



Agenda Date: 8/20/14
Agenda Item: 2A

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 – JERSEY)
CENTRAL POWER & LIGHT COMPANY, PUBLIC)
SERVICE ELECTRIC AND GAS COMPANY AND)
ROCKLAND ELECTRIC COMPANY – JUNE 18,)
2014 FILING)

DECISION AND ORDER APPROVING
THE PASS-THROUGH OF FERC
AUTHORIZED CHANGES IN FIRM
TRANSMISSION SERVICE RELATED
CHARGES

BPU DOCKET NO. ER14060608

Parties of Record:

Alexander Stern, Esq., Public Service Electric and Gas Company
Gregory Eisenstark, Esq., **Morgan, Lewis & Bockius LLP**, on behalf of Jersey Central Power & Light Company
John L. Carley, Esq., Rockland Electric Company
Stefanie A. Brand, Esq., **Director**, New Jersey Division of Rate Counsel

BY THE BOARD:

On June 18, 2014, 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 increases to the Basic Generation Service (“BGS”) Fixed Price (“BGS-FP”) 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 in FERC Docket No. ER07-562, and (ii) the formula rate update filings made by the public utility affiliates of Pepco Holdings Inc. 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 in FERC Docket No. ER09-1158, and Potomac Electric Power Company 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 BGS-FP and BGS-CIEP rates included in the amended tariff sheets for each EDC reflect costs effective on June 1, 2014 for TECs resulting from all of the FERC-approved filings, except the AEP- East filing which is effective on July 1, 2014. 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 effective June 1 and July 1, 2014. 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-FP and BGS-CIEP SMAs, which mandate that BGS-FP 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 \$0.10 or 0.10% for JCP&L; an increase of \$0.12 or 0.1% for PSE&G; and an increase of \$0.10 or 0.09% 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.

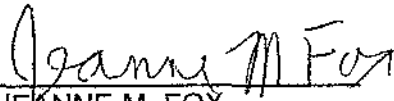
After review of the verifications and supporting documentation, the Board **HEREBY FINDS** that the June 18, 2014 filing satisfies the EDCs' obligations under paragraph 15.9 (a)(i) and (ii) of the relevant SMAs, and **HEREBY APPROVES** the changes to the BGS-FP and BGS-CIEP rates requested by each EDC for its transmission charges resulting from the FERC-approved changes to the TECs effective for service on or after September 1, 2014. The EDCs are **HEREBY ORDERED** to compensate the BGS suppliers for this transmission rate increase or decrease 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.

DATED: 8/20/14

BOARD OF PUBLIC UTILITIES
BY:


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PRESIDENT


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COMMISSIONER


JOSEPH L. FIORDALISO
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MARY-ANNA HOLDEN
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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 – JERSEY CENTRAL POWER & LIGHT
COMPANY, PUBLIC SERVICE ELECTRIC AND GAS COMPANY AND ROCKLAND
ELECTRIC COMPANY – JUNE 18, 2014 FILING
BPU DOCKET NO. ER14060608

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