



Agenda Date: 01/23/13
Agenda Item: 2C

STATE OF NEW JERSEY
Board of Public Utilities
44 South Clinton Avenue, 9th 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 AND COMPLIANCE TARIFF FILING REFLECTING CHANGES TO SCHEDULE 12 CHARGES IN PJM OPEN ACCESS TRANSMISSION TARIFF – DECEMBER 14, 2012 FILING) DECISION AND ORDER
) APPROVING THE PASS-
) THROUGH OF FERC
) AUTHORIZED CHANGES
) IN FIRM TRANSMISSION
) SERVICE RELATED CHARGES
)
) BPU DOCKET NO. ER12121086

(NOTIFICATION LIST ATTACHED)

APPEARANCES:

Mally Becker, Esq., on behalf of Public Service Electric and Gas Company
Phil Passanante, Esq., on behalf of Atlantic City Electric Company
Greg Eisenstark, Esq., (Morgan, Lewis & Bockius 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 14, 2012, 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 EDCs’ proposed tariff changes reflect changes to the Basic Generation Service, (“BGS”) Fixed Price (“BGS-FP”) 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. ER-08-386-000, (ii) the annual formula rate update filing made by PSE&G in FERC Docket No. ER08-1233, 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, 2013.

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-FP and BGS-CIEP SMAs, which mandate that BGS-FP 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 Order dated September 15, 2008, the EDCs received approval from the Board to begin allocating TECs related to the VEPCo and PATH projects. Pursuant to FERC's Order, VEPCo and PATH submitted their formula rate update compliance filings with FERC.

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 customers. On December 18, 2008, the Board authorized PSE&G to begin recovering TECs related to the PSE&G Project. On October 15, 2012, PSE&G made a compliance filing 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): \$0.00 or 0% for ACE; a decrease of \$0.05 decrease or 0.05% for JCP&L; an increase of \$1.86 or 1.57% for PSE&G, and an increase of \$0.91 or 0.80% for Rockland.

DISCUSSION AND FINDING

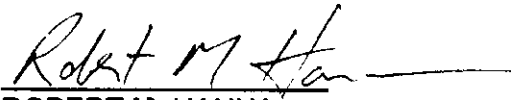
In the Board's Order dated December 2, 2003, in Docket No. EO03050394, the Board found that the pass through of any changes in charges associated with NITS and other FERC-approved Open Access Transmission Tariff, is appropriate. Furthermore, by subsequent Orders, the Board approved Section 15.9 of the 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.

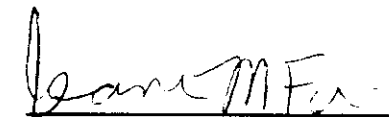
After review of the verifications and supporting documentation, the Board **HEREBY FINDS** that the December 14 filing satisfies the EDCs' obligations under Paragraph 15.9 (a)(i) and (ii) of the relevant SMAs, and **HEREBY APPROVES** the increase to the BGS-FP and BGS-CIEP rates requested by each EDC for its increased transmission charges resulting from the FERC-approved changes to the TECs effective as of the later of February 1, 2013 or the date of service of this Board Order. The EDCs are **HEREBY ORDERED** to compensate the BGS suppliers for this transmission rate increase 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 within five (5) business days of service of this Order.

DATED: 1/23/13

BOARD OF PUBLIC UTILITIES
BY:


ROBERT M. HANNA
PRESIDENT



JEANNE M. FOX
COMMISSIONER


JOSEPH L. FIORDALISO
COMMISSIONER

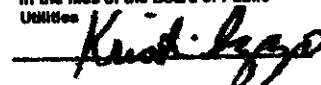

NICHOLAS ASSELTA
COMMISSIONER


MARY-ANNA HOLDEN
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



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 12, 2012 Filing
 BPU Docket No. ER12121086

BOARD OF PUBLIC UTILITIES		
Jerome May, Director New Jersey Board of Public Utilities 44 South Clinton Avenue, 9 th Floor Post Office Box 350 Trenton, NJ 08625-0350	Alice Bator New Jersey Board of Public Utilities 44 South Clinton Avenue, 9 th Floor Post Office Box 350 Trenton, NJ 08625-0350	Stacy Peterson New Jersey Board of Public Utilities 44 South Clinton Avenue, 9 th Floor Post Office Box 350 Trenton, NJ 08625-0350
Kristi Izzo, Secretary New Jersey Board of Public Utilities 44 South Clinton Avenue, 9 th Floor Post Office Box 350 Trenton, NJ 08625-0350	Frank Perrotti New Jersey Board of Public Utilities 44 South Clinton Avenue, 9 th Floor Post Office Box 350 Trenton, NJ 08625-0350	
DIVISION OF RATE COUNSEL		
Stefanie A. Brand, Esq. Division of Rate Counsel 31 Clinton Street, 11 th Floor P.O. Box 46005 Newark, NJ 07101	Paul Flanagan, Esq. Division of Rate Counsel 31 Clinton Street, 11 th Floor P.O. Box 46005 Newark, NJ 07101	Ami Morita, Esq. Division of Rate Counsel 31 Clinton Street, 11 th Floor P.O. Box 46005 Newark, NJ 07101
Diane Schulze, Esq. Division of Rate Counsel 31 Clinton Street, 11 th Floor P.O. Box 46005 Newark, NJ 07101		
DEPARTMENT OF LAW & PUBLIC SAFETY		
Caroline Vachier, DAG Division of Law 124 Halsey Street, 5 th Floor P.O. Box 45029 Newark, NJ 07101	Babette Tenzer, DAG Division of Law 124 Halsey Street, 5 th Floor P.O. Box 45029 Newark, NJ 07101	Alex Moreau, DAG Division of Law 124 Halsey Street, 5 th Floor P.O. Box 45029 Newark, NJ 07101
EDCs		
Joseph Janocha Atlantic City Electric Co. – 63ML38 5100 Harding Highway Atlantic Regional Office Mays Landing, NJ 08330	Greg Marquis Pepco Holdings, Inc. 7801 Ninth Street NW Washington, DC 20068-0001	Phil Passanante, Esq. Atlantic City Electric Company Post Office Box 6066 Newark, DE 19714-6066
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	Marc B. Lasky, Esq. Morgan, Lewis & Bockius LLP 89 Headquarters Plaza North Suite 1435 Morristown, NJ 07960
Larry Sweeney First Energy 300 Madison Avenue P.O. Box 1911 Morristown, NJ 07962-1911	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

Mally Becker, Esq. PSEG Services Corporation 80 Park Plaza, T05 Newark, NJ 07102	Charlene Foltzer PSE&G 80 Park Plaza, T-8 P.O. Box 570 Newark, NJ 07101	Gregory Eisenstark, Esq. Assistant General Corporate Rate Counsel PSEG Services Corporation 80 Park Plaza, T5G Newark, NJ 07102 gregory.eisenstark@pseg.com
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 Corp. 1 Chase Manhattan Plaza 14 th Floor New York, NY 10005
Manager Contracts Administration Sempra Energy Trading Corp. 58 Commerce Road Stamford, CT 06902	Raymond Depiilo PSEG Energy Resources & Trade 80 Park Plaza, T-19 P.O. Box 570 Newark, NJ 07101	Sylvia Dooley Consolidated Edison Co. of NY 4 Irving Place Room 1810-S New York, NY 10003
Consolidated Edison Energy, Inc. VP- Trading 701 Westchester Avenue Suite 201 West White Plains, NY 10604	Gary Ferenz Conectiv Energy Supply, Inc. P.O. Box 6066 Newark, DE 19714-6066	Daniel E. Freeman, Contract Services- Power BP Energy Company 501 West Lake Park Blvd., WL1- 1.00B Houston, TX 77079
Michael S. Freeman Exelon Generation Company, LLC 300 Exelon Way Kennett Square, PA 19348	Marjorie Garbini Conectiv Energy Energy & Technology Center 500 North Wakefield Drive P.O. Box 6066 Newark, DE 19714-6066	Arland H. Gifford DTE Energy Trading 414 South Main Street Suite 200 Ann Arbor, MI 48104
Deborah Hart, Vice President Morgan Stanley Capital Group 2000 Westchester Avenue Trading Floor Purchase, NY 10577	Marcia Hissong, Director, Contract Administration/Counsel DTE Energy Trading, Inc. 414 South Main Street Suite 200 Ann Arbor, MI 48104	Eric W. Hurlocker PPL EnergyPlus LLC Two N. Ninth Street Allentown, PA 18101
Fred Jacobsen NextEra Energy Power Marketing 700 Universe Boulevard CTR/JB Juno Beach, FL 33408-2683	Gary A. Jefferies, Senior Counsel Dominion Retail, Inc. 1201 Pitt Street Pittsburgh, PA 15221	Shiran Kochavi NRG Energy 211 Carnegie Center Princeton, NJ 08540

<p>Robert Mennella Consolidated Edison Energy Inc. 701 Westchester Avenue Suite 201 West White Plains, NY 10604</p>	<p>Randall D. Osteen, Esq. Vice President- Counsel Constellation Energy Commodities Group, Inc. 111 Market Place Suite 500 Baltimore, MD 21202</p>	
<p>Ken Salamone Sempra Energy Trading Corp. 58 Commerce Road Stamford, CT 06902</p>	<p>Edward Zabrocki Morgan Stanley Capital Grp, Inc. 1585 Broadway, 4th Floor Attn: Chief Legal Officer New York, NY 10036</p>	<p>Paul Weiss Edison Mission Marketing & Trading 160 Federal Street 4th Floor Boston, MA 02110</p>
<p>Steve Sheppard DTE Energy Trading 414 S. Main Street Suite 200 Ann Arbor, MI 48104</p>	<p>Noel H. Trask Exelon Generation Company, LLC 300 Exelon Way Kennett Square, PA 19348</p>	<p>Jessica Wang FPL Energy Power Marketing, Inc. 700 Universe Boulevard Bldg. E 4th Floor Juno Beach, FL 33408</p>
<p>Matt Webb BP Energy Company 501 West Lake Park Blvd. Houston, TX 77079</p>	<p>Robert Fagan Synapse Energy Economics, Inc. 485 Massachusetts Ave., Suite 2 Cambridge, MA 02139</p>	