



**STATE OF NEW JERSEY**  
**Board of Public Utilities**  
44 S. Clinton Avenue, 9<sup>th</sup> Floor  
Post Office Box 350  
Trenton, NJ 08625-0350  
[www.nj.gov/bpu/](http://www.nj.gov/bpu/)

ENERGY

- IN THE MATTER OF THE VERIFIED PETITION OF )  
JERSEY CENTRAL POWER & LIGHT COMPANY )  
CONSTITUTING ITS FILING WITH RESPECT )  
TO THE NON-UTILITY GENERATION CHARGE )  
CLAUSE OF ITS FILED TARIFF ("2010 NGC FILING") ) BPU DOCKET NO. ER11040224
  
- IN THE MATTER OF THE VERIFIED PETITION OF )  
JERSEY CENTRAL POWER & LIGHT COMPANY )  
CONSTITUTING ITS FILING WITH RESPECT )  
TO THE NON-UTILITY GENERATION CHARGE )  
CLAUSE OF ITS FILED TARIFF ("2009 NGC FILING") ) BPU DOCKET NO. ER10070493
  
- IN THE MATTER OF THE VERIFIED PETITION OF )  
JERSEY CENTRAL POWER & LIGHT COMPANY )  
CONSTITUTING ITS FILING WITH RESPECT )  
TO THE NON-UTILITY GENERATION CHARGE )  
CLAUSE OF ITS FILED TARIFF ("2008 NGC FILING") ) BPU DOCKET NO. ER09040316
  
- IN THE MATTER OF THE VERIFIED PETITION OF )  
JERSEY CENTRAL POWER & LIGHT COMPANY )  
CONSTITUTING ITS FILING WITH RESPECT )  
TO THE NON-UTILITY GENERATION CHARGE )  
CLAUSE OF ITS FILED TARIFF ("2007 NGC FILING") ) BPU DOCKET NO. ER07120967

(SERVICE LIST ATTACHED)

APPEARANCES:

**Marc B. Lasky, Esq.** (Morgan, Lewis & Bockius LLP) on behalf of Jersey Central Power & Light Company  
**Stefanie A. Brand, Esq.**, Director, New Jersey Division of Rate Counsel

BY THE BOARD:

This Order addresses a stipulation executed on February 2, 2012, by Jersey Central Power and Light Company ("JCP&L" or "Company"), the New Jersey Division of Rate Counsel ("Rate Counsel") and Board Staff ("Staff") (collectively, "Parties") agreeing, among other things, to

implement a \$114 million reduction in annual JCP&L's Non-Utility Generation charge ("NGC") revenues.

On April 21, 2011, JCP&L filed a petition with the New Jersey Board of Public Utilities ("Board") seeking review and approval of the amounts included in the Company's NGC deferred balance, which primarily relate to amounts paid by the Company under Board-approved contracts with non-utility generators ("NUGs"), to the extent accumulated from January 1, 2010 through December 31, 2010.

JCP&L also proposed to reduce the current level of its NGC by approximately \$82.5 million annually, at which point the NGC (other than the Transition Bond Charge and MTC-Tax components<sup>1</sup>) would be zero. In its petition, JCP&L also noted that (i) pursuant to a Stipulation Setting Provisional Rates, dated January 27, 2011, among the Parties in Docket No. ER10070493, which was approved by Board Order dated February 10, 2011, JCP&L implemented the \$180 million annual rate reduction proposed in its 2009 NGC Filing, effective as of March 1, 2011, and (ii) its 2007 NGC Filing in Docket No. ER07120967, covering the period from January 1, 2006 through December 31, 2007, and its 2008 NGC Filing in Docket No. ER09040316, covering the period from January 1, 2008 through December 31, 2008, remained pending before the Board. In the 2007 and 2008 NGC filings, the Company did not seek to adjust the then current level of its NGC.

The Parties exchanged discovery and engaged in a number of meetings and discussions to review outstanding issues and explore settlement. As a result of those meetings and related discussions, the Parties signed a stipulation ("Stipulation") whose key terms are described below.

### **THE PROPOSED STIPULATION**

The Stipulation provides for the following:

1. The Company's ending deferred NGC balance at December 31, 2010 was an over-recovery of \$56.0 million, including carrying costs of \$20.2 million, exclusive of the net loss from the sale of the Company's Forked River generating station ("Forked River") discussed in paragraph 4 below.
2. JCP&L's NGC clause will be adjusted, effective March 1, 2012, or as soon thereafter as the Board may approve, to decrease NGC revenues by \$114 million from the current level of approximately \$177 million per year to approximately \$63 million per year. This reduction in annual NGC revenues will be achieved through a reduction in the non-securitized component of the NGC rate from the current factor of \$0.003699 per Kwh to a credit factor of \$0.001149 per kwh. The securitized portion of the NGC rate will remain at \$0.003988 per kwh to recover approximately \$88.878 million per year. Of the total \$114 million reduction proposed, application of about \$88.392 million to the non-securitized NGC factor brings this component of the NGC rate to zero. The balance of the reduction will be credited to the non-securitized NGC factor, and will result in an additional annual refund to customers of approximately \$25.608 million for the 2012 and 2013 NGC years. This credit is intended to bring the deferral to zero based on specified assumptions for this two year period. Thus, the approximately \$63 million in NGC revenues reflects approximately \$88.878 million of the securitized portion of the NGC net of an approximately \$25.608 million refund to customers. Revised Tariff sheets are attached as Appendix A to the Stipulation.

3. To the extent not otherwise recovered in rates, JCP&L shall also be authorized to continue to defer (i) all additional reasonable and prudent amounts paid to NUGs under Board-approved agreements, (ii) the reasonable and prudent all-in costs associated with JCP&L's interest in the Yards Creek pumped storage generating facility ("Yards Creek") and (iii) other reasonable and prudent costs previously approved by the Board for recovery through the NGC, net of related revenues received from the sale of NUG and Yards Creek output into the PJM market, incurred and deferred subsequent to December 31, 2010, together with accrued interest, for review and inclusion in future annual NGC filings and recovery through related adjustments to the Company's Rider NGC, subject to the Board's review and approval.
4. The actual closing and transaction costs incurred in connection with the sale of Forked River are approved as reasonable and prudent. The resulting Forked River net proceeds calculation, which shows a net loss on the sale of \$1.5 million, is also approved for recovery by application of a portion of the over-recovered NGC balance.
5. Interest on the net-of-tax overall NGC deferred balance shall continue to accrue at an annual rate of 5.6%, until changed by a future Board Order. The annual compounding date shall change from August 1 to January 1 of each year, commencing January 1, 2012.
6. The Company will continue to make annual filings with the Board, with notice to Rate Counsel, with respect to its NGC. The NGC shall be adjusted if, in a future proceeding, it is determined, based on a comprehensive review, including, without limitation, an opportunity for full discovery and evidentiary hearings, that an adjustment is necessary and appropriate at the time, taking into account, among other things, the current and the anticipated level of JCP&L's NGC deferred balance. The Company will also continue to submit monthly deferred balance reports to Staff and Rate Counsel, and will include in the transmittal letter/email that accompanies those reports a statement as to the deferred MTC/NGC deferred balance, including accrued carrying costs, as of the end of the last month covered by the report.
7. The Parties agree that upon the effective date of the Board's written Order approving the Stipulation, the 2010 NGC Filing, as well as the 2009 NGC Filing, the 2008 NGC Filing, and the 2007 NGC Filing shall all be deemed closed and resolved.

### **DISCUSSION AND FINDINGS**

The Board, having reviewed the attached Stipulation and the record in this proceeding, **FINDS** that the settlement is reasonable, is in the public interest and is in accordance with the law. The Board **FURTHER FINDS** that it is in the best interests of JCP&L's ratepayers to adjust the NGC rates as provided in the Stipulation. Typical residential customers using 500 kWh monthly would receive a reduction of \$2.64 per month in their bills, or about 3%. On an annual basis this would equate to an approximate \$31.68 reduction to typical residential customers' bills. Therefore, the Board **HEREBY APPROVES** the attached Stipulation and incorporates its provisions as if fully stated in this Order.


The Board **HEREBY DIRECTS** the Company to file within ten (10) days of this Order, the appropriate revised tariff sheets consistent with the terms of this Order with an effective date of the first day of the month after the date this Order is served.

The Company's NGC costs remain subject to audit by the Board. This Decision and Order shall not preclude or prohibit the Board from taking any actions determined to be appropriate as a result of any such audit.

DATED: 2/10/12

BOARD OF PUBLIC UTILITIES  
BY:

  
ROBERT M. HANNA  
PRESIDENT

  
JEANNE M. FOX  
COMMISSIONER

  
JOSEPH L. FIORDALISO  
COMMISSIONER

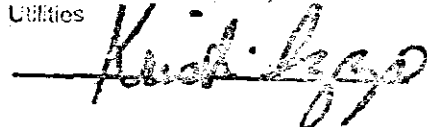
  
NICHOLAS ASSELTA  
COMMISSIONER

  
MARY-ANNA HOLDEN  
COMMISSIONER

ATTEST:

  
KRISTI IZZO  
SECRETARY

I HEREBY CERTIFY that the within document is a true copy of the original in the files of the Board of Public Utilities



In the Matter of the Verified Petition of Jersey Central Power & Light Company Constituting Its Annual Filing With Respect to the Non-Utility Generation Charge Clause of Its Filed Tariff ("2010 NGC Filing")  
BPU Docket No. ER11040224

In the Matter of the Verified Petition of Jersey Central Power & Light Company Constituting Its Annual Filing With Respect to the Non-Utility Generation Charge Clause of Its Filed Tariff ("2009 NGC Filing")  
BPU Docket No. ER10070493

In the Matter of the Verified Petition of Jersey Central Power & Light Company Constituting Its Annual Filing With Respect to the Non-Utility Generation Charge Clause of Its Filed Tariff ("2008 NGC Filing")  
BPU Docket No. ER09040316

In the Matter of the Verified Petition of Jersey Central Power & Light Company Constituting Its Annual Filing With Respect to the Non-Utility Generation Charge Clause of Its Filed Tariff ("2007 NGC Filing")  
BPU Docket No. ER07120967

<b>BOARD OF PUBLIC UTILITIES</b>		
Jerome May Board of Public Utilities 44 S. Clinton Avenue, 9 <sup>th</sup> Floor P.O. Box 350 Trenton, NJ 08625-0350	Alice Bator Board of Public Utilities 44 S. Clinton Avenue, 9 <sup>th</sup> Floor P.O. Box 350 Trenton, NJ 08625-0350	Naji Ugoji Board of Public Utilities 44 S. Clinton Avenue, 9 <sup>th</sup> Floor P.O. Box 350 Trenton, NJ 08625-0350
Kristi Izzo, Secretary Board of Public Utilities 44 S. Clinton Avenue, 9 <sup>th</sup> Floor P.O. Box 350 Trenton, NJ 08625-0350	Andrea Reid Board of Public Utilities 44 S. Clinton Avenue, 9 <sup>th</sup> Floor P.O. Box 350 Trenton, NJ 08625-0350	
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<b>JCP&amp;L</b>		
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<p>Lawrence Sweeney  Jersey Central Power &amp; Light Co.  300 Madison Avenue  PO Box 1911  Morristown, NJ 07962-1911</p>	<p>James E. O'Toole  Jersey Central Power &amp; Light Co.  300 Madison Avenue  PO Box 1911  Morristown, NJ 07962-1911</p>	
<b>OTHER PARTIES</b>		
<p>David Peterson  10351 Southern Maryland Blvd.  Suite 202  Dunkirk, MD 20754-9500</p>	<p>Greg Eisenstark, Esq.  Morgan, Lewis &amp; Bockius LLP  89 Headquarters Plaza North  Suite 1435  Morristown, NJ 07960</p>	<p>Michael J. Connolly, Esq.  Morgan, Lewis &amp; Bockius LLP  89 Headquarters Plaza North  Suite 1435  Morristown, NJ 07960</p>
<p>Arthur E. Korkosz, Esq.  FirstEnergy Corp.  76 S. Main Street, 18th Floor  Akron, OH 44308</p>		



### **Background**

On April 21, 2011, JCP&L filed with the Board a Verified Petition, including supporting schedules, under Docket No. ER11040224 ("2010 NGC Filing"), seeking review and approval of the deferred amounts included in the Company's Non-Utility Generation Charge ("NGC") deferred balance, which primarily relate to amounts paid by the Company under Board-approved contracts with non-utility generators ("NUGs"), to the extent accumulated from January 1, 2010 through December 31, 2010. JCP&L also proposed to reduce the current level of its NGC by approximately \$82.5 million annually, at which point the NGC (other than the Transition Bond Charge and MTC-Tax components) would be zero. In its Verified Petition, JCP&L also noted that (i) pursuant to a Stipulation Setting Provisional Rates, dated January 27, 2011, among the Company, Board Staff and Rate Counsel in Docket No. ER10070493, which Stipulation was approved by Board Order dated February 10, 2011, JCP&L implemented the \$180 million annual rate reduction proposed in its 2009 NGC Filing, effective March 1, 2011, and (ii) its 2007 NGC Filing in Docket No. ER07120967, which covered the period from January 1, 2006 through December 31, 2007, and its 2008 NGC Filing in Docket No. ER09040316, which covered the period from January 1, 2008 through December 31, 2008, remained pending before the Board.<sup>1</sup> Following the filing of the Verified Petition, the Parties engaged in discovery and exchanged additional information during informal discussions and meetings.

### **Stipulation**

The undersigned Parties DO HEREBY STIPULATE AND AGREE as follows:

1. The Parties agree that the Company's ending deferred NGC balance at December 31, 2010 was an over-recovery of \$56.0 million, including carrying costs of \$20.2 million,

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<sup>1</sup> The January 27, 2011 Stipulation and February 10, 2011 Order stated that review of the Company's 2007, 2008 and 2009 NGC Filings was not yet completed.



exclusive of the net loss from the sale of the Company's Forked River generating station ("Forked River") discussed in paragraph 4 below. See Attachment A from the Verified Petition, which is attached hereto.

2. JCP&L's NGC clause will be adjusted, effective March 1, 2012, or as soon thereafter as the Board may approve, to decrease NGC revenues from the current level of approximately \$177 million per year to approximately \$63 million per year, a \$114 million reduction. This reduction in annual NGC revenues will be achieved through a reduction in the non-securitization component of the NGC rate from the current charge of \$0.003699 per kWh to a credit of \$0.001149 per kWh. The securitized portion of the NGC rate and associated revenues are not the subject of the Verified Petition and are not changing and that portion of the NGC rate will remain at the \$0.003699 per kWh factor (to recover approximately \$88.878 million per year), subject to adjustment in accordance with procedures set forth in prior securitization orders. A portion of the \$114 million revenue reduction, equal to about \$88.392 million of revenues associated with the non-securitized NGC factor, brings the non-securitization component of the NGC rate to zero. The remaining portion, approximately \$25.608 million, equals an additional annual refund to customers for the 2012 and 2013 NGC years. This refund is intended to bring the deferral to zero based on specified assumptions for this two-year period and will result in a credit for the non-securitized NGC factor. Thus, the approximately \$63 million in NGC revenues reflects approximately \$88.878 million of the securitized portion of the NGC net of an approximately \$25.608 million refund to customers. Revised Tariff sheets are attached hereto as Appendix A.

3. To the extent not otherwise recovered in rates, JCP&L shall also be authorized to continue to defer (i) all additional reasonable and prudent amounts paid to NUGs under Board-

approved agreements, (ii) the reasonable and prudent all-in costs associated with JCP&L's interest in the Yards Creek pumped storage generating facility ("Yards Creek") and (iii) other reasonable and prudent costs previously approved by the Board for recovery through the NGC, net of related revenues received from the sale of NUG and Yards Creek output into the PJM market, incurred and deferred subsequent to December 31, 2010, together with accrued interest thereon, for review and inclusion in future annual NGC filings and recovery through related adjustments to the Company's Rider NGC, subject to the Board's review and approval.

4. The actual closing and transaction costs incurred in connection with the sale of Forked River, as reflected on Appendix B attached hereto, are approved as reasonable and prudent. The resulting Forked River net proceeds calculation, which shows a net loss on the sale of approximately \$1.5 million, is also approved for recovery by application of a portion of the over-recovered NGC balance. The Company waives its request for interest on the closing and transaction costs retroactive to the date of incurrence of each such cost, which request had been included in its Verified Petition.

5. Interest on the net-of-tax overall NGC deferred balance shall continue to accrue at an annual rate of 5.6%, until changed by a future Board Order. The annual compounding date shall change from August 1 to January 1 of each year, commencing January 1, 2012.

6. To the extent not covered by other filings with the Board, the Company will continue to make annual filings with the Board, with notice to Rate Counsel, with respect to its NGC. The NGC rate shall be adjusted if, in a future proceeding, it is determined, based on a comprehensive review, including, without limitation, an opportunity for full discovery and evidentiary hearings, that an adjustment is necessary and appropriate at the time, taking into account, among other things, the current and the anticipated level of JCP&L's NGC deferred

balance. The Company will also continue to submit monthly deferred balance reports to Staff and Rate Counsel, and will include in the transmittal letter/email that accompanies those reports a statement as to the deferred MTC/NGC deferred balance, including accrued carrying costs, as of the end of the last month covered by the report. However, all rates remain subject to audit by the Board.

7. The Parties agree that upon the effective date of the Board's written Order approving this Stipulation, the 2010 NGC Filing, as well as the 2009 NGC Filing, the 2008 NGC Filing and the 2007 NGC Filing referred to under "Background" above, shall all be deemed closed and resolved.

#### **Conclusion**

8. The Parties agree that this Stipulation contains mutual balancing and interdependent clauses and is intended to be accepted and approved in its entirety. In the event any particular provision of this Stipulation is not accepted and approved in its entirety by the Board, or is modified by a court of competent jurisdiction, then any Party aggrieved thereby shall not be bound to proceed with this Stipulation and shall have the right, upon written notice to be provided to all other Parties within ten (10) days after receipt of any such adverse decision, to litigate all issues addressed herein to a conclusion. More particularly, in the event this Stipulation is not adopted in its entirety by the Board in an appropriate Order, or is modified by a court of competent jurisdiction, then any Party hereto is free, upon the timely provision of such written notice, to pursue its then available legal remedies with respect to all issues addressed in this Stipulation, as though this Stipulation had not been signed.

9. The Parties agree that this Stipulation shall be binding on them for all purposes herein.

10. It is specifically understood and agreed that this Stipulation represents a negotiated agreement and, except as otherwise expressly provided for herein:

- a. By executing this Stipulation, no Party waives any rights it possesses under any prior Stipulation, except where the terms of this Stipulation supersede such prior Stipulation.
- b. The contents of this Stipulation shall not in any way be considered, cited or used by any of the undersigned Parties as an indication of any Party's position on any related or other issue litigated in any other proceeding or forum, except to enforce the terms of this Stipulation.

11. This Stipulation may be executed in any number of counterparts, each of which shall be considered one and the same agreement, and shall become effective when one or more counterparts have been signed by each of the Parties.

WHEREFORE, the Parties hereto have duly executed and do respectfully submit this Stipulation to the Board, and recommend that the Board issue a Final Decision and Order adopting and approving this Stipulation in its entirety in accordance with the terms hereof.

Jersey Central Power & Light Company

By: Marc B. Lasky  
Marc B. Lasky, Esq.  
Morgan, Lewis & Bockius LLP

Dated: 2/2/12

Jeffrey S. Chiesa  
Attorney General of New Jersey  
Attorney for  
Staff of the Board of Public Utilities

By: Alex Morfau  
Alex Morfau  
Deputy Attorney General

Dated: 2/2/2012

Stefanie A. Brand, Esq.  
Director, Division of Rate Counsel

By: James Glassen  
James Glassen, Esq.  
Assistant Deputy Rate Counsel

Dated: 2/2/2012

**JERSEY CENTRAL POWER & LIGHT COMPANY**  
**Summary of NGC Deferred Balance by Component**  
**For the Period January 1, 2010 through December 31, 2010**

Line No.		Actual Data Jan - Dec 2010	Refer to Attachment B Line No(s).
1	NGC Under-Recovered Deferred Cost Balance at 12/31/09	69,536,057	29
2	<b>NGC Deferred Balance 2010:</b>		
	<b>Revenues:</b>		
3	Wholesale Energy/Capacity (Sales of Committed Supply)	207,990,935	2
4	MTC/NGC Retail Tariff	262,029,467	4-(5+6)
5	Other Revenue Sources	7,888,049	1+3+7
6	TMI-1 Strike Price Contingency Payments	2,255,644	8
7	<b>Total Revenues</b>	<b>480,164,095</b>	9
	<b>Costs:</b>		
8	Committed Supply: NUG and 2-Party Contract Payments	310,603,426	15+18
9	Committed Supply: Yards Creek Costs	17,021,552	10 thru 12+17
10	Oyster Creek Net Stranded Costs	5,450,456	19 thru 24
11	Other Expenses	1,641,713	13+14+16
12	<b>Total Cost Incurred</b>	<b>334,717,146</b>	25
13	Net Revenue in Excess of Cost Deferred Jan through Dec-10	(145,446,949)	
14	Application of SBC Net Over-Recovered Balances (a)	-	26
15	Securitization Servicing Fee in Excess of Costs Incurred	(228,000)	27
16	<b>Net NGC (Over)/Under-Recovered Costs Deferred In 2010</b>	<b>(145,674,949)</b>	28
17	NGC Over-Recovered Deferred Cost Balance at 12/31/10	(76,138,892)	29
18	NGC Deferred Interest Balance at 12/31/10	20,160,455	See Attachment C
19	<b>NGC Over-Recovered Deferred Balance including Interest at 12/31/10</b>	<b>(55,978,437)</b>	
20	Forked River Net Sale Proceeds	1,693,393	See Attachment D
21	<b>NGC Deferred Balance including Forked River Net Sale Proceeds</b>	<b>(54,285,044)</b>	

(a) There was no net excess SBC over-recovery available after application to under-recovered SBC components in 2009.

<p><b>Rider NGC</b>  <b>Non-utility Generation Charge</b></p>
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**APPLICABILITY:** Rider NGC provides a non-utility generation charge ("NGC") applicable to all KWH usage of any Full Service Customer or Delivery Service Customer.

Effective September 1, 2004, Rider MTC ("Market Transition Charge") is renamed Rider NGC to comply with the BPU Final Order dated May 17, 2004 (Docket Nos. ER02080506, etc.) that "the MTC shall be discontinued and renamed the NGC" for customer billing purposes.

Effective August 1, 2003, the Company recovers through the MTC charge, the MTC deferred balance which includes: (1) BPU-approved costs incurred during the transition to a competitive retail market and under-recovered during the period from August 1, 1999 through July 31, 2003; and (2) all BPU-approved costs associated with committed supply energy, capacity and ancillary services, net of all revenues from the sale of the committed supply in the wholesale market (Docket Nos. EX01110754 and EX01050303, etc.)

Carrying cost shall be computed on a monthly basis at the applicable BPU-approved interest rate on the average net-of-tax over or under-recovered balance of the MTC, compounded annually.

Effective August 1, 2003, the composite MTC Factor shall be \$0.011013 per KWH (excluding SUT), which includes the interim recovery of MTC deferred balance as of July 31, 2003, until the BPU's decision on the securitization of the MTC deferred balance.

Effective June 1, 2005, the composite MTC Factor shall be reduced to \$0.010614 per KWH (excluding SUT), which includes the anticipation of the savings to be realized from the securitization of a portion of the MTC deferred balance as of July 31, 2003 ("Deferred BGS Transition Costs") pending the BPU approval. By Order dated June 8, 2006, the BPU approved the securitization of Deferred BGS Transition Costs.

Effective December 6, 2006, the composite MTC/NGC Factor shall be \$0.015492 per KWH (excluding SUT), which includes an increase in the NGC Factor of \$0.004878 per KWH.

Effective March 1, 2011, the composite MTC/NGC Factor shall be \$0.007687 per KWH (excluding SUT), which includes a decrease in the NGC Factor of \$0.007805 per KWH.

Effective March 1, 2012, the composite MTC/NGC Factor shall be \$0.002839 per KWH (excluding SUT), which includes a decrease in the NGC Factor of \$0.004848 per KWH.

For billing purposes, the composite MTC/NGC Factor of \$0.002839 per KWH, which includes the revised OC-TBC and OC-MTC-Tax associated with the securitization of Oyster Creek and the DB-TBC and DB-MTC-Tax associated with the securitization of Deferred BGS Transition Costs, as detailed below, shall be applied to all KWH usage of any Full Service Customer or Delivery Service Customer as follows:

<u>Voltage Adjusted MTC Charges per KWH (renamed NGC Charges per KWH)</u>		<u>Including SUT</u>
<b>Secondary Voltages</b> (Applicable to Service Classifications RS, RT, RGT, GS, GST, OL, SVL, MVL and ISL)	<b>\$0.002897</b>	<b>\$0.003100</b>
<b>Primary Voltages</b> (Applicable to Service Classification GP)	<b>\$0.002749</b>	<b>\$0.002941</b>
<b>Transmission Voltages</b> <b>High Tension Service (230 KV)</b> (Applicable to Service Classification GT)	<b>\$0.002696</b> <b>\$0.002641</b>	<b>\$0.002885</b> <b>\$0.002826</b>

Issued:

Effective: March 1, 2012

Filed pursuant to Order of Board of Public Utilities  
 Docket No. ER11040224 dated

Issued by Donald M. Lynch, President  
 300 Madison Avenue, Morristown, NJ 07962-1911

**JERSEY CENTRAL POWER & LIGHT COMPANY**

**BPU No. 10 ELECTRIC - PART III**

**8<sup>th</sup> Rev. Sheet No. 39A  
Superseding 7<sup>th</sup> Rev. Sheet No. 39A**

**Rider NGC  
Non-utility Generation Charge**

**Securitization of Oyster Creek**

On February 6, 2002, the BPU approved and issued a Bondable Stranded Costs Rate Order ("Oyster Creek Rate Order") (Docket No. EF99080615) authorizing the issuance and sale of up to \$320 million aggregate principal amount of transition bonds to recover certain bondable stranded costs related to the investment in the Oyster Creek Nuclear Generating Station, the imposition of a non-bypassable Transition Bond Charge ("OC-TBC") for the recovery of such costs and the related Market Transition Charge-Tax ("OC-MTC-Tax"). The bondable stranded costs are defined in the Oyster Creek Rate Order and include: (1) the capital reduction costs, (2) the upfront transaction costs and (3) the ongoing transition bond costs.

Effective June 11, 2002, the MTC included an OC-TBC of \$0.001921 per KWH and an OC-MTC-Tax of \$0.000505 per KWH (or \$0.002036 per KWH and \$0.000535 per KWH including SUT, respectively). The OC-TBC and OC-MTC-Tax are governed by the provisions of the Oyster Creek Rate Order and are subject to periodic true-ups, at least annually but not more frequently than quarterly, except monthly true-ups are permitted in the last year before the scheduled maturity of the transition bonds and continuing until final maturity, as provided in the Oyster Creek Rate Order.

On March 30, 2011, a true-up letter was filed with the BPU in accordance with the provisions in the Oyster Creek Rate Order. Effective June 1, 2011, the OC-TBC and OC-MTC-Tax shall be revised to \$0.001707 per KWH and \$0.000786 per KWH, respectively (or \$0.001826 per KWH and \$0.000841 per KWH including SUT, respectively).

**Securitization of Deferred BGS Transition Costs**

By Order dated June 8, 2006, the BPU approved and issued a Bondable Stranded Costs Rate Order ("Deferred BGS Transition Costs Rate Order") (Docket No. ER03020133) authorizing the issuance and sale of \$182.4 million aggregate principal amount of transition bonds to recover the Company's net of tax deferred basic generation service transition costs incurred during the transition period from August 1, 1999 through July 31, 2003, the imposition of a non-bypassable Transition Bond Charge ("DB-TBC") for the recovery of such costs and the related Market Transition Charge-Tax ("DB-MTC-Tax"). The bondable stranded costs are defined in the Deferred BGS Transition Costs Rate Order and include: (1) the upfront transaction costs and (2) the ongoing transition bond costs.

Effective August 10, 2006, the NGC included a DB-TBC of \$0.001230 per KWH and a DB-MTC-Tax of \$0.000572 per KWH (or \$0.001316 per KWH and \$0.000612 per KWH including SUT, respectively). The DB-TBC and DB-MTC-Tax are governed by the provisions of the Deferred BGS Transition Costs Rate Order and are subject to periodic true-ups, at least annually but not more frequently than quarterly, and continuing until final maturity, as provided in the Deferred BGS Transition Costs Rate Order.

On March 30, 2011, a true-up letter was filed with the BPU in accordance with the provisions in the Deferred BGS Transition Costs Rate Order. Effective June 1, 2011, the DB-TBC and DB-MTC-Tax shall be revised to \$0.001040 per KWH and \$0.000455 per KWH, respectively (or \$0.001113 per KWH and \$0.000487 per KWH including SUT, respectively).

**Issued: March 30, 2011**

**Effective: June 1, 2011**

**Filed pursuant to Orders of Board of Public Utilities  
Docket No. EF99080615 dated February 6, 2002  
Docket No. ER03020133 dated June 8, 2006**

Issued by Donald M. Lynch, President  
300 Madison Avenue, Morristown, NJ 07962-1911



**JERSEY CENTRAL POWER & LIGHT COMPANY**

**BPU No. 10 ELECTRIC - PART III**

**6<sup>th</sup> Rev. Sheet No. 39B  
Superseding 5<sup>th</sup> Rev. Sheet No. 39B**

**Rider NGC  
Non-utility Generation Charge**

**St. Lawrence Hydroelectric Power**

At the November 9, 2004 agenda meeting, the BPU verbally approved, among other things, the Public Power Association of New Jersey ("PPANJ") as Bargaining Agent for the State of New Jersey to renegotiate with the New York Power Authority ("NYPA"), on the allocation of service tariff capacity and associated energy produced at the St. Lawrence/FDR project (In the Matter of the Allocation of St. Lawrence Hydroelectric Power to the State of New Jersey Docket No. EO04101124).

On December 21, 2004, the PPANJ filed with the BPU the following documents associated with the St. Lawrence Hydroelectric Power matter: 1) Agreement for Electric Service Investor Owned Utility Between the PPANJ and JCP&L, PSE&G, Rockland Electric and Atlantic City Electric Company; 2) Agreement Governing Administration of NYPA Power ("Administration Agreement"); and 3) PPANJ for State of New Jersey Service Tariff Capacity and Associated Energy.

Pursuant to the Administration Agreement, the Company, as Nominal Recipient of the Investor-Owned Electric Utilities' share of St. Lawrence/FDR project, is responsible to deliver and distribute the capacity and associated energy as Basic Generation Service to residential customers as designated by the BPU. In addition, the Company is responsible to distribute to each of the Investor-Owned Electric Utilities the Net Economic Benefits calculated according to the Rate Schedule attached to the Administration Agreement. Each of the Investor-Owned Electric Utilities shall allocate the Net Economic Benefits distributed to it to its residential customers through the Investor-Owned Electric Utility's applicable clause through which it recovers non-utility generation costs, or other appropriate rate mechanism if no such clause exists, in a manner that ensures that such benefits flow exclusively to residential customers.

The Company, in its role as Nominal Recipient of the St. Lawrence/FDR project, advises the Investor-Owned Electric Utilities of their respective allocation of the Net Economic Benefits for the period started January 1, 2010 through December 31, 2010. JCP&L's share of the Net Economic Benefits totaled \$716,252.34.

Effective June 1, 2011 through May 31, 2012, a St. Lawrence Hydroelectric Power **credit** of **\$0.000071** per KWH (**\$0.000076** per KWH including SUT) will be combined with the Secondary Voltages Adjusted NGC Charge applicable to Service Classifications RS, RT and RGT. Such combined NGC Charge shall be applied to all KWH usage of any Full Service or Delivery Service residential customers.

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**Issued: February 25, 2011**

**Effective: June 1, 2011**

**Filed pursuant to Verbal Decision of Board of Public Utilities  
Docket No. EO04101124 dated November 9, 2004**

Issued by Donald M. Lynch, President  
300 Madison Avenue, Morristown, NJ 07962-1911

**Jersey Central Power & Light Company  
Forked River Asset Sale and Disposition  
Net Sale Proceeds as of December 31, 2010**

Line No.	<u>BOOK</u>	<u>TAX</u>
1	\$ 20,000,000.00	\$ 20,000,000.00
	<u>Total Net Book/Tax Value of Generating Plant:</u>	
2	\$ 38,580,215.03	\$ 36,736,266.00
3	(26,693,364.98)	(35,769,086.00)
4	\$ 11,886,850.05	\$ 967,180.00
5	471,233.89	-
6	(228,843.49)	-
7	242,390.40 (a)	-
8	8,078.97	-
9	(91.18)	-
10	-	-
11	994,265.69	994,266.00
12	1,065,002.23	1,065,002.00
13	<u>\$ 14,196,496.16</u>	<u>\$ 3,026,448.00</u>
14	\$ 5,803,503.84	\$ 16,973,552.00
15	600,000.00 (b)	600,000.00
16	3,797,168.74 (c)	-
17	<u>\$ 1,406,335.10</u>	<u>\$ 16,373,552.00</u>
	<u>Amount due to (from) customers:</u>	
18		\$ (6,726,910.10)
19		<u>\$ 5,021,741.99</u>
20		\$ (1,705,168.11)
21		<u>\$ (1,189,067.00)</u>
22	\$ (2,894,235.11) ←	\$ (2,894,235.11)
23	<u>\$ (1,487,900.01)</u>	

- (a) Reflects step-up transformer and related peripheral equipment.  
(b) Legal & other than legal expenses identified as Forked River sale related transaction costs.  
(c) Depreciation expense recorded subsequent to the April 2008 sale date due to an amendment to the sale agreement that included an indemnification clause related to the successful completion of a 2010 compliance test, constituting continuing involvement that did not permit the Company to record the sale for GAAP purposes until the matter was resolved. Expense also included in Accumulated Reserve for Depreciation on line 3.