



Agenda Date: 3/20/24
Agenda Item: 2B

STATE OF NEW JERSEY
Board of Public Utilities
44 South Clinton Avenue, 1st Floor
Post Office Box 350
Trenton, New Jersey 08625-0350
www.nj.gov/bpu/

ENERGY

IN THE MATTER OF THE PROVISION OF BASIC)
GENERATION SERVICE FOR THE PERIOD)
BEGINNING JUNE 1, 2023 COMPLIANCE TARIFF)
FILING REFLECTING CHANGES TO SCHEDULE)
12 CHARGES IN PJM OPEN ACCESS)
TRANSMISSION TARIFF)
)
)
) BPU DOCKET NO. ER24010066

Parties of Record:

Philip J. Passanante, Esq., on behalf of Atlantic City Electric Company
Aaron I. Karp, Esq., on behalf of Public Service Electric and Gas Company
James Meehan, Esq., on behalf of Jersey Central Power & Light Company
Margaret Comes, Esq., on behalf of Rockland Electric Company
Brian O. Lipman, Esq., Director, New Jersey Division of Rate Counsel

BY THE BOARD:

On January 26, 2024, Atlantic City Electric Company (“ACE”), Jersey Central Power & Light Company (“JCP&L”), Public Service Electric and Gas Company (“PSE&G”), and Rockland Electric Company (“Rockland”) (collectively, “EDCs”) filed a joint petition with the New Jersey Board of Public Utilities (“Board” or “BPU”) requesting recovery of Federal Energy Regulatory Commission (“FERC”) approved changes in firm-transmission-service-related charges (“January 2024 Petition”).

BACKGROUND

On May 31, 2018, in FERC Docket No. EL05-121-009, FERC issued an Order approving a Contested Settlement (“Seventh Circuit Settlement”) concerning the regional cost allocation methodology applicable to 11 large transmission projects (500kV and above) approved between the years 2005 and 2013. The Seventh Circuit Settlement was submitted to FERC on June 15, 2016.¹ In the Seventh Circuit Settlement, FERC identified the Board as a “non-opposing” party. The merchant transmission owners contested the Seventh Circuit Settlement at FERC. Due to a number of procedural delays and the lengthy period during which FERC did not have quorum, the

¹ *P.J.M. Interconnection, L.L.C.*, 163 F.E.R.C. ¶ 61,168 (2018) (“Seventh Circuit Order”).

Seventh Circuit Settlement remained pending for nearly two (2) 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 January 2024 Petition includes the EL05-121-009 rate component currently in place in the BGS tariff of each EDC associated with the Seventh Circuit Settlement. The EL05-121-009 rate component 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 2024 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. ER20-277-00; ii) Mid-Atlantic Interstate Transmission, LLC ("MAIT") in FERC Docket Nos. ER17-211-000 and ER17-211-001; iii) Midcontinent Independent System Operator Inc. ("MISO") pursuant to FERC Docket No. ER17-1406³; iv) Virginia Electric and 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; ix) South First Energy Company ("SFC") in FERC Docket No. ER21-253; x) PPL Electric Utilities Corporation ("PPL") pursuant to FERC Docket No. ER09-1148; and xi) Potomac-Appalachian Transmission Highline, L.L.C. ("PATH") in FERC Docket No. ER08-386-000.⁴

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.

January 2024 Petition

In the January 2024 Petition, the EDCs requested Board authority to implement revised BGS-RSCP and BGS-CIEP transmission tariff rates with an effective date of March 1, 2024. The proposed rates, included in the amended tariff sheets for each EDC, reflect costs effective as of

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.

³ The January 2024 Petition is the first time that MISO charges have been allocated to the PSE&G zone. No MISO charges were allocated to ACE, JCP&L, or Rockland.

⁴ The PATH project has been completed pursuant to FERC Order dated December 19, 2023. Therefore, the PATH rate is being zeroed out in the January 2024 Petition.

January 1, 2024 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 2024, the EDCs requested a waiver of the 30-day filing requirement. In turn, the EDCs filed the January 2024 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 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): a decrease of \$1.06 or 0.69% for ACE, an increase of \$1.58 or 1.64% for JCP&L, a decrease of \$0.49 or 0.37% for PSE&G, and an increase of \$4.10 or 3.28% for Rockland.

DISCUSSION AND FINDINGS

Following full review of the record in this matter, including the January 2024 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 April 1, 2024.

The Board **HEREBY AUTHORIZES** the EDCs to collect from, or refund to, BGS customers, the costs associated with the January 2024 Petition.

The Board **HEREBY WAIVES** the 30-day filing requirement as requested by the EDCs in the January 2024 Petition.


Further, the Board **HEREBY DIRECTS** the EDCs to file tariffs and rates consistent with the Board's findings by April 1, 2024.

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 March 27, 2024.

DATED: March 20, 2024

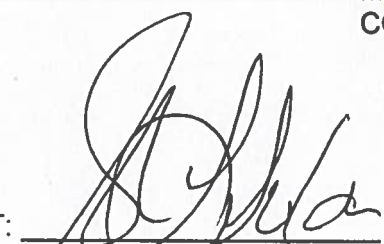
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PRESIDENT


DR. ZENON CHRISTODOULOU
COMMISSIONER


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MICHAEL BANGE
COMMISSIONER

ATTEST: 
SHERRIL 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 FOR THE PERIOD BEGINNING JUNE
1, 2023 COMPLIANCE TARIFF FILING REFLECTING CHANGES TO SCHEDULE 12 CHARGES IN PJM OPEN
ACCESS TRANSMISSION TARIFF

BPU Docket No. ER24010066

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