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FEB 27 2017

*CMS*

BOARD OF PUBLIC UTILITIES

VIA ELECTRONIC & OVERNIGHT MAIL

FEB 27 2017 February 24, 2017

MAIL RECEIVED

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, 2014  
-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

Docket Nos. EO03050394, ER13050378, ER14040370, ER15040482

+++++  
Compliance Tariff Filing Reflecting Changes to Schedule 12 Charges in PJM Open Access  
Transmission Tariff Docket No. ER17020163

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

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ENERGY (3) TOC*

Dear Secretary Asbury:

Enclosed for filing on behalf of Public Service Electric and Gas Company ("PSE&G") please find an original and ten copies of revised tariff sheets and supporting exhibits to update the initial filings made by the New Jersey Electric Distribution Companies ("EDCs") on December 17, 2015 and May 4, 2016 in the above-captioned docket (hereafter the "December 17, 2015 Filing" and the "May 4, 2016 Filing", respectively).

The attached updated tariff sheet sheets and supporting exhibits listed below implement a December 9, 2016 decision and order issued by the Federal Energy Regulatory Commission ("FERC") relating to the cost allocation of the Sewaren Regional Transmission Enhancement

Project ("Sewaren RTEP Project"). See *PJM Interconnection L.L.C.*, Order Denying Rehearing, Denying Clarification, and Rejecting a Compliance Filing, Docket No. EL14-1485-007, December 9, 2016 ("Rehearing Order"). In the Rehearing Order, FERC denied PSE&G's request for a rehearing of FERC's April 22, 2016, decision affirming FERC's prior determination to re-allocate 100% of the Sewaren Regional Transmission Enhancement Project costs to customers within the PSE&G zone. The effective date established by FERC for the reallocation of the Sewaren RTEP Project costs was May 2015. However, the Sewaren RTEP Project was not placed into service and rates until January 1, 2016.

While the impact to the reallocation of the Sewaren RTEP Project is already incorporated into the 2017 rates currently in effect, it is necessary to implement a rate adjustment to reflect the impact of the reallocation being implemented on January 1, 2016. This filing implements a twelve month mechanism to collect the Sewaren RTEP Project reallocated costs for 2016. This request is submitted pursuant to Section ¶¶ 15.9 (a)(i) and (ii) of the BGS-RSCP and BGS-CIEP Supplier Master Agreements.

It is our understanding that PJM has already billed suppliers for the 2016 increased charges attributable to the reallocation. While the 2016 increased charges in this filing are proposed to be collected from BGS customers over a twelve (12) month period, PSE&G respectfully requests that upon the issuance of a Board order approving the relief sought herein, that PSE&G be permitted to pay BGS suppliers consistent with the manner in which they were billed by PJM (i.e., a one-time payment).

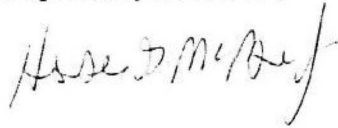
The following supporting documents are enclosed:

- Attachment 1 (Derivation of PSE&G NITS Charge)
- Attachment 2a (Pro-forma PSE&G Tariff Sheets proposed to be effective April 1, 2017)
- Attachment 2b (PSE&G Translation of NITS Charge into Customer Rates)
- Attachment 3 (PSE&G Project Charges Filed December 17, 2015)
- Attachment 4 (PSE&G Project Charges Filed May 4, 2016)
- Attachment 3R (REVISED PSE&G Project Charges Filed December 17, 2015)
- Attachment 4R (REVISED PSE&G Project Charges Filed May 4, 2016)
- Attachment 5 (PSE&G FERC Formula Rate Filing October 19<sup>th</sup>, 2015)
- Attachment 6 (PJM Compliance Filing Docket No. ER14-1485-007)
- Attachment 7 (FERC Order Docket No. ER14-1485-007 Issued December 9, 2016)

PSE&G reiterates the requests for approval set forth in the EDCs' December 17, 2015 Filing and the May 4 Filing as if incorporated herein. In addition, PSE&G respectfully requests that the Board: (1) issue a waiver of the 30-day filing requirement that would otherwise apply to this submission, because BGS suppliers began paying these revised transmission charges for transmission service effective January 1, 2017 pursuant to the December 9th Rehearing Order.

We thank the Board for all courtesies extended.

Respectfully submitted,



Attachments

- C Thomas Walker, NJBPU  
Stacy Peterson, NJBPU  
Stefanie Brand, Division of Rate Counsel  
Service List (via Electronic Mail Server)