



STATE OF NEW JERSEY
Board of Public Utilities
44 South Clinton Avenue, 3rd Floor, Suite 314
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 THE)
COMPLIANCE TARIFF FILING REFLECTING)
CHANGES TO SCHEDULE 12 CHARGES IN PJM)
OPEN ACCESS TRANSMISSION TARIFF-)
JCP&L, PSE&G, AND ROCKLAND JUNE 17,)
2016 FILING) BPU DOCKET NO. ER16060527

Parties of Record:

Alexander Stern, Esq. on behalf of Public Service Electric and Gas 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:

By petition dated June 17, 2016, Jersey Central Power & Light Company ("JCP&L"), Public Service Electric & 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 request that the changes in rates, if approved, be effective for service rendered on or after September 1, 2016.

The EDCs' proposed tariff changes reflect changes to the Basic Generation Service ("BGS") Residential and Small Commercial Pricing ("BGS-RSCP") and Commercial and Industrial Energy Pricing ("BGS-CIEP") rates to customers resulting from changes in the PJM Open Access Transmission Tariff ("OATT") made in response to: (i) the annual formula rate update filings made by PPL Electric Utilities Corporation ("PPL") in FERC Docket No. ER09-1148, by American Electric Power Service Corporation ("AEP") in FERC Docket Nos. ER08-1329 and ER10-355, and by Tran-Allegheny Interstate Line Company ("TrAILCo") in FERC Docket No. ER07-562; and (ii) the formula rate update filings made by the public utility affiliates of Peppco Holdings Inc. ("PHI") in FERC Docket No. ER08-1423 and the respective utility affiliate compliance filings for formula rate updates made by Atlantic City Electric Company ("ACE") in FERC Docket No. ER09-1156, Delmarva Power and Light ("Delmarva") in FERC Docket No. ER09-1158, and Potomac Electric Power Company ("PEPCO") in FERC Docket No. ER09-1159. The filings referred to in (i) and (ii) above are collectively referred to as the "Filings."

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 cost responsibility for Required Transmission Enhancement projects.

The proposed rates included in the amended tariff sheets for each EDC reflect costs effective as of June 1, 2016 for TECs resulting from the above listed FERC-approved Filings, except the AEP-East filing, and for the costs of the AEP-East filing as of its effective date of July 1, 2016. The EDCs also requested that the BGS suppliers be compensated for the changes to the OATT resulting from the implementation of the updates to formula rates which became effective June 1 and July 1, 2016. The EDCs represent that suppliers will be compensated subject to the terms and conditions of the applicable Supplier Master Agreements (“SMAs”).

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 increases for firm transmission service, and that the EDCs file for and obtain Board approval for an increase in retail rates commensurate with the FERC-implemented rate increase.

Each EDC is allocated a different amount of TECs from PJM based on the cost for Required Transmission Enhancements in each EDC’s transmission zone. Based on the allocation of the TEC Filings transmission 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): an increase of \$0.02 or 0.02% for JCP&L, no change for PSE&G; and an increase of \$0.02 or 0.02% 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 the network integration transmission charge, and other charges associated with the FERC-approved OATT, 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 FERC. The SMAs also authorize the EDCs to adjust the rates paid to suppliers for FERC-approved rates and increases to Firm Transmission Services once approved by the Board. The Board Orders further require that the EDCs review and verify any requested FERC authorized increases.

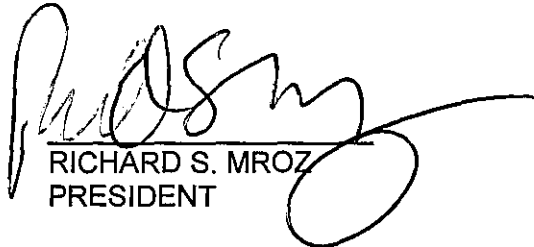
After review of the verifications and supporting documentation, the Board **HEREBY FINDS** that the June 17, 2016 filing satisfies the EDCs’ obligations under paragraph 15.9(a)(i) and (ii) of the relevant SMAs, and **HEREBY APPROVES** the changes to the TEC rates requested by each EDC for its transmission charges resulting from the FERC-approved changes to the TECs effective for service on or after September 1, 2016. The EDCs are **HEREBY ORDERED** to compensate the BGS suppliers for this transmission rate change 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 the service of this Order.

The effective date of this Order is August 8, 2016.

DATED: 7/29/16

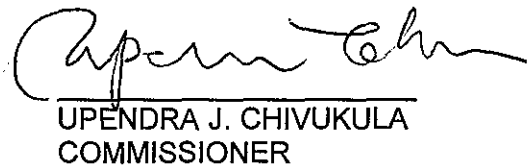
BOARD OF PUBLIC UTILITIES
BY:


RICHARD S. MROZ
PRESIDENT

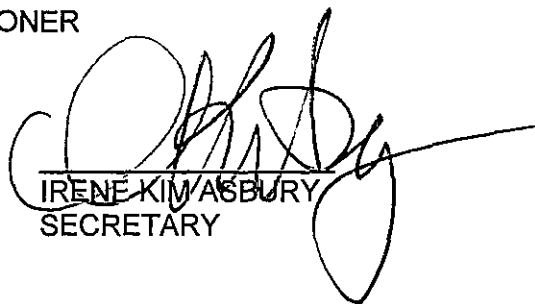

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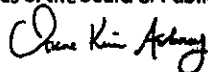

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ATTEST:


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 THE
COMPLIANCE TARIFF FILING REFLECTING CHANGES TO SCHEDULE 12 CHARGES IN
PJM OPEN ACCESS TRANSMISSION TARIFF- JCP&L, PSE&G, AND ROCKLAND JUNE
17, 2016 FILING
BPU Docket No. ER16060527**

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