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June 28, 2024

VIA ELECTRONIC MAIL ONLY

Sherri Golden, Secretary
New Jersey Board of Public Utilities
44 South Clinton Avenue, 1st Floor
Trenton, New Jersey 08625
Board.secretary@bpu.nj.gov

Re: *In the Matter of the 2024/2025 Annual Compliance Filings for a Change in the Statewide Electric and Gas Permanent Universal Service Fund Program Factors within the Electric and Gas Societal Benefits Charges Rates Pursuant to N.J.S.A. 48:2-21 and N.J.S.A. 49:2-21.1 – Jersey Central Power & Light Company*

BPU Docket No. _____

Dear Secretary Golden:

On behalf of Jersey Central Power & Light Company (“JCP&L” or the “Company”), please accept this letter and attached exhibits and schedules as JCP&L’s annual Universal Service Fund (“USF”) compliance filing to establish the appropriate recovery level for the 2024/2025 USF program year. JCP&L joins the State’s other electric public utilities to propose that the current statewide electric USF charge, which includes both USF rates (“USF Rates”) and Lifeline rates (“Lifeline Rates”) (collectively, the “USF Charge”), be increased for the 2024/2025 USF program year. Specifically, as explained below, the overall increase in the statewide electric USF Charge is comprised of (i) an increase in the USF Rates’ component of the electric USF Charge, and (ii) an increase in the Lifeline Rates’ component of the electric USF Charge factor within JCP&L’s Societal Benefits Charge (“SBC”). JCP&L anticipates that each of the State’s electric and gas public utilities (collectively, “Utilities”) will also be making similar compliance filings under the common docket number to be assigned to this proceeding.

This filing is in compliance with the April 30, 2003, July 16, 2003, June 30, 2004, and June 22, 2005 Orders issued by the New Jersey Board of Public Utilities (“Board” or “BPU”), under BPU Docket Nos. EX00020091, EO09060506 and EO09090771, which have established and refined the statewide mechanism through which funds for the USF program are collected from customers of all of the Utilities through uniform electric and gas rates in the form of the USF Charge factor within the Company’s SBC.

On behalf of the Utilities, Public Service Electric and Gas Company (“PSE&G”) has included in its annual USF compliance filing (the “PSE&G Compliance Filing”) a series of worksheets that illustrate, by utility and statewide, the USF program recoveries and program costs to date, including the program administrator budget, which was last authorized by the Board in its Order dated September 27, 2023.¹ JCP&L hereby incorporates by reference those worksheets from the PSE&G Compliance Filing (*i.e.*, Attachment A thereto) as if fully set forth herein.

Based upon the results and available estimates known to date for the 2023/2024 USF program year and the available estimates for the 2024/2025 USF program year, which are detailed in the referenced worksheets from the PSE&G Compliance Filing, it is proposed that the statewide electric USF Rates (including Sales and Use Tax (“SUT”)) should increase from \$0.001325/kWh to \$0.002212/kWh and that the statewide electric Lifeline Rates (including SUT) should increase from \$0.000744/kWh to \$0.000757/kWh for the 2024/2025 USF program year. As a result, the statewide electric USF Charge (including SUT) should increase on an overall basis from \$0.002069/kWh to \$0.002969/kWh for the 2024/2025 USF program year beginning on October 1, 2024. These calculations incorporate the anticipated Department of Community Affairs program administrator budget received from the Board in the amount of \$11,444,369 as well as incremental USF and Fresh Start costs as well as an estimated decrease of \$30,664,311 to USF and Fresh Start costs related to a reduction for customers no longer income eligible for the 2024/2025 USF program year. As was the case last year, the Lifeline Rate is set to collect \$74.6 million, consistent with the Board’s July 16, 2003 Order in BPU Docket No. EX00020091.²

In accordance with the Board’s direction in the above-referenced June 22, 2005 Order, JCP&L has included with this compliance filing a draft tariff reflecting the overall increase in the USF Charge to be effective October 1, 2024 (attached as Exhibit A hereto, setting forth the further details regarding the implementation of these changes to the USF Charge). Additionally, JCP&L has included with this filing a proposed form of Public Notice of Filing and Public Hearing (attached as Exhibit B hereto). This form of public notice sets forth the requested rate changes and will be served on the County Executives and Clerks of all municipalities and will be placed in newspapers having a circulation within JCP&L’s electric service territories upon the receipt, scheduling and publication of hearing dates.

¹ See *In the Matter of the 2023/2024 Annual Compliance Filings for the Universal Service Fund (“USF”) Program Factor Within the Societal Benefits Charge Rate*, BPU Docket No. ER23060409 (September 27, 2023), *Approving Interim USF Rates and Lifeline Rates* (“September 2023 USF Order”).

² Based upon the results and available estimates known to date for the 2023/2024 USF program year and the available estimates proposed to date for the 2024/2025 USF program year, it is anticipated that the statewide USF Rates should increase to collect approximately \$236.5 million of USF program costs on a statewide basis, and that the statewide Lifeline Rates should continue to collect approximately \$74.6 million of Lifeline program costs on a statewide basis. Approximately \$143.8 million of the total estimated statewide USF program costs of \$236.5 million would be recovered through electric rates and the remaining portion of \$92.7 million would be recovered through gas rates. Also, it is anticipated that approximately \$49.2 million of the statewide Lifeline program costs of approximately \$74.6 million would be recovered through electric rates and the remaining portion of approximately \$25.4 million would be recovered through gas rates.

Once effective and implemented, the proposed overall increase in the USF Charge will mean that a JCP&L residential customer using 500 kilowatt hours per month, or 6,000 kilowatt hours per year, would see an increase in their annual electric bill from \$998.04 to \$1,003.44, or \$5.40 (approximately 0.54%), based on rates effective June 1, 2024.

In addition, the Company respectfully joins in the request of the Utilities as set forth in the PSE&G Compliance Filing that consistent with precedent,³ each utility, that is entitled to do so, should fully recover its administrative costs, if any, in 2024/2025 USF Rates and Lifeline Rates in the month following Board approval of such rates. This recovery should be from funds disbursed to the Utilities by the USF Trust Fund maintained by the New Jersey Department of Treasury.⁴

Finally, in the September 2023 USF Order, the Board finalized the USF interim rates that had been approved through September 30, 2022, and directed those prior interim rates should be examined and finalized in future Annual USF Compliance Filings. Accordingly, JCP&L also joins in the request of the Utilities as set forth in the PSE&G Compliance Filing, which provides for the examination of the 2023/2024 USF and Lifeline Rates approved by the Board on an interim basis in the September 2023 USF Order, that the Board finalize the current USF and Lifeline interim rates, which have been approved through September 30, 2023 by virtue of such September 2023 USF Order.

WHEREFORE, based on the foregoing, JCP&L respectfully requests that the Board issue an Order approving: (a) the proposed overall increase in the statewide electric USF Charge (including SUT) to \$0.002969/kWh for the 2024/2025 program year, which begins on October 1, 2024; (b) the implementation of the proposed statewide electric USF Rates and Lifeline Rates by JCP&L, including a proposed increase in both the USF Rates' component and the Lifeline Rates' component thereof, as contained in the proposed tariff sheets attached hereto as Exhibit A, effective for electric service rendered on and after October 1, 2024, as provided for in the Board's above-referenced July 16, 2003 and June 22, 2005 Orders; and (c) the finalization of the current USF interim rates, which were approved in the September 2023 USF Order, through September 30, 2023.

³ See "In The Matter Of The 2010/2011 Annual Compliance Filings For The Universal Service Fund ("USF") Program Factor Within The Societal Benefits Charge Rate," BPU Docket No. ER10060436 (October 20, 2010) ("October 2010 USF Order") and the September 2021 USF Order, BPU Docket No. ER21060939.

⁴ As noted in JCP&L's 2023/2024 USF Compliance Filing, since April 1, 2015, the Company has been recovering its USF-related administrative costs ("Administrative Costs") through current base rates, which were implemented pursuant to the Board's Order dated March 26, 2015, in BPU Docket No. ER12111052. See *In the Matter of the Verified Petition of Jersey Central Power & Light Company for Review and Approval of Increases in and Other Adjustments to Its Rates and Charges for Electric Service, and for Approval of Other Proposed Tariff Revisions in Connection Therewith; and for Approval of an Accelerated Reliability Enhancement Program*, BPU Docket No. ER12111052 (March 26, 2015). Accordingly, JCP&L has not sought to recover its Administrative Costs in this 2024/2025 USF Compliance Filing under either the October 2010 USF Order or the Board's Order dated June 21, 2010. See *In the Matter of Recovery of Administrative Costs Expended by Utilities Under Universal Services Funds Program*, BPU Docket No. EO09090771 (June 21, 2010).

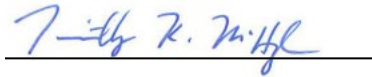
Secretary Golden

June 28, 2024

Page 4 of 4

Please kindly confirm your receipt and acceptance of this filing, and provide the docket number associated with same, by electronic mail at your earliest convenience. If you have any questions, please do not hesitate to contact me.

Respectfully submitted,

A handwritten signature in blue ink, reading "Timothy K. McHugh", is written over a horizontal line.

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Counsel for Jersey Central Power & Light Company

c: Service List

Exhibit A

**Proposed
Rider SBC &
Rider USF Tariffs**

JERSEY CENTRAL POWER & LIGHT COMPANY

BPU No. 14 ELECTRIC - PART III

1st Rev. Sheet No. 50

Superseding Original Sheet No. 50

**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	\$0.003280	\$0.003497
Rider NDC	\$0.000000	\$0.000000
Rider RAC	\$0.000806	\$0.000859
Rider UNC	\$0.000352	\$0.000375
Rider USF	\$0.002785	\$0.002969

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, 2024**, the SBC shall be applied to all KWH usage for billing purposes as follows:

		<u>Including SUT</u>
Total SBC:	\$0.007223	\$0.007700

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:

Effective:

Filed pursuant to Order of Board of Public Utilities
Docket No. _____ **dated** _____

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

Rider USF
Universal Service Fund Costs Recovery

APPLICABILITY: Rider USF provides a charge for costs associated with the state-mandated Universal Service Fund (“USF”) to assist certain Customers as defined by the BPU. The USF is included in the Societal Benefits Charge and is applicable to all KWH usage of any Full Service Customer or Delivery Service Customer.

Effective **October 1, 2024**, the USF provided below consists of an USF rate of **\$0.002075** per KWH and a Lifeline rate of **\$0.000710** per KWH (**\$0.002212** per KWH and **\$0.000757** per KWH including SUT, respectively), pursuant to the BPU Order dated **TBD**.

USF = \$0.002785 per KWH (\$0.002969 per KWH including SUT)

Universal Service Fund costs shall accrue interest on any over or under recovered balances of such costs at the interest rate based on a two-year constant maturity Treasuries as published in the Federal Reserve Statistical Release on the first day of each month (or the closest day thereafter on which rates are published), plus sixty basis points, but shall not exceed the Company’s overall rate of return as approved by the BPU. Such interest rate shall be reset each month. The interest calculation shall be based on the net of tax beginning and end average monthly balance, consistent with the methodology in the Board’s Final Order dated May 17, 2004 (Docket No. ER02080506 et al.), accrue monthly with an annual roll-in at the end of each reconciliation period.

Issued:

Effective:

Filed pursuant to Order of Board of Public Utilities
Docket No. _____ dated _____

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

Exhibit B

Proposed Public Notice of Filing

and

Public Hearings

**NOTICE
TO THE CUSTOMERS OF
JERSEY CENTRAL POWER & LIGHT COMPANY**

**Notice of a Filing
and Notice of Public Hearings**

**In the Matter of the 2024/2025 Annual Compliance Filings for a Change in the
Statewide Electric and Gas Permanent Universal Service Fund Program
Factors within the Electric and Gas Societal Benefits Charges Rates Pursuant to
*N.J.S.A. 48:2-21 and N.J.S.A. 49:2-21.1***

BPU Docket No. _____

TAKE NOTICE that, on June 28, 2024, Jersey Central Power & Light Company (“JCP&L”) made a compliance filing with the New Jersey Board of Public Utilities (“Board”) providing supporting documentation for changes in the Universal Service Fund (“USF”) and Lifeline components of the electric Societal Benefits Charges (“SBC”) to become effective on October 1, 2024 (“Filing”). This requested change in electric USF/Lifeline components is made pursuant to Board Orders and includes the recovery of funding for the USF Program through uniform statewide rates.

The USF Program was established by the Board in 2003, pursuant to the Electric Discount and Energy Competition Act, *N.J.S.A. 48:3-49, et seq.* (“EDECA”), to assist qualifying low-income individuals in paying their energy bills. 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 (“DCA”) is the Administrator of the USF Program, and the New Jersey Department of Human Services is the Administrator (“DHS”) is the Administrator of the Lifeline programs. DCA and DHS authorize the disbursement of benefits to eligible customers in the respective programs.

Based upon the results and available estimates known to date for the 2023/2024 USF program year, and the available estimates for the 2024/2025 USF Program year, it is anticipated that the USF rates will be set to collect \$236.5 million, of which \$143.8 million would be recovered through electric rates with the remaining \$92.7 million recovered through gas rates on a statewide basis. The Lifeline rates are anticipated to collect \$74.6 million, of which, \$49.2 million would be recovered through electric rates with the remaining \$25.4 million recovered through gas rates on a statewide basis. The current after-tax USF/Lifeline program charge for electric customers is \$0.002069 per kilowatt-hour (“kWh”). As proposed, the USF component would increase by \$0.000887 per kWh and the Lifeline component would increase by \$0.000013 per kWh. The proposed after-tax USF/Lifeline program charge will increase to \$0.002969 per kWh to recover approximately \$143.8 million for the statewide electric USF program and \$49.2 million for the Lifeline program.

The proposed statewide charges for electric customers are as follows:

Universal Service/Lifeline Fund Components of Societal Benefits Charge				
	Present	Present (Incl. Sales and Use Tax)	Proposed	Proposed (Incl. Sales and Use Tax)
USF-Electric per kWh	\$0.001243	\$0.001325	\$0.002075	\$0.002212
Lifeline-Electric per kWh	\$0.000698	\$0.000744	\$0.000710	\$0.000757

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, 2025.

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 On Typical Residential Electric Bills					
Monthly kWh Usage	Annual kWh Usage	Present Annual Bill ⁽¹⁾	Proposed Annual Bill ⁽²⁾	Proposed Annual Increase	Proposed % Increase
500	6,000	\$998.04	\$1,003.44	\$5.40	0.54%
1,000	12,000	\$2,055.00	\$2,065.80	\$10.80	0.53%
1,500	18,000	\$3,139.56	\$3,155.76	\$16.20	0.52%

⁽¹⁾ Based on Residential Full Service (RS) rates in effect June 1, 2024

⁽²⁾ Based on Residential Full Service (RS) rates in effect June 1, 2024, with proposed charges

As set forth above, based on JCP&L's June 28, 2024 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 \$998.04 to \$1,003.44 or \$5.40 or approximately 0.54%.

Actual results regarding USF expenditures and recoveries could be significantly affected by program changes, participation rates, and/or sales volumes.

The Board has the statutory authority to establish the USF and Lifeline charges at levels it finds just and reasonable. Therefore, the Board may establish the USF and Lifeline charges at levels other than those proposed by JCP&L's June 28, 2024 filing. As a result, the above-described charges may increase or decrease based upon the Board's decision.

Copies of the Filing can be reviewed on JCP&L's website at:

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

PLEASE TAKE FURTHER NOTICE that a telephonic 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.

The following date and time(s) for telephonic public hearing(s):

Date:

Public Hearing 1:

Public Hearing 2:

Dial-In:

Access Code:

Representatives from the Company, Board Staff, and the New Jersey Division of Rate Counsel will participate in the telephonic public hearings. Members of the public are invited to participate by utilizing the Dial-In number and Access Code set forth above and may express their views on this Filing. All comments will be made a part of the final record of the proceeding and will be considered by the Board. To encourage full participation in this opportunity for public comment, please submit any request for needed accommodations, such as interpreters, 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 a part of the final record of this proceeding, the preferred method of transmittal is via the Board's External Access Portal after obtaining a MyNewJersey Portal ID. Detailed instructions for e-Filing can be found on the Board's homepage at <https://www.nj.gov/bpu/agenda/efiling>. Emailed comments may be filed with the Secretary of the Board, in pdf or Word format, to board.secretary@bpu.nj.gov.

Written comments may also be submitted to the Board Secretary, Sherri Golden, 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*.

**JCPL 2024-2025 USF
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