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VIA BPU E-FILING SYSTEM & ELECTRONIC MAIL

June 24, 2022

In the Matter of the Provision of Basic Generation Service
for the Period Beginning June 1, 2022

BPU Docket No. ER21030631

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

BPU Docket No. _____

Carmen D. Diaz
Acting Secretary of the Board
New Jersey Board of Public Utilities
44 South Clinton Avenue, 1st Floor
Trenton, New Jersey 08625-0350

Dear Acting Secretary Diaz:

Enclosed for filing on behalf of Atlantic City Electric Company (“ACE”), 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 tariff sheets and supporting exhibits proposed by each of the EDCs.¹

**Request for Board Approval of Revised Tariff Rates Related to
Open Access Transmission Tariffs**

¹ This Compliance Tariff Filing has also been uploaded to the New Jersey Board of Public Utilities’ (the “Board” or “BPU”) E-Filing system. Consistent with the Order issued in connection with *In the Matter of the New Jersey Board of Public Utilities’ Response to the COVID-19 Pandemic for a Temporary Waiver of Requirements for Certain Non-Essential Obligations*, BPU Docket No. EO20030254, Order dated March 19, 2020, these documents are only being electronically filed with the Secretary of the Board and the proposed Service List. No paper copies will follow.

The tariff sheets have been revised to reflect changes to the PJM Interconnection (“PJM”) Open Access Transmission Tariff (“OATT”) made in response to the annual formula rate update filings made by:

- (i) PPL Electric Utilities Corporation in Federal Energy Regulatory Commission (“FERC”) Docket No. ER09-1148, by Baltimore Gas and Electric Company in FERC Docket No. ER09-1100, by PECO Energy Company in FERC Docket No. ER17-1519, by Trans-Allegheny Interstate Line Company in FERC Docket No. ER07-562, by Commonwealth Edison Company in FERC Docket No. ER07-583; and by Duquesne Light Company; in FERC Docket No. ER06-1549; and
- (ii) the public utility affiliates of Pepco Holdings Inc. (now known as Pepco Holdings LLC) in FERC Docket No. ER08-1423 and the respective utility affiliate compliance filings for formula rate updates made by ACE in FERC Docket No. ER09-1156, by Delmarva Power & Light Company in FERC Docket No. ER09-1158, and by Potomac Electric Power Company in FERC Docket No. ER09-1159.

The filings referred to in (i) and (ii) above are collectively referred to as the “OATT Filings.”

A. Background of the OATT Filings

In its Order dated November 17, 2021 (BPU Docket No. ER21030631), the Board authorized the EDCs to recover FERC-approved changes in firm transmission service-related charges from Basic Generation Service (“BGS”) customers and pay PJM directly.

The annual update for formula rate transmission service of the Transmission Enhancement Charges (“TECs”) detailed in Schedule 12 of the PJM OATT and the Network Integration Transmission Service Rate (“NITS”) were implemented to compensate transmission owners for the annual transmission revenue requirements and 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. Because EDCs will begin to pay these increased transmission charges in June 2022, the EDCs request a waiver of the 30-day filing requirement. In turn, the EDCs will file with the Board for approval to recover TECs and NITS charges from BGS customers and to pay PJM for costs assigned to them by PJM for the load served in the respective EDC service territories.

B. Request for Board Approval of the Revised Tariff Rates and for Authorization to Reimburse BGS Suppliers

The EDCs respectfully request Board approval to implement the attached revised BGS-RSCP and BGS-CIEP tariff rates effective September 1, 2022. In support of this request, the EDCs have included pro-forma tariff sheets shown in **Attachment 2**. 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 an effective date of September 1, 2022 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, 2022 for TECs and NITS costs resulting from all of the FERC-approved OATT Filings. These rates are based on the FERC-approved (and PJM implemented) rates for transmission services.

Attachment 1 shows the derivation of the ACE Network Integration Transmission Service Charge ("Derived NITS Rate") and **Attachment 3** sets forth the details of the rate design calculation incorporating the Derived NITS Rate. The translation of the transmission zone rate impact to the BGS rates of each of the EDCs assuming implementation on September 1, 2022 from the balance of the TECs from the annual rate update filings made by the transmission companies above is included as **Attachment 4**. **Attachment 5** shows the cost impact for the 2022/2023 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 OATT Filings, as posted on the PJM website. Copies of the OATT Filings and all formula rate updates are included as **Attachment 6**, and can also be found on the PJM website at:

<http://www.pjm.com/markets-and-operations/billing-settlements-and-credit/formula-rates.aspx>.

Any differences between payments to PJM and charges to customers will flow through BGS Reconciliation Charges. This treatment is consistent with the previously approved mechanisms.

We thank the Board for all courtesies extended.

Respectfully submitted,



Attachments

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**PUBLIC SERVICE ELECTRIC AND GAS COMPANY
BGS TRANSMISSION ENHANCEMENT CHARGE**

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