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VIA ELECTRONIC MAIL AND UPS

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

Re: Board Staff's Utility Consolidated Billing/Purchase of Receivables Proposal

Dear Secretary Izzo:

In accordance with the New Jersey Board of Public Utilities ("Board" or "BPU") notice of opportunity to comment regarding the Utility Consolidated Billing and Purchase of Receivables Proposal[1] offered by the Board's Staff ("Staff"), Jersey Central Power and Light ("JCP&L" or the "Company") submits the following written comments. JCP&L appreciates the opportunity to comment on these issues.

I. Introduction

As a general preliminary matter, JCP&L urges the Board to consider carefully any changes or modifications to the current utility consolidated billing and purchase of receivables mechanisms. As Staff noted in its proposal, after the passage of the Electric Discount and Energy Competition Act, N.J.S.A. 48:3-49 et seq. ("EDECA"), the Board formed a customer

[1] Board Staff circulated it proposal via an email dated February 25, 2013.

account services ("CAS") Working Group, which resulted in a series of customer account services settlements which were approved by the Board. The CAS Settlements addressed, among other things, consolidated billing and purchase of receivables ("POR") for each EDC.

The CAS Settlement was a comprehensive Settlement intended to fairly balance the interests of participants – including customers served by third party suppliers ("TPS") as well as customers that remain on default service. Any revisions to that arrangement, as now proposed, should be carefully examined to assure that an appropriate balance among the interested parties is maintained and that benefits and burdens are properly considered.

II. Comments

A. EDCs should be given time to implement and administer the POR program modifications.

The Staff Proposal makes two recommendations that JCP&L would require time to implement. First, Staff proposed that the EDCs provide each TPS with a monthly arrearage report to track the TPSs' customer payment activity. Second, Staff proposed to eliminate a utility's ability to require a customer that is dropped from consolidated billing because of delinquent bill payments to remain on dual billing for one year, unless the customer is ninety days or more in arrears.

To comply with the above recommendations would require incremental time and expense for the Company. The arrearage reports would require initial system changes in order to produce the types of reports with the required information that Board Staff is recommending. The monthly arrearage report would also trigger additional ongoing administrative effort and cost for the Company to track this information, create the monthly report and manage the electronic file transfers with each TPS.[2] Similarly, in order to implement the proposal allowing customers who are ninety days in arrears or less back on to consolidated billing, the Company would need initially to implement changes to its system in order to track those customers and would incur additional administrative effort to track this information on an on-going basis. These changes would be costly and require significant time to implement. If the Board decides to implement the above proposals, the Board must allow the EDCs enough time to implement the system changes that are needed and provide for full and timely cost recovery as explained further below.

B. EDCs should be entitled to full and timely cost recovery for the actual incurred incremental costs of implementing and administering the POR program modifications.

The changes that BPU Staff is proposing would potentially increase uncollectible expense associated with the TPS-generated accounts receivable included in the EDC's POR programs. Moreover, the Staff's proposal would trigger both implementation and ongoing administrative costs associated with changes to the consolidated billing and POR programs. If changes to the EDCs' current consolidated billing and POR programs are undertaken then the EDCs must be entitled to full and timely cost recovery of such incremental costs. The BPU must allow the EDCs to recover the costs of implementing and administering any changes to the Consolidated Billing/POR programs through the same mechanism by which they currently recover uncollectibles expense – the Societal Benefits Charge ("SBC").[3]

[2] To help minimize the burden, the Company would request that if the BPU requires it to produce monthly arrearage reports that the reports be sent to the TPS electronically only.

[3] If the Board were to determine that the SBC is not the proper rate clause for recovery of incremental costs to implement changes to the POR program, the Board could allow the EDC to recover such costs through an alternative clause mechanism.

III. Conclusion

JCP&L continues to believe that the Boards existing CAS policies strike an appropriate balance between the interests of customers and competition and urges the Board to carefully consider how the changes within Staff's proposal may impact that balance. Should the Board choose to adopt all or part of the Staff proposal, it should recognize the Company will need adequate time to implement any necessary changes along with full and current cost recovery to implement those changes.

Respectfully submitted,

Dated: March 11, 2013

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