



New Jersey Board of Public Utilities

NEWS RELEASE

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New Jersey Board of Public Utilities Approves Electricity Auction Results

– Auction outcome results in lower electricity prices across nearly all sectors –

TRENTON, N.J. – Today, the New Jersey Board of Public Utilities (Board) unanimously approved the results of the state's tenth annual electricity auction for Basic Generation Service (BGS). The auction determines, in part, the cost of electricity for most New Jersey residents and businesses. The Board's approval will result in lower prices for the electricity commodity supplied to most residents and businesses for the twelve-month period starting June 1, 2011.

“New Jersey's competitive auction for electricity, along with relevant market conditions, has resulted in lower electricity costs for most residents and businesses across the state,” said Board President Lee Solomon. “While the auction results are good news for most ratepayers, the Board will continue to make every effort to drive ratepayers' utility costs down and improve the State's economic competitiveness.”

The Board's approval covers the results of two separate descending clock auctions conducted during the past four business days. The first auction, which began on February 3 and ended on February 8, was for Commercial and Industrial Price (CIEP) service used by large commercial and industrial customers. The second auction, which began on February 4 and ended on February 8, was for fixed price (FP) service, which is used primarily by residential and small to medium sized commercial customers. This year, the value of both auctions totaled approximately \$7 billion, which represents approximately 8,600 megawatts (MWs) of electric generating capacity.

The average price obtained in this year's FP auction (\$0.09528 per Kwh) was lower than the average obtained in last year's auction (\$0.09607 per Kwh). It was also significantly lower than the electricity procured in the 2008 auction (\$0.11328 per Kwh), which will be replaced by supplies from this year's auction. These prices only affect a portion of the cost of electricity for residential customers. Therefore, the auction will result in relatively small changes in overall residential electric bills.

For example, a typical residential customer monthly bill in the Public Service Electric and Gas (PSE&G)'s service area, will go from \$122.57 per month to \$118.30 per month, a 3.5 percent decrease, whereas a typical bill in the Jersey Central Power and Light (JCP&L) territory will go from \$119.32 per month to \$113.79 per month, a 4.63 percent decrease.

The winning prices obtained in this year's CIEP auction declined significantly from last year. They ranged from 32.7 percent lower for Atlantic City Electric (ACE) customers, to 30.6 percent lower for Rockland Electric (RECO) customers. These prices only affect a portion of the electric cost for a small number of large commercial and industrial customers and are reflected in the one-year capacity price for the period from June 1, 2011 to May 31, 2012. The CIEP price, as set in the auction, is a stand-by rate provided for those customers not served by third-party suppliers. Those CIEP customers access supply in the hourly energy market. As of December 2010, approximately 87 percent of the CIEP load is being provided through individual contracts with third-party suppliers. These contracts are negotiated in the competitive marketplace and are not affected by the CIEP auction results.

The Board deemed the auction to be competitive throughout the bidding process based upon the number of offerings for each block of power auctioned, and the competitive prices that resulted.

BGS-FP 36-Month Tranches (One "tranche" equals approximately 100 Mw):

Electric Utility	Closing Price (cents/Kwh)	Total Tranches Sold
ACE	10.095	8
JCP&L	9.256	15
PSE&G	9.43	28
RECO	10.684	2

BGS-CIEP 1-year Tranches (One "tranche" equals approximately 75 Mw):

Electric Utility	Closing Price \$/Mw-day	Total Tranches Sold
ACE	\$114.73	5
JCP&L	\$120.01	14
PSE&G	\$116.47	26
RECO	\$128.94	1

The winning bidders of the residential Fixed Price (FP) Auction are:

ConocoPhillips Company
Constellation Energy Commodities Group, Inc.
DTE Energy Trading, Inc.
Exelon Generation Company, LLC
NRG Power Marketing LLC
NextEra Energy Power Marketing, LLC
PSEG Energy Resources and Trade LLC
TransCanada Power Marketing Ltd.

The BGS-CIEP Auction winners are:

ConocoPhillips Company
Consolidated Edison Energy, Inc.
Constellation Energy Commodities Group, Inc.
DTE Energy Trading, Inc.
Dominion Retail, Inc.
NextEra Energy Power Marketing, LLC

The following table illustrates how the auction results will affect electricity supply costs for the average residential customer when the new rates take effect on June 1, 2011:

Monthly Impact of BGS Auction on Average Residential Accounts

Utility Company	Usage (kWh)	Current Bill	Increase or Decrease	New Bill	Percent Change
Atlantic Electric	650	\$126.16	-\$5.63	\$120.52	-4.47%
JCP&L	650	\$119.32	-\$5.53	\$113.79	-4.63%
PSE&G	650	\$122.57	-\$4.27	\$118.30	-3.50%
Rockland	650	\$127.73	-\$4.34	\$123.39	-3.40%

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About the New Jersey Board of Public Utilities (NJBPU)

The NJBPU is a state agency and regulatory authority mandated to ensure safe, adequate and proper utility services at reasonable rates for New Jersey customers. Critical services regulated by the NJBPU include natural gas, electricity, water, wastewater, telecommunications and cable television. The Board has general oversight responsibility for monitoring utility service, responding to consumer complaints, and investigating utility accidents. To find out more about the NJBPU, visit our web site at www.nj.gov/bpu.