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C O U N S E L O R S A T L A W

A Pennsylvania Limited Liability Partnership

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February 20, 2009

BY HAND DELIVERY

Kristi Izzo, Secretary
Board of Public Utilities
Two Gateway Center
Newark, NJ 07102

Re: **In the Matter of the Verified Petition of Jersey Central Power & Light Company Concerning a Proposal for Economic Stimulus Demand Response and Energy Efficiency Programs and Associated Cost Recovery Mechanism**
BPU Docket No.

Dear Secretary Izzo:

On behalf of the Petitioner, Jersey Central Power & Light Company ("JCP&L"), enclosed herewith for filing with the Board of Public Utilities are the original and 11 copies of JCP&L's Verified Petition and supporting Attachments in the above-captioned matter relating to proposed economic stimulus demand response and energy efficiency programs.

The Verified Petition, which is being filed in furtherance of Governor Corzine's statewide economic stimulus initiatives, proposes the implementation by JCP&L of various demand response and energy efficiency programs pursuant to which JCP&L would expend an aggregate of approximately \$47 million through the first year of implementation. The demand response programs, which had been previously proposed in a prior proceeding in Docket Nos. EO08050326 and EO08080542, include a tariff-based curtailment pilot program, a previously-

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approved Integrated Distributed Energy Resource pilot program and an expansion thereof, a permanent peak load shift program and an electricity storage program. The Verified Petition also proposes “whole house” residential and “whole building” non-residential energy efficiency programs. The Verified Petition also proposes a cost recovery mechanism that will enable JCP&L to carry out these programs.

I hereby confirm that three copies each of this letter and of the enclosed Verified Petition are this day being duly served by hand delivery upon the Director, Division of Rate Counsel, and upon the Department of Law & Public Safety, Division of Law.

Kindly stamp the enclosed additional copy of this filing letter with the date and time of receipt by your office and with the docket number assigned thereto, and return to the undersigned in the self-addressed postage paid return envelope provided.

Your anticipated courtesies and cooperation are deeply appreciated.

Very truly yours,



Marc B. Lasky

MBL:jmk

Enclosure

cc: (w/enclosure - by Hand Delivery)
Service List

In the Matter of the Verified Petition of Jersey Central Power & Light Company
Concerning a Proposal for Economic Stimulus Demand Response and
Energy Efficiency Programs and Associated Cost Recovery Mechanism
BPU Docket No. _____

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In the Matter of the Verified Petition of Jersey Central Power & Light Company
Concerning a Proposal for Economic Stimulus Demand Response and
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In the Matter of the Verified Petition of Jersey Central Power & Light Company
Concerning a Proposal for Economic Stimulus Demand Response and
Energy Efficiency Programs and Associated Cost Recovery Mechanism
BPU Docket No. _____

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**STATE OF NEW JERSEY
BOARD OF PUBLIC UTILITIES**

In the Matter of the Verified Petition of **Jersey
Central Power & Light Company** Concerning
a Proposal for Economic Stimulus Demand
Response and Energy Efficiency Programs and
Associated Cost Recovery Mechanism

:
: BPU Docket No. _____
:
:
: **VERIFIED PETITION**
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TO THE HONORABLE BOARD OF PUBLIC UTILITIES:

Petitioner, Jersey Central Power & Light Company (the “Petitioner”, the “Company” or “JCP&L”), 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, 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 13 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:

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Background

3. Pursuant to direction given to Board Staff at the Board's April 8, 2008 agenda meeting, the Board adopted recommendations of its Staff presented at the Board's June 13, 2008 agenda meeting, which action was memorialized in the Board's Order dated July 1, 2008 in Docket No. EO08050326 (which Order also referenced Docket No. EO08060421) ("July 1 Order"). In the July 1 Order, the Board, pursuant L. 2007, c. 340, sec. 13(a) (3) (codified as N.J.S.A. 48:3-98.1(a)(3)), ordered JCP&L, along with the other New Jersey electric distribution companies, to submit proposals to the Board by August 1, 2008 for Demand Response ("DR") programs for the period beginning June 1, 2009.¹ The Company filed such a petition with the Board on August 1, 2008, which was supplemented by letter dated January 27, 2009 and accompanying attachments submitted in response to a letter from the Board's Director of Energy alleging certain deficiencies in the initial petition. That petition, as supplemented (collectively,

¹ With the passage of time since the issuance of the July 1 Order, it has become impossible to register the programs with PJM for the summer of 2009.

the “August 1 DR Petition”), remains pending before the Board in Docket Nos. EO08050326 and EO08080542 and is incorporated herein by reference.

4. By Order dated July 25, 2008 in Docket No. ER07060375, the Board approved a Stipulation of Settlement among the Company, Board Staff and the Department of the Public Advocate, Division of Rate Counsel, providing for, among other things, the implementation by JCP&L of a new Integrated Distributed Energy Resource (“IDER”) pilot program.

5. In the fall of 2008, Governor Corzine proposed a number of economic stimulus initiatives for the State of New Jersey, including programs that would see the State’s utilities spending approximately \$500 million in the aggregate on infrastructure, energy efficiency (including demand response) and similar programs during 2009 to help revive the State’s economy and foster job growth. In furtherance of the Governor’s initiative, JCP&L filed a petition with the Board on January 30, 2009 proposing approximately \$40 million in accelerated infrastructure projects to improve reliability and approximately \$11 million in projects designed to enhance the energy efficiency of its distribution system, which petition is pending in Docket Nos. EO09010049 and EO09010055. This Verified Petition is being filed in further response to the Governor’s initiative by proposing specified energy efficiency (including demand response) programs, as described herein.

6. In this Verified Petition, the Company is proposing to implement the four small scale/pilot DR programs initially proposed in the August 1 DR Petition, along with the IDER pilot program discussed in paragraph 4 above, at a total cost of approximately \$34 million through the first year of implementation, and two new energy efficiency programs, one for residential customers and one for non-residential customers, at a total cost of approximately \$12.7 million, all as discussed below. To the extent relevant, the impacts of the DR and energy efficiency programs proposed herein shall count towards achievement of the demand response

and energy efficiency targets set forth in New Jersey's Energy Master Plan and the Board's Order dated January 28, 2009 in Docket No. EO08121065.²

August 1 DR Petition Programs (and IDER Pilot Program)

7. JCP&L proposes to expend approximately \$34 million through the first year of implementation in connection with the four small scale/pilot DR programs that are the subject of the pending August 1 DR Petition, along with the IDER pilot program discussed in paragraph 4 above that was approved by the Board on July 25, 2008. These programs consist of: (i) a tariff-based Curtailment Pilot; (ii) the IDER pilot program, together with an expansion of that program; (iii) a permanent peak load shift program; and (iv) an electricity storage program. These programs are described generally below, with more detailed descriptions and related financial and other data contained in the August 1 DR Petition and the supporting documents that accompanied the August 1 DR Petition. Cost recovery, accounting and other related issues are discussed below under "Cost Recovery and Accounting".

Tariff-Based Curtailment Pilot

8. The Curtailment Pilot proposed in the August 1 DR Petition will enable customers with interval metering and at least 100 kW of curtailable load to realize some of the benefits of PJM capacity programs through participation in a JCP&L regulated tariff offering. JCP&L will operate as a PJM Curtailment Service Provider ("CSP"), will register the capacity associated with Curtailment Pilot participants in PJM's Interruptible Load for Reliability ("ILR") capacity market and will receive revenues from PJM reflecting the market value of registered ILR capacity credits.³ To participate, customers must commit to reducing load either (a) to a

² As noted in Attachments 1 and 2 hereto, JCP&L is proposing that energy savings from the energy efficiency programs proposed herein be measured against existing equipment, rather than standard new equipment.

³ In addition, JCP&L plans to register curtailments by participating customers in PJM's Economic Load Response programs for those curtailments that are not related to PJM emergencies.

level below their “firm-service level” (“FSL”), i.e., a designated kW of demand for the customer account, or (b) by a “guaranteed load drop” (“GLD”) amount, in either case as specified by an agreement between the Company and the customer and consistent with protocols used by PJM in assessing capacity credits for demand response resources. Participation will be available to all customers meeting the above eligibility criteria, whether they are full service basic generation service (“BGS”) customers or delivery service shopping customers.

9. Customers participating in the Curtailment Pilot will receive a credit from JCP&L per kW of contracted capacity reduction (whether through the FSL or the GLD mechanism) equal to 90% of the published PJM ILR capacity credit. The credit will be revised annually to reflect the annual value of PJM ILR capacity. Based on PJM’s published market value for ILR resources, the participation incentive will be a fixed monthly credit of \$4.77 per kW of contracted capacity reduction for each month of the period June 1, 2010 through May 31, 2011 (“EY2010”) and \$3.01 per kW for each month of the period June 1, 2011 through May 31, 2012.

10. The Company intends to reduce the level of curtailment credits provided to participating customers that do not curtail load in accordance with their agreement under the new Rider CURP discussed in paragraph 12 below. The details of this credit reduction are being developed at this time, but for purposes of the Curtailment Pilot a customer will in no event be required to pay JCP&L an amount in excess of the credits it received. However, as these types of programs are expanded, the Company may propose a process in which a customer’s cost incurred as a result of failure to curtail load may exceed any payment or credit offered for the customer’s participation.

11. The Curtailment Pilot also includes four forms of supplemental incentives for new participants in PJM ILR programs, all of which will be treated as costs of the Pilot. First, consistent with recommendations made to the Board for the period June 1, 2008 through

May 31, 2009 by the New Jersey Demand Response Working Group in November 2007 and with the program ordered to be implemented by the Board by Order dated December 10, 2008 in Docket No. EO08050326 (“DRWG Order”), JCP&L proposes to make a one-time supplemental payment of \$22.50/MW-day for new capacity reductions made available by JCP&L customers that qualify for PJM ILR capacity credits in EY2010, whether the customer is enrolled in JCP&L’s Curtailment Pilot or participates through an independent CSP.⁴ Second, prospective customers that are not already enrolled with another CSP and that do not have an existing curtailment management operations plan will be eligible for a specified curtailment audit grant. Third, customers that do not have required interval metering will receive an interval meter at no cost to the customer. Fourth, all participating customers will be provided access to interval-metered data via a Meter Profile Service at no cost.

12. JCP&L is proposing a new Rider CURP – Curtailment Program Pilot that will set forth the details of the Curtailment Pilot, including requirements for participation in the Pilot. Further details concerning the Curtailment Pilot are set forth in the August 1 DR Petition and in the testimony of Christopher W. Siebens (Exhibit JCDR-1) that accompanied the August 1 DR Petition.

Expanded IDER Program

13. As discussed in paragraph 4 above, the Board has already approved an IDER pilot program designed. JCP&L also proposed in the August 1 DR Petition to expand the IDER program to add additional MWs of DR. IDER, which is a co-development effort between JCP&L and BPLGlobal, Ltd., is designed to integrate customers and their electric equipment with smart grid utility operations, initially by focusing on integrating load management devices for both residential and commercial customers into system operations. Participants will have

⁴ In the August 1 DR Petition, JCP&L had proposed to make the one-time supplemental payment in EY2009, but due to the passage of time and the implementation of the program under the DRWG Order, JCP&L now proposes the supplemental payment for EY2010.

IDER load control technology (essentially a control unit and temperature sensor, with two-way communication capabilities) installed in their facilities providing JCP&L with the ability to monitor and control non-critical customer electrical loads such as air conditioning. In addition to providing meaningful DR benefits, by targeting the IDER program to selected high growth areas, system reliability should also be enhanced.

14. JCP&L intends to register the capacity associated with the expanded IDER program in PJM's ILR capacity market and expects to receive revenues from PJM reflecting the market value of registered ILR capacity credits.

15. Customers participating in the expanded IDER program will receive a monetary incentive to participate.

16. The Company estimates that the expanded IDER program will support approximately 24 jobs.

17. Further details concerning the expanded IDER program are set forth in the August 1 DR Petition and in the testimony of Eva L. Gardow (Exhibit JCDR-2) that accompanied the August 1 DR Petition.

Permanent Peak Load Shift Program

18. JCP&L proposed in the August 1 DR Petition to obtain 5 MW of DR through the permanent shifting of air conditioning load from on-peak to off-peak by the installation of 1,000 of Ice Energy's *Ice Bear 30* units on approximately 250 customer buildings. Each *Ice Bear 30* unit consists of a refrigerant management system and an ice-on-coil heat exchanger mounted within an insulated water tank, together with an evaporator coil. The condensing unit runs during off-peak hours creating ice within the storage module, which is then used to provide cooling during peak hours through an energy pump that circulates the ice-cooled refrigerant to the evaporator coil.

19. Each *Ice Bear 30* unit cuts air conditioning on-peak demand (kW) by 95% and shifts 95% of cooling energy consumption (kWh) to off-peak. Each unit will reduce on average 5 kW of on-peak demand for up to six hours daily and shift 32 kWh of on-peak energy usage to off-peak. One *Ice Bear 30* unit will deliver up to five tons of cooling using just 300 watts of power. *Ice Bear 30* units that are deployed at customer locations on circuits associated with the IDER program will be monitored and controlled by use of the IDER platform.

20. JCP&L will work with PJM to evaluate how the capacity associated with the permanent peak load shift program can participate in PJM programs.

21. There are no cash incentives to program participants; however, participating customers may benefit from decreased demand charges due to the load shifting. This program will initially be made available to commercial customers only.

22. Installation and maintenance services for deploying the *Ice Bear 30* units will be secured through a competitive procurement process.

23. The Company estimates that the permanent peak load shift program will support approximately 33 jobs.

24. Further details concerning the permanent peak load shift program are set forth in the August 1 DR Petition and in the testimony of Eva L. Gardow (Exhibit JCDR-2) that accompanied the August 1 DR Petition.

Electricity Storage Program

25. The Company proposed in the August 1 DR Petition to obtain 3 MW of DR through an electricity storage program that will support customers in high growth areas. The storage technologies, which will be controlled by use of the IDER platform, consist of deployments at substation facilities associated with the IDER program to support designated circuits as well as the installation of customer-located electricity storage devices.

26. The substation electricity storage technology is proposed to be a zinc-flow electricity storage device developed and manufactured by Premium Power. One MW will be installed in each of three substations. The customer-located units will be small capacity units that may have the additional ability to provide load management capabilities. These installations will provide capacity, operational flexibility and reliability enhancement to the circuit and the customer served by the substation.

27. The substation-sited units will be acquired from Premium Power and a competitive solicitation will be issued for the small, customer-located electricity storage devices.

28. JCP&L intends to register the capacity associated with the electricity storage program in PJM's ILR capacity market and expects to receive revenues from PJM reflecting the market value of registered ILR capacity credits.

29. There are no cash incentives to program participants; however, participating customers may benefit from decreased demand charges due to the ability to shift load as a result of reliance on the storage units. In addition, deployment of these electricity storage technologies may increase reliability.

30. The Company estimates that the electricity storage program will support approximately 5 jobs.

31. Further details concerning the electricity storage program are set forth in the August 1 DR Petition and in the testimony of Eva L. Gardow (Exhibit JCDR-2) that accompanied the August 1 DR Petition.

Other Proposed Programs

32. In addition to the programs described above that were proposed in the August 1 DR Petition, JCP&L proposes to expend approximately \$12.7 million in connection with two energy efficiency programs: (i) a "whole house approach" residential energy efficiency program; and (ii) a "whole building" non-residential energy efficiency program.

33. The residential energy efficiency program is designed to enhance and compliment existing New Jersey Clean Energy Program (“NJCEP”) offerings by motivating existing residential customers to use a whole house approach to reduce energy consumption when considering home improvements, heating and cooling system installations or replacing appliances. Among other things, the program will offer an on-line energy audit, enhanced incentives for “Tier 3” upgrades supported by the NJCEP, energy efficient HVAC systems and appliance replacements, and community outreach and other efforts. The Company expects that management and implementation of the program will be provided through the CEP residential market managers or through third party providers. JCP&L estimates that it will expend approximately \$9.1 million in connection with this program during 2009-2010 and that it will support approximately 67 jobs. Further details concerning the residential energy efficiency program are set forth in Attachment 1 hereto.

34. The non-residential energy efficiency program is designed to enhance and compliment existing CEP offerings by enabling continued non-residential investments in energy efficiency technologies supported by the New Jersey SmartStart Building (“SSB”) program, particularly targeting municipal, school and state facilities. The program will entail, among other things, training seminars for customers, rebates for energy efficiency investments, supplemental grants for municipal, school, State and multi-family customers and evaluation of the energy savings impacts of the energy efficiency programs relative to customers’ existing equipment. In implementing this program, the Company expects to work directly with TRC, the SSB market manager, or through a new contractor to work with TRC. JCP&L estimates that it will expend approximately \$3.1 million in connection with this program during 2009-2010 and that it will support approximately 13 jobs. Further details concerning the non-residential energy efficiency program are set forth in Attachment 2 hereto.

35. Further details about the budget for both the residential energy efficiency program and the non-residential energy efficiency program are set forth in Attachment 3 hereto. Attachment 3 shows \$500,000 in administrative costs, which includes the cost of three persons (beyond those listed in paragraphs 33 and 34 above), who will be performing administrative services for both programs.

36. The Board must recognize that JCP&L's ability to fully implement these DR programs and energy efficiency programs and to expend the funds indicated above during 2009-2010 is dependent on, among other things, the timing of Board action on this Verified Petition and the availability of requisite materials and contractors.

Cost Recovery and Accounting

37. Recovery of costs for the DR programs discussed in paragraphs 7 through 31 above would be as set forth in the August 1 DR Petition. In essence, JCP&L proposed in the August 1 DR Petition to recover its costs for the four separate DR programs on an aggregated basis through a Rider that would allow for separate tracking of the net costs of each program. That Rider could be a subcomponent of the RGGI Recovery Charge clause mandated by the Board in its Order dated December 10, 2008 in Docket No. EO08050326 (or any similar Rider or clause directed by the Board).⁵ The Rider or clause will provide for an equal per kWh charge applicable to all customers in all customer classes, whether full service BGS customers or delivery service shopping customers. Any associated revenues received from PJM in connection with the DR programs will be applied to reduce the costs to be recovered through the Rider or clause.

38. The Rider or clause will be implemented upon Board approval of this Verified Petition and will recover the all-in costs associated with the DR programs, including the amortization of any capital investments in the expanded IDER, permanent peak load shift and

⁵ This Rider or clause would be separate from Rider CURP discussed in paragraph 12 above.

electricity storage programs, with a return at a rate equal to JCP&L's weighted average cost of capital ("WACC"), including income tax effects, as determined in its last base rate case (11.61%). The amortization period would be six years for the expanded IDER program and 10 years for the permanent peak load shift and electricity storage programs. The Rider or clause would provide for deferred accounting with interest on over- and under-recoveries at the same rate referenced above, compounded monthly.

39. Consistent with the proposal made in its August 1 DR Petition, JCP&L also proposes to transfer recovery of the revenues attributable to the IDER pilot program discussed in paragraph 4 above, that are currently collected under Rider SCC, to the new Rider or clause to be implemented for recovery of the other DR program costs, so that the costs associated with all of the related DR programs are recovered through the same rate mechanism, which will facilitate tracking and accounting.

40. In order to carry out the energy efficiency programs discussed in paragraphs 32 through 35 above, JCP&L is requesting full and timely recovery of all associated expenditures (whether deemed capital or O&M), including a full return on its unrecovered expenditures. Consequently, JCP&L proposes to recover its expenditures (capital and O&M), with a full return, through a Rider that is a subcomponent of the RGGI Recovery Charge clause mandated by the Board in its Order dated December 10, 2008 in Docket No. EO08050326 (or any similar Rider or clause directed by the Board), on a current basis as the costs are incurred, in a manner similar to the pre-restructuring Levelized Energy Adjustment Clauses. The recovery mechanism would be structured to recover all expenditures (capital and O&M) over a 12-month period, commencing on the date of issuance of a Board Order in this Docket, based on projected expenditures over the next 12 months, with a true-up at the end of the 12-month period to ensure that the Company recovers all of its actual costs, with a full return, but no more. The true-up will reflect actual expenditures during the 12-month period and projections for additional

expenditures, if any, over the ensuing 12 months. Any over-recoveries in the Rider or clause can be addressed by applying them to under-recoveries in other clauses and any under-recoveries can be addressed by the application of over-recoveries from other clauses.

As a result, the Company will recover the expenditures under these energy efficiency programs (capital and O&M), with a full return, over the 12-month period commencing immediately upon issuance of a Board Order approving this Verified Petition, which is the period during which they are expected to be expended, subject to true-up. JCP&L will receive carrying costs on any unrecovered expenditures at a rate equal to its WACC, including income tax effects, as determined in its last base rate case (11.61%). The applicable Rider or clause will be subject to deferred accounting, with interest at the same rate on over- and under-recoveries based on a 12-month amortization.

41. Further details concerning the revenue requirement and customer rate impacts from the DR programs discussed in paragraphs 7 through 31 above and from the energy efficiency programs discussed in paragraphs 32 through 35 above are set forth in Attachments 4 and 5 hereto. (There is no net impact from the transfer of the IDER pilot program recovery from Rider SCC to the new Rider or clause discussed in paragraph 39 above.) The Company notes that revenue requirement and customer impact information from the expanded IDER program discussed in paragraphs 13 through 17 above were previously provided and included in a public notice in connection with the August 1 DR Petition in Docket Nos. EO08050326 and EO08080542. As noted, that information, updated to reflect JCP&L's rates in effect as of January 1, 2009, has also been included in Attachments 4 and 5 hereto.

Miscellaneous

42. The August 1 DR Petition, including, as noted, the January 27, 2009 supplemental submission, meets all filing requirements that may be applicable to the IDER pilot program and the other DR programs discussed in paragraphs 7 through 31 above. However, in

light of the expedited nature of this proceeding, to the extent that certain information has been omitted that might otherwise be required in connection with the energy efficiency programs discussed in paragraphs 32 through 35 above, the Company respectfully requests a waiver of any such informational or filing requirements. JCP&L also requests that the Board retain this filing and not transmit it to the Office of Administrative Law.

Attachments

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

- Attachment 1 - Description of residential energy efficiency program
- Attachment 2 - Description of non-residential energy efficiency program
- Attachment 3 - Budget for residential energy efficiency program and non-residential energy efficiency program
- Attachment 4 - Revenue requirement calculation for residential energy efficiency program and non-residential energy efficiency program
- Attachment 5 - Customer rate impacts

Public Notice and Service

44. Notice of this filing, including a statement of the overall effect thereof on customers of the Company, which will be combined with notice of the dates, times and places of the public hearings to be scheduled thereon, will be served by mail upon the municipal clerks, the clerks of the Boards of Chosen Freeholders and, where appropriate, the County Executive Officers of all counties and municipalities located in the Company's service territory, in accordance with the regulations of the Board as set forth in N.J.A.C. 14:1-5.12(b)1. Such notice will be duly mailed following the scheduling of the dates, times and places of the hearings thereon, as discussed below. Listings of the aforementioned public officials are contained in Appendices A-1, A-2 and A-3, which are annexed hereto. Such notice will be substantially in the form of the notice annexed hereto as Appendix B.

45. Public notice of this filing, including a statement of the overall effect thereof on customers of the Company, and which will be combined with notice of the dates, times and places of the public hearings to be scheduled thereon, substantially in the form of the notice set forth in Appendix B annexed hereto, will also be published in daily and weekly newspapers published and/or circulated in the Company's service areas, after the dates, times and places of all such public hearings thereon have been scheduled by the Board in compliance with N.J.A.C. 14:1-5.12(b)3, (c) and (d). As noted in paragraph 41 above, such public notice (as well as the information provided pursuant to paragraph 44 above) will include information about the expanded IDER program discussed in paragraphs 13 through 17 above even though comparable information was previously provided and included in a public notice in connection with the August 1 DR Petition in Docket Nos. EO08050326 and EO08080542.

CONCLUSION

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

- (1) approving the reasonableness and prudence of the economic stimulus demand response and energy efficiency programs proposed by the Petitioner and authorizing their implementation as proposed above;
- (2) authorizing the recovery by the Petitioner, with deferral accounting, of the all-in costs of the proposed Demand Response programs, including the amortization of any capital investments with a return at a rate equal to JCP&L's WACC, including income tax effects, as determined in its last rate case (11.61%), through a Rider that is a subcomponent of the RGGI Recovery Charge clause (or any similar Rider or clause directed by the Board), with the accrual of interest on over- and under-recoveries at the same rate, all as described above;
- (3) authorizing the recovery by the Petitioner over a 12-month period, with deferral accounting, of all of the costs (capital and O&M) of the proposed energy efficiency programs, including carrying costs on any unrecovered expenditures at a rate equal to JCP&L's WACC, including income tax

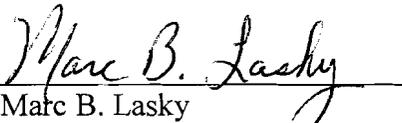
effects, as determined in its last rate case (11.61%), through a Rider that is a subcomponent of the RGGI Recovery Charge clause (or any similar Rider or clause directed by the Board), with the accrual of interest on over- and under-recoveries at the same rate, all as described above;

- (4) authorizing the transfer of recovery of the revenues attributable to the IDER pilot program discussed in paragraph 4 above, that are currently collected under Rider SCC, to the new Rider or clause, as proposed in paragraph 39 above;
- (5) authorizing the implementation of the requisite cost recovery Rider(s) or clause(s) and new Rider CURP; and
- (6) granting such other and further relief as the Board shall deem just, lawful and proper.

Respectfully submitted,

Dated: February 20, 2009

MORGAN, LEWIS & BOCKIUS LLP
Attorneys for Petitioner,
Jersey Central Power & Light Company

By: 
Marc B. Lasky
89 Headquarters Plaza North
Suite 1435
Morristown, New Jersey 07960
(973) 993-3133

AFFIDAVIT
OF
VERIFICATION

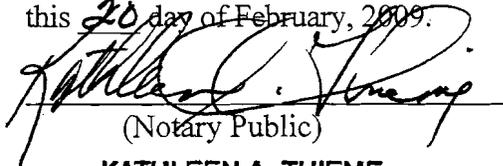
Michael J. Filippone, being duly sworn upon his oath, deposes and says:

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 with respect to a proposal for the implementation of certain energy efficiency and demand response programs, 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.


Michael J. Filippone

Sworn to and subscribed before me
this 20 day of February, 2009.


(Notary Public)

KATHLEEN A. THIEME
Notary Public of New Jersey
(Commission Expires 10/23/2011)

List of Municipal Clerks

Clerk, Township of Aberdeen
1 Aberdeen Square
Aberdeen, NJ 07747

Clerk, Borough of Avon By The Sea
Municipal Building
301 Main Street
Avon By The Sea, NJ 07717

Clerk, Bernards Township
Collyer Lane
Basking Ridge, NJ 07920-1441

Clerk, Township of Alexandria
21 Hog Hollow Rd.
Pittstown, NJ 08867

Clerk, Township of Barnegat
900 W. Bay Street
Barnegat, NJ 08805-1298

Clerk, Borough of Bernardsville
166 Mine Brook Road
Borough Hall, PO Box 158
Bernardsville, NJ 07924-0158

Clerk, Township of Allamuchy
292 Alphano Rd.
PO Box A
Allamuchy, NJ 07820

Clerk, Borough of Bay Head
81 Bridge Avenue
PO Box 248
Bay Head, NJ 08742

Clerk, Township of Bethlehem
405 Mine Road
Asbury, NJ 08802-1107

Clerk, Borough of Allenhurst
125 Corlies Avenue
Allenhurst, NJ 07711

Clerk, Borough of Beachwood
1600 Pinewald Rd.
Beachwood, NJ 08722

Clerk, Township of Blairstown
12 Mohican Road
PO Box 370
Blairstown, NJ 07825

Clerk, Borough of Alpha
1001 E. Boulevard
Alpha, NJ 08865

Clerk, Bedminster Township
One Miller Lane
Bedminster, NJ 07921

Clerk, Borough of Bloomingdale
Municipal Building
101 Hamburg Turnpike
Bloomingdale, NJ 07403

Clerk, Borough of Andover
137 Main Street
Andover, NJ 07821

Clerk, Borough of Belmar
PO Box A
601 Main Street
Belmar, NJ 07719-0070

Clerk, Borough of Bloomsbury
91 Brunswick Avenue
Bloomsbury, NJ 08804-0098

Clerk, Andover Township
134 Newton-Sparta Road
Newton, NJ 07860-2746

Clerk, Town of Belvidere
691 Water Street
Belvidere, NJ 07823

Clerk, Town of Boonton
100 Washington Street
Boonton, NJ 07005

Clerk, City of Asbury Park
One Municipal Plaza
Asbury Park, NJ 07712

Clerk, Township of Berkeley
627 Pinewald – Kenswick Road
Town Hall, PO box B
Bayville, NJ 08721-0287

Clerk, Township of Boonton
155 Powerville Rd.
Boonton, NJ 07005-8729

Clerk, Borough of Atlantic Highlands
Municipal Building
100 First Avenue
Atlantic Highlands, NJ 07716

Clerk, Township of Berkeley Heights
29 Park Avenue
Berkeley Heights, NJ 07922-1499

Clerk, Borough of Bradley Beach
701 Main Street
Bradley Beach, NJ 07720

List of Municipal Clerks

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1077 US Highway 202N
Somerville, NJ 08876-3936

Clerk, Township of Chatham
58 Meyersville Rd.
Chatham, NJ 07928

Clerk, Township of Denville
Municipal Bldg.
1 St. Mary's Place
Denville, NJ 07834

Clerk, Borough of Branchville
5 Main Street
PO Box 840
Branchville, NJ 07826

Clerk, Borough of Chester
Municipal Bldg.
300 Main Street
Chester, NJ 07930

Clerk, Township of Delaware
Township Hall
PO Box 500
Sergeantsville, NJ 08557

Clerk, Borough of Brielle
601 Union Lane
PO Box 445
Brielle, NJ 08730-0445

Clerk, Township of Chester
Municipal Building
1 Parker Road
Chester, NJ 07930

Clerk, Town of Dover
Town Hall Municipal Bldg.
37 North Sussex Street
Dover, NJ 07801

Clerk, Brick Township
401 Chambersbridge Road
Brick Town, NJ 08723

Clerk, Township of Chesterfield
Municipal Bldg.
300 Bordentown-Chesterfield Road
Trenton, NJ 08620-9656

Clerk, Township of Dover
33 Washington Street
PO Box 728
Toms River, NJ 08754-0728

Clerk, Township of Bridgewater
700 Garrestson Road
PO Box 6300
Bridgewater, NJ 08807

Clerk, Town of Clinton
43 Leigh Street
PO Box 5194
Clinton, NJ 08809-5194

Clerk, Township of East Amwell
1070 Route 202
Ringoos, NJ 08551-1051

Clerk, Borough of Butler
1 Ace Road
Butler, NJ 07405

Clerk, Township of Clinton
1370 Rte. 31 N.
Annandale, NJ 08801

Clerk, Township of East Brunswick
1 Jean Walling Civic Center
PO Box 1081
East Brunswick, NJ 08816-1081

Clerk, Township of Byram
10 Mansfield Drive
Stanhope, NJ 07874

Clerk, Township of Colts Neck
Town Hall
124 Cedar Drive
Colts Neck, NJ 07722-0249

Clerk, Township of East Hanover
411 Ridgedale Avenue
East Hanover, NJ 07936

Clerk, Borough of Califon
39 Academy Street
PO Box 368
Califon, NJ 07830-0368

Clerk, Township of Cranbury
23A North Main Street
Cranbury, NJ 08512-3287

Clerk, Township of East Windsor
Municipal Building
16 Lanning Boulevard
East Windsor, NJ 08520-1999

Clerk, Borough of Chatham
Municipal Building
54 Fairmount Avenue
Chatham, NJ 07928-2393

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Municipal Building
Durant Square
Deal, NJ 07723-0056

Clerk, Borough of Eatontown
Borough Hall
47 Broad Street
Eatontown, NJ 07724-1698

List of Municipal Clerks

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13 Main Street
Englishtown, NJ 07726

Clerk, Township of Franklin
Municipal Bldg.
2093 Route 57
PO Box 547
Broadway, NJ 08808

Clerk, Township of Greenwich
321 Greenwich Street
Stewartsville, NJ 08886

Clerk, Borough of Fair Haven
Municipal Bldg.
748 River Road
Fair Haven, NJ 07704

Clerk, Township of Fredon
443 Route 94
Newton, NJ 07860

Clerk, Town of Hackettstown
215 Stiger Street
Hackettstown, NJ 07840

Clerk, Borough of Far Hills
6 Prospect Street
PO Box 477
Far Hills, NJ 07931-0477

Clerk, Borough of Freehold
51 West Main Street
Freehold, NJ 07728-2195

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Municipal Building
16 Wallkill Avenue
Hamburg, NJ 07419

Clerk, Borough of Farmingdale
Municipal Bldg.
11 Asbury Avenue
PO Box 58
Farmingdale, NJ 07727

Clerk, Township of Freehold
One Municipal Plaza
Freehold, NJ 07728-3099

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PO Box 418
Hampton, NJ 08827

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38 Park Avenue
Flemington, NJ 08822-1398

Clerk, Township of Frelinghuysen
210 Route 661
PO Box 417
Johnsonburg, NJ 07846-0417

Clerk, Township of Hampton
1 Municipal Complex Rd.
Newton, NJ 07860

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Borough Hall
111 Ridgedale Avenue
Florham Park, NJ 07932

Clerk, Borough of Frenchtown
Borough Hall
29 Second Street
Frenchtown, NJ 08825

Clerk, Township of Hanover
Municipal Bldg.
1000 Route 10
PO Box 250
Whippany, NJ 07981-0250

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151 US Highway 206
Augusta, NJ 07822

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PO Box 307
Glen Gardner, NJ 08826

Clerk, Township of Harding
Blue Mill & Sand Spring Roads
PO Box 666
New Vernon, NJ 07976

Clerk, Borough of Franklin
46 Main Street
Franklin, NJ 07416

Clerk, Township of Green
150 Kennedy Rd.
PO Box 65
Tranquility, NJ 07879

Clerk, Township of Hardwick
40 Spring Valley Rd.
Blairstown, NJ 07825

Clerk, Township of Franklin
475 DeMott Lane
Somerset, NJ 08873

Clerk, Township of Green Brook
111 Greenbrook Road
Greenbrook, NJ 08812-2501

Clerk, Township of Hardyston
Municipal Building, Suite A
149 Wheatsworth Rd.
Hamburg, NJ 07419

List of Municipal Clerks

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3003 Belvidere Rd.
Phillipsburg, NJ 08865

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111 River Styx Road
Hopatcong, NJ 07843-1599

Clerk, Township of Jefferson
Municipal Building
1033 Weldon Road
Lake Hopatcong, NJ 07849

Clerk, Township of Hazlet
319 Middle Road
Hazlet, NJ 07730-0371

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PO Box 284
Hope, NJ 07844

Clerk, Borough of Keansburg
Municipal Bldg.
29 Church Street
Keansburg, NJ 07734

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Borough Hall
60 Main Street
PO Box 378
Helmetta, NJ 08828

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Municipal Building
201 Washington Crossing Pennington Rd.
Titusville, NJ 08560-1410

Clerk, Borough of Keyport
18-20 Main Street
Keyport, NJ 07735-0070

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71 Main Street
High Bridge, NJ 08829-1003

Clerk, Township of Howell
251 Preventorium Rd.
PO Box 580
Howell, NJ 07731-0580

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PO Box 199
2 Oak Grove Rd.
Baptistown, NJ 08803-0199

Clerk, Borough of Highlands
171 Bay Avenue
Highlands, NJ 07732-1699

Clerk, Township of Independence
Municipal Building
327 Route 46
PO Box 164
Great Meadows, NJ 07838

Clerk, Borough of Kinnelon
Municipal Building
130 Kinnelon Rd.
Kinnelon, NJ 07405

Clerk, Borough of Hightstown
148 North Main Street
Hightstown, NJ 08520-3291

Clerk, Borough of Interlaken
Borough Hall
100 Gasmere Avenue
Interlaken, NJ 07712

Clerk, Township of Knowlton
Municipal Building
628 Route 94
Columbia, NJ 07832

Clerk, Township of Hillsborough
379 S. Branch Rd.
Hillsborough, NJ 08844

Clerk, Borough of Island Heights
Municipal Complex
East End & Van Sant Ave.
Island Heights, NJ 08732

Clerk, Township of Lacey
Municipal Bldg.
818 W. Lacey Road
Forked River, NJ 08731

Clerk, Township of Holland
61 Church Road
Milford, NJ 08848

Clerk, Township of Jackson
Municipal Bldg.
95 West Veterans Highway
Jackson, NJ 08527

Clerk, Township of Lafayette
33 Morris Farm Road
Lafayette, NJ 07848

Clerk, Township of Holmdel
4 Crawford's Corner Road
PO Box 410
Holmdel, NJ 07733-0410

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131 Perrineville Rd.
Jamesburg, NJ 08831

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5 Union Avenue
Lakehurst, NJ 08733-3097

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Municipal Building
231 Third Street
Lakewood, NJ 08701-3220

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550 Main Street
Loch Arbour, NJ 07711

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Municipal Bldg.
574 Valley Street
Maplewood, NJ 07940-2690

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18 York Street
Lambertville, NJ 08530

Clerk, City of Long Branch
City Hall – 344 Broadway
Long Branch, NJ 07740

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Municipal Complex
1979 Township Drive
Marlboro, NJ 07746

Clerk, Borough of Lavellette
Borough Hall
PO Box 67
Lavellette, NJ 08735-0067

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Municipal Bldg.
232 South Third Street
Phillipsburg, NJ 08865-1898

Clerk, Borough of Matawan
201 Broad St.
Matawan, NJ 07747

Clerk, Borough of Lebanon
6 High Street
Lebanon, NJ 08833

Clerk, Borough of Madison
Hartley Dodge Memorial Building
50 Kings Road
Madison, NJ 07940-2592

Clerk, Borough of Mendham
2 W. Main Street
Mendham, NJ 07945

Clerk, Township of Lebanon
530 W. Hill Rd.
Glen Gardner, NJ 08826-9714

Clerk, Township of Manalapan
120 Route 522 & Taylor-Mills Road
Manalapan Township, NJ 07726

Clerk, Township of Mendham
Township Hall
W. Main & Cherry Ln.
PO Box 520
Brookside, NJ 07926

Clerk, Township of Liberty
349 Mt. Lake Road
Great Meadows, NJ 07838

Clerk, Borough of Manasquan
201 E. Main St.
PO Box 199
Manasquan, NJ 08736

Clerk, Township of Middletown
Municipal Bldg.
1 Kings Highway
Middletown, NJ 07748-2594

Clerk, Borough of Lincoln Park
Municipal Bldg.
34 Chapel Hill Road
Lincoln Park, NJ 07035-1998

Clerk, Township of Manchester
1 Colonial Drive
Lakehurst, NJ 08759

Clerk, Borough of Milford
30 Water Street
Box 507
Milford, NJ 08848-0507

Clerk, Borough of Little Silver
Borough Hall – 480 Prospect Avenue
Little Silver, NJ 07739

Clerk, Township of Mansfield
24548 E. Main St.
PO Box 249
Columbus, NJ 08022-0249

Clerk, Township of Millburn
Town Hall
375 Millburn Avenue
Millburn, NJ 07041-1379

Clerk, Township of Livingston
357 S. Livingston Avenue
Livingston, NJ 07039-3994

Clerk, Borough of Mantoloking
Borough Hall – PO Box 247
202 Downer Avenue
Mantoloking, NJ 08738-0247

Clerk, Township of Millstone
Municipal Building
215 Millstone Rd.
PO Box 240
Perrineville, NJ 08535-0240

List of Municipal Clerks

Clerk, Township of Mine Hill
Municipal Bldg.
10 Baker Street
Mine Hill, NJ 07803

Clerk, Township of Mount Olive
Municipal Bldg.
204 Flanders-Drakestown Rd.
PO Box 450
Budd Lake, NJ 07828

Clerk, Township of North Hanover
Municipal Bldg.
41 Schoolhouse Rd.
Jacobstown, NJ 08562

Clerk, Borough of Monmouth Beach
22 Beach Road
Monmouth Beach, NJ 07750

Clerk, Borough of Mountain Lakes
400 Boulevard
Mountain Lakes, NJ 07046

Clerk, Township of Ocean
Township Hall
399 Monmouth Rd.
Oakhurst, NJ 07755-1589

Clerk, Monroe Township
Municipal Complex
1 Municipal Plaza
Jamesburg, NJ 08831-1900

Clerk, Borough of Mountainside
Municipal Bldg.
1385 Route 22
Mountainside, NJ 07092

Clerk, Township of Ocean
50 Railroad Ave.
Waretown, NJ 08758

Clerk, Township of Montague
277 Clove Rd.
Montague, NJ 07827

Clerk, Township of Neptune
25 Neptune Boulevard
Neptune, NJ 07753

Clerk, Borough of Ocean Gate
151 E. Longport Avenue, CN-100
Ocean Gate, NJ 08740

Clerk, Township of Montville
Municipal Bldg.
195 Changebridge Rd.
Montville, NJ 07045-9498

Clerk, Borough of Neptune City
106 W. Sylvania Avenue
Neptune, NJ 07754-2098

Clerk, Borough of Oceanport
222 Monmouth Blvd.-P.O. Box 370
Oceanport, NJ 07757

Clerk, Township of Morris
50 Woodland Ave.
PO Box 7603
Convent Station, NJ 07961-7603

Clerk, Borough of Netcong
Municipal Bldg.
23 Maple Avenue
Netcong, NJ 07857-1121

Clerk, Borough of Ogdensburg
14 Highland Avenue
Ogdensburg, NJ 07439

Clerk, Borough of Morris Plains
531 Speedwell Avenue
Morris Plains, NJ 07950

Clerk, Township of New Hanover
2 Hocksmith Rd.
PO Box 159
Cookstown, NJ 08511

Clerk, Township of Old Bridge
One Old Bridge Plaza
Old Bridge, NJ 08857

Clerk, Town of Morristown
200 South Street, CN-914
Morristown, NJ 07963-0914

Clerk, Borough of New Providence
360 Elkwood Avenue
New Providence, NJ 07974-1844

Clerk, Township of Oxford
Municipal Bldg.
11 Green St.
PO Box 119
Oxford, NJ 07863

Clerk, Borough of Mt. Arlington
419 Howard Blvd.
Mt. Arlington, NJ 07856

Clerk, Town of Newton
39 Trinity Street
Newton, NJ 07860-1823

Clerk, Township of Pahaquarry
40 Spring Valley Rd.
Blairstown, NJ 07825

List of Municipal Clerks

Clerk, Twsp of Parsippany-Troy Hills
1001 Parsippany Boulevard
Parsippany, NJ 07054

Clerk, Township of Pohatcong
50 Municipal Dr.
Phillipsburg, NJ 08865

Clerk, Borough of Red Bank
90 Monmouth Street
Red Bank, NJ 07701

Clerk, Passaic County
401 Grand Street
Paterson, NJ 07505

Clerk, Borough of Point Pleasant
2233 Bridge Ave.
PO Box 25
Point Pleasant, NJ 08742

Clerk, Borough of Rockaway
Municipal Bldg.
1 East Main Street
Rockaway, NJ 07866

Clerk, Boroughs of Peapack &
Gladstone
1 School St.
Peapack, NJ 07977

Clerk, Borough of Pt. Pleasant Beach
416 New Jersey Avenue
Point Pleasant Beach, NJ 08742

Clerk, Township of Rockaway
65 Mt. Hope Road
Rockaway, NJ 07866-1698

Clerk, Borough of Pemberton
Municipal Bldg.
500 Pemberton-Browns Mills Rd.
Pemberton, NJ 08068-0261

Clerk, Borough of Pompton Lakes
Municipal Bldg.
25 Lennox Avenue
Pompton Lakes, NJ 07442

Clerk, Borough of Roosevelt
Borough Hall
33 N. Rochdale Ave.
PO Box 128
Roosevelt, NJ 08555-0128

Clerk, Township of Pemberton
500 Pemberton-Browns Mills Rd.
Pemberton, NJ 08068-1539

Clerk, Township of Raritan
One Municipal Dr.
Flemington, NJ 08822-3446

Clerk, Township of Roxbury
1715 Rte. 46
Ledgewood, NJ 07852

Clerk, Township of Pequannock
530 Newark-Pompton Turnpike
Pompton Plains, NJ 07444

Clerk, Township of Randolph
Municipal Bldg.
502 Millbrook Ave.
Randolph, NJ 07869

Clerk, Borough of Rumson
Memorial Borough Hall
80 E. River Rd.
Rumson, NJ 07760

Clerk, Town of Phillipsburg
Municipal Bldg.
675 Corliss Avenue
Phillipsburg, NJ 08865

Clerk, Borough of Ringwood
Borough Hall
60 Margaret King Avenue
Ringwood, NJ 07456

Clerk, Sandyston Township
133 Route 645
Branchville, NJ 07826

Clerk, Borough of Pine Beach
599 Pennsylvania Avenue
PO Box 425
Pine Beach, NJ 08741-0425

Clerk, Borough of Riverdale
91 Newark Pompton Tpke.
PO Box 6
Riverdale, NJ 07457

Clerk, Borough of Sayreville
167 Main Street
Sayreville, NJ 08872

Clerk, Township of Plumsted
121 Evergreen Road
New Egypt, NJ 08533

Clerk, Township of Readington
Municipal Bldg.
509 Rte. 523
Whitehouse Station, NJ 08889

Clerk, Borough of Sea Bright
1167 Ocean Avenue
Sea Bright, NJ 07760

List of Municipal Clerks

Clerk, Borough of Sea Girt
Borough Hall
321 Baltimore Blvd.
PO Box 296
Sea Girt, NJ 08750

Clerk, Borough of South Toms River
Borough Hall - 144 Hill Street
South Toms River, NJ 08757

Clerk, Borough of Stockton
2 Main Street
PO Box M
Stockton, NJ 08559

Clerk, Seaside Heights Borough
901 Boulevard
PO Box 38
Seaside Heights, NJ 08751

Clerk, Township of Sparta
65 Main Street
Sparta, NJ 07871

Clerk, City of Summit
512 Springfield Avenue
Summit, NJ 07901-2667

Clerk, Borough of Seaside Park
1701 N. Ocean Ave.
PO Box B
Seaside Park, NJ 08752

Clerk, Borough of Spotswood
77 Summerhill Road
Spotswood, NJ 08884

Clerk, Borough of Sussex
2 Main Street
Sussex, NJ 07461-2397

Clerk, Borough of Shrewsbury
419 Sycamore Avenue
P.O. Box 7420
Shrewsbury, NJ 07702

Clerk, Borough of Spring Lake
Fifth & Warren Avenues
Spring Lake, NJ 07762

Clerk, Township of Tewksbury
169 Old Turnpike Rd.
Califon, NJ 07830

Clerk, Township of Shrewsbury
1979 Crawford Street
Eatontown, NJ 07724

Clerk, Borough of Spring Lake Heights
555 Brighton Avenue
Spring Lake Heights, NJ 07762

Clerk, Borough of Tinton Falls
Municipal Bldg.
556 Tinton Avenue
Tinton Falls, NJ 07724-3298

Clerk, City of South Amboy
City Hall - 140 N. Broadway
South Amboy, NJ 08879-1647

Clerk, Township of Springfield
Municipal Bldg.
2159 Jacksonville Road
PO Box 119
Jobstown, NJ 08041

Clerk, Township of Union
140 Perryville Rd.
Hampton, NJ 08827

Clerk, Township of Southampton
Town Hall
5 Retreat Rd.
Vincentown, NJ 08088

Clerk, Township of Springfield
Municipal Bldg.
100 Mountain Avenue
Springfield, NJ 07081-1702

Clerk, Borough of Union Beach
Municipal Building
650 Poole Avenue
Union Beach, NJ 07735

Clerk, Borough of South Belmar
1730 Main St.
P.O. Box 569
South Belmar, NJ 07719-0569

Clerk, Borough of Stanhope
77 Main street
Stanhope, NJ 07874

Clerk, Township of Upper Freehold
Municipal Bldg.
314 County Rte. 539
PO Box 89
Cream Ridge, NJ 08514

Clerk, Township of South Brunswick
Municipal Complex
540 Ridge. Rd.
P.O. Box 190
Monmouth Junction, NJ 08852-0190

Clerk, Township of Stillwater
964 Stillwater Rd.
Newton, NJ 07860

Clerk, Township of Vernon
Municipal Bldg.
21 Church Street
PO Box 340
Vernon, NJ 07462

List of Municipal Clerks

Clerk, Borough of Victory Gardens
Municipal Bldg.
337 S. Salem Street
Dover, NJ 07801

Clerk, Township of Washington
Municipal Bldg.
1117 Route 130
Robbinsville, NJ 08691-1103

Clerk, Township of Woodland
Municipal Bldg.
3rd & Main Sts.
P.O. Box 388
Chatsworth, NJ 08019

Clerk, Township of Wall
2700 Allaire Rd.
PO Box 1168
Wall, NJ 07719

Clerk, Borough of Watchung
Municipal Bldg.
15 Mountain Blvd.
Watchung, NJ 07069-6399

Clerk, Borough of Wrightstown
Borough Hall
21 Saylor's Pond Road
Wrightstown, NJ 08562

Clerk, Township of Walpack
PO Box 94
Walpack, NJ 07881

Clerk, Township of Wayne
475 Valley Road
Wayne, NJ 07470

Clerk, Lake Como Borough
1740 Main Street
PO Box 569
Lake Como, NJ 07719-0569

Clerk, Borough of Wanaque
579 Ringwood Avenue
Wanaque, NJ 07465

Clerk, Township of West Amwell
150 Rocktown-Lambertville Rd.
Lambertville, NJ 08530-3203

Clerk, Township of Wantage
Municipal Bldg.
888 Rte. 23
Sussex, NJ 07461

Clerk, Borough of West Long Branch
965 Broadway
W. Long Branch, NJ 07764

Clerk, Township of Warren
Municipal Bldg.
46 Mountain Blvd.
Warren, NJ 07059-5695

Clerk, Township of West Milford
1480 Union Valley Road
West Milford, NJ 07480-1303

Clerk, Borough of Washington
100 Belvidere Avenue
Washington, NJ 07882-1426

Clerk, Township of West Windsor
Municipal Bldg.
271 Clarkville Rd.
PO Box 38
Princeton Junction, NJ 08550

Clerk, Township of Washington
350 Rte. 57 W.
Washington, NJ 07882

Clerk, Borough of Wharton
Municipal Bldg.
10 Robert Street
Wharton, NJ 07885

Clerk, Township of Washington
43 Schooley's Mountain Rd.
Long Valley, NJ 07853

Clerk, Township of White
555 County Rd. 519
Belvidere, NJ 07823

List of County Freeholders

Appendix A-2

Burlington County Bd of Freeholders
County Office Bldg.
49 Rancocas Rd.
PO Box 6000
Mt. Holly, NJ 08060

Essex County Executive
Hall of Records
465 Dr. Martin Luther King, Jr. Blvd.
Newark, NJ 07102

Hunterdon County Bd of Freeholders
County Administration Bldg.
71 Main St.
Flemington, NJ 08822

Mercer County Bd of Freeholders
McDade Administration
640 S. Broad St.
PO Box 8068
Trenton, NJ 08650-0068

Middlesex County Bd of Freeholders
Administration Bldg.
JFK Square
PO Box 871
New Brunswick, NJ 08903

Monmouth County Bd of Freeholders
Hall of Records
One E. Main Street
Freehold, NJ 07728

Morris County Bd of Freeholders
Administration & Records Bldg.
Court St.
PO Box 900
Morristown, NJ 07963-0900

Ocean County Bd of Freeholders
Administration Bldg.
101 Hooper Ave.
PO Box 2191
Toms River, NJ 08754

Passaic County Bd of Freeholders
Administration Bldg.
401 Grand St., 2nd Flr., #223
Paterson, NJ 07505

Somerset County Bd of Freeholders
20 Grove St.
PO Box 3000
Somerville, NJ 08876

Sussex County Bd of Freeholders
Administrative Center
One Spring St.
Newton, NJ 07860

Union County Bd of Freeholders
Administration Bldg.
6th Floor
Elizabeth, NJ 07207

Warren County Bd of Freeholders
Dumont Administration Building
165 Rte. 519 S.
Belvidere, NJ 07823

Updated 01/08/2009
TOTAL: 13

List of County Executive Offices & Administrators

Appendix A-3

Burlington County Administrator
Municipal Bldg.
851 Old York Rd.
PO Box 340
Burlington, NJ 08016-0340

Burlington County Administrator
City Hall
525 High Street
Burlington, NJ 08016

Essex County Executive
Hall of Records
465 Dr. Martin Luther King, Jr. Blvd.
Newark, NJ 07102

Hunterdon County Administrator
County Administration Bldg.
71 Main St.
Flemington, NJ 08822

Mercer County Executive
McDade Administration
640 S. Broad St.
PO Box 8068
Trenton, NJ 08650-0068

Middlesex County Administrator
Administration Bldg.
JFK Square
PO Box 871
New Brunswick, NJ 08903

Monmouth County Administrator
Hall of Records
One E. Main Street
Freehold, NJ 07728

Morris County Administrator
Administration & Records Bldg.
Court St.
PO Box 900
Morristown, NJ 07963-0900

Ocean County Administrator
Administration Bldg.
101 Hooper Ave.
PO Box 2191
Toms River, NJ 08754

Passaic County Administrator
Administration Bldg.
401 Grand St.
317 Pennsylvania Avenue
Paterson, NJ 07505

Somerset County Administrator
20 Grove St.
PO Box 3000
Somerville, NJ 08876

Sussex County Administrator
Administrative Center
One Spring St.
Newton, NJ 07860

Union County Administrator
Administration Bldg.
6th Floor
Elizabeth, NJ 07207

Warren County Administrator
Dumont Administration Building
165 Rte. 519 S.
Belvidere, NJ 07823

PUBLIC NOTICE

JERSEY CENTRAL POWER & LIGHT COMPANY

NOTICE OF PROPOSED RATE INCREASE IN CONNECTION WITH
PROPOSED ECONOMIC STIMULUS DEMAND RESPONSE AND
ENERGY EFFICIENCY PROGRAMS
AND
NOTICE OF PUBLIC HEARINGS THEREON

TO OUR CUSTOMERS:

On February 20, 2009, Jersey Central Power & Light Company (“JCP&L” or the “Company”) filed a Verified Petition with the New Jersey Board of Public Utilities (the “Board”), under BPU Docket No. _____, together with supporting attachments.

Consistent with Governor Corzine’s economic stimulus initiatives, this Verified Petition seeks the Board's approval of proposed Demand Response (“DR”) and energy efficiency programs. The DR programs, which had been previously proposed in a prior proceeding in Docket Nos. EO08050326 and EO08080542 (“Prior DR Proceeding”), include a tariff-based curtailment pilot program, a previously-approved Integrated Distributed Energy Resource (“IDER”) pilot program and an expansion thereof, a permanent peak load shift program and an electricity storage program. The Verified Petition also proposes “whole house” residential and “whole building” non-residential energy efficiency programs.

The incremental costs of these programs will be funded through customer rates, resulting in an overall increase in JCP&L's Tariff rates and charges for electric

service of up to approximately \$18.5 million annually, including carrying costs, to be recovered through a Tariff Rider to become effective for service rendered on and after the date of Board approval of this Verified Petition, or at such other date as the Board may determine. Information about the portion of the potential increase in rates and charges relating to the expansion of the previously-approved IDER pilot program had been included in an earlier notice published in connection with the Prior DR Proceeding, but is also included in the information provided in this notice.

The annual percentage increase, if any, applicable to specific customers will vary according to the applicable rate schedule and the level of the customer's usage. Copies of the Verified Petition, together with supporting attachments, are available for inspection at the Company's regional headquarters at 300 Madison Avenue, Morristown, New Jersey 07962 and 331 Newman Springs Road, Building 3, Red Bank, New Jersey 07701, at each of the Company's local business offices, and at the Board of Public Utilities, Two Gateway Center, Newark, New Jersey 07102.

The following comparisons of present and proposed rates will permit customers to determine the approximate net effect upon them of the proposed increase in rates relating to this program. Any assistance required by customers in this regard will be furnished by the Company upon request. Please note that the Board in its discretion may apply all or any portion of whatever rate increase the Board may ultimately allow to other rate schedules or in a different manner than what JCP&L has proposed in its filing. Accordingly, the final rates and charges to be determined by the Board in these proceedings may be different from what JCP&L has described herein.

STATEMENT OF THE MONTHLY NET EFFECT OF PROPOSED
RATE INCREASE AS COMPARED TO THE
RATES IN EFFECT AS OF JANUARY 1, 2009

	<u>Typical Residential Average Monthly Bill</u> <u>(Includes 7% Sales and Use Tax)</u>		
	<u>Current</u> <u>Monthly</u> <u>Bill</u>	<u>Proposed</u> <u>Monthly</u> <u>Bill</u>	<u>Proposed</u> <u>Monthly</u> <u>Increase</u>
<u>Residential Service (RS)</u>			
500 kWh average monthly usage	\$ 88.92	\$ 89.36	\$ 0.44
1000 kWh average monthly usage	\$ 183.30	\$ 184.18	\$ 0.88
1500 kWh average monthly usage	\$ 279.59	\$ 280.90	\$ 1.31
<u>Residential Time-of-Day Service (RT)</u>			
500 kWh average monthly usage	\$ 92.25	\$ 92.69	\$ 0.44
1000 kWh average monthly usage	\$ 179.23	\$ 180.10	\$ 0.87
1500 kWh average monthly usage	\$ 266.20	\$ 267.50	\$ 1.30
	<u>Overall Monthly Class Average Per Customer</u> <u>(Includes 7% Sales and Use Tax)</u>		
	<u>Current</u> <u>Monthly</u> <u>Bill</u>	<u>Proposed</u> <u>Monthly</u> <u>Bill</u>	<u>Proposed</u> <u>% Increase</u>
<u>Rate Class</u>			
Residential Service (RS)	\$ 146.24	\$ 146.91	0.5%
Residential Time-of-Day Service (RT)	\$ 207.33	\$ 208.35	0.5%
General Service - Secondary (GS)	\$ 832.45	\$ 836.52	0.5%
General Service - Secondary Time-of-Day (GST)	\$ 45,491.63	\$ 45,727.64	0.5%
General Service - Primary (GP)	\$ 68,198.46	\$ 68,554.39	0.5%
General Service - Transmission (GT)	\$218,905.80	\$220,198.61	0.6%
Street & Area Lighting (Average per Fixture)	\$ 14.44	\$ 14.48	0.3%

Notice of this filing together with a statement of the effect thereof on customers are being served upon the clerk, executive or administrator of each municipality and county within the Company's service areas. Such notice has also been served, together with the supporting attachments, upon the Director of the Division of Rate Counsel of the Department of the Public Advocate, who will represent the interests of ratepayers in these proceedings.

PLEASE TAKE NOTICE that the Board has scheduled public hearings on the Verified Petition under BPU Docket No. _____, at the following times and places:

_____, 2009
___ P.M.
Freehold Township Municipal Building
One Municipal Plaza
Freehold, New Jersey 07728

_____, 2009
___ P.M.
Freehold Township Municipal Building
One Municipal Plaza
Freehold, New Jersey 07728

_____, 2009
___ P.M.
Ocean County Administration Building
Freeholders Meeting Room, Room 119
101 Hooper Avenue
Toms River, New Jersey 08754

_____, 2009
___ P.M.
Ocean County Administration Building
Freeholders Meeting Room, Room 119
101 Hooper Avenue
Toms River, New Jersey 08754

_____, 2009
___ P.M.
Morris County Administration & Records Building
Public Meeting Room, 5th Floor
2123 Court Street
Morristown, New Jersey 07963

_____, 2009
___ P.M.
Morris County Administration & Records Building
Public Meeting Room, 5th Floor
2123 Court Street
Morristown, New Jersey 07963

Members of the public will have an opportunity to be heard and/or to submit written comments or statements at each or any of the public hearings if they wish to do so. Such written comments or statements may also be submitted directly to the Board of Public Utilities at Two Gateway Center, Newark, New Jersey 07102, Attn: Kristi Izzo.

**JERSEY CENTRAL POWER & LIGHT
COMPANY**

By: [name & title]

Dated: _____, 2009

Residential “Whole House” Energy Efficiency Program

Program Description

The following Economic Stimulus Efficiency program offerings are designed to enhance and compliment New Jersey Clean Energy Programs (“NJCEP”), and support continued pace of existing customer investments in technologies that deliver energy savings and peak load reductions relative to the efficiency of their existing equipment. The program presumes that utilities will be able to work directly with Honeywell as the existing NJCEP Residential Market Manager, without assuming responsibility for the NJCEP programs. All proposed incentive payments would be made to customers. Programs will be coordinated with gas utility initiatives as appropriate.

The Company proposes to offer a portfolio of Residential Whole House Program services to motivate existing residential consumers and communities to use a whole house approach to reducing energy consumption when considering home improvements, heating and cooling system installations, or replacing appliances. The program will offer a group of resources and incentives supporting a number of eligible energy efficiency measures and actions for existing residential customers.

The premise of the proposed energy efficiency economic stimulus initiatives generally is that customers are not positioned to make non-essential investments in buildings and will postpone investments to a time they can afford it, and need incentives in addition to the incentives available in existing NJCEP programs. This premise is in contrast to the traditional presumption in Clean Energy programs that customers need incentives to improve the energy efficiency of a planned purchase of standard new equipment. Thus, JCP&L proposes that energy savings estimates for economic stimulus programs reference customers’ existing equipment as a baseline instead of the standard efficiencies for new equipment embedded in current NJ Energy Savings Protocols.

The program will offer:

- 1) An on-line audit using a “next generation” audit program directly linked to customers’ electric account records,
- 2) Enhanced incentives for energy efficient products and appliances in amounts that match available NJCEP program rebates for eligible products such as room air conditioners, washing machines and dehumidifiers,
- 3) JCP&L will work with Honeywell in its deployment of the proposed 2009 NJCEP Appliance Early Retirement program, to pay participating customers the customer incentive portion of the program, up to \$50,
- 4) Enhanced incentives for eligible installed “Tier 3” installed electric measures¹ other than HVAC replacements through a rebate matching the incentives available under the 2009 NJCEP Existing Homes program (a.k.a. Home Performance with Energy Star, or “HPwES”), and supplemental rebates for eligible energy efficient HVAC replacements

¹ Tier 1, Tier 2, and Tier 3 audits and measures are as defined in the NJCEP. Tier 3 measures include insulation, efficient appliances, HVAC, domestic hot water, and other measures.

- (i.e. \$1,500 per heat pump replacement and \$750 per central air conditioner (“CAC”) replacement), and appliance replacements, and
- 5) Community Outreach grants and limited quantities of energy conservation kits (for education and community-wide energy efficiency improvements, specifically targeting communities).

On-Line Audit: The on-line audit represents a first step for JCP&L customers to engage in energy efficiency education in a way that identifies and encourages implementation of energy efficiency measures. JCP&L proposes to offer an enhanced Home Energy audit program that will link to JCP&L customer account histories, providing the ability to incorporate a more detailed customer-specific view of actual energy utilization and identification of energy efficiency opportunities for the customer.

This on-line audit package will help residential and small business customers better understand and manage their bills, resulting in increased customer energy efficiency education and satisfaction. This tool transforms energy usage and basic building data into information customers can understand, specifically providing energy efficiency suggestions based on actual electric consumption, and encouraging customers to pursue additional energy efficiency measures, including an on-site audit supported by the NJCEP.

Enhanced Energy Efficient Products: As a complement to the proposed 2009 Energy Efficient Products program offered by the NJCEP, JCP&L will pay participating customers a matching rebate on eligible appliances. The existing Market Manager will continue to be responsible for program marketing, administration and implementation, as well as payment of the enhanced portion of the rebate which will be funded by JCP&L. This initiative will not require a Tier 1 audit, but audits will be strongly recommended.

Appliance Early Retirement: As a complement to the proposed 2009 NJCEP Appliance Early Retirement program, JCP&L will work with Honeywell in its deployment of the NJCEP Appliance Early Retirement initiative, to pay participating customers the customer incentive portion of the program, up to \$50, for the removal of eligible refrigerators and freezers from customers’ homes. The existing market manager will be responsible for the solicitation, selection and management of the third party vendor to perform the field removal, decommissioning and environmentally responsible recycling of refrigerators. This program will not require the completion of a Tier 1 audit, but audits will be strongly encouraged.

Tier 3 Measure Incentives: JCP&L will provide supplemental incentives for “Tier 3” measures that, with the exception of HVAC (discussed below), match the incentives available under the NJCEP HPwES program managed by Honeywell, the HPwES Market Manager. Tier 3 measures include such items as appliance replacements, insulation upgrades and HVAC upgrades. JCP&L will enhance the existing Tier 3 incentives payable to the customer as calculated under the HPwES program.

Enhanced HVAC Rebates: The whole house approach of this program is designed to motivate customers to undertake as many energy efficiency measures as financially possible. In many cases, customers have existing HVAC equipment that warrants replacement based on its

expected life and low energy efficiency relative to today's standards. In the current economic climate, HVAC replacements are likely to be postponed until equipment requires emergency service. The objective of this incentive is to enable continued replacement of central air conditioners and heat pumps, particularly in communities where a systematic approach to equipment replacement can be arranged as described below. This program will offer enhanced incentives for equipment replacement to incentivize these customers to invest in high efficiency replacement central cooling or heat pump equipment, or accelerate the retirement of inefficient equipment.

Accordingly, JCP&L will offer an enhanced rebate of \$750 for qualified "COOL Advantage" central air conditioners and \$1,500 for qualified "COOL Advantage" air-source or ground-source heat pumps. Since this decision will most likely only be made once by most households between now and 2020, it is critical to begin the process of influencing those purchases now.

Community Outreach: In coordination with Honeywell as Market Manager for the NJCEP residential programs, JCP&L will consider providing a limited number of grants to communities to support energy efficiency education and installation of whole house measures. Cost-sharing grants of up to \$20,000 per community will be developed to provide technical and financial assistance to identify and implement improvements to common facilities and individual residential units. Homeowners would be encouraged and instructed in the means to participate in the whole house efficiency approach, and instructed in the process of obtaining Tier 1 and Tier 2 services under the existing HPwES program, and Tier 3 services offered by the existing HPwES program with enhanced incentives offered by JCP&L under this program. In addition, communities will be encouraged to solicit and implement a coordinated purchase of whole house services, and/or implementation of an HVAC equipment replacement program involving enhanced HVAC incentives as described above. JCP&L will also make available to community groups and schools through our web site an online energy efficiency resource providing access to a range of conservation products and educational materials designed in kit form.

Target Market and Eligibility

This Whole House program and its related components will be targeted to existing residential customers. The program will promote the installation of high efficiency equipment and the installation of other energy efficiency measures by creating awareness of opportunities through both the on-line audit herein, and the Tier 1 level audit under the existing NJCEP. The program may also be targeted to senior communities that may be in need of energy efficiency upgrades. Eligibility will be based upon existing NJCEP parameters for existing residential programs.

Offerings and Customer Incentives

Each of the programs will be offered as part of a whole house package. Incentives and offerings will be as follows:

- On-line audit available at no charge to the customer.
- Enhanced incentives for the purchase of qualifying energy efficient products in amounts that match the current incentive for room air conditioners, washing machines and dehumidifiers. The enhanced amounts would be \$20, \$75 and \$25 respectively for each of the products.

- Appliance Early Retirement rebate of up to \$50 for the removal of working refrigerators or freezers from customer homes.
- Qualifying Tier 3 services that are installed by participating HPwES contractors will be incentivized in amounts that match the current HPwES Tier 3 incentive at an average of approximately \$1,000 in addition to the rebate offered by the existing HPwES program.
- Enhanced incentives of \$ \$750 for the installation of a central air conditioning unit, or \$1,500 for the installation of an air-source or ground source heating and cooling unit that would qualify for a rebate under the NJCEP Cool Advantage Program.
- Community grants of up to \$20,000 per community for energy efficiency education and procurement of installed measures. JCP&L will make available to community groups and schools through our web site an online energy efficiency resource providing access to a range of conservation products and educational materials designed in kit form. The value for each kit can vary from \$25 to \$50 depending on the content and focus of the kit. JCP&L will offer limited quantities of kits to community groups and schools, subsidized at 50% of the retail cost of the kits they select.
- All efforts will be coordinated with the appropriate suite of NJCEP programs.
- Incentives will be payable only to customers, not installation contractors.

Delivery Methods

JCP&L will solicit and select one or more qualified energy consultants through one or more competitive solicitations to administer the aspects of this initiative that extend beyond Honeywell's scope of work with the State. JCP&L or its agent will work with the NJCEP Residential Market Manager, Honeywell, and other utilities as appropriate to coordinate delivery of program services. The on-line audit will be available to all JCP&L customers via a secure web link with access granted via a verified account number and appropriate registration and security safeguards. The enhanced HVAC rebate program will primarily be promoted through HVAC contractors and home energy auditors, again with the support of the current Market Manager. JCP&L will outsource the community and HVAC initiatives. The Company may work with a third party vendor to provide verification and rebate processing services. Tier 3 improvements will be implemented by HPwES contractors.

In addition to outsourced services, JCP&L will hire or contract with an estimated three full time resources to perform its internal administration of the programs.

Anticipated Program Participants and Related Savings Estimates

On-Line Audit: JCP&L estimates approximately 6,000 customers will complete the on-line audit. No savings estimates are provided.

Enhanced Energy Efficient Products: JCP&L estimates approximately 8,500 customers will receive the enhanced incentive. Savings estimates, assuming \$0.50 per kWh, are estimated at 0.9 million kWh.

Appliance Early Retirement: JCP&L estimates approximately 5,000 customers will participate in the second refrigerator turn-in program. Annual kWh savings, assuming \$0.25 per kWh, are estimated at 1.1 million kWh.

Tier 3 Measures: JCP&L estimates up to 225 JCP&L customers would be eligible for Tier 3 measures. Estimated savings, assuming \$0.50 per kWh, would be approximately 0.45 million kWh annually.

Enhanced HVAC Rebates: It is estimated that 4,500 JCP&L customers will apply for the enhanced HVAC rebate. Estimated savings, assuming \$0.50 per kWh, would be approximately 9.9 million kWh annually.

Community Outreach: JCP&L will target 15 communities to provide energy efficiency education and technical assistance to install energy efficiency measures. No energy savings estimates have been calculated.

Anticipated Job Creation Estimates

The suite of residential energy efficiency programs are estimated to create 67 jobs in New Jersey. These positions would be comprised of additional HVAC contractors, home assessment auditors, program support contractors and three resources for JCP&L's program management and oversight of third party program administration. These positions would be incremental to existing staffing levels.

Contracts

JCP&L will solicit and select one or more qualified energy consultants through one or more competitive solicitations to provide program management, marketing, customer service and incentive processing that extend beyond Honeywell's scope of work with the State. Specific contracting plans will be developed in cooperation with the OCE, Treasury, Honeywell, TRC and other utilities as appropriate. See discussion in "*Delivery Methods*".

Marketing

This program will generally be marketed via Honeywell, information posted to the www.NJCleanEnergy.com website and through direct contact with customers and communities. In addition, HVAC contractors and the Eastern Heating and Cooling Council will play a role in promotion of the offering to customers.

NJCEP Similarities and Differences

This initiative represents an enhancement to the existing NJCEP programs by offering additional incentives to drive greater participation levels and resulting job creation. The whole house approach will increase demand for services by the expanding workforce of certified auditors and contractors participating in the HPwES program and current Market Managers. The enhanced HVAC rebate relies upon the existing HVAC rebate program requiring minimum eligibility requirements and an established HVAC contractor community. Many of the tasks and back office requirements will be handled by contracted third parties in much the same manner as the current NJCEP program. The largest difference between the Residential Whole House Energy

Efficiency Program and the existing NJCEP program is the level of the enhanced rebate and incentives available to customers. The current NJCEP program allows for incentives payable directly to contractors.

NJCEP Program Complements

The proposed JCP&L program directly complements the existing NJCEP program by promoting customer awareness and enhanced participation, and by relying primarily upon the existing NJCEP infrastructure. Enhanced customer awareness and enhanced participation incentives will support business expansion for qualified HPwES auditors and contractors. In addition, the programs directly encourage customers to take actions including energy audits that will tend to increase participation levels within the HPwES program, providing customers with valuable information, and improvements to existing home energy efficiency.

Management and implementation of the programs would be provided through the NJCEP Residential Market Manager, or contracts with third party providers. Emphasis will be placed on the ability of vendors to increase jobs and employment in NJ.

Budget

JCP&L projects a funding level of \$9.1 million will be committed for this program offering. See Attachment 3 for budget details.

Non-Residential “Whole Building” Energy Efficiency Program

Program Description

This program is designed to encourage and enable continued investments by existing non-residential customers in energy efficiency technologies supported by the New Jersey Clean Energy Program SmartStart Buildings (SSB) program in the current economic climate, particularly targeting municipal, school and state facilities. The program presumes that utilities will be able to work directly with Honeywell as the existing NJCEP Residential Market Manager, without assuming responsibility for the NJCEP programs. Under the program, JCP&L will work directly with TRC, the SSB Market Manager, and will engage one or more contractors to work with customers and TRC to: 1) encourage customers to register facilities in the EPA Portfolio Manager Benchmarking Tool, 2) offer training and seminars to customers, allies and facilities managers, and 3) install whole building energy efficient technologies, devices, and related equipment.

The premise of the proposed energy efficiency economic stimulus initiatives generally is that customers are not positioned to make non-essential investments in buildings and will postpone investments to a time they can afford it, and need incentives in addition to the incentives available in existing NJCEP programs. This premise is in contrast to the traditional presumption in Clean Energy programs that customers need incentives to improve the energy efficiency of a planned purchase of standard new equipment. Thus, JCP&L proposes that energy savings estimates for economic stimulus programs reference customers’ existing equipment as a baseline instead of the standard efficiencies for new equipment embedded in current NJ Energy Savings Protocols.

The program will provide:

- 1) Training seminars supporting customer awareness of energy efficiency opportunities and practices,
- 2) Supplemental incentives matching SSB rebates for customer investments in energy efficiency technologies other than energy efficient lighting in existing buildings, and additional incentives for customers participating in the EPA EnergyStar program,
- 3) Supplemental grants for municipal, school, State and multi-family retro-commissioning projects, and
- 4) Evaluation of energy savings impacts relative to efficiency of existing equipment.

Target Market and Eligibility

The program is targeted at, but not restricted to existing small businesses with a demand of less than 200 kW that are eligible to receive electric service under the General Service rate schedule in JCP&L’s tariff. Specific efforts will be made to target participation by municipal, school, State and multi-family customers. Supplemental SSB rebate incentives would be available only to new SSB commitments in existing buildings made after the date this program is approved.

Offerings and Customer Incentives

Training: JCP&L will offer approximately 30 training sessions for customers, building managers and operators to enhance practices and awareness of energy savings opportunities, specifically including support from the SSB program and this program.

Rebate Incentives: This program will supplement rebates available under the SSB program to support basic business decisions to invest in building upgrades in the current economic climate, as well as encourage customers to become EnergyStar partners. Under this economic stimulus program, JCP&L will support existing customers' plans to invest in their facilities by providing supplemental incentives matching the incentives available under the SSB program for investments in electric energy efficiency technologies other than lighting or lighting controls. Customers with qualifying projects will receive, in addition to the SSB rebate, an incremental economic stimulus incentive of 100% of the SSB incentive for technologies other than lighting. JCP&L will provide customers with qualifying projects that also register in the EPA EnergyStar benchmarking tool and agree to become an ENERGY STAR partner an additional 50% incentive (i.e. customers will receive, in addition to the SSB rebate, a total incremental incentive of 150% of the SSB incentive for technologies other than lighting). Participation in the EPA EnergyStar benchmarking tool will support and reinforce ongoing awareness and management of energy and savings opportunities in customers' facilities.

Retro-Commissioning Grants: In coordination with TRC, JCP&L will consider providing a limited number of cost-sharing grants to support municipal, school, State and multi-family customers' investment in operational savings in their facilities. Operational savings are currently not addressed by the SSB program. Cost-sharing grants up to \$10,000 per project will be developed to provide technical and financial assistance to identify and implement low cost tune-ups and adjustments that improve the efficiency of a building's operating systems by bringing them to the intended operation or design specifications, with a focus on building controls and HVAC systems in municipal, school, State and multi-family facilities.

TRC has proposed a TEACH Program that will "provide a range of services ... to educate students, teachers, and staff, while simultaneously enhancing the ability of schools to manage operational energy use and to comprehensively access New Jersey Clean Energy Programs."¹ Grants considered under the retro-commissioning component of this plan will be coordinated directly with TRC to ensure efforts are complementary. To reinforce student experience in the TEACH program, JCP&L will make available to participating schools access to a range of conservation products and educational materials designed in kit form. The value for each kit can vary from \$25 to \$50 depending on the content and focus of the kit. JCP&L will offer limited quantities of kits to participating schools at no cost to the school.

Delivery Methods

JCP&L will work with the Clean Energy Program Commercial Market Manager, TRC, and other utilities as appropriate to coordinate delivery of program services. JCP&L will solicit and select one or more qualified energy consultants through one or more competitive solicitations to

¹ TRC 2009 Program Filing at 37

administer the aspects of this initiative that extend beyond TRC's scope of work with the State. See discussion in "*Contracts*". As described below, contracted services would include performance of training, administration of rebate incentives, facilitating the development and administration of retro-commissioning grant applications, and assessment of the incremental savings resulting from the program (i.e. relative to customers' existing equipment and usage).

Training: JCP&L will contract with one or more qualified energy consultants through a competitive solicitation to offer approximately 30 training sessions for customers. Training sessions will be held at different locations in JCP&L's service territory.

Rebate Incentives: JCP&L will work with TRC to process supplemental matching and Energy Star Partner incentives for non-lighting technologies.

Retro-Commissioning Grants: JCP&L will solicit proposals and select a sub-program Administrator through a competitive solicitation. The sub-program Administrator will, along with supporting technical staff, administer program operations, coordination with the Clean Energy Program, other utility programs, contractor oversight and trade ally relations.

Anticipated Program Participants and Related Savings Estimates

Training: JCP&L anticipates offering approximately 30 training sessions that would include approximately 300 customers. No savings estimates are provided.

Rebate Incentives: JCP&L anticipates processing approximately 200 matching SSB incentives (estimated \$1.8MM), and approximately 50 EnergyStar supplemental incentives (estimated total \$225k). Savings estimates, assuming \$0.50 per kWh, would be approximately 4 million kWh.

Retro-Commissioning Grants: JCP&L anticipates processing up to 50 retro-commissioning grants, or a total of \$500k. According to a DOE review of retro-commissioning case studies, energy savings can range from 5-30% over a wide range of building uses. However, savings for retro-commissioning initiatives are not supported by current NJ programs or savings protocols. Preliminary savings estimates, assuming \$0.25 per kWh saved, would be 1 million kWh.

Evaluation: JCP&L will work with the New Jersey Office of Clean Energy ("OCE"), Applied Energy Group, Inc. ("AEG") and TRC to solicit and engage through a competitive process incremental consultative support and implement evaluation supporting 1) savings estimates using customers' existing equipment as a baseline, and 2) savings assessments for retro-commissioning projects which are not supported by current NJ programs or savings protocols.

Anticipated Job Creation Estimates

Based on a 2008 assessment of 4.3 job-years per \$1 million investment in commercial building energy efficiency by the Center of Wisconsin Strategy, this program will create an estimated 13 jobs.

Contracts

Under this program, JCP&L will work directly with TRC, the SSB Market Manager, to perform significant aspects of this initiative and will engage through a competitive process one or more contractors to perform the balance of work required. Specific contracting plans will be developed in cooperation with the OCE, Treasury, AEG, TRC and other utilities as appropriate. See discussion in “*Delivery Methods*”.

Marketing

This program will generally be marketed via TRC, information posted to the www.NJCleanEnergy.com website and through direct contact with customers and communities.

NJCEP Similarities and Differences

This program supplements, and builds on the SmartStart Buildings program component of the Clean Energy Program.

Rebate Incentives: To be eligible for supplemental rebates, projects must first apply for participation in the SSB program. JCP&L will coordinate any required pre-construction approvals with TRC, and will process incentive payments largely based on SSB Q/A procedures and documentation. Incremental verification by a JCP&L agent may be required for supplemental incentives based on participation in the EnergyStar program.

NJCEP Program Complements

Training: Training provided under this program will complement outreach efforts provided under the Clean Energy Program. Training sessions will explicitly include cross-references and awareness-building supporting participation in the Clean Energy Programs, specifically for the SmartStart Buildings program.

Retro-Commissioning Grants: Retro-commissioning initiatives are not supported by current NJ programs or savings protocols. JCP&L or its agent will coordinate consideration of grants with TRC to minimize redundant efforts and maximize customer benefits.

TRC has proposed a TEACH Program that will “provide a range of services ... to educate students, teachers, and staff, while simultaneously enhancing the ability of schools to manage operational energy use and to comprehensively access New Jersey Clean Energy Programs.” Grants and provision of energy efficiency kits considered under the Retro-commissioning component of this plan will be coordinated directly with TRC to ensure efforts are complementary.

Budget

JCP&L projects expenditures of approximately \$3.1 million will be committed for this program offering. See Attachment 3 for budget details.

JCP&L Energy Efficiency Program Budgets	Total (\$000)	Administration, IT and Program Development (\$000)	Sales, Marketing, Call Center, Website (\$000)	Training (\$000)	Rebates, Grants and Other Direct Incentives (\$000)	Rebate Processing, Inspections, and Other Quality Control (\$000)	Performance Incentives (\$000)	Evaluation and Related Research (\$000)
Residential Whole House Energy Efficiency Program								
On-Line Audit	2,200	580	1,620	0	0	0	0	0
Enhanced Energy Efficient Products	450	10	10	0	400	30	0	0
Appliance Early Retirement	275	5	0	0	250	20	0	0
Tier 3 Measure Incentives	225	5	0	0	220	0	0	0
Enhanced HVAC Rebates	4,984	8	50	0	4,875	51	0	0
Community Outreach	950	25	75	0	800	50	0	0
Total Residential	9,084	633	1,755	0	6,545	151	0	0
Non-Residential Whole Building Program								
Training & Seminars	100	10	0	90	0	0	0	0
Rebate Incentives	2,075	25	50	0	2,000	0	0	0
Retro-Commissioning Grants	640	20	40	0	500	80	0	0
Evaluation	300	40	0	0	0	10	0	250
Total Non-Residential	3,115	95	90	90	2,500	90	0	250
General Administration*	500	500	0	0	0	0	0	0
Grand Total	12,699	1,228	1,845	90	9,045	241	0	250

* General Administration includes internal or contracted program management and oversight functions including reporting, customer service activities, as well as coordination with OCE, utilities and market managers.

**Jersey Central Power & Light Company
Energy Efficiency Programs
Projected Revenue Requirements Computation (\$000)**

COST OF CAPITAL ADOPTED IN LAST BASE RATE CASE

Cap. Instru.	Cap. Outstanding	Capitalizat'n Ratios (%)	Embedded Costs %	ROR	Tax Factor	Rev. Rqmt.
LTD	\$ 1,054,000	47.77%	7.26%	3.47%	1.00000	3.47%
MIPS	125,000	5.67%	9.24%	0.52%	1.00000	0.52%
PS	12,500	0.57%	4.01%	0.02%	1.69062	0.04%
CE	1,015,000	46.00%	9.75%	4.49%	1.69062	7.58%
Total	\$ 2,206,500	100.00%		8.50%		11.61%

FIT	CBT	Composite
35.00%	9.00%	40.850%
Tax Gross-up Factor		1.69062

	Months
Amortization Period	12
Revenue Recovery Period	12

Month	Monthly Program Cost (1)	Cumulative Program Cost (2)	Monthly Amortization (3)	Accumulated Amortization (4)	Net Cumulative Investment (5)	Tax Effect (6)	Deferred Income Tax (7)	Accumulated Deferred Income Tax (8)	Net Program Cost (9)	Return Requirement @ 11.61% (10)	Total Revenue Requirements (11)
1	408	\$ 408	\$ 34	\$ 34	\$ 374	\$ 408	\$ 153	\$ 153	\$ 221	\$ 2	\$ 410
2	774	1,181	104	138	1,043	774	274	426	617	4	778
3	774	1,955	181	319	1,636	774	242	668	968	8	782
4	1,018	2,973	294	613	2,360	1,018	296	964	1,396	11	1,029
5	1,263	4,235	452	1,065	3,170	1,263	331	1,295	1,875	16	1,279
6	1,384	5,619	650	1,715	3,904	1,384	300	1,595	2,309	20	1,404
7	1,262	6,881	860	2,575	4,306	1,262	164	1,759	2,547	23	1,285
8	1,261	8,141	1,112	3,687	4,454	1,261	61	1,820	2,635	25	1,286
9	1,262	9,403	1,427	5,114	4,289	1,262	(68)	1,752	2,537	25	1,287
10	1,018	10,421	1,766	6,880	3,541	1,018	(306)	1,446	2,094	22	1,040
11	1,018	11,438	2,275	9,155	2,283	1,018	(514)	933	1,351	17	1,035
12	1,261	12,699	3,544	12,699	-	1,261	(933)	-	-	7	1,268
Totals	\$ 12,699		\$ 12,699							\$ 180	\$ 12,879

**Jersey Central Power & Light Company
Energy Efficiency Programs
Projected Expenditures by Month (\$000)**

	Total	Month											
		1	2	3	4	5	6	7	8	9	10	11	12
Residential Whole House Program	\$ 9,084	\$ 273	\$ 545	\$ 545	\$ 727	\$ 909	\$ 999	\$ 908	\$ 908	\$ 908	\$ 727	\$ 727	\$ 908
Non-Residential Whole Building Program	3,115	93	187	187	249	312	343	312	311	312	249	249	311
General Administration	500	42	42	42	42	42	42	42	42	42	42	42	42
Total Expenditures	\$ 12,699	\$ 408	\$ 774	\$ 774	\$ 1,018	\$ 1,263	\$ 1,384	\$ 1,262	\$ 1,261	\$ 1,262	\$ 1,018	\$ 1,018	\$ 1,261

**Jersey Central Power & Light Company
Energy Efficiency Programs
Amortization Schedule by Month (\$000)**

Total Cost	1	2	3	4	5	6	7	8	9	10	11	12	Totals
	408	774	774	1,018	1,263	1,384	1,262	1,261	1,262	1,018	1,018	1,261	12,699
Amort													Totals
1	34	34	34	34	34	34	34	34	34	34	34	34	408
2		70	70	70	70	70	70	70	70	70	70	74	774
3			77	77	77	77	77	77	77	77	77	81	774
4				113	113	113	113	113	113	113	113	114	1,018
5					158	158	158	158	158	158	158	157	1,263
6						198	198	198	198	198	198	196	1,384
7							210	210	210	210	210	212	1,262
8								252	252	252	252	253	1,261
9									315	315	315	317	1,262
10										339	339	340	1,018
11											509	509	1,018
12												1,261	1,261
Totals	34	104	181	294	452	650	860	1,112	1,427	1,766	2,275	3,544	12,699

Jersey Central Power & Light Company
Proposed Annual Rate Impacts

	(A)	(B)	(C)	(A)+(B)+(C)=(D)	(E)	(D)-(E)
	Energy Efficiency Programs	Three Small Scale/Pilot Demand Response Programs (3)	Expanded IDER Program (4)	Total Demand Response & Energy Efficiency Programs	Rider SCC Rate Reduction (2)	Net Rate Impact
Annual Revenue Requirements (\$000)	\$ 12,879 (1)	\$ 4,396 (2)	\$ 1,198 (2)	\$ 18,473	\$ 500	
Annual Revenue Requirements for the IDER Pilot (2)		500		\$ 500		
Total Annual Revenue Requirements	\$ 12,879	\$ 4,896	\$ 1,198	\$ 18,973	\$ 500	
Projected Sales in MWH	22,688,665 (5)	22,688,665 (5)	23,185,387 (4)		22,688,665 (5)	
Proposed Rate Increase per kWh	\$ 0.000568	\$ 0.000216	\$ 0.000052 (4)	\$ 0.000836	\$ 0.000022	\$ 0.000814
Proposed Rate Increase per kWh w/ 7% Sales and Use Tax	\$ 0.000608	\$ 0.000231	\$ 0.000056 (4)	\$ 0.000895	\$ 0.000024	\$ 0.000871

(1) See Attachment 4

(2) Details provided in August 1 DR Petition Programs

(3) Excludes Expanded IDER Program

(4) Expanded IDER Program was noticed in newspapers on October 10, 2008

(5) Assumed 12-month recovery effective May 2009 through April 2010

Jersey Central Power & Light Company
Typical Residential Average Monthly Bill
(Includes 7% Sales and Use Tax)

	<u>Current Monthly Bill</u> (1)	<u>Proposed Monthly Bill</u> (2)	<u>Proposed Monthly Increase</u>
<u>Residential Service (RS)</u>			
500 kWh average monthly usage	\$ 88.92	\$ 89.36	\$ 0.44
1000 kWh average monthly usage	\$ 183.30	\$ 184.18	\$ 0.88
1500 kWh average monthly usage	\$ 279.59	\$ 280.90	\$ 1.31
<u>Residential Time-of-Day Service (RT)</u>			
500 kWh average monthly usage	\$ 92.25	\$ 92.69	\$ 0.44
1000 kWh average monthly usage	\$ 179.23	\$ 180.10	\$ 0.87
1500 kWh average monthly usage	\$ 266.20	\$ 267.50	\$ 1.30

(1) Based on rates in effect as of 1/1/2009 for Full Service customers.

(2) Reflects total rate impacts from Page 1.

Jersey Central Power & Light Company
Overall Monthly Class Average Per Customer
(Includes 7% Sales and Use Tax)

<u>Rate Class</u>	<u>Current Monthly Bill</u> (1)	<u>Proposed Monthly Bill</u> (2)	<u>Proposed % Increase</u>
Residential Service (RS)	\$ 146.24	\$ 146.91	0.5%
Residential Time-of-Day Service (RT)	\$ 207.33	\$ 208.35	0.5%
General Service - Secondary (GS)	\$ 832.45	\$ 836.52	0.5%
General Service - Secondary Time-of-Day (GST)	\$ 45,491.63	\$ 45,727.64	0.5%
General Service - Primary (GP)	\$ 68,198.46	\$ 68,554.39	0.5%
General Service - Transmission (GT)	\$ 218,905.80	\$ 220,198.61	0.6%
Street & Area Lighting (Average per Fixture)	\$ 14.44	\$ 14.48	0.3%

(1) Based on rates in effect as of 1/1/2009 for Full Service customers. Real-time rates are based on class average hourly energy charge for the last 12-months (1/1/2008 through 12/31/08).

(2) Reflects total rate impacts from Page 1.