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JUN 22 2017

BOARD OF PUBLIC UTILITIES
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VIA ELECTRONIC MAIL & OVERNIGHT MAIL

June 22, 2017

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, 2015

-and-

In the Matter of the Provision of Basic Generation Service
for the Period Beginning June 1, 2016

-and-

In the Matter of the Provision of Basic Generation Service
for the Period Beginning June 1, 2017

Docket Nos. EO03050394, ER14040370, ER15040482, ER16040337

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Compliance Tariff Filing Reflecting Changes to Schedule 12 Charges in PJM Open Access
Transmission Tariff Docket No. ER 17060671

Hon. Irene Kim Asbury, Secretary
Board of Public Utilities
44 South Clinton Avenue, 9th Fl
Post Office Box 350
Trenton, NJ 08625-0350

Dear Secretary Asbury:

Enclosed for filing on behalf of Jersey Central Power & Light Company ("JCP&L"), Public Service Electric and Gas Company ("PSE&G") and Rockland Electric Company ("RECO") (collectively, the "EDCs") please find an original and 10 copies of tariff sheets and supporting exhibits proposed by each of the EDCs and revised to reflect changes to 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 Federal Energy Regulatory Commission ("FERC") Docket No. ER09-1148, by Baltimore Gas and Electric Company in FERC Docket No. ER09-1100, and by Trans-Allegheny Interstate Line Company ("TrAILCo") in FERC

Cms RPA Energy (5) TX
Legal T. Walker
DAG S. Peterson

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Docket No. ER07-562, and (ii) the formula rate update filings made by the public utility affiliates of Pepco Holdings Inc. ("PHI") 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 Docket No ER09-1156, Delmarva Power and Light ("Delmarva") in Docket No. ER09-1158, and Potomac Electric Power Company ("PEPCO") in Docket No. ER09-1159 (the filings referred to in (i) and (ii) above are collectively referred to as the "Filings").

Background

In its Order dated October 22, 2003 (BPU Docket No. EO03050394), the New Jersey Board of Public Utilities ("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 Agreements ("SMAs"). Furthermore, by subsequent Orders, the BPU has approved Section 15.9 of the Supplier Master Agreements ("SMA") filed by the EDCs, which authorize the EDCs to increase or decrease the rates paid to suppliers for FERC-approved rates and changes to Firm Transmission Service once approved by the Board.

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" (again, 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.

In turn, the EDCs file with the Board to recover costs associated with TECs from BGS customer and to pay BGS suppliers for TEC charges assigned to them by PJM for the load they serve in the respective EDC service territories.¹

Request for Board Approval

The EDCs request Board approval to implement the attached, revised BGS-RSCP and BGS-CIEP tariff rates effective September 1, 2017. In support of this request, the EDCs have included pro-forma tariff sheets shown in Attachment 1. The proposed BGS tariff rates have been modified in accordance with the Board-approved methodology contained in each EDC's Company-Specific Addendum in the above-referenced BGS proceedings and in conformance with each EDC's Board-approved BGS tariff sheets. The attached pro-forma tariff sheets propose

¹ The EDCs pay suppliers subject to the conditions of the Board-approved Supplier Master Agreements.

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an effective date of September 1, 2017 and will remain in effect until changed. The BGS-RSCP and BGS-CIEP rates included in the amended tariff sheets for each EDC are revised to reflect costs effective on June 1, 2017 for TECs resulting from all of the FERC-approved Filings. These rates are based on the FERC-approved (and PJM implemented) rates for transmission services, including recent cost reallocations implemented by PJM.

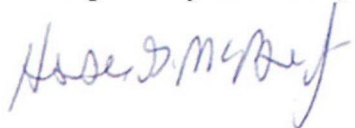
Attachment 2 shows the cost impact for the 2017/2018 period for each of the EDCs. These costs were allocated to the various transmission zones using the cost information from the formula rates for the projects covered by the Filings, as posted on the PJM website. The translation of the transmission zone rate impact to the BGS rates of each of the EDCs assuming implementation on September 1, 2017 is included as Attachment 3. Copies of the Filings and all formula rate updates are included as Attachment 4, and can also be found on the PJM website at <http://www.pjm.com/markets-and-operations/transmission-service/formula-rates.aspx>.

The EDCs also request that the BGS Suppliers be compensated for the changes to the OATT resulting from the implementation of the updates from formula rates effective June 1, 2017. Suppliers will be compensated subject to the terms and conditions of the applicable SMAs. Any differences between payments to BGS-RSCP and BGS-CIEP Suppliers and charges to customers will flow through BGS Reconciliation Charges. This treatment is consistent with the previously-approved mechanisms.

This filing satisfies the requirements of ¶¶ 15.9 (a)(i) and (ii) of the BGS-RSCP and BGS-CIEP SMAs, which mandate that BGS-RSCP and BGS-CIEP Suppliers be notified of rate increases for firm transmission service, and that the EDCs file for and obtain Board approval of an increase in retail rates commensurate with the FERC-implemented rate increase.

We thank the Board for all courtesies extended.

Respectfully submitted,



Attachments

cc: Thomas Walker, NJBPU
Stacy Peterson, NJBPU
Stefanie Brand, Division of Rate Counsel
Service List (Electronic)