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April 15, 2008

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

Docket Nos. EO03050394, EO05040317, EO06020119 and ER07060378

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

Dear Secretary Izzo:

This letter (original and 10 copies) is filed with the Board of Public Utilities (the "Board") on behalf of Atlantic City Electric Company ("ACE"), Jersey Central Power & Light Company ("JCP&L"), Public Service Electric and Gas Company ("Public Service") and Rockland Electric Company ("RECO") (collectively, the "EDCs"). Enclosed please find copies of tariff sheets proposed by each of the EDCs and revised to reflect changes to the PJM Open Access Transmission Tariff ("OATT") made in response to a filing by Potomac-Appalachian Transmission Highline, L.L.C. ("PATH") in Federal Energy Regulatory Commission ("FERC") Docket No. ER08-386-000.

In its Order dated October 22, 2003 (BPU Docket No. EO03050394), the 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 most recent Board Order (BPU Docket No. ER07060378), the Board discussed this issue at length, and concluded that such a "pass through" of FERC-approved transmission rate changes was in the best interest of BGS customers.

The EDCs’ proposed tariff sheets, included as Attachments 1 (ACE), 2 (JCP&L), 3 (Public Service) and 4 (RECO), have proposed effective dates of June 1, 2008, and specifically reflect changes to BGS-FP and BGS-CIEP rates to customers resulting from the PATH filings that were approved by FERC on February 29, 2008. The specific, additional PJM transmission charges related to the PATH filings are found in Schedule 12 of the PJM OATT. These 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. TECs are recovered by PJM through an additional transmission charge in the transmission zones assigned cost responsibility for Required Transmission Enhancement projects.

The EDCs request approval to implement these revised tariff rates effective June 1, 2008. The EDCs have included pro-forma tariff sheets in Attachments 1, 2, 3 and 4 of this filing. The BGS rates have been modified in accordance with the Board-approved methodology contained in each of the EDCs’ Company-Specific Addenda (ACE at 12-13; JCP&L at 14 and 17; Public Service at 13-15; and RECO at 20-21) in the above-referenced BGS proceedings and in conformance with each of EDCs’ Board-approved BGS tariff sheets.

In the event that Board approves the implementation of this request subsequent to June 1, the EDCs will compress the TEC costs over the number of months remaining in 2008, as shown in Attachments 5 and 6. The EDCs will provide a compliance filing including updated versions of Attachments 1, 2, 3 and 4 for the Board’s information reflecting differences in the timing of when these charges are authorized by the Board.

The determinants for calculation of the PJM charges are set forth in Schedule 12 of the PJM OATT and on the Formula Rates page of the PJM website.¹ Attachment 5 shows the cost impact for the 2008/2009 period for each of the EDCs, These costs were allocated to the various transmission zones using the cost information from the formula rates for the PATH project posted on the PJM website. The translation of the transmission zone rate impact to the BGS rates of each of the EDCs’ is included as Attachment 6. Attachment 6 also includes BGS rate effects for each EDC assuming implementation in subsequent months.

The EDCs also request that the BGS Suppliers be compensated for this increase (subject to the terms and conditions of the applicable SMAs). Any differences between payments to BGS Suppliers and charges to customers would flow through each EDC’s BGS Reconciliation Charge. Since it is expected that the FERC-approved TEC for the PATH project will change

¹ See <http://www.pjm.com/services/formula-rates/pth-302.pdf>, Schedule 12 of the PJM Tariff, and the current PJM Zonal Transmission Obligation values.

each year in January and may also change from time to time, EDCs also request, in accordance with their Company-Specific Addenda in the above referenced proceedings, approval to submit compliance tariff sheets as required to implement any subsequent FERC-approved changes to the TECs resulting from the PATH project.

This filing satisfies the requirements of ¶¶ 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 EDC file for and obtain Board approval of an increase in retail rates commensurate with the FERC-implemented rate increase.

Very truly yours,

Attachments

C Nusha Wyner
Frank Perrotti
Alice Bator
Rene Demuynck
Division of Rate Counsel

Attachment 1
Atlantic City Electric Tariff Sheets

Attachment 2
Jersey Central Power and Light Tariff Sheets

JERSEY CENTRAL POWER & LIGHT COMPANY

BPU No. 10 ELECTRIC - PART III

XX Rev. Sheet No 36A
Superseding XX Rev. Sheet No. 36A

Rider BGS-FP
Basic Generation Service – Fixed Pricing
(Applicable to Service Classifications RS, RT, RGT, GS, GST, OL, SVL, MVL and ISL)

2) BGS Transmission Charge per KWH: As provided in the respective tariff for Service Classifications RS, RT, RGT, GS, GST, OL, SVL, MVL and ISL. Effective January 1, 2008, a RMR surcharge of **\$0.000111** per KWH (includes Sales and Use Tax as provided in Rider SUT) will be added to the BGS Transmission Charge applicable to all KWH usage.

Effective February 1, 2008, a **TRAILCO**-TEC surcharge of **\$0.000022** per KWH (includes Sales and Use Tax as provided in Rider SUT) will be added to the BGS Transmission Charge applicable to all KWH usage except lighting under Service Classifications OL, SVL, MVL and ISL.

Effective June 1, 2008, a **PATH**-TEC surcharge of **\$0.000058** per KWH (includes Sales and Use Tax as provided in Rider SUT) will be added to the BGS Transmission Charge applicable to all KWH usage except lighting under Service Classifications OL, SVL, MVL and ISL.

3) BGS Reconciliation Charge per KWH: (\$0.004034) (includes Sales and Use Tax as provided in Rider SUT)

The above BGS Reconciliation Charge recovers the difference between the payments to BGS suppliers and the revenues from BGS customers for Basic Generation Service and is subject to quarterly true-up.

Issued:

Effective: **June 1, 2008**

Filed pursuant to Order of Board of Public Utilities
Docket Nos. EO03050394, EO05040317, EO06020119 and ER07060378 dated

Issued by Stephen E. Morgan, President
300 Madison Avenue, Morristown, NJ 07962-1911

