Agenda Date: 2/27/19
Agenda Item: 2K

STATE OF NEW JERSEY

Board of Public Utilities
44 South Clinton Avenue, 3rd Floor, Suite 314
Post Office Box 350
Trenton, New Jersey 08625-0350
www.nj.gov/bpu/

ENERGY

IN THE MATTER OF THE VERIFIED PETITION OF JERSEY CENTRAL POWER & LIGHT COMPANY FOR APPROVAL TO ENTER INTO A SUBSCRIPTION AGREEMENT AND MULTI-SUBSCRIBER ADDENDUM FOR SPARE TRANSMISSION EQUIPMENT SERVICES TO BE PROVIDED BY AN AFFILIATED ENTITY, GRID ASSURANCE LLC	)	DECISION AND ORDER DOCKET NO. EM18090985

Parties of Record:

Michael J, Connolly, Esq., Windels Marx Lane & Mittendorf, LLP on behalf of Jersey Central Power and Light Company
Stefanie A. Brand, Esq., Director, New Jersey Division of Rate Counsel

BY THE BOARD:

BACKGROUND

By Order[1] dated July 12, 2007, the New Jersey Board of Public Utilities ("Board" or "BPU") approved participation by three of the State's four electric public utilities, including Jersey Central Power and Light Company ("JCP&L" or "Company"), in the Spare Transformer Equipment Program ("STEP") sponsored by the Edison Electric Institute ("EEI").[2] The STEP created a national pool of spare transformers among participating electric utilities. The Board deemed that participation in the STEP was in the public interest and did not negatively impact the utilities' ability to render safe, adequate and proper service. The Board also deemed such sales to be in compliance with the Board's Affiliate Relations, Fair Competition and Accounting and Related Reporting Requirements at N.J.A.C. 14:4-3.1 et seq. ("Affiliate Standards").

[1] In re the Joint Verified Petition of Atlantic City Electric Company, Jersey Central Power and Light Company, Public Service Electric and Gas Company, and Rockland Electric Company for the Approval of the Sale of Transformers Pursuant to a Spare Transformer Sharing Agreement and Associated Matters, BPU Docket No. EM06110802 (July 12, 2007). ("STEP Order")
[2] The Board did not grant any approval to Rockland Electric Company ("RECO"), in so far as RECO was not a signatory to the Agreement.

JCP&L September 2018 Filing

On September 12, 2018, JCP&L filed the instant petition with the Board seeking approval pursuant to N.J.S.A. 48:3-7.1 and the Board's Affiliate Standards to enter into a Subscription Agreement ("Subscription Agreement" or "Agreement") with Grid Assurance LLC ("Grid Assurance"), for spare transmission equipment service ("Sparing Service") offered by Grid Assurance. Per the agreement, upon occurrence of a qualifying event,[3] JCP&L could acquire spare transmission equipment at Grid Assurance's original cost. According to the petition, the Sparing Service will not duplicate or replace the benefits of the STEP, but instead will take into account each subscriber's existing arrangements to provide 'incremental benefits' to STEP participants.

Grid Assurance LLC

Grid Assurance, a Delaware company, was launched in May 2016 to address an increasingly critical and foreseeable grid resilience need facing transmission owning electric utilities. Grid Assurance will offer subscribing utilities access to an optimized inventory of large power transformers and other critical long-lead time transmission equipment to assist transmission owning electric subscribing utilities in recovering from grid emergencies. Specifically, Grid Assurance was designed to provide an increased ability for transmission electric utilities to ensure prompt restoration of the bulk power system in the wake of a catastrophic event such as a natural disaster, weather-related outages, or a physical or cyber-attack. Over the next five years, Grid Assurance expects to be fully capitalized and is expected to have a capital structure of approximately fifty percent debt and fifty percent equity. Its return on equity ("ROE") will be based on the average of the then-current ROE of the subscribing affiliates of the then-current investor owners of Grid Assurance with transmission formula rates on file at the Federal Energy Regulatory Commission ("FERC"). According to the petition, Grid Assurance is nearing the completion of its initial subscriber enrollment period and expects to place initial orders for equipment inventory during the fourth quarter of 2018, making inventory available to subscribers through its Sparing Service in 2019.

Subscription Agreement

The Subscription Agreement is a standardized agreement containing the terms and conditions under which the Sparing Service will be provided to subscribers. The Subscription Agreement contains rules and procedures to determine the optimal quantities of each type of spare equipment that Grid Assurance will maintain and deployment protocols providing rules and procedures governing the priority and manner in which Grid Assurance will sell inventoried spares. The Subscription Agreement has an initial term of five years from execution, with automatic five year renewal terms thereafter.

For JCP&L, the Sparing Service fee for the first annual period is projected to be $729,238 based on its currently planned participation in two of the four equipment classes. JCP&L anticipates

[3] A qualifying event ("Qualifying Event") is defined as damage, destruction or other material impairment of the safe operation of the electric transmission system of a subscriber caused by, or resulting from: an act of war, terrorism, rebellion, sabotage or a public enemy or any other physical attack; a cyber-attack, whether or not in connection with an act of war, terrorism or a public enemy; an electromagnetic pulse or intentional electromagnetic interference; or an act of God, a catastrophic event (natural or otherwise) or a severe weather condition, including a solar storm, earthquake, volcanic eruption, hurricane, tornado, derecho, windstorm or ice storm.

that the benefits from entering into the Subscription Agreement include cost effective enhanced resilience resulting in more rapid recovery of electric system function and restoration of customers to service in the event of a Qualifying Event.

A JCP&L affiliate, FirstEnergy Transmission LLC ("FET"), has, or will have, a non-controlling, minority, ownership stake in Grid Assurance. FET's subsidiaries include American Transmission Systems, Inc., Trans-Allegheny Interstate Line Company and Mid-Atlantic Interstate Transmission, LLC. In addition, other FirstEnergy transmission owning affiliates of JCP&L are expected to become subscribers as well, including Monogahela Power Company and Potomac Edison Company. As a result of FET's minority ownership interest, Grid Assurance is, or will become, an affiliate of JCP&L. Consequently, the Subscription Agreement constitutes, or may constitute, a management advisory service, construction or engineering contract, with an affiliate, which requires Board approval under N.J.S.A. 48:3-7.1. Similarly, JCP&L also seeks a determination that transactions undertaken pursuant to the Subscription Agreement, involving a payment of a Sparing Service fee and payment for purchases of transmission equipment are deemed in compliance with the Affiliate Standards.

<u>Positions of Parties</u>

<u>Rate Counsel</u>

On December 17, 2018, the New Jersey Division of Rate Counsel ("Rate Counsel") submitted written comments on the petition. In its comments, Rate Counsel indicated that, subject to certain conditions, it does not object to the Board granting the approvals sought by JCP&L with respect to: 1) the advanced pre-approval of the sale/purchase of large power transformers and other transmission equipment anticipated to occur pursuant to the Subscription Agreement between JCP&L and Grid Assurance; and 2) a finding that said anticipated sales/purchases and transfers between affiliates JCP&L and Grid Assurance are in compliance with the Board's Affiliate Relations Standards. In addition, Rate Counsel reserved its right to challenge any related federal or state rate recovery filing before the FERC or the Board. (Rate Counsel December 17 Comments at 8).

Rate Counsel stated that it recognized that a Declaratory Order granting the approvals sought by JCP&L is an extraordinary measure, but believes it is appropriate here. Special consideration should be afforded to a plan that adequately prepares and assists JCP&L's resiliency to quickly restore power to customers under a catastrophic triggering Qualified Event since such a plan fulfills the overarching goals that the federal STEP program was designed to address. (<u>Id.</u> at 8 to 9).

From an operational perspective, Rate Counsel asserted that the Subscription Agreements will likely improve JCP&L's ability to meet its resiliency requirements, enabling the Company to quickly and effectively respond and recover from a triggering Qualifying Event. In addition, sections in the Subscription Agreement mitigate against equipment obsolescence and ensure quick access to a one-stop shop that should enable a much shorter response time to provide transmission equipment to JCP&L if a triggering Qualified Event were to occur in New Jersey. The procedural safeguards set forth in the Subscription Agreement and the conditions for approval recommended by Rate Counsel will serve to protect ratepayers. (<u>Id.</u> at 9).

Rate Counsel argued the Subscription Agreement stated that the Inventoried Spare transmission equipment will be sold upon a triggering Qualifying Event at the original cost (as defined under the Subscription Agreement, Part 1, Defined Terms, at page 5) of the inventoried spare, which includes the cost of the equipment plus delivery, taxes, assessments, fees and other procurement charges (Subscription Agreement, Part 2, Article 4.1 and 4.5). Rate Counsel recommended that the Board require that such sales and/or purchases of the replacement transmission equipment be obtained at the lowest possible total cost to ratepayers. Rate Counsel also recommended that the Board impose specific reporting requirements. (Id. at 9 to 10).

JCP&L and Grid Assurance are, or will be, utility affiliates and upon the occurrence of a triggering Qualified Event, JCP&L will purchase from, and Grid Assurance will sell, a transformer(s) under the Subscription Agreement. The Subscription Agreement sets forth the method to determine the purchase price of transmission equipment transferred pursuant to a triggering Qualifying Event. Although, the Subscription Agreement sets forth how the sale price of the transferred power transformers and other transmission equipment will be determined, the petition notes that the Federal Power Act ("FPA") does not require authorization to transfer equipment to a transmission owner following a qualifying triggering event and that separate Section 205 filings at FERC for Grid Assurance's costs would not be required.

Rate Counsel noted that while FERC has the exclusive authority to review the rates, terms and conditions of "sales," reviews of "purchases" remain the sole province of state commissions. Accordingly, Rate Counsel recommended the Board affirm commitments that equipment under the Subscription Agreement be obtained at the lowest possible cost to ratepayers and impose specific reporting requirements. (Id. at 11). Rate Counsel asserted that these safeguards, together with Rate Counsel's other recommended conditions of approval, will mitigate against any exercise of anti-competitive behavior and cross-subsidization that the Affiliate Standards address. For these reasons, Rate Counsel does not object a Board finding that the advance/pre-approval of the sales/purchases of power transformers and other transmission equipment by and between affiliates JCP&L and Grid Assurance pursuant to the Subscription Agreement is appropriate and in compliance under the Board's Affiliate Standards. (Ibid.)

Rate Counsel further stated that any approval of the requested relief should be subject to certain conditions affecting Board oversight, ongoing reporting requirements, and post-transfer reporting.

Rate Counsel requested that the Board require JCP&L to provide simultaneous notice to the Board and Rate Counsel upon filing a rate application with FERC seeking to modify its transmission rates to recover costs associated with its agreements with Grid Assurance, together with copies of all such filings. In addition, notice should be provided simultaneously to the Board and Rate Counsel upon revision, change or modification of any of the terms, conditions, requirements and obligations under the Subscription Agreement. Rate Counsel asserted that the Board should reaffirm JCP&L's ongoing obligation to submit annual filings to the Board, with copies to Rate Counsel, that include a description of: any changes to the Grid Assurance Subscription Agreement; JCP&L's required obligations and any changes thereto; as well as a break-down of its Grid Assurance costs, together with supporting documentation. (Id. at 12).

Rate Counsel noted that the Sparing Service fee is not fixed, (as each component of cost described in Schedule 5.1 of the Subscription Agreement may increase or decrease as Grid Assurance's expenses increase or decrease along with changes to Grid Assurance's subscribership), and maintained that it is imperative the Board impose a reporting requirement. Therefore, in order to provide similar safeguards to those imposed by FERC, Rate Counsel requested that similar reporting requirements, including providing notice to the Board and Rate

Counsel of any transfer or acquisition under the Subscription Agreement, together with the supporting documentation, should be required within thirty days after the transaction. (Id. at 13).

In addition, Rate Counsel submitted that Board approval of the petition should be conditioned upon the Board:

1) Affirming that approval of sales/purchases be limited to only "required transfers" under the Subscription Agreement necessitated by a triggering Qualifying Event;
2) Requiring that sales/purchases of replacement transformer and transmission equipment be obtained at the lowest possible total cost to ratepayers;
3) Requiring notice be provided to the Board of transfers/acquisitions, sales/purchases under the Subscription Agreement, together with supporting documentation, within thirty days after the transaction, with copy to Rate Counsel;
4) Approval of the Subscription Agreement and Multi-Subscriber Addendum for a five-year term, requiring Board review and approval on further term extensions;
5) Requiring notice be provided to the Board upon revision, change or modification of any of the terms, conditions, requirements and obligations to any of the terms under the Subscription Agreement and Multi-Subscriber Addendum, with copy to Rate Counsel;
6) Reaffirming JCP&L's ongoing obligation under N.J.A.C. 14:4-3.7 to file its compliance plan with the Board at least once in every 12-month period or upon changes to the plan, and thereafter, within 12 months of the revised plan, and provide a copy of said plan to the Rate Counsel;
7) Reserving the Board's right to examine the books and records of JCP&L and any affiliate in connection with the approvals granted in this case, whether or not such affiliate is regulated by the Board;
8) Reaffirming JCP&L's ongoing obligation to: submit annual filings to the Board, with copies to Rate Counsel, that include a description of any changes to the Subscription Agreement, Multi-Subscriber Addendum; JCP&L's required obligations and any changes thereto; as well as a break-down down of JCP&L's Grid Assurance related costs, together with supporting documentation; and
9) Requiring notice be provided to the Board upon filing a rate application with the FERC seeking to modify its transmission rates to recover Grid Assurance costs, together with copies of all such filings with copy to Rate Counsel.
10) Provide any other relief the Board may deem appropriate and necessary.

(Id. at 13 to 14).

JCP&L

On December 20, 2018, JCP&L filed reply comments in this matter. In its Reply Comments, JCP&L took issue with some of Rate Counsel's suggested conditions.

JCP&L asserted that Rate Counsel's Condition No. 1 should be rejected because it appears intended to unnecessarily restrict the Company's ability to take advantage of the timing and potentially competitive pricing associated with Discretionary Sales of Inventoried Spares under the Subscription Agreement. According to JCP&L, this would limit the benefit of avoiding lead-time delay for a non-qualifying event or project need, which is typically 12 to 18 months. In addition, Condition No. 1 would forego the potential benefit of competitive pricing under the Subscription Agreement under the then-prevailing circumstances. (JCP&L Reply Comments at 3).

JCP&L maintained that the ability to utilize the option for purchases under the Discretionary Sales' provision of the Subscription Agreement provides similar benefits as using the Subscription Agreement for Qualifying Events, including enhanced cost-effective resilience resulting in the more rapid recovery of electric system function and restoration of customers to service. However, since the Subscription Agreement establishes certain specific conditions regarding the circumstances and the pricing under which Grid Assurance discretionary sales may occur, JCP&L asserted that the Affiliate Standards are not violated. The Company further contended that there is no reason to deprive it, as a subscriber, of one of the potential benefits of the Subscription Agreement – ready access to transmission equipment at a transparent price in a time of non-catastrophic need, which, if and when available, will also allow the Company to quickly and effectively respond and recover from the non-catastrophic event. Since neither the Company, nor any affiliate controls the variables of equipment availability, pricing, or the decision to make a Subscription Agreement discretionary sale, JCP&L stated that none of the concerns that might otherwise support a restriction on such purchases are evident and there is no demonstrable or reasonable need to remove Grid Assurance from the available pool of potential suppliers from which the Company might source the needed equipment. (Id. at 3 to 4).

Additionally, the Company believes that Rate Counsel's Condition No. 2, wherein Rate Counsel acknowledges that under FPA Sections 205 and 206, FERC has the exclusive authority to review the rates, terms and conditions of "sales," while "reviews of "purchases" remain the province of state commissions." The Company does not object to Rate Counsel reserving the rights to challenge any related federal or state rate recovery filing before FERC or the Board, but JCP&L does object to Rate Counsel introducing conditions, which either seek to impose new regulatory requirements beyond general prudent decision-making with respect to such purchases or will merely introduce undefined or ill-defined standards for later argument. (Id. at 5).

JCP&L asserted that Rate Counsel's Condition No. 2 potentially and unnecessarily changes the efficiency and efficacy of the prudent management decision-making process as to whether or not to utilize the Subscription Agreement in a time of possibly extreme need, which may only result in delay in operational recovery and restoration. The Company surmised that Rate Counsel based Condition No. 2 on a similar condition in the STEP Order. JCP&L asserted that in the STEP Order, the Board found that the purchase price of the transformer sold by one participant to another "should adequately compensate New Jersey ratepayers so that a replacement transformer may be obtained at the lowest possible total cost to New Jersey ratepayers." The Board required that the excess of the purchase price over book value should be applied to the cost of purchasing a replacement transformer to meet the utility's required obligation under the STEP Agreement. JCP&L suggested that the Board's determination in the STEP Order allowed the selling utility the option to decide whether to use replacement cost or net book value as the purchase price for the committed spare to be sold thereunder, a term which does not exist under the Grid Assurance Subscription Agreement. Accordingly, JCP&L asserted that the Board does not need to impose such a specific and extraneous standard relative to the Company's decisions to utilize the Subscription Agreement for the purchase of a replacement transformer. (Id. at 5 to 7).

JCP&L further indicated that, while it had several observations, it did not conceptually object to the remaining Rate Counsel conditions. Specifically, Conditions Nos. 3, 4, 5, 8, and 9 request reasonable reporting from the Company, which could be consolidated into an annual reporting obligation with certain additional notice requirements consistent with the Board's STEP Order. JCP&L asserted that the annual reporting should reflect that the Company maintains accounting records sufficient to separately track all expenses associated with the Grid Assurance Subscription Agreement, the Multi-Subscriber Addendum, and JCP&L's obligations thereunder and any changes thereto, and provide documentation regarding JCP&L purchases during the course of the reporting year, if any. The annual reporting in year four of the initial term of any renewal term would notify the Board and Rate Counsel regarding the Company's intention or decision-making status with respect to a further renewal term, allowing the Board to determine whether there is a need for any application and approval before proceeding with any planned extension. In addition, notice will be provided of related Subscription Agreement purchases within thirty days after the transaction, and timely notice and copies of any rate application with the FERC related to recovering Grid Assurance costs in transmission rates. JCP&L also observed that Conditions Nos. 6 and 7 merely reaffirm existing regulatory obligations which the Company has not sought any relief or exception, and therefore could be eliminated as redundant. (Id. at 7 to 8).

On December 21, 2018, Rate Counsel filed a response to JCP&L's reply comments. In its letter, Rate Counsel reaffirmed all of the recommended conditions as addressed in its initial comments. Rate Counsel noted that neither the Board, nor Rate Counsel, is a party to the Subscription Agreement that will ultimately cost New Jersey ratepayers, and that FERC has the exclusive authority to review the rates, terms and conditions of "sales," review of "purchases" remain the province of the state commissions. Rate Counsel stated that it does not understand how its first two conditions would frustrate the underlying purpose or negate the benefits sought and expected to be derived under the Subscription Agreement or cause a time delay as referenced by the Company in its comments. (Rate Counsel December 21 Letter at 1 to 2).

On December 26, 2018, JCP&L filed a response to Rate Counsel's December 21, 2018 letter. The Company continued to assert that Rate Counsel's Conditions Nos. 1 and 2 should be rejected by the Board. JCP&L noted that the Board and Rate Counsel are never parties to utility equipment procurement arrangements, so there is nothing unusual about this agreement. JCP&L further stated that nothing about JCP&L's entering into the Subscription Agreement upsets the normal boundaries of utility equipment procurement arrangements or the roles played by the Board and Rate Counsel. (JCP&L December 26 Letter at 1 to 2).

JCP&L maintained that Rate Counsel's Condition No. 1 unnecessarily restricts JCP&L's ability to take advantage of the timing and potentially competitive pricing associated with Discretionary Sales of inventoried Spares under the Subscription Agreement. The Subscription Agreement's allowance of discretionary sales provides the Company with additional supply options which typically increase competition and customer choice. Increased competition typically results in more efficient pricing, which is generally seen as a positive benefit. JCP&L stated that imposing Condition No.1 would unnecessarily strip that benefit from the Subscription Agreement. Assuming Grid Assurance can, and is willing to actually make a discretionary sale at the time, the Company would be able to evaluate the available pricing for the Grid Assurance option against other supply options taking into account the immediate availability of the Grid Assurance transformer as compared to other available market options, which, as industry experience reflects, could take between 12-18 months to procure. (Id. at 3 to 4).

DISCUSSION AND FINDINGS

The Sparing Service fee for the first year is projected to be $729,238 which covers Inventoried Spares, Warehouse Storage, Sales, Delivery and Logistics. The Agreement is for a five (5) year term and will automatically renew after each period. Participation in this program creates a streamlined process to quickly acquire transmission equipment in the event of a catastrophic Qualifying Event, which would not otherwise be possible without the existence of the Agreement. The Subscription Agreement sets forth a method to determine the fee associated for those interested in partaking in the Subscription Service as well as sale of the equipment at cost. The Board **FINDS** that the proposed Agreement is in the public interest and will not negatively impact JCP&L's ability to render safe, adequate and proper service.

The Board's Affiliate Standards establish standards for transactions between an electric or gas utility and affiliates and are designed to prevent anti-competitive behavior and cross-subsidization. Since JCP&L affiliate, First Energy Transmission LLC, will have a non-controlling, minority, ownership stake in Grid Assurance, the Subscription Agreement may constitute a management, advisory service, construction or engineering contract, with an affiliate, requiring Board approval under N.J.S.A. 48:3-7.1. The Company also seeks approval that transactions undertaken pursuant to the Subscription Agreement shall be deemed in compliance with the Affiliate Standards as well. The Board agrees and **FINDS** that the proposed transactions do not violate its Affiliate Standards.

The Subscription Agreement states that JCP&L will be able to purchase transmission equipment and transformers, at cost, from Grid Assurance providing the lowest possible cost to ratepayers. However, the Board agrees with Rate Counsel that several reporting requirements need to be implemented to protect ratepayers' interests.

After a full review of the record in this matter, the Board **HEREBY ORDERS** that the Subscription Agreement be deemed in compliance with the Board's Affiliate Standards under N.J.A.C. 14:4-3. Accordingly, the Board **HEREBY APPROVES** the request to enter into the Subscription Agreement with Grid Assurance.

The Board's approval is subject to the following provisions:

1. Notice shall be provided to the Board of transfer/acquisitions, sales/purchases under the Subscription Agreement, within thirty days after the transaction, with copy to Rate Counsel;

2. This Approval of the Subscription Agreement and Multi-Subscriber Addendum is for its initial five-year term. Board review and approval of further term extensions is required. This shall be separate and apart from the annual filings made by JCP&L;

3. JCP&L shall submit annual filings to the Board, with copies to Rate Counsel, that include: a description of any changes to the Subscription Agreement, Multi-Subscriber Addendum; JCP&L's required obligations and any changes thereto; as well as a break-down of JCP&L's Grid Assurance related costs, together with supporting documentation. The annual filings will also include supporting documentation for all transactions reported under Condition 1 above, including competition prices and lead times for all transactions;

4. Notice shall be provided to the Board upon revision, change or modification of any of the terms, conditions, requirements and obligations to any of the terms under the Subscription Agreement and Multi-Subscriber Addendum, with copy to Rate Counsel. This information shall be included in the annual reports set forth in Condition 3, above;

5. JCP&L shall continue its ongoing obligations under N.J.A.C. 14:4-3.7 to file its compliance plan with the Board at least once in every 12-month period or upon changes to the plan, and thereafter, within 12 months of the revised plan, and provide a copy of said plan to the Rate Counsel;

6. The Board retains the right to examine the books and records of JCP&L and any affiliate in connection with the approvals granted in this case, whether or not such affiliate is regulated by the Board; and

7. Notice must be provided to the Board upon filing a rate application with the FERC seeking to modify its transmission rates to recover Grid Assurance costs, together with copies of all such filings with copy to Rate Counsel.

With respect to Rate Counsel's other proposed conditions, the Board notes that nothing in this Order affects nor in any way limits the exercise of the authority of the Board or of this State, in any future petition or in any proceedings with respect to rates, franchises, service, financing, accounting, capitalization, depreciation, or in any other matters affecting JCP&L. The Board and Rate Counsel retain the right to challenge any related federal or state rate recovery filing before the FERC or the Board. The Board believes that, as recognized by Rate Counsel, the Agreement ensures quick access to a one stop shop that should enable a much shorter response time to provide transmission equipment. This benefit should also be available during non-qualifying events. Accordingly, the Board **HEREBY REJECTS** Rate Counsel's recommended conditions to limit only "required transfers" necessitated by a triggering Qualifying Event and emergency repair work that is vital to providing service to ratepayers as well as the requirement that sale/purchase of replacement transformer and transmission equipment be obtained at the lowest possible total cost to ratepayers. Nonetheless, the Board is confident that Board staff and Rate Counsel will continue to monitor purchases made by JCP&L relating to non-qualifying events to ensure that JCP&L is prudently weighing the cost and lead time of purchasing from Grid Assurance versus purchasing from a supplier. Any purchases from Grid Assurance must be prudent.

The Company's costs remain subject to audit by the Board. This Decision and Order shall not preclude nor prohibit the Board from taking any actions determined to be appropriate as a result of any such audit.

This Order shall be effective as of March 9, 2019.

DATED: 2/27/19

BOARD OF PUBLIC UTILITIES
BY:

JOSEPH L. FIORDALISO
PRESIDENT

MARY-ANNA HOLDEN
COMMISSIONER

DIANNE SOLOMON
COMMISSIONER

UPENDRA J. CHIVUKULA
COMMISSIONER

ROBERT M. GORDON
COMMISSIONER

ATTEST: AIDA CAMACHO-WELCH
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 FOR APPROVAL TO ENTER INTO A SUBSCRIPTION AGREEMENT AND MULTI-SUBSCRIBER ADDENDUM FOR SPARE TRANSMISSION EQUIPMENT SERVICES TO BE PROVIDED BY AN AFFILIATED ENTITY, GRID ASSURANCE LLC
DOCKET NO. EM18090985

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