



Agenda Date: 5/10/23
Agenda Item: 2B

STATE OF NEW JERSEY
Board of Public Utilities
44 South Clinton Avenue, 1st 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
JERSEY CENTRAL POWER & LIGHT COMPANY)	STIPULATION
CONSTITUTING ITS ANNUAL FILING WITH)	
RESPECT TO THE TAX ACT ADJUSTMENT OF ITS)	DOCKET NO. ER20120767
FILED TARIFF ("2019 TAA FILING"))	
)	
IN THE MATTER OF THE VERIFIED PETITION OF)	
JERSEY CENTRAL POWER & LIGHT COMPANY)	
CONSTITUTING ITS ANNUAL FILING WITH)	
RESPECT TO THE TAX ACT ADJUSTMENT OF ITS)	DOCKET NO. ER21121258
FILED TARIFF ("2020 TAA FILING"))	

Parties of Record:

Joshua R. Eckert, Esq., Counsel for Jersey Central Power and Light Company
Brian O. Lipman, Esq., Director, New Jersey Division of Rate Counsel

BY THE BOARD:

By this Decision and Order, the New Jersey Board of Public Utilities ("Board" or "BPU") considers a Stipulation of Settlement ("Stipulation") entered into by Jersey Central Power & Light Company ("JCP&L" or "Company"), the New Jersey Division of Rate Counsel ("Rate Counsel"), and Board Staff ("Staff") (collectively, "Parties") which seeks to resolve all issues related to these matters.

BACKGROUND

The Federal Tax Cuts and Jobs Act ("2017 Act"), which took effect January 1, 2018, impacted certain New Jersey utilities by changing the Federal Internal Revenue Tax Code ("Tax Code") to reduce the maximum corporate tax rate from 35 percent (35%) to 21 percent (21%).¹ By Order dated January 31, 2018, the Board directed all utilities impacted by the 2017 Act to file petitions proposing new rates reflecting those impacts.²

¹ The affected utilities are investor-owned gas, electric, water and wastewater companies under the jurisdiction of the Board and those with revenues equal to or greater than \$4.5 million annually.

² In re the New Jersey Board of Public Utilities Consideration of the Tax Cuts and Jobs Act of 2017, BPU Docket No. AX18010001, Order dated January 31, 2018 ("Generic TCJA Order").

By the Generic TCJA Order, the Board set all affected utility rates as interim and established a proceeding to consider the implications of the 2017 Act. Based upon the Board's review of the 2017 Act, the Board found that the Tax Code changes will provide savings to the affected utilities resulting in the utilities over-collecting revenue because they based their then-effective tariffs on a higher federal income tax rate. The Board required the affected utilities to file, by March 2, 2018, petitions detailing the impact of the 2017 Act, including amended tariffs reflecting a reduction in rates resulting from the corporate tax rate reduction to be effective April 1, 2018, and tariff pages. The Board specified that the petitions should propose a mechanism to return Accumulated Deferred Income Tax ("ADIT") to customers with a target effective date of July 1, 2018.

On March 2, 2018, JCP&L filed a petition and supporting schedules in compliance with the Generic TCJA Order.³ Subsequently, the Parties executed a stipulation whereby the parties agreed that, *inter alia*, JCP&L will annually file a petition for review and reconciliation of its Rider TAA rates and revenues, which included amortization of: 1) the property-related unprotected Excess Deferred Income Tax ("EDIT")⁴ liability; 2) the non-property unprotected EDIT asset; 3) the Average Rate Assumption Method ("ARAM") Stub Period amount; 4) return on the cumulative monthly charge in rate base; and 5) other amortization.⁵ By Order dated May 8, 2019, the Board adopted the stipulation without modification.⁶

2019 TAX ACT ADJUSTMENT PETITION

On December 29, 2020, the Company filed a petition with the Board seeking review and reconciliation of the Company's Rider Tax Act Adjustment ("TAA") rates and revenues from May 15, 2019 to December 31, 2019 ("2019 TAA Petition"). The 2019 TAA Petition included review of: 1) the amortization of property-related unprotected EDIT liability of \$18,697,241; 2) the amortization of the non-property unprotected EDIT asset of \$14,334,909; 3) the amortization of the property-related protected EDIT asset in accordance with the ARAM Stub Period amount (deferred for the period, January 1, 2018 to March 31, 2018) of \$7,044,975; 4) return on the cumulative monthly change in rate base of \$440,228; and 5) other amortization of \$1,037,903.

The 2019 TAA Petition included the Company's calculation of the Rider TAA net regulatory liability balance with the following adjustments: 1) amortization of the ARAM Stub Period deferred liability of \$1,153,321, which was attributable to the property-related protected EDIT liability for the Period January 1, 2019 through May 14, 2019; and 2) an ARAM 2018 return to accrual amortization of \$120,056.

The Company's Rider TAA net regulatory liability calculation also included payment of a one-time bill credit equal to amounts deferred, including interest, for the Stub Period related to the annualized change in base rates of \$28.6 million as a result of the change in the corporate federal

³ On August 1, 2018, the Company filed an update to its Petition.

⁴ The EDIT is the portion of JCP&L's jurisdictional ADITs in excess of its deferred tax liability, as a result of the reduced federal corporate income tax rate under the 2017 Act.

⁵ The adjustment to base rates for ARAM amortization will be reconciled in future base rate cases.

⁶ In re the New Jersey Board of Public Utilities' Consideration of the Tax Cuts and Jobs Act of 2017, BPU Docket No. AX18010001 and In re Jersey Central Power & Light Company for Approval of Revised Rates (Effective on an Interim Basis April 1, 2018) to Reflect the Reduction Under the Tax Cuts and Jobs Act of 2017, BPU Docket No. ER18030226, Order dated May 8, 2019.

tax rate and an ARAM return to accrual amounts attributable to the Company's 2018 tax return. As a result, the Company indicated that the net regulatory liability was under-refunded by \$427,525 through December 31, 2019 and estimated the cumulative balance through December 31, 2020 would be under-funded by \$743,852. According to JCP&L, this under-refunded amount is a result of slightly lower-than-projected sales. Given the low under-refunded amount, current business conditions, and the coronavirus pandemic, the Company proposed to maintain the Rider TAA at its then-current Board-approved rate.

2020 TAX ACT ADJUSTMENT FILING

On December 30, 2021, JCP&L filed a petition with the Board seeking review and reconciliation of its Rider TAA rates and revenues from January 1, 2020 to December 31, 2020 ("2020 TAA Petition"). In the 2020 TAA Petition, the Company estimated its Rider TAA net regulatory liability to be under-refunded by \$1,736,595 through December 31, 2020. The Company forecasted its regulatory liability for the period of January 1, 2021 through December 31, 2021 to be under-refunded by \$468,674, based on actual data through November 30, 2021 and the Company's forecasted amortization schedule. As a result, the Company projected a cumulative under-refunded balance of \$2,205,270 as of December 31, 2021. JCP&L proposed, given the relatively minor under-refunding and current business conditions, that the Company's then-current Rider TAA rate remain unchanged.

On September 27, 2022, the Company provided an update to its schedules with actuals through August 31, 2022 ("September 2022 Update"). According to the September 2022 Update, the Company under-refunded the cumulative net TAA regulatory liability from May 19, 2019 through December 31, 2020 by \$3,843,065. If implemented, the under-refunded amount would result in a decrease to the TAA credit for residential customers of \$0.000075 per kWh, from \$0.000310 to \$0.000235 per kWh, including SUT.⁷ Notwithstanding, the Company requested that the TAA rate remain at its current level of \$0.000310 per kWh, including SUT.

Because the Company requested no rate increase in both docketed matters, no public hearings were held for these matters.

STIPULATION

Following a review of the 2019 TAA Petition, the 2020 TAA Petition, and discovery, the Parties executed the Stipulation, which provides for the following:⁸

1. The Parties agree that the Company's cumulative actual deferred balance in its Rider TAA regulatory liability as of December 31, 2020 is an under-refunded amount of \$3,843,065, which includes a one-time bill credit (Base Rate Stub Period) realized from the annualized change in base rates as a result of the change in the corporate federal tax rate of 35% to 21%, and the forecasted under-refunded amount at the sunset of Rider TAA on May 31, 2024 is \$1,217,438. See Attachment

⁷ Based upon a December 1, 2022 to November 30, 2023 forecast of total kWh amounts and updated billing determinants from JCP&L's 2020 Base Rate filing, approved on October 28, 2020, BPU Docket No. ER20020146, PUC 04343-2020N, the resulting rate would decrease due to revised projected kWh sales and billing determinants.

⁸ Although summarized in this Order, the detailed terms of the Stipulation are controlling, subject to the findings and conclusions of this Order. Paragraphs are numbered to coincide with the Stipulation.

A, p. 3 and Attachment B, p. 1, of the Stipulation. The Parties further agree that the Company's Rider TAA rates shall be maintained at current Board-approved rates as set forth in the Company's Rider TAA, Original Sheet No. 66, which was made effective December 1, 2020. A copy of the currently effective Rider TAA is attached as Attachment C of the Stipulation.

2. The Parties further agree that JCP&L shall be authorized to continue to defer all additional amounts previously approved for deferral through Rider TAA, which are incurred and deferred subsequent to December 31, 2020, for review and inclusion in future annual TAA filings and related adjustments to the Company's Rider TAA, subject to the Board's review and approval.
3. The Parties also agree that, consistent with terms of Rider TAA, interest should not accrue on the Company's outstanding net unprotected EDIT liability and that no interest charges shall apply to over or under-recovered balances.
4. The Parties agree that upon the effective date of the Board's written Order approving the Stipulation, all issues related to JCP&L's 2019 TAA Filing and 2020 TAA Filing for the periods March 15, 2019 through December 31, 2019 and January 1, 2020 through December 31, 2020, respectively, are deemed resolved for purposes of these proceedings.
5. Pursuant to the May 2019 Order, the Parties agree that JCP&L is obligated to, "file a petition annually for the purpose of reviewing and reconciling its Rider TAA rates and revenues . . ." The Parties agree that JCP&L shall make all subsequent annual filings pursuant to the May 2019 Order on or before February 1 of each subsequent year until the conclusion of the Rider TAA.

DISCUSSION AND FINDINGS

The Board reviewed the record in this proceeding, including the 2019 TAA Petition, the 2020 TAA Petition, September 2022 Update, and the Stipulation. The Board **HEREBY FINDS** the Stipulation to be reasonable, in the public interest, and in accordance with the law. As such, the Board **HEREBY ADOPTS** the Stipulation in its entirety and **HEREBY INCORPORATES** its terms and conditions as though fully set forth herein.

The Board **HEREBY APPROVES** the Company's request to maintain its TAA rate at the current Board-approved rate of \$0.000310 per kWh, including SUT.

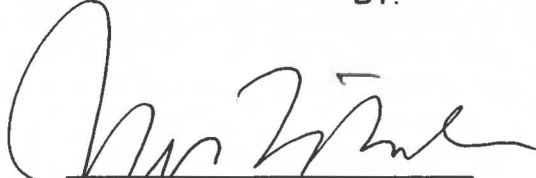
The Board **HEREBY DIRECTS** JCP&L to file the appropriate tariff sheets conforming to the terms and conditions of this Order prior to May 31, 2023.

The Company's 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.

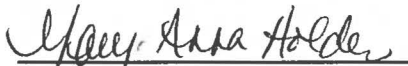
This Order shall be effective May 17, 2023.

DATED: May 10, 2023

BOARD OF PUBLIC UTILITIES
BY:



JOSEPH L. FIORDALISO
PRESIDENT



MARY-ANNA HOLDEN
COMMISSIONER



DIANNE SOLOMON
COMMISSIONER



DR. ZENON CHRISTODOULOU
COMMISSIONER

ATTEST: 

SHERRI L. GOLDEN
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 TAX ADJUSTMENT OF ITS FILED TARIFF ("2019
TAA FILING")

AND

IN THE MATTER OF THE VERIFIED PETITION OF JERSEY CENTRAL POWER & LIGHT COMPANY
CONSTITUTING ITS ANNUAL FILING WITH RESPECT TO THE TAX ADJUSTMENT OF ITS FILED TARIFF ("2020
TAA FILING")

DOCKET NOS. ER20120767 and ER21121258

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April 26, 2023

VIA ELECTRONIC MAIL ONLY

Sherri Golden, Secretary
New Jersey Board of Public Utilities
44 South Clinton Ave.
Trenton, NJ 08625
Board.Secretary@bpu.nj.gov

Re: In the Matter of the Verified Petition of Jersey Central Power & Light Company Constituting Its Annual Filing With Respect to the Tax Act Adjustment of Its Filed Tariff (“2019 TAA Filing”); BPU Docket No. ER20120767

In the Matter of the Verified Petition of Jersey Central Power & Light Company Constituting Its Annual Filing With Respect to the Tax Act Adjustment of Its Filed Tariff (“2020 TAA Filing”); BPU Docket No. ER21121258

Stipulation of Settlement

Dear Secretary Golden:

Attached please find for filing a fully executed Stipulation of Settlement in the above-referenced matters. This Stipulation of Settlement fully resolves these matters. Copies of this filing are being provided by electronic mail only. No physical copies will follow. Please kindly confirm your receipt and acceptance of this filing by electronic mail at your earliest convenience.

Respectfully submitted,



Joshua R. Eckert
Counsel for Jersey Central Power & Light Company

cc: Email Distribution

**STATE OF NEW JERSEY
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
TAX ACT ADJUSTMENT OF ITS FILED
TARIFF (“2019 TAA FILING”)**

BPU DOCKET NO. ER20120767

**IN THE MATTER OF THE VERIFIED
PETITION OF JERSEY CENTRAL POWER
& LIGHT COMPANY CONSTITUTING ITS
ANNUAL FILING WITH RESPECT TO THE
TAX ACT ADJUSTMENT OF ITS FILED
TARIFF (“2020 TAA FILING”)**

BPU DOCKET NO. ER21121258

STIPULATION OF SETTLEMENT

Joshua R. Eckert, Esq. (FirstEnergy Service Company), on behalf of Jersey Central Power & Light Company

T. David Wand, Esq., Deputy Rate Counsel and **Bethany Rocque-Romaine, Esq.**, Assistant Deputy Rate Counsel, on behalf of New Jersey Division of Rate Counsel (**Brian O. Lipman, Esq.**, Director)

Terel Klein, Deputy Attorney General, for the Staff of the New Jersey Board of Public Utilities (**Matthew J. Platkin**, Attorney General of New Jersey)

TO THE HONORABLE BOARD OF PUBLIC UTILITIES:

This Stipulation of Settlement (“Stipulation”) is hereby made and executed as of the dates indicated below by and among the Petitioner in the above-referenced proceedings, 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, “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, without modification, based upon the following terms:

BACKGROUND

The 2017 Act, January 31 Order, and Initial JCP&L TAA Filing

On December 22, 2017, the federal Tax Cuts and Jobs Act (“2017 Act”) was signed into law, with an effective date of January 1, 2018. On January 31, 2018, the New Jersey Board of Public Utilities (“Board” or “BPU”) issued an Order commencing a proceeding “to examine the impact resulting from the 2017 Act on the utilities and the current rates under the Board’s jurisdiction to determine the appropriate level and mechanism by which rates must be adjusted to reflect the benefits resulting from the 2017 Act as well as the interest rate calculation on the deferred account.”¹ The Board directed each utility with revenues in excess of \$4.5 million annually impacted by the 2017 Act to: 1) defer on its books (with interest at the utility’s approved weighted average cost of capital) the effects of the 2017 Act on its accumulated deferred income taxes (“ADIT”), effective January 1, 2018; and 2) defer on its books the impact of the 2017 Act on the “gross-up” of the utility’s revenue requirement (reflecting the reduction in the federal income tax rate from 35% to 21%), also effective as of January 1, 2018. The Board further ordered the utilities to file a petition by March 2, 2018 that: (i) proposed revised rates (effective on an interim basis April 1, 2018) to reflect the reduction in the “gross-up” under the 2017 Act; and (ii) proposed a mechanism to return the excess income taxes (“EDIT”) to customers, with a target effective date of July 1, 2018.²

¹ *In the Matter of the New Jersey Board of Public Utilities’ Consideration of the Tax Cuts and Jobs Act of 2017*, BPU Docket No. AX18010001, Order dated Jan. 31, 2018 (“January 31 Order”).

² *Id.* at 2-5.

On March 2, 2018, JCP&L submitted its filing to comply with the directives of the January 31 Order (“Initial JCP&L TAA Filing”). In the Initial JCP&L TAA Filing, JCP&L proposed creating a new rate class called the Rider Tax Act Adjustment (“Rider TAA”). The Rider TAA would include amortization of the EDITs, both rate base-related and non-rate base-related (unprotected) and including a gross-up to revenue requirement, and would include any true-up amounts from a contemplated base rate adjustment for the change in current taxes as part of the Company’s next base rate case.

On April 24, 2019, the parties to the Company’s Initial JCP&L TAA Filing filed a Stipulation of Settlement (“Initial TAA Stipulation”) in which the parties agreed that, *inter alia*, JCP&L will file a petition annually for the purpose of reviewing and reconciling its Rider TAA rates and revenues, which would include the amortization of: 1) the property-related unprotected EDIT liability; 2) the non-property related unprotected EDIT asset; 3) the ARAM Stub Period Amount; 4) return on the cumulative monthly change in rate base; and 5) “Other Amortization”. Pursuant to the Initial TAA Stipulation, Rider TAA expires after five (5) years. On May 8, 2019, the Board issued an Order adopting the Initial TAA Stipulation without modification.³

2019 TAA Filing

On December 29, 2020, JCP&L filed a Verified Petition with supporting schedules to reconcile Rider TAA for the period of March 15, 2019 through December 31, 2019 (“2019 TAA Filing”). In the 2019 TAA Filing, JCP&L calculated the net regulatory liability in the Company’s Rider TAA balance as a relatively small under-refunded amount to customers. See Attachment A, p. 1. Given the relatively small under-refunded amount (\$1,249,374) and the then-current business conditions, including reduced sales as a result of the coronavirus pandemic, JCP&L

³ *In the Matter of the New Jersey Board of Public Utilities’ Consideration of the Tax Cuts and Jobs Act of 2017*, BPU Docket No. AX18010001 and ER18030226, Order dated May 8, 2019 (“May 2019 Order”).

proposed that Rider TAA be maintained at the current Board-approved rates. The 2019 TAA Filing remained pending at the time of the Company's next annual filing to reconcile its Rider TAA and remains pending at the time of filing of this Stipulation.

2020 TAA Filing

On December 30, 2021, JCP&L filed a Verified Petition with supporting schedules to reconcile Rider TAA for the period January 1, 2020 through December 31, 2020 ("2020 TAA Filing"). The Company calculated in its 2020 TAA Filing that there existed a relatively small under-refunded amount (\$2,593,692) in the Rider TAA and again proposed that Rider TAA be maintained at current Board-approved rates. See Attachment A, p. 3.

STIPULATION

The undersigned Parties DO HEREBY STIPULATE AND AGREE as follows:

1. The Parties agree that the Company's cumulative actual deferred balance in its Rider TAA regulatory liability as of December 31, 2020 is an under-refunded amount of \$3,843,065, which includes a one-time bill credit (Base Rate Stub Period) realized from the annualized change in base rates as a result of the change in the corporate federal tax rate of 35% to 21%, and the forecasted under-refunded amount at the sunset of Rider TAA on May 31, 2024 is \$1,217,438. See Attachment A, p. 3 and Attachment B, p. 1, respectively. The Parties further agree that the Company's Rider TAA rates shall be maintained at current Board-approved rates as set forth in the Company's Rider TAA, Original Sheet No. 66, which was made effective December 1, 2020. A copy of the currently effective Rider TAA is attached hereto as Attachment C.

2. The Parties further agree that JCP&L shall be authorized to continue to defer all additional amounts previously approved for deferral through Rider TAA, which are incurred and

deferred subsequent to December 31, 2020, for review and inclusion in future annual TAA filings and related adjustments to the Company's Rider TAA, subject to the Board's review and approval.

3. The Parties also agree that, consistent with terms of Rider TAA, interest should not accrue on the Company's outstanding net unprotected EDIT liability and that no interest charges shall apply to over or under-recovered balances.

4. The Parties agree that upon the effective date of the Board's written Order approving this Stipulation, all issues related to JCP&L's 2019 TAA Filing and 2020 TAA Filing for the periods March 15, 2019 through December 31, 2019 and January 1, 2020 through December 31, 2020, respectively, are deemed resolved for purposes of these proceedings.

5. Pursuant to the May 2019 Order, the Parties agree that JCP&L is obligated to, "file a petition annually for the purpose of reviewing and reconciling its Rider TAA rates and revenues . . ." ⁴ The Parties agree that JCP&L shall make all subsequent annual filings pursuant to the May 2019 Order on or before February 1 of each subsequent year until the conclusion of the Rider TAA.

CONCLUSION

6. 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 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

⁴ May 2019 Order.

jurisdiction, then any Party hereto is free, upon 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.

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

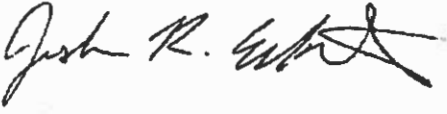
a. By executing this Stipulation, no Party waives any rights it possesses under any prior Stipulation, except where the terms of this Stipulation supersede such prior Stipulation; and

b. The contents of this Stipulation shall not 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.

8. 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.

[SIGNATURES ON NEXT PAGE]

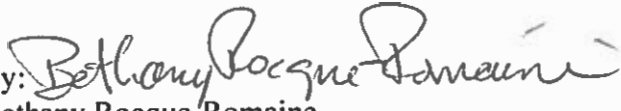
JERSEY CENTRAL POWER & LIGHT COMPANY

By: 

Joshua R. Eckert, Esq.
Counsel for Jersey Central Power & Light Company

4/26/23

**BRIAN O. LIPMAN, ESQ.
DIRECTOR, DIVISION OF RATE COUNSEL**

By:  4/26/23
Bethany Rocque-Romaine
Assistant Deputy Rate Counsel

**MATTHEW J. PLATKIN
ATTORNEY GENERAL OF NEW JERSEY
ATTORNEY FOR STAFF OF THE BOARD OF PUBLIC UTILITIES**

By: 
Terel Klein
Deputy Attorney General

4/26/23

Jersey Central Power & Light Company
Calculation of (Over)/Under Recovery
Rider TAA (Tax Act Adjustment)

Line No.	Amortization Period	ACTUAL* May-19	ACTUAL* Jun-19	ACTUAL* Jul-19	ACTUAL* Aug-19	ACTUAL* Sep-19	ACTUAL* Oct-19	ACTUAL* Nov-19	ACTUAL* Dec-19	YTD 2019
Calculation of Monthly TAA Deferred Cost:										
1	Current Month TAA Accounts Revenue (Tariff Rider TAA)	\$ 647,043	\$ 5,902,340	\$ 1,974,974	\$ 595,993	\$ 506,936	\$ 396,870	\$ 346,616	\$ 404,257	\$ 10,775,027
2	One Time Bill Credit (Base Rate Stub Period)	\$ (7,044,975)								\$ (7,044,975)
3	ARAM Deferral	\$ (83,788)	\$ (152,790)	\$ (152,790)	\$ (152,790)	\$ (152,790)	\$ (152,790)	\$ (152,790)	\$ (152,790)	\$ (1,153,321)
4	ARAM 2018 RTA					\$ (30,014)	\$ (30,014)	\$ (30,014)	\$ (30,014)	\$ (120,056)
5	ARAM 2019 RTA									\$ -
6	Property-Related Unprotected Amort	\$ (1,516,199)	\$ (2,764,833)	\$ (2,764,833)	\$ (2,764,833)	\$ (2,764,833)	\$ (2,764,833)	\$ (2,764,833)	\$ (2,764,833)	\$ (20,870,028)
7	Property-Related Unprotected Amort (Excess COR)	\$ 157,852	\$ 287,848	\$ 287,848	\$ 287,848	\$ 287,848	\$ 287,848	\$ 287,848	\$ 287,848	\$ 2,172,786
8	Property-Related Unprotected Amort	\$ (61,147)	\$ (111,503)	\$ (111,503)	\$ (111,503)	\$ (111,503)	\$ (111,503)	\$ (111,503)	\$ (111,503)	\$ (841,666)
9	Non-Property Unprotected Amort	\$ 1,041,425	\$ 1,899,069	\$ 1,899,069	\$ 1,899,069	\$ 1,899,069	\$ 1,899,069	\$ 1,899,069	\$ 1,899,069	\$ 14,334,909
10	Other Amortization	\$ 75,403	\$ 137,500	\$ 137,500	\$ 137,500	\$ 137,500	\$ 137,500	\$ 137,500	\$ 137,500	\$ 1,037,903
11	Return on Change in Rate Base	\$ 7,790	\$ 21,994	\$ 36,199	\$ 50,403	\$ 64,608	\$ 78,813	\$ 93,017	\$ 107,222	\$ 460,046
12	Total Balance/Expense Credit	\$ (7,423,639)	\$ (682,715)	\$ (668,510)	\$ (654,306)	\$ (670,115)	\$ (655,910)	\$ (641,706)	\$ (627,501)	\$ (12,024,401)
13	Amount (Over)/Under Recovered	\$ (6,776,597)	\$ 5,219,625	\$ 1,306,464	\$ (58,313)	\$ (163,179)	\$ (259,041)	\$ (295,089)	\$ (223,244)	\$ (1,249,374)
14	Cumulative (Over)/Under Recovered	\$ (6,776,597)	\$ (1,556,971)	\$ (250,508)	\$ (308,821)	\$ (471,999)	\$ (731,040)	\$ (1,026,129)	\$ (1,249,374)	\$ (1,249,374)

Jersey Central Power & Light Company
Calculation of (Over)/Under Recovery
Rider TAA (Tax Act Adjustment)

Line No.		ACTUAL* Jan-20	ACTUAL* Feb-20	ACTUAL* Mar-20	ACTUAL* Apr-20	ACTUAL* May-20	ACTUAL* Jun-20	ACTUAL* Jul-20
Calculation of Monthly TAA Deferred Cost:								
1	Current Month TAA Accounts Revenue (Tariff Rider TAA)	\$ 421,949	\$ 392,119	\$ 380,841	\$ 355,151	\$ 338,254	\$ 403,398	\$ 525,922
2	One Time Bill Credit (Base Rate Stub Period)							
3	ARAM Deferral	\$ (152,790)	\$ (152,790)	\$ (152,790)	\$ (152,790)	\$ (152,790)	\$ (152,790)	\$ (152,790)
4	ARAM 2018 RTA	\$ (30,014)	\$ (30,014)	\$ (30,014)	\$ (30,014)	\$ (30,014)	\$ (30,014)	\$ (30,014)
5	ARAM 2019 RTA							
6	Property-Related Unprotected Amort	\$ (2,764,833)	\$ (2,764,833)	\$ (2,764,833)	\$ (2,764,833)	\$ (2,764,833)	\$ (2,764,833)	\$ (2,764,833)
7	Property-Related Unprotected Amort (Excess COR)	\$ 287,848	\$ 287,848	\$ 287,848	\$ 287,848	\$ 287,848	\$ 287,848	\$ 287,848
8	Property-Related Unprotected Amort	\$ (111,503)	\$ (111,503)	\$ (111,503)	\$ (111,503)	\$ (111,503)	\$ (111,503)	\$ (111,503)
9	Non-Property Unprotected Amort	\$ 1,899,069	\$ 1,899,069	\$ 1,899,069	\$ 1,899,069	\$ 1,899,069	\$ 1,899,069	\$ 1,899,069
10	Other Amortization	\$ 137,500	\$ 137,500	\$ 137,500	\$ 137,500	\$ 137,500	\$ 137,500	\$ 137,500
11	Return on Change in Rate Base	\$ 121,426	\$ 135,631	\$ 149,836	\$ 164,040	\$ 178,245	\$ 192,449	\$ 14,205
12	Total Balance/Expense Credit	\$ (613,296)	\$ (599,092)	\$ (584,887)	\$ (570,683)	\$ (556,478)	\$ (542,273)	\$ (720,518)
13	Amount (Over)/Under Recovered	<u>\$ (191,347)</u>	<u>\$ (206,973)</u>	<u>\$ (204,046)</u>	<u>\$ (215,532)</u>	<u>\$ (218,224)</u>	<u>\$ (138,875)</u>	<u>\$ (194,596)</u>
14	Cumulative (Over)/Under Recovered	<u>\$ (1,440,721)</u>	<u>\$ (1,647,695)</u>	<u>\$ (1,851,740)</u>	<u>\$ (2,067,272)</u>	<u>\$ (2,285,496)</u>	<u>\$ (2,424,371)</u>	<u>\$ (2,618,967)</u>

Jersey Central Power & Light Company
Calculation of (Over)/Under Recovery
Rider TAA (Tax Act Adjustment)

Line No.		ACTUAL* Aug-20	ACTUAL* Sep-20	ACTUAL* Oct-20	ACTUAL* Nov-20	ACTUAL* Dec-20	YTD 2020
Calculation of Monthly TAA Deferred Cost:							
1	Current Month TAA Accounts Revenue (Tariff Rider TAA)	\$ 596,975	\$ 525,073	\$ 376,568	\$ 338,664	\$ 380,493	\$ 5,035,408
2	One Time Bill Credit (Base Rate Stub Period)						
3	ARAM Deferral	\$ (152,790)	\$ (152,790)	\$ (152,790)	\$ (152,790)	\$ (152,790)	\$ (1,833,484)
4	ARAM 2018 RTA	\$ (30,014)	\$ (30,014)	\$ (30,014)	\$ (30,014)	\$ (30,014)	\$ (360,167)
5	ARAM 2019 RTA		\$ (13,087)	\$ (13,087)	\$ (13,087)	\$ (13,087)	\$ (52,349)
6	Property-Related Unprotected Amort	\$ (2,764,833)	\$ (2,764,833)	\$ (2,764,833)	\$ (2,764,833)	\$ (2,764,833)	\$ (33,177,993)
7	Property-Related Unprotected Amort (Excess COR)	\$ 287,848	\$ 287,848	\$ 287,848	\$ 287,848	\$ 287,848	\$ 3,454,173
8	Property-Related Unprotected Amort	\$ (111,503)	\$ (111,503)	\$ (111,503)	\$ (111,503)	\$ (111,503)	\$ (1,338,033)
9	Non-Property Unprotected Amort	\$ 1,899,069	\$ 1,899,069	\$ 1,899,069	\$ 1,899,069	\$ 1,899,069	\$ 22,788,830
10	Other Amortization	\$ 137,500	\$ 137,500	\$ 137,500	\$ 137,500	\$ 137,500	\$ 1,650,000
11	Return on Change in Rate Base	\$ 28,409	\$ 42,614	\$ 56,818	\$ 71,023	\$ 85,228	\$ 1,239,924
12	Total Balance/Expense Credit	\$ (706,314)	\$ (705,196)	\$ (690,992)	\$ (676,787)	\$ (662,583)	\$ (7,629,099)
13	Amount (Over)/Under Recovered	\$ (109,339)	\$ (180,123)	\$ (314,423)	\$ (338,123)	\$ (282,090)	\$ (2,593,692)
14	Cumulative (Over)/Under Recovered	\$ (2,728,306)	\$ (2,908,429)	\$ (3,222,853)	\$ (3,560,976)	\$ (3,843,065)	\$ (3,843,065)

JERSEY CENTRAL POWER & LIGHT COMPANY
Rider TAA ("Tax Act Adjustment")
For Tariff Rider Effective December 1, 2022

Line No.		Actual Year 2019 (1)	Actual Year 2020 (2)	Actual Year 2021 (3)	Actual/Forecast Year 2022 (4)	Forecast Year 2023 (5)	Forecast Year 2024 (6)	Total as of 5/31/2024 (7)	Data Sources Attachment A
Rider TAA									
1	Total TAA Revenue Reduction	\$ 10,775,027	\$ 5,035,408	\$ 5,010,812	\$ 5,214,541	\$ 5,066,626	\$ 1,584,780	\$ 32,687,194	Line No. 1
2	One Time Bill Credit (Base Rate Stub Period)	(7,044,975)	-	-	-	-	-	(7,044,975)	Line No. 2
3	ARAM Deferral Amortization	(1,153,321)	(1,833,484)	(1,833,484)	(1,833,484)	(1,833,484)	(680,163)	(9,167,421)	Line No. 3
4	2018 Return to Accrual Amortization (RTA)	(120,056)	(360,167)	(360,167)	(360,167)	(360,167)	(150,069)	(1,710,792)	Line No. 4
5	2019 Return to Accrual Amortization (RTA)		(52,349)	(157,048)	(157,048)	(157,048)	(65,437)	(588,929)	Line No. 5
6	Property Related Unprotected Amortization	(19,538,907)	(31,061,853)	(31,061,853)	(31,061,853)	(31,061,853)	(11,522,945)	(155,309,263)	Line Nos. 6, 7 & 8
7	Non Property Unprotected Amortization	14,334,909	22,788,830	22,788,830	22,788,830	22,788,830	8,453,921	113,944,149	Line No. 9
8	Other Amortization	1,037,903	1,650,000	1,650,000	1,650,000	1,650,000	612,097	8,250,000	Line No. 10
9	Return on Change in Rate Base	460,046	1,239,924	2,172,164	4,257,442	6,342,719	3,250,305	17,722,600	Line No. 11
10	(Over)/Under Recovery	<u>(1,249,374)</u>	<u>(2,593,692)</u>	<u>(1,790,745)</u>	<u>498,262</u>	<u>2,435,624</u>	<u>1,482,488</u>	<u>(1,217,438)</u>	Line No. 13
11	Total Refundable Rider TAA Balance	<u>\$ (1,249,374)</u>	<u>\$ (2,593,692)</u>	<u>\$ (1,790,745)</u>	<u>\$ 498,262</u>	<u>\$ 2,435,624</u>	<u>\$ 1,482,488</u>	<u>\$ (1,217,438)</u>	Line No. 13
Summary of Tariff Rider TAA:									
12	2019 Actual (Over) Recovery	(1,249,374)						(1,249,374)	Line 13
13	2020 Actual (Over) Recovery		(2,593,692)					(2,593,692)	Line 13
14	2021 Actual (Over) Recovery			(1,790,745)				(1,790,745)	Line 13
15	2022 Actual Under Recovery				498,262			498,262	Line 13
16	2023 Actual Under Recovery					2,435,624		2,435,624	Line 13
17	2024 Actual Under Recovery						1,482,488	1,482,488	Line 13
18	Total (Over)/Under Recovery Rider TAA Balance	<u>\$ (1,249,374)</u>	<u>\$ (2,593,692)</u>	<u>\$ (1,790,745)</u>	<u>\$ 498,262</u>	<u>\$ 2,435,624</u>	<u>\$ 1,482,488</u>	<u>\$ (1,217,438)</u>	Total Lines 13 & 14

JERSEY CENTRAL POWER & LIGHT COMPANY

BPU No. 13 ELECTRIC - PART III

Original Sheet No. 66

**Rider TAA
Tax Act Adjustment**

APPLICABILITY: Rider TAA provides a credit resulting from the amortization and reconciliation of certain Excess Deferred Income Taxes ("EDIT"), including applicable carrying charges related to the impact of the Federal Tax Cuts and Jobs Act of 2017 ("Tax Act") on the Company's rates.

Effective **May 15, 2019**, the following TAA credits, including one time bill credit, (including Sales and Use Tax as provided in Rider SUT) will be applicable to all KWH usage of any Full Service Customer or Delivery Service Customer under Service Classification:

RS	\$0.006389 per KWH
RT/RGT	\$0.006103 per KWH
GS	\$0.005116 per KWH
GST	\$0.003950 per KWH
GP	\$0.002782 per KWH
GT	\$0.001632 per KWH
Lighting	\$0.027344 per KWH

(includes OL, SVL, MVL, ISL and LED)

Effective **June 15, 2019**, the following TAA credits (including Sales and Use Tax as provided in Rider SUT) will be applicable to all KWH usage of any Full Service Customer or Delivery Service Customer under Service Classification:

RS	\$0.000310 per KWH
RT/RGT	\$0.000307 per KWH
GS	\$0.000274 per KWH
GST	\$0.000213 per KWH
GP	\$0.000154 per KWH
GT	\$0.000093 per KWH
Lighting	\$0.001567 per KWH

(includes OL, SVL, MVL, ISL and LED)

Carrying Charges: Interest should not accrue on the outstanding net unprotected EDIT liability. No interest charges apply to over or under-recovered balances.

Issued: October 30, 2020

Effective: December 1, 2020

Filed pursuant to Order of Board of Public Utilities
Docket Nos. ER20020146 and PUC 04343-2020N dated October 28, 2020

Issued by James V. Fakult, President
300 Madison Avenue, Morristown, NJ 07962-1911