

August 1, 2008

BY HAND DELIVERY

Kristi Izzo, Secretary
Board of Public Utilities
Two Gateway Center
Newark, NJ 07102

Re: In the Matter of the Verified Petition of **Jersey Central Power & Light Company** Concerning a Proposal for Four Small Scale/Pilot Demand Response Programs for the Period Beginning June 1, 2009
BPU Docket No. EO08050326

Dear Secretary Izzo:

On behalf of Jersey Central Power & Light Company (“JCP&L”), enclosed for filing with the Board of Public Utilities (“Board”) are an original and eleven copies the Verified Petition of JCP&L in connection with the above-captioned matter, together with the Appendices and Attachments referred to therein, along with the testimony of Christopher W. Siebens (Exhibit JCDR-1), Eva L. Gardow (Exhibit JCDR-2), Susan D. Marano (Exhibit JCDR-3) and Sally J. Cheong (Exhibit JCDR-4).

Pursuant to the directive of the Board contained in its Order dated July 1, 2008 in the above-referenced Docket, JCP&L is proposing to implement four small scale/pilot demand response programs targeted to achieve, together with certain other initiatives discussed in the Verified Petition, an aggregate of 93 MW of demand response.

Please note that Schedules ELG-1 and ELG-3 to Ms. Gardow’s testimony (Exhibit JCDR-2) and Schedules SDM-1 and SDM-2 to Ms. Marano’s testimony (Exhibit JCDR-3) contain confidential and proprietary information. Only redacted copies of those Schedules are

Kristi Izzo, Secretary
August 1, 2008
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included with this package. Unredacted (confidential) copies are being filed in a separate package.

I hereby certify that two copies of the Verified Petition and related Appendices, Attachments and testimony have this day been transmitted to Stefanie A. Brand, Esq., Director of the Division of Rate Counsel, by hand delivery.

Kindly stamp the enclosed copy of this letter with the date of filing and return same to the undersigned in the enclosed, self-addressed stamped envelope.

Thank you for your anticipated courtesy and cooperation.

Respectfully submitted,

Marc B. Lasky

MBL/kl

Enclosures

cc: (with enclosure)
Stefanie A. Brand, Esq., Director
Division of Rate Counsel
Service List

**In the Matter of Demand Response Programs
for the Period Beginning June 1, 2009 –
Electric Distribution Company Programs
BPU Docket No. EO08050326**

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**In the Matter of Demand Response Programs
for the Period Beginning June 1, 2009 –
Electric Distribution Company Programs
BPU Docket No. EO08050326**

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

In the Matter of the Verified Petition of Jersey	:	
Central Power & Light Company Concerning	:	BPU Docket No. EO08050326
a Proposal for Four Small Scale/Pilot Demand	:	
Response Programs for the Period Beginning	:	
June 1, 2009	:	VERIFIED PETITION
	:	
	:	

TO THE HONORABLE BOARD OF PUBLIC UTILITIES:

Petitioner, Jersey Central Power & Light Company (the “Petitioner”, the “Company” or “JCP&L”), an electric public utility company of the State of New Jersey subject to the regulatory jurisdiction of the Board of Public Utilities (the “Board”), and maintaining offices at 300 Madison Avenue, Morristown, New Jersey 07962-1911, in support of its above-captioned Verified Petition, respectfully shows:

1. JCP&L is a New Jersey electric public utility engaged in the production, generation, purchase, transmission, distribution and sale of electric energy and related utility services to more than 1,000,000 residential, commercial and industrial customers located within 13 counties and 236 municipalities of the State of New Jersey.

2. Copies of all correspondence and other communications relating to this proceeding should be addressed to:

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- and -

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- and -

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- and -

**Arthur E. Korkosz, Esq.
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Background

3. Pursuant to direction given to Board Staff at the Board’s April 8, 2008 agenda meeting, the Board adopted recommendations of its Staff presented at the Board’s June 13, 2008 agenda meeting, which action was memorialized in the Board’s Order dated July 1, 2008 in Docket No. EO08050326 (which Order also referenced Docket No. EO08060421) (“July 1 Order”). In the July 1 Order, the Board, pursuant L. 2007, c. 340, sec. 13(a) (3) (codified as N.J.S.A. 48:3-98.1(a)(3)), ordered JCP&L, along with the other New Jersey electric distribution companies (“EDCs”) – Atlantic City Electric Company, Public Service Electric and Gas Company and Rockland Electric Company – to submit proposals to the Board by August 1, 2008 for Demand Response (“DR”) programs for the period beginning June 1, 2009. The July 1 Order set a statewide goal of 300 MW of DR for the period beginning June 1, 2009, with JCP&L’s share of the statewide goal being 93 MW.

4. By Order dated July 25, 2008 in Docket No. ER07060375, the Board approved a Stipulation of Settlement among the Company, Board Staff and the Department of the Public Advocate, Division of Rate Counsel, providing for, among other things, the implementation by JCP&L of a new Integrated Distributed Energy Resource (“IDER”) pilot program designed to deliver approximately 8 MW of new DR by June 1, 2009. The Board-approved Stipulation of Settlement provided that the 8 MW of DR derived from the IDER pilot program would count towards JCP&L’s obligation to provide 93 MW of DR beginning June 1, 2009 pursuant to the July 1 Order.

5. In Section IV(B) (4) of its Company Specific Addendum filed on July 1, 2008 as part of the EDC filing for the provision of Basic Generation Service (“BGS”) for the period beginning June 1, 2009 in Docket No. ER08050310, JCP&L proposed certain rate design changes that would result in an estimated 2 MW of DR beginning June 1, 2009. In that Company Specific Addendum, the Company stated that the 2 MW of DR resulting from the BGS rate design changes should count towards JCP&L’s obligation to provide 93 MW of DR beginning June 1, 2009 pursuant to the July 1 Order.

6. As a result of the aggregate of 10 MW of new DR provided for in the other dockets discussed under paragraphs 4 and 5 above, the proposed DR programs in this Petition address the remaining 83 MW of JCP&L’s 93 MW obligation for the period beginning June 1, 2009.

Proposed Programs

7. In this Petition, JCP&L is proposing four separate small scale/pilot DR programs aggregating 83 MW of DR, as follows: (i) tariff-based Curtailment Pilot (60 MW); (ii) an expansion of the IDER program discussed in paragraph 4 above (additional 15 MW); (iii) a

permanent peak load shift program (5 MW); and (iv) an electricity storage program (3 MW). These programs are described generally below, with more detailed descriptions and related financial and other data contained in the testimony of Christopher W. Siebens and of Eva Gardow (Exhibits JCDR-1 and JCDR-2, respectively) that accompany this Petition. Cost recovery, accounting and other related issues are discussed below under “Cost Recovery and Accounting”.

Tariff-Based Curtailment Pilot

8. The Company proposes to obtain 60 MW of DR through a Curtailment Pilot, which will enable customers with interval metering and at least 100 kW of curtailable load to realize some of the benefits of PJM capacity programs through participation in a JCP&L regulated tariff offering. JCP&L will operate as a PJM Curtailment Service Provider (“CSP”), will register the capacity associated with Curtailment Pilot participants in PJM’s Interruptible Load for Reliability (“ILR”) capacity market and will receive revenues from PJM reflecting the market value of registered ILR capacity credits.¹ To participate, customers must commit to reducing load either (a) to a “firm-service level” (“FSL”), i.e., a designated kW of demand for the customer account, or (b) by a “guaranteed load drop” (“GLD”) amount, in either case as specified by an agreement between the Company and the customer and consistent with protocols used by PJM in assessing capacity credits for demand response resources. Participation will be available to all customers meeting the above eligibility criteria, whether they are full service BGS customers or delivery service shopping customers.

¹ In addition, JCP&L plans to register curtailments by participating customers in PJM’s Economic Load Response programs for those curtailments that are not related to PJM emergencies.

9. Customers participating in the Curtailment Pilot will receive a credit from JCP&L per kW of contracted capacity reduction (whether through the FSL or the GLD mechanism) equal to 90% of the published PJM ILR capacity credit. The credit will be revised annually to reflect the annual value of PJM ILR capacity. Based on PJM's published \$188.55/MW-day market value for ILR resources, the participation incentive will be a fixed monthly credit of \$5.16 per kW of contracted capacity reduction for each month of the period June 1, 2009 through May 31, 2010 ("EY2009"), \$4.77 per kW for each month of the period June 1, 2010 through May 31, 2011 and \$3.01 per kW for each month of the period June 1, 2011 through May 31, 2012.

10. The Company intends to reduce the level of curtailment credits provided to participating customers that do not curtail load in accordance with their agreement under the new Rider CURP discussed in paragraph 29 below. The details of this credit reduction are being developed at this time, but for purposes of the Curtailment Pilot a customer will in no event be required to pay JCP&L an amount in excess of the credits it received. However, as these types of programs are expanded, the Company may propose a process in which a customer's cost incurred as a result of failure to curtail load may exceed any payment or credit offered for the customer's participation.

11. The Curtailment Pilot also includes four forms of supplemental incentives for new participants in PJM ILR programs, all of which will be treated as costs of the Pilot. First, consistent with recommendations made to the Board for the period June 1, 2008 through May 31, 2009 by the New Jersey Demand Response Working Group in November 2007, JCP&L proposes to make a one-time supplemental payment of \$22.50/MW-day for new capacity reductions made available by JCP&L customers that qualify for PJM ILR capacity credits in

EY2009, whether the customer is enrolled in JCP&L's Curtailment Pilot or participates through an independent CSP. Second, prospective customers that are not already enrolled with another CSP and that do not have an existing curtailment management operations plan will be eligible for a specified curtailment audit grant. Third, customers that do not have required interval metering will receive an interval meter at no cost to the customer. Fourth, all participating customers will be provided access to interval-metered data via a Meter Profile Service at no cost.

12. Further details concerning the Curtailment Pilot are set forth in the testimony of Christopher W. Siebens (Exhibit JCDR-1) that accompanies this Petition.

Expanded IDER Program

13. As discussed in paragraph 4 above, the Board has already approved an IDER pilot program designed to provide approximately 8 MW of DR beginning on June 1, 2009. JCP&L proposes to expand the IDER program to add an additional 15 MW of DR by June 1, 2009. IDER, which is a co-development effort between JCP&L and BPLGlobal, Ltd., is designed to integrate customers and their electric equipment with smart grid utility operations, initially by focusing on integrating load management devices for both residential and commercial customers into system operations. Participants will have IDER load control technology (essentially a control unit and temperature sensor, with two-way communication capabilities) installed in their facilities providing JCP&L with the ability to monitor and control non-critical customer electrical loads such as air conditioning. In addition to providing meaningful DR benefits, by targeting the IDER program to selected high growth areas, system reliability should also be enhanced.

14. JCP&L intends to register the capacity associated with the expanded IDER program in PJM's ILR capacity market and expects to receive revenues from PJM reflecting the market value of registered ILR capacity credits.

15. Customers participating in the expanded IDER program will receive a monetary incentive to participate.

16. Further details concerning the expanded IDER program are set forth in the testimony of Eva L. Gardow (Exhibit JCDR-2) that accompanies this Petition.

Permanent Peak Load Shift Program

17. JCP&L proposes to obtain 5 MW of DR through the permanent shifting of air conditioning load from on-peak to off-peak by the installation of 1,000 of Ice Energy's *Ice Bear 30* units on approximately 250 customer buildings prior to June 1, 2009. Each *Ice Bear 30* unit consists of a refrigerant management system and an ice-on-coil heat exchanger mounted within an insulated water tank, together with an evaporator coil. The condensing unit runs during off-peak hours creating ice within the storage module, which is then used to provide cooling during peak hours through an energy pump that circulates the ice-cooled refrigerant to the evaporator coil.

18. Each *Ice Bear 30* unit cuts air conditioning on-peak demand (kW) by 95% and shifts 95% of cooling energy consumption (kWh) to off-peak. Each unit will reduce on average 5 kW of on-peak demand for up to six hours daily and shift 32 kWh of on-peak energy usage to off-peak. One *Ice Bear 30* unit will deliver up to five tons of cooling using just 300 watts of power. *Ice Bear 30* units that are deployed at customer locations on circuits associated with the IDER program will be monitored and controlled by use of the IDER platform.

19. JCP&L will work with PJM to evaluate how the capacity associated with the permanent peak load shift program can participate in PJM programs.

20. There are no cash incentives to program participants; however, participating customers may benefit from decreased demand charges due to the load shifting. This program will initially be made available to commercial customers only.

21. Installation and maintenance services for deploying the *Ice Bear 30* units will be secured through a competitive procurement process.

22. Further details concerning the permanent peak load shift program are set forth in the testimony of Eva L. Gardow (Exhibit JCDR-2) that accompanies this Petition.

Electricity Storage Program

23. The Company proposes to obtain 3 MW of DR through an electricity storage program that will support customers in high growth areas. The storage technologies, which will be controlled by use of the IDER platform, consist of deployments at substation facilities associated with the IDER program to support designated circuits as well as the installation of customer-located electricity storage devices.

24. The substation electricity storage technology is proposed to be a zinc-flow electricity storage device developed and manufactured by Premium Power. One MW will be installed in each of three substations. The customer-located units will be small capacity units that may have the additional ability to provide load management capabilities. These installations will provide capacity, operational flexibility and reliability enhancement to the circuit and the customer served by the substation.

25. The substation-sited units will be acquired from Premium Power and a competitive solicitation will be issued for the small, customer-located electricity storage devices.

26. JCP&L intends to register the capacity associated with the electricity storage program in PJM's ILR capacity market and expects to receive revenues from PJM reflecting the market value of registered ILR capacity credits.

27. There are no cash incentives to program participants; however, participating customers may benefit from decreased demand charges due to the ability to shift load as a result of reliance on the storage units. In addition, deployment of these electricity storage technologies may increase reliability.

28. Further details concerning the electricity storage program are set forth in the testimony of Eva L. Gardow (Exhibit JCDR-2) that accompanies this Petition.

Cost Recovery and Accounting

29. JCP&L proposes to recover its costs for these four separate DR programs on an aggregated basis through a new Rider DRC - Demand Response Charge ("Rider DRC"). (In addition, a new Rider CURP – Curtailment Program Pilot will set forth the details of the Curtailment Pilot, including requirements for participation in the Pilot.) Rider DRC will provide for an equal per kWh charge applicable to all customers in all customer classes, whether full service BGS customers or delivery service shopping customers. Any associated revenues received from PJM in connection with these DR programs will be applied to reduce the costs to be recovered through Rider DRC. Even though all cost recovery for all of these DR programs will be addressed on an aggregate basis for purposes of Rider DRC, JCP&L will also track the net costs separately for each individual DR program to facilitate subsequent reviews of individual program costs.

30. Rider DRC will be implemented upon Board approval of this Verified Petition and will recover the all-in costs associated with the new DR programs, including the

amortization of any capital investments with a return at a rate equal to JCP&L's overall pre-tax cost of capital as determined in its last rate case (11.61%). Rider DRC provides for deferred accounting with interest on over- and under-recoveries at JCP&L's overall pre-tax cost of capital referenced above, compounded monthly.

31. As part of its implementation of Rider DRC, JCP&L proposes to transfer recovery of the revenues attributable to the IDER pilot discussed in paragraph 4 above, that are currently collected under Rider SCC, to the new Rider DRC, so that the costs associated with all of the related DR programs are recovered through the same rate mechanism, which will facilitate tracking and accounting.

32. In light of the Board's intent to have these DR programs in place for the summer of 2009 and the expedited schedule for this proceeding set forth in the July 1 Order, JCP&L has determined not to request any shareholder incentives for these programs at this time so as to minimize the issues in the processing of this Verified Petition and thereby facilitate an expeditious resolution of this proceeding. However, JCP&L reserves all of its rights to request appropriate incentives in the future in connection with either these programs or any other programs that it may subsequently propose or be ordered to implement.

33. Further details concerning cost recovery and accounting are set forth in the testimony of Susan D. Marano (Exhibit JCDR-3) that accompanies this Petition. Further details concerning tariff issues and customer rate impacts are set forth in the testimony of Sally J. Cheong (Exhibit JCDR-4) that accompanies this Petition.

Pre-Filed Testimony and Attachments

34. Attached hereto and made a part of this Verified Petition are the following pre-filed testimony and attachments:

- Exhibit JCDR-1 - Testimony of Christopher W. Siebens concerning the Tariff-Based Curtailment Pilot
 - Exhibit JCDR-2 - Testimony of Eva L. Gardow concerning the Expanded IDER Program, the Permanent Peak Load Shifting Program and the Electricity Storage Program
 - Exhibit JCDR-3 - Testimony of Susan D. Marano concerning cost recovery and accounting matters
 - Exhibit JCDR-4 - Testimony of Sally J. Cheong concerning tariff and customer impact matters
- * * * * *
- Attachment 1 - JCP&L Comparative Balance Sheets for the Years 2005 through 2007
 - Attachment 2 - JCP&L Comparative Income Statement for the Years 2005 - 2007
 - Attachment 3 - JCP&L Balance Sheet at March 31, 2008
 - Attachment 4 - 2007 Statement of Revenues

Public Notice and Service

35. Notice of this filing, including a statement of the overall effect thereof on customers of the Company, which will be combined with notice of the dates, times and places of the public hearings to be scheduled thereon, will be served by mail upon the municipal clerks, the clerks of the Boards of Chosen Freeholders and, where appropriate, the County Executive Officers of all counties and municipalities located in the Company's service territory, in accordance with the regulations of the Board as set forth in N.J.A.C. 14:1-5.12(b)1. Such notice will be duly mailed following the scheduling of the dates, times and places of the hearings thereon, as discussed below. Listings of the aforementioned public officials are contained in Appendices A-1, A-2 and A-3, which are annexed hereto. Such notice will be substantially in the form of the notice annexed hereto as Appendix B.

36. Public notice of this filing, including a statement of the overall effect thereof on customers of the Company, and which will be combined with notice of the dates, times and places of the public hearings to be scheduled thereon, substantially in the form of the notice set forth in Appendix B annexed hereto, will also be published in daily and weekly newspapers published and/or circulated in the Company's service areas, after the dates, times and places of all such public hearings thereon have been scheduled by the Board in compliance with N.J.A.C. 14:1-5.12(b)3, (c) and (d).

CONCLUSION

WHEREFORE, the Petitioner, Jersey Central Power & Light Company, respectfully requests that the Board issue a final decision and order:

- (1) approving the reasonableness and prudence of the four separate Demand Response programs proposed by the Petitioner;
- (2) authorizing the recovery by the Petitioner, with deferral accounting, of the all-in costs of the proposed Demand Response programs, including the amortization of any capital investments with a return at a rate equal to JCP&L's overall pre-tax cost of capital as determined in its last rate case (11.61%), through new Rider DRC, with the accrual of interest on over- and under-recoveries at the same rate, all as described above;
- (3) authorizing the transfer of recovery of the revenues attributable to the IDER pilot discussed in paragraph 4 above, that are currently collected under Rider SCC, to the new Rider DRC, as proposed in paragraph 31 above;
- (4) the implementation of new Rider CURP and new Rider DRC; and

- (5) granting such other and further relief as the Board shall deem just, lawful and proper.

Respectfully submitted,

Dated: August 1, 2008

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Jersey Central Power & Light Company

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AFFIDAVIT
OF
VERIFICATION

Michael J. Filippone, being duly sworn upon his oath, deposes and says:

1. I am Director of Rates and Regulatory Affairs – New Jersey for Jersey Central Power & Light Company (“JCP&L”), the Petitioner named in the foregoing Verified Petition, and I am duly authorized to make this Affidavit of Verification on its behalf.

2. I have read the contents of the foregoing Verified Petition by JCP&L with respect to a proposal for Demand Response programs for the period beginning June 1, 2009, and I hereby verify that the statements of fact and other information contained therein are true and correct to the best of my knowledge, information and belief.

Michael J. Filippone

Sworn to and subscribed before me
this ____ day of _____, 2008.

(Notary Public)

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Municipal Building
101 Hamburg Turnpike
Bloomingdale, NJ 07403

Clerk, Borough of Andover
137 Main Street
Andover, NJ 07821

Clerk, Borough of Belmar
PO Box A
601 Main Street
Belmar, NJ 07719-0070

Clerk, Borough of Bloomsbury
91 Brunswick Avenue
Bloomsbury, NJ 08804-0098

Clerk, Andover Township
134 Newton-Sparta Road
Newton, NJ 07860-2746

Clerk, Town of Belvidere
691 Water Street
Belvidere, NJ 07823

Clerk, Town of Boonton
100 Washington Street
Boonton, NJ 07005

Clerk, City of Asbury Park
One Municipal Plaza
Asbury Park, NJ 07712

Clerk, Township of Berkeley
627 Pinewald – Kenswick Road
Town Hall, PO box B
Bayville, NJ 08721-0287

Clerk, Township of Boonton
155 Powerville Rd.
Boonton, NJ 07005-8729

Clerk, Borough of Atlantic Highlands
Municipal Building
100 First Avenue
Atlantic Highlands, NJ 07716

Clerk, Township of Berkeley Heights
29 Park Avenue
Berkeley Heights, NJ 07922-1499

Clerk, Borough of Bradley Beach
701 Main Street
Bradley Beach, NJ 07720

List of Municipal Clerks

Clerk, Township of Branchburg
1077 US Highway 202N
Somerville, NJ 08876-3936

Clerk, Township of Chatham
58 Meyersville Rd.
Chatham, NJ 07928

Clerk, Township of Denville
Municipal Bldg.
1 St. Mary's Place
Denville, NJ 07834

Clerk, Borough of Branchville
5 Main Street
PO Box 840
Branchville, NJ 07826

Clerk, Borough of Chester
Municipal Bldg.
300 Main Street
Chester, NJ 07930

Clerk, Township of Delaware
Township Hall
PO Box 500
Sergeantsville, NJ 08557

Clerk, Borough of Brielle
601 Union Lane
PO Box 445
Brielle, NJ 08730-0445

Clerk, Township of Chester
Municipal Building
1 Parker Road
Chester, NJ 07930

Clerk, Town of Dover
Town Hall Municipal Bldg.
37 North Sussex Street
Dover, NJ 07801

Clerk, Brick Township
401 Chambersbridge Road
Brick Town, NJ 08723

Clerk, Township of Chesterfield
Municipal Bldg.
300 Bordentown-Chesterfield Road
Trenton, NJ 08620-9656

Clerk, Township of Dover
33 Washington Street
PO Box 728
Toms River, NJ 08754-0728

Clerk, Township of Bridgewater
700 Garrestson Road
PO Box 6300
Bridgewater, NJ 08807

Clerk, Town of Clinton
43 Leigh Street
PO Box 5194
Clinton, NJ 08809-5194

Clerk, Township of East Amwell
1070 Route 202
Ringoos, NJ 08551-1051

Clerk, Borough of Butler
1 Ace Road
Butler, NJ 07405

Clerk, Township of Clinton
1370 Rte. 31 N.
Annandale, NJ 08801

Clerk, Township of East Brunswick
1 Jean Walling Civic Center
PO Box 1081
East Brunswick, NJ 08816-1081

Clerk, Township of Byram
10 Mansfield Drive
Stanhope, NJ 07874

Clerk, Township of Colts Neck
Town Hall
124 Cedar Drive
Colts Neck, NJ 07722-0249

Clerk, Township of East Hanover
411 Ridgedale Avenue
East Hanover, NJ 07936

Clerk, Borough of Califon
39 Academy Street
PO Box 368
Califon, NJ 07830-0368

Clerk, Township of Cranbury
23A North Main Street
Cranbury, NJ 08512-3287

Clerk, Township of East Windsor
Municipal Building
16 Lanning Boulevard
East Windsor, NJ 08520-1999

Clerk, Borough of Chatham
Municipal Building
54 Fairmount Avenue
Chatham, NJ 07928-2393

Clerk, Borough of Deal
Municipal Building
Durant Square
Deal, NJ 07723-0056

Clerk, Borough of Eatontown
Borough Hall
47 Broad Street
Eatontown, NJ 07724-1698

List of Municipal Clerks

Clerk, Borough of Englishtown
13 Main Street
Englishtown, NJ 07726

Clerk, Township of Franklin
Municipal Bldg.
2093 Route 57
PO Box 547
Broadway, NJ 08808

Clerk, Township of Greenwich
321 Greenwich Street
Stewartsville, NJ 08886

Clerk, Borough of Fair Haven
Municipal Bldg.
748 River Road
Fair Haven, NJ 07704

Clerk, Township of Fredon
443 Route 94
Newton, NJ 07860

Clerk, Town of Hackettstown
215 Stiger Street
Hackettstown, NJ 07840

Clerk, Borough of Far Hills
6 Prospect Street
PO Box 477
Far Hills, NJ 07931-0477

Clerk, Borough of Freehold
51 West Main Street
Freehold, NJ 07728-2195

Clerk, Borough of Hamburg
Municipal Building
16 Wallkill Avenue
Hamburg, NJ 07419

Clerk, Borough of Farmingdale
Municipal Bldg.
11 Asbury Avenue
PO Box 58
Farmingdale, NJ 07727

Clerk, Township of Freehold
One Municipal Plaza
Freehold, NJ 07728-3099

Clerk, Borough of Hampton
PO Box 418
Hampton, NJ 08827

Clerk, Borough of Flemington
38 Park Avenue
Flemington, NJ 08822-1398

Clerk, Township of Frelinghuysen
210 Route 661
PO Box 417
Johnsonburg, NJ 07846-0417

Clerk, Township of Hampton
1 Municipal Complex Rd.
Newton, NJ 07860

Clerk, Borough of Florham Park
Borough Hall
111 Ridgedale Avenue
Florham Park, NJ 07932

Clerk, Borough of Frenchtown
Borough Hall
29 Second Street
Frenchtown, NJ 08825

Clerk, Township of Hanover
Municipal Bldg.
1000 Route 10
PO Box 250
Whippany, NJ 07981-0250

Clerk, Township of Frankford
151 US Highway 206
Augusta, NJ 07822

Clerk, Borough of Glen Gardner
PO Box 307
Glen Gardner, NJ 08826

Clerk, Township of Harding
Blue Mill & Sand Spring Roads
PO Box 666
New Vernon, NJ 07976

Clerk, Borough of Franklin
46 Main Street
PO Box 397
Franklin, NJ 07416

Clerk, Township of Green
150 Kennedy Rd.
PO Box 65
Tranquility, NJ 07879

Clerk, Township of Hardwick
40 Spring Valley Rd.
Blairstown, NJ 07825

Clerk, Township of Franklin
475 DeMott Lane
Somerset, NJ 08873

Clerk, Township of Green Brook
111 Greenbrook Road
Greenbrook, NJ 08812-2501

Clerk, Township of Hardyston
Municipal Building
29 Stockholm Vernon Road
Stockholm, NJ 07460

List of Municipal Clerks

Clerk, Township of Harmony
3003 Belvidere Rd.
Phillipsburg, NJ 08865

Clerk, Borough of Hopatcong
Municipal Building
111 River Styx Road
Hopatcong, NJ 07843-1599

Clerk, Township of Jefferson
Municipal Building
1033 Weldon Road
Lake Hopatcong, NJ 07849

Clerk, Township of Hazlet
319 Middle Road
Hazlet, NJ 07730-0371

Clerk, Township of Hope
PO Box 284
Hope, NJ 07844

Clerk, Borough of Keansburg
Municipal Bldg.
29 Church Street
Keansburg, NJ 07734

Clerk, Borough of Helmetta
Borough Hall
60 Main Street
PO Box 378
Helmetta, NJ 08828

Clerk, Township of Hopewell
Municipal Building
201 Washington Crossing Pennington Rd.
Titusville, NJ 08560-1410

Clerk, Borough of Keyport
18-20 Main Street
Keyport, NJ 07735-0070

Clerk, Borough of High Bridge
71 Main Street
High Bridge, NJ 08829-1003

Clerk, Township of Howell
251 Preventorium Rd.
PO Box 580
Howell, NJ 07731-0580

Clerk, Township of Kingwood
PO Box 199
2 Oak Grove Rd.
Baptistown, NJ 08803-0199

Clerk, Borough of Highlands
171 Bay Avenue
Highlands, NJ 07732-1699

Clerk, Township of Independence
Municipal Building
327 Route 46
PO Box 164
Great Meadows, NJ 07838

Clerk, Borough of Kinnelon
Municipal Building
130 Kinnelon Rd.
Kinnelon, NJ 07405

Clerk, Borough of Hightstown
148 North Main Street
Hightstown, NJ 08520-3291

Clerk, Borough of Interlaken
Borough Hall
100 Gasmere Avenue
Interlaken, NJ 07712

Clerk, Township of Knowlton
Municipal Building
628 Route 94
Columbia, NJ 07832

Clerk, Township of Hillsborough
379 S. Branch Rd.
Hillsborough, NJ 08844

Clerk, Borough of Island Heights
Municipal Complex
East End & Van Sant Ave.
Island Heights, NJ 08732

Clerk, Township of Lacey
Municipal Bldg.
818 W. Lacey Road
Forked River, NJ 08731

Clerk, Township of Holland
61 Church Road
Milford, NJ 08848

Clerk, Township of Jackson
Municipal Bldg.
95 West Verterans Highway
Jackson, NJ 08527

Clerk, Township of Lafayette
33 Morris Farm Road
Lafayette, NJ 07848

Clerk, Township of Holmdel
4 Crawford's Corner Road
PO Box 410
Holmdel, NJ 07733-0410

Clerk, Borough of Jamesburg
131 Perrineville Rd.
Jamesburg, NJ 08831

Clerk, Borough of Lakehurst
5 Union Avenue
Lakehurst, NJ 08733-3097

List of Municipal Clerks

Clerk, Township of Lakewood
Municipal Building
231 Third Street
Lakewood, NJ 08701-3220

Clerk, Village of Loch Arbour
550 Main Street
Loch Arbour, NJ 07711

Clerk, Township of Maplewood
Municipal Bldg.
574 Valley Street
Maplewood, NJ 07940-2690

Clerk, City of Lambertville
18 York Street
Lambertville, NJ 08530

Clerk, City of Long Branch
City Hall – 344 Broadway
Long Branch, NJ 07740

Clerk, Township of Marlboro
Municipal Complex
1979 Township Drive
Marlboro, NJ 07746

Clerk, Borough of Lavellette
Borough Hall
PO Box 67
Lavellette, NJ 08735-0067

Clerk, Township of Lopatcong
Municipal Bldg.
232 South Third Street
Phillipsburg, NJ 08865-1898

Clerk, Borough of Matawan
201 Broad St.
Matawan, NJ 07747

Clerk, Borough of Lebanon
6 High Street
Lebanon, NJ 08833

Clerk, Borough of Madison
Hartley Dodge Memorial Building
50 Kings Road
Madison, NJ 07940-2592

Clerk, Borough of Mendham
2 W. Main Street
Mendham, NJ 07945

Clerk, Township of Lebanon
530 W. Hill Rd.
Glen Gardner, NJ 08826-9714

Clerk, Township of Manalapan
120 Route 522 & Taylor-Mills Road
Manalapan Township, NJ 07726

Clerk, Township of Mendham
Township Hall
W. Main & Cherry Ln.
PO Box 520
Brookside, NJ 07926

Clerk, Township of Liberty
349 Mt. Lake Road
Great Meadows, NJ 07838

Clerk, Borough of Manasquan
201 E. Main St.
PO Box 199
Manasquan, NJ 08736

Clerk, Township of Middletown
Municipal Bldg.
1 Kings Highway
Middletown, NJ 07748-2594

Clerk, Borough of Lincoln Park
Municipal Bldg.
34 Chapel Hill Road
Lincoln Park, NJ 07035-1998

Clerk, Township of Manchester
1 Colonial Drive
Lakehurst, NJ 08759

Clerk, Borough of Milford
30 Water Street
Box 507
Milford, NJ 08848-0507

Clerk, Borough of Little Silver
Borough Hall – 480 Prospect Avenue
Little Silver, NJ 07739

Clerk, Township of Mansfield
24548 E. Main St.
PO Box 249
Columbus, NJ 08022-0249

Clerk, Township of Millburn
Town Hall
375 Millburn Avenue
Millburn, NJ 07041-1379

Clerk, Township of Livingston
357 S. Livingston Avenue
Livingston, NJ 07039-3994

Clerk, Borough of Mantoloking
Borough Hall – PO Box 247
202 Downer Avenue
Mantoloking, NJ 08738-0247

Clerk, Township of Millstone
Municipal Building
215 Millstone Rd.
PO Box 240
Perrineville, NJ 08535-0240

List of Municipal Clerks

Clerk, Township of Mine Hill
Municipal Bldg.
10 Baker Street
Mine Hill, NJ 07803

Clerk, Township of Mount Olive
Municipal Bldg.
204 Flanders-Drakestown Rd.
PO Box 450
Budd Lake, NJ 07828

Clerk, Township of North Hanover
Municipal Bldg.
41 Schoolhouse Rd.
Jacobstown, NJ 08562

Clerk, Borough of Monmouth Beach
22 Beach Road
Monmouth Beach, NJ 07750

Clerk, Borough of Mountain Lakes
400 Boulevard
Mountain Lakes, NJ 07046

Clerk, Township of Ocean
Township Hall
399 Monmouth Rd.
Oakhurst, NJ 07755-1589

Clerk, Monroe Township
Municipal Complex
1 Municipal Plaza
Jamesburg, NJ 08831-1900

Clerk, Borough of Mountainside
Municipal Bldg.
1385 Route 22
Mountainside, NJ 07092

Clerk, Township of Ocean
50 Railroad Ave.
Waretown, NJ 08758

Clerk, Township of Montague
277 Clove Rd.
Montague, NJ 07827

Clerk, Township of Neptune
25 Neptune Boulevard
Neptune, NJ 07753

Clerk, Borough of Ocean Gate
151 E. Longport Avenue, CN-100
Ocean Gate, NJ 08740

Clerk, Township of Montville
Municipal Bldg.
195 Changebridge Rd.
Montville, NJ 07045-9498

Clerk, Borough of Neptune City
106 W. Sylvania Avenue
Neptune, NJ 07754-2098

Clerk, Borough of Oceanport
222 Monmouth Blvd.-P.O. Box 370
Oceanport, NJ 07757

Clerk, Township of Morris
50 Woodland Ave.
PO Box 7603
Convent Station, NJ 07961-7603

Clerk, Borough of Netcong
Municipal Bldg.
23 Maple Avenue
Netcong, NJ 07857-1121

Clerk, Borough of Ogdensburg
14 Highland Avenue
Ogdensburg, NJ 07439

Clerk, Borough of Morris Plains
531 Speedwell Avenue
Morris Plains, NJ 07950

Clerk, Township of New Hanover
2 Hocksmith Rd.
PO Box 159
Cookstown, NJ 08511

Clerk, Township of Old Bridge
One Old Bridge Plaza
Old Bridge, NJ 08857

Clerk, Town of Morristown
200 South Street, CN-914
Morristown, NJ 07963-0914

Clerk, Borough of New Providence
360 Elkwood Avenue
New Providence, NJ 07974-1844

Clerk, Township of Oxford
Municipal Bldg.
11 Green St.
PO Box 119
Oxford, NJ 07863

Clerk, Borough of Mt. Arlington
419 Howard Blvd.
Mt. Arlington, NJ 07856

Clerk, Town of Newton
39 Trinity Street
Newton, NJ 07860-1823

Clerk, Township of Pahaquarry
40 Spring Valley Rd.
Blairstown, NJ 07825

List of Municipal Clerks

Clerk, Twsp of Parsippany-Troy Hills
1001 Parsippany Boulevard
Parsippany, NJ 07054

Clerk, Township of Pohatcong
50 Municipal Dr.
Phillipsburg, NJ 08865

Clerk, Borough of Red Bank
90 Monmouth Street
Red Bank, NJ 07701

Clerk, Passaic County
401 Grand Street
Paterson, NJ 07505

Clerk, Borough of Point Pleasant
2233 Bridge Ave.
PO Box 25
Point Pleasant, NJ 08742

Clerk, Borough of Rockaway
Municipal Bldg.
1 East Main Street
Rockaway, NJ 07866

Clerk, Boroughs of Peapack &
Gladstone
1 School St.
Peapack, NJ 07977

Clerk, Borough of Pt. Pleasant Beach
416 New Jersey Avenue
Point Pleasant Beach, NJ 08742

Clerk, Township of Rockaway
65 Mt. Hope Road
Rockaway, NJ 07866-1698

Clerk, Borough of Pemberton
Municipal Bldg.
500 Pemberton-Browns Mills Rd.
Pemberton, NJ 08068-0261

Clerk, Borough of Pompton Lakes
Municipal Bldg.
25 Lennox Avenue
Pompton Lakes, NJ 07442

Clerk, Borough of Roosevelt
Borough Hall
33 N. Rochdale Ave.
PO Box 128
Roosevelt, NJ 08555-0128

Clerk, Township of Pemberton
500 Pemberton-Browns Mills Rd.
Pemberton, NJ 08068-1539

Clerk, Township of Raritan
One Municipal Dr.
Flemington, NJ 08822-3446

Clerk, Township of Roxbury
1715 Rte. 46
Ledgewood, NJ 07852

Clerk, Township of Pequannock
530 Newark-Pompton Turnpike
Pompton Plains, NJ 07444

Clerk, Township of Randolph
Municipal Bldg.
502 Millbrook Ave.
Randolph, NJ 07869

Clerk, Borough of Rumson
Memorial Borough Hall
80 E. River Rd.
Rumson, NJ 07760

Clerk, Town of Phillipsburg
Municipal Bldg.
675 Corliss Avenue
Phillipsburg, NJ 08865

Clerk, Borough of Ringwood
Borough Hall
60 Margaret King Avenue
Ringwood, NJ 07456

Clerk, Sandyston Township
133 Route 645
Branchville, NJ 07826

Clerk, Borough of Pine Beach
599 Pennsylvania Avenue
PO Box 425
Pine Beach, NJ 08741-0425

Clerk, Borough of Riverdale
91 Newark Pompton Tpke.
PO Box 6
Riverdale, NJ 07457

Clerk, Borough of Sayreville
167 Main Street
Sayreville, NJ 08872

Clerk, Township of Plumsted
121 Evergreen Road
New Egypt, NJ 08533

Clerk, Township of Readington
Municipal Bldg.
509 Rte. 523
Whitehouse Station, NJ 08889

Clerk, Borough of Sea Bright
1167 Ocean Avenue
Sea Bright, NJ 07760

List of Municipal Clerks

Clerk, Borough of Sea Girt
Borough Hall
321 Baltimore Blvd.
PO Box 296
Sea Girt, NJ 08750

Clerk, Borough of South Toms River
Borough Hall - 144 Hill Street
South Toms River, NJ 08757

Clerk, Borough of Stockton
2 Main Street
PO Box M
Stockton, NJ 08559

Clerk, Seaside Heights Borough
901 Boulevard
PO Box 38
Seaside Heights, NJ 08751

Clerk, Township of Sparta
65 Main Street
Sparta, NJ 07871

Clerk, City of Summit
512 Springfield Avenue
Summit, NJ 07901-2667

Clerk, Borough of Seaside Park
1701 N. Ocean Ave.
PO Box B
Seaside Park, NJ 08752

Clerk, Borough of Spotswood
77 Summerhill Road
Spotswood, NJ 08884

Clerk, Borough of Sussex
2 Main Street
Sussex, NJ 07461-2397

Clerk, Borough of Shrewsbury
419 Sycamore Avenue
P.O. Box 7420
Shrewsbury, NJ 07702

Clerk, Borough of Spring Lake
Fifth & Warren Avenues
Spring Lake, NJ 07762

Clerk, Township of Tewksbury
169 Old Turnpike Rd.
Califon, NJ 07830

Clerk, Township of Shrewsbury
1979 Crawford Street
Eatontown, NJ 07724

Clerk, Borough of Spring Lake Heights
555 Brighton Avenue
Spring Lake Heights, NJ 07762

Clerk, Borough of Tinton Falls
Municipal Bldg.
556 Tinton Avenue
Tinton Falls, NJ 07724-3298

Clerk, City of South Amboy
City Hall - 140 N. Broadway
South Amboy, NJ 08879-1647

Clerk, Township of Springfield
Municipal Bldg.
2159 Jacksonville Road
PO Box 119
Jobstown, NJ 08041

Clerk, Township of Union
140 Perryville Rd.
Hampton, NJ 08827

Clerk, Township of Southampton
Town Hall
5 Retreat Rd.
Vincentown, NJ 08088

Clerk, Township of Springfield
Municipal Bldg.
100 Mountain Avenue
Springfield, NJ 07081-1702

Clerk, Borough of Union Beach
Municipal Building
650 Poole Avenue
Union Beach, NJ 07735

Clerk, Borough of South Belmar
1730 Main St.
P.O. Box 569
South Belmar, NJ 07719-0569

Clerk, Borough of Stanhope
77 Main street
Stanhope, NJ 07874

Clerk, Township of Upper Freehold
Municipal Bldg.
314 County Rte. 539
PO Box 89
Cream Ridge, NJ 08514

Clerk, Township of South Brunswick
Municipal Complex
540 Ridge. Rd.
P.O. Box 190
Monmouth Junction, NJ 08852-0190

Clerk, Township of Stillwater
Box 1
Middleville, NJ 07855

Clerk, Township of Vernon
Municipal Bldg.
21 Church Street
PO Box 340
Vernon, NJ 07462

List of Municipal Clerks

Clerk, Borough of Victory Gardens
Municipal Bldg.
337 S. Salem Street
Dover, NJ 07801

Clerk, Township of Washington
Municipal Bldg.
1117 Route 130
Robbinsville, NJ 08691-1103

Clerk, Township of Woodland
Municipal Bldg.
3rd & Main Sts.
P.O. Box 388
Chatsworth, NJ 08019

Clerk, Township of Wall
2700 Allaire Rd.
PO Box 1168
Wall, NJ 07719

Clerk, Borough of Watchung
Municipal Bldg.
15 Mountain Blvd.
Watchung, NJ 07069-6399

Clerk, Borough of Wrightstown
Borough Hall
21 Saylor's Pond Road
Wrightstown, NJ 08562

Clerk, Township of Walpack
PO Box 94
Walpack, NJ 07881

Clerk, Township of Wayne
475 Valley Road
Wayne, NJ 07470

Clerk, Lake Como Borough
1740 Main Street
PO Box 569
Lake Como, NJ 07719-0569

Clerk, Borough of Wanaque
579 Ringwood Avenue
Wanaque, NJ 07465

Clerk, Township of West Amwell
150 Rocktown-Lambertville Rd.
Lambertville, NJ 08530-3203

Clerk, Township of Wantage
Municipal Bldg.
888 Rte. 23
Sussex, NJ 07461

Clerk, Borough of W. Long Branch
PO Box 639
W. Long Branch, NJ 07764-0639

Clerk, Township of Warren
Municipal Bldg.
46 Mountain Blvd.
Warren, NJ 07059-5695

Clerk, Township of West Milford
1480 Union Valley Road
West Milford, NJ 07480-1303

Clerk, Borough of Washington
100 Belvidere Avenue
Washington, NJ 07882-1426

Clerk, Township of West Windsor
Municipal Bldg.
271 Clarkville Rd.
PO Box 38
Princeton Junction, NJ 08550

Clerk, Township of Washington
350 Rte. 57 W.
Washington, NJ 07882

Clerk, Borough of Wharton
Municipal Bldg.
10 Robert Street
Wharton, NJ 07885

Clerk, Township of Washington
43 Schooley's Mountain Rd.
Long Valley, NJ 07853

Clerk, Township of White
555 County Rd. 519
Belvidere, NJ 07823

List of County Freeholders

Appendix A-2

**Burlington County Bd of Freeholders
County Office Bldg.
49 Rancocas Rd.
PO Box 6000
Mt. Holly, NJ 08060**

**Essex County Executive
Hall of Records
465 Dr. Martin Luther King, Jr. Blvd.
Newark, NJ 07102**

**Hunterdon County Bd of Freeholders
County Administration Bldg.
71 Main St.
Flemington, NJ 08822**

**Mercer County Bd of Freeholders
McDade Administration
640 S. Broad St.
PO Box 8068
Trenton, NJ 08650-0068**

**Middlesex County Bd of Freeholders
Administration Bldg.
JFK Square
PO Box 871
New Brunswick, NJ 08903**

**Monmouth County Bd of Freeholders
Hall of Records
One E. Main Street
Freehold, NJ 07728**

**Morris County Bd of Freeholders
Administration & Records Bldg.
Court St.
PO Box 900
Morristown, NJ 07963-0900**

**Ocean County Bd of Freeholders
Administration Bldg.
101 Hooper Ave.
PO Box 2191
Toms River, NJ 08754**

**Passaic County Bd of Freeholders
Administration Bldg.
401 Grand St.
317 Pennsylvania Avenue
Paterson, NJ 07505**

**Somerset County Bd of Freeholders
20 Grove St.
PO Box 3000
Somerville, NJ 08876**

**Sussex County Bd of Freeholders
Administrative Center
One Spring St.
Newton, NJ 07860**

**Union County Bd of Freeholders
Administration Bldg.
6th Floor
Elizabeth, NJ 07207**

**Warren County Bd of Freeholders
Dumont Administration Building
165 Rte. 519 S.
Belvidere, NJ 07823**

List of County Executive Offices & Administrators

Appendix A-3

**Burlington County Administrator
Municipal Bldg.
851 Old York Rd.
PO Box 340
Burlington, NJ 08016-0340**

**Burlington County Administrator
City Hall
525 High Street
Burlington, NJ 08016**

**Essex County Executive
Hall of Records
465 Dr. Martin Luther King, Jr. Blvd.
Newark, NJ 07102**

**Hunterdon County Administrator
County Administration Bldg.
71 Main St.
Flemington, NJ 08822**

**Mercer County Executive
McDade Administration
640 S. Broad St.
PO Box 8068
Trenton, NJ 08650-0068**

**Middlesex County Administrator
Administration Bldg.
JFK Square
PO Box 871
New Brunswick, NJ 08903**

**Monmouth County Administrator
Hall of Records
One E. Main Street
Freehold, NJ 07728**

**Morris County Administrator
Administration & Records Bldg.
Court St.
PO Box 900
Morristown, NJ 07963-0900**

**Ocean County Administrator
Administration Bldg.
101 Hooper Ave.
PO Box 2191
Toms River, NJ 08754**

**Passaic County Administrator
Administration Bldg.
401 Grand St.
317 Pennsylvania Avenue
Paterson, NJ 07505**

**Somerset County Administrator
20 Grove St.
PO Box 3000
Somerville, NJ 08876**

**Sussex County Administrator
Administrative Center
One Spring St.
Newton, NJ 07860**

**Union County Administrator
Administration Bldg.
6th Floor
Elizabeth, NJ 07207**

**Warren County Administrator
Dumont Administration Building
165 Rte. 519 S.
Belvidere, NJ 07823**

PUBLIC NOTICE

JERSEY CENTRAL POWER & LIGHT COMPANY

**NOTICE OF PROPOSED RATE INCREASE IN CONNECTION WITH
PROPOSED NEW DEMAND RESPONSE PROGRAMS**

AND

NOTICE OF PUBLIC HEARINGS THEREON

TO OUR CUSTOMERS:

On August 1, 2008, pursuant to the direction of the New Jersey Board of Public Utilities (the “Board”), Jersey Central Power & Light Company (“JCP&L” or the “Company”) filed a Verified Petition with the Board, under BPU Docket No. EO08050326, together with supporting appendices, testimony and revised Tariff sheets.

This Verified Petition seeks the Board's approval of proposed new Demand Response (“DR”) programs for the period beginning June 1, 2009, implementation of which will result in an overall increase in JCP&L's Tariff rates and charges for electric service, primarily through the creation of a new Rider DRC for recovery of the associated DR program costs, to become effective for service rendered on and after the date of Board approval of this Verified Petition, or at such other date as the Board may determine.

The annual percentage increase applicable to specific customers will vary according to the applicable rate schedule and the level of the customer’s usage. Copies of the Verified Petition, together with supporting appendices, testimony, revised Tariff sheets and other related documents, are available for inspection at the Company’s

regional headquarters at 300 Madison Avenue, Morristown, New Jersey 07962 and 331 Newman Springs Road, Building 3, Red Bank, New Jersey 07701, at each of the Company's local business offices, and at the Board of Public Utilities, Two Gateway Center, Newark, New Jersey 07102.

The following comparisons of present and proposed rates will permit customers to determine the approximate net effect upon them of the proposed increase in rates. Any assistance required by customers in this regard will be furnished by the Company upon request. Please note that the Board in its discretion may apply all or any portion of whatever rate increase the Board may ultimately allow to other rate schedules or in a different manner than what JCP&L has proposed in its filing. Accordingly, the final rates and charges to be determined by the Board in these proceedings may be different from what JCP&L has described herein.

**STATEMENT OF THE MONTHLY NET EFFECT OF PROPOSED
RATE INCREASE AS COMPARED TO THE
RATES IN EFFECT AS OF JUNE 1, 2008**

	<u>Typical Residential Average Monthly Bill</u> <u>(Includes 7% Sales and Use Tax)</u>		
	<u>Current</u> <u>Monthly</u> <u>Bill</u>	<u>Proposed</u> <u>Monthly</u> <u>Bill</u>	<u>Proposed</u> <u>Monthly</u> <u>Increase</u>
<u>Residential Service (RS)</u>			
500 kWh average monthly usage	\$ 87.87	\$ 88.00	\$ 0.13
1000 kWh average monthly usage	\$ 181.20	\$ 181.46	\$ 0.26
1500 kWh average monthly usage	\$ 276.44	\$ 276.82	\$ 0.38
<u>Residential Time-of-Day Service (RT)</u>			
500 kWh average monthly usage	\$ 91.20	\$ 91.33	\$ 0.13
1000 kWh average monthly usage	\$ 177.13	\$ 177.38	\$ 0.25
1500 kWh average monthly usage	\$ 263.05	\$ 263.42	\$ 0.37

Overall Monthly Class Average Per Customer
(Includes 7% Sales and Use Tax)

<u>Rate Class</u>	<u>Current Monthly Bill</u>	<u>Proposed Monthly Bill</u>	<u>Proposed % Increase</u>
Residential Service (RS)	\$ 144.60	\$ 144.80	0.1%
Residential Time-of-Day Service (RT)	\$ 204.88	\$ 205.18	0.1%
General Service - Secondary (GS)	\$ 822.63	\$ 823.81	0.1%
General Service - Secondary Time-of-Day (GST)	\$ 44,922.34	\$44,990.62	0.2%
General Service - Primary (GP)	\$ 65,906.42	\$ 66,009.39	0.2%
General Service - Transmission (GT)	\$ 213,460.59	\$ 213,834.62	0.2%
Street & Area Lighting (Average per Fixture)	\$ 14.41	\$ 14.42	0.1%

Notice of this filing together with a statement of the effect thereof on customers are being served upon the clerk, executive or administrator of each municipality and county within the Company's service areas. Such notice has also been served, together with supporting appendices, testimony and revised Tariff sheets, upon the Director of the Division of Rate Counsel of the Department of the Public Advocate, who will represent the interests of ratepayers in these proceedings.

PLEASE TAKE NOTICE that the Board has scheduled public hearings on the Verified Petition under BPU Docket No. EO08050326, at the following times and places:

Members of the public will have an opportunity to be heard and/or to submit written comments or statements at each or any of the public hearings if they wish to do so. Such written comments or statements may also be submitted directly to

the Board of Public Utilities at Two Gateway Center, Newark, New Jersey 07102, Attn:
Kristi Izzo.

**JERSEY CENTRAL POWER & LIGHT
COMPANY**

By: [name & title]

Dated: _____, 2008

ATTACHMENT 1

Name of Respondent Jersey Central Power & Light Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 11 / 11 / 07	Year/Period of Report End of 2007/Q4
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COMPARATIVE BALANCE SHEET (ASSETS AND OTHER DEBITS)

Line No.	Title of Account (a)	Ref. Page No. (b)	Current Year End of Quarter/Year Balance (c)	Prior Year End Balance 12/31 (d)
1	UTILITY PLANT			
2	Utility Plant (101-106, 114)	200-201	4,175,124,627	4,029,070,003
3	Construction Work in Progress (107)	200-201	90,507,750	76,728,449
4	TOTAL Utility Plant (Enter Total of lines 2 and 3)		4,265,632,377	4,107,798,452
5	(Less) Accum. Prov. for Depr. Amort. Depl. (108, 110, 111, 115)	200-201	1,667,187,807	1,623,350,351
6	Net Utility Plant (Enter Total of line 4 less 5)		2,598,444,570	2,484,448,101
7	Nuclear Fuel in Process of Ref., Conv., Enrich., and Fab. (120.1)	202-203	0	0
8	Nuclear Fuel Materials and Assemblies-Stock Account (120.2)		0	0
9	Nuclear Fuel Assemblies in Reactor (120.3)		0	0
10	Spent Nuclear Fuel (120.4)		0	0
11	Nuclear Fuel Under Capital Leases (120.6)		0	0
12	(Less) Accum. Prov. for Amort. of Nucl. Fuel Assemblies (120.5)	202-203	0	0
13	Net Nuclear Fuel (Enter Total of lines 7-11 less 12)		0	0
14	Net Utility Plant (Enter Total of lines 6 and 13)		2,598,444,570	2,484,448,101
15	Utility Plant Adjustments (116)	122	0	0
16	Gas Stored Underground - Noncurrent (117)		0	0
17	OTHER PROPERTY AND INVESTMENTS			
18	Nonutility Property (121)		15,875,622	15,875,622
19	(Less) Accum. Prov. for Depr. and Amort. (122)		15,832,098	15,828,515
20	Investments In Associated Companies (123)		0	0
21	Investment in Subsidiary Companies (123.1)	224-225	2,528,053	2,545,792
22	(For Cost of Account 123.1, See Footnote Page 224, line 42)			
23	Noncurrent Portion of Allowances	228-229	0	0
24	Other Investments (124)		1,040,018	1,000,018
25	Sinking Funds (125)		0	0
26	Depreciation Fund (126)		0	0
27	Amortization Fund - Federal (127)		0	0
28	Other Special Funds (128)		175,858,747	164,108,055
29	Special Funds (Non Major Only) (129)		100,614,640	14,560,000
30	Long-Term Portion of Derivative Assets (175)		9,347,508	11,817,921
31	Long-Term Portion of Derivative Assets - Hedges (176)		0	0
32	TOTAL Other Property and Investments (Lines 18-21 and 23-31)		290,442,488	194,978,893
33	CURRENT AND ACCRUED ASSETS			
34	Cash and Working Funds (Non-major Only) (130)		0	0
35	Cash (131)		0	0
36	Special Deposits (132-134)		178,565,550	171,045,201
37	Working Fund (135)		39,900	39,900
38	Temporary Cash Investments (136)		0	0
39	Notes Receivable (141)		0	0
40	Customer Accounts Receivable (142)		165,898,564	131,520,383
41	Other Accounts Receivable (143)		57,532,737	37,248,497
42	(Less) Accum. Prov. for Uncollectible Acct.-Credit (144)		3,691,452	3,524,407
43	Notes Receivable from Associated Companies (145)		18,427,668	24,456,211
44	Accounts Receivable from Assoc. Companies (146)		21,299,120	11,623,222
45	Fuel Stock (151)	227	1,342,439	897,105
46	Fuel Stock Expenses Undistributed (152)	227	0	0
47	Residuals (Elec) and Extracted Products (153)	227	0	0
48	Plant Materials and Operating Supplies (154)	227	1,065,002	1,045,712
49	Merchandise (155)	227	0	0
50	Other Materials and Supplies (156)	227	0	0
51	Nuclear Materials Held for Sale (157)	202-203/227	0	0
52	Allowances (158.1 and 158.2)	228-229	0	0

Name of Respondent		This Report Is:		Date of Report	Year/Period of Report
Jersey Central Power & Light Company		(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		(Mo, Da, Yr) / /	End of <u>2007/Q4</u>
COMPARATIVE BALANCE SHEET (ASSETS AND OTHER DEBITS)(Continued)					
Line No.	Title of Account (a)	Ref. Page No. (b)	Current Year End of Quarter/Year Balance (c)	Prior Year End Balance 12/31 (d)	
53	(Less) Noncurrent Portion of Allowances		0	0	
54	Stores Expense Undistributed (163)	227	0	0	
55	Gas Stored Underground - Current (164.1)		0	0	
56	Liquefied Natural Gas Stored and Held for Processing (164.2-164.3)		0	0	
57	Prepayments (165)		1,725,397	16,156,721	
58	Advances for Gas (166-167)		0	0	
59	Interest and Dividends Receivable (171)		0	1,310,894	
60	Rents Receivable (172)		1,710,767	1,466,708	
61	Accrued Utility Revenues (173)		159,018,656	128,049,887	
62	Miscellaneous Current and Accrued Assets (174)		0	0	
63	Derivative Instrument Assets (175)		9,347,506	11,617,921	
64	(Less) Long-Term Portion of Derivative Instrument Assets (175)		9,347,506	11,617,921	
65	Derivative Instrument Assets - Hedges (176)		0	0	
66	(Less) Long-Term Portion of Derivative Instrument Assets - Hedges (176)		0	0	
67	Total Current and Accrued Assets (Lines 34 through 66)		600,734,368	519,433,034	
68	DEFERRED DEBITS				
69	Unamortized Debt Expenses (181)		5,451,884	5,230,541	
70	Extraordinary Property Losses (182.1)	230	0	9,690,887	
71	Unrecovered Plant and Regulatory Study Costs (182.2)	230	8,987,414	9,991,992	
72	Other Regulatory Assets (182.3)	232	1,463,804,382	1,974,513,248	
73	Prelim. Survey and Investigation Charges (Electric) (183)		0	0	
74	Preliminary Natural Gas Survey and Investigation Charges (183.1)		0	0	
75	Other Preliminary Survey and Investigation Charges (183.2)		0	0	
76	Clearing Accounts (184)		0	-382,962	
77	Temporary Facilities (185)		581,093	448,587	
78	Miscellaneous Deferred Debits (186)	233	1,827,711,031	1,863,712,949	
79	Def. Losses from Disposition of Utility Plt. (187)		0	0	
80	Research, Devel. and Demonstration Expend. (188)	352-353	0	0	
81	Unamortized Loss on Required Debt (189)		28,136,871	14,541,778	
82	Accumulated Deferred Income Taxes (190)	234	769,113,754	272,610,766	
83	Unrecovered Purchased Gas Costs (191)		0	0	
84	Total Deferred Debits (lines 69 through 83)		4,093,786,409	4,249,257,775	
85	TOTAL ASSETS (lines 14-16, 32, 67, and 84)		7,583,407,835	7,448,117,803	

Name of Respondent Jersey Central Power & Light Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (mo, da, yr) / /	Year/Period of Report end of 2007/04
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COMPARATIVE BALANCE SHEET (LIABILITIES AND OTHER CREDITS)

Line No.	Title of Account (a)	Ref. Page No. (b)	Current Year End of Quarter/Year Balance (c)	Prior Year End Balance 12/31 (d)
1	PROPRIETARY CAPITAL			
2	Common Stock Issued (201)	250-251	144,216,370	150,093,350
3	Preferred Stock Issued (204)	250-251	0	0
4	Capital Stock Subscribed (202, 205)	252	0	0
5	Stock Liability for Conversion (203, 206)	252	0	0
6	Premium on Capital Stock (207)	252	2,655,535,840	2,908,075,179
7	Other Paid-In Capital (208-211)	253	404,704	203,331
8	Installments Received on Capital Stock (212)	252	0	0
9	(Less) Discount on Capital Stock (213)	254	0	0
10	(Less) Capital Stock Expense (214)	254	0	0
11	Retained Earnings (215, 215.1, 216)	118-119	237,572,678	145,445,214
12	Unappropriated Undistributed Subsidiary Earnings (215.1)	118-119	15,053	32,791
13	(Less) Required Capital Stock (217)	250-251	0	0
14	Noncorporate Proprietorship (Non-major only) (218)		0	0
15	Accumulated Other Comprehensive Income (219)	122(a)(b)	-19,880,698	-44,252,930
16	Total Proprietary Capital (lines 2 through 15)		3,017,865,945	3,159,597,935
17	LONG-TERM DEBT			
18	Bonds (221)	258-257	0	287,200,000
19	(Less) Recaptured Bonds (222)	258-257	0	0
20	Advances from Associated Companies (223)	256-257	0	0
21	Other Long-Term Debt (224)	256-257	1,200,000,000	550,000,000
22	Unamortized Premium on Long-Term Debt (225)		0	255,025
23	(Less) Unamortized Discount on Long-Term Debt-Debt (226)		9,032,268	13,661,984
24	Total Long-Term Debt (lines 18 through 23)		1,190,967,734	923,793,041
25	OTHER NONCURRENT LIABILITIES			
26	Obligations Under Capital Leases - Noncurrent (227)		0	0
27	Accumulated Provision for Property Insurance (228.1)		0	0
28	Accumulated Provision for Injuries and Damages (228.2)		23,009,944	12,965,825
29	Accumulated Provision for Pensions and Benefits (228.3)		3,186,800	10,206,676
30	Accumulated Miscellaneous Operating Provisions (228.4)		0	0
31	Accumulated Provision for Rate Refunds (229)		0	0
32	Long-Term Portion of Derivative Instrument Liabilities		0	0
33	Long-Term Portion of Derivative Instrument Liabilities - Hedges		0	0
34	Asset Retirement Obligations (230)		89,889,239	84,445,604
35	Total Other Noncurrent Liabilities (lines 26 through 34)		115,865,983	107,618,105
36	CURRENT AND ACCRUED LIABILITIES			
37	Notes Payable (231)		0	0
38	Accounts Payable (232)		193,847,697	180,358,906
39	Notes Payable to Associated Companies (233)		130,981,101	186,536,920
40	Accounts Payable to Associated Companies (234)		12,974,552	87,180,500
41	Customer Deposits (235)		20,549,227	17,307,811
42	Taxes Accrued (236)	262-263	3,249,868	1,451,034
43	Interest Accrued (237)		24,617,708	8,404,162
44	Dividends Declared (238)		0	0
45	Matured Long-Term Debt (239)		0	0

Name of Respondent Jersey Central Power & Light Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (mo, da, yr) 11	Year/Period of Report end of 2007/Q4
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COMPARATIVE BALANCE SHEET (LIABILITIES AND OTHER CREDITS) (continued)

Line No.	Title of Account (a)	Ref. Page No. (b)	Current Year End of Quarter/Year Balance (c)	Prior Year End Balance 12/31 (d)
46	Matured Interest (240)		0	0
47	Tax Collections Payable (241)		12,492,780	12,478,245
48	Miscellaneous Current and Accrued Liabilities (242)		70,198,819	98,636,136
49	Obligations Under Capital Leases-Current (243)		0	0
50	Derivative Instrument Liabilities (244)		0	0
51	(Less) Long-Term Portion of Derivative Instrument Liabilities		0	0
52	Derivative Instrument Liabilities - Hedges (245)		46,207	27,484
53	(Less) Long-Term Portion of Derivative Instrument Liabilities-Hedges		0	0
54	Total Current and Accrued Liabilities (lines 37 through 53)		468,357,759	572,364,198
55	DEFERRED CREDITS			
56	Customer Advances for Construction (252)		18,928,347	18,844,075
57	Accumulated Deferred Investment Tax Credits (255)	266-267	3,212,356	3,894,244
58	Deferred Gains from Disposition of Utility Plant (256)		0	0
59	Other Deferred Credits (253)	269	1,044,010,864	1,464,841,679
60	Other Regulatory Liabilities (254)	278	131,581,660	115,491,151
61	Unamortized Gain on Reacquired Debt (257)		2,868,078	4,018,822
62	Accum. Deferred Income Taxes-Accel. Amort.(281)	272-277	0	0
63	Accum. Deferred Income Taxes-Other Property (282)		521,285,190	476,820,268
64	Accum. Deferred Income Taxes-Other (283)		1,058,465,899	599,734,266
65	Total Deferred Credits (lines 56 through 64)		2,790,352,414	2,684,744,524
66	TOTAL LIABILITIES AND STOCKHOLDER EQUITY (lines 16, 24, 35, 54 and 65)		7,683,407,835	7,448,117,903

Name of Respondent Jersey Central Power & Light Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 11	Year/Period of Report End of 2006/Q4
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COMPARATIVE BALANCE SHEET (ASSETS AND OTHER DEBITS)

Line No.	Title of Account (a)	Ref. Page No. (b)	Current Year End of Quarter/Year Balance (c)	Prior Year End Balance 12/31 (d)
1	UTILITY PLANT			
2	Utility Plant (101-106, 114)	200-201	4,029,070,003	3,902,683,806
3	Construction Work In Progress (107)	200-201	78,728,449	98,719,735
4	TOTAL Utility Plant (Enter Total of lines 2 and 3)		4,107,798,452	4,001,403,541
5	(Less) Accum. Prov. for Depr. Amort. Depl. (108, 110, 111, 115)	200-201	1,623,350,351	1,595,909,318
6	Net Utility Plant (Enter Total of line 4 less 5)		2,484,448,101	2,405,494,223
7	Nuclear Fuel In Process of Ref., Conv., Enrich., and Fab. (120.1)	202-203	0	0
8	Nuclear Fuel Materials and Assemblies-Stock Account (120.2)		0	0
9	Nuclear Fuel Assemblies in Reactor (120.3)		0	0
10	Spent Nuclear Fuel (120.4)		0	0
11	Nuclear Fuel Under Capital Leases (120.6)		0	0
12	(Less) Accum. Prov. for Amort. of Nucl. Fuel Assemblies (120.5)	202-203	0	0
13	Net Nuclear Fuel (Enter Total of lines 7-11 less 12)		0	0
14	Net Utility Plant (Enter Total of lines 6 and 13)		2,484,448,101	2,405,494,223
15	Utility Plant Adjustments (118)	122	0	0
16	Gas Stored Underground - Noncurrent (117)		0	0
17	OTHER PROPERTY AND INVESTMENTS			
18	Nonutility Property (121)		16,875,622	17,879,271
19	(Less) Accum. Prov. for Depr. and Amort. (122)		15,828,515	16,298,957
20	Investments In Associated Companies (123)		0	0
21	Investment in Subsidiary Companies (123.1)	224-225	2,545,762	1,651,155
22	(For Cost of Account 123.1, See Footnote Page 224, line 42)			
23	Noncurrent Portion of Allowances	228-229	0	0
24	Other Investments (124)		1,000,018	
25	Sinking Funds (125)		0	0
26	Depreciation Fund (126)		0	0
27	Amortization Fund - Federal (127)		0	0
28	Other Special Funds (128)		164,108,055	145,974,520
29	Special Funds (Non Major Only) (129)		0	0
30	Long-Term Portion of Derivative Assets (175)		11,617,921	
31	Long-Term Portion of Derivative Assets - Hedges (176)		0	0
32	TOTAL Other Property and Investments (Lines 18-21 and 23-31)		180,318,893	164,319,493
33	CURRENT AND ACCRUED ASSETS			
34	Cash and Working Funds (Non-major Only) (130)		0	0
35	Cash (131)		0	0
36	Special Deposits (132-134)		171,045,201	164,264,386
37	Working Fund (135)		39,900	39,900
38	Temporary Cash Investments (136)		0	0
39	Notes Receivable (141)		0	0
40	Customer Accounts Receivable (142)		131,520,383	180,785,408
41	Other Accounts Receivable (143)		37,246,497	39,208,760
42	(Less) Accum. Prov. for Uncollectible Acct.-Credit (144)		3,524,407	4,033,781
43	Notes Receivable from Associated Companies (145)		24,458,211	18,418,842
44	Accounts Receivable from Assoc. Companies (146)		11,623,222	4,591,873
45	Fuel Stock (151)	227	997,105	1,114,014
46	Fuel Stock Expenses Undistributed (152)	227	0	0
47	Residuals (Elec) and Extracted Products (153)	227	0	0
48	Plant Materials and Operating Supplies (154)	227	1,045,712	989,713
49	Merchandise (155)	227	0	0
50	Other Materials and Supplies (156)	227	0	0
51	Nuclear Materials Held for Sale (157)	202-203/227	0	0
52	Allowances (158.1 and 158.2)	228-229	0	0

Name of Respondent Jersey Central Power & Light Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of <u>2008/Q4</u>
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COMPARATIVE BALANCE SHEET (ASSETS AND OTHER DEBITS)(Continued)

Line No.	Title of Account (a)	Ref. Page No. (b)	Current Year End of Quarter/Year Balance (c)	Prior Year End Balance 12/31 (d)
53	(Less) Noncurrent Portion of Allowances		0	0
54	Stores Expense Undistributed (163)	227	0	0
55	Gas Stored Underground - Current (164.1)		0	0
56	Liquefied Natural Gas Stored and Held for Processing (164.2-164.3)		0	0
57	Prepayments (165)		16,156,721	149,762,078
58	Advances for Gas (166-167)		0	0
59	Interest and Dividends Receivable (171)		1,310,894	717,924
60	Rents Receivable (172)		1,465,708	1,712,684
61	Accrued Utility Revenues (173)		126,049,887	101,142,478
62	Miscellaneous Current and Accrued Assets (174)		0	0
63	Derivative Instrument Assets (175)		11,617,921	
64	(Less) Long-Term Portion of Derivative Instrument Assets (175)		11,617,921	
65	Derivative Instrument Assets - Hedges (176)		0	0
66	(Less) Long-Term Portion of Derivative Instrument Assets - Hedges (176)		0	0
67	Total Current and Accrued Assets (Lines 34 through 66)		519,433,034	638,714,279
68	DEFERRED DEBITS			
69	Unamortized Debt Expenses (181)		5,230,541	3,239,225
70	Extraordinary Property Losses (182.1)	230	8,580,887	16,157,887
71	Unrecovered Plant and Regulatory Study Costs (182.2)	230	9,991,982	10,996,550
72	Other Regulatory Assets (182.3)	232	1,974,513,248	2,212,410,916
73	Prelim. Survey and Investigation Charges (Electric) (183)		0	0
74	Preliminary Natural Gas Survey and Investigation Charges 183.1)		0	0
75	Other Preliminary Survey and Investigation Charges (183.2)		0	0
76	Clearing Accounts (184)		-382,982	-704,057
77	Temporary Facilities (185)		448,567	317,026
78	Miscellaneous Deferred Debits (186)	233	1,978,372,949	1,987,005,277
79	Def. Losses from Disposition of Utility Plt. (187)		0	0
80	Research, Devel. and Demonstration Expend. (188)	352-353	0	0
81	Unamortized Loss on Required Debt (189)		14,541,778	16,230,634
82	Accumulated Deferred Income Taxes (190)	234	272,610,785	277,203,135
83	Unrecovered Purchased Gas Costs (191)		0	0
84	Total Deferred Debits (Lines 69 through 83)		4,263,917,775	4,524,856,593
85	TOTAL ASSETS (Lines 14-16, 32, 67, and 84)		7,448,117,803	7,733,384,588

Name of Respondent Jersey Central Power & Light Company	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (mo, da, yr) / /	Year/Period of Report end of 2006/Q4
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COMPARATIVE BALANCE SHEET (LIABILITIES AND OTHER CREDITS)

Line No.	Title of Account (a)	Ref. Page No. (b)	Current Year End of Quarter/Year Balance (c)	Prior Year End Balance 12/31 (d)
1	PROPRIETARY CAPITAL			
2	Common Stock Issued (201)	250-251	150,093,950	153,712,700
3	Preferred Stock Issued (204)	250-251	0	12,500,000
4	Capital Stock Subscribed (202, 205)	252	0	0
5	Stock Liability for Conversion (203, 206)	252	0	0
6	Premium on Capital Stock (207)	252	2,908,075,179	3,003,283,991
7	Other Paid-in Capital (208-211)	253	203,331	54,969
8	Installments Received on Capital Stock (212)	252	0	0
9	(Less) Discount on Capital Stock (213)	254	0	0
10	(Less) Capital Stock Expense (214)	254	0	0
11	Retained Earnings (215, 215.1, 216)	118-119	145,448,214	55,840,291
12	Unappropriated Undistributed Subsidiary Earnings (216.1)	118-119	32,791	50,155
13	(Less) Required Capital Stock (217)	250-251	0	0
14	Noncorporate Proprietorship (Non-major only) (218)		0	0
15	Accumulated Other Comprehensive Income (219)	122(a)(b)	-44,252,930	-2,029,508
16	Total Proprietary Capital (lines 2 through 15)		3,159,597,935	3,223,412,598
17	LONG-TERM DEBT			
18	Bonds (221)	256-257	267,200,000	327,200,000
19	(Less) Required Bonds (222)	256-257	0	0
20	Advances from Associated Companies (223)	256-257	0	0
21	Other Long-Term Debt (224)	256-257	650,000,000	600,000,000
22	Unamortized Premium on Long-Term Debt (225)		255,025	1,273,164
23	(Less) Unamortized Discount on Long-Term Debt-Debt (226)		13,661,984	13,242,784
24	Total Long-Term Debt (lines 18 through 23)		923,793,041	915,230,360
25	OTHER NONCURRENT LIABILITIES			
26	Obligations Under Capital Leases - Noncurrent (227)		0	0
27	Accumulated Provision for Property Insurance (228.1)		0	0
28	Accumulated Provision for Injuries and Damages (228.2)		12,965,825	13,000,559
29	Accumulated Provision for Pensions and Benefits (228.3)		10,206,676	72,453,672
30	Accumulated Miscellaneous Operating Provisions (228.4)		0	0
31	Accumulated Provision for Rate Refunds (229)		0	0
32	Long-Term Portion of Derivative Instrument Liabilities		0	0
33	Long-Term Portion of Derivative Instrument Liabilities - Hedges		0	0
34	Asset Retirement Obligations (230)		84,445,604	79,526,607
35	Total Other Noncurrent Liabilities (lines 26 through 34)		107,618,105	164,980,838
36	CURRENT AND ACCRUED LIABILITIES			
37	Notes Payable (231)		0	0
38	Accounts Payable (232)		160,356,906	149,500,658
39	Notes Payable to Associated Companies (233)		186,539,920	151,345,817
40	Accounts Payable to Associated Companies (234)		87,160,500	47,111,563
41	Customer Deposits (235)		17,307,811	16,336,601
42	Taxes Accrued (236)	252-263	1,451,034	45,228,421
43	Interest Accrued (237)		8,404,162	18,674,014
44	Dividends Declared (238)		0	0
45	Matured Long-Term Debt (239)		0	0

Name of Respondent Jersey Central Power & Light Company	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (mo, da, yr) 11	Year/Period of Report end of 2006/Q4
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COMPARATIVE BALANCE SHEET (LIABILITIES AND OTHER CREDITS) (Continued)

Line No.	Title of Account (a)	Ref. Page No. (b)	Current Year End of Quarter/Year Balance (c)	Prior Year End Balance 12/31 (d)
46	Matured Interest (240)		0	0
47	Tax Collections Payable (241)		12,478,245	10,321,858
48	Miscellaneous Current and Accrued Liabilities (242)		98,838,136	201,451,558
49	Obligations Under Capital Leases-Current (243)		0	0
50	Derivative Instrument Liabilities (244)		0	0
51	(Less) Long-Term Portion of Derivative Instrument Liabilities		0	0
52	Derivative Instrument Liabilities - Hedges (245)		27,484	0
53	(Less) Long-Term Portion of Derivative Instrument Liabilities-Hedges		0	0
54	Total Current and Accrued Liabilities (lines 37 through 53)		572,364,198	889,970,290
55	DEFERRED CREDITS			
56	Customer Advances for Construction (252)		19,944,075	15,643,103
57	Accumulated Deferred Investment Tax Credits (255)	266-267	3,894,244	4,786,468
58	Deferred Gains from Disposition of Utility Plant (256)		0	0
59	Other Deferred Credits (253)	269	1,464,841,678	1,513,592,832
60	Other Regulatory Liabilities (254)	278	115,491,151	130,588,292
61	Unamortized Gain on Required Debt (257)		4,018,822	5,942,858
62	Accum. Deferred Income Taxes-Accel. Amort.(281)	272-277	0	0
63	Accum. Deferred Income Taxes-Other Property (282)		476,820,268	446,780,628
64	Accum. Deferred Income Taxes-Other (283)		599,734,286	642,458,303
65	Total Deferred Credits (lines 56 through 64)		2,684,744,524	2,759,790,482
66	TOTAL LIABILITIES AND STOCKHOLDER EQUITY (lines 16, 24, 35, 54 and 65)		7,448,117,803	7,733,384,588

ATTACHMENT 2

Name of Respondent Jersey Central Power & Light Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of <u>2007/Q4</u>
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STATEMENT OF INCOME

Quarterly

1. Enter in column (d) the balance for the reporting quarter and in column (e) the balance for the same three month period for the prior year.
2. Report in column (f) the quarter to date amounts for electric utility function; in column (h) the quarter to date amounts for gas utility, and in (j) the quarter to date amounts for other utility function for the current year quarter.
3. Report in column (g) the quarter to date amounts for electric utility function; in column (i) the quarter to date amounts for gas utility, and in (k) the quarter to date amounts for other utility function for the prior year quarter.
4. If additional columns are needed place them in a footnote.

Annual or Quarterly If applicable

5. Do not report fourth quarter data in columns (e) and (f)
6. Report amounts for accounts 412 and 413, Revenues and Expenses from Utility Plant Leased to Others, in another utility column in a similar manner to a utility department. Spread the amount(s) over lines 2 thru 26 as appropriate. Include these amounts in columns (c) and (d) totals.
7. Report amounts in account 414, Other Utility Operating Income, in the same manner as accounts 412 and 413 above.
8. Report data for lines 9, 10 and 11 for Natural Gas companies using accounts 404.1, 404.2, 404.3, 407.1 and 407.2.

Line No.	Title of Account (a)	(Ref.) Page No. (b)	Total Current Year to Date Balance for Quarter/Year (c)	Total Prior Year to Date Balance for Quarter/Year (d)	Current 3 Months Ended Quarterly Only No 4th Quarter (e)	Prior 3 Months Ended Quarterly Only No 4th Quarter (f)
1	UTILITY OPERATING INCOME					
2	Operating Revenues (400)	300-301	3,186,507,703	2,626,642,549		
3	Operating Expenses					
4	Operation Expenses (401)	320-323	2,195,572,807	1,771,899,446		
5	Maintenance Expenses (402)	320-323	87,906,965	70,236,179		
6	Depreciation Expense (403)	336-337	100,405,264	97,805,345		
7	Depreciation Expense for Asset Retirement Costs (403.1)	336-337		-70		
8	Amort. & Depl. of Utility Plant (404-405)	336-337	4,699,157	4,305,821		
9	Amort. of Utility Plant Acq. Adj. (406)	336-337	77,448	77,448		
10	Amort. Property Losses, Unrecov Plant and Regulatory Study Costs (407)					
11	Amort. of Conversion Expenses (407)					
12	Regulatory Debits (407.3)		334,117,999	233,330,033		
13	(Less) Regulatory Credits (407.4)					
14	Taxes Other Than Income Taxes (408.1)	262-263	66,224,643	63,925,155		
15	Income Taxes - Federal (409.1)	262-263	135,063,173	71,447,090		
16	- Other (409.1)	262-263	41,175,635	23,790,652		
17	Provision for Deferred Income Taxes (410.1)	234, 272-277	332,167,246	107,213,563		
18	(Less) Provision for Deferred Income Taxes-Cr (411.1)	234, 272-277	363,416,706	64,070,106		
19	Investment Tax Credit Adj. - Net (411.4)	266	-681,888	-892,224		
20	(Less) Gains from Disp. of Utility Plant (411.6)					
21	Losses from Disp. of Utility Plant (411.7)					
22	(Less) Gains from Disposition of Allowances (411.8)					
23	Losses from Disposition of Allowances (411.9)					
24	Accretion Expense (411.10)					
25	TOTAL Utility Operating Expenses (Enter Total of lines 4 thru 24)		2,933,311,743	2,376,068,352		
26	Net Util Oper Inc (Enter Tot line 2 less 25) Carry to Pg 117, line 27		252,195,960	247,574,197		

Name of Respondent Jersey Central Power & Light Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2007/Q4	
STATEMENT OF INCOME FOR THE YEAR (continued)						
Line No.	Title of Account (a)	(Ref.) Page No. (b)	TOTAL		Current 3 Months Ended Quarterly Only No 4th Quarter (e)	Prior 3 Months Ended Quarterly Only No 4th Quarter (f)
			Current Year (c)	Previous Year (d)		
27	Net Utility Operating Income (Carried forward from page 114)		252,195,960	247,574,197		
28	Other Income and Deductions					
29	Other Income					
30	Nonutility Operating Income					
31	Revenues From Merchandising, Jobbing and Contract Work (416)		559,822	401,820		
32	(Less) Costs and Exp. of Merchandising, Job. & Contract Work (416)		20,263			
33	Revenues From Nonutility Operations (417)					
34	(Less) Expenses of Nonutility Operations (417.1)					
35	Nonoperating Rental Income (418)		2,260	165		
36	Equity In Earnings of Subsidiary Companies (418.1)	119	110,781	54,955		
37	Interest and Dividend Income (419)		11,870,650	11,661,488		
38	Allowance for Other Funds Used During Construction (419.1)		-9,066	-209		
39	Miscellaneous Nonoperating Income (421)		5,159,043	7,341,755		
40	Gain on Disposition of Property (421.1)		353,907	1,437,070		
41	TOTAL Other Income (Enter Total of lines 31 thru 40)		17,826,712	21,096,844		
42	Other Income Deductions					
43	Loss on Disposition of Property (421.2)		134	8,602		
44	Miscellaneous Amortization (425)	340				
45	Donations (426.1)	340	365,617	296,533		
46	Life Insurance (426.2)		-1,057,327	-2,716,655		
47	Penalties (426.3)		-74,841	116,000		
48	Exp. for Certain Civic, Political & Related Activities (426.4)		105,565	132,638		
49	Other Deductions (426.5)		-113,002	-798,779		
50	TOTAL Other Income Deductions (Total of lines 43 thru 49)		-773,854	-2,958,461		
51	Taxes Applic. to Other Income and Deductions					
52	Taxes Other Than Income Taxes (408.2)	262-263				
53	Income Taxes-Federal (409.2)	262-263	1,769,485	6,970,753		
54	Income Taxes-Other (409.2)	262-263	626,200	587,003		
55	Provision for Deferred Inc. Taxes (410.2)	234, 272-277	28,179,190	1,369,741		
56	(Less) Provision for Deferred Income Taxes-Cr. (411.2)	234, 272-277	27,899,541	-254,789		
57	Investment Tax Credit Adj.-Net (411.5)					
58	(Less) Investment Tax Credits (420)					
59	TOTAL Taxes on Other Income and Deductions (Total of lines 52-58)		2,710,334	9,212,286		
60	Net Other Income and Deductions (Total of lines 41, 50, 59)		15,890,232	14,843,019		
61	Interest Charges					
62	Interest on Long-Term Debt (427)		65,765,682	59,191,985		
63	Amort. of Debt Disc. and Expense (428)		1,130,230	1,137,054		
64	Amortization of Loss on Recquired Debt (428.1)		1,939,006	1,668,658		
65	(Less) Amort. of Premium on Debt-Credit (429)		17,502	1,018,139		
66	(Less) Amortization of Gain on Recquired Debt-Credit (429.1)		1,386,267	1,924,034		
67	Interest on Debt to Assoc. Companies (430)	340	11,863,550	10,600,712		
68	Other Interest Expense (431)	340	6,454,122	5,892,122		
69	(Less) Allowance for Borrowed Funds Used During Construction-Cr. (432)		3,789,369	3,757,817		
70	Net Interest Charges (Total of lines 62 thru 69)		81,977,468	71,810,739		
71	Income Before Extraordinary Items (Total of lines 27, 60 and 70)		186,108,724	190,606,477		
72	Extraordinary Items					
73	Extraordinary Income (434)					
74	(Less) Extraordinary Deductions (435)					
75	Net Extraordinary Items (Total of line 73 less line 74)					
76	Income Taxes-Federal and Other (409.3)	262-263				
77	Extraordinary Items After Taxes (line 75 less line 76)					
78	Net Income (Total of line 71 and 77)		186,108,724	190,606,477		

Name of Respondent Jersey Central Power & Light Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2006/Q4
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STATEMENT OF INCOME

Quarterly

1. Enter in column (d) the balance for the reporting quarter and in column (e) the balance for the same three month period for the prior year.
2. Report in column (f) the quarter to date amounts for electric utility function; in column (h) the quarter to date amounts for gas utility, and in (j) the quarter to date amounts for other utility function for the current year quarter.
3. Report in column (g) the quarter to date amounts for electric utility function; in column (i) the quarter to date amounts for gas utility, and in (k) the quarter to date amounts for other utility function for the prior year quarter.
4. If additional columns are needed place them in a footnote.

Annual or Quarterly if applicable

5. Do not report fourth quarter data in columns (e) and (f)
6. Report amounts for accounts 412 and 413, Revenues and Expenses from Utility Plant Leased to Others, in another utility column in a similar manner to a utility department. Spread the amount(s) over lines 2 thru 25 as appropriate. Include these amounts in columns (c) and (d) totals.
7. Report amounts in account 414, Other Utility Operating Income, in the same manner as accounts 412 and 413 above.
8. Report data for lines 8, 10 and 11 for Natural Gas companies using accounts 404.1, 404.2, 404.3, 407.1 and 407.2.

Line No.	Title of Account (a)	(Ref.) Page No. (b)	Total Current Year to Date Balance for Quarter/Year (c)	Total Prior Year to Date Balance for Quarter/Year (d)	Current 3 Months Ended Quarterly Only No 4th Quarter (e)	Prior 3 Months Ended Quarterly Only No 4th Quarter (f)
1	UTILITY OPERATING INCOME					
2	Operating Revenues (400)	300-301	2,626,642,549	2,571,930,163		
3	Operating Expenses					
4	Operation Expenses (401)	320-323	1,771,899,446	1,719,782,171		
5	Maintenance Expenses (402)	320-323	70,236,179	85,644,416		
6	Depreciation Expense (403)	336-337	97,805,345	95,731,696		
7	Depreciation Expense for Asset Retirement Costs (403.1)	336-337	-70			
8	Amort. & Depl. of Utility Plant (404-405)	336-337	4,305,821	3,751,889		
9	Amort. of Utility Plant Acq. Adj. (406)	336-337	77,448	77,448		
10	Amort. Property Losses, Unrecov Plant and Regulatory Study Costs (407)					
11	Amort. of Conversion Expenses (407)					
12	Regulatory Debits (407.3)		233,330,033	256,411,624		
13	(Less) Regulatory Credits (407.4)			26,861,933		
14	Taxes Other Than Income Taxes (408.1)	262-263	63,925,155	64,537,959		
15	Income Taxes - Federal (409.1)	262-263	71,447,090	72,689,420		
16	- Other (409.1)	262-263	23,790,652	20,516,505		
17	Provision for Deferred Income Taxes (410.1)	234, 272-277	107,213,583	63,422,631		
18	(Less) Provision for Deferred Income Taxes-Cr. (411.1)	234, 272-277	64,070,106	22,792,494		
19	Investment Tax Credit Adj. - Net (411.4)	266	-892,224	-1,337,679		
20	(Less) Gains from Disp. of Utility Plant (411.6)					
21	Losses from Disp. of Utility Plant (411.7)					
22	(Less) Gains from Disposition of Allowances (411.8)					
23	Losses from Disposition of Allowances (411.9)					
24	Accretion Expense (411.10)					
25	TOTAL Utility Operating Expenses (Enter Total of lines 4 thru 24)		2,379,068,362	2,331,775,653		
26	Net Util Oper Inc (Enter Tot line 2 less 25) Carry to Pg117, line 27		247,574,197	240,154,310		

Name of Respondent Jersey Central Power & Light Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2006/Q4
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STATEMENT OF INCOME FOR THE YEAR (continued)

Line No.	Title of Account (a)	(Ref.) Page No. (b)	TOTAL		Current 3 Months Ended Quarterly Only No 4th Quarter (e)	Prior 3 Months Ended Quarterly Only No 4th Quarter (f)
			Current Year (c)	Previous Year (d)		
27	Net Utility Operating Income (Carried forward from page 114)		247,574,197	240,154,310		
28	Other Income and Deductions					
29	Other Income					
30	Nonutility Operating Income					
31	Revenues From Merchandising, Jobbing and Contract Work (415)		401,620	2,518,486		
32	(Less) Costs and Exp. of Merchandising, Job. & Contract Work (416)			3,749,105		
33	Revenues From Nonutility Operations (417)					
34	(Less) Expenses of Nonutility Operations (417.1)					
35	Nonoperating Rental Income (418)		185	-32,666		
36	Equity in Earnings of Subsidiary Companies (418.1)	119	54,955	24,748		
37	Interest and Dividend Income (419)		11,861,466	5,072,480		
38	Allowance for Other Funds Used During Construction (419.1)		-209			
39	Miscellaneous Nonoperating Income (421)		7,341,755	5,111,643		
40	Gain on Disposition of Property (421.1)		1,437,070	4,231,032		
41	TOTAL Other Income (Enter Total of lines 31 thru 40)		21,096,844	13,176,630		
42	Other Income Deductions					
43	Loss on Disposition of Property (421.2)		8,802	766		
44	Miscellaneous Amortization (425)	340				
45	Donations (426.1)	340	286,533	310,422		
46	Life Insurance (426.2)		-2,715,655	-1,350,169		
47	Penalties (426.3)		116,000	142		
48	Exp. for Certain Civic, Political & Related Activities (426.4)		132,638	171,070		
49	Other Deductions (426.5)		-796,778	-400,303		
50	TOTAL Other Income Deductions (Total of lines 43 thru 48)		-2,958,461	-1,268,072		
51	Taxes Applic. to Other Income and Deductions					
52	Taxes Other Than Income Taxes (408.2)	262-263				
53	Income Taxes-Federal (409.2)	262-263	6,970,753	4,911,966		
54	Income Taxes-Other (409.2)	262-263	597,003	1,388,663		
55	Provision for Deferred Inc. Taxes (410.2)	234, 272-277	1,389,741	50,736		
56	(Less) Provision for Deferred Income Taxes-Cr. (411.2)	234, 272-277	-254,789	3,218,857		
57	Investment Tax Credit Adj.-Net (411.5)					
58	(Less) Investment Tax Credits (420)					
59	TOTAL Taxes on Other Income and Deductions (Total of lines 52-58)		9,212,286	3,132,546		
60	Net Other Income and Deductions (Total of lines 41, 50, 59)		14,843,019	11,312,154		
61	Interest Charges					
62	Interest on Long-Term Debt (427)		59,191,985	59,629,188		
63	Amort. of Debt Disc. and Expense (428)		1,137,054	1,064,436		
64	Amortization of Loss on Required Debt (428.1)		1,688,856	1,910,139		
65	(Less) Amort. of Premium on Debt-Credit (429)		1,018,139	2,679,045		
66	(Less) Amortization of Gain on Required Debt-Credit (429.1)		1,924,034	2,023,378		
67	Interest on Debt to Assoc. Companies (430)	340	10,600,712	4,438,316		
68	Other Interest Expense (431)	340	5,892,122	7,890,140		
69	(Less) Allowance for Borrowed Funds Used During Construction-Cr. (432)		3,757,817	1,739,545		
70	Net Interest Charges (Total of lines 62 thru 69)		71,810,739	68,480,251		
71	Income Before Extraordinary Items (Total of lines 27, 60 and 70)		190,606,477	182,986,213		
72	Extraordinary Items					
73	Extraordinary Income (434)					
74	(Less) Extraordinary Deductions (435)			100,000		
75	Net Extraordinary Items (Total of line 73 less line 74)			-100,000		
76	Income Taxes-Federal and Other (409.3)	262-263		-40,850		
77	Extraordinary Items After Taxes (line 75 less line 76)			-59,150		
78	Net Income (Total of line 71 and 77)		190,606,477	182,827,063		

ATTACHMENT 3

Name of Respondent Jersey Central Power & Light Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2008/Q1
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COMPARATIVE BALANCE SHEET (ASSETS AND OTHER DEBITS)

Line No.	Title of Account (a)	Ref. Page No. (b)	Current Year End of Quarter/Year Balance (c)	Prior Year End Balance 12/31 (d)
1	UTILITY PLANT			
2	Utility Plant (101-106, 114)	200-201	4,208,015,586	4,175,124,627
3	Construction Work in Progress (107)	200-201	98,142,877	90,507,750
4	TOTAL Utility Plant (Enter Total of lines 2 and 3)		4,306,158,463	4,265,632,377
5	(Less) Accum. Prov. for Depr. Amort. Depl. (108, 110, 111, 115)	200-201	1,674,685,885	1,667,167,807
6	Net Utility Plant (Enter Total of line 4 less 5)		2,631,472,578	2,598,464,570
7	Nuclear Fuel in Process of Ref., Conv., Enrich., and Fab. (120.1)	202-203	0	0
8	Nuclear Fuel Materials and Assemblies-Stock Account (120.2)		0	0
9	Nuclear Fuel Assemblies in Reactor (120.3)		0	0
10	Spent Nuclear Fuel (120.4)		0	0
11	Nuclear Fuel Under Capital Leases (120.6)		0	0
12	(Less) Accum. Prov. for Amort. of Nucl. Fuel Assemblies (120.5)	202-203	0	0
13	Net Nuclear Fuel (Enter Total of lines 7-11 less 12)		0	0
14	Net Utility Plant (Enter Total of lines 6 and 13)		2,631,472,578	2,598,464,570
15	Utility Plant Adjustments (116)	122	0	0
16	Gas Stored Underground - Noncurrent (117)		0	0
17	OTHER PROPERTY AND INVESTMENTS			
18	Nonutility Property (121)		16,875,622	16,875,622
19	(Less) Accum. Prov. for Depr. and Amort. (122)		15,832,952	15,832,098
20	Investments in Associated Companies (123)		0	0
21	Investment in Subsidiary Companies (123.1)	224-225	2,518,033	2,528,053
22	(For Cost of Account 123.1, See Footnote Page 224, line 42)			
23	Noncurrent Portion of Allowances	226-229	0	0
24	Other Investments (124)		1,011,607	1,040,018
25	Sinking Funds (125)		0	0
26	Depreciation Fund (126)		0	0
27	Amortization Fund - Federal (127)		0	0
28	Other Special Funds (128)		168,055,885	175,868,747
29	Special Funds (Non Major Only) (129)		106,210,845	100,614,640
30	Long-Term Portion of Derivative Assets (175)		6,945,820	9,347,506
31	Long-Term Portion of Derivative Assets - Hedges (176)		0	0
32	TOTAL Other Property and Investments (Lines 18-21 and 23-31)		285,784,860	290,442,488
33	CURRENT AND ACCRUED ASSETS			
34	Cash and Working Funds (Non-major Only) (130)		0	0
35	Cash (131)		0	0
36	Special Deposits (132-134)		176,107,473	176,565,550
37	Working Fund (135)		39,900	39,900
38	Temporary Cash Investments (136)		0	0
39	Notes Receivable (141)		0	0
40	Customer Accounts Receivable (142)		165,359,001	165,698,564
41	Other Accounts Receivable (143)		51,633,272	57,532,737
42	(Less) Accum. Prov. for Uncollectible Acct.-Credit (144)		3,399,728	3,691,452
43	Notes Receivable from Associated Companies (145)		18,410,046	18,427,668
44	Accounts Receivable from Assoc. Companies (146)		1,765,161	21,299,120
45	Fuel Stock (151)	227	1,087,298	1,342,439
46	Fuel Stock Expenses Undistributed (152)	227	0	0
47	Residuals (Elec) and Extracted Products (153)	227	0	0
48	Plant Materials and Operating Supplies (154)	227	1,065,002	1,065,002
49	Merchandise (155)	227	0	0
50	Other Materials and Supplies (156)	227	0	0
51	Nuclear Materials Held for Sale (157)	202-203/227	0	0
52	Allowances (158.1 and 158.2)	228-229	0	0

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COMPARATIVE BALANCE SHEET (ASSETS AND OTHER DEBITS)(Continued)

Line No.	Title of Account (a)	Ref. Page No. (b)	Current Year End of Quarter/Year Balance (c)	Prior Year End Balance 12/31 (d)
53	(Less) Noncurrent Portion of Allowances		0	0
54	Stores Expense Undistributed (163)	227	0	0
55	Gas Stored Underground - Current (164.1)		0	0
56	Liquefied Natural Gas Stored and Held for Processing (164.2-164.3)		0	0
57	Prepayments (165)		3,321,716	1,725,397
58	Advances for Gas (166-167)		0	0
59	Interest and Dividends Receivable (171)		0	0
60	Rents Receivable (172)		1,920,064	1,710,767
61	Accrued Utility Revenues (173)		137,145,129	159,018,656
62	Miscellaneous Current and Accrued Assets (174)		0	0
63	Derivative Instrument Assets (175)		6,945,820	9,347,506
64	(Less) Long-Term Portion of Derivative Instrument Assets (175)		6,945,820	9,347,506
65	Derivative Instrument Assets - Hedges (176)		0	0
66	(Less) Long-Term Portion of Derivative Instrument Assets - Hedges (176)		0	0
67	Total Current and Accrued Assets (Lines 34 through 66)		554,454,336	600,734,366
68	DEFERRED DEBITS			
69	Unamortized Debt Expenses (181)		5,415,430	5,451,884
70	Extraordinary Property Losses (182.1)	230	0	0
71	Unrecovered Plant and Regulatory Study Costs (182.2)	230	8,736,272	8,987,414
72	Other Regulatory Assets (182.3)	232	1,331,562,195	1,463,804,362
73	Prelim. Survey and Investigation Charges (Electric) (183)		0	0
74	Preliminary Natural Gas Survey and Investigation Charges 183.1)		0	0
75	Other Preliminary Survey and Investigation Charges (183.2)		0	0
76	Clearing Accounts (184)		0	0
77	Temporary Facilities (185)		572,171	591,093
78	Miscellaneous Deferred Debits (186)	233	1,828,509,612	1,827,711,031
79	Def. Losses from Disposition of Utility Plt. (187)		0	0
80	Research, Devel. and Demonstration Expend. (188)	352-353	0	0
81	Unamortized Loss on Required Debt (189)		27,588,752	28,136,671
82	Accumulated Deferred Income Taxes (190)	234	712,097,247	759,113,754
83	Unrecovered Purchased Gas Costs (191)		0	0
84	Total Deferred Debits (lines 69 through 83)		3,914,481,679	4,093,786,409
85	TOTAL ASSETS (lines 14-16, 32, 67, and 84)		7,386,193,453	7,583,407,835

Name of Respondent Jersey Central Power & Light Company	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (mo, da, yr) / /	Year/Period of Report end of 2008/Q1
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COMPARATIVE BALANCE SHEET (LIABILITIES AND OTHER CREDITS)

Line No.	Title of Account (a)	Ref. Page No. (b)	Current Year End of Quarter/Year Balance (c)	Prior Year End Balance 12/31 (d)
1	PROPRIETARY CAPITAL			
2	Common Stock Issued (201)	250-251	144,216,370	144,216,370
3	Preferred Stock Issued (204)	250-251	0	0
4	Capital Stock Subscribed (202, 205)	252	0	0
5	Stock Liability for Conversion (203, 206)	252	0	0
6	Premium on Capital Stock (207)	252	2,655,061,858	2,655,535,840
7	Other Paid-In Capital (208-211)	253	188,364	404,704
8	Installments Received on Capital Stock (212)	252	0	0
9	(Less) Discount on Capital Stock (213)	254	0	0
10	(Less) Capital Stock Expense (214)	254	0	0
11	Retained Earnings (215, 215.1, 216)	118-119	201,537,045	237,572,676
12	Unappropriated Undistributed Subsidiary Earnings (216.1)	118-119	5,033	15,053
13	(Less) Required Capital Stock (217)	250-251	0	0
14	Noncorporate Proprietorship (Non-major only) (218)		0	0
15	Accumulated Other Comprehensive Income (219)	122(a)(b)	-21,781,340	-19,880,898
16	Total Proprietary Capital (lines 2 through 15)		2,979,215,930	3,017,863,945
17	LONG-TERM DEBT			
18	Bonds (221)	256-257	0	0
19	(Less) Required Bonds (222)	256-257	0	0
20	Advances from Associated Companies (223)	256-257	0	0
21	Other Long-Term Debt (224)	256-257	1,200,000,000	1,200,000,000
22	Unamortized Premium on Long-Term Debt (225)		0	0
23	(Less) Unamortized Discount on Long-Term Debt-Debit (226)		8,876,030	9,032,268
24	Total Long-Term Debt (lines 18 through 23)		1,191,123,970	1,190,967,734
25	OTHER NONCURRENT LIABILITIES			
26	Obligations Under Capital Leases - Noncurrent (227)		0	0
27	Accumulated Provision for Property Insurance (228.1)		0	0
28	Accumulated Provision for Injuries and Damages (228.2)		10,578,496	23,009,944
29	Accumulated Provision for Pensions and Benefits (228.3)		2,865,058	3,186,800
30	Accumulated Miscellaneous Operating Provisions (228.4)		0	0
31	Accumulated Provision for Rate Refunds (229)		0	0
32	Long-Term Portion of Derivative Instrument Liabilities		0	0
33	Long-Term Portion of Derivative Instrument Liabilities - Hedges		0	0
34	Asset Retirement Obligations (230)		91,024,934	89,869,238
35	Total Other Noncurrent Liabilities (lines 26 through 34)		104,468,488	115,865,983
36	CURRENT AND ACCRUED LIABILITIES			
37	Notes Payable (231)		0	0
38	Accounts Payable (232)		168,178,148	193,947,697
39	Notes Payable to Associated Companies (233)		82,379,713	130,381,101
40	Accounts Payable to Associated Companies (234)		23,735,181	12,974,552
41	Customer Deposits (235)		21,448,382	20,549,227
42	Taxes Accrued (236)	262-263	33,280,488	3,249,668
43	Interest Accrued (237)		41,401,878	24,617,708
44	Dividends Declared (238)		0	0
45	Matured Long-Term Debt (239)		0	0

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COMPARATIVE BALANCE SHEET (LIABILITIES AND OTHER CREDITS) (Continued)

Line No.	Title of Account (a)	Ref. Page No. (b)	Current Year End of Quarter/Year Balance (c)	Prior Year End Balance 12/31 (d)
46	Matured Interest (240)		0	0
47	Tax Collections Payable (241)		15,122,113	12,492,780
48	Miscellaneous Current and Accrued Liabilities (242)		71,310,754	70,198,819
49	Obligations Under Capital Leases-Current (243)		0	0
50	Derivative Instrument Liabilities (244)		0	0
51	(Less) Long-Term Portion of Derivative Instrument Liabilities		0	0
52	Derivative Instrument Liabilities - Hedges (245)		0	46,207
53	(Less) Long-Term Portion of Derivative Instrument Liabilities-Hedges		0	0
54	Total Current and Accrued Liabilities (lines 37 through 53)		456,854,657	468,357,759
55	DEFERRED CREDITS			
56	Customer Advances for Construction (252)		16,796,160	18,926,347
57	Accumulated Deferred Investment Tax Credits (255)	266-267	3,181,828	3,212,358
58	Deferred Gains from Disposition of Utility Plant (256)		0	0
59	Other Deferred Credits (253)	269	978,902,521	1,044,010,864
60	Other Regulatory Liabilities (254)	278	111,375,352	131,581,690
61	Unamortized Gain on Required Debt (257)		2,629,479	2,868,078
62	Accum. Deferred Income Taxes-Accel. Amort.(281)	272-277	0	0
63	Accum. Deferred Income Taxes-Other Property (282)		534,513,833	521,285,190
64	Accum. Deferred Income Taxes-Other (283)		1,007,131,835	1,068,465,889
65	Total Deferred Credits (lines 58 through 64)		2,654,531,008	2,790,352,414
66	TOTAL LIABILITIES AND STOCKHOLDER EQUITY (lines 16, 24, 35, 54 and 65)		7,386,193,453	7,583,407,835

ATTACHMENT 4

Name of Respondent Jersey Central Power & Light Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of <u>2007/Q4</u>
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ELECTRIC OPERATING REVENUES (Account 400)

- The following instructions generally apply to the annual version of these pages. Do not report quarterly data in columns (c), (e), (f), and (g). Unbilled revenues and MWH related to unbilled revenues need not be reported separately as required in the annual version of these pages.
- Report below operating revenues for each prescribed account, and manufactured gas revenues in total.
- Report number of customers, columns (f) and (g), on the basis of meters. In addition to the number of flat rate accounts; except that where separate meter readings are added for billing purposes, one customer should be counted for each group of meters added. The average number of customers means the average of twelve figures at the close of each month.
- If increases or decreases from previous period (columns (c),(e), and (g)), are not derived from previously reported figures, explain any inconsistencies in a footnote.

Line No.	Title of Account (a)	Operating Revenues Year to Date Quarterly/Annual (b)	Operating Revenues Previous year (no Quarterly) (c)
1	Sales of Electricity		
2	(440) Residential Sales	1,473,856,460	1,224,803,312
3	(442) Commercial and Industrial Sales		
4	Small (or Comm.) (See Instr. 4)	1,181,665,888	979,221,075
5	Large (or Ind.) (See Instr. 4)	165,161,286	144,640,389
6	(444) Public Street and Highway Lighting	23,709,738	21,484,479
7	(445) Other Sales to Public Authorities	-58,447,443	-41,109,408
8	(446) Sales to Railroads and Railways		
9	(448) Interdepartmental Sales		
10	TOTAL Sales to Ultimate Consumers	2,765,939,929	2,329,039,847
11	(447) Sales for Resale	352,608,063	254,323,755
12	TOTAL Sales of Electricity	3,138,547,992	2,583,363,602
13	(Less) (449.1) Provision for Rate Refunds		
14	TOTAL Revenues Net of Prov. for Refunds	3,138,547,992	2,583,363,602
15	Other Operating Revenues		
16	(450) Forfeited Discounts	3,244,739	2,690,165
17	(451) Miscellaneous Service Revenues	4,699,865	5,263,035
18	(453) Sales of Water and Water Power		
19	(454) Rent from Electric Property	10,226,091	9,806,123
20	(455) Interdepartmental Rents		
21	(458) Other Electric Revenues	4,175,166	4,607,643
22	(456.1) Revenues from Transmission of Electricity of Others	24,613,830	20,911,981
23	(457.1) Regional Control Service Revenues		
24	(457.2) Miscellaneous Revenues		
25			
26	TOTAL Other Operating Revenues	48,959,711	43,276,947
27	TOTAL Electric Operating Revenues	3,185,507,703	2,626,642,549

Name of Respondent Jersey Central Power & Light Company	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) //	Year/Period of Report End of 2007/Q4
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ELECTRIC OPERATING REVENUES (Account 400)

5. Commercial and industrial Sales, Account 442, may be classified according to the basis of classification (Small or Commercial, and Large or Industrial) regularly used by the respondent if such basis of classification is not generally greater than 1000 Kw of demand. (See Account 442 of the Uniform System of Accounts. Explain basis of classification in a footnote.)

6. See pages 108-109, Important Changes During Period, for important new territory added and important rate increase or decreases.

7. For Lines 2,4,5, and 6, see Page 304 for amounts relating to unbilled revenue by accounts.

8. Include unmetered sales. Provide details of such sales in a footnote.

MEGAWATT HOURS SOLD		AVG.NO. CUSTOMERS PER MONTH		Line No.
Year to Date Quarterly/Annual (d)	Amount Previous year (no Quarterly) (e)	Current Year (no Quarterly) (f)	Previous Year (no Quarterly) (g)	
				1
9,838,800	9,547,790	981,843	955,563	2
				3
9,867,446	9,450,490	119,297	118,200	4
2,884,540	2,831,040	2,589	2,616	5
88,265	86,180	1,715	1,569	6
				7
				8
				9
22,679,051	21,915,500	1,085,244	1,077,948	10
4,583,879	4,672,647			11
27,262,930	26,588,147	1,085,244	1,077,948	12
				13
27,262,930	26,588,147	1,085,244	1,077,948	14

Line 12, column (b) includes \$ 32,968,767 of unbilled revenues.
Line 12, column (d) includes 126,975 MWH relating to unbilled revenues

EXHIBIT JCDR-1

**BEFORE THE
NEW JERSEY BOARD OF PUBLIC UTILITIES**

JERSEY CENTRAL POWER & LIGHT COMPANY

Direct Testimony

of

Christopher W. Siebens

**Re: Curtailment Pilot
(Demand Response Programs Filing)
BPU Docket No. EO08050326**

1 **DIRECT TESTIMONY OF CHRISTOPHER W. SIEBENS**

2 **I. INTRODUCTION**

3 **Q. Please state your name and business address.**

4 A. My name is Christopher W. Siebens and my business address is 2800 Pottsville
5 Pike, Reading, Pennsylvania 19640.

6 **Q. By whom are you employed and in what capacity?**

7 A. I am the Manager of Demand Response programs for FirstEnergy Service
8 Company, providing support for the various FirstEnergy business units in Ohio,
9 Pennsylvania and New Jersey, including Jersey Central Power & Light Company
10 (“JCP&L” or the “Company”). My professional and educational background is
11 attached to the testimony as Attachment A.

12 **Q: Please describe the purpose of your testimony.**

13 A. Pursuant to a directive from the Board of Public Utilities (“Board”) contained in
14 an Order dated July 1, 2008 in Docket No. EO08050326, JCP&L is proposing a
15 Demand Response initiative comprised of five individual programs designed to
16 enable development of up to 93 MW of new demand response capacity to be
17 operational by June 1, 2009. The five programs designed to contribute to the
18 achievement of the targeted 93 MW of new demand response are: (1) a tariff-
19 based Curtailment Pilot, (2) an Integrated Distributed Energy Resource (“IDER”)
20 pilot program that was approved by the Board by Order dated July 25, 2008 in
21 Docket No. ER07060375, together with an expansion of that IDER program, (3) a
22 Permanent Peak Load Shift Program, (4) an Electricity Storage Program, and (5)
23 certain rate design changes proposed as part of JCP&L’s July 1, 2008 Basic

1 Generation Service (“BGS”) filing. The Company notes that these programs
2 reflect the very short development timeframe allowed for this program filing, and
3 that it anticipates developing additional initiatives in the future to enhance
4 management of system peak loads and increased integration of load management
5 with reliable system operations.

6 I am testifying with respect to the Curtailment Pilot component of this
7 Demand Response initiative. The Pilot is designed to support registration of up to
8 60 MW of curtailable capacity in PJM’s Interruptible Load for Reliability (“ILR”)
9 capacity market for 2009-2010 and thereafter, in addition to capacity that is
10 currently registered. Other components of JCP&L’s Demand Response initiative
11 will be addressed by Eva L. Gardow (Exhibit JCDR-2). The purpose of both
12 testimonies is to provide a detailed understanding of the proposed programs, other
13 than the BGS-related rate design changes, which are addressed in the Company’s
14 BGS filing.

15 **II. CURTAILMENT PILOT**

16 **Q: Please describe the Curtailment Pilot.**

17 A. The Curtailment Pilot will enable customers with interval metering and at least
18 100 kW of curtailable load to realize some of the benefits of PJM capacity
19 programs through participation in JCP&L’s regulated tariff offering. The
20 proposed tariff sheet -- a new Rider CURP – Curtailment Pilot (“Rider CURP”) --
21 is included in Schedule SJC-3 (Proposed Tariff Sheets) to the testimony of Sally
22 J. Cheong (Exhibit JCDR-4).

1 To participate in the Pilot, customers must commit to reducing load either
2 (a) to a “firm-service level” (“FSL”), i.e. a designated kW demand for the
3 customer account, or (b) by a “guaranteed load drop” (“GLD”) amount, in either
4 case as specified by an agreement between the Company and the customer.
5 Sample customer agreements are being developed at this time.

6 JCP&L will operate as a PJM Curtailment Service Provider (“CSP”), will
7 register the capacity associated with Curtailment Pilot participants in PJM’s ILR
8 capacity market, and will receive revenues from PJM reflecting market value of
9 registered ILR capacity credits. The FSL and GLD requirements are consistent
10 with protocols used by PJM in assessing capacity credits for demand response
11 resources. Participation will be available to all customers meeting the above
12 eligibility criteria, whether they are full service BGS customers or delivery
13 service shopping customers.

14 To participate each year, customers must enroll not later than February 1
15 to enable the Company to register the customer’s load reduction with PJM at the
16 beginning of March of each year. The Company will not be able to register a
17 customer’s load with PJM if the customer is not enrolled in the Pilot by the PJM
18 deadline. The PJM year is from June 1 of each year to May 31 of the subsequent
19 year.

20 Under the tariff governing the Curtailment Pilot, JCP&L will provide
21 participating customers a credit per kW of contracted capacity reduction
22 associated with their facility equal to 90% of the published PJM ILR capacity
23 credit. The credit will be revised annually to reflect the annual value of PJM ILR

1 capacity. Based on PJM's published market value for ILR resources, the
2 participation incentive will be a fixed monthly credit of \$5.16 per kW of
3 contracted capacity reduction for each month of 2009-2010 (i.e., June 1, 2009
4 through May 31, 2010), \$4.77 per kW for each month of 2010-2011 (i.e., June 1,
5 2010 through May 31, 2011) and \$3.01 per kW for each month of 2011-2012 (i.e.,
6 June 1, 2011 through May 31, 2012).

7 **Q: Will there be consequences if customers do not curtail when called upon to**
8 **do so?**

9 A. The Company intends to reduce the level of curtailment credits provided to
10 participating customers that do not curtail load in accordance with their agreement
11 under Rider CURP. The details of this credit reduction are being developed at
12 this time, but for purposes of this Pilot a customer will in no event be required to
13 pay JCP&L an amount in excess of the credits it received. However, as these
14 types of programs are expanded, the Company may propose a process in which a
15 customer's cost incurred as a result of failure to curtail load may exceed any
16 payment or credit offered for the customer's participation.

17 **Q: Under what PJM program does JCP&L plan to register the curtailable load?**

18 A. JCP&L will register the curtailable load for PJM ILR capacity credit, utilizing the
19 "Full Program Option" of the PJM Emergency Load Response Program that
20 enables payment to JCP&L for capacity.

21 JCP&L also plans to register curtailments by the participating customers
22 in PJM's Economic Load Response programs for those curtailments that are not

1 related to PJM emergencies. Under the PJM Economic Load Response programs,
2 JCP&L would be eligible to receive PJM energy credits.

3 **Q: What will JCP&L do with the revenues it receives from PJM?**

4 A. JCP&L will pass all such revenues along to all customers, by offsetting the Pilot
5 costs being collected through new tariff Rider DRC that is being implemented to
6 recover Pilot and other demand response program costs, as discussed in the
7 testimony of Susan D. Marano (Exhibit JCDR-3).

8 **Q: When does JCP&L plan to offer the program to customers?**

9 A. JCP&L will introduce the program as soon as practicable following Board
10 approval, and as authorized by necessary Board Orders, and will market and
11 operate the program for three PJM delivery years: 2009-2010, 2010-2011 and
12 2011-2012.

13 **Q: What is the basis for assuming 60 MW can be accomplished in time for the
14 summer of 2009?**

15 A. In presenting 60 MW as JCP&L's Curtailment Pilot target for the summer of
16 2009, it must be emphasized that the Company cannot guarantee that the target
17 can be accomplished. While JCP&L can communicate directly with customers,
18 enrollment for the summer of 2009 must be completed by early February, which
19 will not allow much time for marketing and completion of participation
20 agreements following Board approval.

21 **Q: How will the Curtailment Pilot be marketed?**

22 A. JCP&L will market the Pilot directly to customers through a combination of:
23 direct mailings; contacts through customer service personnel; and informal

1 meetings with customers. The Company will also communicate with industry
2 professionals in the facilities management and curtailment services industries to
3 solicit their support in enrolling their clients in the Pilot.

4 As a further inducement, JCP&L will offer supplemental incentives
5 designed to: (a) train and inform prospective participants on how they can
6 implement curtailment strategies; (b) reward their first year performance; and (c)
7 reduce the cost associated with their first year of participation. These
8 supplemental incentives are designed to have lasting impact on the customers'
9 confidence in participating in PJM load response programs, with or without
10 JCP&L's involvement.

11 **Q: Please describe these supplemental incentives available to new curtailment**
12 **customers?**

13 A. JCP&L's Pilot includes four forms of supplemental incentives for new
14 participants in PJM load response programs.

15 First, consistent with recommendations made to the Board for 2008-2009
16 (i.e., June 1, 2008 to May 31, 2009) by the New Jersey Demand Response
17 Working Group ("NJ DRWG") in November 2007, JCP&L proposes to make a
18 one-time supplemental "first year enhanced performance payment" of
19 \$22.50/MW-day (approximately \$0.68/kW-month) for new capacity reductions
20 made available by JCP&L customers that qualify for PJM ILR capacity credits in
21 2009-2010, whether the customer is enrolled in JCP&L's Curtailment Pilot or
22 participates in PJM's ILR programs through an independent CSP. As proposed
23 by the NJ DRWG, the payment would be made following a complete summer of

1 performance, and based on the customer meeting the minimum requirements for
2 committed MW of curtailment. However, this “first year enhanced performance
3 payment” for any ILR customers enrolled through independent CSPs would be
4 contingent on the performance of curtailments called by the Company to support
5 distribution operations in addition to PJM emergencies.

6 Second, prospective customers that are not already enrolled with another
7 CSP and that do not have an existing curtailment management operations plan
8 will be eligible for a curtailment audit grant of up to the lesser of (i) \$5.00 per kW
9 of existing summer peak demand or (ii) \$1,000. Eligibility requires pre-approval,
10 development of a detailed/complete curtailment management operations plan and
11 submission of an invoice for the work performed. Payment will be made upon
12 execution by the customer of the agreement to participate in the Pilot. The grant
13 can be assigned by the customer.

14 Third, customers that are otherwise eligible to participate, but that do not
15 have required interval metering, will receive an interval meter with
16 communications capabilities at no cost. Such customers will, however, be
17 responsible for any communications costs associated with the meter. Such
18 metering will not only support participation in the PJM ILR program, but will also
19 expand the pool of customers compatible with hourly pricing, if and when the
20 Board deems it appropriate to expand such pricing.

21 Fourth, all participating customers will be provided access to interval-
22 metered data via a Meter Profile Service at no cost.

1 All of the costs for these supplemental incentives will be treated as
2 program implementation costs.

3 **Q: How will the Pilot be operated? That is, under what conditions will JCP&L**
4 **initiate curtailment events?**

5 A. JCP&L Commodity Sourcing, with input from PJM and JCP&L System
6 Operations, will determine when a curtailment is necessary and appropriate.
7 Curtailments will be initiated under the program to support transmission
8 reliability for PJM emergencies or for distribution operations support. To qualify
9 for capacity credit under the PJM ILR program, demand resources must commit
10 to curtailing up to 20 curtailment days per delivery year, for up to eight hours
11 each day, with two hours notice (although in certain circumstances PJM may
12 request curtailments with less than two hours notice). Customers will be notified
13 of a curtailment event through a contracted notification service through email
14 and/or phone.

15 **Q: Will the Pilot be used to support reliability of the electric delivery system?**

16 A. Yes. The Pilot will be available system-wide, but particular attention will focus
17 on growth areas of JCP&L's service territory where capacity constraints are an
18 increasing issue. Unlike the proposal recommended to the Board for 2008-2009
19 by the NJ DRWG, the Curtailment Pilot will enable operational flexibility and
20 increasing integration of load response when needed for distribution or
21 transmission operations support.

1 **Q: What impact will the Pilot have on the competitive market for curtailment**
2 **(or load response) services?**

3 A. The competitive market for curtailment services has not been effective in this
4 area, having delivered only approximately 36 MW of curtailment capacity to date
5 in JCP&L's service territory, representing approximately 0.5% of JCP&L's peak
6 load (which occurred in the summer of 2006). In this light, JCP&L believes that
7 New Jersey's goals cannot be achieved without significant utility involvement, for
8 example, through the offering of a transparent tariff-based mechanism for
9 compensating customers and/or their agents for curtailment services, as proposed
10 in this Curtailment Pilot.

11 The Company expects that the Curtailment Pilot will increase customers'
12 confidence, experience and participation in curtailment programs and will
13 facilitate customer cooperation with these programs with the support of firms
14 offering facilities management and curtailment services. Under the Curtailment
15 Pilot, JCP&L will not manage customers' load reductions or operate customer
16 equipment or otherwise impact customer end uses. Those functions, as well as
17 consulting services supporting curtailment plans and program enrollment, will be
18 performed either by the customer or by the competitive curtailment services
19 market.

20 **Q: Will any of the work associated with the Pilot be outsourced?**

21 A. JCP&L is still in the process of considering implementation options designed to
22 achieve the intended results (60 MW of curtailment) in a cost-effective manner.
23 To date, the Company has not made a determination as to which, if any, of the

1 implementation and administrative functions are appropriate to contract out to
2 support the Pilot in the areas of event notification, settlement and operations.

3 **Q: Please quantify the costs associated with Pilot operations.**

4 A. Costs associated with 60 MW of curtailment are presented in Schedule CWS-1 for
5 2008-2012, and are comprised of administrative costs, outsourced contracted
6 implementation costs, and incentives to customers, either as tariff-based credits or
7 as one of the four supplemental incentives referenced above (i.e., first year
8 enhanced performance incentives, curtailment audit incentives, interval meters
9 and interval-metered data).

10 The majority of the costs will be based on credits for curtailment capacity
11 reflected on Curtailment Pilot participants' bills.

12 Capacity-based fixed monthly credits for 60 MW of incremental load
13 reduction would reflect approximately 90% of the capacity benefits described on
14 Schedule CWS-1, or roughly \$9.3 million, that would be distributed to
15 participating customers as tariff-based capacity credits.

16 First year enhanced performance incentives, assuming 60 MW of
17 incremental load reduction, would be 60 MW times \$22.50 per MW-day, times
18 365 days, or approximately \$493,000.

19 The number of curtailment audits and interval meters to be provided is
20 speculative. The Company anticipates approximately 15 curtailment audits will
21 be provided prior to March of 2009, and an additional 15 will be performed in the
22 following year, resulting in a total of up to \$30,000 of expense for curtailment
23 audits in the coming two years.

1 It is estimated that a comparable number of interval meters, i.e., meters for
2 30 customers, will be required, resulting in a projected aggregate program cost of
3 approximately \$26,250, assuming a cost of \$875 per communicating interval
4 meter.

5 Finally, marketing, training and administrative costs are estimated to be
6 approximately \$355,000 through May 31, 2012 and costs for rebate processing,
7 inspections and other quality control are estimated to be \$650,000 through May
8 31, 2012.

9 **Q: Please describe the benefits of the Pilot.**

10 A. The principal benefits of the Pilot are found in its effectiveness in contributing to
11 the efforts to meet the State's demand response and related goals, which will
12 produce many benefits in the areas of system reliability impacts; energy market
13 pricing effects (for example, by reducing peak locational marginal prices
14 ("LMPs") and by improving JCP&L's load shape, which should be reflected in
15 BGS auction bids); environmental benefits from reduced operation of less
16 efficient generating units and reduced requirements for new generation (as
17 discussed further below); and the deferral of capital investments in the
18 transmission or distribution system. However, JCP&L is not able to quantify the
19 value of any of the foregoing benefits at this time.

20 In addition, there will be benefits in the form of the cash value of PJM
21 capacity credits, as well as PJM energy credits. These monetary benefits are more
22 readily quantifiable based on certain underlying assumptions, as shown on
23 Schedule CWS-2.

1 For capacity value, assuming the Company enrolls 60 MW of ILR
2 capacity, JCP&L would anticipate revenues from PJM equal to \$188.55/MW-day
3 times 365 days per year times 60 MW, or approximately \$4.1 million in the 2009-
4 2010 delivery year. A comparable analysis for subsequent years would yield
5 anticipated revenues from PJM of \$3.8 million and \$2.4 million for the 2010-2011
6 and 2011-2012 delivery years, respectively. Note that Schedule CWS-2 shows
7 values based on a calendar year rather than PJM year, so that, for example, PJM
8 revenues for 2010 reflect five months of 2009-2010 ILR capacity value and seven
9 months of 2010-2011 ILR capacity value.

10 Energy value is more speculative, given uncertainties associated with
11 LMPs during events and the frequency and duration of any curtailment events, as
12 well as customer performance during events. Assuming 60 MW is curtailed
13 during events on six days, for six hours each, with market rates averaging about
14 \$200/MWh, the Pilot would be eligible to receive approximately \$118,000 per
15 year, as calculated on Schedule CWS-2.

16 **Q: How will revenues from PJM compare to the costs of the Pilot?**

17 A. Before responding, I want to emphasize that the value of such an exercise is
18 limited, as such a simple comparison of quantifiable dollars and cents amounts
19 ignores all of the significant, but currently unquantifiable, benefits of the Pilot
20 discussed in the answer to the previous question. However, subject to the
21 foregoing qualification, and notwithstanding uncertainties about future capacity
22 and energy prices, preliminary estimates as shown on Schedule CWS-3 indicate

1 that projected revenues from PJM will be approximately equal to costs through
2 May 31, 2012.

3 **Q: What levels of participation do you anticipate in the number of customers**
4 **and MW for 2009-2010? Will you expand the program after 2009-2010 and,**
5 **if so, how will that be done?**

6 A. JCP&L believes that the Pilot, as proposed, has the best chance of achieving the
7 60 MW of demand response that JCP&L has targeted for it, at a reasonable cost.
8 However, given that independent CSPs have to date registered only
9 approximately 36 MW of capacity reduction in JCP&L's service territory in
10 PJM's ILR market (apart from JCP&L's air conditioner cycling program), JCP&L
11 cannot guarantee that it will be successful in enrolling the 60 MW of new capacity
12 by March 2009 for 2009-2010, as is targeted for the Pilot.

13 For 2010-2011 and 2011-2012, the Company proposes to continue
14 marketing the Pilot, and continuing the supplemental incentives to new
15 participants (i.e., first year enhanced performance payments, curtailment audit
16 incentives and interval meter-related services if needed).

17 JCP&L will consider additional incentives in a future filing if deemed
18 appropriate and necessary.

19 With these incentives, JCP&L is hopeful that participation in either the
20 Company's Curtailment Pilot or independent initiatives will increase.

21 **Q: Will JCP&L assess customer satisfaction with the Pilot?**

22 A. Yes. JCP&L plans to conduct informal interviews with participants in 2009 and
23 2010 to assess their satisfaction as well as gain suggestions for program

1 improvements. The Company plans to continue program improvements through
2 2010-2011.

3 **Q: What is the process for resolving any customer complaints concerning the**
4 **Pilot?**

5 A. JCP&L will attempt to resolve disputes with participating customers informally in
6 the first instance. Disputes that involve the administration of the Pilot that cannot
7 be resolved informally will be resolved through the Board's existing process for
8 customer complaints.

9 **Q: What is the exit plan when the Curtailment Pilot expires?**

10 A. The Pilot is scheduled to terminate on May 31, 2012, with JCP&L providing
11 notice to participants prior to the end of the Pilot, presumably in 2011. However,
12 the Company will monitor the Pilot's progress and engage in ongoing discussions
13 with Board Staff relating to assessments of the Pilot's success weighed against an
14 assessment of the existence of a CSP market capable of supporting the customers
15 that signed onto the Company's Pilot. JCP&L will work with Board Staff and
16 other relevant stakeholders to determine if the Pilot should be continued rather
17 than terminated as scheduled.

18 **Q: Are there any environmental benefits associated with the Pilot?**

19 A. The Pilot is part of the Company's efforts to work with customers to reduce
20 demand and modify usage and load patterns for greater efficiencies and cost
21 savings. These programs, including the Pilot, should provide benefits in the form
22 of reduced emissions from operation of less efficient generating units and reduced
23 requirements for new generation. By deferring the need for additional generation,

1 it allows the industry time to develop, build and bring on-line cleaner, more
2 efficient generation, which can reasonably be expected to result in a reduction of
3 CO₂ emissions over time. However, it is not possible to quantify these anticipated
4 avoided emissions at this time.

5 **Q: Will this Pilot be coordinated with Office of Clean Energy programs?**

6 A. Yes. JCP&L has begun discussions with the Clean Energy Program Manager to
7 explore possibilities, but there are no details on how this will be coordinated at
8 this time.

9 **Q: How will this Pilot interface with the Energy Education and Joint Venture
10 Partnership?**

11 A. The Company will work with the Energy Education and Joint Venture Partnership
12 as soon as it is appropriate.

13 **Q: Does this conclude your testimony?**

14 A. Yes.

Christopher W. Siebens**PROFESSIONAL AND EDUCATIONAL BACKGROUND**

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7 I am the Manager of Demand Response programs for FirstEnergy Service
8 Company, providing support for the various FirstEnergy business units in Ohio,
9 Pennsylvania and New Jersey. I have over 30 years experience developing and
10 implementing programs supporting energy efficiency, renewable energy and demand
11 response programs – starting with Potomac Electric Power Company in Washington,
12 D.C., GPU starting in the early ‘80’s and now with FirstEnergy. I have worked with
13 Jersey Central Power & Light Company ("JCP&L") since 1982. I have served in my
14 current capacity since 1994, initially for GPU and then for FirstEnergy since 2001. My
15 prior positions with JCP&L include Manager of Marketing Programs and Support (from
16 1989 to 1994), Manager of Technical Services (from 1986 to 1989), Manager of Load
17 Forecasting (from 1985 to 1986) and Load Management Engineer (from 1982 to 1985).

18 Demand response programs I have developed, managed or supported for JCP&L
19 include the Air Conditioner Cycling program, the JCP&L Access Pilot, and the Voluntary
20 Load Reduction pilot (2001-2003). I have participated in the PJM, New Jersey and
21 Pennsylvania Demand Response Working Groups as well as the Mid-Atlantic Demand
22 Response initiative, and have made several presentations on demand response with the
23 Association of Energy Services Professionals as well as the Peak Load Management
24 Association. I attended Bucknell University and, in 1977, was awarded a
25 Bachelor of Science degree in Mechanical Engineering and a Bachelor of Arts degree in

- 1 Mathematics. In 1986, I earned a Master's degree in Business Administration from
- 2 Southern Illinois University at Edwardsville.

Schedule CWS-1

Rider CURP - Curtailment Pilot *
Annual Budget
(\$ in 000)

Line #	Incremental O&M Expenses & Capital Investment	2008	2009	2010	2011	2012	Cumulative Program Spending
1	Admin & Program Development	\$ 60	\$ 100	\$ 40	\$ 40	\$ 40	\$ 280
2	Marketing & Sales (includes Call Center & Website)	30	25	-	-	-	55
3	Training	-	20	-	-	-	20
4	Customer Rebates, Grants & Other Direct Incentives	28	2,689	3,552	2,696	903	9,869
5	Rebate Processing, Inspections and Other Quality Control	50	200	150	150	100	650
6	Total Estimated O&M Expenses = Sum(L1...L5)	168	3,034	3,742	2,886	1,043	10,874
7	Annual Investment	-	-	-	-	-	-
8	Total Estimated Curtailment Pilot Spending (L6 + L7)	\$ 168	\$ 3,034	\$ 3,742	\$ 2,886	\$ 1,043	\$ 10,874

* Assumes that all spending ends at the conclusion of the Curtailment Pilot on May 31, 2012.

Rider CURP - Curtailment Pilot *
Schedule of Projected PJM Program Revenues
(\$ in 000)

Line #		2008	2009	2010	2011	2012	Cumulative Totals
	Projected PJM Revenues:						
	Capacity Credits Calculation:						
1	MW Eligible for Curtailment Credits (MW)	0	60	60	60	60	
2	PJM ILR Capacity Value Per MW-day (Jan - May)	\$ -	\$ -	\$ 188.55	\$ 174.29	\$ 110.00	
3	Line 2 Equivalent Credit Per kW-month {(L2 x 365 Days/Yr) / (12 Mo/Yr x 1,000 kW/MW)}	\$ -	\$ -	\$ 5.74	\$ 5.30	\$ 3.35	
4	PJM ILR Capacity Value Per MW-day (June - Dec)	\$ -	\$ 188.55	\$ 174.29	\$ 110.00	\$ -	
5	Line 4 Equivalent Credit Per kW-month {(L4 x 365 Days/Yr) / (12 Mo/Yr x 1,000 kW/MW)}	\$ -	\$ 5.74	\$ 5.30	\$ 3.35	\$ -	
6	Conversion of PJM ILR Capacity Value Per kW-Yr.to Calendar Yr. Basis {(5 mos. x Line 3) + (7 mos. x Line 5)}	\$ -	\$ 40.15	\$ 65.78	\$ 49.93	\$ 16.73	
7	Projected Capacity Credits (L1 x L6)	\$ -	\$ 2,409	\$ 3,947	\$ 2,996	\$ 1,004	\$ 10,355
	Energy Credits Calculation **:						
8	Average Locational Marginal Pricing ("LMP") During Curtailments (\$/MWh)	\$ 200.00	\$ 200.00	\$ 200.00	\$ 200.00	\$ 200.00	
9	Generation & Transmission Pricing (G&T) (\$/MWh) ***	132.00	132.00	132.00	132.00	132.00	
10	Average LMP - G&T (\$/MWh) (L8 - L9)	\$ 68.00	\$ 68.00	\$ 68.00	\$ 68.00	\$ 68.00	
11	MW Eligible for Curtailment Credits	0	60	60	60	60	
12	Estimated % BGS-FP Customers ****	80%	80%	80%	80%	80%	
13	Number of Curtailment Days	6	6	6	6	6	
14	Event Hours per Day	6	6	6	6	6	
15	Proj.Energy Credits (L10 x L11 x L12 x L13 x L14)	\$ -	\$ 118	\$ 118	\$ 118	\$ 118	\$ 470
16	Total Projected PJM Program Revenues (L7+ L15)	\$ -	\$ 2,526	\$ 4,065	\$ 3,113	\$ 1,121	\$ 10,825

* Assumes that the Curtailment Pilot ends on May 31, 2012.

** Energy Credit calculations reflect participation in PJM Economic Load Response events only.

*** GS "Price to Compare" is used as a proxy for "G&T" rates in this calculation.

**** CIEP Customers, or customers on hourly rates are effectively ineligible for payments under PJM Load Response programs..

Rider CURP - Curtailment Pilot *
Net Revenue Impact
(\$ in 000)

Line #		2008	2009	2010	2011	2012	Cumulative Totals
1	Estimated Program Costs (Schedule CWS-1, Line 6)	\$ 168	\$ 3,034	\$ 3,742	\$ 2,886	\$ 1,043	\$ 10,874
2	Revenues from PJM (Schedule CWS-2, Line 16)	-	2,526	4,065	3,113	1,121	10,825
3	Net Annual Impact (L1 -L2)	\$ 168	\$ 507	\$ (322)	\$ (227)	\$ (78)	\$ 48
4	Cumulative Impact	\$ 168	\$ 676	\$ 353	\$ 126	\$ 48	

* Assumes that the Curtailment Pilot ends on May 31, 2012.

BEFORE THE

NEW JERSEY BOARD OF PUBLIC UTILITIES

JERSEY CENTRAL POWER & LIGHT COMPANY

Direct Testimony

of

Eva L. Gardow

**Re: IDER Expansion Program/Permanent Peak Load Shift Program/
Electricity Storage Program
(Demand Response Programs Filing)
BPU Docket No. EO08050326**

1 **DIRECT TESTIMONY OF EVA L. GARDOW**

2 **I. INTRODUCTION**

3 **Q. Please state your name and business address.**

4 A. My name is Eva L. Gardow and my business address is 300 Madison Avenue,
5 Morristown, New Jersey 07962.

6 **Q. By whom are you employed and in what capacity?**

7 A. I am a Senior Engineer in the FirstEnergy Technologies Group of FirstEnergy Service
8 Company. In this capacity, among other duties, I act as Project Manager for the
9 Integrated Distributed Energy Resources Management pilot and Energy Storage Projects,
10 supporting Jersey Central Power & Light Company (“JCP&L” or the “Company”) research
11 demonstration projects. My professional and educational background is
12 attached to the testimony as Attachment A.

13 **Q: Please describe the purpose of your testimony.**

14 A. Pursuant to a directive from the Board of Public Utilities (“Board”) contained in an Order
15 dated July 1, 2008 in Docket No. EO08050326, JCP&L is proposing a Demand Response
16 initiative comprised of five individual programs designed to enable development of up to
17 93 MW of new demand response capacity to be operational by June 1, 2009. The five
18 programs designed to contribute to the achievement of the targeted 93 MW of new
19 demand response are: (1) a tariff-based Curtailment Pilot, (2) an Integrated Distributed
20 Energy Resource (“IDER”) pilot program that was approved by the Board by Order dated
21 July 25, 2008 in Docket No. ER07060375, together with an expansion of that IDER
22 program, (3) a Permanent Peak Load Shift Program, (4) an Electricity Storage Program,

1 and (5) certain rate design changes proposed as part of JCP&L's July 1, 2008 Basic
2 Generation Service ("BGS") filing.

3 I am testifying with respect to the expansion of the IDER program, the Permanent
4 Peak Load Shift Program, and the Electricity Storage Program components of JCP&L's
5 Demand Response initiatives. The Curtailment Pilot component of the proposal will be
6 addressed by Christopher W. Siebens (Exhibit JCDR-1). The purpose of both testimonies
7 is to provide a detailed understanding of the proposed programs, other than the BGS-
8 related rate design changes, which are addressed in the Company's BGS filing.

9 **II. IDER EXPANSION**

10 **Q. Please describe the proposed Program.**

11 A. As noted, by Order dated July 25, 2008 the Board approved an IDER pilot program,
12 which JCP&L has begun to implement. The IDER pilot is designed to deliver
13 operational and market based benefits through approximately 8 MW of direct load
14 control of residential and commercial customers' space conditioning systems and other
15 non-critical customer electrical loads. In the subject Petition, the Company is proposing
16 to expand the IDER pilot. The IDER pilot, as expanded (collectively, the "IDER
17 Program"), is designed to add approximately 11 MW of residential direct load control
18 and about 4 MW of commercial and industrial ("C&I") load management.

19 The IDER Program will develop experience and understanding for the integration
20 of customers' electric equipment into energy delivery operations that will be consistent
21 with smart grid utility operations based on pre-defined operational rules. The Program
22 leverages deployment of individual Distributed Energy Resource ("DER") components
23 and traditional transmission and distribution ("T&D") equipment for system needs and

1 optimum resource utilization. The IDER platform utilizes the same open architecture
2 platform as the previously-approved IDER pilot, consistent with Electric Power Research
3 Institute (EPRI) IntelliGrid standards and serves as an industry smart grid demonstration.

4 The IDER Program is expected to reduce targeted peak load as well as improve
5 reliability and energy efficiency for JCP&L's distribution circuits. Moreover, this load
6 management could allow JCP&L to extend the useful life of its distribution assets as well
7 as defer capital expenditures for system upgrades.

8 The IDER Program will integrate DER load management devices for customers
9 served by substations in selected high growth areas. Participation will be voluntary
10 pursuant to agreements between JCP&L and participating customers. Sample customer
11 agreements are being developed at this time.

12 The technology will be installed in participants' facilities providing JCP&L with
13 the ability to monitor and control non-critical customer electrical loads, including air
14 conditioners, pool pumps and hot water heaters at a granular level.

15 **Air Conditioner Controls**

16 The control devices for central air conditioning systems include temperature
17 sensors, a control switch that emulates the thermostat and a two-way data
18 communications architecture to verify operations, detect tampering and document
19 impacts. The air conditioner control system receives instructions from the centralized
20 control system, through field concentrators to the mesh network, which communicates
21 directly with the air conditioning control devices.

1 **Pool Pump Controls**

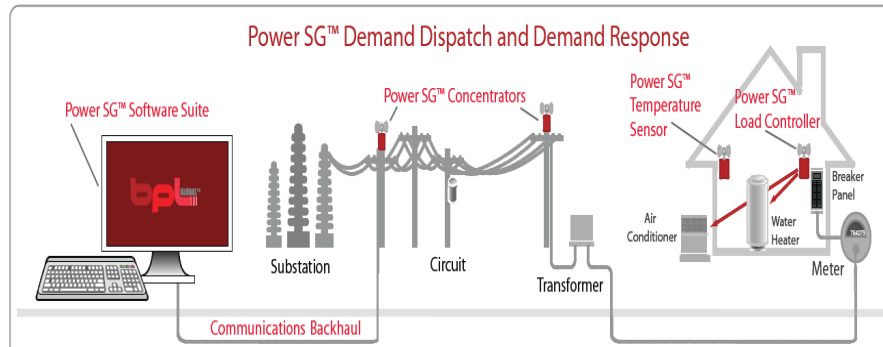
2 The equipment for controlling pool pumps is a single device that connects directly
3 to the pool pump electronics, along with a two-way data communications device to
4 deliver load shed control instructions, verify operations, detect tampering and return
5 impacts for system documentation. As with the air conditioning control system,
6 instructions are relayed from the centralized control system, through field concentrators
7 to the mesh network into which the pool pump devices are integrated.

8 **Water Heater Controls**

9 The equipment to integrate water heaters are a direct load control switch that
10 connects directly to water heater electronics and two-way data communications
11 components to deliver exercise control instructions, verify operations, detect tampering
12 and return impacts for system documentation. As with the air conditioning control
13 system, instructions are relayed from the centralized control system, through field
14 concentrators to the mesh network into which the water heater devices are integrated.

15 The system will be owned by JCP&L. The IDER Program is targeted to deliver
16 15 MW of direct load control beyond what is expected to be realized from the IDER
17 pilot. This is comprised of approximately 11 MW from approximately 7,000 residential
18 customers and about 4 MW from 40-100 C&I customers. Actual results will depend on
19 the number of customers enrolled, and the overall make-up of customer loads.

20 The IDER Program will be deployed in selected JCP&L substations with
21 moderate to severe distribution capacity limitations. Initially, the platform will be hosted
22 at a Tier 1 data center, with operations under JCP&L control. As the Program evolves,
23 JCP&L will evaluate if and when hosting should be transferred to Company servers.



Control Center ----- Distribution Grid ----- Customer Premise

1
2
3 **Q. How will the Program be operated? Under what conditions will the IDER system be**
4 **used?**

5 A. The system, which will be implemented in a manner similar to the IDER pilot, will be
6 managed locally for distribution operations or market benefits using criteria comparable
7 to those used for JCP&L’s legacy air conditioner cycling program (generally, for PJM
8 emergencies, local distribution emergencies or a combination of high temperatures and
9 high locational marginal prices (“LMPs”)), but with additional input from local
10 distribution loading conditions and in ways designed to test and use the capabilities of the
11 IDER platform.

12 Load shed events are expected, generally, to be up to six hours, but shorter or
13 longer durations may be required under certain circumstances in the event of system
14 emergencies and to enable full testing and use of the technology.

15 Assuming timely Board approval, JCP&L will, to the extent possible, work with
16 PJM and the turn-key contractor to register the IDER Program resource for Interruptible
17 Load for Reliability (“ILR”) capacity credits in March of 2009 for the period June 1,
18 2009 to May 31, 2010 and thereafter. JCP&L will also work with PJM and the turn-key
19 contractor in an attempt to register the resource for participation in PJM Economic Load

1 Response programs at the earliest practicable date. However, JCP&L cannot guarantee
2 that PJM will accept such registrations or, even if they are accepted, the magnitude of any
3 resulting benefits.

4 **Q. Please discuss the differences between the IDER Program and existing and/or prior**
5 **Office of Clean Energy (“OCE”) programs.**

6 A. The IDER Program is different from existing OCE programs as it focuses on the
7 integration of customer non-critical loads with the operations of the energy delivery
8 system, i.e., it is a smart grid pilot. The existing OCE programs focus on the installation
9 of energy efficient equipment to benefit customers at their premises, without regard for
10 the energy delivery operations.

11 **Q. How does the IDER Program complement existing programs offered by the**
12 **Company or the OCE?**

13 A. The proposed Program complements the existing OCE programs as it enhances energy
14 efficiency and load management; however, it does not impact the implementation or
15 delivery of the existing programs.

16 The IDER Program also complements the other programs in this filing in its
17 ability to minimize system peak loading.

18 **Q. How is the IDER Program consistent with, or how does it support, the draft Energy**
19 **Master Plan (“EMP”)?**

20 A. The IDER Program is aligned with draft EMP goals by addressing peak load reduction
21 goals through the implementation of direct load control equipment and the development
22 of a smart grid infrastructure that is operationally integrated.

1 **Q. Please describe some of the features of the IDER Program.**

2 **(1) The target market and customer eligibility:**

3 The IDER Program is targeted at customers served by substations and their associated
4 circuits in high growth areas. Targeted residential customers served by those circuits
5 would have non-critical loads that can be managed, such as central air conditioners and
6 pool pumps. Eligible C&I customers are those with energy management or other similar
7 systems.

8 **(2) The Program offering and customer incentives:**

9 Residential customers will have the opportunity to choose from two load management
10 programs. Participating customers will receive a \$50 sign-on incentive after the
11 equipment is installed. They will also have access to a web portal to enable them to
12 manage their participation and view load shed event information, which will include
13 energy savings.

14 Commercial customer incentives will be based on a sharing of the ILR payments,
15 the details of which are being developed at this time.

16 **(3) Program delivery:**

17 Program delivery will be through customer letters and out-bound calls to customers in the
18 targeted area. Door-to-door solicitation will be used in targeted areas. This Program
19 delivery approach is the same as for the IDER pilot, which was approved by the Board by
20 Order dated July 25, 2008.

21 **Q. Upon what criteria did JCP&L base its choice of the IDER Program?**

22 A. This Program was chosen because the two-way communications and integration platform
23 provided as part of the IDER pilot is easily expandable to provide additional MWs in a

1 cost effective way. The IDER Program is a co-development efforts between JCP&L and
2 BPL Global, Ltd.

3 **Q. Can you provide estimated Program costs?**

4 A. Yes. The estimated costs of the expansion of the IDER pilot to create the IDER Program
5 are set forth in Schedule ELG-1.

6 **Q: Please describe the benefits of the IDER Program.**

7 A. The principal benefits of the IDER Program are found in its effectiveness in contributing
8 to the efforts to meet the State's aggressive demand response and related goals, which
9 will produce many benefits in the areas of system reliability impacts; energy market
10 pricing effects (for example, by reducing peak LMPs and by improving JCP&L's load
11 shape, which should be reflected in BGS auction bids); environmental benefits from
12 reduced operation of less efficient generating units and reduced requirements for new
13 generation (as discussed further below); and the deferral of capital investments in the
14 T&D system. However, JCP&L is not able to quantify the value of any of the foregoing
15 benefits at this time.

16 In addition, if and to the extent the Company is successful in registering the IDER
17 Program for ILR capacity credits and for participation in PJM Economic Load Response
18 programs, as to which, as noted above, there can be no guarantees, there will be benefits
19 in the form of the cash value of PJM capacity credits, as well as PJM energy credits.
20 These potential monetary benefits are more readily quantifiable based on certain
21 underlying assumptions, as shown on Schedule ELG-2.

1 **Q: Can you compare the potential revenues from PJM to the costs of the Program?**

2 A. Yes, but before doing so, I want to emphasize that the value of such an exercise is
3 limited, as such a simple comparison of quantifiable dollars and cents amounts ignores all
4 of the significant, but currently unquantifiable, benefits of the Program discussed in the
5 answer to the previous question.

6 Subject to the foregoing qualification as to the meaningfulness of the analysis,
7 and notwithstanding uncertainties about future capacity and energy prices, preliminary
8 estimates as shown on Schedule ELG-3 indicate that costs will exceed the projected
9 revenue from PJM, although as amortization of the initial capital investment for existing
10 installations is completed, the projected revenues from PJM should approach the costs on
11 an annual basis.

12 **Q. Will the Company submit evaluations of the Program?**

13 A. Evaluation of the IDER Program will be included in the IDER pilot analysis and report.
14 JCP&L will submit an interim report on the status of the IDER pilot at the end of 2009
15 and a final report at the end of 2010.

16 **Q. Please describe to what extent the Company will utilize its own employees and/or
17 contractors.**

18 A. The IDER Program is a turn-key project that includes contractor provision of the
19 customer-located equipment and services related to marketing and installation of the
20 customer-located equipment. The contractor also provides services related to
21 maintenance of the platform. JCP&L will use its own employees to provide Program
22 oversight and to operate the system.

1 **Q. What is the process for resolving any customer complaints?**

2 A. Customers will have a toll free telephone number to call the turn-key contractor, who will
3 be operating the call center for JCP&L, for questions or complaints. A report of
4 customer calls and their topics will be provided to JCP&L on a regular schedule by the
5 turn-key contractor, who is expected to provide resolution to customers. To the extent
6 that the turn-key contractor cannot resolve complaints, JCP&L will attempt to resolve
7 disputes with participating customers informally in the first instance. Disputes that
8 involve the administration of the Program that cannot be resolved informally will be
9 resolved through the Board's existing process for customer complaints.

10 **Q. Please describe any known market barriers that may affect the Program.**

11 A. Customer understanding of the technology and how it works and the benefits it provides
12 is the primary market barrier. Customer education through letters, a brochure and a web
13 portal will be used to inform customers about these matters.

14 **Q: Are there any environmental benefits associated with the IDER Program?**

15 A. The Program is part of the Company's efforts to work with customers to reduce demand
16 and modify usage and load patterns for greater efficiencies and cost savings. These
17 programs, including the IDER Program, should provide benefits in the form of reduced
18 emissions from operation of less efficient generating units and reduced requirements for
19 new generation. By deferring the need for additional generation, it allows the industry
20 time to develop, build and bring on-line cleaner, more efficient generation, which can
21 reasonably be expected to result in a reduction of CO₂ emissions over time. However, it
22 is not possible to quantify these anticipated avoided emissions at this time.

1 **Q. Are there similar programs available in the existing market place?**

2 A. The existing programs available in JCP&L's service territory use one-way
3 communication technology and do not provide the same level of benefits to the electric
4 system and customers.

5 **III. PERMANENT PEAK LOAD SHIFT PROGRAM**

6 **Q. Please describe the proposed Program.**

7 A. JCP&L proposes a Permanent Peak Load Shift Program that will permanently shift 95%
8 of an air conditioner's typical operating load to off-peak. Assuming timely Board
9 approval, this Program proposes to install one thousand Ice Bear® Hybrid Air
10 Conditioner units (also referred to as *Ice Bear 30* units) on approximately 250 customer
11 buildings in advance of the 2009 summer peak demand season that will result in
12 approximately 5 gigawatt hours of annual peak load shifting capacity, including 5 MW of
13 summer peak day demand reduction at targeted locations. Participation will be voluntary
14 pursuant to agreements between JCP&L and participating customers. Sample customer
15 agreements are being developed at this time.



16

17

Major sub-systems of an *Ice Bear 30* unit

18 **Q. Please describe the technology used in this Program.**

19 A. Each *Ice Bear 30* unit will store 32 kWh of energy in 10 off-peak hours. Each unit will
20 reduce 5 kW of site energy demand for these same six hours. The *Ice Bear 30* unit is

1 unique in its ability to store and deliver stored energy with 100% round trip efficiency.
2 In other words, the addition of 5 units to a customer's building will not increase annual
3 kWh measured at the meter.

4 The *Ice Bear 30* unit consists of a Refrigerant Management System and an ice-on-
5 coil heat exchanger mounted within an insulated tank submerged in about four hundred
6 and seventy five gallons of tap water. An evaporator coil is added for dedicated use in
7 the system. It has unlimited deep discharge capability, very low maintenance and a
8 fifteen-year asset life.

9 The condensing unit runs during the coolest evening hours creating ice within the
10 storage module. During the day, when the thermostat calls for cooling, a low energy
11 pump circulates the ice-cooled refrigerant to the evaporator coil/blower unit inside the
12 home or business to provide immediate, efficient cooling.

13 The Permanent Peak Load Shift Program will develop experience and
14 understanding for the integration of customers' electric equipment into energy delivery
15 operations that will be consistent with smart grid utility operations. Installations on
16 circuits associated with the IDER Program will be integrated with the IDER load
17 management platform.

18 The Permanent Peak Load Shift Program is expected to reduce targeted peak load
19 as well as improve reliability and energy efficiency for JCP&L distribution circuits.
20 Moreover, this load management will allow JCP&L to extend the useful life of
21 distribution assets as well as defer capital expenditures for system upgrades.

1 **Ice Bear Integration into the IDER Platform**

2 The *Ice Bear 30* equipment can be monitored and controlled by the IDER
3 platform because it incorporates an open architecture management platform that
4 interoperates with third party sensors, devices and equipment via application interfaces
5 and control drivers. This allows the application of system algorithms and command
6 orders to be processed from the IDER platform and reach the integrated storage
7 components. When changes in the storage system operations are needed, the IDER
8 platform will utilize system control to communicate specific instructions about what
9 action should be taken.

10 **Q. How will the Program be operated? Under what conditions will the system be used?**

11 A. The Permanent Peak Load Shift Program operates automatically and daily. Every night
12 through the peaking season, the *Ice Bear 30* unit will make ice, and each day during a
13 pre-programmed time period, typically the six hour-period from noon to 6:00 pm, the ice
14 will be melted for air conditioner use on demand.

15 The units will be operated on a pre-defined schedule or they will be monitored
16 and controlled through the integration with the IDER platform technology.

17 JCP&L will, to the extent possible, work with PJM to register the Permanent Peak
18 Load Shift Program in appropriate PJM demand response/load reduction programs. In
19 particular, JCP&L will also work with PJM and the technology provider to determine
20 how best to capture the savings for these programs. However, I want to emphasize that
21 this Program is different from other demand response programs with which PJM is
22 familiar, in that this Program does not reduce load in response to a request from PJM,
23 but, instead, *permanently* reduces the load on a regular cycle once the Ice Bear unit is

1 installed. As a result, JCP&L can make absolutely no predictions as to its ability to
2 register the Program with PJM and, consequently, cannot guarantee that PJM will accept
3 such registrations or, even if they are accepted, the magnitude of any resulting benefits.

4 **Q. How does the Permanent Peak Load Shift Program complement existing programs
5 offered by the Company or the OCE?**

6 A. The proposed Program complements the existing OCE programs as it enhances energy
7 efficiency and load management; however, it does not impact the implementation or
8 delivery of the existing OCE programs.

9 This Program also complements the IDER-related programs and the other
10 programs in this filing in its ability to minimize system peak loading.

11 **Q. How is the Permanent Peak Load Shift Program consistent with, or how does it
12 support, the draft EMP?**

13 A. This Program is aligned with draft EMP goals by addressing peak load reduction goals.
14 It also helps to improve overall load factor and creates locally-sourced green collar jobs.

15 **Q. Provide describe some of the features of the Permanent Peak Load Shift Program.**

16 **(1) The target market and customer eligibility:**

17 A. The target market includes all one and two story commercial buildings that have multiple
18 split-system air conditioning systems so that more than one unit can be installed at each
19 location. This technology is designed for new and retrofit applications. The units can be
20 added to both new systems and the existing installed base of common rooftop-mounted or
21 split-system air conditioners. Moreover, future program expansion or other programs
22 developed around this technology could include residential customers.

1 **(2) The Program offering and customer incentives:**

2 Commercial customers will receive the *Ice Bear 30* units without sharing equipment
3 costs. An additional benefit to these customers will be their lower demand, which should
4 result in lower bills. The equipment associated with these installations will be owned and
5 maintained by JCP&L or its designee.

6 **(3) Program delivery:**

7 Customer acquisition will be coordinated between JCP&L and Ice Energy. Ice Energy's
8 experience indicates that there has been about an 80% customer acceptance rate
9 following a discussion with a customer when the customer is being asked to use the
10 equipment and accept the risk of putting this relatively new class of equipment on its
11 building with no cost to the customer. The cycle time from first discussion to installation
12 has typically been about 90 – 120 days.

13 Ice Energy has relationships with national account customer retailers that could be
14 candidates for many of the units for this Program.

15 **Q. Upon what criteria did JCP&L base its choice of the Permanent Peak Load Shift**
16 **Program?**

17 A. This Program was chosen because of the dramatic and permanent nature of the peak load
18 reduction provided by the technology.

19 This unique and relatively low cost energy storage technology is the first of its
20 kind designed specifically for the light commercial customer, institutional and residential
21 market segments. This rapidly deployable product is the first commercially available
22 point-of-use energy storage system to integrate the reduction of on-peak kW demand and
23 on-peak energy consumption with zero losses and without a change in customer behavior.

1 The Ice Bear® Hybrid Air Conditioner has had two years of field trials sponsored
2 by the Department of Energy and validated by the National Institute of Standards and
3 Technology. Test data collected from nearly 125 pilot production unit installations has
4 validated the performance, energy efficiency and reliability of the technology. Because
5 there is an extensive operating history for this commercial product, there is no need for
6 additional evaluation of product efficacy.

7 **Q. Can you provide estimated Program costs?**

8 A. Yes. The estimated Permanent Peak Load Shift Program costs are set forth in Schedule
9 ELG-1.

10 **Q: Please describe the benefits of the Permanent Peak Load Shift Program.**

11 A. The principal benefits of the Permanent Peak Load Shift Program are found in its
12 effectiveness in contributing to the efforts to meet the State's aggressive demand
13 reduction and related goals, which will produce many benefits in the areas of system
14 reliability impacts; energy market pricing effects (for example, by reducing peak LMPs
15 and by improving JCP&L's load shape, which should be reflected in BGS auction bids);
16 environmental benefits from reduced operation of less efficient generating units and
17 reduced requirements for new generation (as discussed further below); and the deferral of
18 capital investments in the transmission or distribution system. However, JCP&L is not
19 able to quantify the value of any of the foregoing benefits at this time.

20 In addition, and keeping in mind the considerable uncertainty around its ability to
21 do so due to the unique nature of this particular Program, as discussed above, if and to the
22 extent the Company is successful in registering the Permanent Peak Load Shift Program
23 in PJM demand response/load reduction programs, there may be benefits in the form of

1 cash payments from PJM. The Company has made certain assumptions, however
2 uncertain they may be, for purposes of attempting to quantify these potential monetary
3 benefits, as shown on Schedule ELG-2.

4 **Q: Can you compare the potential revenues from PJM to the costs for the Program?**

5 A. Yes, but before doing so, I want to emphasize that the value of such an exercise is
6 limited, as such a simple comparison of quantifiable dollars and cents amounts ignores all
7 of the significant, but currently unquantifiable, benefits of the Program discussed in the
8 answer to the previous question.

9 Subject to the foregoing qualifications as to the meaningfulness of the analysis,
10 preliminary estimates as shown on Schedule ELG-3 (which are highly uncertain due to
11 the unique nature of this Program) indicate that the costs will exceed the projected
12 revenues from PJM, although as amortization of the initial capital investment for existing
13 installations is completed, the projected revenues from PJM should approach the costs on
14 an annual basis.

15 **Q. Please describe to what extent the Company will utilize its own employees and/or**
16 **contractors.**

17 A. JCP&L will provide oversight to the Program and will contract with Ice Energy for
18 project management and supply of the one thousand *Ice Bear 30* units. A competitive bid
19 process will be held for licensed HVAC contractors, energy service companies,
20 mechanical contractors, etc., for the design, permitting, installation, start-up and service
21 of *Ice Bear 30* installations. Ice Energy will review and collaborate with JCP&L in the
22 selection process of the contractors.

1 **Q. What is the process for resolving any customer complaints?**

2 A. Customers will have a toll free telephone number to call for questions or complaints.
3 Customer complaints will be routed appropriately for informal resolution. Disputes that
4 involve the administration of the Program that cannot be resolved informally will be
5 resolved through the Board's existing process for customer complaints.

6 **Q. Please describe any known market barriers that may affect the Program.**

7 A. Customer understanding of the technology and how it works and the benefits it provides
8 is the primary market barrier. Customer education in marketing the Program and during
9 site visits will be used to inform customers about these matters.

10 **Q: Are there any environmental benefits associated with the Permanent Peak Load**
11 **Shift Program?**

12 A. The Program is part of the Company's efforts to work with customers to reduce demand
13 and modify usage and load patterns for greater efficiencies and cost savings. These
14 programs, including the Permanent Peak Load Shift Program, should provide benefits in
15 the form of reduced emissions from operation of less efficient generating units and
16 reduced requirements for new generation. By deferring the need for additional
17 generation, it allows the industry time to develop, build and bring on-line cleaner, more
18 efficient generation, which can reasonably be expected to result in a reduction of CO₂
19 emissions over time. However, it is not possible to quantify these anticipated avoided
20 emissions at this time.

21 In addition, the Ice Bear® Hybrid Air Conditioner integrates energy storage with
22 a high efficiency compressor using R-410A, a non-ozone depleting refrigerant.

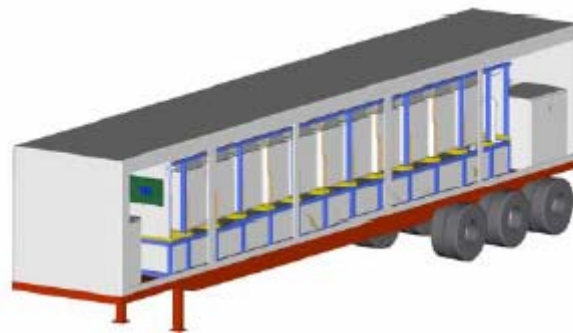
1 **Q. Are there similar programs available in the existing market place?**

2 A. No, there is no similar existing technology or program available in the market place.

3 **IV. ELECTRICITY STORAGE PROGRAM**

4 **Q. Please describe the proposed Program.**

5 A. JCP&L proposes an Electricity Storage Program designed to provide approximately 3
6 MW of electricity storage associated with the IDER activity, consisting of 1 MW at three
7 different substations to provide additional load management. These installations will
8 provide operational flexibility and reliability enhancements to the customers served by
9 the substations.



10
11 *TransFlow 2000* Electricity Storage System
12 (Each *TransFlow 2000* unit will store 2.8 MWh)

13 JCP&L proposes to install Premium Power Corporation's *TransFlow 2000* units,
14 which have maximum continuous power delivery of 500 kW, two each at three
15 substations selected for IDER implementation. The units are trailer mounted, large-scale
16 devices that provide energy storage capabilities, representing, in essence, capacity-on-
17 demand. The units also support energy delivery needs at substations that are near their
18 capacity, enabling the Company to defer upgrades, with their associated costs. As it is
19 mounted in a trailer truck, the *TransFlow 2000* unit is an energy storage asset with the
20 ability to be relocated simply and quickly without complex disassembly and reassembly.

1 The *TransFlow 2000* is a fully integrated system that comprises energy storage,
2 power conditioning, system control and thermal management subsystems into a
3 packaged, portable, turn-key energy storage system. It is configured to allow multiple
4 units to operate in parallel, which will automatically address higher power or greater
5 energy storage requirements.

6 The overall system comprises four subsystems:

- 7 ○ Electricity Storage includes the energy storage blocks, electrolyte tanks, and
8 circulation system.
- 9 ○ Power Conditioning includes four 125 kW grid-tied inverter/rectifiers and grid
10 interconnections.
- 11 ○ Thermal Management provides active thermal management to maintain
12 optimum temperature for all system components. The thermal management
13 makes use of a chiller mounted at one end of the trailer. The electrolyte
14 reservoir contains a liquid-to-liquid heat exchanger used to remove heat
15 during charging.
- 16 ○ System Controller provides real-time monitoring, control, management and
17 communication for the system. This system includes an energy management
18 application that manages the charging and discharging based on user selected
19 parameters and will be integrated into the IDER platform.

20 **Electricity Storage Integration into the IDER Platform**

21 The *TransFlow 2000* units will be installed in Company substations selected for
22 the IDER implementation and will be monitored and controlled by the IDER platform as
23 it incorporates an open architecture management platform that interoperates with third

1 party sensors, devices and equipment via application interfaces and control drivers. This
2 allows the application of system algorithms and command orders to be processed from
3 the IDER platform and reach the integrated storage components. When changes in the
4 integrated electricity storage system operations are needed, the IDER platform will utilize
5 system control to communicate specific instructions about what action should be taken.

6 **Q. How will the Program be operated? Under what conditions will the system be used?**

7 A. The Electricity Storage Program will be integrated with the IDER activities and
8 implemented in a manner similar to the IDER Program. It will be managed locally for
9 distribution operations or market benefits using criteria comparable to those used for
10 JCP&L's legacy air conditioner cycling program (generally, for PJM emergencies, local
11 distribution emergencies or a combination of high temperatures and high LMPs), but with
12 additional input from local distribution loading conditions and in ways designed to test
13 and use the capabilities of the IDER platform.

14 Load shed events are expected, generally, to be up to six hours, but shorter or
15 longer durations may be required under certain circumstances in the event of system
16 emergencies and to enable full testing and use of the technology

17 Assuming timely Board approval, JCP&L will, to the extent possible, work with
18 PJM to register the Electricity Storage program resource for ILR capacity credits in
19 March of 2009 for the period June 1, 2009 to May 31, 2010 and thereafter. JCP&L will
20 also work with PJM in an attempt to register the resource for participation in PJM
21 Economic Load Response programs at the earliest practicable date. However, JCP&L
22 cannot guarantee that PJM will accept such registrations or, even if they are accepted, the
23 magnitude of any resulting benefits.

1 **Q. Please discuss the differences between the Electricity Storage Program and existing**
2 **and/or prior OCE programs.**

3 A. The Electricity Storage Program is different from existing OCE programs as it focuses on
4 on-peak demand reduction through the integration of substation-based electricity storage
5 with the operations of the energy delivery system, which provides benefits locally and to
6 the customers served by the substation. The existing OCE programs focus on the
7 installation of energy efficient equipment to benefit customers at their premises, without
8 regard for the energy delivery operations.

9 **Q. How does the Electricity Storage Program complement existing programs offered**
10 **by the Company or the OCE?**

11 A. The proposed Program complements the existing OCE programs as it enhances energy
12 efficiency and load management; however, it does not impact the implementation or
13 delivery of the existing OCE programs.

14 This Program complements the Company's IDER Program and the other
15 programs in this filing in its ability to minimize system peak loading.

16 **Q. How is the Electricity Storage Program consistent with, or how does it support, the**
17 **draft EMP?**

18 A. This Program is aligned with draft EMP goals by addressing peak load reduction goals.

19 **Q. Please describe some of the features of the Electricity Storage Program.**

20 **(1) The target market:**

21 A. The target market is substations that are identified as having high growth and selected for
22 IDER implementation. Customers served by these substations will benefit from these
23 deployments through increased reliability.

1 **(2) Program administration:**

2 JCP&L will project manage the installation and interconnection for this Program and will
3 contract with Premium Power for the supply and maintenance of the six *TransFlow 2000*
4 units.

5 **Q. Upon what criteria did JCP&L base its choice of the Electricity Storage Program?**

6 A. This Program was chosen because of the size of the peak load reduction provided by the
7 technology. This electricity storage technology is included in a limited group of
8 technologies that can provide large amounts of storage in a substation location. The
9 Premium Power *TransFlow 2000* technology was chosen because it is a low cost,
10 modular substation-based electricity storage system and field testing has been done on the
11 technology.

12 **Q. Can you provide estimated program costs?**

13 A. Yes. The estimated Electricity Storage Program costs are set forth in Schedule ELG-1.

14 **Q. Please describe the benefits of the Electricity Storage Program.**

15 A. The principal benefits of the Electricity Storage Program are found in its effectiveness in
16 contributing to the efforts to meet the State's aggressive demand response and related
17 goals, which will produce many benefits in the areas of system reliability impacts; energy
18 market pricing effects (for example, by reducing peak LMPs and by improving JCP&L's
19 load shape, which should be reflected in BGS auction bids); environmental benefits from
20 reduced operation of less efficient generating units and reduced requirements for new
21 generation (as discussed further below); and the deferral of capital investments in the
22 transmission or distribution system. However, JCP&L is not able to quantify the value of
23 any of the foregoing benefits at this time.

1 In addition, if and to the extent the Company is successful in registering the
2 Electricity Storage Program for ILR capacity credits and for participation in PJM
3 Economic Load Response programs, as to which, as noted above, there can be no
4 guarantees, there will be benefits in the form of the cash value of PJM capacity credits, as
5 well as PJM energy credits. These potential monetary benefits are more readily
6 quantifiable based on certain underlying assumptions, as shown on Schedule ELG-2.

7 **Q. Can you compare the potential revenues from PJM to the costs of the Program?**

8 A. Yes, but before doing so, I want to emphasize that the value of such an exercise is
9 limited, as such a simple comparison of quantifiable dollars and cents amounts ignores all
10 of the significant, but currently unquantifiable, benefits of the Program discussed in the
11 answer to the previous question.

12 Subject to the foregoing qualification as to the meaningfulness of the analysis,
13 and notwithstanding uncertainties about future capacity and energy prices, preliminary
14 estimates as shown on Schedule ELG-3 indicate that the costs will exceed the projected
15 revenues from PJM, although as amortization of the initial capital investment for existing
16 installations is completed, the projected revenues from PJM should approach the costs on
17 an annual basis.

18 **Q. What is the process for resolving any customer complaints?**

19 A. No customer complaints are anticipated, as this is a substation-based deployment.

20 **Q. Are there any environmental benefits associated with the Electricity Storage
21 program?**

22 A. The program is part of the Company's efforts to work to reduce demand and modify load
23 patterns for greater efficiencies and cost savings. These programs, including the

1 Electricity Storage Program, should provide benefits in the form of reduced emissions
2 from operation of less efficient generating units and reduced requirements for new
3 generation. By deferring the need for additional generation, it allows the industry time to
4 develop, build and bring on-line cleaner, more efficient generation, which can reasonably
5 be expected to result in a reduction of CO₂ emissions over time. However, it is not
6 possible to quantify these anticipated avoided emissions at this time.

7 **Q. Are there similar programs available in the existing market place?**

8 A. There are no similar programs available in the market place.

9 **Q. Does this conclude your testimony?**

10 A. Yes.

11

Eva L. Gardow

PROFESSIONAL AND EDUCATIONAL BACKGROUND

Since 2001, I have been a Senior Engineer in the FirstEnergy Technologies Group of FirstEnergy Service Company, where my responsibilities include acting as Project Manager for the deployment of the Integrated Distributed Energy Resource Management pilot and for energy storage activities for Jersey Central Power & Light Company (“JCP&L”). I also manage research and development activities through the Electric Power Research Institute for FirstEnergy in the fields of energy storage, energy efficiency and power quality. I have also directed activities on behalf of JCP&L in connection with the New Jersey Clean Energy Renewable Programs.

From 1997 to 2001, I was a Business Development Manager for GPU, focusing on investments involving solar power, emissions controls and fuel cells, and from 1993 to 1997, I was a sales engineer for GPU involved in the areas of coordinating specialized electrical service, evaluating co-generation projects and managing project interconnections.

Prior to joining GPU/FirstEnergy, I was a product development engineer for UTC Fuel Cells in South Windsor, CT from 1987 to 1989.

I have a Bachelor of Science degree in mechanical engineering from Clarkson University and a Masters of Business Administration degree from the University of Hartford’s International Program, which was held in Paris, France and West Hartford, CT. I am a member of numerous professional societies in the areas of solar and sustainable energy, electricity storage and mechanical engineering.

Integrated Distributed Energy Resource ("IDER") Program (15 MW)
Schedule of Projected PJM Program Revenues
(\$ in 000)

Line #		2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	Cumulative Totals
	Projected PJM Program Revenues:												
	Capacity Credits Calculation:												
1	MW Eligible for Capacity Credits (MW)	0	15	15	15	15	15	15	15	15	15	15	
2	PJM ILR Capacity Value Per MW-day (Jan - May)	\$ -	\$ -	\$ 188.55	\$ 174.29	\$ 110.00	\$ 110.00	\$ 110.00	\$ 110.00	\$ 110.00	\$ 110.00	\$ 110.00	
3	Line 2 Equivalent Credit Per kW-month {(L2 x 365 Days/Yr) / (12 Mo/Yr x 1,000 kW/MW)}	\$ -	\$ -	\$ 5.74	\$ 5.30	\$ 3.35	\$ 3.35	\$ 3.35	\$ 3.35	\$ 3.35	\$ 3.35	\$ 3.35	
4	PJM ILR Capacity Value Per MW-day (June - Dec)	\$ -	\$ 188.55	\$ 174.29	\$ 110.00	\$ 110.00	\$ 110.00	\$ 110.00	\$ 110.00	\$ 110.00	\$ 110.00	\$ 110.00	
5	Line 4 Equivalent Credit Per kW-month {(L4 x 365 Days/Yr) / (12 Mo/Yr x 1,000 kW/MW)}	\$ -	\$ 5.74	\$ 5.30	\$ 3.35	\$ 3.35	\$ 3.35	\$ 3.35	\$ 3.35	\$ 3.35	\$ 3.35	\$ 3.35	
6	Conversion of PJM ILR Capacity Value Per kW-Yr.to Calendar Yr. Basis {(5 mos. x Line 3) + (7 mos. x Line 5)}	\$ -	\$ 40.15	\$ 65.78	\$ 49.93	\$ 40.15	\$ 40.15	\$ 40.15	\$ 40.15	\$ 40.15	\$ 40.15	\$ 40.15	
7	Projected Capacity Credits (L1 x L6)	\$ -	\$ 602	\$ 987	\$ 749	\$ 602	\$ 602	\$ 602	\$ 602	\$ 602	\$ 602	\$ 602	\$ 6,554
	Energy Credits Calculation *:												
8	Average Locational Marginal Pricing ("LMP") During Events (\$/MWh)	\$ 200.00	\$ 200.00	\$ 200.00	\$ 200.00	\$ 200.00	\$ 200.00	\$ 200.00	\$ 200.00	\$ 200.00	\$ 200.00	\$ 200.00	
9	Generation & Transmission Pricing (G&T) (\$/MWh) **	132.00	132.00	132.00	132.00	132.00	132.00	132.00	132.00	132.00	132.00	132.00	
10	Average LMP - G&T (\$/MWh) (L8 - L9)	\$ 68.00	\$ 68.00	\$ 68.00	\$ 68.00	\$ 68.00	\$ 68.00	\$ 68.00	\$ 68.00	\$ 68.00	\$ 68.00	\$ 68.00	
11	MW Eligible for PJM ILR Credits	0	15	15	15	15	15	15	15	15	15	15	
12	Number of Events (in Days)	15	15	15	15	15	15	15	15	15	15	15	
13	Event Hours per Day	6	6	6	6	6	6	6	6	6	6	6	
14	Projected Energy Credits (L10 x L11 x L12 x L13)	\$ -	\$ 92	\$ 92	\$ 92	\$ 92	\$ 92	\$ 92	\$ 92	\$ 92	\$ 92	\$ 92	\$ 918
15	Total Projected PJM Program Revenues (L7+ L14)	\$ -	\$ 694	\$ 1,079	\$ 841	\$ 694	\$ 694	\$ 694	\$ 694	\$ 694	\$ 694	\$ 694	\$ 7,472

Note:

The PJM ILR Capacity Values for 2012 and beyond in Line 4 above simply carry forward the value from the most recent PJM RPM auction covering 2011-2012. Actual Capacity Values may well vary from that last auction price. By way of example only, if actual Capacity Values in those years are twice the last auction price, i.e., \$220.00 per MW-day, Total Cumulative Projected Capacity Credits (Line 7) and Total Cumulative Projected PJM Program Revenues (Line 15) would be \$10.518 million and \$11.130 million, respectively.

* Energy credit calculations reflect participation in PJM Economic Load Response events only.

** GS "Price to Compare" is used as a proxy for "G&T" rates in this calculation.

**Permanent Peak Load Shift ("PPLS") Program (5 MW)
Schedule of Projected PJM Program Revenues
(\$ in 000)**

Line #		2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	Cumulative Totals
	Projected PJM Program Revenues:												
	Capacity Credits Calculation:												
1	MW Eligible for Capacity Credits (MW)	0	5	5	5	5	5	5	5	5	5	5	
2	PJM ILR Capacity Value Per MW-day (Jan - May)	\$ -	\$ -	\$ 188.55	\$ 174.29	\$ 110.00	\$ 110.00	\$ 110.00	\$ 110.00	\$ 110.00	\$ 110.00	\$ 110.00	
3	Line 2 Equivalent Credit Per kW-month {(L2 x 365 Days/Yr) / (12 Mo/Yr x 1,000 kW/MW)}	\$ -	\$ -	\$ 5.74	\$ 5.30	\$ 3.35	\$ 3.35	\$ 3.35	\$ 3.35	\$ 3.35	\$ 3.35	\$ 3.35	
4	PJM ILR Capacity Value Per MW-day (June - Dec)	\$ -	\$ 188.55	\$ 174.29	\$ 110.00	\$ 110.00	\$ 110.00	\$ 110.00	\$ 110.00	\$ 110.00	\$ 110.00	\$ 110.00	
5	Line 4 Equivalent Credit Per kW-month {(L4 x 365 Days/Yr) / (12 Mo/Yr x 1,000 kW/MW)}	\$ -	\$ 5.74	\$ 5.30	\$ 3.35	\$ 3.35	\$ 3.35	\$ 3.35	\$ 3.35	\$ 3.35	\$ 3.35	\$ 3.35	
6	Conversion of PJM ILR Capacity Value Per kW-Yr.to Calendar Yr. Basis {(5 mos. x Line 3) + (7 mos. x Line 5)}	\$ -	\$ 40.15	\$ 65.78	\$ 49.93	\$ 40.15	\$ 40.15	\$ 40.15	\$ 40.15	\$ 40.15	\$ 40.15	\$ 40.15	
7	Projected Capacity Credits (L1 x L6)	\$ -	\$ 201	\$ 329	\$ 250	\$ 201	\$ 201	\$ 201	\$ 201	\$ 201	\$ 201	\$ 201	\$ 2,185
	Energy Credits Calculation *:												
8	Average Locational Marginal Pricing ("LMP") During Events (\$/MWh)	\$ 200.00	\$ 200.00	\$ 200.00	\$ 200.00	\$ 200.00	\$ 200.00	\$ 200.00	\$ 200.00	\$ 200.00	\$ 200.00	\$ 200.00	
9	Generation & Transmission Pricing (G&T) (\$/MWh) **	\$ 132.00	\$ 132.00	\$ 132.00	\$ 132.00	\$ 132.00	\$ 132.00	\$ 132.00	\$ 132.00	\$ 132.00	\$ 132.00	\$ 132.00	
10	Average LMP - G&T (\$/MWh) (L8 - L9)	\$ 68.00	\$ 68.00	\$ 68.00	\$ 68.00	\$ 68.00	\$ 68.00	\$ 68.00	\$ 68.00	\$ 68.00	\$ 68.00	\$ 68.00	
11	MW Eligible for PJM ILR Credits	0	5	5	5	5	5	5	5	5	5	5	
12	Number of Events (in Days)	91	91	91	91	91	91	91	91	91	91	91	
13	Event Hours per Day	12	12	12	12	12	12	12	12	12	12	12	
14	Projected Energy Credits (L10 x L11 x L12 x L13)	\$ -	\$ 371	\$ 371	\$ 371	\$ 371	\$ 371	\$ 371	\$ 371	\$ 371	\$ 371	\$ 371	\$ 3,713
15	Total Projected PJM Program Revenues (L7+ L14)	\$ -	\$ 572	\$ 700	\$ 621	\$ 572	\$ 572	\$ 572	\$ 572	\$ 572	\$ 572	\$ 572	\$ 5,897

Note:

The PJM ILR Capacity Values for 2012 and beyond in Line 4 above simply carry forward the value from the most recent PJM RPM auction covering 2011-2012. Actual Capacity Values may well vary from that last auction price. By way of example only, if actual Capacity Values in those years are twice the last auction price, i.e., \$220.00 per MW-day, Total Cumulative Projected Capacity Credits (Line 7) and Total Cumulative Projected PJM Program Revenues (Line 15) would be \$3.506 million and \$7.219 million, respectively.

* Energy Credit calculations reflect participation in PJM Economic Load Response events only.

** GS "Price to Compare" is used as a proxy for "G&T" rates in this calculation.

Electricity Storage ("ES") Program (3 MW)
Schedule of Projected PJM Program Revenues
(\$ in 000)

Line #		2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	Cumulative Totals
	Projected PJM Program Revenues:												
	Capacity Credits Calculation:												
1	MW Eligible for Capacity Credits (MW)	0	3	3	3	3	3	3	3	3	3	3	
2	PJM ILR Capacity Value Per MW-day (Jan - May)	\$ -	\$ -	\$ 188.55	\$ 174.29	\$ 110.00	\$ 110.00	\$ 110.00	\$ 110.00	\$ 110.00	\$ 110.00	\$ 110.00	
3	Line 2 Equivalent Credit Per kW-month {(L2 x 365 Days/Yr) / (12 Mo/Yr x 1,000 kW/MW)}	\$ -	\$ -	\$ 5.74	\$ 5.30	\$ 3.35	\$ 3.35	\$ 3.35	\$ 3.35	\$ 3.35	\$ 3.35	\$ 3.35	
4	PJM ILR Capacity Value Per MW-day (June - Dec)	\$ -	\$ 188.55	\$ 174.29	\$ 110.00	\$ 110.00	\$ 110.00	\$ 110.00	\$ 110.00	\$ 110.00	\$ 110.00	\$ 110.00	
5	Line 4 Equivalent Credit Per kW-month {(L4 x 365 Days/Yr) / (12 Mo/Yr x 1,000 kW/MW)}	\$ -	\$ 5.74	\$ 5.30	\$ 3.35	\$ 3.35	\$ 3.35	\$ 3.35	\$ 3.35	\$ 3.35	\$ 3.35	\$ 3.35	
6	Conversion of PJM ILR Capacity Value Per kW-Yr.to Calendar Yr. Basis {(5 mos. x Line 3) + (7 mos. x Line 5)}	\$ -	\$ 40.15	\$ 65.78	\$ 49.93	\$ 40.15	\$ 40.15	\$ 40.15	\$ 40.15	\$ 40.15	\$ 40.15	\$ 40.15	
7	Projected Capacity Credits (L1 x L6)	\$ -	\$ 120	\$ 197	\$ 150	\$ 120	\$ 120	\$ 120	\$ 120	\$ 120	\$ 120	\$ 120	\$ 1,311
	Energy Credits Calculation *:												
8	Average Locational Marginal Pricing ("LMP") During Events (\$/MWh)	\$ 200.00	\$ 200.00	\$ 200.00	\$ 200.00	\$ 200.00	\$ 200.00	\$ 200.00	\$ 200.00	\$ 200.00	\$ 200.00	\$ 200.00	
9	Generation & Transmission Pricing (G&T) (\$/MWh) **	132.00	132.00	132.00	132.00	132.00	132.00	132.00	132.00	132.00	132.00	132.00	
10	Average LMP - G&T (\$/MWh) (L8 - L9)	\$ 68.00	\$ 68.00	\$ 68.00	\$ 68.00	\$ 68.00	\$ 68.00	\$ 68.00	\$ 68.00	\$ 68.00	\$ 68.00	\$ 68.00	
11	MW Eligible for PJM ILR Credits	0	3	3	3	3	3	3	3	3	3	3	
12	Number of Events (in Days)	20	20	20	20	20	20	20	20	20	20	20	
13	Event Hours per Day	6	6	6	6	6	6	6	6	6	6	6	
14	Projected Energy Credits (L10 x L11 x L12 x L13)	\$ -	\$ 24	\$ 24	\$ 24	\$ 24	\$ 24	\$ 24	\$ 24	\$ 24	\$ 24	\$ 24	\$ 245
15	Total Projected PJM Program Revenues (L7+ L14)	\$ -	\$ 145	\$ 222	\$ 174	\$ 145	\$ 145	\$ 145	\$ 145	\$ 145	\$ 145	\$ 145	\$ 1,556

Note:

The PJM ILR Capacity Values for 2012 and beyond in Line 4 above simply carry forward the value from the most recent PJM RPM auction covering 2011-2012. Actual Capacity Values may well vary from that last auction price. By way of example only, if actual Capacity Values in those years are twice the last auction price, i.e., \$220.00 per MW-day, Total Cumulative Projected Capacity Credits (Line 7) and Total Cumulative Projected PJM Program Revenues (Line 15) would be \$2.104 million and \$2.348 million, respectively.

* Energy Credit calculations reflect participation in PJM Economic Load Response events only.

** GS "Price to Compare" is used as a proxy for "G&T" rates in this calculation.

REDACTED

Schedule ELG-3

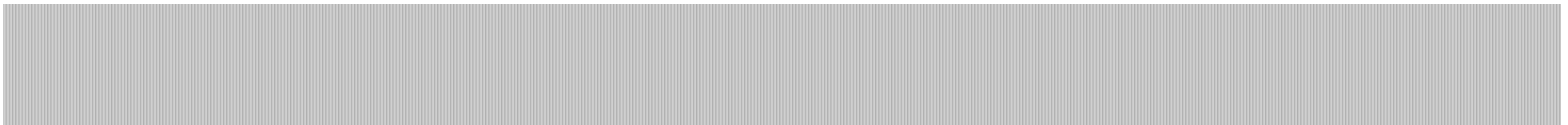
**Proposed Demand Response Programs
Net Annual Impact
(\$ in 000)**

Integrated Distributed Energy Resource ("IDER") Program (15 MW)													Cumulative Totals
Line #		2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	
	Estimated Program Costs:												
1	Estimated Program Costs (Schedule ELG-1, Line 4)												
2	Annual Amortization												
3	Annual Return on Investment @ 11.61%												
4	Total Estimated Program Costs (L1 + L2 + L3)												
5	Projected PJM Revenues (Schedule ELG-2, Page 1 of 3, L15)	-	694	1,079	841	694	694	694	694	694	694	694	7,472
6	Net Annual Impact (L4 - L5)												
7	Cumulative Impact												

Permanent Peak Load Shift ("PPLS") Program (5 MW)													Cumulative Totals
Line #		2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	
	Estimated Program Costs:												
8	Estimated Program Costs (Schedule ELG-1, Line 9)												
9	Annual Amortization												
10	Annual Return on Investment @ 11.61%												
11	Total Estimated Program Costs (L8 + L9 + L10)												
12	Projected PJM Revenues (Schedule ELG-2, Page 2 of 3, L15)	-	572	700	621	572	572	572	572	572	572	572	5,897
13	Net Annual Impact (L11 - L12)												
14	Cumulative Impact												

Electricity Storage ("ES") Program (3 MW)													Cumulative Totals
Line #		2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	
	Estimated Program Costs:												
15	Estimated Program Costs (Schedule ELG-1, Line 15)												
16	Annual Amortization												
17	Annual Return on Investment @ 11.61%												
18	Total Estimated Program Costs (L15 + L16 + L17)												
19	Projected PJM Revenues (Schedule ELG-2, Page 3 of 3, L15)	-	145	222	174	145	145	145	145	145	145	145	1,556
20	Net Annual Impact (L18 - L19)												
21	Cumulative Impact												

Note:



**BEFORE THE
NEW JERSEY BOARD OF PUBLIC UTILITIES**

JERSEY CENTRAL POWER & LIGHT COMPANY

**Direct Testimony
of
Susan D. Marano**

**Re: Revenue Requirements, Cost Recovery and Accounting
(Demand Response Programs Filing)
BPU Docket No. EO08050326**

1 **DIRECT TESTIMONY OF SUSAN D. MARANO**

2

3 **I. INTRODUCTION**

4 **Q. Please state your name and business address.**

5 A. My name is Susan D. Marano and my business address is 300 Madison Avenue,
6 Morristown, New Jersey 07962.

7 **Q. By whom are you employed and in what capacity?**

8 A. I am employed as Staff Business Analyst for FirstEnergy Service Company. In
9 this position I am accountable for providing accounting, financial and analytical
10 support for rate activities. My professional and educational background is
11 included in Attachment A of this testimony.

12 **Q. Please describe the purpose of your testimony.**

13 A. My testimony describes and supports the calculation of anticipated revenue
14 requirements resulting from the implementation of the proposed four small scale
15 demand response (“DR”) programs as briefly described in the Petition filed with
16 the Board of Public Utilities (“Board”) and more fully described in the testimony
17 of Christopher W. Siebens and Eva L. Gardow (Exhibits JCDR-1 and JCDR-2,
18 respectively). My testimony also describes the accounting treatment for the
19 investment, expenses and cost recovery and provides the accounting entries to
20 record the expenditures associated with the programs.

21 **II. PROGRAM COSTS AND REVENUE REQUIREMENTS**

22 **Q. Please explain the costs involved in establishing and administering the DR**
23 **programs.**

1 A. The program investment and administrative costs to be incurred by Jersey Central
2 Power & Light Company (“JCP&L” or the “Company”) in order to implement
3 and administer the DR programs are contained in the testimony of Mr. Siebens
4 and Ms. Gardow and can be found in Schedules CWS-1 and ELG-1, respectively.

5 **Q. Please explain the calculation of overall revenue requirements related to the**
6 **establishment and operation of the DR programs.**

7 A. Total overall revenue requirements related to the costs incurred for the
8 implementation and administration of the four DR programs are equal to (1) the
9 return of the program investment, if applicable, plus (2) a return on the net
10 program investment, if applicable, plus (3) Other Expense, i.e. incremental
11 administrative costs, customer incentives, etc.

12 **Q. Please describe the return of program investment included in the revenue**
13 **requirements.**

14 A. JCP&L is proposing to treat the program investment related to the expanded
15 Integrated Distributed Energy Resource (“IDER”) Program as a regulatory asset
16 to be recovered over six years, consistent with the recovery period adopted by the
17 Board for the Integrated DER Management Pilot Program *I/M/O the New Jersey*
18 *Direct Load Control Program Proposal – Jersey Central Power & Light*
19 *Company* (BPU Docket No.ER07060375). JCP&L is proposing to treat the
20 program investment related to the Permanent Peak Load Shift (“PPLS”) and
21 Electricity Storage (“ES”) programs as regulatory assets to be recovered over ten
22 years. The ten-year recovery period is based on the estimated asset life prior to
23 obsolescence due to technology improvements. Amortization expense related to

1 the recovery of the regulatory asset is one component of total revenue
2 requirements.

3 **Q. Please provide a description of the return on the net program investment**
4 **included in the revenue requirement calculation.**

5 A. To compensate JCP&L for its cost of financing the investment in the DR
6 programs, a return on the net unamortized investment (investment less
7 accumulated amortization less related deferred income tax resulting from timing
8 differences) is the second component of total revenue requirements. The return is
9 based on JCP&L's overall weighted cost of capital approved by the Board in
10 JCP&L's most recent base rate case, including income tax effects, which is
11 11.61%. The calculation of the overall weighted cost of capital is shown on
12 Schedule SDM-1.

13 **Q. Please describe the Other Expenses included in the revenue requirements.**

14 A. Other Expenses reflect administrative costs that includes incremental labor and
15 other incremental internal or external ongoing costs required to implement and
16 administer the programs as explained in the testimony of Mr. Siebens and Ms.
17 Gardow and can be found in Schedules CWS-1 and ELG-1, respectively.

18 **Q. Please provide a detailed description of the annual revenue requirements**
19 **calculations set forth in Schedules SDM-1 and SDM-2.**

20 A. The calculation of the total overall revenue requirements for the four DR
21 programs is summarized on Schedule SDM-1. Individual revenue requirement
22 calculations for each proposed DR program are provided on Schedule SDM-2,
23 pages 1 through 4.

1 Annual Investment, identified in Schedule ELG-1 from Exhibit JCDR-2,
2 is an input into Column 1 of the revenue requirements calculations for each
3 program, as appropriate, in the year that the costs are incurred. Program
4 Investment in Column 2 reflects the accumulated annual investment amounts.
5 Annual Amortization (Column 3) is the amortization of the Program Investment
6 in Column 2 over the appropriate number of years (one-sixth of the IDER
7 Program investment per year or one-tenth of the PPLS and ES Program
8 Investment per year). Accumulated Amortization in Column 4 is the cumulative
9 sum of the annual Amortization. Net Cumulative Investment in Column 5 is the
10 Program Investment (Column 2) less the Accumulated Amortization (Column 4).
11 Tax Effect in Column 6 is the expense deduction taken for tax purposes in the
12 year the Program Investment cost is incurred. Deferred Income Tax in Column 7
13 is the deferred tax expense, calculated at the composite income tax rate, resulting
14 from the timing difference between when the amortization expense is recorded on
15 JCP&L's financial books and when the Program Investment cost is incurred for
16 tax purposes. Accumulated Deferred Income Tax in Column 8 is the cumulative
17 sum of the annual Deferred Income Tax expense. Net Program Investment in
18 Column 9 is equal to Net Cumulative Investment (Column 5) less Accumulated
19 Deferred Income Tax (Column 8). The annual Return Requirement in Column 10
20 is calculated by multiplying the Pre-Tax Cost of Capital times the monthly
21 average Net Program Investment. Other Expenses in Column 11 are added to the
22 Return Requirement to determine Total Revenue Requirements in Column 12.
23 The computation results in a total annualized revenue requirement of \$5,594,837.

1 **III. COST RECOVERY MECHANISM**

2 **Q. Please provide the statutory and regulatory framework for the recovery of**
3 **these costs.**

4 A. JCP&L is proposing that the Board authorize the recovery of the revenue
5 requirements in accordance with Section 13 of P.L.2007, c.340 (sometimes
6 referred to as the Regional Greenhouse Gas Initiative (RGGI) legislation), as
7 codified in N.J.S.A. 48:3-98.1. The legislation provides that public utility
8 investment in energy efficiency and conservation programs may be eligible for
9 rate treatment approved by the Board, including a return on equity, or other
10 incentives or rate mechanisms.

11 **Q. Please describe the program cost recovery methodology.**

12 A. JCP&L proposes to recover the annualized revenue requirements associated with
13 these DR programs through Rider DRC (Demand Response Charge), a new
14 charge in JCP&L's Tariff as described in the testimony of Sally J. Cheong
15 (Exhibit JCDR-4).

16 Any over or under-recovery of the actual revenue requirements will be
17 deferred.

18 **Q. How will the deferred expense and balance be calculated?**

19 A. Each month, JCP&L's actual Rider DRC revenues, as reported in the Company's
20 Report of Electric Sales, will be compared to actual revenue requirements,
21 consisting of actual recoverable costs incurred by the Company. This comparison
22 of Rider DRC revenues to recoverable costs results in an over-recovery or under-
23 recovery of costs to be deferred for future recovery from or return to ratepayers.

1 The total over- or under-recovery that results from the above procedure
2 will be deferred and recorded in a regulatory asset account and a corresponding
3 deferred expense account.

4 **Q. How are the actual revenue requirements derived?**

5 A. Incremental administrative costs associated with the programs actually incurred
6 and the monthly amortization expenses are derived from the Company's financial
7 books of record each month. As noted above, the revenue requirements will also
8 include the return on the net investment calculated at JCP&L's overall weighted
9 cost of capital previously authorized by the Board.

10 **Q. Please describe how carrying cost on the regulatory asset account will be
11 determined.**

12 A. The monthly overall weighted cost of capital including income tax effects will be
13 multiplied by the average monthly deferred balance in the regulatory asset
14 account net of deferred taxes. The resulting computed interest will be added to the
15 regulatory asset balance resulting in monthly compounding of interest.

16 **Q. How will the deferred balances be recovered or returned to ratepayers?**

17 A. The deferred balances will be included in forecasted revenue requirements in
18 subsequent periods and will be reflected in future annual true-ups of Rider DRC.

19 **Q. Will the DR programs provide an opportunity for JCP&L to receive PJM
20 revenues or other credits?**

21 A. JCP&L intends to register the capacity associated with the DR programs in PJM's
22 Interruptible Load for Reliability ("ILR") capacity market or otherwise work with

1 PJM to evaluate how the programs' capacity can participate in PJM programs, as
2 appropriate.

3 **Q. How will the potential PJM revenues or credits affect the overall revenue**
4 **requirements?**

5 A. Any net proceeds that may be received from PJM will be credited to ratepayers by
6 reducing program revenue requirements and by reflecting such credits in the
7 annual true-up of Rider DRC, or by any other method adopted by the Board.

8 **IV. ACCOUNTING ENTRIES**

9 **Q. Please describe the accounting entries for the expenditures and recovery of**
10 **the DR programs.**

11 A. The accounting entries to record expenditures, recovery, deferrals and carrying
12 cost related to the DR programs are provided in Schedule SDM-3.

13 **Q. Does this conclude your testimony?**

14 A. Yes.

15

Susan D. Marano

PROFESSIONAL AND EDUCATIONAL BACKGROUND

I graduated from Bloomfield College in May 1973 with a Bachelor of Arts degree with a major in accounting (cum laude).

In October 1973, I was employed by Jersey Central Power & Light Company (“JCP&L”) as an accountant. From October 1973 through the Fall of 1983, I held various accounting positions in the General Accounting, Financial Reporting and Asset Accounting departments. My responsibilities included financial analysis and financial reporting.

In 1983, I became an Analyst-Revenue Requirements in the Rate Department of JCP&L and held several positions within that department until the merger of JCP&L’s parent with FirstEnergy Corp. In January 2002, I assumed my current position as Staff Business Analyst for FirstEnergy Service Company assigned to FirstEnergy Rates & Regulatory Affairs – NJ. In this position I am accountable for providing accounting, financial and analytical support for rate activities.

I have previously testified before the New Jersey Board of Public Utilities in several proceedings while in my current position. I was the accounting and revenue requirement witness in rate proceedings related to the JCP&L Non-Utility Generation Charge (formerly Market Transition Charge) in the 2002 Deferred Balances Filing (Docket No.ER02080506 et al.) and in *I/M/O the Verified Petition of Jersey Central Power & Light for the Review and Approval of an Adjustment to the Non-Utility*

Generation Charge Clause of its Filed Tariff (“2005 NGC Filing”) (BPU Docket No.ER05121018). I also filed testimony related to certain decommissioning obligations and rate recovery history in *I/M/O the Request of Jersey Central Power & Light Company for a Waiver of Filing Requirements Under N.J.A.C. 14:5A, Nuclear Plant Decommissioning Cost and Trust Fund Review*. I most recently testified in *I/M/O the Verified Petition of Jersey Central Power & Light Company Seeking Approval of the Sale of the Forked River Generating Station Pursuant to N.J.S.A. 48:3-7* (BPU Docket No. EM07010026).

REDACTED

Summary Revenue Requirements Computation For Four Small Scale/Pilot Demand Response Programs

COST OF CAPITAL ADOPTED IN LAST BASE RATE CASE

Cap. Instru.	Cap. Outstanding	Capitalizat'n Ratios (%)	Embedded Costs %	ROR	Tax Factor	Pre-Tax Cost of Capital	Discount Rate
LTD	\$ 1,054,000	47.77%	7.26%	3.47%	1.00000	3.47%	2.05%
MIPS	125,000	5.67%	9.24%	0.52%	1.00000	0.52%	0.31%
PS	12,500	0.57%	4.01%	0.02%	1.69062	0.04%	0.02%
CE	1,015,000	46.00%	9.75%	4.49%	1.69062	7.58%	4.48%
Total	\$ 2,206,500	100.00%		8.50%		11.61%	6.86%

FIT	CBT	Composite
35.00%	9.00%	40.850%
Tax Gross-up Factor		1.69062

		Years
Amortization Period	Composite	
Revenue Recovery Period	10	

Year	Annual Investment (1)	Program Investment (2)	Annual Amort. (3)	Accum. Amort. (4)	Net Cumulative Investment (5)	Tax Effect (6)	Deferred Income Tax (7)	Accumulated Deferred Income Tax (8)	Net Program Investment (9)	Return Requirement (10)	Other Expenses (11)	Total Revenue Requirements (12)
2008												\$ 403,125
2009												8,934,054
2010												9,087,849
2011												8,034,565
2012												5,994,857
2013												4,754,482
2014												4,557,480
2015												3,665,525
2016												3,517,946
2017												3,370,368
2018												3,222,789
Totals												\$ 55,543,039

Net Present Value (NPV) \$ 39,551,359

10-Year Annualized Revenue Requirement \$ 5,594,837

FORMULA	Column 1 = Summary of Pages 1 thru 4 of Schedule SDM-2	Column 2 = Current Year Column 1 + Prior Year Column 2	Column 3 = Summary of Pages 1 thru 4 of Schedule SDM-2	Column 4 = Current Year Column 3 + Prior Year Column 4	Column 5 = Column 2 - Column 4	Column 6 = Column 1	Column 7 = (Col. 6 - Col.3) x 40.850%	Column 8 = Current Year Column 7 + Prior Year Column 8	Column 9 = Column 5 - Column 8	Column 10 = (Average of Current & Prior Year Col.9 Balances) x 11.61%	Column 11 = Summary of Pages 1 thru 4 of Schedule SDM-2	Column 12 = Column 3 + Column 10 + Column 11
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**Curtailment Pilot (60 MW)
Revenue Requirements Computation**

COST OF CAPITAL ADOPTED IN LAST BASE RATE CASE

Cap. Instru.	Cap. Outstanding	Capitalizat'n Ratios (%)	Embedded Costs %	ROR	Tax Factor	Pre-Tax Cost of Capital	Discount Rate
LTD	\$ 1,054,000	47.77%	7.26%	3.47%	1.00000	3.47%	2.05%
MIPS	125,000	5.67%	9.24%	0.52%	1.00000	0.52%	0.31%
PS	12,500	0.57%	4.01%	0.02%	1.69062	0.04%	0.02%
CE	1,015,000	46.00%	9.75%	4.49%	1.69062	7.58%	4.48%
Total	\$ 2,206,500	100.00%		8.50%		11.61%	6.86%

FIT	CBT	Composite
35.00%	9.00%	40.850%
Tax Gross-up Factor		1.69062

Amortization Period	Years
	3
Revenue Recovery Period	10

Year	Annual Investment (1)	Program Investment (2)	Annual Amort. (3)	Accum. Amort. (4)	Net Cumulative Investment (5)	Tax Effect (6)	Deferred Income Tax (7)	Accumulated Deferred Income Tax (8)	Net Program Investment (9)	Return Requirement (10)	Other Expenses (11)	Total Revenue Requirements (12)
2008	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 168,125	\$ 168,125
2009	-	-	-	-	-	-	-	-	-	-	3,033,729	3,033,729
2010	-	-	-	-	-	-	-	-	-	-	3,742,366	3,742,366
2011	-	-	-	-	-	-	-	-	-	-	2,886,082	2,886,082
2012	-	-	-	-	-	-	-	-	-	-	1,043,375	1,043,375
2013	-	-	-	-	-	-	-	-	-	-	-	-
2014	-	-	-	-	-	-	-	-	-	-	-	-
2015	-	-	-	-	-	-	-	-	-	-	-	-
2016	-	-	-	-	-	-	-	-	-	-	-	-
2017	-	-	-	-	-	-	-	-	-	-	-	-
2018	-	-	-	-	-	-	-	-	-	-	-	-
Totals	\$ -		\$ -							\$ -	\$ 10,873,676	\$ 10,873,676

Net Present Value (NPV) \$ 8,843,101

F O R M U L A E	Column 1 = Assumptions Per Schedule CWS - 1	Column 2 = Current Year Column 1 + Prior Year Column 2	Column 3 = 1/3th x Col.1	Column 4 = Current Year Column 3 + Prior Year Column 4	Column 5 = Column 2 - Column 4	Column 6 = Column 1	Column 7 = (Col. 6 - Col.3) x 40.850%	Column 8 = Current Year Column 7 + Prior Year Column 8	Column 9 = Column 5 - Column 8	Column 10 = (Average of Current & Prior Year Col.9 Balances) x 11.61%	Column 11 = Assumptions Per Schedule CWS - 1	Column 12 = Column 3 + Column 10 + Column 11
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REDACTED

Expanded Integrated Distributed Energy Resource Program (15 MW) Revenue Requirements Computation

COST OF CAPITAL ADOPTED IN LAST BASE RATE CASE

Cap. Instru.	Cap. Outstanding	Capitalizat'n Ratios (%)	Embedded Costs %	ROR	Tax Factor	Pre-Tax Cost of Capital	Discount Rate
LTD	\$ 1,054,000	47.77%	7.26%	3.47%	1.00000	3.47%	2.05%
MIPS	125,000	5.67%	9.24%	0.52%	1.00000	0.52%	0.31%
PS	12,500	0.57%	4.01%	0.02%	1.69062	0.04%	0.02%
CE	1,015,000	46.00%	9.75%	4.49%	1.69062	7.58%	4.48%
Total	\$ 2,206,500	100.00%		8.50%		11.61%	6.86%

FIT	CBT	Composite
35.00%	9.00%	40.850%
Tax Gross-up Factor		1.69062

Years	
Amortization Period	6
Revenue Recovery Period	10

Year	Annual Investment (1)	Program Investment (2)	Annual Amortization (3)	Accumulated Amortization (4)	Net Cumulative Investment (5)	Tax Effect (6)	Deferred Income Tax (7)	Accumulated Deferred Income Tax (8)	Net Program Investment (9)	Return Requirement (10)	Other Expenses (11)	Total Revenue Requirements (12)
2008												
2009												
2010												
2011												
2012												
2013												
2014												
2015												
2016												
2017												
2018												
Totals												

Net Present Value (NPV)

F O R M U L A E	Column 1 = Assumptions Per Schedule ELG - 1	Column 2 = Current Year Column 1 + Prior Year Column 2	Column 3 = 1/6th x Col.1	Column 4 = Current Year Column 3 + Prior Year Column 4	Column 5 = Column 2 - Column 4	Column 6 = Column 1	Column 7 = (Col. 6 - Col.3) x 40.850%	Column 8 = Current Year Column 7 + Prior Year Column 8	Column 9 = Column 5 - Column 8	Column 10 = (Average of Current & Prior Year Col.9 Balances) x 11.61%	Column 11 = Assumptions Per Schedule ELG - 1	Column 12 = Column 3 + Column 10 + Column 11
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REDACTED

Permanent Peak Load Shift Program (5 MW) Revenue Requirements Computation

COST OF CAPITAL ADOPTED IN LAST BASE RATE CASE

Cap. Instru.	Cap. Outstanding	Capitalizat'n Ratios (%)	Embedded Costs %	ROR	Tax Factor	Pre-Tax Cost of Capital	Discount Rate
LTD	\$ 1,054,000	47.77%	7.26%	3.47%	1.00000	3.47%	2.05%
MIPS	125,000	5.67%	9.24%	0.52%	1.00000	0.52%	0.31%
PS	12,500	0.57%	4.01%	0.02%	1.69062	0.04%	0.02%
CE	1,015,000	46.00%	9.75%	4.49%	1.69062	7.58%	4.48%
Total	\$ 2,206,500	100.00%		8.50%		11.61%	6.86%

FIT	CBT	Composite
35.00%	9.00%	40.850%
Tax Gross-up Factor		1.69062

Years	
Amortization Period	10
Revenue Recovery Period	10

Year	Annual Investment (1)	Program Investment (2)	Annual Amortization (10-year) (3)	Accumulated Amortization (4)	Net Cumulative Investment (5)	Tax Effect (6)	Deferred Income Tax (7)	Accumulated Deferred Income Tax (8)	Net Program Investment (9)	Return Requirement (10)	Other Expenses (11)	Total Revenue Requirements (12)
2008												
2009												
2010												
2011												
2012												
2013												
2014												
2015												
2016												
2017												
2018												
Totals												

Net Present Value (NPV)

F O R M U L A E	Column 1 = Assumptions Per Schedule ELG - 1	Column 2 = Current Year Column 1 + Prior Year Column 2	Column 3 = 1/10th x Col.1	Column 4 = Current Year Column 3 + Prior Year Column 4	Column 5 = Column 2 - Column 4	Column 6 = Column 1	Column 7 = (Col. 6 - Col.3) x 40.850%	Column 8 = Current Year Column 7 + Prior Year Column 8	Column 9 = Column 5 - Column 8	Column 10 = (Average of Current & Prior Year Col.9 Balances) x 11.61%	Column 11 = Assumptions Per Schedule ELG - 1	Column 12 = Column 3 + Column 10 + Column 11
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REDACTED

Electricity Storage Program (3 MW) Revenue Requirements Computation

COST OF CAPITAL ADOPTED IN LAST BASE RATE CASE

Cap. Instru.	Cap. Outstanding	Capitalizat'n Ratios (%)	Embedded Costs %	ROR	Tax Factor	Pre-Tax Cost of Capital	Discount Rate
LTD	\$ 1,054,000	47.77%	7.26%	3.47%	1.00000	3.47%	2.05%
MIPS	125,000	5.67%	9.24%	0.52%	1.00000	0.52%	0.31%
PS	12,500	0.57%	4.01%	0.02%	1.69062	0.04%	0.02%
CE	1,015,000	46.00%	9.75%	4.49%	1.69062	7.58%	4.48%
Total	\$ 2,206,500	100.00%		8.50%		11.61%	6.86%

FIT	CBT	Composite
35.00%	9.00%	40.850%
Tax Gross-up Factor		1.69062

	Years
Amortization Period	10
Revenue Recovery Period	10

Year	Annual Investment (1)	Program Investment (2)	Annual Amort. (3)	Accum. Amort. (4)	Net Cumulative Investment (5)	Tax Effect (6)	Deferred Income Tax (7)	Accumulated Deferred Income Tax (8)	Net Program Investment (9)	Return Requirement (10)	Other Expenses (11)	Total Revenue Requirements (12)
2008												
2009												
2010												
2011												
2012												
2013												
2014												
2015												
2016												
2017												
2018												
Totals												

Net Present Value (NPV)

F O R M U L A E	Column 1 = Assumptions Per Schedule ELG - 1	Column 2 = Current Year Column 1 + Prior Year Column 2	Column 3 = 1/10th x Col.1	Column 4 = Current Year Column 3 + Prior Year Column 4	Column 5 = Column 2 - Column 4	Column 6 = Column 1	Column 7 = (Col. 6 - Col.3) x 40.850%	Column 8 = Current Year Column 7 + Prior Year Column 8	Column 9 = Column 5 - Column 8	Column 10 = (Average of Current & Prior Year Col.9 Balances) x 11.61%	Column 11 = Assumptions Per Schedule ELG - 1	Column 12 = Column 3 + Column 10 + Column 11
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JERSEY CENTRAL POWER & LIGHT COMPANY

Demand Response Programs

Accounting Entries

Entry No.	FERC Account	Description	Debit	Credit
1	182.3	Other Regulatory Assets - Demand Response Program Investment	\$XX	
	131	Cash		\$XX
		To record the deferral of Program Investment as a regulatory asset when cost is incurred.		
2	407.3	Regulatory Debits - Demand Response Program Amortization	\$XX	
	182.3	Other Regulatory Assets - Demand Response Program Investment		\$XX
		To record the amortization of Program Investment over the appropriate number of years on a monthly basis.		
3	908	Customer Assistance Expenses	\$XX	
	131	Cash		\$XX
		To record Other Expenses, i.e. incremental administrative costs, as incurred.		
4	142	Customer Accounts Receivable	\$XX	
	400	Operating Revenues - Rider DRC Unbundled		\$XX
		To record the monthly Tariff Rider DRC revenues.		
5	182.3	Other Regulatory Assets - Demand Response Over/Under Recovery	\$XX	
	908	Customer Assistance Expenses		\$XX
		To record the under-recovery of Demand Response Program costs in excess of Rider DRC revenue for the month.		
		<u>or</u>		
	908	Customer Assistance Expenses	\$XX	
	182.3	Other Regulatory Assets - Demand Response Over/Under Recovery		\$XX
		To record the over-recovery of Rider DRC revenue in excess of Demand Response Program costs for the month.		
6	182.3	Other Regulatory Assets - Interest on Demand Response Deferred Balance	\$XX	
	419	Interest Income		\$XX
		To record carrying cost on an average under-recovered deferred balance.		
		<u>or</u>		
	431	Other Interest Expense	\$XX	
	182.3	Other Regulatory Assets - Interest on Demand Response Deferred Balance		\$XX
		To record carrying cost on an average over-recovered deferred balance.		

EXHIBIT JCDR-4

**BEFORE THE
NEW JERSEY BOARD OF PUBLIC UTILITIES**

JERSEY CENTRAL POWER & LIGHT COMPANY

Direct Testimony

of

Sally J. Cheong

**Re: Tariff and Customer Impact Matters
(Demand Response Programs Filing)
BPU Docket No. EO08050326**

1 **DIRECT TESTIMONY OF SALLY J. CHEONG**

2 **I. INTRODUCTION**

3 **Q. Please state your name and business address.**

4 A. My name is Sally J. Cheong and my business address is 300 Madison Avenue,
5 Morristown, NJ 07962.

6 **Q. By whom are you employed and in what capacity?**

7 A. I am employed as Manager – Tariff Activity – Rates & Regulatory, NJ for
8 FirstEnergy Service Company. In this position I am responsible for the
9 administration, implementation and interpretation of Jersey Central Power &
10 Light Company’s (“JCP&L”) Tariff. JCP&L is an operating subsidiary of
11 FirstEnergy Corp. My professional and educational background is attached to the
12 testimony as Attachment A.

13 **Q: Please describe the purpose of your testimony.**

14 A. Pursuant to a directive from the Board of Public Utilities (“Board”) contained in
15 an Order dated July 1, 2008 in Docket No. EO08050326, JCP&L is proposing a
16 Demand Response initiative comprised of five individual programs designed to
17 enable development of up to 93 MW of new demand response capacity for the
18 period June 1, 2009 to May 31, 2010 (“EY2009”). The five programs designed to
19 contribute to the achievement of the targeted 93 MW of new demand response
20 are: (1) a tariff-based Curtailment Pilot, (2) an Integrated Distributed Energy
21 Resource (“IDER”) pilot program that was approved by the Board at its July 11,
22 2008 Agenda Meeting, together with an expansion of that IDER program, (3) a
23 Permanent Peak Load Shifting program, (4) an Electricity Storage program, and

1 (5) certain rate design changes proposed as part of JCP&L’s July 1, 2008 Basic
2 Generation Service (“BGS”) filing.

3 The purpose of my testimony is to describe all tariff changes associated
4 with JCP&L’s Demand Response initiative, which include: (1) rate changes
5 associated with the revenue requirements for the proposed demand response
6 programs outlined above, which revenue requirements are explained in the
7 testimony of Susan D. Marano (Exhibit JCDR-3), and the proposed transfer of
8 revenue recovery for the previously-approved IDER pilot program (“IDER
9 Pilot”), (2) a new tariff rider for the Curtailment Pilot that is described in the
10 testimony of Christopher W. Siebens (Exhibit JCDR-1), and (3) the projected
11 customer rate impacts associated with the proposed tariff rate changes.

12 **II. PROPOSED TARIFF CHANGES**

13 **Q: Please describe the proposed tariff rate changes.**

14 A. I will introduce a new tariff rate rider and a reduction to an existing tariff rate
15 rider.

16 The new tariff rate rider, Rider DRC – Demand Response Charge (“Rider
17 DRC”), is being proposed to recover the revenue requirements for all proposed
18 demand response-related programs outlined above from all customers. Rider DRC
19 is applicable to all kWh usage of any customers, whether they receive their
20 generation service from a third party supplier or from JCP&L’s BGS. The subject
21 demand response programs are described in the testimonies of Christopher W.
22 Siebens and Eva L. Gardow (Exhibits JCDR-1 and JCDR-2, respectively). Rider
23 DRC also will include the cost recovery for the IDER Pilot that is currently being

1 recovered in the System Control Charge (“Rider SCC”), which cost recovery will
2 be transferred to Rider DRC.

3 **Q: Please explain the rationale for the IDER Pilot cost recovery transfer.**

4 A. On July 11, 2008, the Board approved a Stipulation of Settlement with Board staff
5 and the Division of Rate Counsel in Docket No. ER07060375 with respect to,
6 among other things, JCP&L’s IDER Pilot. The IDER Pilot will provide
7 experience that will support the expanded IDER Program described in Ms.
8 Gardow’s testimony. In the Stipulation, the parties agreed that JCP&L would
9 recover actual reasonable and prudent costs associated with the IDER Pilot
10 through the current Rider SCC, using the difference between (i) the currently
11 allowed Rider SCC revenues of \$1.6 million annually and (ii) the estimated
12 annual costs of \$1.1 million for the existing air conditioner cycling program.
13 Accordingly, the current IDER Pilot annual cost recovery is \$0.5 million. This
14 amount is being transferred out of Rider SCC into the new Rider DRC to facilitate
15 tracking and accounting of all demand response-related programs in one rate
16 mechanism.

17 **Q: What is the proposed Rider DRC rate?**

18 A. The proposed Rider DRC rate will be \$0.000263 (\$0.000281 including 7% Sales
19 and Use Tax, or “SUT”) per kWh. Please see Schedule SJC-1 for the derivation of
20 the Rider DRC rate.

21 As fully described in Ms. Marano’s testimony, the annualized revenue
22 requirements for the proposed demand response programs will be \$5.6 million
23 (see Schedule SDM-1). When combined with the \$0.5 million cost recovery for

1 the IDER Pilot being transferred to Rider DRC, Rider DRC will recover a total of
2 \$6.1 million annually.

3 **Q: What will be the impact to Rider SCC as a result of the IDER Pilot cost**
4 **recovery transfer?**

5 A. The Rider SCC rate will be reduced by the corresponding \$0.5 million. The
6 revised Rider SCC rate will be \$0.000047 (\$0.000050 including SUT) per kWh,
7 or a reduction of \$0.000027 (\$0.000029 including SUT) per kWh. See Schedule
8 SJC-2 for the derivation of the revised Rider SCC rate.

9 **Q: Please describe the new tariff rider for the Curtailment Pilot.**

10 A. A new rider, Rider CURP – Curtailment Pilot, is included in Schedule SJC-3
11 (Proposed Tariff Sheets), along with the aforementioned proposed tariff rate
12 changes. Rider CURP will be available to all commercial and industrial
13 customers with at least 100 kW curtailable load and will enable them to enroll in
14 PJM capacity programs. Rider CURP will be effective upon Board approval of
15 the subject Petition. For a full description of the Curtailment Pilot, please refer to
16 the testimony of Mr. Siebens.

17 **III. CUSTOMER IMPACTS**

18 **Q: What will be the customer impacts associated with these proposed tariff rate**
19 **changes?**

20 A. The proposed increase from the implementation of the new Rider DRC combined
21 with the proposed decrease in Rider SCC will result in a net increase of
22 \$0.000236 (\$0.000252 including SUT) per kWh. The proposed rate changes will
23 be effective upon Board approval of the subject Petition and will be applicable to

1 all customer classes. For a residential (Residential Service - RS) BGS customer
2 with an average monthly usage of 1000 kWh, the proposed net increase will result
3 in an increase of about \$0.26 per month, or 0.1% of the total monthly bill.

4 See Schedule SJC-4 for details about all customer impacts.

5 **Q: Does this conclude your testimony?**

6 A. Yes.

Sally J. Cheong

PROFESSIONAL AND EDUCATIONAL BACKGROUND

I am Manager-Tariff Activity, Rates & Regulatory Affairs – New Jersey for FirstEnergy Service Company. I have been employed with Jersey Central Power & Light Company (“JCP&L”), an operating subsidiary of FirstEnergy Corp., since November 1981, and have held my current position since August 1996. My responsibilities include the administration, implementation and interpretation of JCP&L’s Tariff, and activities related thereto. As such, I am responsible for all rates and tariff changes, updates and associated compliance filings with the Board of Public Utilities (“Board”), and all rates and tariff implementation, interpretation and application. I am also responsible for non-rates related filings, such as financing activities, and regulatory compliance-related matters, such as Smart Growth.

In my current position, I have previously testified as a tariff witness before the Board in two JCP&L proceedings. In 1997, I was the unbundled rates and tariff witness in I/M/O Jersey Central Power & Light Company d/b/a GPU Energy – Rate Unbundling, Stranded Cost and Restructuring Filings in Docket Nos. ER97070458, et al. In 2002, I testified on behalf of JCP&L on rate design and tariff issues in the 2002 post-transitional rates filings in I/M/O the Verified Petition of Jersey Central Power & Light Company for Review and Approval of an Increase in and Adjustments to its Unbundled Rates and Charges for Electric Service, and for the Approval of Other Proposed Tariff Revisions in Connection Therewith, etc. in Docket Nos. ER02080506, et al.

My position at JCP&L from November 1994 until August 1996 was Manager-Regulatory & Tariff Administration. In that role, my responsibilities included coordination and administration of regulatory filings, preparation of testimony and supporting exhibits for base rates-related matters, responding to customer inquiries and complaints from the Board, and interpreting the Tariff and its revisions.

I held various positions in the Rates Department beginning in November 1989. During that time, I prepared rate case testimony and related exhibits for the Vice President-Rates in the areas of capital structure, financial conditions and overall policies. I also provided accounting and financial analytical support on rates-related issues and performed revenue requirements analyses. Prior to joining the Rates Department, my experience in the other departments included treasury functions, budgeting and financial forecasting, financial reporting and economic analysis.

My educational background is in the areas of accounting and management. In 1977, I earned a Bachelor of Business Administration degree in Accounting at Baruch College of the City University of New York. In 1993, I received a Master of Science degree in Management from Purdue University.

I am also a Certified Public Accountant in the State of New Jersey.

**Jersey Central Power & Light Company
Derivation of Proposed Rider DRC Rate**

Annual Revenue Requirements for Demand Response Programs (1)	<u>(\$000)</u> \$ 5,595
Annual Revenue Requirement for the IDER Pilot (2)	\$ 500
Total Annual Revenue Requirements	\$ 6,095
Projected Sales in MWH (3)	23,185,387
Proposed Rider DRC Rate per kWh	\$ 0.000263
Proposed Rider DRC Rate per kWh including 7% Sales and Use Tax	\$ 0.000281

(1) Testimony of Susan D. Marano, Schedule SDM-1

(2) Transfer from Rider SCC

(3) Based on the Procedural Schedule set forth in Exhibit A of the Board's July 1, 2008 Order in this Docket, which contemplates a Board Order in this proceeding in November 2008, the projected sales are for an assumed annual recovery period of December 1, 2008 through November 30, 2009.

**Jersey Central Power & Light Company
Derivation of Proposed Rider SCC Rate**

	<u>(\$000)</u>
Current Annual Revenue Requirements in Rider SCC (1)	\$ 1,600
Less: Annual Revenue Requirement for the IDER Pilot (2)	\$ 500
Total Remaining Annual Revenue Requirements	\$ 1,100
Projected Sales in MWH (3)	23,185,387
Proposed Rider SCC Rate per kWh	\$ 0.000047
Proposed Rider SCC Rate per kWh including 7% Sales and Use Tax	\$ 0.000050

(1) Stipulation of Settlement dated July 1, 2008 in Docket No. ER07060375

(2) Transfer to Rider DRC

(3) Based on the Procedural Schedule set forth in Exhibit A of the Board's July 1, 2008 Order in this Docket, which contemplates a Board Order in this proceeding in November 2008, the projected sales are for an assumed annual recovery period of December 1, 2008 through November 30, 2009.

Schedule SJC-3

Proposed Tariff Sheets

**Service Classification RS
Residential Service**

- 3) **Non-utility Generation Charge (Rider NGC):** (See Rider NGC for any applicable St. Lawrence Hydroelectric Power credit)
\$ 0.016960 per KWH for all KWH including Off-Peak/Controlled Water Heating
- 4) **Transitional Energy Facility Assessment Charge (Rider TEFA):**
\$ 0.003177 per KWH for all KWH (except Water Heating)
\$ 0.002002 per KWH for all KWH Off-Peak/Controlled Water Heating
- 5) **Societal Benefits Charge (Rider SBC):**
\$ 0.005707 per KWH for all KWH including Off-Peak/Controlled Water Heating
- 6) **System Control Charge (Rider SCC):**
\$ 0.000050 per KWH for all KWH including Off-Peak/Controlled Water Heating
- 7) **Demand Response Charge (Rider DRC):**
\$ 0.000281 per KWH for all KWH including Off-Peak/Controlled Water Heating

TERM OF CONTRACT: None, except that reasonable notice of service discontinuance will be required. Where special circumstances apply or special or unusual facilities are supplied, a contract of one year or more may be required.

TERMS OF PAYMENT: Bills are due when rendered by the Company and become overdue when payment is not received by the Company on or before the due date specified on the bill.

SERVICE CHARGE: A Service Charge of \$14.00 shall be applicable for initiating service to a customer under any Service Classification (see Part II, Section 2.01). A \$54.00 Service Charge shall be applicable for final bill readings requested to be performed other than during the normal working hours of 8 AM to 4:30 PM, Monday through Friday. (See Part II, Section 3.13)

RECONNECTION CHARGES: A Reconnection Charge, applicable after a discontinuance requested by the customer or because of a default by the customer, of \$22.00 is applicable to service reconnections which can be performed at the meter. The charge for all reconnections which cannot be performed at the meter shall be based upon billing work order costs. (See Part II, Section 8.04)

DELINQUENT CHARGE: A Field Collection Charge of \$20.00 shall be applicable for each collection visit made to the customer's premises. (See Part II, Section 3.20)

Issued:

Effective:

Filed pursuant to Order of Board of Public Utilities
Docket No. EO08050326 dated

**Service Classification RT
Residential Time-of-Day Service**

APPLICABLE TO USE OF SERVICE FOR: Service Classification RT is available for: (a) Individual Residential Structures; (b) separately metered residences in Multiple Residential Structures; (c) incidental use for non-residential purposes when included along with the residence; and/or (d) Auxiliary Residential Purposes whether metered separately from the residence or not.

This Service Classification is optional for customers which elect to be billed hereunder rather than under Service Classification RS. (Also see Part II, Section 2.03)

CHARACTER OF SERVICE: Single-phase service, with limited applications of three-phase service, at secondary voltages.

RATE PER BILLING MONTH (All charges include Sales and Use Tax as provided in Rider SUT):
All charges are applicable to Full Service Customers. All charges, excluding Basic Generation Service (default service), are applicable to Delivery Service Customers.

BASIC GENERATION SERVICE (default service):

- 1) **BGS Energy and Reconciliation Charges as provided in Rider BGS-FP (Basic Generation Service – Fixed Pricing).**
- 2) **Transmission Charge: \$0.004111** per KWH for all KWH on-peak and off-peak

DELIVERY SERVICE (Customer and Distribution charges include Corporation Business Tax as provided in Rider CBT):

- 1) **Customer Charge: \$5.28** per month
Solar Water Heating Credit: \$1.33 per month
- 2) **Distribution Charge:**
 - \$ **0.048669** per KWH for all KWH on-peak for June through September
 - \$ **0.035749** per KWH for all KWH on-peak for October through May
 - \$ **0.022735** per KWH for all KWH off-peak
- 3) **Non-utility Generation Charge (Rider NGC): (See Rider NGC for any applicable St. Lawrence Hydroelectric Power credit)**
 - \$ **0.016960** per KWH for all KWH on-peak and off-peak
- 4) **Transitional Energy Facility Assessment Charge (Rider TEFA):**
 - \$ **0.002323** per KWH for all KWH on-peak and off-peak
- 5) **Societal Benefits Charge (Rider SBC):**
 - \$ **0.005707** per KWH for all KWH on-peak and off-peak
- 6) **System Control Charge (Rider SCC):**
 - \$ **0.000050** per KWH for all KWH on-peak and off-peak
- 7) **Demand Response Charge (Rider DRC):**
 - \$ **0.000281** per KWH for all KWH on-peak and off-peak

Issued:

Effective:

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Docket No. EO08050326 dated

Service Classification RGT Residential Geothermal & Heat Pump Service
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- 3) **Non-utility Generation Charge (Rider NGC):** (See Rider NGC for any applicable St. Lawrence Hydroelectric Power credit)
\$ 0.016960 per KWH for all KWH on-peak and off-peak
- 4) **Transitional Energy Facility Assessment Charge (Rider TEFA):**
\$ 0.002323 per KWH for all KWH on-peak and off-peak for June through September
\$ 0.003177 per KWH for all KWH for October through May
- 5) **Societal Benefits Charge (Rider SBC):**
\$ 0.005707 per KWH for all KWH on-peak and off-peak
- 6) **System Control Charge (Rider SCC):**
\$ 0.000050 per KWH for all KWH on-peak and off-peak
- 7) **Demand Response Charge (Rider DRC):**
\$ 0.000281 per KWH for all KWH on-peak and off-peak

DEFINITION OF ON-PEAK AND OFF-PEAK HOURS: The hours to be considered as on-peak are from 8 AM to 8 PM Eastern Standard Time, Monday through Friday. All other hours including weekend hours will be considered off-peak. The Company reserves the right to change the on-peak hours from time to time as the on-peak periods of the supply system change. The Company may also selectively stagger the on-peak hours up to one hour in either direction when required to alleviate local distribution system peaking within high-density areas. The off-peak hours will not, however, be less than 12 hours daily.

TERM OF CONTRACT: None, except that reasonable notice of service discontinuance will be required. Where special circumstances apply or special or unusual facilities are supplied, contracts of one year or more may be required.

TERMS OF PAYMENT: Bills are due when rendered by the Company and become overdue when payment is not received by the Company on or before the due date specified on the bill.

SERVICE CHARGE: A Service Charge of **\$14.00** shall be applicable for initiating service to a customer under any Service Classification (see Part II, Section 2.01). A **\$54.00** Service Charge shall be applicable for final bill readings requested to be performed other than during the normal working hours of 8 AM to 4:30 PM, Monday through Friday. (See Part II, Section 3.13)

RECONNECTION CHARGES: A Reconnection Charge, applicable after a discontinuance requested by the customer or because of a default by the customer, of **\$22.00** is applicable to service reconnections which can be performed at the meter. The charge for all reconnections which cannot be performed at the meter shall be based upon billing work order costs. (See Part II, Section 8.04)

DELINQUENT CHARGE: A Field Collection Charge of **\$20.00** shall be applicable for each collection visit made to the customer's premises. (See Part II, Section 3.20)

ADDITIONAL MODIFYING RIDER: This Service Classification may also be modified for other Rider(s), subject to each Rider's applicability, as specified.

STANDARD TERMS AND CONDITIONS: This Service Classification is subject to the Standard Terms and Conditions of this Tariff for Service.

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**Service Classification GS
General Service Secondary**

KWH Charge:

June through September (excluding Water Heating and Traffic Signal Service):

\$0.061999 per KWH for all KWH up to 1000 KWH

\$0.004958 per KWH for all KWH over 1000 KWH

October through May (excluding Water Heating and Traffic Signal Service):

\$0.057366 per KWH for all KWH up to 1000 KWH

\$0.004958 per KWH for all KWH over 1000 KWH

Water Heating Service:

\$0.017812 per KWH for all KWH Off-Peak Water Heating

\$0.023462 per KWH for all KWH Controlled Water Heating

Traffic Signal Service:

\$0.012993 per KWH for all KWH

Religious House of Worship Credit:

\$0.031608 per KWH for all KWH up to 1000 KWH

3) Non-utility Generation Charge (Rider NGC):

\$ 0.016960 per KWH for all KWH (including Off-Peak/Controlled Water Heating and Traffic Signal Service)

4) Transitional Energy Facility Assessment Charge (Rider TEFA):

\$ 0.002928 per KWH for all KWH (excluding Water Heating)

\$ 0.002002 per KWH for all KWH Off-Peak/Controlled Water Heating

5) Societal Benefits Charge (Rider SBC):

\$ 0.005707 per KWH for all KWH (including Off-Peak/Controlled Water Heating and Traffic Signal Service)

6) System Control Charge (Rider SCC):

\$ 0.000050 per KWH for all KWH (including Off-Peak/Controlled Water Heating and Traffic Signal Service)

7) CIEP – Standby Fee as provided in Rider CIEP – Standby Fee (formerly Rider DSSAC)

8) Demand Response Charge (Rider DRC):

\$ 0.000281 per KWH for all KWH (including Off-Peak/Controlled Water Heating and Traffic Signal Service)

MINIMUM DEMAND CHARGE PER MONTH: The monthly KW Demand Charge under Distribution Charge shall be the greater of (1) the product of the KW Charge per maximum KW provided above and the current month's maximum demand created during on-peak hours as determined below; or (2) the product of the KW Minimum Charge provided above and the highest on-peak or off-peak demand created in the current and preceding eleven months (but not less than the Contract Demand).

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Docket No. EO08050326 dated

Service Classification GST General Service Secondary Time-Of-Day

- 3) **Non-utility Generation Charge (Rider NGC):**
\$ 0.016960 per KWH for all KWH on-peak and off-peak
- 4) **Transitional Energy Facility Assessment Charge (Rider TEFA):**
\$ 0.002021 per KWH for all KWH on-peak and off-peak
- 5) **Societal Benefits Charge (Rider SBC):**
\$ 0.005707 per KWH for all KWH on-peak and off-peak
- 6) **System Control Charge (Rider SCC):**
\$ 0.000050 per KWH for all KWH on-peak and off-peak
- 7) **CIEP – Standby Fee as provided in Rider CIEP – Standby Fee** (formerly Rider DSSAC)
- 8) **Demand Response Charge (Rider DRC):**
\$ 0.000281 per KWH for all KWH on-peak and off-peak

MINIMUM DEMAND CHARGE PER MONTH: The monthly KW Demand Charge under Distribution Charge shall be the greater of (1) the product of the KW Charge per maximum KW provided above and the current month's maximum demand created during on-peak hours as determined below; or (2) the product of the KW Minimum Charge provided above and the highest on-peak or off-peak demand created in the current and preceding eleven months (but not less than the Contract Demand).

DETERMINATION OF DEMAND: The KW during on-peak hours used for billing purposes shall be the maximum 15-minute integrated kilowatt demand created during the on-peak hours each billing month calculated to nearest one-tenth KW. The off-peak demand shall be the maximum demand created during the remaining hours. A Contract Demand not less than the actual monthly demands may also be specified for mutually agreeable contract purposes.

DEFINITION OF ON-PEAK AND OFF-PEAK HOURS: The hours to be considered as on-peak are from 8 AM to 8 PM prevailing time Monday through Friday. All other hours including weekend hours will be considered off-peak. The Company reserves the right to change the on-peak hours from time to time as the on-peak periods of the supply system change. The off-peak hours will not be less than 12 hours daily.

TERM OF CONTRACT: None, except that reasonable notice of service discontinuance will be required. Where special circumstances apply or special or unusual facilities are supplied by the Company, a contract of one year or more to supply such facilities or accommodate special circumstances may be required for any Full Service Customer and any Delivery Service Customer.

Effective June 1, 2008, certain BGS-FP eligible customers, as provided in Rider BGS-FP (Basic Generation Service – Fixed Pricing), may be required to remain a Full Service Customer for 12 months upon returning to BGS-FP default service. See Rider BGS-FP for detail.

TERMS OF PAYMENT: Bills are due when rendered by the Company and become overdue when payment is not received by the Company on or before the due date specified on the bill. Overdue bills thereafter become subject to a late payment charge as described in Section 3.19, Part II.

SERVICE CHARGE: A Service Charge of \$14.00 shall be applicable for initiating service to a customer under any Service Classification (see Part II, Section 2.01). A \$54.00 Service Charge shall be applicable for final bill readings requested to be performed other than during the normal working hours of 8 AM to 4:30 PM, Monday through Friday. (See Part II, Section 3.13)

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Service Classification GP General Service Primary
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APPLICABLE TO USE OF SERVICE FOR: Service Classification GP is available for general service purposes for commercial and industrial customers.

CHARACTER OF SERVICE: Single or three-phase service at primary voltages.

RATE PER BILLING MONTH (All charges include Sales and Use Tax as provided in Rider SUT):
All charges are applicable to Full Service Customers. All charges, excluding Basic Generation Service (default service), are applicable to Delivery Service Customers.

BASIC GENERATION SERVICE (default service):

- 1) **BGS Energy, Capacity and Reconciliation Charges as provided in Rider BGS-CIEP (Basic Generation Service – Commercial Industrial Energy Pricing).**
- 2) **Transmission Charge: \$0.003925** per KWH for all KWH on-peak and off-peak

DELIVERY SERVICE (Customer and Distribution charges include Corporation Business Tax as provided in Rider CBT):

- 1) **Customer Charge: \$59.06** per month
- 2) **Distribution Charge:**

KW Charge: (Demand Charge)

- \$ 6.88 per maximum KW during June through September
- \$ 6.37 per maximum KW during October through May
- \$ 2.33 per KW Minimum Charge

KVAR Charge: (Kilovolt-Ampere Reactive Charge)

- \$0.45 per KVAR based upon the 15-minute integrated KVAR demand which occurs coincident with the maximum on-peak KW demand in the current billing month (See Part II, Section 5.05)

KWH Charge:

- \$0.004232 per KWH for all KWH on-peak and off-peak

- 3) **Non-utility Generation Charge (Rider NGC):**
\$ 0.016095 per KWH for all KWH on-peak and off-peak
- 4) **Transitional Energy Facility Assessment Charge (Rider TEFA):**
\$ 0.001749 per KWH for all KWH on-peak and off-peak
- 5) **Societal Benefits Charge (Rider SBC):**
\$ 0.005707 per KWH for all KWH on-peak and off-peak
- 6) **CIEP – Standby Fee as provided in Rider CIEP – Standby Fee** (formerly Rider DSSAC)
- 7) **System Control Charge (Rider SCC):**
\$ 0.000050 per KWH for all KWH on-peak and off peak
- 8) **Demand Response Charge (Rider DRC):**
\$ 0.000281 per KWH for all KWH on-peak and off peak

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Service Classification GT General Service Transmission

- 5) **Societal Benefits Charge (Rider SBC):**
\$ 0.005707 per KWH for all KWH on-peak and off-peak
- 6) **CIEP – Standby Fee as provided in Rider CIEP – Standby Fee** (formerly Rider DSSAC)
- 7) **System Control Charge (Rider SCC):**
\$ 0.000050 per KWH for all KWH on-peak and off-peak

- 8) **Demand Response Charge (Rider DRC):**
\$ 0.000281 per KWH for all KWH on-peak and off-peak

MINIMUM CHARGE PER MONTH: The monthly KW Charge (Demand Charge) under Distribution Charge shall be the greater of (1) the product of the KW Charge per maximum KW provided above and the current month's maximum demand created during on-peak hours as determined below; or (2) the product of the KW Minimum Charge provided above and the highest on-peak or off-peak demand created in the current and preceding eleven months (but not less than the Contract Demand). When the maximum on-peak demand created in the current and preceding eleven months has not exceeded 3% of the maximum off-peak demand created in the current and preceding eleven months, the KW Minimum Charge specified above shall be reduced by the KW Minimum Charge Credit stated above.

DETERMINATION OF DEMAND: The KW during on-peak hours used for billing purposes shall be the maximum 15-minute integrated kilowatt demand created during the on-peak hours each billing month calculated to nearest one-tenth KW. The off-peak demand shall be the maximum demand created during the remaining hours. A Contract Demand not less than the actual monthly demands may also be specified for mutually agreeable contract purposes.

DEFINITION OF ON-PEAK AND OFF-PEAK HOURS: The hours to be considered as on-peak are from 8 AM to 8 PM prevailing time Monday through Friday. All other hours including weekend hours will be considered off-peak. The Company reserves the right to change the on-peak hours from time to time as the on-peak periods of the supply system change. The off-peak hours will not be less than 12 hours daily.

TERM OF CONTRACT: None, except that reasonable notice of service discontinuance will be required. Where special circumstances apply or special or unusual facilities are supplied by the Company, a contract of one year or more to supply such facilities or accommodate special circumstances may be required for any Full Service Customer and any Delivery Service Customer.

TERMS OF PAYMENT: Bills are due when rendered by the Company and become overdue when payment is not received by the Company on or before the due date specified on the bill. Overdue bills thereafter become subject to a late payment charge as described in Section 3.19, Part II.

SERVICE CHARGE: A Service Charge of \$14.00 shall be applicable for initiating service to a customer under any Service Classification (see Part II, Section 2.01). A \$54.00 Service Charge shall be applicable for final bill readings requested to be performed other than during the normal working hours of 8 AM to 4:30 PM, Monday through Friday. (See Part II, Section 3.13)

DISCONNECTION / RECONNECTION CHARGES: Charges for all disconnections and reconnections shall be based upon actual costs. (See Part II, Section 8.04)

RECONNECTIONS WITHIN 12-MONTH PERIOD: Customers who request a disconnection and reconnection of service at the same location within a 12-month period shall not be relieved of Minimum Demand Charges resulting from demands created during the preceding eleven months, even though occurring prior to such disconnection.

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**Service Classification OL
Outdoor Lighting Service**

APPLICABLE TO USE OF SERVICE FOR: Service Classification OL is available for outdoor flood and area lighting service operating on a standard illumination schedule of 4200 hours per year, and installed on existing wood distribution poles where secondary facilities exist. This Service is not available for the lighting of public streets and highways. This Service is also not available where, in the Company's judgment, it may be objectionable to others, or where, having been installed, it is objectionable to others.

CHARACTER OF SERVICE: Sodium vapor (SV) flood lighting and mercury vapor (MV) lighting for limited period (dusk to dawn) at nominal 120 volts.

RATE PER BILLING MONTH (All charges include Sales and Use Tax as provided in Rider SUT):

(A) FIXTURE CHARGE:

Nominal Ratings		Billing Month KWH *	MV	SV
Lamp Wattage	Lamp & Ballast Wattage		Area Lighting	Flood Lighting
100	121	42	\$ 2.68	Not Available
175	211	74	\$ 2.68	Not Available
150	176	62	Not Available	\$13.06
250	293	103	Not Available	\$13.73
400	498	174	Not Available	\$14.08

* Based on standard illumination schedule of 4200 hours per year. Billing Month KWH is calculated to the nearest whole KWH based on the nominal lamp & ballast wattage of the light, times the light's annual burning hours per year, divided by 12 months per year, divided by 1000 watts per KWH.

(B) KWH CHARGES: The following charges apply to all Billing Month KWH and to all billing months (January through December). All charges are applicable to Full Service Customers. All charges, excluding Basic Generation Service (default service), are applicable to Delivery Service Customers.

BASIC GENERATION SERVICE (default service):

- 1) BGS Energy and Reconciliation Charges as provided in Rider BGS-FP (Basic Generation Service – Fixed Pricing).
- 2) Transmission Charge: \$0.003754 per KWH

DELIVERY SERVICE (Distribution Charge includes Corporation Business Tax as provided in Rider CBT):

- 1) Distribution Charge: \$0.050257 per KWH
- 2) Non-utility Generation Charge (Rider NGC): \$0.016960 per KWH
- 3) Transitional Energy Facility Assessment Charge (Rider TEFA): \$0.006677 per KWH
- 4) Societal Benefits Charge (Rider SBC): \$0.005707 per KWH
- 5) System Control Charge (Rider SCC): \$0.000050 per KWH
- 6) Demand Response Charge (Rider DRC): \$0.000281 per KWH

TERM OF CONTRACT: One year for each installation and thereafter on a monthly basis. Service which is terminated before the end of the contract term shall be billed the total of 1) the light's monthly Fixture Charge plus 2) the per KWH Distribution Charge applicable to the light's Billing Month KWH, plus 3) any additional monthly facility charges, times the remaining months of the contract term. Restoration of Service to lamps before the end of the contract term shall be made at the expense of the customer. Restoration of Service to lamps which have been disconnected after the contract term has expired shall require a 5 year contract term to be initialized.

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**Service Classification SVL
Sodium Vapor Street Lighting Service**

APPLICABLE TO USE OF SERVICE FOR: Service Classification SVL is available for series and multiple circuit street lighting Service operating on a standard illumination schedule of 4200 hours per year supplied from overhead or underground facilities on streets and roads (and parking areas at the option of the Company) where required by City, Town, County, State or other Municipal or Public Agency or by an incorporated association of local residents.

Sodium vapor conversions of mercury vapor or incandescent street lights shall be scheduled in accordance with the Company's SVL Conversion Program, and may be limited to no more than 5% of the lamps served under this Service Classification at the end of the previous year.

CHARACTER OF SERVICE: Sodium vapor lighting for limited period (dusk to dawn) at secondary voltage.

RATE PER BILLING MONTH (All charges include Sales and Use Tax as provided in Rider SUT):

(A) FIXTURE CHARGE:

Nominal Ratings

Lamp Wattage	Lamp & Ballast Wattage	Billing Month KWH *	Company Fixture	Contribution Fixture	Customer Fixture
50	60	21	\$ 6.48	\$ 1.81	\$ 0.88
70	85	30	\$ 6.48	\$ 1.81	\$ 0.88
100	121	42	\$ 6.48	\$ 1.81	\$ 0.88
150	176	62	\$ 6.48	\$ 1.81	\$ 0.88
250	293	103	\$ 7.68	\$ 1.81	\$ 0.88
400	498	174	\$ 7.68	\$ 1.81	\$ 0.88

* Based on standard illumination schedule of 4200 hours per year. Billing Month KWH is calculated to the nearest whole KWH based on the nominal lamp & ballast wattage of the light, times the light's annual burning hours per year, divided by 12 months per year, divided by 1000 watts per KWH.

(B) KWH CHARGES: The following charges apply to all Billing Month KWH and to all billing months (January through December). All charges are applicable to Full Service Customers. All charges, excluding Basic Generation Service (default service), are applicable to Delivery Service Customers.

BASIC GENERATION SERVICE (default service):

- 1) **BGS Energy and Reconciliation Charges as provided in Rider BGS-FP (Basic Generation Service – Fixed Pricing).**
- 2) **Transmission Charge: \$0.003754 per KWH**

DELIVERY SERVICE (Distribution Charge includes Corporation Business Tax as provided in Rider CBT):

- 1) **Distribution Charge: \$0.050257 per KWH**
- 2) **Non-utility Generation Charge (Rider NGC): \$0.016960 per KWH**
- 3) **Transitional Energy Facility Assessment Charge (Rider TEFA): \$0.006677 per KWH**
- 4) **Societal Benefits Charge (Rider SBC): \$0.005707 per KWH**
- 5) **System Control Charge (Rider SCC): \$0.000050 per KWH**
- 6) **Demand Response Charge (Rider DRC): \$0.000281 per KWH**

TERM OF CONTRACT: Five years for each Company Fixture installation and thereafter on a monthly basis. Where special circumstances apply or special or unusual facilities are supplied, contracts of more than five years may be required. Service which is terminated before the end of the contract term shall be billed the total of 1) the light's monthly Fixture Charge plus 2) the per KWH Distribution Charge applicable to the light's Billing Month KWH, times the remaining months of the contract term. Restoration of Service to lamps before the end of the contract term shall be made at the expense of the customer.

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**Service Classification MVL
Mercury Vapor Street Lighting Service**

RESTRICTION: Service Classification MVL is in process of elimination and is withdrawn except for the installations of customers receiving Service hereunder on July 21, 1982, and only for the specific premises and class of service of such customer served hereunder on such date.

APPLICABLE TO USE OF SERVICE FOR: Series and multiple circuit street lighting service operating on a standard illumination schedule of 4200 hours per year supplied from overhead or underground facilities on streets and roads where required by City, Town, County, State or other Municipal or Public Agency or by an incorporated association of local residents. At the option of the Company, Service may also be provided for lighting service on streets, roads or parking areas on municipal or private property where supplied directly from the Company's facilities when such Service is contracted for by the owner or agency operating such property.

CHARACTER OF SERVICE: Mercury vapor lighting for limited period (dusk to dawn) at secondary voltage or on constant current series circuits.

RATE PER BILLING MONTH (All charges include Sale and Use Tax as provided in Rider SUT):

(A) FIXTURE CHARGE:

<u>Nominal Ratings</u>		<u>Billing Month</u>	<u>Company</u>	<u>Contribution</u>	<u>Customer</u>
<u>Lamp</u>	<u>Lamp & Ballast</u>				
<u>Wattage</u>	<u>Wattage</u>	<u>KWH *</u>	<u>Fixture</u>	<u>Fixture</u>	<u>Fixture</u>
100	121	42	\$ 4.54	\$ 1.72	\$ 0.87
175	211	74	\$ 4.54	\$ 1.72	\$ 0.87
250	295	103	\$ 4.54	\$ 1.72	\$ 0.87
400	468	164	\$ 4.91	\$ 1.72	\$ 0.87
700	803	281	\$ 5.95	\$ 1.72	\$ 0.87
1000	1135	397	\$ 5.95	\$ 1.72	\$ 0.87

* Based on standard illumination schedule of 4200 hours per year. Billing Month KWH is calculated to the nearest whole KWH based on the nominal lamp & ballast wattage of the light, times the light's annual burning hours per year, divided by 12 months per year, divided by 1000 watts per KWH.

(B) KWH CHARGES: The following charges apply to all Billing Month KWH and to all billing months (January through December). All charges are applicable to Full Service Customers. All charges, excluding Basic Generation Service (default service), are applicable to Delivery Service Customers.

BASIC GENERATION SERVICE (default service):

- 1) BGS Energy and Reconciliation Charges as provided in Rider BGS-FP (Basic Generation Service – Fixed Pricing).
- 2) Transmission Charge: \$0.003754 per KWH

DELIVERY SERVICE (Distribution Charge includes Corporation Business Tax as provided in Rider CBT):

- 1) Distribution Charge: \$0.050257 per KWH
- 2) Non-utility Generation Charge (Rider NGC): \$0.016960 per KWH
- 3) Transitional Energy Facility Assessment Charge (Rider TEFA): \$0.006677 per KWH
- 4) Societal Benefits Charge (Rider SBC): \$0.005707 per KWH
- 5) System Control Charge (Rider SCC): \$0.000050 per KWH
- 6) Demand Response Charge (Rider DRC): \$0.000281 per KWH

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**Service Classification ISL
Incandescent Street Lighting Service**

RESTRICTION: Service Classification ISL is in process of elimination and is withdrawn except for the installations of customers currently receiving Service, and except for fire alarm and police box lamps provided under Special Provision (c). The obsolescence of this Service Classification's facilities further dictates that Service be discontinued to any installation that requires the replacement of a fixture, bracket or street light pole.

APPLICABLE TO USE OF SERVICE FOR: Series and multiple circuit street lighting service operating on a standard illumination schedule of 4200 hours per year supplied from overhead or underground facilities on streets or roads where required by city, town, county, State or other principal or public agency or by an incorporated association of local residents.

CHARACTER OF SERVICE: Incandescent lighting for limited period (dusk to dawn) at secondary voltage or on constant current series circuits.

RATE PER BILLING MONTH (All Charges include Sales and Use Tax as provided in Rider SUT):

(A) FIXTURE CHARGE:

<u>Nominal Ratings</u>			
<u>Lamp</u>	<u>Billing Month</u>		
<u>Wattage</u>	<u>KWH *</u>	<u>Company Fixture</u>	<u>Customer Fixture</u>
105	37	\$ 1.90	\$ 0.87
205	72	\$ 1.90	\$ 0.87
327	114	\$ 1.90	\$ 0.87
448	157	\$ 1.90	\$ 0.87
690	242	\$ 1.90	\$ 0.87
860	301	\$ 1.90	\$ 0.87

* Based on standard illumination schedule of 4200 hours per year. Billing Month KWH is calculated to the nearest whole KWH based on the nominal lamp & ballast wattage of the light, times the light's annual burning hours per year, divided by 12 months per year, divided by 1000 watts per KWH.

(B) KWH CHARGES: The following charges apply to all Billing Month KWH and to all billing months (January through December). All charges are applicable to Full Service Customers. All charges, excluding Basic Generation Service (default service), are applicable to Delivery Service Customers.

BASIC GENERATION SERVICE (default service):

- 1) BGS Energy and Reconciliation Charges as provided in Rider BGS-FP (Basic Generation Service – Fixed Pricing).
- 2) Transmission Charge: \$0.003754 per KWH

DELIVERY SERVICE (Distribution Charge includes Corporation Business Tax as provided in Rider CBT):

- 1) Distribution Charge: \$0.050257 per KWH
- 2) Non-utility Generation Charge (Rider NGC): \$0.016960 per KWH
- 3) Transitional Energy Facility Assessment Charge (Rider TEFA): \$0.006677 per KWH
- 4) Societal Benefits Charge (Rider SBC): \$0.005707 per KWH
- 5) System Control Charge (Rider SCC): \$0.000050 per KWH
- 6) Demand Response Charge (Rider DRC): \$0.000281 per KWH

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JERSEY CENTRAL POWER & LIGHT COMPANY

BPU No. 10 ELECTRIC - PART III

XX Rev. Sheet No. 60
Superseding XX Rev. Sheet No. 60

**Rider SCC
System Control Charge**

APPLICABILITY: Rider SCC provides a charge for Basic Generation Service system control costs applicable to all KWH usage of any Full Service Customer or Delivery Service Customer. The SCC rate is subject to annual true-up for any over or under-recovery of system control costs.

SCC = \$0.000047 per KWH (\$0.000050 per KWH including SUT)

System control costs shall include carrying costs on any unamortized balance of such costs at the applicable interest rate approved by the BPU. Pursuant to the Summary Order dated August 1, 2003, such interest rate shall be "the rate actually incurred on the Company's short-term debt (debt maturing in less than one year), or the rate on equivalent temporary cash investments if the Company has no short-term debt outstanding...interest shall be computed monthly and compounded annually (added to the balance on which interest is accrued annually)."

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BPU No. 10 ELECTRIC - PART III

Original Sheet No. 61

**Rider DRC
Demand Response Charge**

APPLICABILITY: Rider DRC provides a charge for costs associated with demand response programs directed by the BPU. The Demand Response Charge is applicable to all KWH usage of any Full Service Customer or Delivery Service Customer. The DRC rate is subject to annual true-up for any over or under-recovery of demand response programs costs.

DRC = \$0.000263 per KWH (\$0.000281 per KWH including SUT)

Demand response programs costs shall include interest on any net of tax deferred over or under-recovery of demand response programs costs at the Company's overall pre-tax cost of capital. Such interest shall be computed monthly and compounded monthly.

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**Rider CURP
Curtailment Pilot
(Applicable to Service Classifications GS, GST, GP and GT)**

RIDER CURP IS A PILOT ONLY. THE TERM OF THIS PILOT IS JUNE 1, 2009 THROUGH May 31, 2012.

AVAILABILITY: Rider CURP is available to any Full Service or Delivery Service Customer under Service Classifications GS, GST, GP and GT with the ability to curtail at least 100 KW at its service location during the pilot period with two hours notice by the Company. Participating customers ("CURP Customer") must commit to reducing load either (a) to a "firm-service level" ("FSL"), a designated KW demand equal to the non-curtable service requirements for the service location as specified in an agreement, or (b) by a "guaranteed load drop" ("GLD") amount as specified in an agreement. Qualifying customer must enroll no later than February 1 of each year to participate in this Curtailment Pilot in any given PJM year (from June 1 of each year through May 31 of the subsequent year). A CURP Customer must have an interval meter at the service location and must have Internet access.

Rider CURP is not available to customers that are participating in other curtailment programs, or are receiving service under any interruptible rates offered by Alternative Electric Supplier or PJM.

CURTAILMENT PILOT SUMMARY

A CURP Customer must sign an agreement with the Company for each PJM year to provide a fixed amount of curtailment, expressed in KW, and must reduce its load by the committed amount when requested by the Company. The Company will provide curtailment payments (or by bill credits if deemed appropriate by the Company) to CURP Customers. A reduction in curtailment payments shall be imposed on any CURP Customer with a curtailment shortfall.

CURTAILMENT REQUEST - The Company shall provide two hours advance notice for any curtailment request, and the CURP Customer must reduce its load by the committed curtailment amount upon request. In certain circumstances PJM may request curtailments with less than two hours notice. Curtailment requests shall be limited to 20 days per PJM year, and no more than eight hours per day.

CURTAILMENT PAYMENT – The Company provides a monthly payment to a CURP Customer for the duration of the term of its agreement with the Company, based on the predetermined KW amount of curtailment set forth in the agreement, multiplied by the following:

June 1, 2009 – May 31, 2010 @ **\$5.16** per month

June 1, 2010 – May 31, 2011 @ **\$4.77** per month

June 1, 2011 – May 31, 2012 @ **\$3.01** per month

CURTAILMENT SHORTFALL – If a CURP Customer fails to reduce its load by the committed curtailment amount specified in the agreement, the Company shall impose a reduction in curtailment payments. [The details of the reduction in curtailment payment are being developed at this time, but in no event will a CURP Customer be required to pay JCP&L an amount in excess of the curtailment payments it received.]

CALCULATION OF KW LOAD REDUCTION - The Company will perform load reduction calculations internally or select a third-party system provider to assist it in the determination of the amount of the CURP Customer's actual load reduction in any hour. The Company maintains the exclusive right to select any successive provider, provided that the Company will advise the CURP Customer in writing of the name of the selected provider being used at the time the CURP Customer elects to participate in the Curtailment Pilot and will notify the CURP Customer in writing, at least 30 days in advance of selecting and using the services of any successor. By participating in the Curtailment Pilot, the CURP Customer agrees and provides its consent that such selected provider may have access to and use the CURP Customer's historic and current electric load information for the sole purpose of determining the amount of the CURP Customer's actual hourly load reduction.

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**Jersey Central Power & Light Company
Typical Residential Average Monthly Bill
(Includes 7% Sales and Use Tax)**

	<u>Current Monthly Bill</u> (1)	<u>Proposed Monthly Bill</u> (2)	<u>Proposed Monthly Increase</u>
<u>Residential Service (RS)</u>			
500 kWh average monthly usage	\$ 87.87	\$ 88.00	\$ 0.13
1000 kWh average monthly usage	\$ 181.20	\$ 181.46	\$ 0.26
1500 kWh average monthly usage	\$ 276.44	\$ 276.82	\$ 0.38
<u>Residential Time-of-Day Service (RT)</u>			
500 kWh average monthly usage	\$ 91.20	\$ 91.33	\$ 0.13
1000 kWh average monthly usage	\$ 177.13	\$ 177.38	\$ 0.25
1500 kWh average monthly usage	\$ 263.05	\$ 263.42	\$ 0.37

(1) Based on rates in effect as of 6/1/2008 for Full Service customers.

(2) Reflects the net effect of the proposed Rider DRC rate increase and the proposed Rider SCC rate decrease.

Jersey Central Power & Light Company
Overall Monthly Class Average Per Customer
(Includes 7% Sales and Use Tax)

<u>Rate Class</u>	<u>Current Monthly Bill</u> (1)	<u>Proposed Monthly Bill</u> (2)	<u>Proposed % Increase</u>
Residential Service (RS)	\$ 144.60	\$ 144.80	0.1%
Residential Time-of-Day Service (RT)	\$ 204.88	\$ 205.18	0.1%
General Service - Secondary (GS)	\$ 822.63	\$ 823.81	0.1%
General Service - Secondary Time-of-Day (GST)	\$ 44,922.34	\$ 44,990.62	0.2%
General Service - Primary (GP)	\$ 65,906.42	\$ 66,009.39	0.2%
General Service - Transmission (GT)	\$ 213,460.59	\$ 213,834.62	0.2%
Street & Area Lighting (Average per Fixture)	\$ 14.41	\$ 14.42	0.1%

(1) Based on rates in effect as of 6/1/2008 for Full Service customers. Real-time rates are based on class average hourly energy charge for the last 12-months (7/1/2007 through 6/30/08).

(2) Reflects the net effect of the proposed Rider DRC rate increase and the proposed Rider SCC rate decrease.