



VIA ELECTRONIC MAIL

December 16, 2020

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, 2018
-and-

In the Matter of the Provision of
Basic Generation Service for the Period Beginning June 1, 2019
-and-

In the Matter of the Provision of
Basic Generation Service for the Period Beginning June 1, 2020

Docket Nos. EO03050394, ER17040335, ER18040356, ER19040428

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

Aida Camacho-Welch
Secretary of the Board
Board of Public Utilities
44 South Clinton Ave., 9th Floor
Trenton, New Jersey 08625-0350

Dear Secretary Camacho-Welch:

Enclosed for filing¹ 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 two copies of tariff sheets and supporting exhibits that reflect changes to the PJM Open Access Transmission Tariff ("OATT") made in response to the annual formula rate update filings made by JCP&L pursuant to FERC Docket No. ER20-227-00², Mid-Atlantic Interstate Transmission, LLC ("MAIT") pursuant to FERC Docket No. ER17-211-000 and ER17-211-001, Potomac-Appalachian Transmission Highline, L.L.C. ("PATH") pursuant to FERC Docket No. ER08-386-000, Virginia Electric and Power Company ("VEPCo") pursuant to FERC Docket No. ER-08-92-000, AEP East Operating Companies and AEP East Transmission Companies ("AEP") pursuant to FERC Docket No. ER17-405-000, Silver Run Electric LLC ("Silver Run") pursuant to FERC Docket No. ER16-453-007, Northern Indiana Public Service Company ("NIPSCO") pursuant to FERC Docket No. ER13-2376-007 and by PSE&G pursuant to FERC Docket No. ER09-1257-000.

¹ This document has also been uploaded to the NJ Board of Public Utilities' E-Filing system.

² On December 19, 2019, JCP&L's formula rate filing was accepted by the Federal Energy Regulatory Commission ("FERC"), subject to refund. As of the date of this filing, JCP&L's formula rate filing has not been resolved and its rates remain subject to refund.

This filing also includes the EL05-121 rate component currently in place in the Basic Generation Service ("BGS") tariff of each EDC associated with each zone's 10 year Black Box settlement and reflects the lower cost that will be in effect for the remaining five years under the settlement approved in the FERC Order issued on May 31, 2018, in Docket No. EL05-121-009 ("7th Circuit Settlement Order") and shown on Attachment 16 as Schedule 12C Appendix C. The New Jersey Board of Public Utilities ("Board") last ruled and subsequently approved collection from customers and payment to BGS suppliers for these costs by Order dated May 28, 2019 in I/M/O the Provision of Basic Generation Service and Compliance Tariff Filing Reflecting Changes to Schedule 12 Charges in PJM Open Access Transmission Tariff –April 2019 Joint Filing, Docket No. ER19040440. This rate component remains unchanged.

Background

In its Orders dated October 22, 2003 (BPU Docket No. EO03050394) and October 22, 2004 (BPU Docket No. EO04040288), the 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 Agreement ("SMA"). In the Board Order dated December 2, 2020 in BPU Docket No. ER20100672, the Board again concluded that such a "pass through" of FERC-approved transmission rate changes was appropriate.

The EDCs' pro-forma tariff sheets, included as Attachment 2a (PSE&G), Attachment 3a (JCP&L), Attachment 4a (ACE), and Attachment 5a (RECO), propose effective dates of January 1, 2021, and specifically reflect changes to BGS rates applicable to Basic Generation Service – Residential Small Commercial Pricing ("BGS-RSCP"), and Commercial and Industrial Energy Pricing ("BGS-CIEP") customers resulting from the JCP&L, MAIT, PATH, VEPCo, AEP, Silver Run, NIPSCO and PSE&G, annual formula rate updates filed with FERC on or about November 2, 2020, October 5, 2020, September 1, 2020, September 15, 2020, November 19, 2020, September 30, 2020, September 30, 2020 and October 15, 2020, respectively. The specific additional PJM transmission charges related to the MAIT, PATH, VEPCo, AEP, and PSE&G filings are found in Schedule 12 of the PJM OATT. On September 1, 2020, PJM updated its Schedule 12 Transmission Enhancement Worksheet, which, along with Schedule 12 of the PJM OATT, is utilized in developing this filing and incorporates the formula rate updates referenced herein. Because BGS suppliers will begin paying these increased transmission charges in January 2021, the EDCs request a waiver of the 30-day filing requirement.

These Schedule 12 charges, also defined as Transmission Enhancement Charges ("TECs") in 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.

Request for Board Approval

The EDCs respectfully request approval to implement these revised tariff rates effective January 1, 2021. In support of this request, the EDCs have included pro-forma tariff sheets as noted above. The 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 determinants for calculation of the PJM charges are set forth in Schedule 12 of the PJM OATT and on the Formula Rates page of the PJM website. Copies of all formula rate updates are

attached, but can also be found on the PJM website at: <http://www.pjm.com/markets-and-operations/billing-settlements-and-credit/formula-rates.aspx>.

Attachments 1a and 1b show the derivation of the JCP&L and PSE&G Network Integration Transmission Service Charge ("Derived NITS Charge"), respectively. The translation of the transmission zone rate impact to the BGS rates of each of the EDCs, assuming implementation on January 1, 2021, is included as Attachments 2, 3, 4, and 5 for PSE&G, JCP&L, ACE, and RECO, respectively. Attachment 6 shows the cost impact for the January through December 2021 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 PSE&G, JCP&L, VEPCo, PATH, MAIT, AEP, Silver Run, NIPSCO projects posted on the PJM website. Attachment 7 provides excerpts of the Schedule 12 OATT indicating the responsible share of projects. Attachments 8, 9, 10, 11, 12, 13, 14, and 15 provide the formula rate updates for PSE&G, JCP&L, VEPCo, PATH, MAIT, AEP, Silver Run, and NIPSCO, respectively.

The EDCs also request that BGS Suppliers be compensated for the changes to the OATT resulting from the implementation of the PSE&G, JCP&L, VEPCo, PATH, MAIT, AEP, Silver Run, and NIPSCO project annual formula updates, as well as the EL05-121 rate update, effective on January 1, 2021. 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 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,



Joseph A. Shea Jr.

Attachments

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Stefanie Brand, Division of Rate Counsel
Service List (via Electronic Mail Server)

PUBLIC SERVICE ELECTRIC AND GAS COMPANY
BGS TRANSMISSION ENHANCEMENT CHARGE

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