



STATE OF NEW JERSEY

Board of Public Utilities
Two Gateway Center
Newark, NJ 07102
www.bpu.state.nj.us

CLEAN ENERGY

IN THE MATTER OF THE
VOLUNTARY GREEN POWER
CHOICE PROGRAM

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Order Approving Waivers,
Accepting Cost Estimates, and
Requesting the Submission of Actual
Expenses

DOCKET NO. EO05010001

(SERVICE LIST ATTACHED)

BY THE BOARD:

On February 9, 1999 the Electric Discount and Energy Competition Act, N.J.S.A. 48:3-49, et seq. (EDECA or the Act) was signed into law. On January 28, 2003, Governor James E. McGreevey established the Renewable Energy Task Force by Executive Order. The Task Force was charged with advising the Governor and the Board of Public Utilities (BPU) on how to strengthen New Jersey's Renewable Portfolio Standard (RPS) for Class 1 renewable energy.

By Order Dated April 13, 2005, in the above-captioned matter the Board adopted a Final Approved Program for the Voluntary Green Power Choice Program (the Program) to promote and advance renewable energy in New Jersey consistent with the Board's policies. In that Order, the Board directed the Office of Clean Energy (OCE) to elicit detailed estimates of baseline program implementation costs within 60 days of that Order and to track these costs quarterly as part of New Jersey's Clean Energy Program reporting.

That Order also set forth a two-step process for the recovery of expenses. The first step authorizes the submission of "reasonable, prudent and incremental expenses" as incurred by the electric distribution companies (EDCs) and gas utilities, consistent with Board Staff guidance, be deemed eligible for deferred accounting treatment. The second step requires Board review and approval of those expenses, after which those expenses may be recovered through the demand side management (DSM) Clean Energy Societal Benefits Charge.

In addition, the Program has an October 1, 2005, launch date; however, that same Order sets forth a process by which an EDC may request a waiver from the Board for a revised Program launch date provided appropriate justification is provided.

DISCUSSION

A. Cost Estimates

Pursuant to the April 13, 2005 Order, Jersey Central Power & Light (JCP&L), Public Service Electric and Gas (PSE&G), Atlantic City Electric (ACE), and Rockland Electric Company (RECO) have all submitted cost estimates, with attachments provided.

After reviewing JCP&L's cost estimate of \$604,000, the OCE believes this amount is below expectations, due in part to the updated Customer Information System and billing system in use. However JCP&L has not submitted ongoing program maintenance costs.

Similarly, upon review of the cost estimate of \$839,350.00 submitted by PSE&G, the OCE concluded the costs are within expectations, considering the older CIS and billing systems.

Upon review of the cost estimate of \$2,376,000.00 submitted by ACE, the OCE believes the costs are above expectations, but considering the complexity of operations spanning multiple states and older CIS and billing systems in use, the costs may be reasonable. However, it is not possible to make such a determination at this time without additional analysis. Staff recommends that the Board acknowledge receipt of Atlantic City Electric's cost estimates and request actual expenses, which may be eligible for deferred accounting treatment pending additional detail to be provided within 30 days.

Upon review of the cost estimate of \$1,315,208.00 submitted by RECO, the OCE finds the costs above expectations but considering the complexity of operations spanning multiple states and unique CIS and billing systems in use, the costs may be reasonable. However, it is not possible at this time to make such a determination without additional analysis. Staff recommends that the Board acknowledge receipt of RECO cost estimates and request actual expenses which may be eligible for deferred accounting treatment pending additional detail to be provided within 30 days.

B. Launch Dates

Two of the utilities submitting cost estimates (RECO and ACE) also requested waivers citing the need to alter its Customer Information Management Systems ("CIMS"), Retail Access Information System ("RAIS"), and its Electronic Data Interchange Systems ("EDI"), in the case of RECO, and its billing systems and to complete EDI testing protocols, in the case of ACE. Each utility set forth a detailed explanation as to why it could not comply with the October 1st launch date.

FINDINGS AND CONCLUSIONS

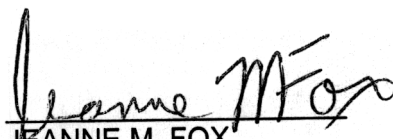
Staff recommends all the cost estimates submitted be deemed eligible for deferred accounting treatment, and also recommends that the Board grant ACE and RECO each a waiver for the Program launch date, to allow for the system upgrades, with a revised Program launch date of April 1, 2006.

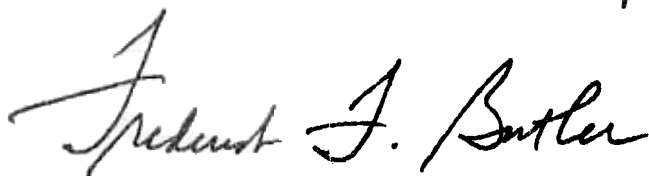
The Board HEREBY ADOPTS Staff's recommendation that the Board acknowledge receipt of the submitted estimates subject to modification, if necessary and that the Board requests documentation for actual expenses be submitted by each participating EDC and gas utility, which may be deemed eligible for deferred accounting treatment. The Board HEREBY DIRECTS all participating EDCs that anticipate claiming recoverable costs, to submit actual costs as of October 1, 2005 for baseline program implementation within 60 days of this Order and then on a quarterly basis thereafter. Furthermore, the Board HEREBY APPROVES the waivers requested by Rockland Electric and Atlantic City Electric to launch the program by no later than April 1, 2006, with RECO and ACE to provide a status report to the Office of Clean Energy by December 31, 2005 to confirm timely compliance with the anticipated April 1, 2006 launch date.

DATED:


8/19/05

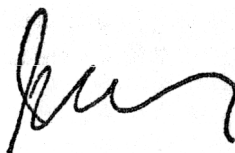
BOARD OF PUBLIC UTILITIES
BY:


JEANNE M. FOX
PRESIDENT



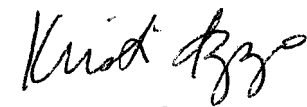
FREDERICK F. BUTLER
COMMISSIONER


CONNIE O. HUGHES
COMMISSIONER



JACK ALTER
COMMISSIONER

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

