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BOARD OF PUBLIC UTILITIES
TRENTON, NJ

February 13, 2018

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ER18020157

Office of the Secretary
Board of Public Utilities
44 South Clinton Ave.
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CASE MANAGEMENT

FEB 13 2018

Attn: Aida Camacho

BOARD OF PUBLIC UTILITIES
TRENTON, NJ

Re: 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

-and-

In the Matter of the Provision of Basic Generation Service for the Period
Beginning June 1, 2018

BPU Docket Nos. EO03050394, ER14040370, ER15040482, ER16040337 &
ER17040335

**Compliance Tariff Filing Reflecting Changes to Schedule 12 Charges in PJM
Open Access Transmission Tariff**

Dear Ms. Camacho:

Enclosed for filing on behalf of Jersey Central Power & Light Company ("JCP&L"), Atlantic City Electric Company ("ACE"), Public Service Electric and Gas Company ("PSE&G"), and Rockland Electric Company ("RECO") (collectively, the "EDCs"), please find an original and ten

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copies of tariff sheets and supporting exhibits that reflect changes to the PJM Open Access Transmission Tariff ("OATT") made in response to the Federal Energy Regulatory Commission ("FERC") Orders issued on December 15, 2017, in Docket Nos. EL17-84-000 and EL17-90-000 ("HTP and Linden VFT Orders").

Purpose of Revised Tariff Sheet Filing

The attached updated tariff sheets and supporting exhibits listed below incorporate changes to the PJM Open Access Transmission Tariff ("OATT") pursuant to Federal Energy Regulatory Commission ("FERC") Orders issued on December 15, 2017, in Docket Nos. EL17-84-000 and EL17-90-000 ("HTP and Linden VFT Orders"). PJM implemented these changes in the OATT effective January 1, 2018. The changes to the PJM OATT were made as a result of a change in Hudson Transmission Partners' ("HTP") and Linden VFT's responsibility for certain transmission cost allocations resulting from the conversion of Firm to Non-Firm Transmission Withdrawal Rights.

The PJM tariff revisions remove HTP and Linden VFT as parties responsible for cost allocation under Schedule 12 of the PJM. The tariff revisions reallocate the HTP and Linden VFT transmission costs to other entities in PJM. As a result, the Transmission Enhancement Charges ("TEC") in Schedule 12 have been adjusted to reflect the revised cost allocation. This filing contains the updates to the TECs related to JCP&L transmission projects.

While FERC has ruled on these matters through the issuance of the HTP and Linden VFT Orders, the cost reallocation being implemented pursuant to the HTP and Linden VFT Orders are subject to ongoing challenges before FERC.

Updated Tariff Sheets

The following tariff sheets and supporting documentation are attached to this filing:

- Attachment 1 – Derivation of JCP&L Network Integration Transmission Service Charge
- Attachment 2a – Pro-forma JCP&L Tariff Sheets
- Attachment 2b – JCP&L Translation of NITS Charge Into Customer Rates
- Attachment 3a – Pro-forma PSE&G Tariff Sheets
- Attachment 3b – PSE&G Translation of JCP&L Schedule 12 (TEC) Charges into Customer Rates
- Attachment 4a – Pro-forma ACE Tariff Sheets
- Attachment 4b – ACE Translation of JCP&L Schedule 12 (TEC) Charges into Customer Rates
- Attachment 5a – Pro-forma RECO Tariff Sheets
- Attachment 5b – RECO Translation of JCP&L Schedule 12 (TEC) Charges into

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Customer Rates

- Attachment 6 – PJM Schedule 12 (TEC) Charges – JCP&L Project Charges
- Attachment 7 – HTP FERC Order
- Attachment 8 – Linden VFT FERC Order

Request for Authority to Collect Adjusted Rate and to Pay Suppliers

The EDCs respectfully request approval to implement these revised tariff rates with a rate effective date of January 1, 2018. In support of this request, the EDCs have included pro-forma tariff sheets as noted above. The Basic Generation Service (“BGS”) 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 EDCs also respectfully request that the Board 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, 2018 pursuant to the PJM OATT changes implementing the HTP and Linden VFT FERC Orders. The EDCs hereby also seek authority from the Board to remit payment to suppliers for the increased charges they incur.

Under the Supplier Master Agreement (“SMA”), EDCs are permitted to recover increases in Firm Transmission Service charges from BGS customers subject to Board approval. SMA, Section 15.9. After collecting such charges, EDCs are required to remit payment of the increased charges to suppliers upon, among other things, the issuance of a “FERC Final Order” approving the Firm Transmission Service increase. In addition, in a recent order, the Board noted that it has the authority to direct the EDCs to pay suppliers prior to the issuance of a FERC Final Order. (In the Matter of the Provision of Basic Generation Service (BGS) for the Period Beginning June 1, 2018, Docket No. ER17040335)

We note that the HTP and Linden VFT rate adjustments in the attached tariffs are intended to implement adjustments to TECs rather than the Firm Transmission Rate. Thus, there will not be a FERC Final Order approving a Firm Transmission Rate.

The EDCs specifically request that the Board find that upon the EDCs collection of the increase due to the Linden and VFT cost reallocations, the EDCs be authorized to remit to BGS suppliers the cost increases collected due to the cost reallocations. Any difference between the payments to the BGS suppliers and charges to customers would flow through each EDC’s BGS Reconciliation Charge.