



STATE OF NEW JERSEY
Board of Public Utilities
44 South Clinton Avenue, 9th Floor
Post Office Box 350
Trenton, New Jersey 08625-0350
www.nj.gov/bpu/

ENERGY

IN THE MATTER OF THE VERIFIED PETITION OF) ORDER APPROVING STIPULATION
JERSEY CENTRAL POWER AND LIGHT)
COMPANY CONSTITUTING ITS ANNUAL FILING)
WITH RESPECT TO THE NON-UTILITY)
GENERATION CHARGE CLAUSE OF ITS FILED)
TARIFF ("2019 NGC FILING")) DOCKET NO. ER20060473

Parties of Record:

Lauren Lepkoski, Esq., on behalf of Jersey Central Power and Light Company
Stefanie A. Brand, Esq., Director, New Jersey Division of Rate Counsel

BY THE BOARD:

On June 26, 2020, Jersey Central Power and Light Company ("JCP&L" or "Company") filed a petition with the New Jersey Board of Public Utilities ("Board") seeking review and approval of the amounts included in the Company's Non-Utility Generation Charge ("NGC") deferred balance ("2019 NGC Petition"). Among other things, the NGC relates to the amounts paid by the Company under Board-approved contracts with non-utility generators ("NUGs") for the period January 1, 2019 through December 31, 2019 ("2019 NGC Period"). By this Decision and Order, the Board considers a stipulation of settlement ("Stipulation") executed by JCP&L, Board Staff ("Staff"), and the New Jersey Division of Rate Counsel ("Rate Counsel") (collectively, the "Parties") resolving the 2019 NGC Petition.

BACKGROUND AND PROCEDURAL HISTORY

As a result of the Board's March 7, 2001 Final Decision and Order, the Company implemented unbundled rates that included a new tariff rider entitled the "Market Transition Charge" which was renamed the NGC effective September 1, 2004.¹ The NGC is designed to recover, among other things, the portion of the costs of power purchases from NUGs that has been deferred on JCP&L's books to the extent it was unable to recover them in full under its regulated rates and market sales.

¹ In re Jersey Central Power and Light Company d/b/a GPU Energy – Rate Unbundling, Stranded Cost and Restructuring Filings, BPU Docket Nos. EO97070458, EO97070459, and EO97070460, Final Decision and Order dated March 7, 2001 ("Restructuring Order").

Other specific deferred costs included are Oyster Creek stranded costs, carrying costs, various transaction fees, including professional fees incurred in contract restructurings, and operating losses for the Forked River generating plant.

2019 NGC Petition

On June 26, 2020, JCP&L filed the 2019 NGC Petition with the Board seeking review and approval of the amounts included in the Company's NGC deferred balance to the extent accumulated during the 2019 NGC Period. In the 2019 NGC Petition, JCP&L stated that the net NGC deferral balance at December 31, 2019 amounted to an over-recovery of \$25,032,211, after the application of carrying costs of \$743,833. In addition, the Company projected that, at present rates, the net NGC deferred balance at December 31, 2020 would be an over-recovery of \$11,520,030 after the application of over-recovered carrying costs of \$318,731. Furthermore, JCP&L projects that, at present rates, the net NGC deferred balance at July 31, 2021 will be an over-recovery of \$1,961,825 after the application of carrying costs of \$68,690. Accordingly, the Company proposed to maintain the composite Market Transition Charge/NGC ("MTC/NGC") factor of \$0.000105 per kWh [excluding Sales and Use Tax ("SUT")].

JCP&L stated that because the second securitization for the non-bypassable Deferred Basic Generation Service Transition Bond Charge ("DB-NGC") will be fully satisfied as of May 2021, the Company intends to file the 2020 NGC petition in January 2021 allowing the Board to set a new NGC Rider simultaneous with when the DB-TBC tariff rate is set to zero. According to JCP&L, deferral of the remaining NUG costs, the all-in costs associated with JCP&L's interest in Yards Creek, certain costs associated with the St. Lawrence hydro power allocated from NYPA, and other costs previously approved by the Board for recovery through the NGC, net of related revenues received from the sale of NUG, Yards Creek, and St. Lawrence output into the PJM market, will continue in the NGC.

Through discovery, JCP&L updated the schedules in the 2019 NGC Filing to include actual information through July 2020. Based upon the update, JCP&L projected that, at present rates, the net NGC deferred balance at December 31, 2020 would be an over-recovery of \$10,439,565 (after the application of carrying charges). Additionally, JCP&L projected that, at present rates, the net NGC deferred balance at July 31, 2021 will be an over-recovery of \$870,532 (after the application of carrying costs).

The Company's 2019 NGC Petition requested no change in rates, and therefore, public hearings were not held in this matter. In addition, no written comments from the public were received.

STIPULATION

Following a review of the 2019 NGC Petition and discovery responses, the Parties executed the Stipulation which provides for the following:²

1. The Parties agree that, as per the schedules attached to the Stipulation, the Company's ending deferred NGC balance at December 31, 2019, amounted to an over-recovery of \$25,032,211 including carrying costs of \$743,833. See Attachments A, B, and C of the Stipulation.

² Although described in this Order, should there be any conflict between this summary and the Stipulation, the terms of the Stipulation control, subject to the findings and conclusions contained in this Order. Each paragraph is numbered to coincide with the paragraphs of the Stipulation.

2. The Parties agree that the Company's ending deferred NGC balance at December 31, 2020, will be reviewed in the Company's 2020 NGC filing.
3. The Parties also agree that, in light of the expiration of many of the Company's long-term NUG Power Purchase Agreements ("PPAs") and the over-recovered NGC deferred balance, JCP&L will maintain the current composite MTC/NGC factor of 0.000105 per kWh (excluding SUT), which will allow for the projected over-recovery of the July 31, 2021 NGC balance of (870,532) after the application of carrying costs of (\$57,861), to be addressed in 2021. See Attachments D, E, and F of the Stipulation, which have been updated to reflect actual data through July 2020 as presented in RCR-12.
4. The Parties agree that the Company will file the 2020 NGC Filing (January 1, 2020 to December 31, 2020) in January of 2021 because the second securitization for the non-bypassable Deferred Basic Generation Service Transition Bond Charge ("DB-TBC") will be fully satisfied in May of 2021, which allow the Board to set a new NGC Rider rate simultaneously when the ("DB-TBC") tariff rate is set to zero.
5. JCP&L agrees that it will file testimony in the 2020 NGC proceeding upon the closing of the Yards Creek sale to address the final accounting of the Yards Creek sale and the associated calculation of the net proceeds.
6. The Parties agree that the deferral of remaining NUG costs, the all-in costs associated with JCP&L's interest in Yards Creek, certain costs associated with the St. Lawrence hydro power allocated from the New York Power Authority, and other costs previously approved by the Board for recovery through the NGC, net of related revenues received from the sale of NUG, Yards Creek and St. Lawrence output into the PJM market, will continue in the NGC.
7. The Parties further agree that the interest rate applied to the NGC deferred balance will be set to an interest rate equal to the rate on seven-year constant maturity Treasuries, as shown in the Federal Reserve Statistical Release on or closest to January 1 of each year, plus sixty basis points, ("Carrying Cost Rate"), until changed by a future Board Order. The Parties agree that the Carrying Cost Rate is currently 2.39%. The annual compounding date remains January 1st of each year.
8. 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, 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, 2019, 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.
9. The Parties also agree that, upon the effective date of the Board's written Order approving the Stipulation, all elements of the 2019 NGC Filing shall be deemed

closed and resolved except any data for calendar year 2020 shall be subject to review in the Company's 2020 NGC filing.

DISCUSSION AND FINDING

The Board carefully reviewed the 2019 NGC Petition as well as the attached Stipulation, which authorizes the Company to maintain its current composite MTC/NGC factor of \$0.000105 per kWh (excluding taxes). The Board is satisfied that the costs and revenues related to the NGC clause have been reviewed through December 31, 2019 and deems the same reasonable and prudent, and therefore in public interest. The Board **HEREBY FINDS** that the Stipulation is reasonable, in the public interest, and in accordance with the law. Accordingly, the Board **HEREBY ADOPTS** the Stipulation as its own, as if fully set forth herein.

The Board **HEREBY APPROVES**, a composite MTC/NGC factor of \$0.000105 per kWh (excluding SUT). As a result of the Stipulation, an average JCP&L residential customer will see no change in their monthly bill.

The Board **HEREBY DIRECTS** the Company to file the appropriate revised tariff sheets conforming to the terms of this Order by January 1, 2021.

The Company's costs, including those related to the NGC deferred balance, 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.

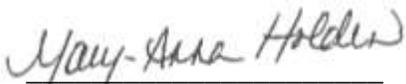
The effective date of this Order is December 12, 2020.

DATED: December 2, 2020

BOARD OF PUBLIC UTILITIES
BY:



JOSEPH L. FIORDALISO
PRESIDENT



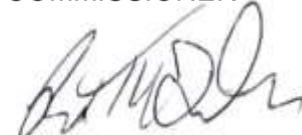
MARY-ANNA HOLDEN
COMMISSIONER



DIANNE SOLOMON
COMMISSIONER

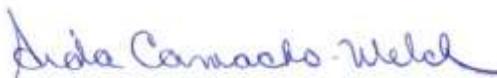


UPENDRA J. CHIVUKULA
COMMISSIONER



ROBERT M. GORDON
COMMISSIONER

ATTEST:



AIDA CAMACHO-WELCH
SECRETARY

IN THE MATTER OF THE VERIFIED PETITION OF JERSEY CENTRAL POWER AND LIGHT
COMPANY CONSTITUTING ITS ANNUAL FILING WITH RESPECT TO THE NON-UTILITY
GENERATION CHARGE CLAUSE OF ITS FILED TARIFF ("2019 NGC FILING")
BPU DOCKET NO. ER20060473

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November 18, 2020

VIA ELECTRONIC MAIL

Aida Camacho-Welch, Secretary
New Jersey Board of Public Utilities
44 South Clinton Avenue, 9th Floor
P.O. Box 350
Trenton, New Jersey 08625-0350

Re: 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 (“NGC”) of Its Filed Tariff “2019 NGC Filing” BPU Docket No. ER20060473

Dear Secretary Camacho-Welch:

Enclosed for filing is a fully-executed Stipulation for Settlement in the above-referenced matter. Copies of the Stipulation are being provided to all parties on the service list via electronic mail.

Very truly yours,



Lauren M. Lepkoski

kbw
Enclosures
cc: Service list

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

In the Matter of the Verified Petition of Jersey	:	
Central Power & Light Company Constituting	:	STIPULATION
Its Annual Filings With Respect to the Non-	:	OF
Utility Generation Charge Clause of Its Filed	:	SETTLEMENT
Tariff (" 2019 NGC Filing ")	:	BPU Docket No. ER20060473
	:	
	:	

TO THE HONORABLE BOARD OF PUBLIC UTILITIES:

APPEARANCES:

Lauren M. Lepkoski, Esq., attorney for the Petitioner, Jersey Central Power & Light Company

Brian O. Lipman, Esq. (Litigation Manager), **T. David Wand, Esq.** (Assistant Deputy Rate Counsel), **Maria Novas-Ruiz, Esq.** (Assistant Deputy Rate Counsel), for the New Jersey Division of Rate Counsel (**Stefanie A. Brand, Esq.**, Director)

Terel Klein, Deputy Attorney General, for the Staff of the New Jersey Board of Public Utilities (**Gurbir S. Grewal**, Attorney General of New Jersey)

This Stipulation of Settlement (the "Stipulation") is hereby made and executed as of the dates indicated below, by and among the Petitioner, Jersey Central Power & Light Company ("JCP&L" or "Company"), the Staff of the New Jersey Board of Public Utilities ("Staff") and the New Jersey Division of Rate Counsel ("Rate Counsel") (collectively, the "Parties").

The Parties do hereby join in recommending that the New Jersey Board of Public Utilities ("Board" or "BPU") issue an Order approving the Stipulation, based upon the following provisions.

Background

The Company's Non-Utility Generation Charge ("NGC") was initially approved by the Board to recover, among other things, the portion of the costs of power procured from non-utility generators ("NUGs") that were deferred on JCP&L's books to the extent that the Company was unable to recover them in full under its regulated rates and market sales. *See I/M/O Jersey Central Power & Light Company, d/b/a GPU Energy – Rate Unbundling, Stranded Cost and Restructuring Filings*, BPU Docket Nos. EO97070458, EO97070459, and EO97070460 (Order dated March 7, 2001) ("Restructuring Order").¹ The Restructuring Order authorized the Company to defer, for future recovery, its costs incurred under power purchase agreements ("PPAs") with NUGs, to the extent those costs were not recovered on a current basis through the Company's capped and declining rates over the restructuring Transition Period (August 1, 1999, through July 21, 2003), with this treatment to continue after the end of the transition period.²

Pursuant to the Board's Final Order dated May 17, 2004 ("Deferred Balances Order") issued in connection with JCP&L's "2002 Deferred Balances Petition" in BPU Docket No. ER02080507, all issues relating to the NGC deferred balance through July 31, 2003 (the end of the restructuring Transition Period), were determined and resolved.

The Company's "2005 NGC Filing" (Docket No. ER05121018) sought review of its NGC deferred balance for the period from August 1, 2003, through December 31, 2005, and approval of an adjustment to the level of its NGC. This proceeding was settled and resolved in a Stipulation of Settlement dated November 8, 2006, by and among JCP&L, Staff and the then New Jersey Department of the Public Advocate, Division of Rate Counsel, which Stipulation of

¹ The NUG clause was originally designated as the Market Transition Charge and renamed the Non-Utility Generation Charge effective September 1, 2004, to comply with the BPU's final order dated May 17, 2004, in BPU Docket Nos. ER02080506 *et al.*

² *See* the Restructuring Order at 112, ¶30.

Settlement was approved by Board Order dated December 6, 2006 (“2006 NGC Order”), determining and resolving all issues relating to the NGC deferred balance through December 31, 2005. The Company was directed to make an annual informational NGC filing with the Board in the last quarter of each year, commencing in 2007, with notice to Rate Counsel, and an opportunity for full discovery and evidentiary hearings.³

In accordance with the Board’s directive in the 2006 NGC Order, the Company submitted its 2007 NGC Filing on December 21, 2007 (BPU Docket No. ER07120967)⁴; its 2008 NGC Filing on January 28, 2009 (BPU Docket No. ER09040316); and its 2009 NGC Filing on July 26, 2010 (BPU Docket No. ER10070493). Pursuant to a Stipulation Setting Provisional Rates, dated January 27, 2011, executed by the Parties in BPU Docket No. ER10070493, and 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. However, that Stipulation and Order provided that review of the Company’s 2007, 2008 and 2009 NGC Filings was not yet completed. Thereafter, on April 21, 2011, the Company filed its 2010 NGC Filing (BPU Docket No. ER11040224).

By Board Order dated February 10, 2012, approving the Stipulation of Settlement dated February 2, 2012, the Company’s 2007, 2008, 2009, and 2010 NGC filings were resolved (“2012 Order and Stipulation”). Pursuant to the 2012 Order and Stipulation, the Company’s NGC clause was adjusted, effective March 1, 2012, to decrease NGC revenues from approximately \$177 million per year to approximately \$63 million per year, a \$114 million reduction. This

³ See the 2006 NGC Order at 4, ¶6.

⁴ In accordance with the 2006 NGC Order, on June 1, 2007, JCP&L submitted its NUG Mitigation Strategy Report, which, according to the 2006 NGC Order (at 5, ¶9), was to be “the basis for future discussions with [Board] Staff and Rate Counsel.” Thereafter, JCP&L filed quarterly NUG Mitigation Reports until JCP&L’s Power Purchase Agreement (“PPA”) with Manchester Renewable Power Corp. (“MRPC”) terminated on February 8, 2017. Because MRPC was the last of 13 NUG PPAs to terminate, JCP&L notified the BPU in the text of its April 27, 2017 NUG Mitigation Report that this would be JCP&L’s final quarterly report submission unless the BPU directed otherwise.

reduction in annual NGC revenues was achieved through a reduction in the non-securitization component of the NGC rate from the prior charge of \$0.003699 per kWh to a credit of \$0.001149 per kWh effective March 1, 2012. The 2012 Order and Stipulation also finalized all rate-related issues with respect to the Company's sale of the Forked River generating station ("Forked River").

On August 15, 2012, the Company filed its 2011 NGC Filing (BPU Docket No. ER12080757) seeking review of its NGC deferred balance for the period from January 1, 2011, through December 31, 2011. JCP&L did not request a change in the level of its NGC in the 2011 NGC Filing. On October 31, 2014, the Company filed its 2012/2013 NGC Filing (BPU Docket No. ER14101262). JCP&L requested an increase in the non-securitized portion of the NGC rate factor from a credit of \$0.001499 per kWh to \$0.000205 per kWh, resulting in an increase of \$19.29 million per year in NGC revenues. Pursuant to a Stipulation for Provisional Rates dated January 14, 2015, executed by the Parties in BPU Docket Nos. ER12080757 and ER14101262, and approved by Board Order dated January 21, 2015, JCP&L implemented the \$19.29 million annual rate increase proposed in its 2012/2013 NGC Filing, effective February 2, 2015. The 2015 Order and Stipulation closed the 2011 NGC filing, but set the 2012/2013 NGC rates as provisional, subject to an opportunity for a comprehensive and full review.

On August 14, 2015, the Company filed a Verified Petition and Supporting attachments for the 2014 NGC Period, which was assigned BPU Docket No. ER15080960, seeking: (1) a declaration that the provisional NGC rate approved in the 2015 Order and Stipulation is final; (2) review and approval of the deferred balances relating to the Company's NGC clause of its filed tariff, to the extent accumulated from January 1, 2014, through December 31, 2014; (3) approval of an increase in the Company's Rider NGC rates by \$26.265 million annually; and (4)

authorization of the continued deferral by JCP&L of the costs accumulated in the NGC deferred balance that are not recovered on a current basis, with the continuing accrual of interest on the unamortized balance (net of deferred taxes) at the rate provided for in the 2006 NGC Order, compounded annually, on January 1 of each year in accordance with the terms of Petitioner's Rider NGC.

On May 22, 2016, JCP&L updated schedules to reflect actual information through December 31, 2015 ("May 2016 Update"). Following public hearings and settlement discussions, the Parties entered into a Stipulation of Settlement on August 4, 2016. On August 24, 2016, the Board issued a Decision and Order approving the August 4, 2016 Stipulation of Settlement, which resolved the 2012/2013 and 2014 NGC filings. The Decision and Order approved an increase in the non-securitized NGC factor to \$0.001493 per kWh, and the composite NGC factor was set at \$0.005012 per kWh (excluding Sales and Use Tax ("SUT")). The result was an increase in revenues collected through the NGC rate by approximately \$25.714 million annually. The August 24, 2016 Decision and Order also provided that JCP&L would file its next annual NGC Petition by October 31, 2016.

On October 31, 2016, the Company filed a Verified Petition and Supporting attachments for the 2015 NGC Period seeking: (1) review and approval of the deferred balances relating to the Company's NGC clause of its filed tariff, to the extent accumulated from January 1, 2015, through December 31, 2015; (2) approval of an increase in the Company's Rider NGC rates by approximately \$7.1 million annually; and (3) authorization of the continued deferral by JCP&L of the costs accumulated in the NGC deferred balance that are not recovered on a current basis, with the continuing accrual of interest on the unamortized balance (net of deferred taxes) at the

rate provided for in the 2006 NGC Order, compounded annually, on January 1st of each year in accordance with the terms of Petitioner's Rider NGC.

The matter was transmitted to the Office of Administrative Law on November 21, 2016, and assigned to the Honorable Richard McGill, Administrative Law Judge ("ALJ"). ALJ McGill presided over a prehearing conference on January 12, 2017.

Following settlement discussions, the Parties entered into a Stipulation of Settlement on April 25, 2017, which was filed with ALJ McGill on April 26, 2017. On May 2, 2017, ALJ McGill issued an Initial Decision – Settlement approving the April 25, 2017 Stipulation. On May 31, 2017, the Board issued a Decision and Order approving the Initial Decision – Settlement and thereby resolved the 2015 NGC filing. The Decision and Order approved no change to the non-securitized NGC factor, which remained at \$0.001493 per kWh (excluding SUT).

On March 28, 2017, JCP&L filed with the Board a Verified Petition, including supporting schedules in BPU Docket No. ER17030306 ("2016 NGC Filing"), seeking review and approval of the deferred amounts included in the Company's NGC deferred balance, which, among other things, relate to amounts paid by the Company under Board-approved contracts with NUGs, to the extent accumulated from January 1, 2016, through December 31, 2016 (the "2016 NGC Period"). In the 2016 NGC Filing, JCP&L proposed to decrease the composite MTC/NGC factor from the current level of \$0.005012 per kWh (excluding SUT) to \$0.001527 per kWh (excluding SUT) effective June 1, 2017. The proposed decrease in the composite MTC/NGC factor of \$0.003485 per kWh (excluding SUT) would result in a decrease of \$69.41 million per year in NGC revenues.

Following settlement discussions, on May 11, 2017, the Parties entered into a Stipulation for Provisional Rates. In an Order dated May 31, 2017, the Board approved the implementation of provisional rates which decreased the composite MTC/NGC factor to \$0.001527 per kWh (excluding SUT) effective June 10, 2017. In addition to the un-securitized portion of the NGC, the revised composite MTC/NGC factor included: (1) the reduction of the OC-TBC and OC-MTC-Tax associated with the Oyster Creek to zero, which was effective as of May 7, 2017 as provided in its final true-up letter (year 15) dated February 28, 2017; and (2) the increase in the DB-TBC and DB-MTC-Tax associated with the securitization of Deferred BGS Transition Costs to \$0.000943 per kWh (excluding SUT) and \$0.000509 per kWh (excluding SUT), respectively, effective as of June 1, 2017, as provided in its annual true-up letter (year 12) dated March 16, 2017. The net impact of the provisional rate change was a revenue decrease of approximately \$69.41 million on an annual basis.

On November 8, 2017, JCP&L filed an update to the 2016 NGC Filing (“First Update”) wherein the Company proposed to decrease its composite MTC/NGC factor by an additional \$0.000904 per kWh, resulting in a composite MTC/NGC factor of \$0.000623 per kWh. The result of this additional rate decrease would be an incremental reduction in Rider NGC revenues of approximately \$18 million on an annual basis, compared to the provisional rate in effect at the time. In the First Update, JCP&L explained that the \$18 million incremental decrease was appropriate and necessary given the current over-recovered NGC balance.

On June 29, 2018, JCP&L filed the second update to the 2016 NGC Filing (“Second Update”). The Second Update provided a further reconciliation of the final true-up of the transition bond charge associated with the Oyster Creek securitization and corrected the data related to calculation of the costs of St. Lawrence hydro power allocation that JCP&L manages

as the “nominal recipient” on behalf of the state’s electric distribution companies. Under the Second Update, the Company proposed to decrease the composite MTC/NGC factor by an additional \$0.000150 per kWh, which would result in a composite MTC/NGC factor of \$0.000473 per kWh. This additional rate decrease would result in a reduction in Rider NGC revenues of approximately \$21.8 million on an annual basis, compared to the provisional rate in effect at the time.

Following settlement discussions, the Parties entered into a Stipulation of Settlement on August 30, 2018, which was filed with the Board on August 31, 2018. On September 17, 2018, the Board issued a Decision and Order approving the Stipulation and thereby resolving the 2016 NGC Filing. The Decision and Order approved the composite MTC/NGC factor of \$0.001527 per kWh (excluding SUT) as the final rate in that proceeding.

On September 7, 2018, JCP&L filed with the Board a Verified Petition, including supporting schedules, under BPU Docket No. ER18090977 ("2017 NGC Filing"), seeking review and approval of the deferred amounts included in the Company’s NGC deferred balance, which, among other things, relate to amounts paid by the Company under Board-approved contracts with NUGs, to the extent accumulated from January 1, 2017, through December 31, 2017 (the “2017 NGC Period”). In the 2017 NGC Filing, JCP&L proposed to decrease the composite MTC/NGC factor from the current level of \$0.001527 per kWh (excluding SUT) to a credit rate of \$0.000688 per kWh (excluding SUT) effective March 1, 2019. The proposed decrease in the composite MTC/NGC factor of \$0.002215 per kWh (excluding SUT) would result in a decrease of approximately \$45.3 million per year in NGC revenues. The impact of the proposed decrease on a residential customer using 768 kWh per month would be a decrease of approximately 1.8%, or \$1.85 per month, based on rates effective as of September 1, 2018.

After the exchange of information and discussions about the 2017 NGC Filing, on October 1, 2018, the Parties entered into a Stipulation for Provisional Rates. In an Order dated October 29, 2018, the Board approved the implementation of provisional rates effective November 1, 2018, as follows: JCP&L's composite MTC/NGC factor was decreased, on a provisional basis, from the current level of \$0.001527 per kWh (excluding SUT) to \$0.000451 per kWh (excluding SUT). The revenue decrease associated with the provisional decrease in the composite NGC factor was approximately \$22 million on an annual basis. As a result of the Stipulation for Provisional Rates in the 2017 NGC Filing, a typical residential customer using approximately 769 kWh per month would experience a decrease in their monthly bill of \$0.90 or approximately 0.9%.

The Parties entered into a Stipulation of Settlement on May 29, 2019, that was filed with the Board on May 30, 2019. On June 12, 2019, the Board issued a Decision and Order approving the Stipulation and thereby resolving the 2017 NGC filing, except for the amount of Yards Creek costs JCP&L incurred during 2017, which the Parties agreed to review in the Company's 2018 NGC Filing. The Decision and Order approved the composite MTC/NGC factor of \$0.000451 per kWh (excluding SUT) as the final rate in that proceeding.

On June 28, 2019, JCP&L filed with the Board a Verified Petition, including supporting schedules, under BPU Docket No. ER19070775 ("2018 NGC Filing"), seeking review and approval of the deferred amounts included in the Company's NGC deferred balance, which, among other things, relate to amounts paid by the Company under Board-approved contracts with NUGs, to the extent accumulated from January 1, 2018, through December 31, 2018 (the "2018 NGC Period") as well as the 2017 costs related to the accounting for Yards Creek. In the 2018 NGC Filing, JCP&L proposed to decrease the composite MTC/NGC factor from the

current level of \$0.000451 per kWh (excluding SUT) to \$0.000169 per kWh (excluding SUT) effective January 1, 2020. The proposed decrease in the composite MTC/NGC factor of \$0.000169 per kWh (excluding SUT) would result in an annual decrease of approximately \$5,699,634 in NGC revenues.

The Company exchanged information throughout the discovery process, which included updated schedules to the 2018 NGC Filing. The Parties entered into a Stipulation of Settlement, which was filed with the Board on November 21, 2019. Based upon the updated schedules, the Parties agreed that the proposed decrease in the composite MTC/NGC factor of \$0.000105 per kWh (excluding SUT) would result in an annual decrease of approximately \$7,002,858 in NGC revenues. On December 6, 2019, the Board issued a Decision and Order approving the Stipulation and thereby resolving the 2018 NGC filing. The Decision and Order approved the composite MTC/NGC factor of 0.000105 per kWh (excluding SUT) as the final rate in that proceeding.

On June 26, 2020, JCP&L filed with the Board a Verified Petition, including supporting schedules, under BPU Docket No. ER20060473 ("2019 NGC Filing"), seeking review and approval of the deferred amounts included in the Company's NGC deferred balance, which, among other things, relate to amounts paid by the Company under Board-approved contracts with NUGs, to the extent accumulated from January 1, 2019, through December 31, 2019 (the "2019 NGC Period"). In the 2019 NGC Filing, JCP&L proposed to maintain the composite MTC/NGC factor at the current level of \$0.000105 per kWh (excluding SUT).

Stipulation

1. The Parties agree that, as per the schedules attached hereto, the Company's ending deferred NGC balance at December 31, 2019, amounted to an over-recovery of \$25,032,211 including carrying costs of \$743,833. *See* Attachments A, B, and C.
2. The Parties agree that the Company's ending deferred NGC balance at December 31, 2020, will be reviewed in the Company's 2020 NGC filing.
3. The Parties also agree that, in light of the expiration of many of the Company's long-term NUG PPAs and the over-recovered NGC deferred balance, JCP&L will maintain the current composite MTC/NGC factor of 0.000105 per kWh (excluding SUT), which will allow for the projected over-recovery of the July 31, 2021 NGC balance of (870,532) after the application of carrying costs of (\$57,861), to be addressed in 2021. *See* Attachments D, E, and F, which have been updated to reflect actual data through July 2020 as presented in RCR-12.
4. The Parties agree that the Company will file the 2020 NGC Filing (January 1, 2020 to December 31, 2020) in January of 2021 because the second securitization for the non-bypassable Deferred Basic Generation Service Transition Bond Charge ("DB-TBC") will be fully satisfied in May of 2021, which allow the BPU to set a new NGC Rider rate simultaneously when the ("DB-TBC") tariff rate is set to zero.
5. JCP&L agrees that it will file testimony in the 2020 NGC proceeding upon the closing of the Yard Creek sale to address the final accounting of the Yards Creek sale and the associated calculation of the net proceeds.
6. The Parties agree that the deferral of remaining NUG costs, the all-in costs associated with JCP&L's interest in Yards Creek, certain costs associated with the St. Lawrence

hydro power allocated from the New York Power Authority, and other costs previously approved by the Board for recovery through the NGC, net of related revenues received from the sale of NUG, Yards Creek and St. Lawrence output into the PJM market, will continue in the NGC.

7. The Parties further agree that the interest rate applied to the NGC deferred balance will be set to an interest rate equal to the rate on seven-year constant maturity Treasuries, as shown in the Federal Reserve Statistical Release on or closest to January 1 of each year, plus sixty basis points, (“Carrying Cost Rate”), until changed by a future Board Order. The Parties agree that the Carrying Cost Rate is currently 2.39%. The annual compounding date remains January 1st of each year.

8. 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, 2019, 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.

9. The Parties also agree that, upon the effective date of the Board’s written Order approving this Stipulation, all elements of the 2019 NGC Filing shall be deemed closed and resolved except any data for calendar year 2020 shall be subject to review in the Company’s 2020 NGC filing.

Conclusion

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

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

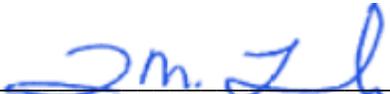
a. By executing this Stipulation, no Party waives any rights it possesses under any prior Stipulation, except where the terms of this Stipulation supersede such prior Stipulation.

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.

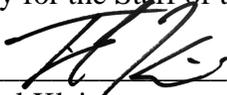
3. This Stipulation may be executed in any number of counterparts, each of which shall be considered one and the same agreement, and shall become effective when one or more counterparts have been signed by each of the Parties.

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: 
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Jersey Central Power & Light Company

Gurbir S. Grewal, Attorney General of New Jersey
Attorney for the Staff of the Board of Public Utilities

By: 
Terel Kleir
Deputy Attorney General

Dated: November 13, 2020

Dated: November 13, 2020

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

By: 
T. David Wand, Esq.
Assistant Deputy Rate Counsel

Dated: 11/18/20

JERSEY CENTRAL POWER & LIGHT COMPANY <u>Summary of NGC Deferred Balance by Component (Actual)</u> <u>For the Period January 1, 2019 through December 31, 2019</u>			
Line No.		Actual Data Jan - Dec 2019	Refer to Attachment B <u>Line No(s).</u>
1	NGC Deferred Balance at 12/31/2018	(37,515,220)	23
2	<u>NGC Deferred Balance 2019:</u>		
	<u>Revenues:</u>		
3	Wholesale Energy/Capacity (Sales of Committed Supply)	15,756,886	1
4	MTC/NGC Retail Tariff	(14,389,122)	3-(4+5)
5	Other Revenue Sources	4,513,332	2+6
6	Total Revenues	5,881,095	7
	<u>Costs:</u>		
7	Committed Supply: NUG and 2-Party Contract Payments	3,808,772	14+17
8	Committed Supply: Yards Creek Costs	14,305,127	8 thru 10+16+18
9	St. Lawrence Hydro NYISO and NITS Charges	947,437	13
10	Other Expenses	274,602	11+12+15
11	Total Cost Incurred	19,335,937	19
12	Net Costs in excess of Revenues Deferred Jan through Dec-19	13,454,842	
13	Securitization Servicing Fee in Excess of Costs Incurred	(228,000)	20
14	Net NGC (Over)/Under-Recovered Costs Deferred in 2019	13,226,842	22
15	NGC (Over)-Recovered Deferred Cost Balance at 12/31/19	(24,288,378)	23
16	NGC Deferred Interest Balance at 12/31/19	(743,833)	See Attachment C
17	NGC (Over)Under-Recovered Deferred Balance Including Interest at 12/31/19	(25,032,211)	

JERSEY CENTRAL POWER & LIGHT COMPANY
Calculation of Deferred NGC Expense by Month
For the Period January 1, 2019 through December 31, 2019

Line No.	Cumulative Balance Thru Dec-18	Actual Jan-19	Actual Feb-19	Actual Mar-19	Actual Apr-19	Actual May-19	Actual Jun-19
Revenues:							
1		1,846,766	1,725,228	1,780,523	1,802,049	1,724,025	1,091,599
2		143,370	134,659	134,079	110,154	131,465	143,111
3		809,835	751,505	703,717	621,502	607,424	700,327
4		1,817,787	1,669,949	1,566,958	1,388,609	1,353,383	1,442,895
5		443,610	407,520	382,296	338,828	330,331	416,039
6		(214,577)	232,821	233,178	677,922		469,964
7	Total Revenues	323,996	766,745	902,243	1,484,189	779,201	546,066
Costs:							
8		126,080	137,432	136,063	134,693	133,324	131,955
9		105,578	105,578	105,578	105,578	105,578	105,578
10		546,548	93,312	171,902	306,101	260,047	317,793
11		31,278	32,163	31,832	34,093	27,754	32,088
12		500	580	540	540	540	540
13		76,446	110,953	81,790	46,054	81,110	75,785
14		92,101	65,982	928,976	389,075	430,606	294,469
15		3,886	(1,379)	(2,986)	(2,667)	(6,293)	(3,393)
16		357,440	485,115	345,997	378,280	255,495	348,288
17		9,239	16,360	14,132	3,936	8,947	5,981
18		39,286	29,114	792	1,975		
19	Total Costs	1,388,382	1,075,209	1,814,616	1,397,659	1,297,109	1,309,084
20	Annual Servicing Fee Paid in Excess of Cost Incurred						
21							
22	(Over)/Under Recovery of Costs	1,064,386	308,465	912,373	(86,531)	517,908	763,018
23	Cumulative (Over)/Under Recovery - NGC Balance	(37,515,220)	(36,450,833)	(36,142,369)	(35,229,996)	(35,316,527)	(34,035,601)

JERSEY CENTRAL POWER & LIGHT COMPANY
Calculation of Deferred NGC Expense by Month
For the Period January 1, 2019 through December 31, 2019

Line No.		Actual Jul-19	Actual Aug-19	Actual Sep-19	Actual Oct-19	Actual Nov-19	Actual Dec-19	YTD 2019
	Revenues:							
1	Wholesale Energy/Capacity Revenues (Sales of Committed Supply)	1,793,269	1,172,891	728,293	664,086	677,280	750,877	15,756,886
2	PJM Ancillary, Congestion & FTR Revenue	196,396	174,145	135,960	124,921	116,412	149,830	1,694,502
3	Total MTC Revenue	900,622	991,520	857,445	693,510	607,458	707,018	8,951,883
4	Less: TBC Revenue	1,624,864	1,786,193	1,543,398	1,241,999	1,091,198	1,263,825	17,791,057
5	Less: MTC-Tax Revenue	611,369	675,578	583,274	469,870	412,990	478,243	5,549,947
6	Telcom Revenue	235,127	232,105	243,045	235,098	235,849	238,298	2,818,830
7	Total Revenues	889,182	108,890	(161,929)	5,744	132,813	103,955	5,881,095
	Costs:							
8	Return on Yards Creek Investment	130,585	129,216	127,847	126,478	125,108	123,739	1,562,520
9	Depreciation Expense - Yards Creek & Merrill Creek	105,578	105,578	105,578	105,578	105,578	105,578	1,266,936
10	Production O&M - Yards Creek	370,111	570,253	826,194	2,124,540	1,154,535	1,346,451	8,087,787
11	Ancillary Services	26,492	22,108	24,813	23,698	16,436	27,047	329,804
12	Financial Instruments - Incls. FTR Expense	540	540	508	540	540	540	6,448
13	St. Lawrence Hydro NYISO and NITS Charges	90,906	89,843	65,995	67,820	80,855	79,880	947,437
14	Bilateral/2-Party Agreements	350,460	206,945	245,219	215,395	254,608	239,459	3,713,295
15	PJM Transmission Congestion	(7,781)	(5,493)	(11,114)	(15,556)	(7,308)	(1,565)	(61,649)
16	Yards Creek PJM Pumped Storage Cost	663,572	332,488	38,199	27	(0)	111,815	3,316,716
17	NUG Contract Payments	2,099	3,822	5,430	6,820	5,308	13,402	95,476
18	Production O&M - Yards Creek (True-up)							71,167
19	Total Costs	1,732,563	1,455,301	1,428,669	2,655,340	1,735,660	2,046,346	19,335,937
20	Annual Servicing Fee Paid in Excess of Cost Incurred	(228,000)						(228,000)
21								-
22	(Over)/Under Recovery of Costs	615,381	1,346,410	1,590,598	2,649,596	1,602,848	1,942,391	13,226,842
23	Cumulative (Over)/Under Recovery - NGC Balance	(33,420,221)	(32,073,810)	(30,483,212)	(27,833,616)	(26,230,769)	(24,288,378)	

Jersey Central Power & Light Company
Calculation of Interest on NGC Deferred Balance
For the Period January 1, 2019 through December 31, 2019

Line No.	ACTUAL Dec-18	ACTUAL Jan-19	ACTUAL Feb-19	ACTUAL Mar-19	ACTUAL Apr-19	ACTUAL May-19	ACTUAL Jun-19	
1	Cumulative (Over)/Under Recovered NGC Deferred Balance	(37,515,220)	(36,450,833)	(36,142,369)	(35,229,996)	(35,316,527)	(34,798,619)	(34,035,601)
2	Balance at end of month for interest calculation	(37,515,220)	(36,450,833)	(36,142,369)	(35,229,996)	(35,316,527)	(34,798,619)	(34,035,601)
3	Deferred Tax Balance @ 28.11%	(10,545,528)	(10,246,329)	(10,159,620)	(9,903,152)	(9,927,476)	(9,781,892)	(9,567,408)
4	Deferred Balance Net of Tax for Interest Calculation	(26,969,692)	(26,204,504)	(25,982,749)	(25,326,844)	(25,389,051)	(25,016,727)	(24,468,193)
5	Accumulated Interest at January 1 for Compounding	-	-	-	-	-	-	-
6	Deferred Tax Balance @ 28.11%	-	-	-	-	-	-	-
7	Accumulated Interest Net of Tax for Compounding	-	-	-	-	-	-	-
8	Total Average Deferred Balance for Interest		(26,587,098)	(26,093,627)	(25,654,797)	(25,357,948)	(25,202,889)	(24,742,460)
9	Interest Rate		3.1600%	3.1600%	3.1600%	3.1600%	3.1600%	3.1600%
10	Interest on Deferred Balance for Month		(70,013)	(68,713)	(67,558)	(66,776)	(66,368)	(65,155)
11	Total Cumulative Deferred Interest	-	(70,013)	(138,726)	(206,284)	(273,060)	(339,428)	(404,583)

Note: May include in current month, retroactive adjustments to interest actually recorded in subsequent months.

Jersey Central Power & Light Company
Calculation of Interest on NGC Deferred Balance
For the Period January 1, 2019 through December 31, 2019

Line No.	ACTUAL Jul-19	ACTUAL Aug-19	ACTUAL Sep-19	ACTUAL Oct-19	ACTUAL Nov-19	ACTUAL Dec-19	
1	Cumulative (Over)/Under Recovered NGC Deferred Balance	(33,420,221)	(32,073,810)	(30,483,212)	(27,833,616)	(26,230,769)	(24,288,378)
2	Balance at end of month for interest calculation	(33,420,221)	(32,073,810)	(30,483,212)	(27,833,616)	(26,230,769)	(24,288,378)
3	Deferred Tax Balance @ 28.11%	(9,394,424)	(9,015,948)	(8,568,831)	(7,824,030)	(7,373,469)	(6,827,463)
4	Deferred Balance Net of Tax for Interest Calculation	(24,025,797)	(23,057,862)	(21,914,381)	(20,009,586)	(18,857,300)	(17,460,915)
5	Accumulated Interest at January 1 for Compounding	-	-	-	-	-	-
6	Deferred Tax Balance @ 28.11%	-	-	-	-	-	-
7	Accumulated Interest Net of Tax for Compounding	-	-	-	-	-	-
8	Total Average Deferred Balance for Interest	(24,246,995)	(23,541,829)	(22,486,122)	(20,961,984)	(19,433,443)	(18,159,107)
9	Interest Rate	3.1600%	3.1600%	3.1600%	3.1600%	3.1600%	3.1600%
10	Interest on Deferred Balance for Month	(63,850)	(61,993)	(59,213)	(55,200)	(51,175)	(47,819)
11	Total Cumulative Deferred Interest	(468,433)	(530,426)	(589,639)	(644,839)	(696,014)	(743,833)

Note: May include in current month, retroactive adjustments to interest actually recorded in subsequent months.

JERSEY CENTRAL POWER & LIGHT COMPANY
Summary of NGC Deferred Balance by Component (Actual/Forecast)
For the Period January 1, 2020 through December 31, 2020

Line No.		Actual/Forecast Data Jan - Dec 2020	Refer to Attachment E Line No(s).
1	NGC Deferred Balance at 12/31/2019	(25,032,211)	23
2	NGC Deferred Balance 2020:		
	<u>Revenues:</u>		
3	Wholesale Energy/Capacity (Sales of Committed Supply)	10,878,750	1
4	MTC/NGC Retail Tariff	(18,071,558)	3-(4+5)
5	Other Revenue Sources	5,311,243	2+6
6	Total Revenues	(1,881,566)	7
	<u>Costs:</u>		
7	Committed Supply: NUG and 2-Party Contract Payments	3,355,560	14+17
8	Committed Supply: Yards Creek Costs	9,422,852	8 thru 10+16+18
9	St. Lawrence Hydro NYISO and NITS Charges	103,776	13
10	Other Expenses	366,779	11+12+15
11	Total Cost Incurred	13,248,966	19
12	Net Costs in excess of Revenues Deferred Jan through Dec-20	15,130,532	
13	Securitization Servicing Fee in Excess of Costs Incurred	(228,000)	20
14	Net NGC (Over)/Under-Recovered Costs Deferred in 2020	14,902,532	22
15	NGC (Over)-Recovered Deferred Cost Balance at 12/31/20	(10,129,679)	23
16	NGC Deferred Interest Balance at 12/31/20	(309,886)	See Attachment F
17	NGC (Over)Under-Recovered Deferred Balance Including Interest at 12/31/20	(10,439,565)	

JERSEY CENTRAL POWER & LIGHT COMPANY
Calculation of Deferred NGC Expense by Month
For the Period January 1, 2020 through December 31, 2020

Line No.	Cumulative Balance Thru Dec-19	Actual Jan-20	Actual Feb-20	Actual Mar-20	Actual Apr-20	Actual May-20	Actual Jun-20
Revenues:							
1		1,220,466	810,534	821,242	793,027	773,773	905,572
2		145,104	130,773	130,596	96,230	136,201	153,659
3		508,400	147,473	138,082	127,254	119,791	146,409
4		1,307,484	1,219,509	1,189,028	1,101,973	1,043,448	1,211,601
5		494,789	461,468	449,944	417,000	394,852	485,198
6		239,298	240,925	275,066	274,311	239,908	239,775
7	Total Revenues	310,995	(351,272)	(273,985)	(228,151)	(168,628)	(251,384)
Costs:							
8		122,370	129,396	125,768	127,897	127,148	126,398
9		105,578	106,255	106,255	106,255	106,255	106,255
10		548,165	172,771	252,012	238,823	259,117	244,002
11		17,474	1,526	778	564	924	2,039
12		540	556	548	548	548	548
13		102,229	1,547	-	-	-	-
14		195,968	51,467	56,639	91,648	138,695	549,059
15		1,796	(2,246)	(8)	-	(0)	0
16		379,657	160,559	133,241	142,594	114,024	215,172
17		12,264	6,702	9,377	9,555	16,593	6,052
18		-	-	-	-	-	-
19	Total Costs	1,486,042	628,533	684,610	717,884	763,303	1,249,526
20	Annual Servicing Fee Paid in Excess of Cost Incurred						
21							
22	(Over)/Under Recovery of Costs	1,175,047	979,806	958,595	946,035	931,931	1,500,910
23	Cumulative (Over)/Under Recovery - NGC Balance	(25,032,211)	(23,857,164)	(22,877,358)	(21,918,763)	(20,972,728)	(18,539,887)

JERSEY CENTRAL POWER & LIGHT COMPANY
Calculation of Deferred NGC Expense by Month
For the Period January 1, 2020 through December 31, 2020

Line No.	Actual Jul-20	Forecast Aug-20	Forecast Sep-20	Forecast Oct-20	Forecast Nov-20	Forecast Dec-20	YTD 2020
Revenues:							
1	1,700,663	1,108,025	845,867	946,610	908,206	44,764	10,878,750
2	205,195	410,035	275,471	244,673	240,801	285,725	2,454,463
3	195,659	233,038	191,259	180,940	190,054	214,850	2,393,210
4	1,486,690	1,434,556	1,143,944	1,033,585	1,087,582	1,253,950	14,513,352
5	648,013	626,520	499,600	451,403	474,985	547,643	5,951,416
6	241,682	221,163	221,163	221,163	221,163	221,163	2,856,780
7 Total Revenues	208,496	(88,816)	(109,784)	108,398	(2,343)	(1,035,091)	(1,881,566)
Costs:							
8	125,649	223,424	222,670	222,099	221,461		1,774,279
9	106,255	126,379	126,400	126,446	126,507		1,248,842
10	219,374	153,586	211,825	588,603	440,590		3,328,868
11	2,646	67,490	67,490	67,490	67,490	67,490	363,401
12	548						3,836
13							103,776
14	1,260,079	189,000	189,000	189,000	189,000	189,000	3,288,554
15	(0)						(458)
16	563,460	358,012	335,358	316,175	352,610		3,070,862
17	6,462						67,006
18							-
19 Total Costs	2,284,473	1,117,892	1,152,743	1,509,813	1,397,657	256,490	13,248,966
20	(228,000)						(228,000)
21							-
22 (Over)/Under Recovery of Costs	1,847,977	1,206,708	1,262,527	1,401,415	1,400,000	1,291,581	14,902,532
23 Cumulative (Over)/Under Recovery - NGC Balance	(16,691,910)	(15,485,202)	(14,222,676)	(12,821,261)	(11,421,261)	(10,129,679)	

Jersey Central Power & Light Company
Calculation of Interest on NGC Deferred Balance
For the Period January 1, 2020 through December 31, 2020

Line No.	ACTUAL Dec-19	ACTUAL Jan-20	ACTUAL Feb-20	ACTUAL Mar-20	ACTUAL Apr-20	ACTUAL May-20	ACTUAL Jun-20
1	Cumulative (Over)/Under Recovered NGC Deferred Balance	(25,032,211)	(23,857,164)	(22,877,358)	(21,918,763)	(20,972,728)	(18,539,887)
2	Balance at end of month for interest calculation	(25,032,211)	(23,857,164)	(22,877,358)	(21,918,763)	(20,972,728)	(18,539,887)
3	Deferred Tax Balance @ 28.11%	(7,036,555)	(6,706,249)	(6,430,825)	(6,161,364)	(5,895,434)	(5,211,562)
4	Deferred Balance Net of Tax for Interest Calculation	(17,995,656)	(17,150,915)	(16,446,533)	(15,757,399)	(15,077,294)	(13,328,325)
5	Accumulated Interest at January 1 for Compounding	-	-	-	-	-	-
6	Deferred Tax Balance @ 28.11%	-	-	-	-	-	-
7	Accumulated Interest Net of Tax for Compounding	-	-	-	-	-	-
8	Total Average Deferred Balance for Interest		(17,573,285)	(16,798,724)	(16,101,966)	(15,417,347)	(13,867,827)
9	Interest Rate		2.3900%	2.3900%	2.3900%	2.3900%	2.3900%
10	Interest on Deferred Balance for Month		(35,000)	(33,457)	(32,070)	(30,706)	(27,620)
11	Total Cumulative Deferred Interest	-	(35,000)	(68,457)	(100,527)	(131,233)	(188,215)

Note: May include in current month, retroactive adjustments to interest actually recorded in subsequent months.

Jersey Central Power & Light Company
Calculation of Interest on NGC Deferred Balance
For the Period January 1, 2020 through December 31, 2020

Line No.	ACTUAL Jul-20	FORECAST Aug-20	FORECAST Sep-20	FORECAST Oct-20	FORECAST Nov-20	FORECAST Dec-20	
1	Cumulative (Over)/Under Recovered NGC Deferred Balance	(16,691,910)	(15,485,202)	(14,222,676)	(12,821,261)	(11,421,261)	(10,129,679)
2	Balance at end of month for interest calculation	(16,691,910)	(15,485,202)	(14,222,676)	(12,821,261)	(11,421,261)	(10,129,679)
3	Deferred Tax Balance @ 28.11%	(4,692,096)	(4,352,890)	(3,997,994)	(3,604,056)	(3,210,516)	(2,847,453)
4	Deferred Balance Net of Tax for Interest Calculation	(11,999,814)	(11,132,312)	(10,224,682)	(9,217,205)	(8,210,745)	(7,282,226)
5	Accumulated Interest at January 1 for Compounding	-	-	-	-	-	-
6	Deferred Tax Balance @ 28.11%	-	-	-	-	-	-
7	Accumulated Interest Net of Tax for Compounding	-	-	-	-	-	-
8	Total Average Deferred Balance for Interest	(12,664,069)	(11,566,063)	(10,678,497)	(9,720,943)	(8,713,975)	(7,746,485)
9	Interest Rate	2.3900%	2.3900%	2.3900%	2.3900%	2.3900%	2.3900%
10	Interest on Deferred Balance for Month	(25,223)	(23,036)	(21,268)	(19,361)	(17,355)	(15,428)
11	Total Cumulative Deferred Interest	(213,438)	(236,474)	(257,742)	(277,103)	(294,458)	(309,886)

Note: May include in current month, retroactive adjustments to interest actually recorded in subsequent months.

JERSEY CENTRAL POWER & LIGHT COMPANY
Summary of NGC Deferred Balance by Component (Forecast)
For the Period January 1, 2021 through July 31, 2021

Line No.		Forecast Data Jan - Jul 2021	Refer to Attachment H Line No(s).
1	NGC Deferred Balance at 12/31/2020	(10,439,565)	23
2	NGC Deferred Balance 2021:		
	<u>Revenues:</u>		
3	Wholesale Energy/Capacity (Sales of Committed Supply)	413,686	1
4	MTC/NGC Retail Tariff	(10,822,426)	3-(4+5)
5	Other Revenue Sources	2,349,275	2+6
6	Total Revenues	(8,059,465)	7
	<u>Costs:</u>		
7	Committed Supply: NUG and 2-Party Contract Payments	1,323,000	14+17
8	Committed Supply: Yards Creek Costs	-	8 thru 10+16+18
9	St. Lawrence Hydro NYISO and NITS Charges	-	13
10	Other Expenses	472,430	11+12+15
11	Total Cost Incurred	1,795,430	19
12	Net Costs in excess of Revenues Deferred Jan through Jul-21	9,854,895	
13	Securitization Servicing Fee in Excess of Costs Incurred	(228,000)	20
14	Net NGC (Over)/Under-Recovered Costs Deferred through July 2021	9,626,895	22
15	NGC (Over)-Recovered Deferred Cost Balance at 7/31/21	(812,671)	23
16	NGC Deferred Interest Balance at 7/31/21	(57,861)	See Attachment I
17	NGC (Over)Under-Recovered Deferred Balance Including Interest at 7/31/21	(870,532)	

JERSEY CENTRAL POWER & LIGHT COMPANY
Calculation of Deferred NGC Expense by Month
For the Period January 1, 2021 through July 31, 2021

Line No.	Cumulative Balance Thru Dec-20	Forecast Jan-21	Forecast Feb-21	Forecast Mar-21	Forecast Apr-21	Forecast May-21	Forecast Jun-21
Revenues:							
1	Wholesale Energy/Capacity Revenues (Sales of Committed Supply)	114,866	97,843	51,081	37,874	31,203	31,626
2	PJM Ancillary, Congestion & FTR Revenue	114,447	114,447	114,447	114,447	114,447	114,447
3	Total MTC Revenue	220,290	201,098	196,535	178,456	197,650	(1,631,866)
4	Less: TBC Revenue	1,287,573	1,158,664	1,136,567	1,012,337	1,113,398	-
5	Less: MTC-Tax Revenue	562,328	506,029	496,378	442,123	486,259	-
6	Telcom Revenue	221,163	221,163	221,163	221,163	221,163	221,163
7	Total Revenues	(1,179,134)	(1,030,140)	(1,049,719)	(902,519)	(1,035,193)	(1,264,629)
Costs:							
8	Return on Yards Creek Investment						
9	Depreciation Expense - Yards Creek & Merrill Creek						
10	Production O&M - Yards Creek						
11	Ancillary Services	67,490	67,490	67,490	67,490	67,490	67,490
12	Financial Instruments - Incls. FTR Expense						
13	St. Lawrence Hydro NYISO and NITS Charges						
14	Bilateral/2-Party Agreements	189,000	189,000	189,000	189,000	189,000	189,000
15	PJM Transmission Congestion						
16	Yards Creek PJM Pumped Storage Cost						
17	NUG Contract Payments						
18		-					
19	Total Costs	256,490	256,490	256,490	256,490	256,490	256,490
20	Annual Servicing Fee Paid in Excess of Cost Incurred						
21							
22	(Over)/Under Recovery of Costs	1,435,624	1,286,630	1,306,209	1,159,009	1,291,683	1,521,119
23	Cumulative (Over)/Under Recovery - NGC Balance	(10,439,565)	(9,003,941)	(7,717,310)	(6,411,102)	(5,252,093)	(2,439,291)

JERSEY CENTRAL POWER & LIGHT COMPANY
Calculation of Deferred NGC Expense by Month
For the Period January 1, 2021 through July 31, 2021

Line No.		Forecast Jul-21	YTD 2021
	Revenues:		
1	Wholesale Energy/Capacity Revenues (Sales of Committed Supply)	49,191	413,686
2	PJM Ancillary, Congestion & FTR Revenue	114,447	801,132
3	Total MTC Revenue	(1,982,932)	(2,620,770)
4	Less: TBC Revenue	-	5,708,539
5	Less: MTC-Tax Revenue	-	2,493,117
6	Telcom Revenue	221,163	1,548,143
7	Total Revenues	(1,598,130)	(8,059,465)
	Costs:		
8	Return on Yards Creek Investment		-
9	Depreciation Expense - Yards Creek & Merrill Creek		-
10	Production O&M - Yards Creek		-
11	Ancillary Services	67,490	472,430
12	Financial Instruments - Incls. FTR Expense		-
13	St. Lawrence Hydro NYISO and NITS Charges		-
14	Bilateral/2-Party Agreements	189,000	1,323,000
15	PJM Transmission Congestion		-
16	Yards Creek PJM Pumped Storage Cost		-
17	NUG Contract Payments		-
18			-
19	Total Costs	256,490	1,795,430
20	Annual Servicing Fee Paid in Excess of Cost Incurred	(228,000)	(228,000)
21			-
22	(Over)/Under Recovery of Costs	1,626,620	9,626,895
23	Cumulative (Over)/Under Recovery - NGC Balance	(812,671)	

Jersey Central Power & Light Company
Calculation of Interest on NGC Deferred Balance
For the Period January 1, 2021 through July 31, 2021

Line No.	FORECAST Dec-20	FORECAST Jan-21	FORECAST Feb-21	FORECAST Mar-21	FORECAST Apr-21	FORECAST May-21	FORECAST Jun-21	FORECAST Jul-21	
1	Cumulative (Over)/Under Recovered NGC Deferred Balance	(10,439,565)	(9,003,941)	(7,717,310)	(6,411,102)	(5,252,093)	(3,960,410)	(2,439,291)	(812,671)
2	Balance at end of month for interest calculation	(10,439,565)	(9,003,941)	(7,717,310)	(6,411,102)	(5,252,093)	(3,960,410)	(2,439,291)	(812,671)
3	Deferred Tax Balance @ 28.11%	(2,934,562)	(2,531,008)	(2,169,336)	(1,802,161)	(1,476,363)	(1,113,271)	(685,685)	(228,442)
4	Deferred Balance Net of Tax for Interest Calculation	(7,505,003)	(6,472,933)	(5,547,974)	(4,608,941)	(3,775,730)	(2,847,139)	(1,753,606)	(584,229)
5	Accumulated Interest at January 1 for Compounding	-	-	-	-	-	-	-	-
6	Deferred Tax Balance @ 28.11%	-	-	-	-	-	-	-	-
7	Accumulated Interest Net of Tax for Compounding	-	-	-	-	-	-	-	-
8	Total Average Deferred Balance for Interest		(6,988,968)	(6,010,454)	(5,078,458)	(4,192,336)	(3,311,435)	(2,300,373)	(1,168,917)
9	Interest Rate		2.3900%	2.3900%	2.3900%	2.3900%	2.3900%	2.3900%	2.3900%
10	Interest on Deferred Balance for Month		(13,920)	(11,971)	(10,115)	(8,350)	(6,595)	(4,582)	(2,328)
11	Total Cumulative Deferred Interest	-	(13,920)	(25,891)	(36,006)	(44,356)	(50,951)	(55,533)	(57,861)

Note: May include in current month, retroactive adjustments to interest actually recorded in subsequent months.

**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
("NGC") of Its Filed Tariff "2019 NGC Filing"
BPU Docket No. ER20060473**

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