



STATE OF NEW JERSEY
Board of Public Utilities
Two Gateway Center
Newark, NJ 07102
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 FIRM
TARIFF	)	TRANSMISSION
	)	SERVICE RELATED
	)	CHARGES ---ACE, JCP&L, AND
	)	RECO DECEMBER 11, 2009
	)	FILING
)	
	)	BPU Docket No. ER09120995

(SERVICE LIST ATTACHED)

APPEARANCES:

Philip J. Passanante, Atlantic City Electric, for Joint Petitioner, Atlantic City Electric Company

Marc B. Lasky, Morgan, Lewis, and Bockius LLP, for Joint Petitioner, Jersey Central Power and Light Company

John L. Carley, Consolidated Edison Co. of NY, for Joint Petitioner, Rockland Electric Company

Paul E. Flanagan, Esq., Ami Morita, Esq., Diane Schulze, Sarah H. Steindel, Esq., Kurt Lewandowski, Esq., Esq., Department of the Public Advocate, Division of Rate Counsel (Ronald K. Chen, Esq., Public Advocate, Stefanie A. Brand, Esq., Director)

Alex Moreau, Deputy Attorney General, for the Staff of the New Jersey Board of Public Utilities (Anne Milgram, Attorney General of New Jersey)

BY THE BOARD:

On December 11, 2009, Atlantic City Electric Company ("ACE"), Jersey Central Power and Light Company ("JCP&L"), and Rockland Electric Company ("RECO") (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 decreases 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 a revised formula rate filing by Potomac-Appalachian Transmission Highline, L.L.C. ("PATH") in FERC Docket No. ER08-386, a revised formula rate filing by Virginia Electric and Power Company ("VEPCo") in FERC Docket Nos. ER10-068, and a revised formula rate filing made by Public Service Electric and Gas Company ("PSE&G") in connection with FERC Docket No. ER09-1257. The EDCs requested that the changes become effective on January 1, 2010.

ACE, JCP&L, and RECO are also requesting that the BGS suppliers be appropriately compensated for this change, subject to the terms and conditions of the applicable Supplier Master Agreements ("SMAs"). Any difference between the payments to BGS suppliers and charges to customers would flow through the BGS Reconciliation Charges.

The EDCs stated that 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 changes in retail rates commensurate with the FERC-implemented rate changes.

The specific Schedule 12 charges, referred to as Transmission Enhancement Charges ("TECs"), were implemented to compensate transmission owners for the annual transmission revenue requirements for "Required Transmission Enhancements" (as defined in the PJM OATT) that are requested by PJM for reliability or economic purposes. The costs of TECs are recovered by PJM according to an assigned cost responsibility through an additional transmission charge assessed in the affected transmission zones.

On February 28, 2008, FERC approved the PATH filings and accepted the tariffs for filing. On April 16, 2008, the EDCs, along with PSE&G, 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, along with PSE&G, 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.¹ Pursuant to FERC's Order, VEPCo and PATH submitted their formula rate update compliance filings with FERC on or about October 15, 2009, in FERC Docket Nos. ER10-068 and ER08-386, respectively.

¹ 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 Year Three 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, BPU Docket Nos. E003050394, E004040288, E005040317, and E006020119, Order dated September 12, 2008.

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 from its customers.² On October 7, 2009, PSE&G made a compliance filing with FERC in Docket No. ER09-1257.

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 updated VEPCo, PATH, and PSE&G transmission costs, as among the service classes in accordance with each EDC's tariff with a January 1, 2010 effective date as requested by the EDCs, a residential customer would see the following BGS rate decrease per utility (including Sales and Use Tax ("SUT")): ACE \$0.000053 per kWh; JCP&L \$0.000218 per kWh; and RECO \$0.00005 per kWh.

DISCUSSION AND FINDINGS

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 NITS charge, and other charges associated with the 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 changes or decreases in their transmission charges that have been approved by the FERC. The SMAs also authorize the EDCs to change 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 required that the EDCs review and verify the requested FERC authorized changes.


After review of the verifications and supporting documentation, the Board **HEREBY APPROVES** the decrease to the BGS-FP and BGS-CIEP rates requested by the EDCs for transmission charges resulting from the FERC-approved changes to the TECs effective for service on or after February 1, 2010. The annual impact on a typical residential customer using 700 kWh per month would be a decrease of \$0.36 for ACE; \$1.80 for JCP&L; and \$0.48 for RECO. The EDCs are **HEREBY ORDERED** to appropriately compensate the BGS suppliers for this transmission rate change subject to the terms and conditions of the SMAs.

² 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- PSE&G November 14, 2008 Filing. BPU Docket Nos. EO03050394, EO05040317, EO06020119, and ER07060379, Order dated December 18, 2008.

Further, the Board **HEREBY DIRECTS** the EDCs to file tariffs and rates consistent with the Board's findings within five (5) business days of this Board Order.

DATED: 1/21/10

BOARD OF PUBLIC UTILITIES
BY:


ELIZABETH RANDALL
ACTING PRESIDENT


FREDERICK F. BUTLER
COMMISSIONER


JEANNE M. FOX
COMMISSIONER

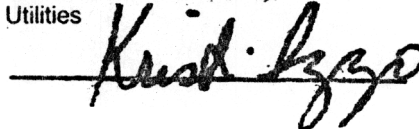

JOSEPH L. FIORDALISO
COMMISSIONER


NICHOLAS ASSELTA
COMMISSIONER

ATTEST:


CARMEN DIAZ
ACTING SECRETARY

I HEREBY CERTIFY that the within document is a true copy of the original in the files of the Board of Public Utilities



IMO the Provision of Basic Generation Service and the Compliance Tariff Filing Reflecting Changes to Schedule 12 Charges
in PJM Open Access Transmission Tariff- December 11, 2009 EDC Filing

BPU Docket No. ER09120995

Kristi Izzo, Secretary
NJ Board of Public Utilities
Two Gateway Center
Newark, NJ 07102

Samuel Wolfe, Chief Counsel
NJ Board of Public Utilities
Two Gateway Center
Newark, NJ 07102

Jerome May, Director
Division of Energy
NJ Board of Public Utilities
Two Gateway Center
Newark, NJ 07102

Alice Bator, Chief Bureau of Rates &
Tariffs
Division of Energy
NJ Board of Public Utilities
Two Gateway Center
Newark, NJ 07102

Stacy Peterson
Division of Energy
NJ Board of Public Utilities
Two Gateway Center
Newark, NJ 07102

Frank Perrotti
Division of Energy
NJ Board of Public Utilities
Two Gateway Center
Newark, NJ 07102

John Garvey
Division of Energy
NJ Board of Public Utilities
Two Gateway Center
Newark, NJ 07102

Mark Beyer, Chief Economist
Office of the Economist
NJ Board of Public Utilities
Two Gateway Center
Newark, NJ 07102

Suzanne Patnaude
Counsel's Office
NJ Board of Public Utilities
Two Gateway Center
Newark, NJ 07102

Kenneth Sheehan, DAG
Dept. of Law and Public Safety
Division of Law
124 Halsey Street, 5th Floor
Newark, NJ 07101

Babette Tenzer, DAG
Dept. of Law and Public Safety
Division of Law
124 Halsey Street, 5th Floor
Newark, NJ 07101

Stefanie Brand, Director
Division of Rate Counsel
31 Clinton Street- 11th Floor
P.O. Box 46005
Newark, NJ 07101

Ami Morita, Esq.
Division of Rate Counsel
31 Clinton Street- 11th Floor
P.O. Box 46005
Newark, NJ 07101

Diane Schulze, Esq.
Division of Rate Counsel
31 Clinton Street- 11th Floor
P.O. Box 46005
Newark, NJ 07101

Paul Flanagan, Esq.
Division of Rate Counsel
31 Clinton Street- 11th Floor
P.O. Box 46005
Newark, NJ 07101

Paul E. Flanagan, Esq.
Division of Rate Counsel
31 Clinton St., 11th Floor
Newark, NJ 07102

Felicia Thomas-Friel, Esq.
Division of Rate Counsel
31 Clinton St., 11th Floor
Newark, NJ 07102

Robert Fagan
Synapse Energy Economics, Inc.
22 Pearl Street
Cambridge, MA 02139

Bruce Biewald Synapse Energy
Economics, Inc.
22 Pearl Street
Cambridge, MA 02139

Kevin Connelly
First Energy
150 West State Street
Trenton, NJ 08618

Julie L. Friedberg, Esq.
Thelen Reid Brown Raysman & Steiner
LLP
200 Campus Drive
Suite 201
Florham Park, NJ 07932

Larry Sweeney
JCP&L
300 Madison Avenue
P.O. Box 1911
Morristown, NJ 07962-1911

Steven Gabel
Gabel Associates
417 Denison Street
Highland Park, NJ 08904

John L. Carley, Esq.
Consolidated Edison Co. of NY
Law Dept. Room 1815-S
4 Irving Place
New York, NY 10003

IMO the Provision of Basic Generation Service and the Compliance Tariff Filing Reflecting Changes to Schedule 12
Charges in PJM Open Access Transmission Tariff- December 11, 2009 EDC Filing
BPU Docket No. ER09120995

Marc Lasky, Esq.
Morgan, Lewis, Bockius LLP
89 Headquarters Plaza North
Suite 1435
Morristown, NJ 07962-1911

Frank Mossburg
Boston Pacific Company, Inc.
1100 New York Avenue, NW
Suite 490 East
Washington, DC 20005

Jim O'Toole
Jersey Central Power & Light Co.
300 Madison Avenue
PO Box 1911
Morristown, NJ 07962-1911

Rickey Joe
Rockland Electric Company
4 Irving Place- 2nd Floor
New York, NY 10003

Chantale LaCasse
NERA Economic Consulting
1255 23rd Street, NW
Washington, DC 20037

SueAnne I. Harrel
Pepco Energy service
39 Crestview Drive
Clinton, NJ 08990

Jay Kooper
Amerada Hess
One Hess Plaza
Woodbridge, NJ 07095

Mark S. Kumm
Pepco Energy Services, Inc.
1300 N. 17th, Suite 1600
Arlington, VA 22209

Peter Schaub
Pepco Holdings, Inc.
701 Ninth Street NW
Washington, DC 20068-0001

Stuart Rein
Boston Pacific Company, Inc.
1100 New York Avenue, NW
Suite 490 East
Washington, DC 20005

Gary Pleiss
Jersey Central Power & Light Co.
300 Madison Avenue
PO Box 1911
Morristown, NJ 07962-1911

William A. Atzl, Jr.
Rockland Electric Company
4 Irving Place, 2nd Floor
New York, New York 10003

RESA
Murray E. Bevin, Esq.
Bevan, Mosca, Giuditta, & Zarillo, PC
776 Mountain Blvd.
Suite 202
Watchung, NJ 07069

Shawn P. Leyden, Esq.
PSEG Energy Resources & Trade
80 Park Plaza, T-19
P.O. Box 570
Newark, NJ 07101

Dana Swieson
EPEX
717 Constitutional Drive
Suite 110
Exton, PA 19341

Stacey Rantala
National Energy Marketers Association
333 K Street, NW, Suite 110
Washington, DC

Craig P. Roach
Boston Pacific Company, Inc.
1100 New York Avenue, NW
Suite 490 East
Washington, DC 20005

Michael J. Filippone
Jersey Central Power & Light Co.
300 Madison Avenue
Morristown, NJ 07962-1911

James C. Meyer, Esq.
Riker, Danzig, Scherer, Hyland
& Perretti
Headquarters Plaza
One Speedwell Avenue
Morristown, NJ 07962

Gene Meehan,
NERA Economic Consulting
1255 23rd Street, NW
Washington, DC 20037

Timothy Daniels
Constellation New Energy
810 Seventh Avenue, Suite 400
New York, NY 10019-5818

Dale Kanterman
Eastern Energy Services
4 Ridge Road
Southampton, NJ 08088-3505

Frances I. Sundheim, Esq.
VP & Corporate Rate Counsel
Public Service Electric & Gas Company
80 Park Plaza, T-08C
Newark, NJ 07101

Marc A. Hanks
Senior Manager, Government &
Regulatory Affairs
Direct Energy Services, LLC

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David B. Applebaum
Director, Regulatory Affairs
NextEra Energy Resources, LLC
21 Pardee Place
Ewing, NJ 08628

Paul Forshay, Partner
Sutherland
1275 Pennsylvania Avenue, NW
Washington, DC 20004-2415

James Laskey, Esq. IEPNJ
Norris McLaughlin & Marcus
721 Route 202-206
Bridgewater, NJ 08807

Ken Gfroerer
RRI Energy
RR1, Box 246
Stahlstown, PA 15687

George R. Henderson
PSEG Energy Resources and Trade
80 Park Plaza, T-19
PO Box 270
Newark, NJ 07101

Robert Konicki
Sempra Energy Trading
2500 City West Blvd., Suite 1800
Houston, TX 77042

Leonard Navitsky
PPM Energy
3301 Cherokee Street
Emmanus, PA 18049

Jean-Paul St. Germain
Sempra Energy Trading
58 Commerce Road
Stamford, CT 06902

Kathleen Maher
Constellation NewEnergy
810 Seventh Avenue, Suite 400
New York, NY 10019-5818

Steven S. Goldenberg, Esq.
Fox Rothschild LLP
Princeton Corporate Center
997 Lenox Dr. Bldg. 3
Lawrenceville, NJ 08648-2311

Mark Baird
RRI Energy, Inc.
7642 West 450 North
Sharpsville, IN 46068

Craig S. Blume
Director, Power Marketing
UGI Energy Services/ UGI
Development Company
One Meridian Blvd., Suite 2C01
Wyomissing, PA 19610

Marcia Hisson
DTE Energy Trading, Inc.
414 South Main St. Suite 200
Ann Arbor, MI 48104

Gregory K. Lawrence, Esq.
McDermott, Will, and Emery
600 13th Street, NW
Washington, DC 20002

Glenn Riepl
AEP Energy Services
1 Riverside Plaza, 14th Floor
Columbus, OH 43215-2373

Howard O. Thompson
Russo Tumulty Nester Thompson
Kelly LLP
240 Cedar Knolls Rd., Suite 306
Cedar Knolls, NJ 07927

Bob Blake
VP Elec. Operations & Regulatory
Affairs
MXEnergy
10010 Junction Dr. Suite 104S
Annapolis Junction, MD 20701

Kerry Stroup
PJM Interconnection
VFCC
955 Jefferson Avenue
Norristown, PA 19403

Raymond Depillo
PSEG Energy Resources and Trade
80 Park Plaza, T-19
PO Box 570
Newark, NJ 07101

Robert O'Connell
VP & Compliance Manager
JP Morgan Ventures Energy Corp.
1033 Squires Dr.
West Chester, PA 19382

Don Hubschman
American Electric Power
155 W. Nationwide Blvd.
Columbus, OH 43215

Ira G. Megdal
Cozen O'Connor
457 Haddonfield Rd., Suite 300
Cherry Hill, NJ 08002

Maria Robinson
Con-Edison Energy Solutions
701 Westchester Ave.
Suite 201 West
White Plains, NY 10604

Sharon Weber
PPL Energy Plus
2 North 9th Street, TW20
Allentown, PA 18101

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Stephanie Wemple
Con-Edison Energy
701 Westchester Ave.
Suite 201 West
White Plains, NY 10604

Glen Thomas
The P3 Group
GT Power Group LLC
1060 First Ave., Suite 400
King of Prussia, PA 19406

Divesh Gupta
Senior Counsel
Constellation Energy
111 Market Place, Suite 500
Baltimore, MD 21202

Tom Hoatson
LS Power Development LLC
2 Tower Center
East Brunswick, NJ 08816

Gary Ferenz
Conectiv Energy Supply, Inc.
PO Box 6066, MS 92DC69
Newark, DE 19714

Kelley Gabbard
Conectiv Energy Supply, Inc.
PO Box 6066, MS92DC69
Newark, DE 19714

John Citrolo
Conectiv Energy Supply, Inc.
PO Box 6066, MS92DC69
Newark, DE 19714

Terence Russels
RRI Energy, Inc.
1000 Main St., 2178B
Houston, TX 77002

Grace S. Kurdian
McCarter & English LLP
245 Park Avenue, 27th Floor
New York, NY 10167

Murray E. Beven, Esq.
Bevan Mosca Giuditta & Zarillo PC
776 Mountain Blvd., Suite 202
Watchung, NJ 07069

Sara Bluhm
NJBIA
102 West State St.
Trenton, NJ 08608-1199

Stephen Dilts
Chemical Industry Council of N.
150 W. State St.
Trenton, NJ 08608

David Gillespie
New Jersey Transit
One Penn Plaza East
Newark, NJ 07105-2246

John Holub
NJ Retail Merchants Association
332 West State St.
Trenton, NJ 08618

Jack Johnson
Geophonic, Inc.
PO Box 580
Summit, NJ 07901

Frank Magnotti
Comverge, Inc.
120 Eagle Rock Ave., Suite 190
East Hanover, NJ 07936

Melanie Willoughby
NJBIA
102 West State St.
Trenton, NJ 08608-1199

Clarice Sabre Sylla
Dept. of Community Affairs
PO Box 806
101 S. Broad Street
Trenton, NJ 08625-0806

Judy Misoyianis, Administrator
New Jersey Retail Merchants Assoc.
332 West State St.
Trenton, NJ 08618

Chaim (Hy) Gold
Demand Side Energy Consultant
28 Riehey Place
Trenton, NJ 08618

Holly Minogue
Gabel Associates
417 Denison Street
Highland Park, NJ 08904

Larry Spielvogel, PE
LG Spielvogel, Inc.
21506 Valley Force Circle King of
Prussia, PA 19406-1137

Robert Macksoud, Jr. CEP
Director Energy Procurement
EnergySolve
Somerset, NJ 08873

Jim Torpey
Director
Market Development
SunPower Corporation
700 S. Clinton Street
Trenton, NJ 08611

Ken Salamone
Sempra Energy Trading Corp.
58 Commerce Road
Stamford, CT 06902

Randall D. Osteen, Vice President-Counsel
Constellation Energy Commodities Group
Inc.
111 Market Place
Suite 500
Baltimore, MD 21202

Elizabeth A. Sager, VP- Assistant
General Counsel
JPMorgan Chase Bank, N.A.
270 Park Avenue
New York, NY 10017-2014

IMO the Provision of Basic Generation Service and the Compliance Tariff Filing Reflecting Changes to Schedule 12
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Sally J. Cheong, Manager- Tariff
Jersey Central Power & Light Co.
300 Madison Avenue
Morristown, NJ 07962

Joseph E. Janocha
PHI Rates and Technical Services
5100 Harding Highway
Mays Landing, NJ 08330

Gregory Marquis
Bulk Power Supply Management
Pepco Holdings, Inc.
701 9th Street NW
Washington, DC 20068-0001

Tony Robinson
Public Service Electric and Gas Co.
80 Park Plaza, T-8
Newark, NJ 07101

Steve Huber
Public Service Electric and Gas Co.
80 Park Plaza, T-8
Newark, NJ 07101

Philip J. Passanante
Atlantic City Electric – 89KS42
800 King Street, 5th Floor
PO Box 231
Wilmington, DE 19899-9231