



Agenda Date: 1/25/17  
Agenda Item: 2C

**STATE OF NEW JERSEY**  
**Board of Public Utilities**  
44 South Clinton Avenue, 3<sup>rd</sup> Floor, Suite 314  
Post Office Box 350  
Trenton, New Jersey 08625-0350  
[www.nj.gov/bpu/](http://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 – DECEMBER 9, 2016 FILING	)	FIRM TRANSMISSION
	)	SERVICE RELATED
	)	CHARGES
	)	
	)	DOCKET NO. ER16121153

**Parties of Record:**

**Hesser McBride, Esq.**, on behalf of Public Service Electric and Gas Company  
**Phil Passanante, Esq.**, on behalf of Atlantic City Electric Company  
**Gregory Eisenstark, Esq.**, (Windels Marx Lane & Mittendorf, LLP) on behalf of Jersey Central Power & Light Company  
**John L. Carley, Esq.**, on behalf of Rockland Electric Company  
**Stefanie A. Brand, Esq.**, Director, New Jersey Division of Rate Counsel

**BY THE BOARD:**

On December 9, 2016, 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, 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.

The EDC’s proposed tariff changes reflect changes to the Basic Generation Service (“BGS”) Residential/Small Commercial Pricing (“BGS-RSCP”)<sup>1</sup> and Commercial and Industrial Energy Pricing (“BGS-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.

<sup>1</sup> This was formerly known as the BGS – Fixed Price or BGS-FP.

ER-08-386-000; (ii) the annual formula rate update filing made by PSE&G in FERC Docket No. ER09-1257-000; and (iii) the annual formula rate update filing made by Virginia Electric Power Company ("VEPCo") in FERC Docket No. ER08-92-000. The EDCs requested that the changes become effective on January 1, 2017.

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 were implemented 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 costs 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 Orders dated September 15, 2008, the EDCs received approval from the Board to begin allocating TECs related to the VEPCo and PATH projects.<sup>2</sup>

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

---

<sup>2</sup> 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, BPU Docket Nos. EO03050394, EO05040317, EO06020119, and ER07060379, Orders dated September 15, 2008.

customers. On December 18, 2008, the Board authorized the EDCs to begin recovering TECs related to the PSE&G Project.<sup>3</sup>

Pursuant to FERC's Orders, VEPCo, PATH, and PSE&G submitted their formula rate update compliance filings with FERC.

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 change by approximately the following amounts (including Sales and Use Tax): an increase of \$0.05 or 0.04% for ACE; a decrease of \$0.20 or 0.2% for JCP&L; a decrease of \$0.17 or 0.15% for PSE&G, and a decrease of \$1.46 or 1.25% for Rockland.

### **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 FERC-approved Open Access Transmission Tariff, 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 9, 2016 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 transmission charges resulting from the FERC-approved changes to the TECs effective as of February 1, 2017.. The EDCs are **HEREBY ORDERED** to compensate the BGS suppliers for this transmission rate adjustment(s) subject to the terms and conditions of the SMAs.

Further, the Board **HEREBY DIRECTS** the EDCs to file tariffs and rates consistent with the Board's findings prior to February 1, 2017.

---

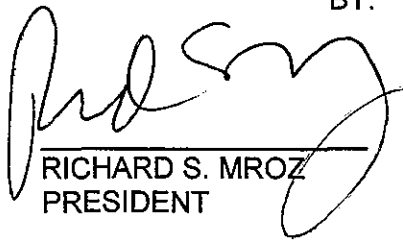
<sup>3</sup> In the Matter of the Provision of Basic Generation Service for Year Two of the Post Transition Period and In the Matter of the Provision of Basic Generation Service for the Period Beginning June 1, 2006 and In the Matter of the Provision of Basic Generation Service for the Period Beginning June 1, 2007 and In the Matter of the Provision of Basic Generation Service for the Period Beginning June 1, 2008. BPU Docket Nos. EO03050394, EO05040317, EO06020119, and ER07060379, Orders dated December 18, 2008.

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 January 25, 2017.

DATED: 1/25/17

BOARD OF PUBLIC UTILITIES  
BY:



RICHARD S. MROZ  
PRESIDENT



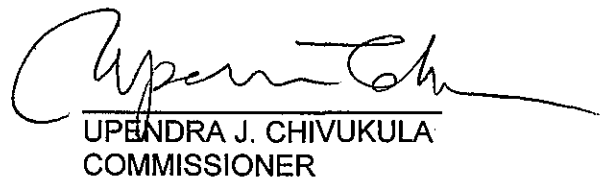
JOSEPH L. FIORDALISO  
COMMISSIONER




MARY-ANNA HOLDEN  
COMMISSIONER



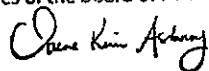
DIANNE SOLOMON  
COMMISSIONER



UPENDRA J. CHIVUKULA  
COMMISSIONER

ATTEST:   
IRENE KIM ASBURY  
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 –  
 December 9, 2016 Filing  
 BPU Docket No. ER16121153

<b>BOARD OF PUBLIC UTILITIES</b>		
<p>Thomas Walker            Board of Public Utilities            44 South Clinton Avenue, 3<sup>rd</sup> Floor,            Suite 314            Post Office Box 350            Trenton, NJ 08625-0350</p>	<p>Stacy Peterson            Board of Public Utilities            44 South Clinton Avenue, 3<sup>rd</sup> Floor,            Suite 314            Post Office Box 350            Trenton, NJ 08625-0350</p>	<p>Richard DeRose            Board of Public Utilities            44 South Clinton Avenue, 3<sup>rd</sup> Floor,            Suite 314            Post Office Box 350            Trenton, NJ 08625-0350</p>
<p>Bethany Rocque-Romaine, Esq.            Board of Public Utilities            44 South Clinton Avenue, 3<sup>rd</sup> Floor,            Suite 314            Post Office Box 350            Trenton, NJ 08625-0350</p>	<p>Irene Kim Asbury, Secretary            Board of Public Utilities            44 South Clinton Avenue, 3<sup>rd</sup> Floor,            Suite 314            Post Office Box 350            Trenton, NJ 08625-0350</p>	
<b>DIVISION OF RATE COUNSEL</b>		
<p>Stefanie A. Brand, Esq.            Division of Rate Counsel            31 Clinton Street, 11<sup>th</sup> Floor            P.O. Box 46005            Newark, NJ 07101</p>	<p>Brian Lipman, Esq.            Division of Rate Counsel            31 Clinton Street, 11<sup>th</sup> Floor            P.O. Box 46005            Newark, NJ 07101</p>	<p>Ami Morita, Esq.            Division of Rate Counsel            31 Clinton Street, 11<sup>th</sup> Floor            P.O. Box 46005            Newark, NJ 07101</p>
<p>Diane Schulze, Esq.            Division of Rate Counsel            31 Clinton Street, 11<sup>th</sup> Floor            P.O. Box 46005            Newark, NJ 07101</p>	<p>Robert Fagan            Synapse Energy Economics, Inc.            485 Massachusetts Ave., Suite 2            Cambridge, MA 02139</p>	
<b>DEPARTMENT OF LAW &amp; PUBLIC SAFETY</b>		
<p>Caroline Vachier, DAG            Division of Law            124 Halsey Street, 5<sup>th</sup> Floor            P.O. Box 45029            Newark, NJ 07101</p>	<p>Andrew Kuntz, DAG            Division of Law            124 Halsey Street, 5<sup>th</sup> Floor            P.O. Box 45029            Newark, NJ 07101</p>	<p>Alex Moreau, DAG            Division of Law            124 Halsey Street, 5<sup>th</sup> Floor            P.O. Box 45029            Newark, NJ 07101</p>

**EDCs**

Joseph Janocha Atlantic City Electric Co. – 63ML38 5100 Harding Highway Atlantic Regional Office Mays Landing, NJ 08330	Dan Tudor Pepco Holdings, Inc. 7801 Ninth Street NW Washington, DC 20068-0001	Phil Passanante, Esq. Atlantic City Electric Co. – 89KS Post Office Box 231 Wilmington, DE 19899
Sally J. Cheong, Manager Tariff Activity, Rates, NJ Jersey Central Power & Light Co. 300 Madison Ave. Morristown, NJ 07962	Kevin Connelly First Energy 300 Madison Avenue Morristown, NJ 07960	Gregory Eisenstark, Esq. Windels Marx Lane & Mittendorf, LLP 120 Albany Street Plaza New Brunswick, NJ 08901
John L. Carley, Esq. Consolidated Edison Co. of NY Law Dept., Room 1815-S 4 Irving Place New York, NY 10003	Margaret Comes, Sr. Staff Attorney Consolidated Edison Co. of NY Law Dept., Room 1815-S 4 Irving Place New York, NY 10003	Hesser McBride, Esq. PSEG Services Corporation Post Office Box 570 80 Park Plaza, T-5 Newark, NJ 07101
Myron Filewicz Manager- BGS PSE&G 80 Park Plaza, T-8 Post Office Box 570 Newark, NJ 07101	Eugene Meehan NERA 1255 23 <sup>rd</sup> Street Suite 600 Washington, DC 20037	Chantale LaCasse NERA 1166 Avenue of the Americas, 29 <sup>th</sup> Floor New York, NY 10036

**OTHER**

Steven Gabel Gabel Associates 417 Denison Street Highland Park, NJ 08904	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
Frank Cernosek Reliant Energy 1000 Main Street REP 11-235 Houston, TX 77002	Elizabeth A. Sager, VP - Asst General Counsel J.P. Morgan Chase Bank, N.A. 270 Park Avenue, Floor 41 New York, NY 10017-2014	Commodity Confirmations J.P. Morgan Ventures Energy 1 Chase Manhattan Plaza 14 <sup>th</sup> Floor New York, NY 10005

<p>Manager Contracts Administration          Sempra Energy Trading Corp.          58 Commerce Road          Stamford, CT. 06902</p>	<p>Raymond Depillo          PSEG Energy Resources &amp; Trade          80 Park Plaza, T-19          P.O. Box 570          Newark, NJ 07101</p>	<p>Sylvia Dooley          Consolidated Edison Co. of NY          4 Irving Place          Room 1810-S          New York, NY 10003</p>
<p>Kate Trischitta- Director of Trading &amp;          Asset Optimization          Consolidated Edison Energy          701 Westchester Avenue          Suite 201 West          White Plains, NY 10604</p>	<p>Gary Ferez          Conectiv Energy Supply, Inc.          500 North Wakefield Drive          P.O. Box 6066          Newark, DE 19714-6066</p>	<p>Daniel E. Freeman, Contract          Services- Power          BP Energy Company          501 W Lark Park Blvd.          WL1-100B          Houston, TX 77079</p>
<p>Michael S. Freeman          Exelon Generation Company, LLC          300 Exelon Way          Kennett Square, PA 19348</p>	<p>Marjorie Garbini          Conectiv Energy Supply, Inc.          500 North Wakefield Drive          P.O. Box 6066          Newark, DE 19714-6066</p>	<p>Arland H. Gifford          DTE Energy Trading          414 South Main Street          Suite 200          Ann Arbor, MI 48104</p>
<p>Deborah Hart, Vice President          Morgan Stanley Capital Group          2000 Westchester Avenue          Trading Floor          Purchase, NY 10577</p>	<p>Marcia Hissong, Director          Contract Administration/Counsel          414 South Main Street          Suite 200          Ann Arbor, MI 48104</p>	<p>Dir- Contracts &amp; Legal Svcs          Talen Energy Marketing, LLC          835 Hamilton Street          Allentown, PA 18101</p>
<p>Fred Jacobsen          NextEra Energy Power Marketing          700 Universe Boulevard          CTR/JB          Juno Beach, FL 33408-2683</p>	<p>Gary A. Jefferies, Senior Counsel          Dominion Retail, Inc.          1201 Pitt Street          Pittsburgh, PA 15221</p>	<p>Shiran Kochavi          NRG          211 Carnegie Center          Princeton, NJ 08540</p>
<p>Robert Mennella          Consolidated Edison Energy Inc.          701 Westchester Avenue          Suite 201 West          White Plains, NY 10604</p>	<p>Randall D. Osteen, Esq.          Constellation Energy          111 Market Place, Suite 500          Baltimore, MD 21202</p>	<p>Ken Salamone          Sempra Energy Trading Corp.          58 Commerce Road          Stamford, CT 06902</p>
<p>Steve Sheppard          DTE Energy Trading          414 S. Main Street          Suite 200          Ann Arbor, MI 48104</p>	<p>Edward Zabrocki          Morgan Stanley Capital Grp, Inc.          1585 Broadway, 4<sup>th</sup> Floor          Attn: Chief Legal Officer          New York, NY 10036</p>	<p>Paul Weiss          Edison Mission Marketing &amp;          Trading          160 Federal Street, 4<sup>th</sup> Floor          Boston, MA 02110</p>
<p>Matt Webb          BP Energy Company          501 West Lake Park Blvd.          Houston, TX 77079</p>	<p>Noel H. Trask          Exelon Generation Company          300 Exelon Way          Kennett Square, PA 19348</p>	<p>Jessica Wang          FPL Energy Power Marketing,          Inc.          700 Universe Boulevard          Bldg. E, 4<sup>th</sup> Floor          Juno Beach, FL 33408</p>

Ryan Belgram Macquarie Energy LLC 500 Dallas Street, Level 31 Houston, TX 77002	Morgan Tarves TransCanada Power Marketing 110 Turnpike Road, Suite 300 Westborough, MA 01581	Graham Fisher Conoco Phillips 600 N Dairy Ashford, CH1081 Houston, TX 77079
Danielle Fazio Noble Americas Gas & Power Four Stamford Plaza, 7 <sup>th</sup> Fl. Stamford, CT 06902	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