



Agenda Date: 1/12/22
Agenda Item: 2A

STATE OF NEW JERSEY
Board of Public Utilities
44 South Clinton Avenue, 1st 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, THE COMPLIANCE)
TARIFF FILING REFLECTING CHANGES TO)
SCHEDULE 12 CHARGES IN PJM OPEN)
ACCESS TRANSMISSION TARIFF – DECEMBER)
10, 2021 FILING)
)
) BPU DOCKET NO. ER21121246

Parties of Record:

Philip J. Passanante, Esq., on behalf of Atlantic City Electric Company
Matthew M. Weissman, Esq., on behalf of Public Service Electric and Gas Company
Joshua R. Eckert, Esq., on behalf of Jersey Central Power & Light Company
Margaret Comes, Esq., on behalf of Rockland Electric Company
Brian O. Lipman, Esq., Director, New Jersey Division of Rate Counsel

BY THE BOARD:¹

On December 10, 2021, Atlantic City Electric Company (“ACE”), Jersey Central Power & Light Company (“JCP&L”), Public Service Electric and Gas Company (“PSE&G”), and Rockland Electric Company (“Rockland”) (collectively, “EDCs”) filed a joint petition with the New Jersey Board of Public Utilities (“Board” or “BPU”) requesting recovery of Federal Energy Regulatory Commission (“FERC”) approved changes in firm transmission service related charges (“December 2021 Petition”).

BACKGROUND

The Transmission Enhancement Charges (“TECs”) detailed in Schedule 12 of the PJM Interconnection, LLC (“PJM”) Open Access Transmission Tariff (“OATT”) and the Network Integration Transmission Service Rate (“NITS”) 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. PJM recovers TECs through an additional transmission charge in the transmission zones assigned cost responsibility for Required Transmission Enhancement projects.

¹ Commissioner Upendra J. Chivukula did not participate.

On October 15, 2020, in FERC Docket No. ER09-1257-000, PSE&G filed its Formula Rate Annual Update for 2021 that set forth PSE&G's annual transmission revenue requirement, calculated in accordance with its Formula Rate for network transmission service under the PJM OATT for the period commencing January 1, 2021 through December 31, 2021 ("2021 Formula Rate Update"). By Order dated January 27, 2021, the Board approved the changes to the Basic Generation Service ("BGS")-Residential and Small Commercial Pricing ("RSCP") and BGS-Commercial and Industrial Energy Pricing ("CIEP") rates resulting from FERC-approved changes to the TECs and the NITS, effective February 1, 2021.²

On July 14, 2021, PSE&G, the Board and the New Jersey Division of Rate Counsel reached a settlement that required PSE&G to modify its 2021 Formula Rate Update with FERC in BPU Docket Nos. ER21010001 and EO21070976. The settlement modified PSE&G's transmission formula rate template and transmission implementation protocols contained in Attachment H-10A and Attachment H-10B of the PJM OATT. The settlement resulted in a reduction in PSE&G's return on equity ("ROE"), lowering it in the PJM tariff from 11.18% to 9.90%. FERC approved the settlement in an October 1, 2021 Order, and directed PSE&G to make a compliance filing with the revised tariff records within 30 days of that Order.

On October 11, 2021, PSE&G filed tariffs with the FERC to implement revisions to PSE&G's transmission formula rate pursuant to FERC's request, which was accepted by FERC on December 2, 2021 ("October 2021 Compliance Filing").

December 2021 Petition

In the December 2021 Petition, the EDCs proposed tariff changes that reflect changes to the BGS-RSCP and BGS-CIEP rates to customers resulting from changes in the PJM OATT made in response to the 2021 Formula Rate Update filed by PSE&G and the October 2021 Compliance Filing.

The EDCs began to pay these decreased transmission charges in December 2021, and will receive retroactive refunds back to August 1, 2021 in January 2022. As a result, the EDCs requested a waiver of the 30-day filing requirement. The EDCs are also seeking authority from the Board to credit BGS customers for the lower transmission charges over a 12-month period beginning in January 2022. The EDCs requested Board approval to implement the revised BGS-RSCP and BGS-CIEP tariff rates effective January 1, 2022.

Based upon the allocation of the TECs and NITS 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): a decrease of \$0.33 or 0.25% for ACE, a decrease of \$0.18 or 0.19% for JCP&L, a decrease of \$6.54 or 5.18% for PSE&G, and a decrease of \$0.65 or 0.62% for Rockland.

² In re the Provision of Basic Generation Service, the Compliance Tariff Filing Reflecting Changes to Schedule 12 Charges in PJM Open Access Transmission Tariff – December 16, 2020 Filing, BPU Docket No. ER20120754, Order dated January 27, 2021. There were other NITS/TECs approved in the filing, resulting from multiple formula rate updates and a rate update.

DISCUSSION AND FINDING

After review of the December 2021 Petition and supporting documentation, the Board **HEREBY APPROVES** the changes to the BGS-RSCP and BGS-CIEP rates requested by each EDC for its transmission charges resulting from the FERC-approved changes to the TECs and the NITS, effective as of February 1, 2022.

The Board **HEREBY APPROVES** the EDCs' request to credit BGS customers for lower 2021 transmission charges associated with the December 2021 Petition over a 12-month period depending on the specific EDC rate design.

The Board **HEREBY WAIVES** the 30-day filing requirement as requested by the EDCs in the December 2021 Petition.

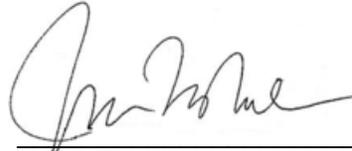
Further, the Board **HEREBY DIRECTS** the EDCs to file tariffs and rates consistent with the Board's findings by February 1, 2022.

The EDCs' rates remain subject to audit by the Board. This Decision and Order does not preclude the Board from taking any actions deemed to be appropriate as a result of any Board audit.

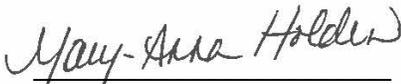
The effective date of this Order is January 19, 2022.

DATED: January 12, 2022

BOARD OF PUBLIC UTILITIES
BY:



JOSEPH L. FIORDALISO
PRESIDENT



MARY-ANNA HOLDEN
COMMISSIONER



DIANNE SOLOMON
COMMISSIONER



ROBERT M. GORDON
COMMISSIONER

ATTEST:



AIDA CAMACHO-WELCH
SECRETARY

IN THE MATTER OF THE PROVISION OF BASIC GENERATION SERVICE, THE
 COMPLIANCE TARIFF FILING REFLECTING CHANGES TO SCHEDULE 12 CHARGES IN
 PJM OPEN ACCESS TRANSMISSION TARIFF – DECEMBER 10, 2021 FILING

BPU Docket No. ER21121246

SERVICE LIST

<p>BOARD OF PUBLIC UTILITIES 44 South Clinton Avenue, 1st Floor Post Office Box 350 Trenton, NJ 08625-0350</p>		
<p>Stacy Peterson Deputy Executive Director stacy.peterson@bpu.nj.gov</p>	<p>Aida Camacho-Welch, Secretary board.secretary@bpu.nj.gov</p>	<p>Benjamin Witherell Chief Economist benjamin.witherell@bpu.nj.gov</p>
<p>Heather Weisband, Esq. heather.weisband@bpu.nj.gov</p>	<p>Ryan Moran ryan.moran@bpu.nj.gov</p>	<p>Paul Lupo, Acting Director, Energy paul.lupo@bpu.nj.gov</p>
<p>DIVISION OF RATE COUNSEL 140 East Front Street, 4th Floor Post Office Box 003 Trenton, NJ 08625-0003</p>		
<p>Brian O. Lipman, Esq., Director blipman@rpa.nj.gov</p>	<p>David Wand, Esq. dwand@rpa.nj.gov</p>	<p>Rob Glover, Esq. rglover@rpa.nj.gov</p>
<p>Debora Layugen dlayugan@rpa.nj.gov</p>		
<p>DEPARTMENT OF LAW & PUBLIC SAFETY 25 Market Street Post Office Box 112 Trenton, NJ 08625</p>		
<p>Pamela Owen, ASC, DAG pamela.owen@law.njoag.gov</p>	<p>Daren Eppley, DAG daren.eppley@law.njoag.gov</p>	<p>Michael Beck, DAG michael.beck@law.njoag.gov</p>
<p>EDCs</p>		
<p>Phil Passanante, Esq. Atlantic City Electric Co. – 89KS Post Office Box 231 Wilmington, DE 19899 philip.passanante@pepcoholdings.com</p>	<p>Dan Tudor Pepco Holdings, Inc. 7801 Ninth Street NW Washington, DC 20068-0001 datudor@pepco.com</p>	<p>Michael Normand ACE & DPL Energy Technology Center 405 Wakefield Dr. Newark, DE 19702 michael.normand@delmarva.com</p>

<p>Diane Novak Pepco Holdings, Inc. 701 Ninth Street NW Washington, DC 20068-0001 dnnovak@pepco.com</p>	<p>Yongmei Peng Jersey Central Power & Light Co. 300 Madison Ave. Morristown, NJ 07962 ypeng@firstenergycorp.com</p>	<p>Joshua Eckert, Esq. First Energy 300 Madison Avenue Morristown, NJ 07960 jeckert@firstenergycorp.com</p>
<p>Margaret Comes, Sr. Staff Attorney Consolidated Edison Co. of NY Law Dept., Room 1815-S 4 Irving Place New York, NY 10003 comesm@coned.com</p>	<p>John L. Carley, Esq. Consolidated Edison Co. of NY Law Dept., Room 1815-S 4 Irving Place New York, NY 10003 carleyj@coned.com</p>	<p>Matthew M. Weissman, Esq. Managing Counsel- State Regulatory PSEG Services Corporation 80 Park Plaza, T-5 Newark, NJ 07101 matthew.weissman@pseg.com</p>
<p>Myron Filewicz Manager- BGS PSE&G 80 Park Plaza, T-8 Post Office Box 570 Newark, NJ 07101 myron.filewicz@pseg.com</p>	<p>Terry Moran, Director Energy Supply Acquisitions & Operations PSE&G 80 Park Plaza, T-8 P.O. Box 570 Newark, NJ 07101 terrance.moran@pseg.com</p>	<p>Rachel Northcutt NERA 1166 Avenue of the Americas, 29th Floor New York, NY 10036 rachel.northcutt@nera.com</p>
<p>Rick Sahni Contract Services – Power BP Energy Company 501 W Lark Park Boulevard WL1-100B Houston, TX 77079 rick.sahni@bp.com</p>	<p>Matthew Clements Contract Services – Power BP Energy Company 501 W Lark Park Boulevard WL1-100B Houston, TX 77079 matthew.clements@bp.com</p>	<p>Commodity Operations Group Citigroup Energy Inc. 2800 Post Oak Boulevard Suite 500 Houston, TX 77056 ceiconfirms@citi.com</p>
<p>Legal Department Citigroup Energy Inc. 2800 Post Oak Boulevard Suite 500 Houston, TX 77056</p>	<p>Jackie Roy ConocoPhillips 600 N. Dairy Ashford, CH1081 Houston, TX 77079 jackie.roy@conocophillips.com</p>	<p>John Foreman ConocoPhillips 600 N. Dairy Ashford, CH1081 Houston, TX 77079 ohn.r.foreman@conocophillips.com</p>
<p>Marcia Hissong DTE Energy Trading 1 Energy Plaza Detroit, MI 48226 hissongm@dteenergy.com</p>	<p>Justin Brenner NextEra Energy Power Mktg. 700 Universe Boulevard CTR/JB Juno Beach, FL 33408-2683 DL-PJM-RFP@fpl.com</p>	<p>Cynthia Klots DTE Energy Trading 414 South Main Street Suite 200 Ann Arbor, MI 48104 cynthia.klots@dteenergy.com</p>
<p>Danielle Fazio Engelhart CTP (US) 400 Atlantic Street, 11th Floor Stamford, CT 06901 danielle.fazio@ectp.com</p>	<p>Cara Lorenzoni Noble Americas Gas & Power Four Stamford Plaza, 7th Floor Stamford, CT 06902 clorenzoni@mercuria.com</p>	<p>Steven Gabel Gabel Associates 417 Denison Street Highland Park, NJ 08904 steven@gabelassociates.com</p>

<p>Paul Rahm Exelon Generation Company 100 Constellation Way, Suite 500C Baltimore, MD 21102 paul.m.rahm@constellation.com</p>	<p>Jessica Miller Exelon Generation Company 100 Constellation Way, Suite 500C Baltimore, MD 21102 jessica.miller@constellation.com</p>	<p>Connie Cheng Macquarie Energy LLC 500 Dallas Street, Level 31 Houston, TX 77002 connie.cheng@macquarie.com</p>
<p>Sherri Brudner Macquarie Energy LLC 500 Dallas Street, Level 31 Houston, TX 77002 sherri.brudner@macquarie.com</p>	<p>Patricia Haule Macquarie Energy LLC 500 Dallas Street, Level 31 Houston, TX 77002 patricia.haule@macquarie.com</p>	<p>Shawn P. Leyden, Esq. PSEG Services Corporation 80 Park Plaza – T-19 P.O. Box 570 Newark, NJ 07101 shawn.leyden@pseg.com</p>
<p>Laura DiBenedetto PSEG ER&T 80 Park Plaza – T-19 P.O. Box 570 Newark, NJ 07101 laura.dibenedetto@pseg.com</p>	<p>Brian McPherson TransCanada Power Marketing Ltd. 110 Turnpike Road, Suite 300 Westborough, MA 01581 brian_mcpherson@transcanada.com</p>	<p>Matthew Davies TransCanada Power Marketing Ltd. 110 Turnpike Road, Suite 300 Westborough, MA 01581 matthew_davies@transcanada.com</p>