

MAR 15 2019

300 Madison Avenue  
Morristown, NJ 07962

BOARD OF PUBLIC UTILITIES  
TRENTON, NJ

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March 15, 2019

Aida Camacho-Welch, Secretary  
New Jersey Board of Public Utilities  
44 South Clinton Avenue, Suite 314  
P.O. Box 350  
Trenton, New Jersey 08625

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MAR 15 2019

BOARD OF PUBLIC UTILITIES  
TRENTON, NJ

**Re: In the Matter of the Verified Petition of Jersey Central Power & Light Company ("JCP&L") Seeking Review and Approval of Its Deferred Balances Relating to, and an adjustment of, the Societal Benefits Charge Clause of its Filed Tariff ("2018 SBC Filing")**

**BPU Docket No. ER19030340**

Dear Secretary Camacho-Welch:

On behalf of Jersey Central Power & Light Company ("JCP&L" or the "Company"), please find enclosed for filing an original and ten (10) copies of JCP&L's Verified Petition and supporting Attachments in the above-captioned matter relating to the Societal Benefits Charge ("SBC") clause of JCP&L's filed Tariff.

As noted in the Verified Petition (at ¶3), the purpose of this filing is to provide for a review and approval of the deferred amounts included in the Company's Demand Side Factor ("DSF"), Uncollectible Account Charge ("UNC") and Nuclear Decommissioning Costs ("NDC") components of the Company's SBC to the extent accumulated from January 1, 2018 through December 31, 2018. For the reasons discussed in Paragraphs 23 through 28 of the Petition, the Company is proposing no changes to its Rider DSF and Rider UNC charges currently in effect. As discussed in Paragraphs 21 and 22 of the Petition, JCP&L is not proposing changes to its Rider NDC charge, which is currently set at zero. In addition, JCP&L is proposing the consolidation of the proceeding initiated by this filing and the proceeding for the Company's 2017 SBC Filing, Docket No. ER18101093.

I hereby confirm that copies of this letter and the enclosed Verified Petition and supporting Attachments are being duly served by hand delivery or overnight express delivery upon the Director, Division of Rate Counsel, and upon the Department of Law & Public Safety, Division of Law, as set forth in Paragraph 33 of the Verified Petition. Copies of these documents are also being transmitted by hand delivery, overnight express delivery, or regular United States mail to the balance of the persons named in the attached Service List for this proceeding.

Cms  
Legal  
DAG  
RPA  
S. Peterson  
A. Reid  
E. Lampitt  
ENERGY (2)

Please kindly stamp the enclosed additional copy of this filing with the date and time of receipt by your office, and with the assigned docket number, and return it to the undersigned using the self-addressed pre-paid envelope provided.

Thank you very much for your assistance, and please do not hesitate to contact me should you have any questions.

Very truly yours,

A handwritten signature in blue ink, appearing to read "Joshua R. Eckert", with a stylized flourish at the end.

Joshua R. Eckert  
Counsel for Jersey Central Power & Light Company

Enclosures

cc: Service List (with Enclosures) (by hand delivery or regular U.S. mail)



**In the Matter of the Verified Petition of Jersey Central Power & Light Company ("JCP&L")  
Seeking Review and Approval of Its Deferred Balances Relating to, and an Adjustment of, the  
Societal Benefits Charge ("SBC") Clause of Its Filed Tariff  
("2018 SBC Filing")**

**Docket No. \_\_\_\_\_**

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**In the Matter of the Verified Petition of Jersey Central Power & Light Company ("JCP&L")  
Seeking Review and Approval of Its Deferred Balances Relating to, and an Adjustment of, the  
Societal Benefits Charge ("SBC") Clause of Its Filed Tariff  
("2018 SBC Filing")**

**Docket No. \_\_\_\_\_**

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BOARD OF PUBLIC UTILITIES  
TRENTON, NJ

STATE OF NEW JERSEY  
BOARD OF PUBLIC UTILITIES

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BOARD OF PUBLIC UTILITIES  
TRENTON, NJ

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In the Matter of the Verified Petition of Jersey	:	
Central Power & Light Company Seeking	:	BPU Docket No.
Review and Approval of Its Deferred Balances	:	
Relating to, and an Adjustment of, the Societal	:	
Benefits Charge Clause of Its Filed Tariff	:	<b>VERIFIED PETITION</b>
<b>("2018 SBC Filing")</b>	:	

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**TO THE HONORABLE BOARD OF PUBLIC UTILITIES:**

Petitioner, Jersey Central Power & Light Company ("JCP&L," the "Petitioner," or the "Company"), an electric public utility company of the State of New Jersey subject to the regulatory jurisdiction of the Board of Public Utilities (the "Board"), and maintaining offices at 300 Madison Avenue, Morristown, New Jersey 07962-1911, and 101 Crawford Corners Road, Building 1, Suite 1-511, Holmdel, New Jersey 07733, in support of its above-captioned Verified Petition, respectfully shows:

1. JCP&L is a New Jersey electric public utility primarily engaged in the purchase, transmission, distribution and sale of electric energy and related utility services to more than 1,000,000 residential, commercial, and industrial customers located within thirteen counties and 236 municipalities of the State of New Jersey.

2. Copies of all correspondence and other communications relating to this proceeding should be addressed to:

**Joshua R. Eckert, Esq.**  
**Mark A. Mader**  
**Yongmei Peng**  
**James O'Toole**  
**Jersey Central Power & Light Company**  
**300 Madison Avenue**  
**Morristown, New Jersey 07962-1911**

-and-

**Carol Pittavino  
FirstEnergy Service Company  
800 Cabin Hill Drive  
Greensburg, Pennsylvania 15601**

-and-

**Lauren M. Lepkoski, Esq.  
FirstEnergy Service Company  
Legal Department  
2800 Pottsville Pike  
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**Purpose of Filing**

3. The purpose of this filing is to provide for a review by the Board, the Board's Staff ("Staff"), and the Division of Rate Counsel ("Rate Counsel"), and approval by the Board, of the deferred balances accumulated with respect to the Demand Side Factor ("DSF"), Uncollectible Accounts Charge ("UNC"), and Nuclear Decommissioning Costs ("NDC") components of the Company's Societal Benefits Charge ("SBC"), to the extent accumulated for each from January 1, 2018 through December 31, 2018. As JCP&L's System Control Charge ("SCC") has been removed from the Company's Tariff, it is no longer addressed in JCP&L's annual SBC filing.

4. For the reasons discussed in Paragraphs 21 through 28, JCP&L is not proposing any changes to the Rider NDC, Rider DSF, and Rider UNC components of its Rider SBC charge.

**Procedural History**

5. Pursuant to the Board's Final Order dated May 17, 2004 ("Deferred Balances Order") issued in connection with JCP&L's "2002 Deferred Balances Petition" in Docket No. ER02080507, together with the Board's Order dated June 8, 2006 in Docket Nos. EX02060363 and EA02060365 with respect to the Phase II Audit of JCP&L's Deferred Balances ("Phase II

Audit Order”), all issues relating to CED, DSF, UNC, and NDC deferred balances through July 31, 2003, *i.e.*, the end of the restructuring Transition Period, were determined and resolved. In the Phase II Audit Order (at 8-9), the Board formally accepted the associated Audit Report of Mitchell & Titus LLP, which found that JCP&L had complied, in all material respects, with relevant Board Orders regarding its deferred balances, with no findings of imprudence noted. In addition, in accordance with the Deferred Balances Order, through December 31, 2011, all over-recoveries in any components of the SBC were netted annually against the Company’s under-recovered balances in other SBC components and/or against the Non-Utility Generation Charge (“NGC”) deferred balance.

6. On December 2, 2005, the Company filed its “2005 NGC Filing” in Docket No. ER05121018 seeking review of its NGC deferred balance for the period from August 1, 2003 through December 31, 2005 and approval of an adjustment to the level of its NGC. This proceeding was settled and resolved in a Stipulation of Settlement dated November 8, 2006 by and among JCP&L, Board Staff, and Rate Counsel, and the Stipulation of Settlement was approved by Board Order dated December 6, 2006 (“2006 NGC Order”). In the 2006 NGC Order (at 5, ¶10), the Board directed that:

To the extent not covered by other filings with the Board (as is currently the case with Riders USF and RAC), the Company will make annual filings with the Board, with notice to Rate Counsel, with respect to each component of its Societal Benefits Charge in the last quarter of each year, commencing in 2007. Any forecasted data included in such filings for the last months of the year in question will be updated with actual figures during the course of each proceeding.

7. In accordance with the above-referenced Board directive, insofar as it relates to the CED, DSF, UNC, and NDC components of SBC, the Company submitted its 2007 SBC/SCC



Filing on December 21, 2007 covering the period from August 1, 2003 through December 31, 2007, which was assigned to Docket No. ER07120968, and submitted its 2008 SBC/SCC Filing on March 13, 2009, which was assigned to Docket No. ER0930202.

8. On February 19, 2010, JCP&L filed with the Board a Verified Petition, including supporting schedules, under Docket No. ER10020130 (“2009 SBC/SCC and RAC Filing”), seeking (1) review and approval of its deferred balances relating to, and an adjustment to certain components of, the SBC clause of its filed Tariff, (2) review and approval of its deferred balance relating to the SCC clause of its filed Tariff, and (3) review and approval of costs incurred for environmental remediation of manufactured gas plant sites pursuant to the Remediation Adjustment Clause (“RAC”) of its filed Tariff, and the imposition, for the first time, of a RAC charge.

9. A Stipulation of Settlement dated June 2, 2011, which was approved by Board Order dated June 15, 2011 in Docket Nos. ER071020968, ER09030202, and ER10020130, resolved various elements of the Company’s 2007 SBC/SCC Filing, 2008 SBC/SCC Filing, and 2009 SBC/SCC and RAC Filing. Pursuant to the Board Order dated June 15, 2011, effective July 1, 2011, JCP&L (i) reduced its Rider CED charge to zero, which reduced CED rates by approximately \$6.2 million annually; (ii) reduced its Rider NDC charge to zero, which reduced NDC rates by approximately \$22.0 million annually; (iii) increased its Rider DSF charges to recover an additional approximately \$19.9 million annually; and (iv) increased its Rider UNC charge to recover an additional approximately \$5.7 million annually. The net effect of these changes was to reduce the SBC (exclusive of the RAC) by approximately \$2.6 million annually and to eliminate Rider CED, effective July 1, 2011.

10. On July 22, 2011, JCP&L filed with the Board a Verified Petition, including supporting schedules, under Docket No. ER11070439 (“2010 SBC/SCC Filing”), seeking (1) review and approval of its deferred balances relating to, and an adjustment to certain components of, the SBC clause of its filed Tariff, and (2) review and approval of its deferred balance relating to the SCC clause of its filed Tariff. The Petition did not propose any changes to the Company’s SBC or SCC rates.

11. On August 15, 2012, JCP&L filed with the Board a Verified Petition, including supporting schedules, under Docket No. ER12080756 (“2011 SBC/SCC Filing”), seeking (1) review and approval of its deferred balances relating to, and an adjustment to certain components of, the SBC clause of its filed Tariff, and (2) review and approval of its deferred balance relating to the SCC clause of its filed Tariff. The 2011 SBC/SCC Filing proposed an increase in the Company’s Rider DSF rate to recover an additional \$14.6 million on an annual basis. The 2011 SBC/SCC Petition also proposed an increase in the Company’s Rider UNC rate to recover an additional \$997,000 on an annual basis. The 2011 Petition did not propose any change to the Company’s SCC rates.

12. A Stipulation of Settlement dated July 14, 2014, which was approved by Board Order dated August 20, 2014 in Docket Nos. ER10020130, ER11070439, and ER12080756, resolved the 2009 SCC Filing, as well as the 2010 and 2011 SBC/SCC Filings (“August 20, 2014 Order”). Pursuant to the Board’s August 20, 2014 Order, effective September 1, 2014, JCP&L: (i) increased its Rider DSF rate by approximately \$14.6 million on an annual basis; (ii) increased its Rider UNC rate by approximately \$997,000 on an annual basis; (iii) left its Rider NDC rate at zero; and (iv) left its Rider SCC rate at the same level. The net effect of these changes was to increase the SBC (exclusive of the RAC) by approximately \$15.6 million annually.



13. On March 26, 2015, JCP&L filed with the Board a Verified Petition, including supporting schedules, under Docket No. ER15030382 (“2012-2013-2014 SBC/SCC Filing”), seeking (1) review and approval of its deferred balances relating to, and an adjustment to certain components of, the SBC clause of its filed Tariff, and (2) review and approval of its deferred balance related to the SCC clause of its filed Tariff, to the extent accumulated from January 1, 2012 through December 31, 2014 for each. The 2012-2013-2014 SBC/SCC Filing proposed an increase in the Company’s Rider DSF rate to recover an additional \$17.24 million on an annual basis. The 2012-2013-2014 SBC/SCC Filing also proposed a decrease in the Company’s Rider UNC rate of \$4.26 million on an annual basis. The 2012-2013-2014 SBC/SCC Filing did not propose any change to the Company’s Rider SCC rate or Rider NDC rate. As a result of the foregoing changes, the Company proposed an overall net increase in rates of approximately \$12.98 million annually, with a proposed effective date of July 1, 2015.

14. On December 27, 2016, while the 2012-2013-2014 SBC/SCC Filing was still pending, the Company filed with the Board a Verified Petition, including supporting schedules, under Docket No. ER16121189, seeking (1) review and approval of its deferred balances relating to the components of the SBC clause of its filed Tariff, and (2) review and approval of its deferred balance relating to the SCC clause of its filed Tariff, to the extent accumulated from January 1, 2015 through December 31, 2015 for each (“2015 SBC/SCC Filing”). The 2015 SBC/SCC Filing did not propose any changes to any of the rate components of the Rider SBC. Similarly, the 2015 SBC/SCC Filing did not propose a change to its Rider SCC rate, which had been set at zero effective September 1, 2016 pursuant to the Board’s August 24, 2016 Order in Docket Nos. ER14080869 and ER15090995.



15. A Stipulation of Settlement dated June 26, 2017, which was approved by Board Order dated July 26, 2017 in Docket Nos. ER150030382 and ER16121189, resolved the 2012-2013-2014 and 2015 SBC/SCC Filings (“July 26, 2017 Order”). As a result of the Stipulation and July 26, 2017 Order, no changes were made to any of the rate components of either Rider SBC or Rider SCC.

16. With regard to the SCC, the August 20, 2014 Order approved a provision in the July 14, 2014 Stipulation of Settlement in which the Parties agreed that it is appropriate for JCP&L to continue to apply the over collections in Rider SCC, if any, to Rider RRC – RGGI Recovery Charge (“Rider RRC”) until such time as the Rider RRC rate is reset pursuant to a Board Order, at which time the Rider SCC rate will then be reset to zero. Effective September 1, 2016, the Company’s Rider RRC rate was reset pursuant to the Board’s August 24, 2016 Order in Docket Nos. ER14080869 and ER15090992, and the Rider SCC rate was reset to zero.

17. On August 21, 2017, JCP&L filed with the Board a Verified Petition, including supporting schedules, under Docket No. ER17080894, seeking: (1) review and approval of its deferred balances relating to, and an adjustment to certain components of, the SBC clause of its filed Tariff, and (2) review and approval of its deferred balance relating to the SCC clause of its filed Tariff (“2016 SBC/SCC Filing”). The 2016 SBC/SCC Filing proposed a decrease to the Rider DSF rate of approximately \$1.21 million on an annual basis. The 2016 SBC/SCC Filing also proposed a decrease in the Rider UNC rate of approximately \$4.85 million. The Company did not propose any change to the Rider NDC rate, which remains set at zero. The 2016 SBC/SCC filing did not propose a change to its Rider SCC rate, which had been set at zero effective September 1, 2016 pursuant to the Board’s August 24, 2016 Order in Docket Nos. ER14080869 and ER15090995. Pursuant to that same Order, JCP&L proposed to remove Rider SCC from its

tariff. As a result of the foregoing changes, the Company proposed an overall net decrease in its SBC of approximately \$6.05 million on an annual basis.

18. A Stipulation of Settlement dated August 9, 2018, which was approved by Board Order dated August 29, 2018 in Docket No. ER17080894, resolved the 2016 SBC/SCC Filing (“August 29, 2018 Order”). As a result of the Stipulation and August 29, 2018 Order, effective September 8, 2018, JCP&L: (i) decreased its Rider DSF rate by approximately \$1.21 million on an annual basis; (ii) decreased its Rider UNC rate by approximately \$4.846 million on an annual basis; (iii) left its Rider NDC rate at zero; and (iv) removed the Rider SCC from its tariff. The net effect of these changes was to decrease the SBC (exclusive of the RAC) by approximately \$6.05 million annually.

19. On October 1, 2018, JCP&L filed with the Board a Verified Petition, including supporting schedules, under Docket No. ER18101093, seeking review and approval of its deferred balances, and an adjustment to certain components of, the SBC clause of its filed Tariff (“2017 SBC Filing”). The 2017 SBC Filing proposed no adjustment to the level of Rider NDC. The 2017 SBC Filing also proposed: (1) a decrease in the Rider DSF rate of approximately \$4.85 million on an annual basis, and (2) a decrease in the Rider UNC rate of approximately \$5.76 million on an annual basis. As a result of the foregoing changes, JCP&L proposed a total net decrease to the Company’s Rider SBC of approximately \$10.61 million on an annual basis.

20. In response to discovery request RCR-3 in Docket No. ER18101093, JCP&L modified the proposed reductions in the Rider DSF and Rider UNC rates contained within the 2017 SBC Filing based on updated sales figures.<sup>1</sup> In addition, Rider UNC was updated to replace September 2018 and October 2018 forecasted expenses with actuals. Consequently, the Company

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<sup>1</sup> As explained in JCP&L’s response to discovery request RCR-1 in Docket No. ER18101093.



updated its proposal to reflect a requested: (1) decrease in the Rider DSF rate of approximately \$4.127 million on an annual basis, and (2) a decrease in the Rider UNC rate of approximately \$5.72 million on an annual basis. With these updates, the Company proposed a total net decrease to JCP&L's Rider SBC of approximately \$9.847 million on an annual basis. As of the date of this filing, however, JCP&L's 2017 SBC Filing, as modified by the Company's responses to data requests, has not yet been ruled on by the Board.

### **SBC Components**

#### **Rider NDC**

21. As noted above, pursuant to the Deferred Balances Order and the Phase II Audit Order, all amounts included in the NDC component of the Company's deferred balances through July 31, 2003 have already been addressed and resolved. Pursuant to the Board's June 15, 2011 Order, all amounts included in the NDC component of the Company's deferred balances through December 31, 2009 have also been fully resolved. And, pursuant to the Board's August 20, 2014 Order, all amounts included in the NDC component of the Company's deferred balances through December 31, 2011 have been fully resolved, and Rider NDC is currently set at zero. Finally, pursuant to the Board-approved Stipulation of Settlement, JCP&L has agreed to include NDC information in its annual SBC filings, although the Company is not seeking adjustment to the level of its Rider NDC charge in this filing.

22. A full updated decommissioning study for Three Mile Island Unit 2 ("TMI-2") was completed in February 2019 by EnergySolutions, LLC ("ES"). As a result, the Company currently estimates, based on the ES study and estimated escalation and fund earnings rates, that an increase in the Rider NDC rate to collect an additional \$624,000 annually would be required at this time to fund the Company's share of TIM-2 decommissioning costs beginning in 2037. *See Attachment*



A-3 to this Petition. Rather than implement a relatively small increase, JCP&L is proposing to leave the Rider NDC rate at zero at this time. However, the Company will retain Rider NDC as part of its filed Tariff (without any current charge thereunder) in the event that actual results vary from the assumptions or there is a change in assumptions.

### **Riders DSF and UNC**

23. As noted above, pursuant to the Deferred Balances Order, the Phase II Audit Order, the Board's June 15, 2011 Order, and the Board's August 29, 2018 Order, all amounts included in the DSF and UNC components of JCP&L's deferred balances through December 31, 2016 have already been addressed and resolved. Moreover, JCP&L is unaware of any substantive issues related to either the DSF or UNC clauses.

24. The 2017 SBC Filing, as updated by the Company's response to data request RCR-3 submitted January 15, 2019, showed cumulative over-recovered DSF and UNC deferred balances, including carrying costs as of December 31, 2017, of \$(1,939,485) and \$(5,444,310), respectively. As set forth in greater detail in the Attachments to this filing (*see, e.g.*, Attachments A-1, A-2, B-1, and B-2), the total incremental over-recovered DSF and NDC components of the Company's deferred balances, accumulated from January 1, 2018 through December 31, 2018 amount to \$(5,335,616) and \$(4,142,632), respectively. Additionally, the carrying costs accrued during calendar year 2018 amount to \$(260,495) for Rider DSF and \$(133,810) for Rider NDC. These figures do not give effect to the annual application of any over-recoveries to reduce under-recovered balances in other components of Rider SBC.

25. Regarding Rider DSF, by Order dated September 30, 2008 in Docket No. EO07030203, the Board set JCP&L's Clean Energy Program ("CEP") funding levels for 2009, 2010, 2011, and 2012 at \$48.2 million, \$52.9 million, \$62.8 million, and \$74.6 million,

respectively. By Order dated November 20, 2012 in Docket Nos. ER07030203 and EO11100631V, the Board changed the funding year for the CEP from January 1 through December 31 to July 1 through June 30, to align the funding year with a state fiscal year (“FY”), and approved a six-month funding level for the period January 1, 2013 through June 30, 2013. By Orders dated June 20, 2013 in Docket no. EO11050324V and dated June 30, 2014 in Docket No. EO11100631V, the Board set JCP&L’s CEP funding levels for FY 2014 and FY 2015 at \$66.3 million annually. By Orders in Docket Nos. QO16040352, dated June 29, 2016, and QO17050464, dated June 30, 2017, the Board set JCP&L’s CEP funding levels for FY 2016 and FY 2017 at \$66.0 million and \$68.45 million, respectively. Most recently, the Board issued an order in Docket No. QO18040392, dated June 22, 2018, setting JCP&L’s CEP funding levels for FY 2018 at \$68.45 million.

26. Based on the foregoing, the Company’s calculations demonstrate that a decrease in Rider DSF of approximately \$1.5 million on an annual basis is warranted based on the current Board-approved rate. *See* Attachment A-1. However, if the Company’s revised and updated Rider DSF rate proposed in the 2017 SBC Filing on January 15, 2019 was approved by the Board, JCP&L would be requesting a \$2.6 million increase compared to those resulting rates. As explained further below, JCP&L proposes that no change be made to the current Board-approved Rider DSF rate because of the cumulative impact of current rates on the Company’s deferred balances for Rider DSF during calendar years 2017 and 2018.

27. As it relates to Rider UNC, JCP&L forecasts that it will incur approximately \$7.2 million annually in uncollectable expense to be recovered under the rider. Based on the forecasted revenues from recovery at the current Board-approved Rider UNC rate, JCP&L calculates an increase of \$140,156 on an annual basis. *See* Attachment A-2. However, if the Company’s revised



and updated Rider DSF rate proposed in the 2017 SBC Filing on January 15, 2019 was approved by the Board, JCP&L would be requesting a \$5.7 million increase compared to those resulting rates. Again, as explained further below, JCP&L proposes that no change be made to the current Board-approved Rider UNC rate because of the cumulative impact of current rates on the Company's deferred balances for Rider UNC during calendar years 2017 and 2018.

28. As mentioned above, JCP&L's 2017 SBC Filing remains pending before the Board in Docket No. ER18101093. In its Petition initiating that proceeding, and as amended by its responses to discovery, JCP&L requested its Rider DSF rate be decreased by \$0.000202/kWh and its Rider UNC rate be decreased by \$0.000280/kWh compared to current Board-approved rates. Because the Company's 2017 SBC Filing was not approved in 2018, however, these proposed decreases were not implemented. Additionally, in accordance with the terms of the Company's Tariff, the resulting over-collection in Riders DSF and UNC were applied to an under-collected balance in Rider RAC at the end of 2018. *See* JCP&L's Tariff, Rider SBC, 7th Rev. Sheet No. 43 (Effective Oct. 1, 2018); Attachment C. Accordingly, the figures calculated above are based on the difference between the projected amount needed to recover the Company's CEP and uncollectable costs and the current Board-approved rates. As this difference is minimal for both Rider DSF and Rider UNC, JCP&L proposes that the Board not implement the rate changes requested by the Company in its 2017 SBC Filing and instead maintain both riders at their current Board-approved rates as set forth in the August 29, 2018 Order.

**Total Rider SBC Rate Change Proposed**

29. Based on the foregoing, JCP&L proposes no changes in the rates for the Rider NDC, DSF, and UNC components of its Rider SBC.



### **Interest Calculation**

30. In accordance with the Deferred Balances Order, interest currently accrues monthly on the DSF, UNC, and NDC components of JCP&L's deferred balances at a rate equal to the monthly rate actually incurred on short-term debt, or in the event no short-term debt is outstanding, the rate available on equivalent temporary cash investments. During the 2018 calendar year covered by this filing, this rate was compounded annually on January 1 of each year on all components of the SBC.<sup>2</sup>

### **Attachments**

31. Attached hereto and made a part of this Verified Petition are the following Attachments:

Attachments A-1, A-2, and A-3	Summary of Relevant Deferred Balance Components as of December 31, 2018 for the DSF, UNC, and NDC, respectively
Attachments B-1 and B-2	Calculation of Relevant Deferred Expenses and Accrued Interest by Month for the DSF and UNC, respectively
Attachment C	Current Tariff Sheets

### **Public Notice and Service**

32. As JCP&L is not proposing a rate increase in this filing, there is no need for public notices to be published or served pursuant to N.J.A.C. 14:1-5.12(b)1&3, (c) and (d), nor is there any requirement for any public hearings in JCP&L's service area.

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<sup>2</sup> Pursuant to the Board's June 15, 2011 Order, commencing on January 1, 2012, interest on all elements of the SBC are compounded annually on January 1 of each year.

### **Service of Petition**

33. Copies of this Verified Petition, and of all supporting Attachments thereto, have been or will be duly served by hand delivery or overnight delivery at the time of the filing hereof upon the Director, Division of Rate Counsel, 140 East Front Street, 4<sup>th</sup> Floor, P.O. Box 003, Trenton, New Jersey 08625-0003, and upon the Department of Law & Public Safety, Division of Law, 124 Halsey Street, 5<sup>th</sup> Floor, P.O. Box 45029, Newark, New Jersey 07101.

### **CONCLUSION**

**WHEREFORE**, the Petitioner, Jersey Central Power & Light Company, respectfully requests that the Board issue a final decision and order:

- (1) consolidating the proceeding initiated by this filing and the proceeding for the Company's 2017 SBC Filing, Docket No. ER18101093;
- (2) approving the reasonableness and prudence of all costs accumulated in the DSF, UNC, and NDC components of its SBC deferred balance from January 1, 2017 through December 31, 2017, as set forth in the Company's 2017 SBC Filing, Docket No. ER18101093;
- (3) approving the reasonableness and prudence of all costs accumulated in the DSF, UNC, and NDC components of its SBC deferred balance from January 1, 2018 through December 31, 2018;
- (4) maintaining the Rider NDC charge at zero;
- (5) maintaining the Rider DSF charge at \$0.003457/kWh;
- (6) maintaining the Rider UNC charge at \$0.000352/kWh;
- (7) authorizing the continued deferral by the Petitioner of the costs accumulated in the DSF, UNC, and NDC components of its SBC deferred balance, that are not recovered on a current basis, with the continuing accrual of interest on the unamortized balance (net of deferred taxes) at the rate provided for in the Deferred Balances Order as described above, compounded annually on January 1 of each year, all in accordance with the terms of Petitioner's current Riders DSF, UNC, and NDC, as appropriate;

- (8) authorizing the continued annual netting of all over-recoveries in any SBC component (other than the USF) against the Company's under-recovered balances in other SBC components (other than the USF) by application thereto of net over-recoveries, if any, in the SBC components other than USF; and
- (9) granting such other and further relief as the Board shall deem just, lawful and proper.

Respectfully submitted,

Dated: March 15, 2019

  
Joshua R. Eckert  
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(973) 401-8838  
jeckert@firstenergycorp.com

Counsel for Jersey Central Power & Light Company




**AFFIDAVIT**  
**OF**  
**VERIFICATION**

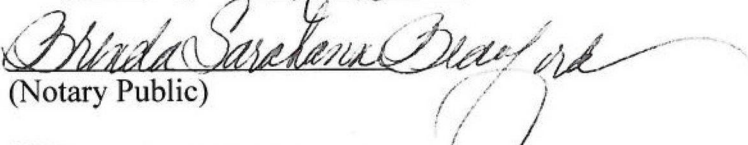
Mark A. Mader, being duly sworn upon his oath, deposes and says:

1. I am Director of Rates and Regulatory Affairs – New Jersey for Jersey Central Power & Light Company (“JCP&L”), the Petitioner named in the foregoing Verified Petition, and I am duly authorized to make this Affidavit of Verification on its behalf.

2. I have read the contents of the foregoing Verified Petition by JCP&L insofar as it relates to the review and approval of its deferred balances relating to the Demand Side Factor, Uncollectible Costs, and Nuclear Decommissioning Costs components of the Societal Benefits Charge clause of its filed Tariff, and I hereby verify that the statements of fact and other information contained therein are true and correct to the best of my knowledge, information, and belief.

  
Mark A. Mader

Sworn to and subscribed before me  
this 14<sup>th</sup> day of March, 2019.

  
(Notary Public)



**Jersey Central Power & Light Company**  
**Societal Benefits Charge - Demand Side Factor ("SBC-DSF")**  
**Summary of Deferred Clean Energy Program ("CEP") Costs & Interest**  
**For the Period January 1, 2018 through December 31, 2018**

For the Period January 1, 2018 through December 31, 2018			Refer to Attachment B-1, P.2 of 2 Line No(s).
Line No.		Jan.2018 through Dec.2018	
<b>Computation of (Over) Recovery of Clean Energy Program Costs:</b>			
1	Tariff Rider DSF Revenue Recovery	\$ (73,786,199.31)	1
2	BPU-mandated New Jersey Clean Energy Program Costs	68,450,583.01	4
3	(Over) Recovery of Clean Energy Program Costs for 2018 (L1 + L2)	<u>\$ (5,335,616.30)</u>	5
4	Cumulative (Over) Recovery of Clean Energy Program Costs at 1/1/2018	\$ (1,847,578.74)	6
5	Accrued Interest on Deferred Clean Energy Program Costs at 1/1/2018	(91,906.27)	7
6	Beginning Balance of Deferred CEP Costs Incl.Interest at 1/1/2018 (L4 + L5)	<u>\$ (1,939,485.01)</u>	8
7	Deferred Clean Energy Program Costs at 12/31/2018 (L3 + L6)	<u>\$ (7,275,101.31)</u>	10
8	Accrued Interest Income/(Expense)	(260,495.34)	21
9	(Over) Recovery of Clean Energy Program Costs for 2018 Incl.Interest (L7 + L8)	<u>\$ (7,535,596.65)</u>	25
10	Over Recovery of Clean Energy Program Costs Applied to Rider RAC at 12/31/2018	7,535,596.65	27
11	Deferred Clean Energy Program Costs Incl.Interest at 12/31/2018 (L9 + L10)	<u>\$ -</u>	28
<b>CALCULATION OF A PROPOSED (DECREASE) IN RIDER DSF</b>			
Line No.	Effective 1/1/2020	Amount	
12	Mandated Clean Energy Program Costs for the 12 Months Ended 12/31/2018	\$ 68,451,512.22	28
13	Deferred Clean Energy Program Costs Incl.Interest at 12/31/2018 per Line 11	-	
14	Total Recoverable New Jersey Clean Energy Program Costs	\$ 68,451,512.22	
15	Forecasted Jurisdictional MWh Sales for the 12 Months Ended 3/31/2020	20,234,922	
16	Proposed Tariff Rider DSF (\$ per kWh) before SUT (L14 ÷ L15)	\$ 0.003383	
17	Current Rider DSF (\$ per kWh) before SUT	0.003457	
18	Proposed (Decrease) in Rider DSF (\$ per kWh) before SUT (L16 - L17)	<u>\$ (0.000074)</u>	
19	Proposed Rider DSF Revenue (Decrease) Effective 1/1/2020 (L15 x L18 x 1,000)	<u>\$ (1,497,384.23)</u>	
<b>Notes:</b>			
1	Per the spending mandated in the BPU's Order in Docket No.QO17050464, dated June 30, 2017, for the period January 2018 through June 2018 and in Docket No.QO18040392, dated June 22, 2018, ("2018 Order") for the period July 2018 through December 2018.		
2	SBC over-recoveries are offset against other under-recovered SBC components at year-end in accordance with Tariff Rider SBC.		
3	Per the spending mandated in the BPU's Order in the "2018 Order", for the period January 2019 through June 2019. Additionally, the BPU spending for July 2018 through December 2018 mandated in the same "2018 Order" is used as a forecast for the spending in the months of July 2019 through December 2019 in this filing.		

**Jersey Central Power & Light Company**  
**Societal Benefits Charge ("SBC-UNC")**  
**Summary of Deferred Uncollectible Accounts Expense and Interest**  
**For Period January 1, 2018 through December 31, 2018**

Line No.	Jan-18 through Dec-18	Refer to Attachment B-2 Line No(s).
1	Total (Over)/Under-Recovered Uncollectible Accounts Expense at Jan.1, 2018	4
2	Balance of Interest on Deferred Uncollectible Accounts Expense at Jan.1, 2018	10
3	Total (Over)/Under-Recovered Uncollectible Accounts Expense Including Interest at Jan.1, 2018	4 + 10
4	Tariff Rider UNC Net Revenue Recovery	1
5	Uncollectible Accounts Expense Incurred	2
6	(Over)/Under-Recovery of UNC Costs	3
7	Interest Accrued (January 1, 2018 through December 31, 2018)	15
8	Over/(Under)-Recovery of UNC Costs and Related Interest Applied to SBC at Year-End	9 + 17
9	Under/(Over)-Recovered Balance of Uncollectible Accounts Expense Deferred at Dec.31, 2018	18
<b>Calculation of Proposed (Decrease) to Tariff Rider UNC:</b>		
10	Balance of Deferred Uncollectible Accounts Expense at Dec 31, 2018	\$ - Line 9 above.
11	Forecasted Annual Uncollectible Accounts Expense	\$7,192,762.17
12	Total Proposed Uncollectible Accounts Expense (Line 10 + Line 11)	\$ 7,192,762.17
13a	Forecasted Jurisdictional MWh Sales for 1/1/2020 - 12/31/2020	20,234,922
13b	Less: Forecasted GT Provision D Sales for 1/1/2020 - 12/31/2020	(212,593)
13	Forecasted Jurisdictional MWh Sales excl.GT Provision D Sales for 1/1/2020 - 12/31/2020	20,022,329
14	Proposed Tariff Rider UNC (\$ per KWh) Before SUT (Line 12 / Line 13)	\$ 0.000359
15	Current Tariff Rider UNC (\$ per KWh) Before SUT	\$ 0.000352
16	Proposed Change to Tariff Rider UNC (\$ per KWh) Before SUT effective 1/1/2020	\$ 0.000007
17	Proposed Rider UNC Revenue (Decrease) Effective 4/1/2019 (Line 13 X Line 16)	\$ 140,156.00



**Societal Benefits Charge - Nuclear Decommissioning Costs ("SBC-NDC")**

**Computation of JCP&L's TMI-2 Decommissioning Liability,  
Projected Trust Fund Balance & Annual Revenue Requirement  
as of December 31, 2018**

<b>Line #</b>	<b>Computation of Trust Fund Shortage:</b>	<b>Amount</b>
1	Balance Per Trust Statements at December 31, 2018	<u>\$ 227,945,000</u>
2	Assumed After-Tax Return on the Funding Annuity	<u>4.47%</u>
3	Assumed Inflation Rate	<u>2.78%</u>
4	JCP&L 25% TMI-2 Decommissioning Liability at January 1, 2037	\$ 515,135,000
5	Projected Trust Fund Balance at January 1, 2037	<u>500,816,000</u>
6	Trust Fund Shortage at January 1, 2037 (L4 - L5)	<u>\$ 14,319,000</u>
7	Present Value of Shortage at January 1, 2037	<u>\$ 8,741,000</u>
<b>Calculation of Proposed Change in Rider NDC</b>		<b>Amount</b>
8	<b>Annual Revenue Requirement</b>	<u>\$ 624,000</u>
9	Proposed Tariff Rider NDC (\$ per kWh) Before SUT	0.000000
10	Current Tariff Rider NDC (\$ per kWh) Before SUT	<u>0.000000</u>
11	<b>No Change in Rider NDC (\$ per kWh) before SUT (L9 - L10)</b>	<u>0.000000</u>

**Jersey Central Power & Light Company**  
**New Jersey Clean Energy Program ("CEP") Costs**  
**Monthly Calculations of (Over)/Under Recovery, Deferred CEP**  
**General Ledger Account Balances & Accrued CEP Interest (Note 1)**  
**For the CEP Year January 1, 2018 - December 31, 2018**

Attachment B-1  
Page 1 of 2

Line #	Calculation of (Over)/Under Recovery	Jan 2018	Feb 2018	Mar 2018	Apr 2018	May 2018	Jun 2018
1	Rider DSF Revenues (Note 2)	\$ (6,733,533.74)	\$ (6,103,025.07)	\$ (5,329,035.31)	\$ (5,275,125.65)	\$ (5,077,211.31)	\$ (5,907,416.26)
<b>Clean Energy Program Costs</b>							
2	JCP&L Administered Clean Energy Program Costs	\$ 206,719.96	\$ 416,210.42	\$ 108,095.59	\$ 253,236.00	\$ 308,075.92	\$ 178,278.05
3	Payable to Fiscal Agent for Clean Energy Program	5,523,361.39	4,862,191.73	5,029,090.50	4,535,364.51	4,745,913.11	5,859,046.34
4	Total Clean Energy Program Costs (L2 + L3)	\$ 5,730,081.35	\$ 5,278,402.15	\$ 5,137,186.09	\$ 4,788,600.51	\$ 5,053,989.03	\$ 6,037,324.39
5	Rider DSF (Over)/Under Recovery (L1 + L4)	\$ (1,003,452.39)	\$ (824,622.92)	\$ (191,849.22)	\$ (486,525.14)	\$ (23,222.28)	\$ 129,908.13
<b>Calculation of Ending Deferred Clean Energy Program General Ledger Balance Excluding Current Year Interest</b>							
6	Beginning Balance - Deferred CEP Costs	\$ (1,847,578.74)	\$ (2,942,937.40)	\$ (3,767,560.32)	\$ (3,959,409.54)	\$ (4,445,934.68)	\$ (4,469,156.96)
7	Beginning Balance - Accrued Interest	(91,906.27)					
8	Beginning Balance - Deferred CEP Costs (L6 + L7)	\$ (1,939,485.01)	\$ (2,942,937.40)	\$ (3,767,560.32)	\$ (3,959,409.54)	\$ (4,445,934.68)	\$ (4,469,156.96)
9	Rider DSF (Over)/Under Recovery (L5)	(1,003,452.39)	(824,622.92)	(191,849.22)	(486,525.14)	(23,222.28)	129,908.13
10	Ending Balance - Deferred CEP Costs (L8 + L9)	\$ (2,942,937.40)	\$ (3,767,560.32)	\$ (3,959,409.54)	\$ (4,445,934.68)	\$ (4,469,156.96)	\$ (4,339,248.83)
<b>Calculation of Amount Due Fiscal Agent for the State of NJ</b>							
11	Beginning Balance - (Payable to) Fiscal Agent	\$ (10,747,446.94)	\$ (11,183,220.44)	\$ (10,385,553.12)	\$ (9,891,282.23)	\$ (9,564,455.01)	\$ (9,281,277.62)
12	(Payable to) Fiscal Agent (-L2)	(5,523,361.39)	(4,862,191.73)	(5,029,090.50)	(4,535,364.51)	(4,745,913.11)	(5,859,046.34)
13	JCP&L Payments to Fiscal Agent	5,087,587.89	5,659,859.05	5,523,361.39	4,862,191.73	5,029,090.50	4,535,364.51
14	Ending Balance - (Payable) to Fiscal Agent (L11 + L12 + L13)	\$ (11,183,220.44)	\$ (10,385,553.12)	\$ (9,891,282.23)	\$ (9,564,455.01)	\$ (9,281,277.62)	\$ (10,604,959.45)
15	Ending Deferred Balance Excluding Interest (L10 + L14)	\$ (14,126,157.84)	\$ (14,153,113.44)	\$ (13,860,691.77)	\$ (14,010,389.69)	\$ (13,750,434.58)	\$ (14,944,208.28)
<b>Interest Calculation</b>							
16	Average CEP Deferred Balance Before Taxes = (L8+L11+L15)/2	\$ (13,406,544.90)	\$ (14,139,635.64)	\$ (14,001,902.61)	\$ (13,930,540.73)	\$ (13,880,412.14)	\$ (14,347,321.43)
17	Accumulated Deferred Income Taxes (L16 x 28.11%)	(3,768,579.77)	(3,974,651.58)	(3,935,934.82)	(3,915,875.00)	(3,901,783.85)	(4,033,032.05)
18	Average After Tax Deferred CEP Balance (L16 - L17)	\$ (9,637,965.13)	\$ (10,164,984.06)	\$ (10,065,967.79)	\$ (10,014,665.73)	\$ (9,978,628.29)	\$ (10,314,289.38)
19	Multiply By: Interest Rate	1.7198%	1.6503%	2.4726%	2.6477%	2.2957%	2.2878%
20	Divided By: Months Per Year	12	12	12	12	12	12
21	Interest Income/(Expense) (L18 x L19/L20)	\$ (13,812.81)	\$ (13,979.39)	\$ (20,740.93)	\$ (22,096.53)	\$ (19,089.95)	\$ (19,664.19)
22	Beginning Balance - Accrued Interest Account	(91,906.27)	(13,812.81)	(27,792.20)	(48,533.13)	(70,629.66)	(89,719.61)
23	Prior Year Accrued Interest Added to Deferred Bal. at Jan. 1, 2018	91,906.27					
24	Ending Balance - Accrued Interest Account (L21 + L22 + L23)	\$ (13,812.81)	\$ (27,792.20)	\$ (48,533.13)	\$ (70,629.66)	\$ (89,719.61)	\$ (109,383.80)
25	End'g Deferred CEP/DSM Balances Including Interest (L10 + L24)	\$ (2,956,750.21)	\$ (3,795,352.52)	\$ (4,007,942.67)	\$ (4,516,564.34)	\$ (4,558,876.57)	\$ (4,448,632.63)
26	Over Recovery Applied to SBC (if any)						
27	SBC (Over) Recovery Applied to DSF (if any)						
28	End'g Dfd.CEP Bal.Incl.Int.& SBC (Over) Rcvry (L25+L26+L27)	\$ (2,956,750.21)	\$ (3,795,352.52)	\$ (4,007,942.67)	\$ (4,516,564.34)	\$ (4,558,876.57)	\$ (4,448,632.63)
29	Ending Dfd.CEP Bal.Incl.Int.& (Payable) to Fiscal Agent (L14 + L28)	\$ (14,139,970.65)	\$ (14,180,905.64)	\$ (13,899,224.90)	\$ (14,081,019.35)	\$ (13,840,154.19)	\$ (15,053,592.08)

**Notes:**

- May include in the current month, retroactive adjustments actually recorded in subsequent months.
- As billed and reported in the Report of Electric Sales.

**Jersey Central Power & Light Company**  
**New Jersey Clean Energy Program ("CEP") Costs**  
**Monthly Calculations of (Over)/Under Recovery, Deferred CEP**  
**General Ledger Account Balances & Accrued CEP Interest (Note 1)**  
**For the CEP Year January 1, 2018 - December 31, 2018**

Attachment B-1  
Page 2 of 2

Line #		Jul 2018	Aug 2018	Sep 2018	Oct 2018	Nov 2018	Dec 2018	YTD 2018
1	<b>Calculation of (Over)/Under Recovery</b>							
1	Rider DSF Revenues (Note 2)	\$ (7,378,751.27)	\$ (7,882,922.46)	\$ (7,827,237.17)	\$ (5,811,910.41)	\$ (5,002,238.26)	\$ (5,457,792.40)	\$ (73,786,199.31)
	<b>Clean Energy Program Costs</b>							
2	JCP&L Administered Clean Energy Program Costs	\$ 292,826.56	\$ 164,021.25	\$ 484,307.01	\$ 337,673.14	\$ 257,712.69	\$ 223,877.48	\$ 3,231,034.07
3	Payable to Fiscal Agent for Clean Energy Program	7,084,113.81	7,002,498.55	5,065,993.95	4,822,994.91	5,001,969.47	5,687,010.67	65,219,548.94
4	Total Clean Energy Program Costs (L2 + L3)	\$ 7,376,940.37	\$ 7,166,519.80	\$ 5,550,300.96	\$ 5,160,668.05	\$ 5,259,682.16	\$ 5,910,888.15	\$ 68,450,583.01
5	Rider DSF (Over)/Under Recovery (L1 + L4)	\$ (1,810.90)	\$ (716,402.66)	\$ (2,276,936.21)	\$ (651,242.36)	\$ 257,443.90	\$ 453,095.75	\$ (5,335,616.30)
	<b>Calculation of Ending Deferred Clean Energy Program General Ledger Balance Excluding Current Year Interest</b>							
6	Beginning Balance - Deferred CEP Costs	\$ (4,339,248.83)	\$ (4,341,059.73)	\$ (5,057,462.39)	\$ (7,334,398.60)	\$ (7,985,640.96)	\$ (7,728,197.06)	\$ (1,847,578.74)
7	Beginning Balance - Accrued Interest							(91,906.27)
8	Beginning Balance - Deferred CEP Costs (L6 + L7)	\$ (4,339,248.83)	\$ (4,341,059.73)	\$ (5,057,462.39)	\$ (7,334,398.60)	\$ (7,985,640.96)	\$ (7,728,197.06)	\$ (1,939,485.01)
9	Rider DSF (Over)/Under Recovery (L5)	(1,810.90)	(716,402.66)	(2,276,936.21)	(651,242.36)	257,443.90	453,095.75	(5,335,616.30)
10	Ending Balance - Deferred CEP Costs (L8 + L9)	\$ (4,341,059.73)	\$ (5,057,462.39)	\$ (7,334,398.60)	\$ (7,985,640.96)	\$ (7,728,197.06)	\$ (7,275,101.31)	\$ (7,275,101.31)
	<b>Calculation of Amount Due Fiscal Agent for the State of NJ</b>							
11	Beginning Balance - (Payable to) Fiscal Agent	\$ (10,604,959.45)	\$ (12,943,160.15)	\$ (14,086,612.36)	\$ (12,068,492.50)	\$ (9,888,988.86)	\$ (9,824,964.38)	\$ (10,747,446.94)
12	(Payable to) Fiscal Agent (-L2)	(7,084,113.81)	(7,002,498.55)	(5,065,993.95)	(4,822,994.91)	(5,001,969.47)	(5,687,010.67)	(65,219,548.94)
13	JCP&L Payments to Fiscal Agent	4,745,913.11	5,859,046.34	7,084,113.81	7,002,498.55	5,065,993.95	4,822,994.91	65,278,015.74
14	Ending Balance - (Payable) to Fiscal Agent (L11 + L12 + L13)	\$ (12,943,160.15)	\$ (14,086,612.36)	\$ (12,068,492.50)	\$ (9,888,988.86)	\$ (9,824,964.38)	\$ (10,688,980.14)	\$ (10,688,980.14)
15	Ending Deferred Balance Excluding Interest (L10 + L14)	\$ (17,284,219.88)	\$ (19,144,074.75)	\$ (19,402,891.10)	\$ (17,874,629.82)	\$ (17,553,161.44)	\$ (17,964,061.45)	\$ (17,964,061.45)
	<b>Interest Calculation</b>							
16	Average CEP Deferred Balance Before Taxes = (L8+L11+L15)/2	\$ (16,114,214.08)	\$ (18,214,147.32)	\$ (19,273,482.93)	\$ (18,638,760.46)	\$ (17,713,895.63)	\$ (17,758,621.45)	
17	Accumulated Deferred Income Taxes (L16 x 28.11%)	(4,529,705.58)	(5,119,996.81)	(5,417,776.05)	(5,239,355.57)	(4,979,376.06)	(4,991,948.49)	
18	Average After Tax Deferred CEP Balance (L16 - L17)	\$ (11,584,508.50)	\$ (13,094,150.51)	\$ (13,855,706.88)	\$ (13,399,404.89)	\$ (12,734,519.57)	\$ (12,766,672.96)	
19	Multiply By: Interest Rate	2.4541%	2.2252%	2.2498%	2.2856%	2.3178%	2.5420%	
20	Divided By: Months Per Year	12	12	12	12	12	12	
21	Interest Income/(Expense) (L18 x L19/L20)	\$ (23,691.29)	\$ (24,280.92)	\$ (25,977.14)	\$ (25,521.40)	\$ (24,596.72)	\$ (27,044.07)	\$ (260,495.34)
22	Beginning Balance - Accrued Interest Account	(109,383.80)	(133,075.09)	(157,356.01)	(183,333.15)	(208,854.55)	(233,451.27)	(91,906.27)
23	Prior Year Accrued Interest Added to Deferred Bal. at Jan. 1, 2018							91,906.27
24	Ending Balance - Accrued Interest Account (L21 + L22 + L23)	\$ (133,075.09)	\$ (157,356.01)	\$ (183,333.15)	\$ (208,854.55)	\$ (233,451.27)	\$ (260,495.34)	\$ (260,495.34)
25	End'g Deferred CEP/DSM Balances Including Interest (L10 + L24)	\$ (4,474,134.82)	\$ (5,214,818.40)	\$ (7,517,731.75)	\$ (8,194,495.51)	\$ (7,961,648.33)	\$ (7,535,596.65)	\$ (7,535,596.65)
26	Over Recovery Applied to SBC (if any)						7,535,596.65	7,535,596.65
27	SBC (Over) Recovery Applied to DSF (if any)						-	-
28	End'g Dfd.CEP Bal.Incl.Int.& SBC (Over) Rcvry (L25+L26+L27)	\$ (4,474,134.82)	\$ (5,214,818.40)	\$ (7,517,731.75)	\$ (8,194,495.51)	\$ (7,961,648.33)	\$ -	\$ -
29	Ending Dfd.CEP Bal.Incl.Int.& (Payable) to Fiscal Agent (L14 + L28)	\$ (17,417,294.97)	\$ (19,301,430.76)	\$ (19,586,224.25)	\$ (18,083,484.37)	\$ (17,786,612.71)	\$ (10,688,980.14)	\$ (10,688,980.14)

**Notes:**

- May include in the current month, retroactive adjustments actually recorded in subsequent months.
- As billed and reported in the Report of Electric Sales.



Jersey Central Power & Light Company  
Calculation of Over/(Under) Recovery and Interest (a)  
Uncollectible Accounts Expense

Line No.		Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18
<b>Calculation of Monthly Deferred Cost:</b>							
1	Current Month Uncollectible Accounts Revenue (Tariff Rider UNC) (b)	(\$1,133,479.37)	(\$1,026,959.29)	(\$896,709.60)	(\$887,633.13)	(\$854,336.19)	(\$1,007,441.88)
2	Uncollectible Accounts Expense	\$421,277.57	\$398,794.45	\$977,269.77	\$390,049.69	\$595,671.92	\$456,044.72
3	Amount (Over)/Under Recovered	(\$712,201.80)	(\$628,164.84)	\$80,560.17	(\$497,583.44)	(\$258,664.27)	(\$551,397.16)
<b>Calculation of Interest on Deferred Balance:</b>							
	Composite Tax Rate	28.11%	28.11%	28.11%	28.11%	28.11%	28.11%
4	Deferred (Over)/Under-Recovered Balance at Beginning of Month	(\$5,419,013.15)	(\$6,131,214.95)	(\$6,759,379.79)	(\$6,678,819.62)	(\$7,176,403.06)	(\$7,435,067.33)
5	Current Period Deferral	(712,201.80)	(628,164.84)	80,560.17	(497,583.44)	(258,664.27)	(551,397.16)
6	Deferred (Over)/Under-Recovered Balance at End of Month	(\$6,131,214.95)	(\$6,759,379.79)	(\$6,678,819.62)	(\$7,176,403.06)	(\$7,435,067.33)	(\$7,986,464.49)
7	Deferred Tax Balance at End of Month	(1,723,484.52)	(1,900,061.66)	(1,877,416.20)	(2,017,286.90)	(2,089,997.43)	(2,244,995.17)
8	Balance Net of Deferred Tax at End of Month	(\$4,407,730.43)	(\$4,859,318.13)	(\$4,801,403.42)	(\$5,159,116.16)	(\$5,345,069.90)	(\$5,741,469.32)
9	Application of Net SBC Over-Recoveries per Tariff Rider SBC						
10	Accumulated Deferred Interest at December 31	\$ (25,296.80)	\$ (25,296.80)	\$ (25,296.80)	\$ (25,296.80)	\$ (25,296.80)	(\$25,296.80)
11	Deferred Tax at End of Year	(7,110.93)	(7,110.93)	(7,110.93)	(7,110.93)	(7,110.93)	(7,110.93)
12	Interest Balance Net of Deferred Tax at End of Year	\$ (18,185.87)	\$ (18,185.87)	(\$18,185.87)	(\$18,185.87)	(\$18,185.87)	(\$18,185.87)
13	Total Average Balance Beg & End of Month Net of Tax	(\$4,169,915.36)	(\$4,651,710.15)	(\$4,848,546.65)	(\$4,998,445.66)	(\$5,270,278.90)	(\$5,561,455.48)
14	Interest Rate	1.7198%	1.6503%	2.4726%	2.6477%	2.2957%	2.2878%
15	Total Interest on Deferred Balance	(\$5,976.18)	(\$6,397.26)	(\$9,990.43)	(\$11,028.65)	(\$10,082.48)	(\$10,602.91)
16	Cumulative Interest Ending Balance (L10 + L15)	\$ (31,272.98)	\$ (37,670.25)	\$ (47,660.68)	(\$58,689.33)	(\$68,771.81)	(\$79,374.72)
17	Application of net SBC Over-Recoveries per Tariff Rider SBC						
18	Reconciliation to Interest Ending Balance as Recorded	(\$31,272.98)	(\$37,670.25)	(\$47,660.68)	(\$58,689.33)	(\$68,771.81)	(\$79,374.72)

## Notes:

(a) May include in current month, retroactive adjustments actually recorded in subsequent months.

(b) As billed and reported in Report of Electric Sales.

**Jersey Central Power & Light Company**  
**Calculation of Over/(Under) Recovery and Interest (a)**  
**Uncollectible Accounts Expense**

Line No.		Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18	YTD
<b>Calculation of Monthly Deferred Cost:</b>								
1	Current Month Uncollectible Accounts Revenue (Tariff Rider UNC) (b)	(\$1,254,950.81)	(\$1,326,443.31)	(\$1,137,217.33)	(\$604,050.65)	(\$500,062.74)	(\$555,392.63)	\$(11,184,676.93)
2	Uncollectible Accounts Expense	\$399,693.13	\$706,492.39	\$484,926.76	\$737,187.72	\$1,009,166.78	\$465,469.66	\$7,042,044.56
3	Amount (Over)/Under Recovered	(\$855,257.68)	(\$619,950.92)	(\$652,290.57)	\$133,137.07	\$509,104.04	(\$89,922.97)	(\$4,142,632.37)
	Composite Tax Rate	28.11%	28.11%	28.11%	28.11%	28.11%	28.11%	
<b>Calculation of Interest on Deferred Balance:</b>								
4	Deferred (Over)/Under-Recovered Balance at Beginning of Month	(\$7,986,464.49)	(\$8,841,722.17)	(\$9,461,673.09)	(\$10,113,963.66)	(\$9,980,826.59)	(\$9,471,722.55)	(\$6,419,013.15)
5	Current Period Deferral	(855,257.68)	(619,950.92)	(652,290.57)	133,137.07	509,104.04	(89,922.97)	
6	Deferred (Over)/Under-Recovered Balance at End of Month	(\$8,841,722.17)	(\$9,461,673.09)	(\$10,113,963.66)	(\$9,980,826.59)	(\$9,471,722.55)	(\$9,561,645.52)	(\$9,561,645.52)
7	Deferred Tax Balance at End of Month	(2,485,408.10)	(2,659,676.31)	(2,843,035.18)	(2,805,610.35)	(2,662,501.21)	(2,687,778.56)	
8	Balance Net of Deferred Tax at End of Month	(\$6,356,314.07)	(\$6,801,996.78)	(\$7,270,928.48)	(\$7,175,216.24)	(\$6,809,221.34)	(\$6,873,866.96)	
9	Application of Net SBC Over-Recoveries per Tariff Rider SBC							9,561,645.52
								<b>\$0.00</b>
10	Accumulated Deferred Interest at December 31	(\$25,296.80)	(\$25,296.80)	(\$25,296.80)	(\$25,296.80)	(\$25,296.80)	(\$25,296.80)	(\$25,296.80)
11	Deferred Tax at End of Year	(7,110.93)	(7,110.93)	(7,110.93)	(7,110.93)	(7,110.93)	(7,110.93)	
12	Interest Balance Net of Deferred Tax at End of Year	(\$18,185.87)	(\$18,185.87)	(\$18,185.87)	(\$18,185.87)	(\$18,185.87)	(\$18,185.87)	
13	Total Average Balance Beg & End of Month Net of Tax	(\$6,067,077.56)	(\$6,597,341.30)	(\$7,054,648.50)	(\$7,241,258.22)	(\$7,010,404.66)	(\$6,859,730.02)	
14	Interest Rate	2.4541%	2.2252%	2.2498%	2.2856%	2.3178%	2.5420%	
15	Total Interest on Deferred Balance	(\$12,407.68)	(\$12,233.67)	(\$13,226.29)	(\$13,792.18)	(\$13,540.60)	(\$14,531.19)	(133,809.53)
16	Cumulative Interest Ending Balance (L10 + L15)	(\$91,782.40)	(\$104,016.07)	(\$117,242.36)	(\$131,034.54)	(\$144,575.14)	(\$159,106.33)	(\$159,106.33)
17	Application of net SBC Over-Recoveries per Tariff Rider SBC							159,106.33
18	Reconciliation to Interest Ending Balance as Recorded	(\$91,782.40)	(\$104,016.07)	(\$117,242.36)	(\$131,034.54)	(\$144,575.14)	(\$159,106.33)	<b>\$0.00</b>

**Notes:**

(a) May include in current month, retroactive adjustments actually recorded in subsequent months.

(b) As billed and reported in Report of Electric Sales.

**Attachment C**  
**Current Tariff Sheets**



JERSEY CENTRAL POWER & LIGHT COMPANY

BPU No. 12 ELECTRIC - PART III

7<sup>th</sup> Rev. Sheet No. 43  
Superseding 6<sup>th</sup> Rev. Sheet No. 43

**Rider SBC**  
**Societal Benefits Charge**

**APPLICABILITY:** Rider SBC provides a charge applicable to all KWH usage of any Full Service Customer or Delivery Service Customer. The charges that may be included in calculating the SBC include nuclear plant decommissioning costs (Rider NDC), demand side management costs (Rider DSF), manufactured gas plant remediation costs (Rider RAC), uncollectible costs (Rider UNC), and universal service fund costs (Rider USF), in accordance with the New Jersey Electric Discount and Energy Competition Act. The current SBC includes the following charges per KWH:

		<u>Including SUT</u>
Rider DSF	\$0.003457	\$0.003686
Rider NDC	\$0.000000	\$0.000000
Rider RAC	\$0.000616	\$0.000657
Rider UNC	\$0.000352	\$0.000375
Rider USF	\$0.001961	\$0.002091

Carrying costs on unamortized balances of demand side management costs, nuclear decommissioning costs, manufactured gas plant remediation costs, uncollectible costs and universal service fund costs shall be calculated in accordance with the terms of Rider DSF, Rider NDC, Rider RAC, Rider UNC and Rider USF, respectively.

Effective October 1, 2018, the SBC shall be applied to all KWH usage for billing purposes as follows:

		<u>Including SUT</u>
Total SBC:	\$0.006386	\$0.006809

Beginning January 1, 2011, with the exception of universal service fund costs component, all over- and under-recoveries of individual SBC components are to be applied to under- or over-recoveries of other SBC components as of each December 31.

Issued: September 21, 2018

Effective: October 1, 2018

Filed pursuant to Order of Board of Public Utilities  
Docket No. ER18060661 dated September 17, 2018

Issued by James V. Fakult, President  
300 Madison Avenue, Morristown, NJ 07962-1911

**JERSEY CENTRAL POWER & LIGHT COMPANY**

**BPU No. 12 ELECTRIC - PART III**

**3<sup>rd</sup> Rev. Sheet No. 44**  
**Superseding 2<sup>nd</sup> Rev. Sheet No. 44**

**Rider DSF**  
**Demand Side Factor**

**APPLICABILITY:** Rider DSF provides a charge for costs associated with New Jersey Clean Energy Program. The DSF is included in the Societal Benefits Charge applicable to all KWH usage of any Full Service Customer or Delivery Service Customer.

**DSF = \$0.003457 per KWH (\$0.003686 per KWH including SUT)**

Demand Side Factor costs include carrying costs on any unamortized balances of such costs at the applicable interest approved by the BPU in its Final Order dated May 17, 2004 (Dockets Nos. ER02080506, et al.), such interest rate shall be the rate actually incurred on the Company's short-term debt (debt maturing in one year or less), or the rate on equivalent temporary cash investments if the Company has no short-term debt outstanding. Interest shall be computed monthly based on the beginning and ending average monthly balance net of deferred income taxes, compounded annually (added to the balance on which interest is accrued annually) on January 1 of each year.

**Issued: August 30, 2018**

**Effective: September 8, 2018**

**Filed pursuant to Order of Board of Public Utilities**  
**Docket No. ER17080894 dated August 29, 2018**

Issued by James V. Fakult, President  
300 Madison Avenue, Morristown, NJ 07962-1911

**JERSEY CENTRAL POWER & LIGHT COMPANY**

**BPU No. 12 ELECTRIC - PART III**

**3<sup>rd</sup> Rev. Sheet No. 45**  
**Superseding 2<sup>nd</sup> Rev. Sheet No. 45**

**Rider NDC**  
**Nuclear Decommissioning Costs**

**APPLICABILITY:** Rider NDC provides a charge for Nuclear Decommissioning costs. The NDC is included in the Societal Benefits Charge applicable to all KWH usage of any Full Service Customer or Delivery Service Customer.

**NDC = \$0.000000 per KWH (\$0.000000 per KWH including SUT)**

Nuclear Decommissioning costs include carrying costs on any unamortized balances of such costs at the applicable interest rate approved by the BPU in its Final Order dated May 17, 2004 (Docket Nos. ER02080506, et al.). Such interest rate shall be the rate actually incurred on the Company's short-term debt (debt maturing in one year or less), or the rate on equivalent temporary cash investments if the Company has no short-term debt outstanding. Interest shall be computed monthly based on the beginning and ending average monthly balance net of deferred income taxes, compounded annually (added to the balance on which interest is accrued annually) on January 1 of each year.

**Issued: August 30, 2018**

**Effective: September 8, 2018**

**Filed pursuant to Order of Board of Public Utilities**  
**Docket No. ER17080894 dated August 29, 2018**

Issued by James V. Fakult, President  
300 Madison Avenue, Morristown, NJ 07962-1911

JERSEY CENTRAL POWER & LIGHT COMPANY

BPU No. 12 ELECTRIC - PART III

3<sup>rd</sup> Rev. Sheet No. 47  
Superseding 2<sup>nd</sup> Rev. Sheet No. 47

**Rider UNC**  
**Uncollectible Accounts Charge**

**APPLICABILITY:** Rider UNC provides a charge for costs associated with uncollectible accounts recorded in FERC account 904 (Uncollectible Accounts). The UNC is included in the Societal Benefits Charge applicable to all KWH usage of any Full Service Customer or Delivery Service Customer.

**UNC = \$0.000352 per KWH (\$0.000375 per KWH including SUT)**

Uncollectible costs include carrying costs on any unamortized balances of such costs at the applicable interest rate approved by the BPU in its Final Order dated May 17, 2004 (Docket Nos. ER02080506, et al.). Such interest rate shall be the rate actually incurred on the Company's short-term debt (debt maturing in one year or less), or the rate on equivalent temporary cash investments if the Company has no short-term debt outstanding. Interest shall be computed monthly based on the beginning and ending average monthly balance net of deferred income taxes, compounded annually (added to the balance on which interest is accrued annually) on January 1 of each year.

Issued: August 30, 2018

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300 Madison Avenue, Morristown, NJ 07962-1911