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VIA BPU E-FILING SYSTEM & ELECTRONIC MAIL

January 27, 2023

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 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 electronic copy of tariff sheets and supporting exhibits that reflect changes to the PJM Interconnection (“PJM”) Open Access Transmission Tariff (“OATT”) made in response to the annual formula rate update filings.

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

The tariff sheets have been revised to reflect changes to the PJM OATT made in response to the annual formula rate update filings made by:

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

JCP&L pursuant to Federal Energy Regulatory Commission (“FERC”) Docket No. ER20-277-00, 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, PSE&G pursuant to FERC Docket No. ER09-1257-000, South FirstEnergy Company (“SFC”) pursuant to FERC Docket No. ER21-253.

These filings are collectively referred to as the “OATT Filings.” 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” or “BPU”) last ruled and subsequently approved collection from customers and payment to PJM for these costs by Order dated March 9, 2022 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 – January 28, 2022 Joint Filing, BPU Docket No. ER22010028. This rate component remains unchanged.

A. Background of the OATT Filings

In its Order dated November 17, 2021 (BPU Docket No. ER20030190), 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 have begun to pay these increased transmission charges in January 2023, 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.

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 March 1, 2023, 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, PSE&G, and SFC annual formula rate updates filed with FERC. EL05-121 continues the Black Box Settlement related to the 7th Circuit Settlement Order.

B. Request for Board Approval of the Revised Tariff Rates and for Authorization to Pay PJM

The EDCs respectfully request Board approval to implement the attached, revised BGS-RSCP and BGS-CIEP tariff rates effective March 1, 2023. In support of this request, the EDCs have included pro-forma tariff sheets noted above. 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 March 1, 2023 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 January 1, 2023 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.

Attachments 1a and 1b show the derivation of the PSE&G and JCP&L Network Integration Transmission Service Charge, respectively. The translation of the transmission zone rate impact to the BGS rates of each of the EDCs, assuming implementation on January 1, 2023, 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 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 PSE&G, JCP&L, VEPCo, PATH, MAIT, AEP, Silver Run, NIPSCO, and SFC projects posted on the PJM website. Attachment 7 provides excerpts of the Schedule 12 OATT costs and the responsible share of projects. Attachments 8, 9, 10, 11, 12, 13, 14, 15, and 16 provide the formula rate updates for PSE&G, JCP&L, VEPCo, PATH, MAIT, AEP, Silver Run, NIPSCO, and SFC, respectively. Attachment 17 provides the continuing Schedule 12-C Appendix C, the 10 year “Black Box Settlement” that will continue through December 2025.

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>.

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,

A handwritten signature in blue ink that reads "Matthew Wlesom".

Attachments

cc: Stacy Peterson, BPU (Electronic)
Mike Kammer, BPU (Electronic)
Malike Cummings, BPU (Electronic)
Brian O. Lipman, Esq., Division of Rate Counsel (Electronic)
Service List (Electronic)

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

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PUBLIC SERVICE ELECTRIC AND GAS COMPANY
BGS TRANSMISSION ENHANCEMENT CHARGE

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