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VIA ELECTRONIC MAIL & OVERNIGHT MAIL

RECEIVED MAIL ROOM

RECEIVED CASE MANAGEMENT

SEP 26 2018

September 26, 2018

ER 1809 1061 BOARD OF PUBLIC UTILITIES TRENTON, NJ

BOARD OF PUBLIC UTILITIES

TRENTON, NJ

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, 2016

In the Matter of the Provision of

Basic Generation Service for the Period Beginning June 1, 2017

In the Matter of the Provision of

Basic Generation Service for the Period Beginning June 1, 2018

Docket Nos. EO03050394, ER15040485, ER16040337, ER17040335 Compliance Tariff Filing Reflecting Changes to Schedule 12 Charges in PJM Open Access Transmission Tariff Docket No.

Aida Camacho-Welch, Secretary New Jersey Board of Public Utilities Office of the Secretary 44 South Clinton Avenue, 3rd Floor, Suite 314 Trenton, New Jersey 08625-0350

Dear Secretary Camacho-Welch:

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 copies of revised tariff sheets and supporting exhibits to modify the filings made by the EDCs on February 13, 2018, June 20, 2018, June 25, 2018, and July 11, 2018 in the abovecaptioned dockets (the "Filings").

ENERGY (5)

{40775815:1}

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TRENTON, NJ

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In the Matter of the Provision of

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and-

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

Aida Camacho-Welch, Secretary New Jersey Board of Public Utilities Office of the Secretary 44 South Clinton Avenue, 3rd Floor, Suite 314 Trenton, New Jersey 08625-0350

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A. Purpose of Revised Tariff Sheet Filing

The attached revised tariff sheets and supporting exhibits listed below incorporate changes to the PJM Open Access Transmission Tariff ("OATT") pursuant to a Federal Energy Regulatory Commission ("FERC") Order issued on May 31, 2018, in Docket No. EL05-121-009 ("7th Circuit Settlement Order"). The 7th Circuit Settlement Order approved the contested settlement submitted to FERC on June 15, 2016 and ordered PJM to file a compliance filing. Although the time period effected by the settlement begins January 1, 2016, PJM implemented these changes in the OATT effective July 1, 2018 on a go forward basis. As a result, the Transmission Enhancement Charges in Schedule 12 have been adjusted to reflect the revised cost allocation. One aspect of the 7th Circuit Settlement Order is subject to a pending rehearing request at FERC.

B. Updated Tariff Sheets

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

- Attachment 1a (Derivation of PSE&G NITS Charge)
- Attachment 1b (Derivation of JCP&L NITS Charge)
- Attachment 1c (Derivation of ACE NITS Charge)
- Attachment 2a (Pro-forma PSE&G Tariff Sheets)
- Attachment 2b (PSE&G Translation of NITS Charge into Customer Rates)
- Attachment 2c (PSE&G Translation of JCP&L TEC into Customer Rates)
- Attachment 2d (PSE&G Translation of ACE TEC into Customer Rates)
- Attachment 2e (PSE&G Translation of VEPCo TEC into Customer Rates)
- Attachment 2f (PSE&G Translation of PATH TEC into Customer Rates)
- Attachment 2g (PSE&G Translation of TrailCo TEC into Customer Rates)
- Attachment 2h (PSE&G Translation of Delmarva TEC into Customer Rates)
- Attachment 2i (PSE&G Translation of PEPCO TEC into Customer Rates)
- Attachment 2j (PSE&G Translation of PPL TEC into Customer Rates)
- Attachment 2k (PSE&G Translation of BG&E TEC into Customer Rates)
- Attachment 21 (PSE&G Translation of MAIT TEC into Customer Rates)
- Attachment 2m (PSE&G Translation of EL05-121 into Customer Rates)
- Attachment 2n (PSE&G Translation of PECO TEC into Customer Rates)
- Attachment 20 (PSE&G Translation of AEP East TEC into Customer Rates)
- Attachment 3a (Pro-forma JCPL Tariff Sheets)
- Attachment 3b (JCP&L Translation of NITS Charge into Customer Rates)
- Attachment 3c (JCP&L Translation of PSE&G TEC into Customer Rates)
- Attachment 3d (JCP&L Translation of ACE TEC into Customer Rates)

- Attachment 3e (JCP&L Translation of VEPCo TEC into Customer Rates)
- Attachment 3f (JCP&L Translation of PATH TEC into Customer Rates)
- Attachment 3g (JCP&L Translation of TrailCo TEC into Customer Rates)
- Attachment 3h (JCP&L Translation of Delmarva TEC into Customer Rates)
- Attachment 3i (JCP&L Translation of PEPCO TEC into Customer Rates)
- Attachment 3j (JCP&L Translation of PPL TEC into Customer Rates)
- Attachment 3k (JCP&L Translation of BG&E TEC into Customer Rate)
- Attachment 31 (JCP&L Translation of MAIT TEC into Customer Rates)
- Attachment 3m (JCP&L Translation of EL05-121 into Customer Rates)
- Attachment 3n (JCP&L Translation of PECO TEC into Customer Rates)
- Attachment 30 (JCP&L Translation of AEP East TEC into Customer Rates)
- Attachment 4a (ACE Pro-forma Tariff Sheets)
- Attachment 4b (ACE Translation of NITS Charge into Customer Rates)
- Attachment 4c (ACE Translation of PSE&G TEC into Customer Rates)
- Attachment 4d (ACE Translations of JCP&L TEC into Customer Rates
- Attachment 4e (ACE Translation of VEPCo TEC into Customer Rates)
- Attachment 4f (ACE Translation of PATH TEC into Customer Rates)
- Attachment 4g (ACE Translation of TrailCo TEC into Customer Rates)
- Attachment 4h (ACE Translation of Delmarva TEC into Customer Rates)
- Attachment 4i (ACE Translation of PEPCO TEC into Customer Rates)
- Attachment 4j (ACE Translation of PPL TEC into Customer Rates)
- Attachment 4k (ACE Translation of BG&E TEC into Customer Rates)
- Attachment 4l (ACE Translation of MAIT TEC into Customer Rates)
- Attachment 4m (ACE Translation of EL05-121 into Customer Rates)
- Attachment 4n (ACE Translation of PECO TEC into Customer Rates)
- Attachment 40 (ACE Translation of AEP East TEC into Customer Rates)
- Attachment 5a (RECO Pro-forma Tariff Sheets)
- Attachment 5b (RECO Translation of PSE&G TEC into Customer Rates)
- Attachment 5c (RECO Translation of JCP&L TEC into Customer Rates)
- Attachment 5d (RECO Translation of ACE TEC into Customer Rates)
- Attachment 5e (RECO Translation of VEPCo TEC into Customer Rates)
- Attachment 5f (RECO Translation of PATH TEC into Customer Rates)
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- Attachment 5i (RECO Translation of PEPCO TEC into Customer Rates)
- Attachment 5j (RECO Translation of PPL TEC into Customer Rates)
- Attachment 5k (RECO Translation of BG&E TEC into Customer Rates)
- Attachment 5 (RECO Translation of MAIT TEC into Customer Rates)

- Attachment 5m (RECO Translation of EL05-121 into Customer Rates)
- Attachment 5n (RECO Translation of PECO TEC into Customer Rates)
- Attachment 50 (RECO Translation of AEP East TEC into Customer Rates)
- Attachment 6a (PSE&G Transmission Enhancement Charges)
- Attachment 6b (JCP&L Transmission Enhancement Charges)
- Attachment 6c (ACE Transmission Enhancement Charges)
- Attachment 6d (VEPCo Transmission Enhancement Charges)
- Attachment 6e (PATH Transmission Enhancement Charges)
- Attachment 6f (TrailCo Transmission Enhancement Charges)
- Attachment 6g (Delmarva Transmission Enhancement Charges)
- Attachment 6h (PEPCO Transmission Enhancement Charges)
- Attachment 6i (PPL Transmission Enhancement Charges)
- Attachment 6j (BG&E Transmission Enhancement Charges)
- Attachment 6k (MAIT Transmission Enhancement Charges)
- Attachment 6l(EL05-121 Settlement Charges)
- Attachment 6m (PECO Transmission Enhancement Charges)
- Attachment 6n (AEP East Transmission Enhancement Charges)
- Attachment 7a (PSE&G OATT)
- Attachment 7b (JCP&L OATT)
- Attachment 7c (ACE OATT)
- Attachment 7d (VEPCo OATT)
- Attachment 7e (PATH OATT)
- Attachment 7f (TrailCo OATT)
- Attachment 7g(Delmarva OATT)
- Attachment 7h (PEPCO OATT)
- Attachment 7i (PPL OATT)
- Attachment 7j (BG&E OATT)
- Attachment 7k (MAIT OATT)
- Attachment 7l (PECO OATT)
- Attachment 7m (AEP OATT)
- Attachment 8 (EL05-121 Settlement FERC Order)
- Attachment 9 (PSE&G FERC Formula Rate filing)
- Attachment 10 (JCP&L Formula Rate Offer of Settlement)
- Attachment 11 (ACE 2018 Formula Rate Petition)

C. Request for Authority to Collect Adjusted Rate and to Pay Suppliers

The EDCs respectfully reiterate the request for approval set forth in the 2018 Filings as if incorporated herein. More specifically, the EDCs request approval to implement the attached tariff sheets effective October 1, 2018.

Also, the EDCs respectfully request that the Board issue a waiver of the 30-day filing requirement that would otherwise apply to this submission, because Basic Generation Service ("BGS") suppliers began paying these revised transmission charges for transmission service effective July 1, 2018 pursuant to the PJM OATT changes implementing the 7th Circuit Settlement Order. 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 also note that the 7th Circuit Settlement Order rate adjustments in the attached tariffs are intended to implement adjustments to Transmission Enhancement Charges ("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 7th Circuit Settlement Order 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.

Prompt payment to suppliers of PJM initiated cost reallocations is important to the continued success of the BGS auction process which benefits customers. BGS suppliers have a reasonable expectation that they will be reimbursed on a timely basis for increased charges imposed by PJM. Payment to the suppliers for the 7th Circuit Settlement Order related charges will help ensure that BGS suppliers, when establishing their bid prices, can rely upon the provision of the SMA that permits BGS suppliers to be made whole for increased PJM charges.

D. Conclusion

For the foregoing reasons, the EDCs respectfully request that the Board accept the tariff revision proposed herein and the Board authorize the EDCs to remit payment to suppliers for the increased charges they incur due to the PJM implemented cost reallocation arising the implementation of the 7th Circuit Settlement Order

We thank the Board for all courtesies extended.

Respectfully submitted,

Joseph 18

Attachments

C Stacy Peterson, NJBPU Stefanie Brand, Division of Rate Counsel Attached Service List (email only)

PUBLIC SERVICE ELECTRIC AND GAS COMPANY BGS TRANSMISSION ENHANCEMENT CHARGE

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