



Agenda Date: 9/24/26

Agenda Item: 2E

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/

REVENUE AND RATES

IN THE MATTER OF THE VERIFIED PETITION	)	DECISION AND ORDER
OF JERSEY CENTRAL POWER & LIGHT	)	APPROVING STIPULATION
COMPANY SEEKING REVIEW AND APPROVAL	)	
OF ITS DEFERRED BALANCES RELATING TO,	)	
AND AN ADJUSTMENT OF, THE SOCIETAL	)	
BENEFITS CHARGE CLAUSE OF ITS FILED	)	
TARIFF ("2022/2023 SBC FILING")	)	DOCKET NO. ER24040209

Parties of Record:

Tori L. Giesler, Esq. on behalf of Jersey Central Power & Light Company
Brian Lipman, Esq., Director, New Jersey Division of Rate Counsel

BY THE BOARD:

On April 1, 2024, Jersey Central Power & Light Company ("JCP&L" or "Company") filed a petition with the New Jersey Board of Public Utilities ("Board") seeking review and approval of the deferred balances accumulated with respect to components of the Company's Societal Benefits Charge ("SBC"), to the extent accumulated from January 1, 2022, through December 31, 2023, and an adjustment to certain components of, its SBC ("2022/2023 SBC Petition"). 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, "Parties") resolving the requests related to the 2022/2023 SBC Petition.

BACKGROUND AND PROCEDURAL HISTORY

As a result of the Board's Final Decision and Order issued in Docket Nos. EO97070458, EO97070459, and EO97070460, the Company implemented, among other things, the SBC and established the components of the SBC and the associated cost recovery mechanisms.¹

Pursuant to the Restructuring Order, and to the extent that expenditures for these initiatives exceeded the amount of their allowed cost recovery, the expenditures were subject to deferred accounting treatment for future recovery after the transition period. The Board further directed JCP&L to make a filing, no later than August 1, 2002, so the Board could consider the matter. As

¹ In re JCP&L- Rate Unbundling, Stranded Costs and Restructuring Filings, BPU Docket Nos. EO97070458, EO97070459, and EO97070460, Order dated March 7, 2001 ("Restructuring Order").

a result of the Board's Final Decision and Order issued in Docket No. ER02080507, together with the Board's Order in Docket Nos. EX02060363 and EA02060365, the following issues were resolved relating to the deferred balances of the following components of JCP&L's SBC through July 31, 2003: 1) Consumer Education; 2) Demand Side Factor ("DSF"); 3) Uncollectible Accounts Charge ("UNC"); and 4) Nuclear Decommissioning Costs ("NDC").²

2022/2023 SBC PETITION

On April 1, 2024, JCP&L filed the 2022/2023 SBC Petition with the Board.

In the 2022/2023 SBC Petition, JCP&L sought a determination of the reasonableness and prudence of all costs accumulated in the DSF and UNC components of its SBC deferred balance from January 1, 2022, through December 31, 2023. JCP&L further sought authorization to eliminate the Rider NDC rate component of Rider SBC as JCP&L completed the sale of its interest in the Three Mile Island Unit 2 generation facility and transferred the associated decommissioning trust to the buyer.³

In the 2022/2023 SBC Petition, JCP&L requested the following component rate changes:

1. An increase in the Rider DSF charge to \$0.003603 per kilowatt-hour ("kWh") including Sales and Use Tax ("SUT") which would be a revenue increase of \$1.983 million.⁴
2. An increase in the Rider UNC charge to \$0.000495 per kWh which would be a revenue increase of \$2.22 million.

By the 2022/2023 SBC Petition, JCP&L further sought authorization to continue to defer the costs accumulated in the DSF and UNC components of its SBC 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 authorized by Board Order dated May 17, 2004 in BPU Docket No. ER02080507, compounded annually on January 1 of each year, all in accordance with the terms of Company's current Riders DSF and UNC, as appropriate.⁵ JCP&L further sought authorization to continue annual netting of all over-recoveries in any SBC component, other than the Universal Service Fund ("USF"), against the Company's under-recovered balances in other SBC components (other than the USF) by application thereto of net over recoveries, if any, in the SBC components other than the USF.

² In re the Verified Petition of Jersey Central Power & Light Company for Review and Approval of its Deferred Balances Relating to the Market Transition Charge and Societal Benefits Charge, BPU Docket No. ER02080507, Order dated May 17, 2004 ("Deferred Balances Order") and In re the Deferred Balances Audit of Jersey Central Power & Light Company Phase II: August 2002-July 2003, BPU Docket Nos. EX02060363 and EA02060365, Order dated June 8, 2006.

³ In re the Verified Petition of Jersey Central Power & Light Company Seeking Approval of the Transfer and Sale of the Company's 25% Interest in the Three Mile Island Unit 2 Nuclear Generating Facility and the Transfer of its Associated Nuclear Decommissioning Trust, Pursuant to N.J.S.A. 48:3-7, and a Waiver of the Advertising Requirements of N.J.A.C. 14:1-5.6(b), BPU Docket No. EM19111460, Order dated December 2, 2020 ("TMI-2 Sale Order").

⁴ Unless otherwise indicated, all rates quoted include Sales and Use Tax ("SUT").

⁵ In re the Verified Petition of Jersey Central Power & Light Company for Review and Approval of its Deferred Balances Relating to the Market Transition Charge and Societal Benefits Charge, BPU Docket No. ER02080507, Order dated May 17, 2004.

By Order dated July 24, 2024, the Board authorized the Company to eliminate the Rider NDC rate component of Rider SBC.⁶

After proper notice, virtual public hearings were held on July 18, 2024, at 4:30 p.m. and 5:30 p.m., and October 15, 2024, at 4:30 p.m. and 5:30 p.m.⁷ At the July 18, 2024, 4:30 p.m. public hearing, one (1) of the two (2) members of the public that attended spoke in opposition to the rate increase and commented on JCP&L's service quality. At the July 18, 2024, 5:30 p.m. public hearing, one (1) member of the public joined the hearing, but did not provide comments. No members of the public participated in the public hearings held on October 15, 2024. No members of the public submitted written comments to the Board.

Subsequently, the Company provided the Parties with updates. The Company's November 8, 2024, update was based on nine (9) months of actual data and three (3) months of forecast data and incorporated the Board's approval in Docket No. QO24040223, of the Board's mandated spending for months of July 2024 through December 2024.⁸ The Company's January 30, 2026, update was based on twelve (12) months of actual data through December 2024 ("Update").

STIPULATION

Following a review of the 2022/2023 SBC Petition, conducting discovery and discussions among the Parties, the Parties executed the Stipulation, which provides for the following:⁹

1. The Parties agree that the Company's ending deferred balances in the components of the SBC, listed below at December 31, 2023, were as follows: i) an under-recovered DSF balance of \$1,846,958 including (over)-recovered carrying costs of \$(442,341) (See Attachment A of the Stipulation); and (ii) an under-recovered UNC balance of \$4,904,181 including under-recovered carrying costs of \$521,165 (See Attachment B of the Stipulation).
2. The Parties agree that, based on the deferred balance and the forecasted revenues and expenses, an increase in the Rider DSF of \$0.581 million on an annual basis is warranted at this time. The Parties agree that the Company's Rider DSF Rate should be increased from \$0.003280 per kWh (\$0.003497 per kWh including SUT) to \$0.003309 per kWh (\$0.003528 per kWh including SUT). See Attachments A, C, and D of the Stipulation.
3. The Parties agree that, based on the deferred balance and the forecasted revenues and expenses, an increase in the Rider UNC of \$2.399 million on an annual basis is warranted at this time. The Parties agree that the Company's Rider UNC Rate should be increased

⁶ In re the Verified Petition of Jersey Central Power & Light Company Seeking Review and Approval of its Deferred Balances Relating to, and an Adjustment of, the Societal Benefits Charge Clause of its Filed Tariff ("2020/2021 SBC Filing"), BPU Docket No. ER21121257, Order dated July 24, 2024.

⁷ There were technical difficulties during the public hearings held on July 18th and therefore additional public hearings were scheduled for October 15, 2024.

⁸ In re the Comprehensive Energy Efficiency and Renewable Energy Resource Analysis for Fiscal Year 2025 Clean Energy Program, Docket No. QO24040223, Order dated June 27, 2024.

⁹ 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. Paragraphs are numbered and/or lettered to coincide with the Stipulation.

from \$0.000352 per kWh (\$0.000375 per kWh, including SUT) to \$0.000473 per kWh (\$0.000504 per kWh including SUT). See Attachments B, C, and D of the Stipulation.

4. Based on the updated revenue requirement, the bill impact of the proposed rates to be effective on or after October 1, 2026 on a typical residential customer who uses 777 kWh per month is an increase of 0.07% or approximately \$0.12 per month, from a current bill of \$165.09 per month to \$165.21 per month, based on rates effective September 1, 2026, including New Jersey SUT.
5. Pursuant to the Board's Order dated July 24, 2024 in BPU Docket No. ER21121257, the Company's Rider NDC was eliminated from the Company's Tariff Sheets.
6. The Parties further agree that, to the extent not otherwise recovered in rates, JCP&L shall be authorized to continue to defer all additional reasonable and prudent costs of a type previously approved for recovery through Rider SBC, incurred and deferred subsequent to December 31, 2023, together with accrued interest thereon, for review and inclusion in future annual SBC filings and related adjustments to the Company's Rider SBC, subject to the Board's review and approval.
7. The Parties also agree that interest will accrue monthly on the net-of-tax deferred balances in the DSF, and UNC components of JCP&L's Rider SBC deferred balance at a rate equal to the monthly rate actually incurred on short-term debt, or in the event no short-term debt is outstanding, the rate available on equivalent temporary cash investments, with annual compounding on January 1 of each year.¹⁰
8. The Company shall in each subsequent Rider SBC filing, and any update thereto, provide an exhibit clearly showing interest calculated on uncollectible expense, on both an accrued and actual basis, for the period proposed to be recovered by the subsequent Rider SBC filing.
9. The Parties further agree that JCP&L shall implement the proposed tariff sheets, included as Attachment D of the Stipulation, upon the effective date of the rates as set forth in the Board's written Order approving the Stipulation. See Attachment D of the Stipulation for the Proposed Tariff Sheets.
10. The Parties agree that upon the effective date of the Board's written Order approving the Stipulation, all elements of the 2022/2023 SBC Petition shall be deemed closed and resolved.

DISCUSSION AND FINDING

The Board carefully reviewed the record in this proceeding, including the 2022/2023 SBC Petition, updates thereto, and the attached Stipulation. The Board is satisfied that the costs and revenues related to the SBC clause were reviewed through December 31, 2023, and are deemed reasonable and prudent, and are therefore in the public interest.

¹⁰ Pursuant to the Board's June 15, 2011 Order in BPU Docket No. ER07120968, as of January 1, 2012, interest on all elements of the SBC compounds annually on January 1.

Accordingly, the Board **HEREBY FINDS** that the Stipulation is reasonable, in the public interest and in accordance with the law. The Board **HEREBY ADOPTS** the attached Stipulation and incorporates its terms and conditions as if fully stated in this Order, effective for service rendered on and after October 1, 2026.

Based upon the Stipulation, a typical residential customer using 777 kWh per month will see an increase in their monthly bill of \$0.12, or approximately 0.07%.

The Board **HEREBY DIRECTS** the Company to file the appropriate revised tariff sheets conforming to the terms of this Order prior to October 1, 2026.

The Company's costs, including those related to the individual SBC rate components 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.

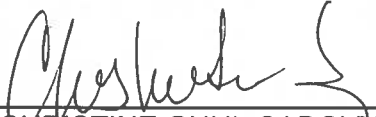
This Board Order shall be effective on September 24, 2026.

DATED: September 24, 2026

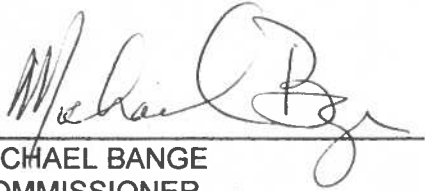
BOARD OF PUBLIC UTILITIES
BY:



BEN HERTZ-SHARGEL
PRESIDENT



CHRISTINE GUHL-SADOVY
COMMISSIONER



MICHAEL BANGE
COMMISSIONER

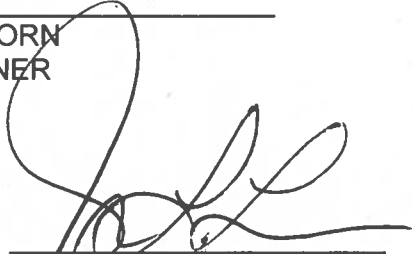


EMMA REBHORN
COMMISSIONER



JOSEPH COVIELLO
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 THE VERIFIED PETITION OF JERSEY CENTRAL POWER & LIGHT COMPANY SEEKING
REVIEW AND APPROVAL OF ITS DEFERRED BALANCES RELATING TO, AND AN ADJUSTMENT OF, THE
SOCIETAL BENEFITS CHARGE CLAUSE OF ITS FILED TARIFF ("2022/2023 SBC FILING")

BPU DOCKET NO. ER24040209

SERVICE LIST

Board of Public Utilities

44 South Clinton Avenue, 1st Floor
Post Office Box 350
Trenton, NJ 08625-0350

Sherri L. Golden, Board Secretary
board.secretary@bpu.nj.gov

Stacy Peterson, Deputy Executive Director
stacy.peterson@bpu.nj.gov

Jacqueline Galka
jacqueline.galka@bpu.nj.gov

Counsel's Office

Ava-Marie Madeam, General Counsel
avamarie.madeam@bpu.nj.gov

Elspeth Faiman Hans, Deputy General Counsel
elspeth.hans@bpu.state.nj.us

Heather Weisband, Senior Counsel
heather.weisband@bpu.nj.gov

Division of Law

25 Market Street
Post Office Box 112
Trenton, NJ 08625-0112

Steven Chaplar, DAG
steven.chaplar@law.njoag.gov

Matko Ilic, DAG
matko.ilic@law.njoag.gov

Pamela Owen, DAG
pamela.owen@law.njoag.gov

Terel Klein, DAG, Section Chief
terel.klein@law.njoag.gov

Rachel Reckeweg
rachel.reckeweg@law.njoag.gov

Tanya Lloyd-Samuel
tanya.lloyd-samuel@law.njoag.gov

Division of Rate Counsel

140 East Front Street, 4th Floor
Post Office Box 003
Trenton, NJ 08625-0003

Brian Lipman, Esq., Director
blipman@rpa.nj.gov

David Wand, Esq, Managing Attorney
dwand@rpa.nj.gov

Bethany Rocque-Romaine, Esq.
bromaine@rpa.nj.gov

Lisa Littman, Esq.
llittman@rpa.nj.gov

Debora Layugan
dlayugan@rpa.nj.gov

Annette Cardec
acardec@rpa.nj.gov

Rate Counsel Consultants

Exeter Associates
10480 Little Patuxent Parkway
Suite 300
Columbia, MD 21044

Matthew T. Hoyt, Principal
mhoyt@exeterassociates.com

Jennifer L. Rogers
jrogers@exeterassociates.com

Lafayette K. Morgan, Jr.
lmorgan@exeterassociates.com

Jersey Central Power & Light Company

Tori Giesler, Esq., Managing Counsel
2800 Pottsville Pike
Reading, PA 19612-6001
tgiesler@firstenergycorp.com

300 Madison Avenue
Morristown, NJ 07962-1911

Yongmei Peng
ypeng@firstenergycorp.com

Timothy McHugh, Esq.
tmchugh@firstenergycorp.com

James O'Toole
jotoole@firstenergycorp.com

Viktor Lackmann
vlackmann@firstenergycorp.com

Carol Pittavino
FirstEnergy Service Company
800 Cabin Hill Drive
Greensburg, Pennsylvania 15601
cpittavino@firstenergycorp.com

James Austin Meehan, Esq.
(610) 921-0783

September 10, 2026

VIA ELECTRONIC MAIL

Sherri L. Lewis, Secretary
Board of Public Utilities
44 South Clinton Ave., 1st Floor
P.O. Box 350
Trenton, NJ 08625-0350
board.secretary@bpu.nj.gov

Re: In the Matter of the Verified Petition of Jersey Central Power & Light Company Seeking Review and Approval of Its Deferred Balances Relating to, and an Adjustment of, the Societal Benefits Charge Clause of Its Filed Tariff (“2022/2023 SBC Filing”)

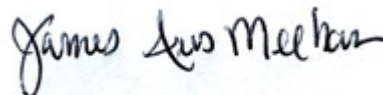
**Stipulation of Settlement
BPU Docket No. ER24040209**

Dear Secretary Lewis:

Attached for filing in the above-referenced matter please find a fully executed Stipulation of Settlement. This Stipulation of Settlement fully resolves this matter.

Consistent with the March 19, 2020 Order issued by the New Jersey Board of Public Utilities in Docket No. EO20030254, copies of this filing are being provided to the attached Service List by electronic mail only. No paper copies will follow. Please kindly confirm your receipt and acceptance of this filing by electronic mail at your earliest convenience.

Respectfully submitted,



James Austin Meehan
Counsel for Jersey Central Power & Light Company

Attachments

cc: Service List

**In the Matter of the Verified Petition of Jersey Central Power & Light Company
Seeking Review and Approval of Its Deferred Balances Relating to, and an
Adjustment of, the Societal Benefits Charge Clause of Its Filed Tariff
("2022/2023 SBC Filing")**

BPU Docket No. ER24040209

SERVICE LIST

BPU Staff

Board of Public Utilities
44 South Clinton Avenue,
Post Office Box 350
Trenton, New Jersey 08625-
0350

Sherri L. Lewis, Secretary
Board of Public Utilities
board.secretary@bpu.nj.gov

Robert Brabston
Bob.Brabston@bpu.nj.gov

Stacy Peterson
Stacy.Peterson@bpu.nj.gov

Jacqueline Galka
Jacqueline.Galka@bpu.nj.gov

Kyle Felton
Kyle.Felton@bpu.nj.gov

Benjamin Witherell, Ph.D.,
Benjamin.Witherell@bpu.nj.gov

Heather Weisband
Heather.Weisband@bpu.nj.gov

Michael Hunter
Michael.Hunter@bpu.nj.gov

Gary Colin Emerle
Colin.Emerle@bpu.nj.gov

Jackie O'Grady
Jackie.OGrady@bpu.nj.gov

Dean Taklif
Dean.Taklif@bpu.nj.gov

Division of Law

NJ Department of Law and
Public Safety
Richard J. Hughes Justice Complex
Public Utilities Section
25 Market Street,
P.O. Box 112
Trenton, NJ 08625

Steven Chaplar, DAG
steven.chaplar@law.njoag.gov

Pamela Owen, DAG
pamela.owen@law.njoag.gov

NJ Division of Rate Counsel

140 East Front Street, 4th Floor
Post Office Box 003
Trenton, New Jersey 08625-0003

Brian O. Lipman, Esq., Director
Division of Rate Counsel
blipman@rpa.state.nj.us

Bethany Rocque-Romaine, Esq.
bromaine@rpa.nj.gov

David Wand, Esq.
dwand@rpa.nj.gov

Annette Cardec
acardec@rpa.nj.gov

Lisa Littman
llittman@rpa.nj.gov

Debora Layugan
dlayugan@rpa.nj.gov

JCP&L

300 Madison Ave
P.O. Box 1911
Morristown, NJ 07962-1911

Teresa Reed
reedt@firstenergycorp.com

Tori Giesler, Esq.
tgiesler@firstenergycorp.com

James Austin Meehan, Esq.
jameehan@firstenergycorp.com

Carol Pittavino
cpittavino@firstenergycorp.com

James E. O'Toole
jotoole@firstenergycorp.com

Yongmei Peng
ypeng@firstenergycorp.com

Carlos Mendoza
cmendoza@firstenergycorp.com

Viktor Lackmann
vlackmann@firstenergycorp.com

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

In the Matter of the Verified Petition of Jersey	:	BPU Docket No. ER24040209
Central Power & Light Company Seeking Review	:	
and Approval of Its Deferred Balances Relating to,	:	
and an Adjustment of, the Societal Benefits Charge	:	STIPULATION OF SETTLEMENT
Clause of Its Filed Tariff ("2022/2023 SBC Filing")	:	

APPEARANCES:

Tori L. Giesler, Esq. and **James Austin Meehan, Esq.**, FirstEnergy Service Company, for Petitioner, Jersey Central Power & Light Company

T. David Wand, Esq., Managing Attorney-Electric, **Lisa Littman, Esq.**, Assistant Deputy Rate Counsel, and **Bethany Rocque-Romaine, Esq.**, Assistant Deputy Rate Counsel, (**Brian O. Lipman, Esq.**, Director, New Jersey Division of Rate Counsel)

Steven Chaplar, Esq., Deputy Attorney General, for the Staff of the New Jersey Board of Public Utilities (Jennifer Davenport, 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, 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 on the following terms:

BACKGROUND

On April 1, 2024, JCP&L filed a petition with the Board, including supporting schedules, seeking review and approval of the deferred balances accumulated with respect to the Company's Demand Side Factor ("DSF"), Uncollectible Accounts Charge ("UNC"), and Nuclear

Decommissioning Costs (“NDC”) components of the Company’s Societal Benefits Charge (“SBC”), to the extent accumulated for each from January 1, 2022 through December 31, 2023 (“2022/2023 SBC Petition”).

By the 2022/2023 SBC Petition, JCP&L further requested an increase in the revenue requirement in the Company’s Rider SBC of approximately \$4.203 million on an annual basis, effective October 1, 2024, based upon: 1) the elimination of the Company’s Rider NDC charge; 2) the increase of the Company’s Rider DSF charge to \$0.003379 per kilowatt-hour (“kWh”), \$0.003603 per kWh including Sales and Use Tax (“SUT”); and 3) the increase of the Company’s Rider UNC charge to \$0.000464 per kWh, \$0.000495 per kWh including SUT.

Following the filing of the 2022/2023 SBC Petition, the Parties engaged in discovery. In addition, notice of this filing, together with a statement of the effect thereof on customers, was published in the newspapers, added to the Company’s website, and served upon the clerk, executive, and/or administrator of each municipality and county within the Company’s service area.

After proper notice, virtual public hearings were held on July 18, 2024 at 4:30 p.m. and 5:30 p.m. and October 15, 2024 at 4:30 p.m. and 5:30 p.m.¹ At the July 18, 2024, 4:30 p.m. public hearing, one (1) of the two (2) members of the public that attended spoke in opposition to the rate increase, stating that continual rate hikes add up, making rates high and questionable, and stating that JCP&L’s service elements seem to be getting worse. At the July 18, 2024, 5:30 p.m. public hearing, one (1) member of the public joined the hearing, but did not provide comments. No members of the public participated in the public hearings held on October 15, 2024. No members of the public submitted written comments to the Board.

¹ There were technical difficulties during the public hearings held on July 18th and therefore additional public hearings were scheduled for October 15, 2024.

Through discovery, the Company provided the Parties with updates. The Company's November 8, 2024 update was based on nine (9) months of actual data and three (3) months of forecast data and incorporated the Board's approval in Docket No. QO24040223, of the Board's mandated spending for months of July 2024 through December 2024.

The Company's January 30, 2026 update was based on twelve (12) months of actual data through December 2024 ("Update"). Using the Update, JCP&L requested an increase in the revenue requirement in the Company's Rider SBC of approximately \$2.980 million on an annual basis, effective October 1, 2026, based upon: 1) the elimination of the Company's Rider NDC charge; 2) the increase of the Company's Rider DSF charge to \$0.003309 per kWh, \$0.003528 per kWh including SUT; and 3) the increase of the Company's Rider UNC charge to \$0.000473 per kWh, \$0.000504 per kWh including SUT.

STIPULATION

Upon review of the Petition, the Update, and discovery, the Signatories have reached an agreement resolving all issues in the instant proceeding. Accordingly, the Signatories agreed to submit this Stipulation to the Board for approval, the terms of which are set forth below. The undersigned Parties **DO HEREBY STIPULATE AND AGREE** as follows:

1. The Parties agree that the Company's ending deferred balances in the components of the SBC, listed below at December 31, 2023, were as follows: i) an under-recovered DSF balance of \$1,846,958 including (over)-recovered carrying costs of \$(442,341) (*See Attachment A*); and (ii) an under-recovered UNC balance of \$4,904,181 including under-recovered carrying costs of \$521,165 (*See Attachment B*).

2. The Parties agree that, based on the deferred balance and the forecasted revenues and expenses, an increase in the Rider DSF of \$0.581 million on an annual basis is warranted at

this time. The Parties agree that the Company's Rider DSF Rate should be increased from \$0.003280 per kWh (\$0.003497 per kWh including SUT) to \$0.003309 per kWh (\$0.003528 per kWh including SUT). *See Attachments A, C, and D.*

3. The Parties agree that, based on the deferred balance and the forecasted revenues and expenses, an increase in the Rider UNC of \$2.399 million on an annual basis is warranted at this time. The Parties agree that the Company's Rider UNC Rate should be increased from \$0.000352 per kWh (\$0.000375 per kWh, including SUT) to \$0.000473 per kWh (\$0.000504 per kWh including SUT). *See Attachments B, C, and D.*

4. Based on the updated revenue requirement, the bill impact of the proposed rates to be effective on or after October 1, 2026 on a typical residential customer who uses 777 kWh per month is an increase of 0.07% or approximately \$0.12 per month from a current bill of \$165.09 per month to \$165.21 per month based on rates effective September 1, 2026, including SUT.

5. Pursuant to the Board's Order dated July 24, 2024 in BPU Docket No. ER21121257, the Company's Rider NDC was eliminated from the Company's Tariff Sheets.

6. The Parties further agree that, to the extent not otherwise recovered in rates, JCP&L shall be authorized to continue to defer all additional reasonable and prudent costs of a type previously approved for recovery through Rider SBC, incurred and deferred subsequent to December 31, 2023, together with accrued interest thereon, for review and inclusion in future annual SBC filings and related adjustments to the Company's Rider SBC, subject to the Board's review and approval.

7. The Parties also agree that interest will accrue monthly on the net-of-tax deferred balances in the DSF, and UNC components of JCP&L's Rider SBC deferred balance at a rate equal to the monthly rate actually incurred on short-term debt, or in the event no short-term debt is

outstanding, the rate available on equivalent temporary cash investments, with annual compounding on January 1 of each year.²

8. The Company shall in each subsequent Rider SBC filing, and any update thereto, provide an Exhibit clearly showing interest calculated on uncollectible expense, on both an accrued and actual basis, for the period proposed to be recovered by the subsequent Rider SBC filing.

9. The Parties further agree that JCP&L shall implement the proposed tariff sheets, included as Attachment D, upon the effective date of the rates as set forth in the Board's written Order approving this Stipulation. *See Attachment D.*

10. The Parties agree that upon the effective date of the Board's written Order approving this Stipulation, all elements of the 2022/2023 SBC Petition shall be deemed closed and resolved.

OTHER

11. The Parties agree that if the Board approves this Stipulation without modification, this Stipulation will authorize JCP&L to implement its 2022/2023 Rider SBC Rate Petition, based on the terms and conditions set forth herein, effective upon a date specified by the Board.

12. The Parties agree 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

² Pursuant to the Board's June 15, 2011 Order in BPU Docket No. ER07120968, as of January 1, 2012, interest on all elements of the SBC compounds annually on January 1.

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.

13. It is specifically understood and agreed by the Parties that this Stipulation represents a negotiated agreement and shall be binding on them for all purposes herein. By executing this Stipulation, no Party waives any rights it possesses under any prior stipulation, except where the terms of this Stipulation expressly supersede such prior stipulation.

14. 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.

15. The subject headings set forth within and between the paragraphs of this Stipulation are inserted solely for the purpose of convenient reference and are not intended to, nor shall they, affect the meaning of any provision of this Stipulation.

16. This Stipulation shall be governed and construed in accordance with the laws of the State of New Jersey.

17. 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 (1) or more counterparts have been signed by each of the Parties. The Parties understand that the Board's written Order approving this Stipulation shall become effective in accordance with N.J.S.A. 48:2-40.

CONCLUSION

WHEREFORE, the Parties hereto have duly executed and do respectfully submit this Stipulation to the Board, and respectfully recommend that the Board issue a Final Decision and Order adopting and approving this Stipulation in its entirety, and without modification, in accordance with the terms hereof. The Parties acknowledge that a Board Order adopting this Stipulation will become effective upon the service of said Board Order or upon such date specified by the Board in accordance with N.J.S.A. 48:2-40.

[SIGNATURES ON NEXT PAGE]

JERSEY CENTRAL POWER & LIGHT COMPANY

By: James Austin Meehan
James Austin Meehan, Esq.
Jersey Central Power & Light Company

Dated: September 9, 2026

**JENNIFER DAVENPORT
ATTORNEY GENERAL OF NEW JERSEY
ATTORNEY FOR STAFF OF THE BOARD OF PUBLIC UTILITIES**

By: Steven A. Chaplar
Steven A. Chaplar
Deputy Attorney General

Dated: September 9, 2026

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

By: Bethany Rocque-Romaine
Bethany Rocque-Romaine, Esq.
Assistant Deputy Rate Counsel

Dated: September 10, 2026

Jersey Central Power & Light Company
Societal Benefits Charge - Demand Side Factor ("SBC-DSF")
Summary of Deferred Clean Energy Program ("CEP") Costs & Interest
For the Period January 1, 2022 through December 31, 2022 and
For the Period January 1, 2023 through December 31, 2023

Line No.	Jan.2022 through Dec.2022 (12 Mos.Actuals)	Refer to Attachment B-1, P.2 of 2 Line No(s).	
Computation of (Over) Recovery of Clean Energy Program Costs:			
1	Tariff Rider DSF Revenue Recovery	\$ (67,873,906.26)	1
2	BPU-mandated New Jersey Clean Energy Program Costs	65,766,526.53	4
3	(Over) Recovery of Clean Energy Program Costs for 2022 (L1 + L2)	\$ (2,107,379.73)	5
4	Cumulative Under Recovery of Clean Energy Program Costs at 1/1/2022	\$ 668,378.81	6
5	Accrued Interest on Deferred Clean Energy Program Costs at 1/1/2022	(76,293.06)	7
6	Beginning Balance of Deferred CEP Costs Incl.Interest at 1/1/2022 (L4 + L5)	\$ 592,085.75	8
7	Deferred Clean Energy Program Costs at 12/31/2022 (L3 + L6)	\$ (1,515,293.98)	10
8	2022 Accrued Interest Income/(Expense)	(193,340.45)	21
9	(Over) Recovery of Clean Energy Program Costs for 2022 Incl.Interest (L7 + L8)	\$ (1,708,634.43)	25
10	(Over)-Recovery of Clean Energy Program Costs Offset Against Rider UNC at 12/31/2023	1,708,634.43	27
11	Deferred Clean Energy Program Costs Incl.Interest at 12/31/2022 (L9 + L10)	\$ -	28
Line No.	Jan.2023 through Dec.2023 (12 Mos.Actuals)	Refer to Attachment B-2, P.2 of 2 Line No(s).	
Computation of (Over) Recovery of Clean Energy Program Costs:			
12	Tariff Rider DSF Revenue Recovery	\$ (63,418,794.50)	1
13	BPU-mandated New Jersey Clean Energy Program Costs	65,708,093.03	4
14	Under Recovery of Clean Energy Program Costs for 2023 (L12 + L13)	\$ 2,289,298.53	5
15	Cumulative (Over)/Under Recovery of Clean Energy Program Costs at 1/1/2023	\$ -	6
16	Accrued Interest on Deferred Clean Energy Program Costs at 1/1/2023	-	7
17	Beginning Balance of Deferred CEP Costs Incl.Interest at 1/1/2023 (L15 + L16)	\$ -	8
18	Deferred Clean Energy Program Costs at 12/31/2023 (L14 + L17)	\$ 2,289,298.53	10
19	2023 Accrued Interest Income/(Expense)	(442,340.82)	21
20	Under-Recovery of Clean Energy Program Costs for 2023 Incl.Interest (L18 + L19)	\$ 1,846,957.71	25
21	Under-Recovery of Clean Energy Program Costs Offset Against Rider UNC at 12/31/2023	-	26
22	Deferred Clean Energy Program Costs Including Interest at 12/31/2023 (L20 + L21)	\$ 1,846,957.71	28
Line No.	CALCULATION OF PROPOSED INCREASE IN RIDER DSF Effective 10/1/2024	Amount	
23	BPU Mandated Clean Energy Program Costs for the 12 Months Ended 12/31/2024	\$ 64,448,987.01	Line 22 above.
24	Deferred Clean Energy Program Costs Including Interest at 12/31/2023 per Line 22	1,846,957.71	
25	Total Recoverable New Jersey Clean Energy Program Costs	\$ 66,295,944.72	
26	Forecasted Jurisdictional MWh Sales for the 12 Months Ended September 30, 2025	20,033,420	
27	Proposed Tariff Rider DSF (\$ per kWh) before SUT (L25 ÷ L26)	\$ 0.003309	
28	Current Rider DSF (\$ per kWh) before SUT	0.003280	
29	Proposed Increase in Rider DSF (\$ per kWh) before SUT (L27 - L28)	\$ 0.000029	
30	Proposed Rider DSF Revenue Increase Effective 10/1/2024 (L26 x L29 x 1,000)	\$ 581,000	
Notes:			
1 SBC over-recoveries were offset against other under-recovered SBC components at year-end in accordance with Tariff Rider SBC.			
2 Per the spending mandated in the BPU's Order in Docket No.QO23040235, dated June 29, 2023, "Fiscal Year ("FY") 2024 Order", for the period January 2024 through June 2024. Additionally, the BPU spending for July 2024 through December 2024 is derived from the spending mandated in the BPU's Order in Docket No.QO24040223, dated June 27, 2024, "FY 2025 Order".			

Jersey Central Power & Light Company
Societal Benefits Charge ("SBC-UNC")
Summary of Deferred Uncollectible Accounts Expense and Interest
For the Periods January 1, 2022 through December 31, 2022
& January 1, 2023 through December 31, 2023

Line No.		Jan-22 through Dec-22 (12 Mos.Actuals)	Refer to Attachment B-3 Line No(s).
1	Total Under-Recovered Uncollectible Accounts Expense at January 1, 2022	\$ 9,395,163.02	6
2	Balance of Interest on Deferred Uncollectible Accounts Expense at January 1, 2022	82,341.13	13
3	Total Under-Recovered Uncollectible Accounts Expense Including Interest at Jan.1, 2022 (Line 1 + Line 2)	\$ 9,477,504.15	6 + 13
4	Tariff Rider UNC Net Revenue Recovery	\$ (7,208,483.93)	1
	Uncollectible Accounts Expense:		
5	Uncollectible Accounts Expense	\$ 11,047,993.27	2
6	Incremental COVID-19 Related Uncollectible Accounts Expense	-	3
7	Total Uncollectible Accounts Expense Incurred (Line 5 + Line 6)	\$ 11,047,993.27	4
8	Under-Recovery of Year 2022 Uncollectible Accounts Expense (Line 4 + Line 7)	\$ 3,839,509.34	5
9	Deferred Under-Recovered UNC Balance at December 31, 2022 (Line 3 + Line 8)	\$ 13,317,013.49	8
10	Interest Accrued (January 1, 2022 through December 31, 2022)	175,155.78	18
11	(Over)-Recovery of DSF Costs and Related Interest Applied to UNC at December 31, 2022	(1,708,634.43)	11 + 20
12	Under-Recovered Balance of Uncollectible Accounts Expense Deferred at December 31, 2022	\$ 11,783,534.84	12 + 21
Line No.		Jan-23 through Dec-23 (12 Mos.Actuals)	Refer to Attachment B-4 Line No(s).
13	Total Under-Recovered Uncollectible Accounts Expense at January 1, 2023	\$ 11,783,534.84	Line 12 above & Attachment B-4, L6
14	Balance of Interest on Deferred Uncollectible Accounts Expense at January 1, 2023	-	13
15	Total Under-Recovered Uncollectible Accounts Exp.Including Interest at Jan.1, 2023 (Line 13 + Line 14)	\$ 11,783,534.84	6 + 13
16	Tariff Rider UNC Net Revenue Recovery	\$ (6,717,306.57)	1
	Uncollectible Accounts Expense:		
17	Uncollectible Accounts Expense	\$ 11,310,803.04	2
18	Reduction in COVID-19 Related Uncollectible Accounts Expense	(11,994,015.00)	3
19	Total Uncollectible Accounts Expense Incurred (Line 17 + Line 18)	\$ (683,211.96)	4
20	(Over)-Recovery of Year 2023 Uncollectible Accounts Expense (Line 16 + Line 19)	\$ (7,400,518.53)	5
21	Deferred Under-Recovered UNC Balance at December 31, 2023 (Line 15 + Line 20)	\$ 4,383,016.31	8
22	Interest Accrued (January 1, 2023 through December 31, 2023)	521,164.93	18
23	(Over)-Recovery of DSF Costs and Related Interest Applied to UNC at December 31, 2023	-	11 + 20
24	Under-Recovered Balance of Uncollectible Accounts Expense Deferred at December 31, 2023	\$ 4,904,181.24	12 + 21
Line No.	CALCULATION OF A PROPOSED INCREASE IN RIDER UNC Effective 10/1/2024	Amount	
25	Balance of Deferred Uncollectible Accounts Expense at December 31, 2023	\$ 4,904,181.24	Line 24 above & Attachment B-4, Line 22
	Calculation of COVID-19 Reserve Balance at December 31, 2023:		
26a	Beginning Balance COVID-19 Reserve as of January 1, 2022	\$ 16,477,818.72	
26b	Add: Reduction in COVID-19 Reserve in the Years Ended December 31, 2022 and 2023 (L6 + 18)	(11,994,015.00)	
26	Ending COVID-19 Reserve Balance at December 31, 2023 (L26a + 26b)	\$ 4,483,803.72 *	
27	Deferred Uncollectible Accounts Exp.Balance Excl.COVID-19 Reserve at December 31, 2023 (L25 - L26)	\$ 420,377.52	
28	Actual Uncollectible Accounts Expense For the Year Ended December 31, 2024	8,965,156.74	
29	Total Uncollectible Accounts Expense (Line 27 + Line 28)	\$ 9,385,534.26	
30a	Forecasted Jurisdictional MWh Sales for 10/1/2024 - 9/30/2025	20,033,420	
30b	Less: Forecasted GT Provision D Sales for 10/1/2024 - 9/30/2025	(209,833)	
30	Forecasted Jurisdictional MWh Sales excl.GT Provision D Sales for 10/1/2024 - 9/30/2025	19,823,588	
31	Proposed Tariff Rider UNC (\$ per KWh) Before SUT Effective 10/1/2024 (Line 29 / (Line 30 / 1000))	\$ 0.000473	
32	Current Tariff Rider UNC (\$ per KWh) Before SUT	\$ 0.000352	
33	Proposed Increase in Rider UNC (\$ per kWh) Before SUT Effective 10/1/2024 (L31 - L32)	\$ 0.000121	
34	Proposed Rider UNC Revenue Increase Effective 10/1/2024 (Line 30 x Line 33)	\$ 2,399,000	
* This removes the remaining COVID-19 Reserve balance from the revenue calculation.			

Attachment C
Current Tariff Sheets

JERSEY CENTRAL POWER & LIGHT COMPANY

BPU No. 14 ELECTRIC - PART III

4th Rev. Sheet No. 50

Superseding 3rd Rev. Sheet No. 50

Rider SBC
Societal Benefits Charge

APPLICABILITY: Rider SBC provides a charge applicable to all KWH usage of any Full Service Customer or Delivery Service Customer. The charges that may be included in calculating the SBC include demand side management costs (Rider DSF), manufactured gas plant remediation costs (Rider RAC), uncollectible costs (Rider UNC), and universal service fund costs (Rider USF), in accordance with the New Jersey Electric Discount and Energy Competition Act. The current SBC includes the following charges per KWH:

		<u>Including SUT</u>
Rider DSF	\$0.003280	\$0.003497
Rider RAC	\$0.000806	\$0.000859
Rider UNC	\$0.000352	\$0.000375
Rider USF	\$0.004228	\$0.004508

Carrying costs on unamortized balances of demand side management costs, nuclear decommissioning costs, manufactured gas plant remediation costs, uncollectible costs and universal service fund costs shall be calculated in accordance with the terms of Rider DSF, Rider RAC, Rider UNC and Rider USF, respectively.

Effective **July 15, 2026**, the SBC shall be applied to all KWH usage for billing purposes as follows:

		<u>Including SUT</u>
Total SBC:	\$0.008666	\$0.009239

Beginning January 1, 2011, with the exception of universal service fund costs component, all over- and under-recoveries of individual SBC components are to be applied to under- or over-recoveries of other SBC components as of each December 31.

Issued: **July 7, 2026**

Effective: **July 15, 2026**

Filed pursuant to Order of Board of Public Utilities
Docket Nos. ER22090616 and ER231007221 dated June 30, 2026

Issued by William Douglas Mokoid, President
300 Madison Avenue, Morristown, NJ 07962-1911

JERSEY CENTRAL POWER & LIGHT COMPANY

BPU No. 14 ELECTRIC - PART III

1st Rev. Sheet No. 51

Superseding Original Sheet No. 51

**Rider DSF
Demand Side Factor**

APPLICABILITY: Rider DSF provides a charge for costs associated with New Jersey Clean Energy Program. The DSF is included in the Societal Benefits Charge applicable to all KWH usage of any Full Service Customer or Delivery Service Customer.

DSF = \$0.003280 per KWH (\$0.003497 per KWH including SUT)

Demand Side Factor costs include carrying costs on any unamortized balances of such costs at the applicable interest approved by the BPU in its Final Order dated May 17, 2004 (Dockets Nos. ER02080506, et al.), such interest rate shall be the rate actually incurred on the Company's short-term debt (debt maturing in one year or less), or the rate on equivalent temporary cash investments if the Company has no short-term debt outstanding. Interest shall be computed monthly based on the beginning and ending average monthly balance net of deferred income taxes, compounded annually (added to the balance on which interest is accrued annually) on January 1 of each year.

Issued: **July 31, 2024**

Effective: **August 1, 2024**

Filed pursuant to **Order** of Board of Public Utilities
Docket No. ER21121257 dated July 24, 2024

Issued by William Douglas Mokoid, President
300 Madison Avenue, Morristown, NJ 07962-1911

JERSEY CENTRAL POWER & LIGHT COMPANY

BPU No. 14 ELECTRIC - PART III

1st Rev. Sheet No. 54
Superseding Original. Sheet No. 54

Rider UNC
Uncollectible Accounts Charge

APPLICABILITY: Rider UNC provides a charge for costs associated with uncollectible accounts recorded in FERC account 904 (Uncollectible Accounts). The UNC is included in the Societal Benefits Charge applicable to all KWH usage of any Full Service Customer or Delivery Service Customer.

UNC = \$0.000352 per KWH (\$0.000375 per KWH including SUT)

Uncollectible costs include carrying costs on any unamortized balances of such costs at the applicable interest rate approved by the BPU in its Final Order dated May 17, 2004 (Docket Nos. ER02080506, et al.). Such interest rate shall be the rate actually incurred on the Company's short-term debt (debt maturing in one year or less), or the rate on equivalent temporary cash investments if the Company has no short-term debt outstanding. Interest shall be computed monthly based on the beginning and ending average monthly balance net of deferred income taxes, compounded annually (added to the balance on which interest is accrued annually) on January 1 of each year.

Issued: July 31, 2024

Effective: August 1, 2024

Filed pursuant to Order of Board of Public Utilities
Docket No. ER21121257 dated July 24, 2024

Issued by William Douglas Mokoid, President
300 Madison Avenue, Morristown, NJ 07962-1911

Attachment D

Proposed Tariff Sheets

JERSEY CENTRAL POWER & LIGHT COMPANY

BPU No. 14 ELECTRIC - PART III

XX Rev. Sheet No. 50
Superseding XX Rev. Sheet No. 50**Rider SBC**
Societal Benefits Charge

APPLICABILITY: Rider SBC provides a charge applicable to all KWH usage of any Full Service Customer or Delivery Service Customer. The charges that may be included in calculating the SBC include demand side management costs (Rider DSF), manufactured gas plant remediation costs (Rider RAC), uncollectible costs (Rider UNC), and universal service fund costs (Rider USF), in accordance with the New Jersey Electric Discount and Energy Competition Act. The current SBC includes the following charges per KWH:

		<u>Including SUT</u>
Rider DSF	\$0.003309	\$0.003528
Rider RAC	\$0.000806	\$0.000859
Rider UNC	\$0.000473	\$0.000504
Rider USF	\$0.004228	\$0.004508

Carrying costs on unamortized balances of demand side management costs, nuclear decommissioning costs, manufactured gas plant remediation costs, uncollectible costs and universal service fund costs shall be calculated in accordance with the terms of Rider DSF, Rider RAC, Rider UNC and Rider USF, respectively.

Effective **October 1, 2026**, the SBC shall be applied to all KWH usage for billing purposes as follows:

		<u>Including SUT</u>
Total SBC:	\$0.008816	\$0.009399

Beginning January 1, 2011, with the exception of universal service fund costs component, all over- and under-recoveries of individual SBC components are to be applied to under- or over-recoveries of other SBC components as of each December 31.

Issued:

Effective:

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

Issued by William Douglas Mokoid, President
300 Madison Avenue, Morristown, NJ 07962-1911

JERSEY CENTRAL POWER & LIGHT COMPANY

BPU No. 14 ELECTRIC - PART III

XX Rev. Sheet No. 51
Superseding XX Sheet No. 51

Rider DSF
Demand Side Factor

APPLICABILITY: Rider DSF provides a charge for costs associated with New Jersey Clean Energy Program. The DSF is included in the Societal Benefits Charge applicable to all KWH usage of any Full Service Customer or Delivery Service Customer.

DSF = \$0.003309 per KWH (\$0.003528 per KWH including SUT)

Demand Side Factor costs include carrying costs on any unamortized balances of such costs at the applicable interest approved by the BPU in its Final Order dated May 17, 2004 (Dockets Nos. ER02080506, et al.), such interest rate shall be the rate actually incurred on the Company's short-term debt (debt maturing in one year or less), or the rate on equivalent temporary cash investments if the Company has no short-term debt outstanding. Interest shall be computed monthly based on the beginning and ending average monthly balance net of deferred income taxes, compounded annually (added to the balance on which interest is accrued annually) on January 1 of each year.

Issued:

Effective:

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

Issued by William Douglas Mokoid, President
300 Madison Avenue, Morristown, NJ 07962-1911

JERSEY CENTRAL POWER & LIGHT COMPANY

BPU No. 14 ELECTRIC - PART III

XX Rev. Sheet No. 54
Superseding XX Sheet No. 54

Rider UNC
Uncollectible Accounts Charge

APPLICABILITY: Rider UNC provides a charge for costs associated with uncollectible accounts recorded in FERC account 904 (Uncollectible Accounts). The UNC is included in the Societal Benefits Charge applicable to all KWH usage of any Full Service Customer or Delivery Service Customer.

UNC = \$0.000473 per KWH (\$0.000504 per KWH including SUT)

Uncollectible costs include carrying costs on any unamortized balances of such costs at the applicable interest rate approved by the BPU in its Final Order dated May 17, 2004 (Docket Nos. ER02080506, et al.). Such interest rate shall be the rate actually incurred on the Company's short-term debt (debt maturing in one year or less), or the rate on equivalent temporary cash investments if the Company has no short-term debt outstanding. Interest shall be computed monthly based on the beginning and ending average monthly balance net of deferred income taxes, compounded annually (added to the balance on which interest is accrued annually) on January 1 of each year.

Issued:

Effective:

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

Issued by William Douglas Mokoid, President
300 Madison Avenue, Morristown, NJ 07962-1911