

Seventh Circuit Settlement remained pending for nearly two (2) full years before issuance of the Seventh Circuit Order. Despite the unanticipated and significant time lag, the Seventh Circuit Settlement required a portion of the settlement payments to be made over a 10-year period beginning January 1, 2016.

The Petition includes the EL05-121-009 rate component currently in place in the BGS tariff of each EDC associated with the Seventh Circuit Settlement, and reflects the costs under the settlement approved in FERC Docket No. EL05-121-009. By Order dated May 28, 2019, the Board approved the collection from customers, and payment to BGS suppliers for these costs, and this rate component remains unchanged.²

The EDCs' tariff revisions proposed in the January 2023 Petition reflect changes to the Basic Generation Service ("BGS") Residential/Small Commercial Pricing ("BGS-RSCP") and Commercial and Industrial Energy Pricing ("BGS-CIEP") rates to customers resulting from changes to the PJM Interconnection, LLC ("PJM") Open Access Transmission Tariff ("OATT") made in response to the annual formula rate update filings made by: (i) JCP&L pursuant to FERC Docket No. ER20-227-00; (ii) Mid-Atlantic Interstate Transmission, LLC ("MAIT") in FERC Docket Nos. ER17-211-00 and ER17-211-001; (iii) Potomac-Appalachian Transmission Highline, L.L.C. ("PATH") in FERC Docket No. ER08-386-000; (iv) Virginia Electric Power Company ("VEPCo") in FERC Docket No. ER08-92-000; (v) American Electric Power East Operating Companies and American Electric Power Transmission Companies ("AEP") in FERC Docket No. ER17-405-000; (vi) Silver Run Electric LLC ("Silver Run") in FERC Docket No. ER16-453-007; (vii) Northern Indiana Public Service Company ("NIPSCO") in FERC Docket No. ER13-2376-007; (viii) PSE&G in FERC Docket No. ER09-1257-000; and (ix) South First Energy Company ("SFC") in FERC Docket No. ER21-253.

Transmission Enhancement Charges

PJM implemented the Transmission Enhancement Charges ("TECs"), detailed in Schedule 12 of the PJM OATT, and the Network Integration Transmission Service Rate ("NITS") to compensate transmission owners for the annual transmission revenue requirements for "Required Transmission Enhancements" requested by PJM for reliability or economic purposes. PJM recovers TECs through an additional transmission charge in the transmission zones assigned cost responsibility for Required Transmission Enhancement projects.

Petition

In the Petition, the EDCs requested Board authority to implement revised BGS-RSCP and BGS-CIEP transmission tariff rates with an effective date of March 1, 2023. The proposed rates included in the amended tariff sheets for each EDC reflect costs effective as of January 1, 2023 for TECs and NITS costs resulting from the above-listed, FERC-approved, OATT Filings.

Because the EDCs began paying the modified transmission charges in January 2023, the EDCs requested a waiver of the 30-day filing requirement. In turn, the EDCs filed the Petition with the Board for approval to recover TECs and NITS charges from BGS customers, and to pay PJM for costs assigned to them by PJM for the load served in the respective EDC service territories. The

² In re the Provision of Basic Generation Service and the Compliance Tariff Filing Reflecting Changes to Schedule 12 Charges in PJM Open Access Transmission Tariff, BPU Docket No. ER19040440, Order dated May 28, 2019.

EDCs proposed to flow differences between payments to PJM and charges to customers through BGS Reconciliation Charges.

The EDCs noted that they modified the proposed BGS tariff rates in accordance with the Board-approved methodology contained in each EDC's Company-Specific Addendum and in conformance with each EDC's Board-approved BGS tariff sheets.

Based upon the allocation of the TECs and NITS costs among the service classes, the monthly bill for a residential customer using 650 kWh per month will change by approximately the following amounts, including Sales and Use Tax: ACE customers will see a decrease of \$0.33 or 0.24%, JCP&L customers will see a decrease of \$0.28 or 0.3%, PSE&G customers will see an increase of \$2.57 or 2.10%, and Rockland customers will see an increase of \$0.44 or 0.39%.

DISCUSSION AND FINDINGS

Following full review of the record in this matter, including the Petition and supporting documentation, the Board **HEREBY APPROVES** the changes to the BGS-RSCP and BGS-CIEP transmission rates requested by each EDC for its transmission charges resulting from the FERC-approved changes to the TECs and the NITS, effective as of May 1, 2023.

The Board **HEREBY AUTHORIZES** the EDCs to collect from, or refund to, BGS customers, the costs associated with the Petition.

The Board **HEREBY WAIVES** the 30-day filing requirement as requested by the EDCs in the Petition.

Further, the Board **HEREBY DIRECTS** the EDCs to file tariffs and rates consistent with the Board's findings by April 28, 2023.

The EDCs' rates remain subject to audit by the Board. This Decision and Order does not preclude the Board from taking any actions deemed to be appropriate as a result of any Board audit.


The effective date of this Order is April 19, 2023.

DATED: April 12, 2023

BOARD OF PUBLIC UTILITIES
BY:



JOSEPH L. FIORDALISO
PRESIDENT



MARY-ANNA HOLDEN
COMMISSIONER



DIANNE SOLOMON
COMMISSIONER



DR. ZENON CHRISTODOULOU
COMMISSIONER



ATTEST: _____
SHERRI L. GOLDEN
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, THE COMPLIANCE
TARIFF FILING REFLECTING CHANGES TO SCHEDULE 12 CHARGES IN PJM OPEN ACCESS
TRANSMISSION TARIFF

BPU Docket No. ER23010053

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