

Gregory Eisenstark
732.448.2537
geisenstark@windelsmarx.com

120 Albany Street Plaza, | New Brunswick, NJ 08901
T. 732.846.7600 | F. 732.846.8877

January 9, 2018

VIA ELECTRONIC MAIL & HAND DELIVERY

Irene Kim Asbury, Esquire
Secretary of the Board
Board of Public Utilities
44 South Clinton Ave.
3rd Floor, Suite 314
Trenton, New Jersey 08625-0350

Re: 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, 2015

-and-

In the Matter of the Provision of Basic Generation Service for the Period
Beginning June 1, 2016

-and-

In the Matter of the Provision of Basic Generation Service for the Period
Beginning June 1, 2017

BPU Docket Nos. EO03050394, ER14040370, ER15040482, ER16040337

**Compliance Tariff Filing Reflecting Changes to Schedule 12 Charges in PJM
Open Access Transmission Tariff
BPU Docket No. ER17121284**

Dear Secretary Asbury:

Enclosed for filing on behalf of Jersey Central Power & Light Company ("JCP&L"), Atlantic City Electric Company ("ACE"), Public Service Electric and Gas Company ("PSE&G"), and Rockland Electric Company ("RECO") (collectively, the "EDCs"), please find an original and ten copies of tariff sheets and supporting exhibits that reflect changes to the PJM Open Access Transmission Tariff ("OATT") made in response to the revised network integration transmission

Irene K. Asbury, Secretary
January 9, 2018
Page 2

service ("NITS") rate approved by the Federal Energy Regulatory Commission ("FERC") in Docket No. ER17-217-000, *et al.*

Background

In its Orders dated October 22, 2003 (BPU Docket No. EO03050394) and October 22, 2004 (BPU Docket No. EO04040288), the Board of Public Utilities ("Board") authorized the EDCs to recover FERC-approved changes in firm transmission service-related charges. The Board has also authorized recovery of FERC-approved changes in firm transmission service-related charges in subsequent orders approving the Basic Generation Service ("BGS") supply procurement process and the associated Supplier Master Agreement ("SMA"). In the Board Order dated August 23, 2017 in BPU Docket No. ER17060671, the Board again concluded that such a "pass through" of FERC-approved transmission rate changes was appropriate.

On October 28, 2016, JCP&L filed a Petition with the FERC requesting approval of a formula rate for its NITS and Point-to-Point transmission service. On December 12, 2016, the EDCs filed a request with the Board, pursuant to Section 15.9 of the BGS SMAs, requesting authority to implement revised tariff rates effective January 1, 2017, and to compensate BGS Suppliers for the changes to the OATT resulting from the implementation of the JCP&L project annual formula updates effective on January 1, 2017. The EDCs' December 12, 2016 filing remains pending before the Board in BPU Docket No. ER16121152.¹

On October 31, 2017, JCP&L made its annual formula transmission rate update filing with FERC. Thereafter, on December 14, 2017, the EDCs filed a request with the Board, pursuant to Section 15.9 of the BGS SMAs, requesting authority to implement revised tariff rates effective January 1, 2018, and to compensate BGS Suppliers for the changes to the OATT resulting from the implementation of the JCP&L project annual formula updates effective on January 1, 2018. The EDCs' December 14, 2017 filing remains pending before the Board in BPU Docket No. ER17121284. However, because the updated formula transmission rate based on the October 31, 2017 update never became effective, the Board need not take any action with respect to the EDCs' December 14, 2017 filing.²

The parties to the JCP&L transmission rate case in in Docket No. ER17-217-000 thereafter reached a Settlement, and JCP&L filed an Offer of Settlement with the FERC on December 21, 2017. Among other things, the Settlement provides for a new, stated transmission rate for the JCP&L zone of PJM. On December 27, 2017, FERC's Chief Administrative Law Judge issued an

¹ JCP&L's formula rate became effective, subject to refund, on June 1, 2017. *See* 158 FERC ¶ 62,186 (March 10, 2017).

² This instant filing supplements the EDCs' December 12, 2016 filing and supersedes the EDCs' December 14, 2017 filing.

Irene K. Asbury, Secretary
January 9, 2018
Page 3

order approving interim implementation of the Settlement Rate. 161 FERC ¶ 63,029 (December 27, 2017). The rate effective date of the new transmission rate is January 1, 2018. *Id.*

The EDCs' pro-forma tariff sheets, included as Attachment 2a (JCP&L), Attachment 3 (PSE&G), Attachment 4 (ACE) and Attachment 5 (RECO), propose effective dates of January 1, 2018, and specifically reflect changes to BGS rates applicable to Basic Generation Service – Residential Small Commercial Pricing (“BGS-RSCP”), and Commercial and Industrial Energy Pricing (“BGS-CIEP”) customers resulting from the Settlement and new JCP&L transmission rate approved for service effective January 1, 2018. The specific additional PJM transmission charges related to the JCP&L filing are found in Schedule 12 of the PJM OATT. Please see Attachments 6, 7, and 8 (as described below) to this filing. Because BGS suppliers began paying these revised transmission charges effective January 1, 2018, the EDCs request a waiver of the 30-day filing requirement.

These Schedule 12 charges, also defined as Transmission Enhancement Charges (“TECs”) in the PJM OATT, were implemented to compensate transmission owners for the annual transmission revenue requirements for “Required Transmission Enhancements” (again, as defined in the PJM OATT) 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.

Request for Board Approval

The EDCs respectfully request approval to implement these revised tariff rates with a rate effective date of January 1, 2018. In support of this request, the EDCs have included pro-forma tariff sheets as noted above. The BGS rates have been modified in accordance with the Board-approved methodology contained in each EDC's Company-Specific Addendum in the above-referenced BGS proceedings and in conformance with each EDC's Board-approved BGS tariff sheets.

Attachment 1 shows the derivation of the JCP&L Network Integration Transmission Service Charge. Attachments 2(a) and 2(b) show the JCP&Ls pro-forma tariff sheets and the translation of JCP&L's NITS charge into retail customer rates. The translation of the transmission zone rate impact to the BGS rates of each of the other EDCs, assuming implementation on January 1, 2018, is included as Attachments 3, 4, and 5 for PSE&G, ACE, and RECO, respectively. Attachment 6 shows the cost impact of the JCP&L Schedule 12 Project Charges for the January through December 2018 period for each of the EDCs. Attachment 7 provides excerpts of the PJM OATT Schedule 12 Appendix indicating the responsible share of each such Project. Attachment 8 is the Offer of Settlement in the JCP&L transmission rate case, FERC Docket No. ER17-217-000, *et al.* Attachment 9 is JCP&L's Motion for Authorization to Implement Settlement Rate on an Interim Basis dated December 21, 2017. Attachment 10 is the

Irene K. Asbury, Secretary
January 9, 2018
Page 4

FERC Order of Chief Judge Granting Motion for Interim Implementation of Settlement Rate, dated December 27, 2017.

The EDCs also request that BGS Suppliers be compensated for the changes to the OATT resulting from the implementation of JCP&L's revised NITS rate effective as of January 1, 2018. Suppliers will be compensated subject to the terms and conditions of the applicable SMAs. Any differences between payments to BGS-RSCP and BGS-CIEP Suppliers and charges to customers will flow through BGS Reconciliation Charges.

This filing satisfies the requirements of ¶¶ 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 of an increase in retail rates commensurate with the FERC-implemented rate increase.

We thank the Board for all courtesies extended.

Respectfully submitted,



Gregory Eisenstark
Attorney for JCP&L and on behalf of
PSE&G, ACE and RECO

Attachments

c: Thomas Walker, NJBPU
Stacy Peterson, NJBPU
Stefanie Brand, Division of Rate Counsel
Service List (via Electronic Mail)

Jersey Central Power & Light Company
 Compliance Tariff Filing Reflecting Changes to Schedule
 12 Charges in PJM Open Access Transmission Tariff
 BPU Docket No. _____

BOARD OF PUBLIC UTILITIES		
Thomas Walker NJBPU 44 South Clinton Ave, 3 rd Floor, Suite 314 P.O. Box 350 Trenton, NJ 08625-0350	Richard DeRose NJBPU 44 South Clinton Ave, 3 rd Floor, Suite 314 P.O. Box 350 Trenton, NJ 08625-0350	Stacy Peterson NJBPU 44 South Clinton Ave, 3 rd Floor, Suite 314 P.O. Box 350 Trenton, NJ 08625-0350
Irene Kim Asbury, Secretary NJBPU 44 South Clinton Ave, 3 rd Floor, Suite 314 P.O. Box 350 Trenton, NJ 08625-0350	Mark Beyer NJBPU 44 South Clinton Ave, 3 rd Floor, Suite 314 P.O. Box 350 Trenton, NJ 08625-0350	Bethany Rocque-Romaine, Esq NJBPU 44 South Clinton Ave, 3 rd Floor, Suite 314 P.O. Box 350 Trenton, NJ 08625-0350
DIVISION OF RATE COUNSEL		
Stefanie A. Brand, Esq. Division of Rate Counsel 140 East Front Street, 4 th Floor Trenton, NJ 08608-2014	Diane Schulze, Esq. Division of Rate Counsel 140 East Front Street, 4 th Floor Trenton, NJ 08608-2014	Ami Morita, Esq. Division of Rate Counsel 140 East Front Street, 4 th Floor Trenton, NJ 08608-2014
DEPARTMENT OF LAW & PUBLIC SAFETY		
Caroline Vachier, DAG Division of Law 124 Halsey Street, 5 th Floor P.O. Box 45029 Newark, NJ 07101	Andrew Kuntz, DAG Division of Law 124 Halsey Street, 5 th Floor P.O. Box 45029 Newark, NJ 07101	
EDCs		
Joseph Janocha ACE – 63ML38 5100 Harding Highway Atlantic Regional Office Mays Landing, NJ 08330	Dan Tudor PEPCO Holdings, Inc. 7801 Ninth Street NW Washington, DC 20068-0001	Philip Passanante, Esq. ACE – 89KS 800 King Street, 5 th Floor P.O. Box 231 Wilmington, DE 19899
Sally J. Cheong, Manager Tariff Activity, Rates, NJ JCP&L 300 Madison Avenue 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 of NY Law Dept., Room 1815-S 4 Irving Place New York, NY 10003	Margaret Comes, Esq. Senior Staff Attorney Consolidated Edison of NY Law Dept., Room 1815-S 4 Irving Place New York, NY 10003	Hesser McBride, Esq. Assoc. Gen. Reg. Counsel PSEG Services Corporation P.O. Box 570 80 Park Plaza, T-5 Newark, NJ 07101
Eugene Meehan NERA 1255 23rd Street Suite 600 Washington, DC 20037	Chantale LaCasse NERA 1166 Avenue of the Americas, 29th Floor New York, NY 10036	Myron Filewicz Manager - BGS PSE&G 80 Park Plaza, T-8 P.O. Box 570 Newark, NJ 07101

Jersey Central Power & Light Company
 Compliance Tariff Filing Reflecting Changes to Schedule
 12 Charges in PJM Open Access Transmission Tariff
 BPU Docket No. _____

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 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 th Floor New York, NY 10005
Manager - Contracts Admin. Sempra Energy Trading Corp. 58 Commerce Road Stamford, CT 06902	Raymond DePillo PSEG ER&T 80 Park Plaza, T-19 P.O. Box 570 Newark, NJ 07101	Sylvia Dooley Consolidated Edison of NY 4 Irving Place Room 1810-S New York, NY 10003
Kate Trischitta – Director of Trading & Asset Optimization Consolidated Edison Energy 701 Westchester Avenue Suite 201 West White Plains, NY 10604	Gary Ferenz Conectiv Energy Supply, Inc. 500 North Wakefield Drive P.O. Box 6066 Newark, DE 19714-6066	Daniel Freeman Contract Services – Power BP Energy Company 501 W Lark Park Blvd WL1-100B Houston, TX 77079
Michael S. Freeman Exelon Generation Company 300 Exelon Way Kennett Square, PA 19348	Marjorie Garbini Conectiv Energy Supply, Inc. 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 DTE Energy Trading 414 South Main Street Suite 200 Ann Arbor, MI 48104	Dir – Contracts & Legal Svcs Talen Energy Marketing, LLC 835 Hamilton Street Allentown, PA 18101
Fred Jacobsen NextEra Energy Power Mktg. 700 Universe Boulevard CTR/JB Juno Beach, FL 33408-2683	Gary A. Jeffries, Senior Counsel Dominion Retail, Inc. 1201 Pitt Street Pittsburgh, PA 15221	Shiran Kochavi NRG Energy 211 Carnegie Center Princeton, NJ 08540
Robert Mannella Consolidated Edison Energy 701 Westchester Avenue Suite 201 West White Plains, NY 10604	Randall D. Osteen, Esq. Constellation Energy 111 Market Place, Suite 500 Baltimore, MD 21202	Ken Salamone Sempra Energy Trading Corp. 58 Commerce Road Stamford, CT 06902

Jersey Central Power & Light Company
 Compliance Tariff Filing Reflecting Changes to Schedule
 12 Charges in PJM Open Access Transmission Tariff
 BPU Docket No. _____

OTHER		
Steve Sheppard DTE Energy Trading 414 South Main Street Suite 200 Ann Arbor, MI 48104	Edward Zabrocki Morgan Stanley Capital Group 1585 Broadway Ave, 4 th Floor Attn: Chief Legal Officer New York, NY 10036	Paul Weiss Edison Mission Marketing & Trading 160 Federal Street, 4 th Floor Boston, MA 02110
Matt Webb BP Energy Company 501 West Lark Park Blvd. Houston, TX 77079	Noel H. Trask Exelon Generation Company 300 Exelon Way Kennett Square, PA 19348	Jessica Wang FPL Energy Power Marketing 700 Universe Boulevard Building E, 4 th Floor Juno Beach, FL 33408
Robert Fagan Synapse Energy Economics 485 Massachusetts Avenue Suite 2 Cambridge, MA 02139	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 ConocoPhillips 600 N Dairy Ashford, CH1081 Houston, TX 77079	Danielle Fazio Noble Americas Gas & Power Four Stamford Plaza, 7th 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		