



Agenda Date: 8/13/25

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 JERSEY CENTRAL POWER) ORDER TO SHOW CAUSE
& LIGHT COMPANY'S ATTAINMENT OF)
MINIMUM RELIABILITY LEVELS) DOCKET NO. EO25070453

Parties of Record:

Tori Giesler, Esq., Jersey Central Power & 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") orders Jersey Central Power & Light Company ("JCP&L" or "Company") to show cause why the Board should not impose certain penalties upon JCP&L for failure to comply with the Board's Electric Distribution Service Reliability and Quality Standards, as codified at N.J.A.C. 14:5-8.1 *et seq.*, for the Company's failure to meet the Board's Minimum Reliability Levels ("MRLs") for calendar years 2022, 2023, and 2024.

BACKGROUND

As part of their provision of service, the State's electric distribution companies ("EDCs") must meet Board-established MRLs, benchmark and evaluate their systems' respective levels of reliability, and identify deficiencies when the MRLs are not met in their respective service territories. Pursuant to N.J.A.C. 14:5-8.10(a), an EDC's reliability performance level is set at the five (5)-year average for the previous five (5) years for each of the System Average Interruption Frequency Index ("SAIFI") and Customer Average Interruption Duration Index ("CAIDI") indices ("Benchmark").¹ An EDC attains the MRL for its respective operating area when its annual CAIDI and SAIFI values are no higher than its respective Benchmark standard plus one-and-one-half (1.5) standard deviations.²

¹ SAIFI represents the average frequency of sustained interruptions per customer during the reporting period. CAIDI represents the average time, in minutes, required to restore service to those customers that experienced sustained interruptions during the reporting period. See N.J.A.C. 14:5-1.2.

² N.J.A.C. 14:5-8.10(a)(3).

N.J.A.C. 14:5-8.2(a) requires that each EDC take reasonable measures to maintain lower numerical values than the CAIDI and SAIFI MRLs. In accordance with N.J.A.C. 14:5-8.2(b), performance with higher numerical values than the MRLs for CAIDI and SAIFI is a violation of the rules and may be subject to penalty.

Moreover, N.J.A.C. 14:5-8.3(a) and (b) require that each EDC have reasonable programs and procedures in place to maintain MRLs for their respective operating areas designed to sustain and, where appropriate, improve reliability. The EDC must utilize appropriate and qualified resources to maintain at least the MRLs for their respective operating areas.

In accordance with N.J.A.C. 14:5-8.8, each of the State's EDCs must also submit to the Board an Annual System Performance Report ("ASPR") on or before May 31 each year in both public and confidential version.³ Among other items, the ASPR must include information regarding the electric service reliability performance for the EDC's operating areas in relation to the MRLs of their SAIFI and CAIDI indices during the prior calendar year.⁴

Pursuant to N.J.A.C. 14:5-8.5(c), EDCs that file an ASPR under N.J.A.C. 14:5-8.8 identifying one (1) or more operating areas with performance that has higher numerical values than the MRLs for CAIDI and SAIFI, must review their previous two (2) ASPRs to address operating area reliability performance. Additionally, N.J.A.C. 14:5-8.5(d) requires that EDCs that identify one (1) or more operating areas with performance that has higher numerical values than the MRL for CAIDI and SAIFI in two (2) of the past three (3) Annual Reports must further examine its equipment and circuits for causes of systemic outages and implement corrective measures as required under N.J.A.C. 14:5-8.5(b), and report on these circuits and corrective measures as directed in N.J.A.C. 14:5-8.8(g).

Further, pursuant to N.J.A.C. 14:5-8.6(a), the EDCs must have inspection and maintenance programs for distribution facilities as appropriate to furnish safe, proper, and adequate service. Pursuant to N.J.A.C. 14:5-8.6(a)(2), these programs must be focused on mitigating causes of interruption with the greatest impact on reliability including, but not limited to, equipment, vegetation, and animals.

³ N.J.A.C. 14:5-8.8(a).

⁴ N.J.A.C. 14:5-8.8(b), (c).

JCP&L'S RECENT RELIABILITY PERFORMANCE

JCP&L submitted its calendar year 2022 ASPR to the Board on May 31, 2023, which identified several of JCP&L's performance deficiencies that did not meet the MRLs. As shown in Table 1 below, JCP&L exceeded its MRLs for SAIFI in both its Northern and Central Regions.

Table 1 – JCP&L 2022 Reliability Performance

	CAIDI			SAIFI		
	Benchmark Reliability Level	Minimum Reliability Level	2022 Actual (Minutes)	Benchmark Reliability Level	Minimum Reliability Level	2022 Actual (Outages)
JCP&L	N/A	N/A	118.81	N/A	N/A	1.46
JCP&L - Northern	128	151	143.72	1.18	1.35	1.53
JCP&L - Central	101	110	99.9	1.01	1.22	1.41

JCP&L submitted its calendar year 2023 ASPR to the Board on May 31, 2024, which identified several MRL performance deficiencies. As shown in Table 2 below, JCP&L exceeded its MRLs for CAIDI in both its Northern and Central Regions and exceeded its MRL for SAIFI in its Northern Region. Also by its 2023 ASPR, JCP&L identified certain measures the Company undertook to try to mitigate deficiencies from prior years including, improvements made through its Reliability Plus program such as new recloser and TripSaver installations,⁵ continued identification of opportunities to install reclosers and TripSavers, development of a high-priority circuit plan to address high-priority circuits identified by the Board, the Company's infrastructure investment program ("IIP") "EnergizeNJ",⁶ and greater commitment to vegetation management.

Table 2 – JCP&L 2023 Reliability Performance

	CAIDI			SAIFI		
	Benchmark Reliability Level	Minimum Reliability Level	2023 Actual (Minutes)	Benchmark Reliability Level	Minimum Reliability Level	2023 Actual (Outages)
JCP&L	N/A	N/A	147.3	N/A	N/A	1.48
JCP&L - Northern	133	143	147.1	1.37	1.54	1.86
JCP&L - Central	102	109	147.6	1.17	1.38	1.21

JCP&L submitted its calendar year 2024 ASPR to the Board on May 30, 2025, which identified continuing MRL performance deficiencies. As shown in Table 3 below, JCP&L exceeded its MRL for CAIDI in its Northern Region and exceeded its MRLs for SAIFI in both its Northern Region and Central Regions. Also by its 2024 ASPR, JCP&L identified certain measures the Company undertook to try to further mitigate deficiencies including its Enhanced Reliability Program initiated

⁵ In re the Verified Petition of Jersey Central Power & Light Company for Approval of an Infrastructure Investment Program (JCP&L Reliability Plus), BPU Docket No. EO18070728, Order dated May 8, 2019.

⁶ In re the Verified Petition of Jersey Central Power & Light Company for Approval of an Infrastructure Investment Program II ("EnergizeNJ"), BPU Docket No. EO23110793, Order dated April 23, 2025.

to fund projects for historically poor-performing circuits, the Company's Sub-Transmission Relay and Control Upgrade program, the Company's recently approved IIP "EnergizeNJ", and the Company's Reliability Improvement Program approved by the Board via Order dated February 14, 2024 in the Company's most recent base rate case proceeding.⁷

Table 3 – JCP&L 2024 Reliability Performance

	CAIDI			SAIFI		
	Benchmark Reliability Level	Minimum Reliability Level	2024 Actual (Minutes)	Benchmark Reliability Level	Minimum Reliability Level	2024 Actual (Outages)
JCP&L	N/A	N/A	160.30	N/A	N/A	1.95
JCP&L - Northern	136	149	198.33	1.49	1.84	2.08
JCP&L - Central	110	142	129.95	1.19	1.40	1.85

As demonstrated in the above tables, JCP&L not only failed to meet certain MRLs for each of the previous three (3) years, but its Company-wide SAIFI and CAIDI continued to worsen each year. Additionally, by the Company's 2024 ASPR, JCP&L indicated that it experienced a ten (10)-year high for all outage types in 2024, including animal-related outages, equipment-related outages, lightning-related outages, other/unknown outages, tree-related outages, and vehicle-related outages.

DISCUSSION AND FINDINGS

As noted above, JCP&L has, for at least the last three (3) ASPR reporting periods, failed to attain its Board-prescribed MRLs. Pursuant to N.J.A.C. 14:5-8.2(b), such failure is a violation of the Board's rules and may be subject to penalty. Additionally, JCP&L's failure to meet the Board's prescribed MRLs demonstrates potential noncompliance with the requirements of N.J.A.C. 14:5-8.3(a), which requires JCP&L to maintain reasonable programs and procedures necessary to achieve the MRLs for its respective operating areas, and N.J.A.C. 14:5-8.3(b), which requires JCP&L to utilize appropriate and qualified resources to maintain, at a minimum, the MRLs for its respective operating areas.

Further, JCP&L has not identified any action it has undertaken to determine causes of systemic outages, implement corrective measures, or report on such outages and corrective measures, thereby demonstrating potential noncompliance with N.J.A.C. 14:5-8.5(d). Similarly, JCP&L has failed to show evidence of existing appropriate inspection and maintenance programs utilized to furnish safe, proper, and adequate service as required by N.J.A.C. 14:5-8.6(a).

⁷ In re the Verified Petition of Jersey Central Power & Light Company for Review and Approval of Increases in, and Other Adjustments to, its Rates and Charges for Electric Service, and for Approval of Other Proposed Tariff Revisions in Connection Therewith ("JCP&L 2023 Base Rate Filing"), BPU Docket No. ER23030144, OAL Docket No. PUC 3346-23, Order dated February 14, 2024.

In light of the foregoing, the Board, an agency within a department of the Executive Branch of the Government of the State of New Jersey, with principal offices as 44 South Clinton Avenue, Trenton, New Jersey, by way of this Order to Show Cause **HEREBY ALLEGES**:

1. JCP&L failed to take reasonable measures, over the course of calendar years 2022-2024, to meet its MRLs throughout multiple of its operating regions, in violation of N.J.A.C. 14:5-8.2(a);
2. JCP&L failed to have reasonable programs and procedures necessary to maintain the MRLs for its respective operating areas pursuant to N.J.A.C. 14:5-8.3(a);
3. JCP&L failed to utilize appropriate and qualified resources to maintain, at a minimum, the MRLs for its respective operating areas pursuant to N.J.A.C. 14:5-8.3(b);
4. JCP&L failed to reasonably examine its equipment and circuits for causes of systemic outages and implement corrective measures pursuant to N.J.A.C. 14:5-8.5(d);
5. JCP&L failed to have inspection and maintenance programs appropriate to furnish safe, proper, and adequate service pursuant to N.J.A.C. 14:5-8.6(a); and
6. JCP&L failed to have inspection and maintenance programs focused in significant part on mitigating causes of interruption with the greatest impact on reliability pursuant to N.J.A.C. 14:5-8.6(a)(2).

Accordingly, the Board **HEREBY ORDERS**:

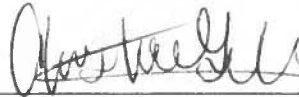
1. JCP&L to show cause before the Board why the Board should not find the Company in violation of N.J.A.C. 14:5-8.2, N.J.A.C. 14:5-8.3, N.J.A.C. 14:5-8.5, N.J.A.C. 14:5-8.6, and any and all other such statutes and regulations as may be appropriate in relation to JCP&L's alleged failure to achieve its MRLs for the calendar years 2022 through 2024.
2. JCP&L to show cause before the Board why the Board should not assess a monetary penalty for the Company's failure to comply with these requirements pursuant to N.J.A.C. 14:5-8.2(b) and N.J.A.C. 14:5-8.13.
3. JCP&L to file an Answer to this Order to Show Cause and provide any and all documents or other written evidence upon which it may rely in responding to the within Order to Show Cause by September 10, 2025.

The Board **HEREBY DIRECTS** that a certified copy of this Order be served upon JCP&L pursuant to N.J.S.A. 48:2-40.

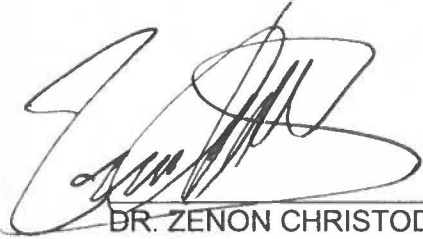
This Order shall be effective August 20, 2025.

DATED: August 13, 2025

BOARD OF PUBLIC UTILITIES
BY:



CHRISTINE GUHL-SADOVY
PRESIDENT



DR. ZENON CHRISTODOULOU
COMMISSIONER



MICHAEL BANGE
COMMISSIONER

ATTEST:



SHERRI L. LEWIS
BOARD 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 JERSEY CENTRAL POWER & LIGHT COMPANY'S ATTAINMENT OF MINIMUM
RELIABILITY LEVELS

DOCKET NO. EO25070453

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