

A FirstEnergy Company

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August 9, 2022

- TO: Each Municipal Clerk and County Executive or Administrator of the Municipalities and Counties of New Jersey Served by Jersey Central Power & Light Company
 - Re: In the Matter of the 2022/2023 Annual Compliance Filings for the Universal Service Fund Program Factor within the Societal Benefits Charge Rate Pursuant to N.J.S.A. 48:2-21 and N.J.S.A. 49:2-21.1

BPU Docket No. ER22060374

Dear Sir/Madam:

Enclosed please find a copy of a Notice of Public Hearing for Jersey Central Power & Light Company's ("JCP&L" or the "Company") Verified Petition seeking the Board's approval of the Universal Service Fund ("USF") and Lifeline components of the electric Societal Benefits Charges ("SBC") to become effective on October 1, 2022.

PLEASE TAKE NOTICE that the New Jersey Board of Public Utilities ("Board") has scheduled virtual public hearings on this matter at the times set forth in the enclosed Public Notice.

A copy of the Company's Verified Petition, together with supporting attachments, is available for review on JCP&L's website at:

https://www.firstenergycorp.com/jersey_central_power_light/regulatory.html

JCP&L would be pleased to furnish you with any assistance or additional information that you might reasonably require.

Very truly yours,

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

NOTICE TO THE CUSTOMERS OF JERSEY CENTRAL POWER & LIGHT COMPANY

Notice of a Filing and Notice of Public Hearings

In the Matter of the 2022/2023 Annual Compliance Filings for the Universal Service Fund Program Factor within the Societal Benefits Charge Rate Pursuant to N.J.S.A. 48:2-21 and N.J.S.A. 49:2-21.1

BPU Docket No. ER22060374

PLEASE TAKE NOTICE that, the Universal Service Fund ("USF") Program established by the Board of Public Utilities ("Board"), pursuant to the Electric Discount and Energy Competition Act, N.J.S.A. 48:3-49, et seq., serves to provide funds to assist qualifying low-income individuals in paying their energy bills. Pursuant to Board Orders, the costs of the USF Program are recovered through uniform statewide rates that are included in the Societal Benefits Charge ("SBC") for each of the State's electric and gas public utilities. The SBC also includes funding for the Lifeline program, which provides assistance with heating costs to qualifying elderly and disabled persons. The State of New Jersey's Department of Community Affairs is the Administrator of the USF Program. The New Jersey Department of Human Services is the Administrator of the Lifeline programs and authorizes the disbursement of benefits to eligible customers in the respective programs.

Jersey Central Power & Light Company ("JCP&L") on June 27, 2022, made a compliance filing with the Board, providing supporting documentation for changes in the USF and Lifeline components of the electric SBC to become effective on October 1, 2022 ("Filing").

Based upon the results and available estimates known to date for the 2021/2022 USF program year, and the available estimates for the 2022/2023 USF Program year, it is anticipated that the USF rates will be set to collect \$263.5 million, of which \$221.3 million would be recovered through electric rates with the remaining \$42.2 million recovered through gas rates on a statewide basis. The Lifeline rates are anticipated to collect \$74.6 million, of which \$50.7 million would be recovered through electric rates with the remaining \$23.9 million recovered through gas rates on a statewide basis.

The current combined rate, after sales and use tax ("SUT"), for the USF and Lifeline programs for electric customers is \$0.003255 per kilowatt-hour ("kWh"). As proposed, the after-SUT USF/Lifeline program charge for electric customers would increase by \$0.000952 per kWh, consisting of an increase of \$0.000955 per kWh in the USF component and a decrease of \$0.000003 per kWh in the Lifeline component, to a total rate of \$0.004207 per kWh.

Based upon JCP&L's Filing, a typical residential electric customer using 500 kilowatt hours per month, and 6,000 kilowatt hours on an annual basis, would see an increase in their annual bill from \$827.03 to \$832.74, or \$5.71, or approximately 0.69%.

The above requests will not result in any profit to JCP&L. The revenues received under the proposed USF and Lifeline program factors are designed to permit JCP&L to recover its costs associated with these programs only. Actual program costs will be reconciled with the revenues received through the USF and Lifeline program charges in the next scheduled annual USF and Lifeline compliance filing, to be made no later than July 1, 2023.

Universal Service/Lifeline Fund Components of Societal Benefits Charge						
	Present	Present (Incl. SUT)	Proposed	Proposed (Incl. SUT)		
USF-Electric per kWh	\$0.002315	\$0.002468	\$0.003210	\$0.003423		
Lifeline-Electric per kWh	\$0.000738	\$0.000787	\$0.000735	\$0.000784		

The proposed statewide charges for electric customers are as follows:

If approved by the Board, the effect of the proposed changes in the electric USF/Lifeline Program charges on a typical residential electric bill is illustrated below:

Impact of Proposed USF and Lifeline Charges OnTypical Residential Electric Bills							
Monthly	Annual	Present	Proposed	Proposed	Proposed		
kWh	kWh	Annual	Annual	Annual	%		
Usage	Usage	Bill ⁽¹⁾	Bill ⁽²⁾	Increase	Increase		
500	6,000	\$827.03	\$832.74	\$5.71	0.69%		
1,000	12,000	\$1,714.55		\$11.42	0.67%		
1,500	18,000	\$2,626.94		\$17.14	0.65%		

⁽¹⁾ Based on Residential Full Service (RS) rates in effect June 1, 2022

⁽²⁾ Based on Residential Full Service (RS) rates in effect June 1, 2022 with proposed charges

The Board has the statutory authority to establish the USF and Lifeline charges at levels it finds just and reasonable. Any final rate adjustments found by the Board to be just and reasonable may be modified and/or allocated by the Board in accordance with the provisions of N.J.S.A. 48:2-21, and for other good and legally sufficient reasons, to any class or classes of customers of the Company. Therefore, the Board may establish the USF and Lifeline charges at levels other than those proposed by JCP&L. Copies of this Notice and other relevant documents are posted on JCP&L's website at

https://www.firstenergycorp.com/jersey_central_power_light/regulatory.html.

PLEASE TAKE FURTHER NOTICE that, due to the COVID-19 Pandemic, a virtual public hearing will be conducted on the following date and times so that members of the public may present their views on the Company's Filing. Information provided at the public hearings will become part of the record and considered by the Board in making its decision.

Date: September 1, 2022, 4:30 and 5:30 PM Link: https://fecorp.co/PH-9-1-22 Dial-In Number: 1-878-787-7704 Phone Conference ID: 470 506 008 Meeting ID: 264 844 591 698 Passcode: hsFDFw

Representatives from the Company, Board Staff, and the New Jersey Division of Rate Counsel will participate in the virtual public hearings. Members of the public are invited to participate by utilizing the Dial-In number and Access Code or virtual meeting link set forth above and may express their views on this Filing. Any comments will be made a part of the final record of the proceeding and will be considered by the Board. In order to encourage full participation in this opportunity for public comment, please submit any request for needed accommodations, such as interpreters or listening devices, 48 hours prior to the above hearings to the board.secretary@bpu.nj.gov.

The Board will accept written and/or electronic comments. While all comments will be given equal consideration and will be made part of the final record of this proceeding, the preferred method of transmittal is via the Board's Public Document Search Tool (<u>https://publicaccess.bpu.state.nj.us/</u>). Search for the specific docket listed above, and then post the comment by utilizing the "Post Comments" button. Emailed comments may be filed with the Secretary of the Board, in pdf or Word format, to <u>board.secretary@bpu.nj.gov</u>.

Written comments may also be submitted to the Acting Board Secretary, Carmen D. Diaz, at the Board of Public Utilities, 44 South Clinton Avenue, 1st Floor, P.O. Box 350, Trenton, NJ 08625-0350. All comments should include the name of the Petition and the docket number.

All comments are considered "public documents" for purposes of the State's Open Public Records Act. Commenters may identify information that they seek to keep confidential by submitting them in accordance with the confidentiality procedures set forth in N.J.A.C. 14:1-12.3.