

August 23, 2021

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 2021/2022 Annual Compliance Filings for the Universal
Service Fund Program Factors within the Societal Benefits Charges Rates**

**In the Matter of the Provision Of Basic Generation Service for the Period
Beginning June 1, 2022**

BPU Docket No. ER21060939 and ER21030631

Dear Sir/Madam:

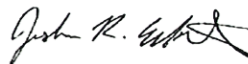
Enclosed please find a copy of a Notice of Combined Public Hearings for Jersey Central Power & Light Company's ("JCP&L" or the "Company") Compliance Filing seeking the New Jersey Board of Public Utilities' ("Board") approval of the Universal Service Fund ("USF") and Lifeline components of the electric Societal Benefits Charges ("SBC") to become effective on October 1, 2021, as well the Company's Proposal seeking the Board's approval for Basic Generation Service ("BGS") Requirements to be Procured Effective June 1, 2022, which requests that the Board approve the procurement of BGS supply through a statewide competitive auction process, with new BGS charges to become effective June 1, 2022.

PLEASE TAKE NOTICE that the Board has scheduled telephonic public hearings on these matters at the times set forth in the enclosed Public Notice.

Copies of the Company's USF Compliance Filing and its Proposal for Procurement of BGS, together with supporting attachments, are available for review at the websites set forth in the Public Notice.

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
JERSEY CENTRAL POWER & LIGHT COMPANY CUSTOMERS**

NOTICE OF FILING AND PUBLIC HEARINGS FOR,

**Basic Generation Service Charges Procured by JCP&L on behalf of its Basic
Generation Service Customers**

and

**Notice of Proposed Recovery through its Basic Generation Service Charges of Costs
Resulting from Statewide Auction for Basic Generation Service**

**In the Matter of The Provision of Basic Generation Service for the Period Beginning
June 1, 2022**

BPU Docket No. ER21030631

and

**In the Matter of the 2021/2022 Annual Compliance Filings for the Universal Service
Fund Program Factors within the Societal Benefits Charges Rates**

BPU Docket No. ER21060939

PLEASE TAKE NOTICE that on July 1, 2021, Jersey Central Power & Light Company (“JCP&L”) filed a proposal [Annual Proposal for Basic Generation Service (“BGS”) Requirements to be Procured Effective June 1, 2022] with the New Jersey Board of Public Utilities (“Board” or “BPU”) requesting that the Board approve the procurement of BGS supply through a statewide competitive auction process, with new BGS charges to become effective June 1, 2022. BGS is provided to all JCP&L customers who do not procure their electric supply requirements from a third-party supplier.

The Board mandates that the New Jersey Electric Distribution Companies (“EDCs”), including JCP&L, provide BGS in accordance with the requirements of the Electric Discount and Energy Competition Act, *N.J.S.A. 48:3-49, et seq.* (“Act”). BGS is currently procured through a statewide competitive auction process in which all the EDCs seek offers for BGS supply from electric generation suppliers. In this auction process, electric generation suppliers bid in a descending-clock auction on specified portions of the electric requirements for BGS customers for each of the EDCs. Since 2001, the Board has approved this type of auction and found that this auction process meets the statutory requirements of the Act. The Company’s Annual Proposal for BGS Requirements to be Procured Effective June 1, 2022 is available at <http://www.bgs-auction.com/bgs.auction.regproc.asp>.

The final price for Basic Generation Service – Residential Small and Commercial Pricing (“BGS-RSCP”) supply resulting from the BGS-RSCP auction conducted in 2021 was 6.477 cents per kilowatt-hour for a 36-month supply period. This final price was blended with the prices procured for the previous two auctions to develop the BGS-RSCP rate paid by BGS-RSCP customers beginning June 1, 2021. For the Basic Generation Service – Commercial and Industrial Energy Pricing (“BGS-CIEP”) auction conducted in 2021, the Generation Capacity Charge cleared at \$295.88 per MW-day.

The final prices for the BGS supply procured in the 2022 BGS-RSCP and BGS-CIEP auctions may be higher or lower than the auction clearing prices obtained in the 2021 auction. Auction prices are converted to customer charges, which may be higher or lower than current charges, depending on the outcome of the auctions, consistent with market conditions. BGS-RSCP and BGS-CIEP rates may change to reflect any increases or decreases in the Federal Energy Regulatory Commission approved transmission charges.

Customer classes eligible to be served under the BGS-RSCP rate include customers served under JCP&L's distribution rate schedules RS, RT, RGT, OL, SVL, MVL, ISL and LED, and customers served under JCP&L's distribution rate schedules GS and GST with a peak load share of less than 500 kW. JCP&L customers served under distribution rate schedules GS and GST with a peak load share of 500 kW or greater, and JCP&L customers served under distribution rate schedules GP and GT, are only eligible to be served under the BGS-CIEP rate.

PLEASE TAKE FURTHER NOTICE that the Board will conduct an additional legislative-type hearing on September 27, 2021, beginning at 9:00 AM, regarding the BGS proposals. It is anticipated that the Board will rule on the EDCs' BGS proposal shortly thereafter. The Board's Agenda Meeting schedules can be found at nj.gov/bpu.

PLEASE TAKE FURTHER NOTICE that, on June 29, 2021, JCP&L made a compliance filing with the 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, 2021 ("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 Act, 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 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.

Based upon the results and available estimates known to date for the 2020/2021 USF program year, and the available estimates for the 2021/2022 USF Program year, it is anticipated that the USF rates will be set to collect \$215.5 million, of which \$159.1 million would be recovered through electric rates with the remaining \$56.4 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 after-tax USF/Lifeline program charge for electric customers is \$0.002252 per kilowatt-hour ("kWh"). As proposed, the USF component would increase by \$0.000975 per kWh and the Lifeline component would increase by \$0.000028 per kWh. The proposed after-tax USF/Lifeline program charge will increase to \$0.003255 per kWh to recover approximately \$159.1 million for the statewide electric USF program and \$50.7 million for the Lifeline program.

The proposed statewide charges for electric customers are as follows:

Universal Service/Lifeline Fund Componentsof Societal Benefits Charge				
	Present	Present (Includes Sales and Use Tax)	Proposed	Proposed (Includes Salesand Use Tax)
USF-Electric per kWh	\$0.001400	\$0.001493	\$0.002315	\$0.002468
Lifeline-Electric per kWh	\$0.000712	\$0.000759	\$0.000738	\$0.000787

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, 2022.

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 kWh Usage	Annual kWh Usage	Present Annual Bill ⁽¹⁾	Proposed Annual Bill ⁽²⁾	Proposed Annual Increase	Proposed % Increase
500	6,000	\$803.40	\$809.52	\$6.12	0.76%
1,000	12,000	\$1,659.72	\$1,671.72	\$12.00	0.72%
1,500	18,000	\$2,537.52	\$2,555.52	\$18.00	0.71%

(1) Based on Residential Full Service (RS) rates in effect July 1, 2021

(2) Based on Residential Full Service (RS) rates in effect July 1, 2021 with proposed changes

Based upon JCP&L's Filing, a typical residential electric customer using 500 kWh per month, and 6,000 kilowatt hours on an annual basis, would see an increase in their annual bill from \$803.40 to \$809.52, or \$6.12 or approximately 0.76%. The proposed increase includes the projected costs of an expansion of the USF program ordered by the Board in an Order dated June 24, 2021, under BPU docket number AO20060471.

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 Filing.

Copies of the Filing can be reviewed on JCP&L's website at:
https://www.firstenergycorp.com/jersey_central_power_light/regulatory.html.

Due to the COVID-19 Pandemic, a telephonic public hearing will be conducted on these matters at the following date and time so that members of the public may present their views.

Date: September 13, 2021

Time: 1:30 & 4:30 PM

Dial In: 877-332-6631

Passcode: 2853961#

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 passcode set forth above and may express their views on these filings. All comments will be made a part of the final records of these proceedings and will be considered by the Board. In order to encourage full participation in these opportunities for public comment, please submit any requests for needed accommodations, such as interpreters, listening assistance, 48 hours prior to the above hearings to the Board Secretary at board.secretary@bpu.nj.gov.

The Board will also accept written and/or electronic comments. While all comments will be given equal consideration and will be made part of the final records of these proceedings, 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, Aida Camacho-Welch, at the Board of Public Utilities, 44 South Clinton Avenue, 9th 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.

JERSEY CENTRAL POWER & LIGHT COMPANY