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October 31, 2011

In the Matter of the
Board of Public Utilities'
Investigation of Capacity Procurement and
Transmission Planning
BPU Docket No. EO11050309

VIA ELECTRONIC & REGULAR MAIL

Kristi Izzo, Secretary
Board of Public Utilities
44 S. Clinton Avenue
Trenton, New Jersey 08625

Dear Ms. Izzo:

Enclosed for filing please find an original and ten copies of the Reply Comments of the Electric Distribution Companies (the "EDCs") [Public Service Electric and Gas Company, Jersey Central Power & Light Company, Atlantic City Electric Company and Rockland Electric Company] in response to the October 14, 2011 Legislative-Type Hearing.

Should you have any questions, please contact the undersigned.

Very truly yours,

Original Signed by
Tamara Linde, Esq.

Attachments

C Attached Service List

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BPU DOCKET NO. EO11050309

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STATE OF NEW JERSEY
BEFORE THE
BOARD OF PUBLIC UTILITIES

IN THE MATTER OF THE BOARD'S	)	
INVESTIGATION OF CAPACITY	)	Docket No. EO11050309
PROCUREMENT AND TRANSMISSION	)	
PLANNING	)	

REPLY COMMENTS OF THE ELECTRIC DISTRIBUTION COMPANIES IN RESPONSE TO THE OCTOBER 14, 2011 LEGISLATIVE TYPE HEARING

The New Jersey Electric Distribution Companies ("EDCs")[1] appreciate this opportunity to submit these joint reply comments in response to the New Jersey Board of Public Utilities' ("Board") legislative-type hearing in the above-referenced matter held on October 14, 2011 (the "October Hearing"). At the October Hearing, the Board asked for comments on the possible impediments to the development of new generation capacity in New Jersey as well as other matters concerning PJM Interconnection L.L.C.'s ("PJM") regional transmission expansion planning ("RTEP"), the PJM interconnection processes and the competiveness of the wholesale power market. At the October Hearing, the Board received oral comments from fourteen speakers.[2] These speakers represented a wide diversity of backgrounds and interests and included those responsible for electric reliability, those responsible for ensuring that the market is designed and properly functioning in a competitive manner, the EDCs, as well as generation

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1 Public Service Electric and Gas Company, Jersey Central Power & Light Company, Atlantic City Electric Company and Rockland Electric Company.

2 The speakers included PJM, PJM's independent market monitor, Hess Corporation ("Hess"), PJM Power Providers Group ("P3"), The New Jersey Energy Coalition, Calpine Corporation ("Calpine"), New Jersey Division of Rate Counsel ("Rate Counsel"), Chemistry Council of New Jersey ("Chemistry Council"), the EDCs, Advanced Metal Separation of NJ, the COMPETE coalition, New Jersey Business and Industry Association, New Jersey State Chamber of Commerce and Commerce and Industry Association of NJ, and Professor Willig on behalf of PSEG.

owners, developers and customer groups. The speakers included some of the nation's most respected experts on energy markets and competition.

I. The Overwhelming Message From The October Hearing Was That LCAPP Type Programs Are Not Needed; Are Inconsistent With Competitive Markets; And Will Be Harmful To New Jersey Businesses And Residents.

The clear message from the October Hearing was that Long-Term Capacity Agreement Pilot Program ("LCAPP")-type programs are not needed; are inconsistent with competitive markets; and will be harmful to New Jersey businesses and residents. While three speakers presented different views, which are discussed below, the message was unambiguous that targeted subsidies for new natural-gas fired generation should be avoided. The EDCs share this view and oppose LCAPP-type programs because they are harmful to our customers, our companies and the State of New Jersey. Several themes were evident at the October Hearing: (1) wholesale electricity markets are working and producing competitive benefits for New Jersey, but could be made more efficient with some "modest changes" [3]; (2) there is no reason to believe that wholesale power markets are not capable of meeting the challenges of the future; (3) LCAPP-type programs are inconsistent with competitive markets and will cost New Jersey customers hundreds of millions of dollars in the form of unnecessary subsidies; and (4) the objective of adequate and reasonably-priced electricity supply can be achieved without subsidies. Indeed, Calpine, one of the nation's largest independent generation developers, told the Board

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[3] Calpine, Tr.134:6-10, Tr.166:13-14. Further, other speakers also identified improvements that they believe could be made in the PJM Rules to make the market more effective, including Joe Bowring, Tr.51:1-19, Tr.69:15-25; Frank Graves Tr.206:5-6, Tr.209:22-25, Tr.210:1-6, Tr.211:3-12. See also, written comments of Jonathan Lesser, Phd., on behalf of Exelon, http://www.nj.gov/bpu/pdf/energy/Exelon%20comments.pdf, page 2, 17-21.

that it has been developing plans to build non-subsidized new generation in New Jersey, but said that "one of the biggest risks we currently face is the regulatory uncertainties created by various states' interest in trying to jump-start the process of developing new capacity…." (Tr.135:15-19).

No one at the October Hearing presented evidence that there is a generation capacity shortage in PJM. To the contrary, the experts explained that there is more than adequate generation capacity in the region and that every single locational area had more supply bid and clear than was necessary to meet strict reliability standards.[4] Glen Thomas from P3 also testified that, in 2011, PJM endured one of the hottest summers on record with an all-time demand for electricity and during this time there was no shortage of generation capacity. (Tr.102:1-7.) The fact is that PJM's capacity market has already locked in adequate generation capacity to meet the needs of New Jersey customers through May 2015.[5] Other speakers explained that there is no reason to believe that PJM's next RPM auction, to be held in May 2012 for delivery year June 1, 2015 through May 31, 2016, will be unsuccessful in procuring needed capacity. (Tr.120:19-20, Tr.167:5-9.)

Questions were also asked with respect to whether the competitive electricity markets are capable of responding to the increasingly stringent environmental laws that are predicted by many to cause some older generating units to shut down in 2015 or later. (Tr.185:3-16.) Other questions were asked as to whether the competitive markets are capable of responding to a rebound in the economy. (Tr.199:24-25, Tr.200:1-3.) These are certainly valid questions to explore, but the resounding answer was that there is no reason to believe that the markets will

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4 Calpine, Tr.135:22-23. See also, PJM written comments filed with the Board in this proceeding on http://www.nj.gov/bpu/pdf/energy/PJM%20Comments.pdf

5 Frank Graves, Tr.206:23-25, Tr.207:1-2.

fail to respond to these circumstances and, if for some unexpected reason markets do not respond adequately, there would still be sufficient time for response.[6] Professor Robert Willig of Princeton University, addressed this issue head on by acknowledging that one of the perceptions that may be driving this entire inquiry is the fear that the competitive market cannot be trusted to deliver the generation capacity that is needed and that, as a result, government intervention is needed. (Tr. 301:9-12, Tr. 301:23-25, Tr. 302:1.) Professor Willig explained that it is premature and inadvisable to subsidize new generation entry out of a sense of a reliability crisis when we are not in a crisis. (Tr. 318:17-21.) He concluded that programs like LCAPP will lead to surcharges on ratepayers and actually deter the very thing that the Board is attempting to accomplish – efficient new entry. (Tr. 302:23-25, Tr. 303:14-18.)

While new generation is not needed today and subsidized new entry will discourage competitive new entry in the future, the speakers did not suggest that New Jersey should sit on the sidelines. To the contrary, speakers encouraged New Jersey to be an active participant in the PJM stakeholder process and subsequent FERC proceedings to ensure that the markets are working as efficiently as possible. Professor Willig encouraged the Board to employ measures that are directly targeted at the perceived problem. (Tr. 302:13-15.) If New Jersey's perception is that the wholesale competitive markets may not be up to the challenges that we face in the future or that the market rules have barriers to entry that are discouraging the entry of new generation, there are targeted measures available to address these perceived problems. (Tr.302:8-

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[6] Calpine for example stated that the company is "actively developing new projects in Delaware, Maryland and New Jersey. We are doing this because we foresee that over the next few years, as a result of coal shutdowns and other market factors, capacity prices in the East should start rising, making investments in new gas-fired combined cycle projects economic." Tr.135:7-12.

15.) In addition, there was considerable discussion at the October Hearing about what these targeted measures should be.

These targeted measures focused primarily on two aspects of the PJM rules -- the generator interconnection process and the forward capacity market, RPM. A significant portion of the October Hearing was focused on the generator interconnection process in PJM. PJM explained that it has had an open stakeholder process going on for several months looking at potential improvements in the interconnection process. PJM also explained that it plans to conclude this stakeholder process by the end of the year and file proposed improvements to the generator interconnection process at FERC with plans to implement those improvements in 2012. (Tr.13:6-8.) While there were a variety of views on how best to improve the generator interconnection process, no speaker suggested that the generator interconnection process should not or would not be improved. The length of time for which a generator receives a commitment in the RPM auction was also a significant point of discussion. Several speakers suggested that the market could be improved by extending the length of the current one-year commitment that RPM provides to five or more years.[7]

While the overriding message of the October Hearing was unambiguously pro-competitive markets, three of the fourteen speakers took a different view.

- Hess - Hess, who is the beneficiary of one of the LCAPP subsidized contracts, encouraged the Board to continue to pursue LCAPP-type subsidies. This, of course, is hardly surprising. As a recipient of a significant out-of-market

[7] Calpine Tr.136:1, Tr.147:23-25, Tr.148:1-2. Willig Tr.313:23-24, Tr.314:1-2, 6-9.

subsidy,[8] there is no reason to expect that Hess would do anything other than support continuation of the program that granted that subsidy.

- Rate Counsel - Rate Counsel also appeared to support subsidies, although their position appears to have moderated since the Board's first hearing in June 2011. Specifically, Rate Counsel appeared uncertain as to whether subsidies through mandated long-term contracts were needed to build base load and mid-merit generation (Tr.180:6-8.) Nonetheless Rate Counsel expressed skepticism that RPM would provide secure long-term revenue streams to support financing new generation. (Tr.180:23-24.) Perhaps -- after listening to Calpine explain that Calpine does not need ratepayer subsidies to build new generation in New Jersey[9] -- Rate Counsel will reconsider its position.
- Chemistry Council - The Chemistry Council stated that it supported continuing subsidies for new generation even though it viewed this as a "moral hazard" and questioned whether supporting subsidies for new generation was going against Chemistry Council's better interests. (Tr.201:8-11.) Chemistry Council concluded that it would ultimately support such subsidies and went further encouraging the consideration of a government-run power authority. (Tr.198:3.)

II. Specific Reply Comments

1. There Is No Need For New Jersey To Subsidize New, Natural Gas-Fired Generation Resources.

The EDC's position in this proceeding has been both clear and consistent - there is no need for subsidies for new, natural gas-fired generation in the State. PJM, whose responsibility it is to maintain system reliability, has indicated that no generation shortage exists. PJM has explained that sufficient capacity resources have been committed to meet the region's and New Jersey's needs since 2007 and that adequate capacity resources have been committed through

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8 The actual capacity price that Hess was granted through the LCAPP process has not been made public. However, the EDCs explained in their comments filed with the Board in this proceeding of July 12, 2011, Section C, that it is reasonable to assume that all of the LCAPP contracts are above market based on the LCAPP Agent's Report analysis.

9 Calpine, 171:3-6. Indeed, even Commissioner Fox asked Rate Counsel "[I]f you have a company like Calpine saying you can go for only a five year, why should we put ratepayers at risk for a 15 year commitment? I would like you to think about that when you have your internal discussions." (Tr.193:13-17)

May 2015.[10] These capacity resources include generation, demand response and energy efficiency. Id. at 10-11. Simply put, there is no capacity emergency and when the region experienced a peak in the summer of 2011, there was no shortage of generation capacity. (Tr.102:5-7.)

Of course, reliability is not evaluated just in the present tense. Rather, it must be planned for over a longer horizon. PJM is responsible for planning for future reliability through a combination of tools that include its forward capacity market and its regional transmission planning process. These two mechanisms work together so that capacity resources (i.e., generation, demand response and energy efficiency) are adequate to meet forecasted loads plus an adequate reserve requirement. Transmission also plays an integral role in reliability because it is necessary to deliver generation resources to load and provide for a network of resources for customers to rely on. PJM continually plans for transmission to replace aging infrastructure and to meet future needs. To the extent that these transmission projects have suffered siting delays, PJM has developed and implemented contingency plans so that reliability standards are met.

During the October Hearing, Mike Kormos, PJM's Senior Vice President Operations, explained that the load forecasting that PJM uses to plan for the future needs of the system incorporates a variety of factors. (Tr.36:19-25.) Some of the factors that the Board appears to be concerned about -- potential generation retirements and the potential for economic recovery -- were discussed at length at the October Hearing. There should be no doubt that these potential events and others are being evaluated by PJM. PJM is not asleep at the switch leaving these

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[10] See for example, PJM's written comments in this docket submitted on June 17, 2011, 10-12. http://www.nj.gov/bpu/pdf/energy/PJM%20Comments.pdf

future events for the states to figure out on their own. For example, PJM explained that it is currently working on changes to its planning process to evaluate scenarios, such as generation retirements that may be caused by state and federal environmental regulations. (Tr.37:12-17.) In its June 2011 written comments to the Board, PJM further explained that PJM and the entire electric industry are assessing the impact of the new EPA rules.[11]

Thus, the testimony at the October Hearing and the previous hearing established that there is no generation-related reliability crisis, and that the PJM rules are capable of delivering the needed level of capacity resources to meet future demand.[12] While the EDCs have established in this proceeding that the PJM mechanisms are designed to enable and encourage new generation when and where it is needed,[13] perhaps it was most telling when Calpine, the nation's largest independent generator, spoke at the October Hearing. When asked whether Calpine would or has considered investing in new generation in New Jersey without a long-term contract, its representative answered "absolutely." (Tr.171:3-6.)

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[11] Id., at p. 3.

[12] Calpine, Tr.166:19-21, Tr.167:5-9. Frank Graves, Tr.206:16-18 and Tr.247:20-21, Tr.248:7-9. State Chamber, Tr.291:20-23. Professor Willig, Tr.318:17-21. Even Rate Counsel who indicated that they were skeptical that RPM will deliver, was not certain that this was the case. Tr.180:11-12.

[13] While RPM was never intended solely as a mechanism to develop new capacity resources, it has undoubtedly done so where needed. During the October Hearing, President Solomon asked Frank Graves for further information regarding how much new generation as added in EMAAC. Tr.221:2-3. As reported by PJM in their written comments to the Board in this proceeding submitted on June 17, 2011, PJM explained that in the EMAAC region, of which New Jersey is a part of, RPM 9,189.5 MWs of new capacity resources were made available. This includes new generation, generation uprates, generation reactivations, demand response and energy efficiency, and cleared ICAP from withdrawn or cancelled retirements. See PJM written comments, p. 13, tables 1 and 2.

2. Targeted Subsidies, Such As LCAPP-Type Programs, Are Inconsistent With Competitive Markets, Will Harm Customers And Will Deter Exactly The Type Of Behavior That New Jersey Is Attempting To Encourage.

Professor Willig, from Princeton University, explained to the Board at the October Hearing that LCAPP-like initiatives will lead to surcharges on ratepayers and actually harm the market. (Tr.302:23-24, Tr.303:6-7.) This is not just a possibility. Rather, Professor Willig explained that a program like LCAPP will harm electric users in New Jersey both in the short-term, medium-term and long-term and will frustrate the development of the very competition it is intended to encourage. (Tr.303:14-18.) He explained that LCAPP-like programs discourage new entry and create a destructive downward spiral accelerating away from market solutions that benefit consumers. (Tr.308:20-22.)

The Professor was not the only one to explain the harm that LCAPP-like programs will cause.

- Glen Thomas representing P3 explained that the LCAPP subsidy, which provides three generators with a guaranteed floor price for capacity at the expense of ratepayers, discriminates against other competitors in the marketplace and stated unequivocally that it will impact the behavior of other competitors. (Tr.106:24, Tr.107:21-23.)
- Dr. Edward Salmon, on behalf of the New Jersey Energy Coalition, explained that a major benefit of restructuring was to shift the risks of construction, operation and maintenance for costly generation investment away from consumers to investors, but that LCAPP-like programs would return those risks back to New Jersey customers. (Tr.119:4-6.) Dr. Salmon further explained that such subsidies will drive up costs to New Jersey consumers and divert resources away from clean energy technologies and energy efficiency programs. (Tr.119:18-21.)
- Calpine explained that one of the biggest risks it faces in developing new generation is the regulatory uncertainty created by states trying to “jump-start” the market. (Tr.135:16-18.) Calpine warned the Board that these types of subsidies are likely a one-way street -- once you get started subsidizing generators it is difficult to go back. (Tr.136:4-7.)

- Frank Graves on behalf of the EDCs further explained that LCAPP-like programs create a regulatory barrier to entry causing potential developers to pause and wait until another round of regulatory agreements are available. (Tr.213:17-19, 214:8-10.) Or, perhaps they would be crowded out of the New Jersey market because they cannot compete with facilities that have guarantees from outside the market. (Tr.214:4-15.)

Some of the speakers at the October Hearing were questioned about the potential for decreased energy costs resulting from LCAPP and the potential for the LCAPP guaranteed capacity price to fall below the market price, resulting in benefits (or at least less harm) to New Jersey customers. (Tr.108:10-20. Tr.343:23-25, Tr.344:1-5.) While some of the speakers answered that anything is possible, there is no reasonable basis to conclude that LCAPP, or similar programs, are beneficial to customers. Professor Willig explained that, while the prices that LCAPP guaranteed to these three generators and the underlying data that the Agent used to support these subsidies is not publicly available, the evidence is that LCAPP would cost New Jersey customers hundreds of millions of dollars above the market price unless market prices over the fifteen year term of these contracts were to soar well above the current and historic levels. (Tr.304:1-7.) The EDCs have continued to express this same concern throughout this proceeding.

Rate Counsel's expert also attempted to distinguish LCAPP from the Non-Utility Generator ("NUG") experience, suggesting somehow that the LCAPP contracts would not be as harmful as the NUG contracts. (Tr.192:20, Tr.193:2-4.) For example, Rate Counsel's witness suggested that the LCAPP contracts were "supposedly tied to what does [sic] it cost to get these things built." (Tr.193:2-3.) Yet, as far as the EDCs are aware, the LCAPP process conducted by the Board in 2011 did not include any requirement that the generators disclose their costs or that the guaranteed capacity payments are in any way cost based.

The EDCs continue to see many similarities between the two programs in the most basic sense. As the EDCs have previously noted, their customers have absorbed billions of dollars in above-market NUG costs, even after taking into account contract restructurings that substantially mitigated the costs. Indeed, even today, monthly New Jersey utility bills for a typical 1000 kWh customer include NUG costs ranging from nearly $6.00 to over $9.00, depending on the EDC. While energy market conditions today differ from those that prevailed when many of these NUG contracts were signed in the 1980s and 1990s, there are basic similarities between the NUG experience and LCAPP. Both involve immutable long-term contracts based on projections of future market prices. And both require the EDCs and their customers to bear the risk that the projected prices prove wrong.

3. Some Improvements Can Be Made To The PJM Rules To Make The Market Work More Efficiently; However, The Current Rules Are Not A Barrier To Entry And Do Not Justify State Subsidies.

Much of the attention at the October Hearing focused on whether the current PJM rules for generator interconnection and RPM are working properly or whether they are acting as a barrier to new generation entry. With respect to the generator interconnection process, there appeared to be a general agreement that the current process takes too long and needs to be made more efficient. However, some speakers also suggested that the transmission owners involvement in the generator interconnection process serves as a barrier to new entry or that other fundamental changes needed to be made to the process.[14] Mr. Kormos of PJM clarified the facts and explained that PJM and its staff control the interconnection studies and turn to the local transmission owner to determine what upgrade is required to correct the violations that PJM finds in its studies. (Tr.29:21-22, Tr.30:1-6.) The PJM Transmission Owners Advisory Committee ("TOAC") also submitted written comments to the Board in this proceeding further detailing the transmission owner's role in the interconnection process to clear up any confusion on these facts.[15]

As PJM and other speakers discussed, PJM embarked on two important stakeholder processes this year to examine the generator interconnection process and RPM rules. The EDCs' witness Frank Graves reviewed the various improvements being considered in these stakeholder processes in his written comments provided to the Board for the October Hearing.[16] Rate Counsel explained that it has been participating in the PJM stakeholder process, expressing support for various changes to the generator interconnection process. (Tr.175:15-16.) These stakeholder processes are transparent and open forums where stakeholders of diverse backgrounds and their experts are able to challenge the current rules, propose improvements and comment on improvements proposed by others. At the end of these processes, PJM explained that it will file rule or tariff amendments to implement such improvements with FERC. In the case of the generator interconnection process, PJM indicated that it expects to file with FERC for improvements by the end of this year or January 2012 for implementation in 2012. In the case of

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14 Hess, for example proposed several changes to the interconnection process. Tr. 77:7-12; Tr. 78:7-14, 79:9-15, Tr.80:21-25, Tr. 87:17-25, Tr. 881-5. Chemistry Council, Tr. 197:11-14.

15 http://www.nj.gov/bpu/pdf/energy/Comments%20PJM%20TOs.pdf

16 http://www.nj.gov/bpu/pdf/energy/EDCs%20Comments%20of%20Graves.pdf

the RPM improvements, PJM is expected to file at FERC in December 2011 for implementation before the next RPM Auction in May 2012.

The EDCs encourage the Board to participate in these stakeholder meetings and to share its views on what improvements should be made with PJM and ultimately with FERC, which will review and approve any such changes.

4. The Perception That The PJM Governance Process Is Controlled By Either Transmission Owners Or Generators Is Factually Incorrect And Unsupportable.

Regional transmission organizations ("RTOs"), like PJM, are required to be governed by independent boards and are required to have balanced sector voting plans.[17] RTO Boards, like PJM's, are generally elected by stakeholders, from candidates that are identified by diverse stakeholder nominating committees. Over the last several years RTOs, such as PJM, have made considerable efforts to improve access to their Board Members through liaison committees as well as the attendance of Board Members at stakeholder events where they have the opportunity to speak directly with stakeholders without management's presence.

In PJM, there are five voting sectors: (1) Transmission Owner; (2) Other Supplier; (3) Electric Distributor; (4) Generator Owner; and (5) End Use Customer. In order for a matter to pass a stakeholder vote, a two-thirds majority vote is required. While the stakeholder processes themselves are necessarily comprised of divergent views, the ability to participate in stakeholder processes and the transparency that participation brings, has not and will not eliminate

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[17] Regional Transmission Organizations, Order No. 2000, FERC Stats. & Regs. ¶ 31,089 (1999), order on reh'g, Order No.2000-A, FERC Stats. & Regs. ¶ 31,092 (2000), aff'd sub nom. Pub. Util. Dist. No. 1 of Snohomish County, Washington v. FERC, 272 F.3d 607 (D.C.Cir.2001).

differences of opinion. Ensuring that there is a balanced platform for stakeholder involvement and clear due process rights are the best tools to ensure that all stakeholders can reasonably rely on the process.

A review of PJM's governance process and resulting PJM stakeholder votes does not suggest that transmission owners or generator owners control or have undue influence over stakeholder votes. A careful view of the stakeholder process suggests the contrary. For example, a recent PJM Stakeholder vote on RPM demonstrates a very typical voting outcome in PJM, where the end user and electric distributor sectors (primarily comprised of load interests) voted as a block and controlled the outcome.[18]

The EDCs encourage the Board to actively participate in the PJM stakeholder processes and experience directly that the process, though somewhat cumbersome, is indeed transparent and does not favor the generators or transmission owners.

III. Conclusion

The EDCs encourage the Board to support competitive electricity markets and the transmission needed to support those competitive markets; and work to improve the PJM rules to ensure that competitive markets are as efficient as possible for the benefit of New Jersey customers. Competitive markets are the best long-term mechanism to provide New Jersey

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[18] http://www.pjm.com/~/media/committees-groups/committees/mc/20111020/20111020-item-04b5-voting-reports-rpm-package-13.ashx, http://www.pjm.com/~/media/committees-groups/committees/mc/20111020/20111020-item-04b2-voting-reports-rpm-package-10.ashx. Package 13 was the public power proposal. Package 10 was the generator proposal.

consumers with reliable electricity at the lowest cost. There is no basis to abandon markets at this juncture in favor of government subsidies.

As Frank Graves explained in his written comments submitted to the Board for the October Hearing

> If it is likely that PJM can and will make meaningful improvements, then New Jersey would be much better off simply waiting for the market to take care of its needs, at the developer's risk rather than via ratepayer subsidies. And if most of the BPU's fears are unfounded or describe conditions that prevailed in the past but are not likely to continue in the future, then there is a far worse risk of taking an expensive cure for a problem New Jersey does not even have. Moreover that process may infect future capacity development expectations and lead to a gradual regulatory usurpation of the market.[19]

Once again, the EDCs appreciate the opportunity to offer these joint reply comments. We look forward to our continued involvement in this important inquiry.

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[19] http://www.nj.gov/bpu/pdf/energy/EDCs%20Comments%20of%20Graves.pdf, page 7.