

Data Request: RCR-DEP-17

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 (“2012 Base Rate Filing”)

**BPU Docket No. ER12111052
OAL Docket No. PUC 16310-2012N**

RESPONSES TO DATA REQUESTS

RCR-DEP-17 Please identify and explain all financial, operating, and maintenance changes since the last Depreciation Study that have affected depreciation lives, retirement patterns, cost of removal or salvage characteristics.

Response: The Company is not aware of any policy or programmatic changes since the last Depreciation Study that would have a material impact on depreciable lives, retirement patterns, cost of removal or salvage characteristics. (Please note that actual cost of removal and salvage are recorded as an operating expense by the Company and those costs do not affect annual or accrued depreciation.) The Company anticipates that if any changes such as those identified in the question were to have occurred and could have an impact on depreciable lives or retirement patterns, they will be addressed in the Depreciation Study that the Company will be submitting in response to the BPU’s Order entered March 20, 2013.

Data Request: RCR-DEP-33

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 (“2012 Base Rate Filing”)

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RESPONSES TO DATA REQUESTS

RCR-DEP-33 Identify and explain all financial, operating, and maintenance changes since the most recent depreciation study that have affected depreciation lives, retirement patterns, or net salvage characteristics.

Response: Changes in asset investment or operating and maintenance practices, if and as they may have occurred since the last depreciation study, have not been documented.

Data Request: RCR-DEP-45

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 (“2012 Base Rate Filing”)

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RESPONSES TO DATA REQUESTS

RCR-DEP 45 Identify and explain all Company programs which might affect plant lives.

Response: The Company has not implemented or approved any life extension plans or programs. **See** the Company’s responses to RCR-DEP-15 and RCR-DEP-46.

Data Request: RCR-DEP-46

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 (“2012 Base Rate Filing”)

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RESPONSES TO DATA REQUESTS

RCR-DEP-46 Please provide all internal life extension studies prepared by the Company. Life extension refers to any program, maintenance or capital, designed to extend lives and/or increase capacity of existing plant. Identify the functions to which these studies relate.

Response: There have been no such studies.

Data Request: RCR-DEP-49

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RESPONSES TO DATA REQUESTS

RCR-DEP-49 Provide the Company’s internal engineering estimates of the average service lives of the physical units contained in each account. Provide the data and rationale for these estimates and the name of the engineer who made the estimate.

Response: The Company’s engineers have not prepared estimates of the average service lives of the physical assets placed in service at JCP&L because such studies have not been required.

Data Request: RCR-DEP-72

**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
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RESPONSES TO DATA REQUESTS

RCR-DEP-72 Please identify each FERC accounts for which the proposed depreciation life and or depreciation curve shape are not based on a regression analysis to choose the best fit among possible lives and curves, and the reason for not using a best fit result for that account.

Response: Mr. Spanos does not conduct strictly statistical life analyses and, as a consequence, the depreciation life or depreciation curve shape is not based solely on a regression analysis for any account. As explained on page II-24 of the Depreciation Study, the service life estimates developed in that study are based on judgment, which is informed by, and considers, several factors, including statistical analyses, Company policies and outlook, survivor curve estimates from previous studies for JCP&L and estimates of other electric companies.

Data Request: RCR-DEP-88

**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
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RESPONSES TO DATA REQUESTS

RCR-DEP-88 Please explain what consideration, if any, Mr. Spanos gave to annual maintenance expense data in his estimation of service lives, dispersion patterns and net salvage.

Response: Maintenance expense is an ongoing activity for utilities. Therefore, in preparing his service life studies, Mr. Spanos considers whether any changes to annual maintenance are planned to occur and whether such changes in maintenance practices would alter capital expenditures. There were no plans to change the current maintenance practices; therefore, future services lives, dispersion patterns and net salvage were not affected.

Data Request: RCR-DEP-101

**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
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RESPONSES TO DATA REQUESTS

RCR-DEP-101 Identify and explain all Company programs which might affect plant lives.

Response: JCP&L has not instituted any programs that would have a material impact on service lives or dispersion patterns. Additionally, there have not been any changes in maintenance practices that would materially alter capital expenditures, retirements or service lives or dispersion patterns.

Data Request: RCR-DEP-102

**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
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RESPONSES TO DATA REQUESTS

RCR-DEP-102 Please provide all internal life extension studies prepared by the Company. Life extension refers to any program, maintenance or capital, designed to extend lives and/or increase capacity of existing plant. Identify the functions to which these studies relate.

Response: The Company had not prepared any internal studies of life extension programs for distribution plant. See the Company's response to RCR-DEP-101.