ 08625-0350

Alice Bator
State of New Jersey
Board of Public Utilities
44 South Clinton Avenue, 9th Floor
Post Office Box 350
Trenton, NJ 08625-0350

Andrea Reid
Board of Public Utilities
44 South Clinton Avenue, 9th Floor
Post Office Box 350
Trenton, NJ 08625-0350

Stefanie A. Brand, Esq., Director
State of New Jersey
Division of Rate Counsel
140 East Front Street, 4th Floor
Post Office Box 003
Trenton, NJ 08625-0003

Ami Morita, Esq.
State of New Jersey
Division of Rate Counsel
140 East Front Street, 4th Floor
Post Office Box 003
Trenton, NJ 08625-0003

Jerome May, Director
State of New Jersey
Board of Public Utilities
44 South Clinton Avenue, 9th Floor
Post Office Box 350
Trenton, NJ 08625-0350

Frank Perrotti
State of New Jersey
Board of Public Utilities
44 South Clinton Avenue, 9th Floor
Post Office Box 350
Trenton, NJ 08625-0350

Megan Lupo, Esq.
Board of Public Utilities
44 South Clinton Avenue, 9th Floor
Post Office Box 350
Trenton, NJ 08625-0350

Bethany Rocque-Romaine
Board of Public Utilities
44 South Clinton Avenue, 9th Floor
Post Office Box 350
Trenton, NJ 08625-0350

Diane Schulze, Esq.
State of New Jersey
Division of Rate Counsel
140 East Front Street, 4th Floor
Post Office Box 003
Trenton, NJ 08625-0003

Alex Moreau, DAG
State of New Jersey
Department of Law & Public Safety
Division of Law
124 Halsey Street
Post Office Box 45029
Newark, NJ 07101-45029

Babette Tenzer, DAG
State of New Jersey
Department of Law & Public Safety
Division of Law
124 Halsey Street
Post Office Box 45029
Newark, NJ 07101-45029

Joseph Janocha
ACE – 63ML38
5100 Harding Highway
Atlantic Regional Office
Mays Landing, NJ 08330

Philip Passanante, Esq.
ACE – 89KS
800 King Street, 5th Floor
P.O. Box 231
Wilmington, DE 19899

Kevin Connelly
First Energy
300 Madison Avenue
Morristown, NJ 07960

John L. Carley, Esq.
Consolidated Edison of NY
Law Dept., Room 1815-S
4 Irving Place
New York, NY 10003

Alexander Stern, Esq.
Assoc. Gen. Reg. Counsel
PSEG Services Corporation
P.O. Box 570
80 Park Plaza, T-5
Newark, NJ 07101

Chantale LaCasse
NERA
1166 Avenue of the Americas
29th Floor
New York, NY 10036

Steven Gabel
Gabel Associates
417 Denison Street
Highland Park, NJ 08904

Caroline Vachier, DAG
State of New Jersey
Department of Law & Public Safety
Division of Law
124 Halsey Street
Post Office Box 45029
Newark, NJ 07101-45029

Greg Marquis
PEPCO Holdings, Inc.
7801 Ninth Street NW
Washington, DC 20068-0001

Sally J. Cheong, Manager
Tariff Activity, Rates, NJ
JCP&L
300 Madison Avenue
Morristown, NJ 07962

Gregory Eisenstark, Esq.
Windels Marx Lane & Mittendorf, LLP
120 Albany Street Plaza
New Brunswick, NJ 08901

Margaret Comes, Esq.,
Senior Staff Attorney
Consolidated Edison of NY
Law Dept., Room 1815-S
4 Irving Place
New York, NY 10003

Myron Filewicz
Manager – BGS
PSE&G
80 Park Plaza, T-8
P.O. Box 570
Newark, NJ 07101

Eugene Meehan
NERA 1255 23rd Street
Suite 600
Washington, DC 20037

Shawn P. Leyden, Esq.
PSEG Services Corporation
80 Park Plaza, T-19
P.O. Box 570
Newark, NJ 07101

Lisa A. Balder
NRG Power Marketing Inc.
211 Carnegie Center
Contract Administration
Princeton, NJ 08540

Elizabeth Sager
VP – Asst. General Counsel
J.P. Morgan Chase Bank, N.A.
270 Park Avenue, Floor 41
New York, NY 10017-2014

Manager – Contracts Admin.
Semptra Energy Trading Corp.
58 Commerce Road
Stamford, CT 06902

Sylvia Dooley
Consolidated Edison of NY
4 Irving Place
Room 1810-S
New York, NY 10003

Gary Ferenz
Conectiv Energy Supply, Inc.
500 North Wakefield Drive
P.O. Box 6066
Newark, DE 19714-6066

Michael S. Freeman
Exelon Generation Company
300 Exelon Way
Kennett Square, PA 19348

Arland H. Gifford
DTE Energy Trading
414 South Main Street
Suite 200
Ann Arbor, MI 48104

Marcia Hissong, Director
DTE Energy Trading
414 South Main Street
Suite 200
Ann Arbor, MI 48104

Frank Cernosek
Reliant Energy
1000 Main Street
REP 11-235
Houston, TX 77002

Commodity Confirmations
J.P. Morgan Ventures Energy
1 Chase Manhattan Plaza
14th Floor
New York, NY 10005

Raymond DePillo
PSEG ER&T
80 Park Plaza, T-19
P.O. Box 570
Newark, NJ 07101

Kate Trischitta – Director of
Trading & Asset Optimization
Consolidated Edison Energy
701 Westchester Avenue
Suite 201 West
White Plains, NY 10604

Daniel Freeman
Contract Services – Power
BP Energy Company
501 W Lark Park Blvd
WL1-100B
Houston, TX 77079

Marjorie Garbini
Conectiv Energy Supply, Inc.
500 North Wakefield Drive
P.O. Box 6066
Newark, DE 19714-6066

Deborah Hart, Vice President
Morgan Stanley Capital Group
2000 Westchester Avenue
Trading Floor
Purchase, NY 10577

Eric W. Hurlocker
PPL EnergyPlus, LLC
Two North Ninth Street
Allentown, PA 18101

Fred Jacobsen
NextEra Energy Power Mktg.
700 Universe Boulevard
CTR/JB
Juno Beach, FL 33408-2683

Shiran Kochavi
NRG Energy
211 Carnegie Center
Princeton, NJ 08540

Randall D. Osteen, Esq.
Constellation Energy
111 Market Place, Suite 500
Baltimore, MD 21202

Steve Sheppard
DTE Energy Trading
414 South Main Street
Suite 200
Ann Arbor, MI 48104

Paul Weiss
Edison Mission Marketing &
Trading
160 Federal Street, 4th Floor
Boston, MA 02110

Noel H. Trask
Exelon Generation Company
300 Exelon Way
Kennett Square, PA 19348

Robert Fagan
Synapse Energy Economics
485 Massachusetts Avenue
Suite 2
Cambridge, MA 02139

Morgan Tarves
TransCanada Power Marketing
110 Turnpike Road, Suite 300
Westborough, MA 01581

Danielle Fazio
Noble Americas Gas & Power
Four Stamford Plaza, 7th Fl.
Stamford, CT 06902

Gary A. Jeffries, Sr. Counsel
Dominion Retail, Inc.
1201 Pitt Street
Pittsburgh, PA 15521

Robert Mannella
Consolidated Edison Energy
701 Westchester Avenue
Suite 201 West
White Plains, NY 10604

Ken Salamone
Semptra Energy Trading Corp.
58 Commerce Road
Stamford, CT 06902

Edward Zabrocki
Morgan Stanley Capital Group
1585 Broadway, 4th Floor
Attn: Chief Legal Officer
New York, NY 10036

Matt Webb
BP Energy Company
501 West Lark Park Blvd.
Houston, TX 77079

Jessica Wang
FPL Energy Power Marketing
700 Universe Boulevard
Building E, 4th Floor
Juno Beach, FL 33408

Ryan Belgram
Macquarie Energy LLC
500 Dallas Street, Level 31
Houston, TX 77002

Graham Fisher
ConocoPhillips
600 N. Dairy Ashford, CH1081
Houston, TX 77079

Jan Nulle
Energy America, LLC
12 Greenway Plaza, Suite 250
Houston, TX 77046

Kim M. Durham
Citigroup Energy Inc.
2800 Post Oak Boulevard
Suite 500
Houston, TX 77056