



Agenda Date: 08/24/16
Agenda Item: 2B

STATE OF NEW JERSEY
Board of Public Utilities
44 South Clinton Avenue, 3rd Floor Suite, 314
Post Office Box 350
Trenton, New Jersey 08625-0350
www.nj.gov/bpu/

ENERGY

IN THE MATTER OF THE VERIFIED PETITION OF)	DECISION AND ORDER
JERSEY CENTRAL POWER AND LIGHT COMPANY)	APPROVING STIPULATION
CONSTITUTING ITS ANNUAL FILINGS WITH)	
RESPECT TO THE NON-UTILITY GENERATION)	
CHARGE CLAUSE OF ITS FILED TARIFF ("2012/2013)	
NGC FILING"))	DOCKET NO. ER14101262
)	
IN THE MATTER OF THE VERIFIED PETITION OF)	
JERSEY CENTRAL POWER AND LIGHT COMPANY)	
CONSTITUTING ITS ANNUAL FILING WITH RESPECT)	
TO THE NON-UTILITY GENERATION CHARGE)	
CLAUSE OF ITS FILED TARIFF ("2014 NGC FILING"))	DOCKET NO. ER15080960

Parties of Record:

Gregory Eisenstark, Esq., Windels Marx Lane & Mittendorf, LLP, on behalf of Jersey Central Power & Light Company
Stefanie A. Brand, Esq., Director, New Jersey Division of Rate Counsel

BY THE BOARD:

On October 31, 2014 in Docket No. ER14101262, Jersey Central Power and Light Company ("JCP&L" or "Company") filed a petition with the New Jersey Board of Public Utilities ("Board") seeking review and approval of the amounts included in the Company's Non-Utility Generation Charge ("NGC") deferred balance for the period January 1, 2012 through December 31, 2013. ("October 2014 Petition").

By Order dated January 21, 2015, the Board authorized JCP&L to implement a provisional composite NGC factor of \$0.003750 per kilowatt-hour ("kWh") excluding Sales and Use Tax ("SUT"). On August 14, 2015 JCP&L filed a petition requesting review and approval of the amounts included in the Company's NGC deferred balance for the period January 1, 2014 through December 31, 2014. ("August 2015 Petition").

This Order addresses a stipulation of settlement executed by JCP&L, Board Staff ("Staff") and the New Jersey Division of Rate Counsel ("Rate Counsel") (collectively, the "Parties"), which seeks to resolve both matters. ("Stipulation")

BACKGROUND AND PROCEDURAL HISTORY

As a result of the Board's Final Decision and Order, issued in Docket Nos. EO97070458, EO97070459, and EO9707460 ("Restructuring Order"),¹ the Company implemented unbundled rates that included a new tariff rider entitled the "Market Transition Charge," which was renamed the NGC effective September 1, 2004. The NGC is designed to recover, among other things, the portion of the costs of power purchases from non-utility generators that has been deferred on JCP&L's books to the extent it was unable to recover them in full under its regulated rates and market sales.

Other specific deferred costs included Oyster Creek stranded costs, carrying costs, various transaction fees, including professional fees incurred in contract restructurings, and operating losses for the Forked River generating plant.

October 2014 Petition

On October 31, 2014, JCP&L filed the October 2014 Petition with the Board seeking review and approval of the amounts included in the Company's NGC deferred balance to the extent accumulated during two periods: from January 1, 2012 through December 31, 2012, and from January 1, 2013 through December 31, 2013. In the October 2014 Petition, the Company projected that, at present rates, the net NGC deferred balance at December 2014 would be an under-recovery of \$19.29 million, after the application of carrying costs of \$11.43 million. JCP&L proposed to change the level of its NGC to reflect an increase in the non-securitized portion of the NGC rate factor from a credit of \$0.001499 (excluding SUT) per kWh to \$0.000205 per kWh (excluding SUT). When combined with the securitized portion of the NGC, the resultant composite NGC factor would be \$0.003750 (excluding SUT).²

On December 10, 2014, public hearings on the October 2014 Petition were held in Morristown, New Jersey and Freehold, New Jersey. No members of the public appeared at the public hearings.

By Order dated January 21, 2015, the Board approved a stipulation executed by the Parties to implement a composite NGC factor of \$0.003750 (excluding SUT) on a provisional basis, subject to refund with interest, to provide the parties additional time to complete the review of the rates proposed in the October 2014 Petition.³

¹ In re Jersey Central Power and Light Company, d/b/a GPU Energy- Rate Unbundling, Stranded Cost and Restructuring Filings, Docket Nos. EO97070458, EO97070459, and EO97070460, Final Decision and Order dated March 7, 2001.

² The October 2014 Petition did not propose a change to the securitized NGC factor.

³ In re the Verified Petition of Jersey Central Power and Light Company Constituting its Annual Filing With Respect to the Non-Utility Generation Charge Clause of its Filed Tariff ("2011 NGC Filing") AND In re the Verified Petition of Jersey Central Power and Light Company Constituting its Annual Filing With Respect

August 2015 Petition

On August 14, 2015, JCP&L filed the August 2015 Petition with the Board seeking review and approval of the amounts included in the Company's NGC deferred balance to the extent accumulated from January 1, 2014 through December 31, 2014. In the August 2015 Petition, the Company sought approval to increase its Rider NGC rate to recover an additional \$26.265 million on an annual basis, effective January 1, 2016. The requested amount was based on JCP&L's projected under recovered NGC deferred balance at December 31, 2015.

JCP&L proposed to change the level of its NGC to reflect a rate of \$0.001449 per kWh (excluding SUT) for the non-securitized portion of the NGC rate factor. When combined with the securitized portion of the NGC, the resultant NGC composite NGC factor would be \$0.004994 (excluding SUT). Similar to the October 2014 Petition, JCP&L did not propose a change to the securitized NGC factor.

On May 22, 2016, JCP&L updated schedules to reflect actual information through December 31, 2015. ("May 2016 Update")

On July 12, 2016, public hearings on the August 2015 Petition were held in Morristown, New Jersey and Freehold, New Jersey. One member of the public attended the Freehold public hearing.

STIPULATION

Following discovery, the Parties met to discuss the issues in these matters. As a result, on August 4, 2016, the Parties executed a Stipulation to resolve both matters. The Stipulation provides the following:⁴

Stipulation with Respect to the 2012/2013 NGC Filing

1. As set forth in greater detail in Attachment A and attached to the Stipulation, the net NGC deferred balance at December 31, 2012 amounted to an over-recovery of \$64.20 million, after the application of carrying costs of \$12.76 million.
2. As set forth in greater detail in Attachment B and attached to the Stipulation, the net NGC deferred balance at December 31, 2013 amounted to an over-recovery of \$14.67 million, after the application of carrying costs of \$11.57 million.

to the Non-Utility Generation Charge Clause of its Filed Tariff ("2012/2013 NGC Filing"), BPU Docket Nos. ER12080757 AND ER14101262, Order dated January 21, 2015.

⁴ Although described in this Order, should there be a conflict between this summary and the Stipulation, the terms of the Stipulation control, subject to the findings and conclusions contained in the Order.

3. The Parties agree and stipulate that the deferred amounts included in the Company's NGC deferred balance, to the extent accumulated from January 1, 2012 through December 31, 2012 and from January 1, 2013 through December 31, 2013, are reasonable, prudently-incurred, and appropriate for recovery through rates.
4. The Parties agree that the provisional NGC rates approved by the Board in its Order dated January 21, 2015 shall be deemed final.
5. The Parties agree that upon the effective date of the Board's written Order approving this Stipulation, the 2012/2013 NGC Filing shall all be deemed closed and fully resolved.

Stipulation with Respect to the 2014 NGC Filing

6. The Parties agree that, as per the schedules included in Attachment C and attached to the Stipulation, the Company's ending deferred NGC balance at December 31, 2014 amounted to an under-recovery of \$18.074 million, including carrying costs of \$11.426 million.
7. The Parties agree that, as per the schedules included in Attachment D attached to the Stipulation, the Company's deferred NGC balance at December 31, 2015 was projected to be an under-recovery of \$26.265 million including carrying costs of \$12.232 million.
8. The updated schedules provided for the 2014 Filing, and attached to the Stipulation as Attachment E, show the Company's actual net NGC deferred balance at December 31, 2015 was an under-recovery of \$25.714 million, including carrying costs of \$12.228 million. This balance will be reviewed in the Company's next NGC filing.
9. The Parties also agree that, as per the updated schedules attached to the Stipulation as Attachment F, the Company should be permitted to set its non-securitized NGC factor to \$0.001493 per kWh, effective upon a Board Order approving the Stipulation. The new composite NGC factor will be \$0.005012 per kWh excluding SUT. The result of this rate change is an increase in revenues collected through the NGC rate by approximately \$25.714 million annually. The Company's current and proposed tariffs reflecting this change are attached to the Stipulation as Attachment G.
10. As a result of the Stipulation, a typical residential customer consuming 500 kWh in a month will see an increase in their monthly bill from \$69.04 to \$69.72, an increase of \$0.68 or 1.0%.

11. The Parties agree that interest accrued on the NGC deferred balance will continue to accrue at an annual rate of 5.6%, until changed by a future Board Order. The annual compounding date remains January 1 of each year. The Parties agree that the appropriateness of the interest rate will be reviewed in the next NGC proceeding.
12. To the extent not otherwise recovered in rates, JCP&L shall also be authorized to continue to defer (i) all additional reasonable and prudent amounts paid to NUGs under Board-approved agreements, (ii) the reasonable and prudent all-in costs associated with JCP&L's interest in the Yards Creek pumped storage generating facility ("Yards Creek") and (iii) other reasonable and prudent costs previously approved by the Board for recovery through the NGC, net of related revenues received from the sale of NUG and Yards Creek output into the PJM market, incurred and deferred subsequent to December 31, 2014, together with accrued interest thereon, for review and inclusion in future annual NGC filings and recovery through related adjustments to the Company's Rider NGC, subject to the Board's review and approval.
13. The Parties also agree that, upon the effective date of the Board's written Order approving the Stipulation, all elements of the 2014 NGC Filing shall all be deemed closed and resolved.
14. JCP&L agrees to file its next NGC petition by October 31, 2016.

DISCUSSION AND FINDINGS

The Board, having reviewed the attached Stipulation and the record in these proceedings, **FINDS** that the Stipulation resolving the October 2014 Petition and the August 2015 Petition is reasonable, is in the public interest and is in accordance with the law. Accordingly, the Board **HEREBY APPROVES** the attached Stipulation and incorporates its provisions as if fully stated in this Order.

Accordingly, the Board **HEREBY APPROVES** a non-securitized NGC factor of \$0.001493 per kWh (excluding SUT). Therefore, JCP&L's new composite NGC factor will be \$0.005012 per kWh (excluding SUT), effective for service rendered on or after September 1, 2016.

Based on the Stipulation, a typical residential customer using 500 kWh monthly will see an increase in their monthly bill from \$69.04 to \$69.72, an increase of \$0.68 or 1.0%.

As indicated in the Stipulation, JCP&L will file its next NGC petition no later than October 31, 2016.

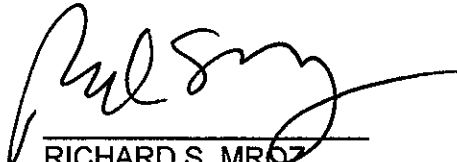
The Board **HEREBY DIRECTS** the Company the appropriate revised tariff sheets consistent with the terms of this Order by September 1, 2016.

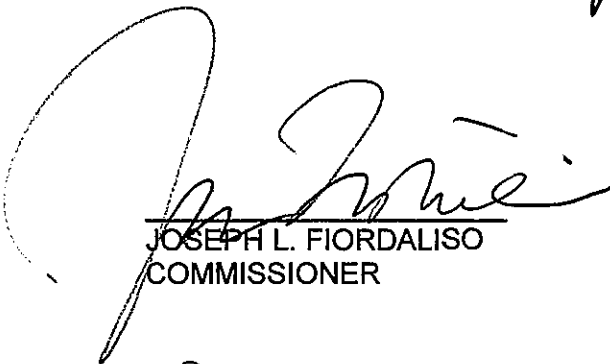
The Company's costs, including those related to the NGC deferred balance, remain subject to audit by the Board. This Decision and Order shall not preclude or prohibit the Board from taking any actions determined to be appropriate as a result of any such audit.

The effective date of this Order is September 1, 2016.

DATED: 8/24/16

BOARD OF PUBLIC UTILITIES
BY:

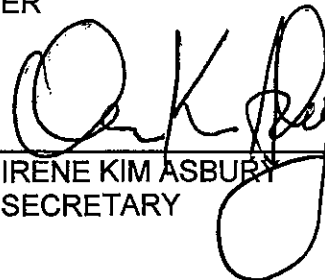

RICHARD S. MROZ
PRESIDENT


JOSEPH L. FIORDALISO
COMMISSIONER

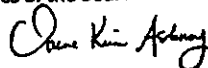

MARY-ANNA HOLDEN
COMMISSIONER


DIANNE SOLOMON
COMMISSIONER


UPENDRA J. CHIVUKULA
COMMISSIONER

ATTEST: 
IRENE KIM ASBURY
SECRETARY

I HEREBY CERTIFY that the within document is a true copy of the original in the files of the Board of Public Utilities



IN THE MATTER OF THE VERIFIED PETITION OF JERSEY CENTRAL
POWER AND LIGHT COMPANY CONSTITUTING ITS ANNUAL FILINGS WITH
RESPECT TO THE NON-UTILITY GENERATION CHARGE CLAUSE OF ITS FILED
TARIFF ("2012/2013 NGC FILING")
DOCKET NO. ER14101262

IN THE MATTER OF THE VERIFIED PETITION OF JERSEY CENTRAL POWER AND LIGHT
COMPANY CONSTITUTING ITS ANNUAL FILING WITH RESPECT TO THE NON-UTILITY
GENERATION CHARGE CLAUSE OF ITS FILED TARIFF ("2014 NGC FILING")
DOCKET NO. ER15080960

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August 4, 2016

Irene K. Asbury, Secretary
Board of Public Utilities
44 South Clinton Avenue, 3rd Fl., Ste. 314
P.O. Box 350
Trenton, NJ 08625

Re: In the Matter of the Verified Petition of Jersey Central Power & Light Company
Constituting Its Annual Filings With Respect to the Non-Utility Generation
Charge Clause of Its Filed Tariff ("2012/2013 NGC Filing")
BPU Docket No. ER14101262

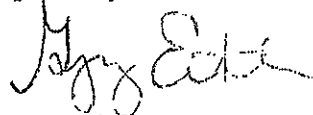
-and-

In the Matter of the Verified Petition of Jersey Central Power & Light Company
Constituting Its Annual Filing With Respect to the Non-Utility Generation Charge
Clause of Its Filed Tariff ("2014 NGC Filing")
BPU Docket No. ER15080960

Dear Secretary Asbury:

On behalf of Jersey Central Power & Light Company, enclosed please find a fully-executed Stipulation of Settlement with supporting attachments in the above-referenced matters.

Respectfully submitted,



Gregory Eisenstark

Encl.
cc: Service list (via email only)

SERVICE LIST

In the Matter of the Verified Petition of Jersey Central Power & Light Company
Constituting Its Annual Filing With Respect to the
Non-Utility Generation Charge Clause ("NGC") of Its Filed Tariff
"2012/2013 & 2014 NGC Filings"
BPU Docket Nos . ER14101262 & ER15080960

BPU

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STATE OF NEW JERSEY
BOARD OF PUBLIC UTILITIES

	:	STIPULATION
In the Matter of the Verified Petition of Jersey	:	OF
Central Power & Light Company Constituting	:	SETTLEMENT
Its Annual Filings With Respect to the Non-	:	
Utility Generation Charge Clause of Its Filed	:	BPU Docket No. ER14101262
Tariff ("2012/2013 NGC Filing")	:	
	:	
-and-	:	
	:	
In the Matter of the Verified Petition of Jersey	:	
Central Power & Light Company Constituting	:	
Its Annual Filing With Respect to the Non-	:	
Utility Generation Charge Clause of Its Filed	:	BPU Docket No. ER15080960
Tariff ("2014 NGC Filing")	:	
	:	

TO THE HONORABLE BOARD OF PUBLIC UTILITIES:

APPEARANCES:

Gregory Eisenstark, Esq., (Windels, Marx, Lane & Mittendorf, L.L.P., attorneys) for the Petitioner, Jersey Central Power & Light Company

Ami Morita, Esq. (Managing Attorney) and **Diane Schulze, Esq.** (Assistant Deputy Rate Counsel), Division of Rate Counsel (**Stefanie A. Brand, Esq.**, Director)

Alex Moreau and Jodie Van Wert, Deputy Attorneys General, for the Staff of the New Jersey Board of Public Utilities (**Christopher S. Porrino**, Attorney General of New Jersey)

This Stipulation of Settlement (the "Stipulation") is hereby made and executed as of the dates indicated below, by and among the Petitioner, Jersey Central Power & Light Company ("JCP&L" or the "Company"), the Staff of the Board of Public Utilities ("Staff") and the New Jersey Division of Rate Counsel ("Rate Counsel") (collectively, the "Parties").

The Parties do hereby join in recommending that the Board of Public Utilities (“Board”) issue an Order approving the Stipulation, based upon the following stipulations:

Background

The Company’s Non-Utility Generation charge (“NGC”) was initially approved by the Board to recover, among other things, the portion of the costs of power procured from non-utility generators (“NUGs”) that has been deferred on JCP&L’s books to the extent it was unable to recover them in full under its regulated rates and market sales. *See I/M/O Jersey Central Power & Light Company, d/b/a GPU Energy – Rate Unbundling, Stranded Cost and Restructuring Filings*, Docket Nos. EO97070458, EO97070459, and EO97070460 (Order Dated March 7, 2001) (the “Restructuring Order”).¹ The Restructuring Order authorized the Company to defer for future recovery its costs incurred under power purchase agreements (“PPAs”) with NUGs, to the extent those costs were not recovered on a current basis through the Company’s capped and declining rates over the restructuring Transition Period (August 1, 1999 through July 21, 2003), with this treatment to continue after the end of the transition period.²

Pursuant to the Board’s Final Order dated May 17, 2004 (“Deferred Balances Order”) issued in connection with JCP&L’s “2002 Deferred Balances Petition” in Docket No. ER02080507, all issues relating to the NGC deferred balance through July 31, 2003 (the end of the restructuring Transition Period) were determined and resolved.

The Company’s “2005 NGC Filing” (Docket No. ER05121018) sought review of its NGC deferred balance for the period from August 1, 2003 through December 31, 2005 and approval of an adjustment to the level of its NGC. This proceeding was settled and resolved in a

¹ The NUG clause was originally designated as the Market Transition Charge and renamed the Non-Utility Generation Charge effective September 1, 2004.

² *See* the Restructuring Order at 112, ¶30.

Stipulation of Settlement dated November 8, 2006 by and among JCP&L, Board Staff and the then New Jersey Department of the Public Advocate, Division of Rate Counsel (“Rate Counsel”), which Stipulation of Settlement was approved by Board Order dated December 6, 2006 (“2006 NGC Order”) determining and resolving all issues relating to the NGC deferred balance through December 31, 2005. The Company was directed to make an annual informational NGC filing with the Board in the last quarter of each year, commencing in 2007, with notice to Rate Counsel and an opportunity for full discovery and evidentiary hearings.³

In accordance with Board’s directive in the 2006 NGC Order, the Company submitted its 2007 NGC Filing on December 21, 2007 (Docket No. ER07120967)⁴; its 2008 NGC Filing on January 28, 2009 (Docket No. ER09040316); and its 2009 NGC Filing on July 26, 2010 (Docket No. ER10070493). Pursuant to a Stipulation Setting Provisional Rates, dated January 27, 2011, among the Company, Board Staff and Rate Counsel in Docket No. ER10070493, which Stipulation was approved by Board Order dated February 10, 2011, JCP&L implemented the \$180 million annual rate reduction proposed in its 2009 NGC Filing, effective March 1, 2011. However, that Stipulation and Order stated that review of the Company’s 2007, 2008 and 2009 NGC Filings was not yet completed. Thereafter, on April 21, 2011, the Company filed its 2010 NGC Filing (Docket No. ER11040224).

By a Board Order dated February 10, 2012 approving Stipulation of Settlement dated February 2, 2012 by and among JCP&L, Board Staff, and Rate Counsel, the Company’s 2007, 2008, 2009, and 2010 NGC filings were resolved (“2012 Order and Stipulation”). Pursuant to the 2012 Order and Stipulation, the Company’s NGC clause was adjusted, effective March 1,

³ See the 2006 NGC Order at 4, ¶6.

⁴ In accordance with the 2006 NGC Order, on June 1, 2007 JCP&L submitted its NUG Mitigation Strategy Report, which, according the 2006 NGC Order (at 5, ¶9), was to be “the basis for future discussions with [Board] Staff and Rate Counsel.” The Company also continues to file quarterly NUG Mitigation Reports describing its ongoing NUG mitigation efforts.

2012, to decrease NGC revenues from approximately \$177 million per year to approximately \$63 million per year, a \$114 million reduction. This reduction in annual NGC revenues was achieved through a reduction in the non-securitization component of the NGC rate from the prior charge of \$0.003699 per kWh to a credit of \$0.001149 per kWh effective March 1, 2012. The 2012 Order and Stipulation also finalized all rate-related issues with respect to the Company's sale of the Forked River generating station ("Forked River").

On August 15, 2012, the Company filed its 2011 NGC Filing (Docket No. ER12080757) seeking review of its NGC deferred balance for the period from January 1, 2011 through December 31, 2011. JCP&L did not request a change in the level of its NGC in the 2011 NGC Filing. On October 31, 2014, the Company filed its 2012/2013 NGC Filing (Docket No. ER14101262). JCP&L requested an increase in the non-securitized portion of the NGC rate factor from a credit of \$0.001499 per kWh to \$0.000205 per kWh, resulting in an increase of \$19.29 million per year in NGC revenues. Pursuant to a Stipulation for Provisional Rates, dated January 14, 2015 among the Company, Board Staff and Rate Counsel in Docket Nos. ER12080757 and ER14101262, which Stipulation was approved by Board Order dated January 21, 2015, JCP&L implemented the \$19.29 million annual rate increase proposed in its 2012/2013 NGC Filing, effective February 2, 2015. The 2015 Order and Stipulation closed the 2011 NGC filing, but set the 2012/2013 NGC rates as provisional, subject to an opportunity for a comprehensive and full review.

On August 14, 2015, the Company filed a Verified Petition and Supporting attachments for the 2014 NGC Period, which was assigned Docket No. ER15080960, seeking: (1) a declaration that the provisional NGC rate approved in the 2015 Order and Stipulation is final; (2) review and approval of the deferred balances relating to the Company's NGC clause of its filed

tariff, to the extent accumulated from January 1, 2014 through December 31, 2014; (3) approval of an increase in the Company's Rider NGC rates by \$26.265 million annually; and (4) authorization of the continued deferral by JCP&L of the costs accumulated in the NGC deferred balance that are not recovered on a current basis, with the continuing accrual of interest on the unamortized balance (net of deferred taxes) at the rate provided for in the 2006 NGC Order, compounded annually, on January 1 of each year in accordance with the terms of Petitioner's Rider NGC.

On May 22, 2016, JCP&L updated schedules to reflect actual information through December 31, 2015. ("May 2016 Update").

Public hearings on the 2014 NGC Filing were held on July 12, 2016 in Morristown, New Jersey and in Freehold, New Jersey. One member of the public attended the public hearing in Freehold.

Following the filing of the verified petitions at issue here, the Parties engaged in discovery and exchanged additional information during informal discussions and meetings.

Stipulation with Respect to the 2012/2013 NGC Filing

The undersigned Parties DO HEREBY STIPULATE AND AGREE as follows:

1. As set forth in greater detail in Attachment A and attached hereto, the net NGC deferred balance at December 31, 2012 amounted to an over-recovery of \$64.20 million, after the application of carrying costs of \$12.76 million.

2. As set forth in greater detail in Attachment B and attached hereto, the net NGC deferred balance at December 31, 2013 amounted to an over-recovery of \$14.67 million, after the application of carrying costs of \$11.57 million.

3. The Parties agree and stipulate that the deferred amounts included in the

Company's NGC deferred balance, to the extent accumulated from January 1, 2012 through December 31, 2012 and from January 1, 2013 through December 31, 2013, are reasonable, prudently-incurred, and appropriate for recovery through rates.

4. The Parties agree that the provisional NGC rates approved by the Board in its Order dated January 21, 2015 shall be deemed final.

5. The Parties agree that upon the effective date of the Board's written Order approving this Stipulation, the 2012/2013 NGC Filing shall all be deemed closed and fully resolved.

Stipulation with Respect to the 2014 NGC Filing

6. The Parties agree that, as per the schedules included in Attachment C and attached hereto, the Company's ending deferred NGC balance at December 31, 2014 amounted to an under-recovery of \$18.074 million, including carrying costs of \$11.426 million.

7. The Parties agree that, as per the schedules included in Attachment D attached hereto, the Company's deferred NGC balance at December 31, 2015 was projected to be an under-recovery of \$26.265 million including carrying costs of \$12.232 million.

8. The updated schedules provided for the 2014 Filing, and attached hereto as Attachment E, show the Company's actual net NGC deferred balance at December 31, 2015 was an under-recovery of \$25.714 million, including carrying costs of \$12.228 million. This balance will be reviewed in the Company's next NGC filing.

9. The Parties also agree that, as per the updated schedules attached hereto as Attachment F, the Company should be permitted to set its non-securitized NGC factor to \$0.001493 per kWh, effective upon a Board Order approving this Stipulation. The new composite NGC factor will be \$0.005012 per kWh excluding SUT. The result of this rate change

is an increase in revenues collected through the NGC rate by approximately \$25.714 million annually. The Company's current and proposed tariffs reflecting this change are attached hereto as Attachment G.

10. As a result of this Stipulation, a typical residential customer consuming 500 kWh in a month will see an increase in their monthly bill from \$69.04 to \$69.72, an increase of \$0.68 or 1.0%.

11. The Parties agree that interest accrued on the NGC deferred balance will continue to accrue at an annual rate of 5.6%, until changed by a future Board Order. The annual compounding date remains January 1 of each year. The Parties agree that the appropriateness of the interest rate will be reviewed in the next NGC proceeding.

12. To the extent not otherwise recovered in rates, JCP&L shall also be authorized to continue to defer (i) all additional reasonable and prudent amounts paid to NUGs under Board-approved agreements, (ii) the reasonable and prudent all-in costs associated with JCP&L's interest in the Yards Creek pumped storage generating facility ("Yards Creek") and (iii) other reasonable and prudent costs previously approved by the Board for recovery through the NGC, net of related revenues received from the sale of NUG and Yards Creek output into the PJM market, incurred and deferred subsequent to December 31, 2014, together with accrued interest thereon, for review and inclusion in future annual NGC filings and recovery through related adjustments to the Company's Rider NGC, subject to the Board's review and approval.

13. The Parties also agree that, upon the effective date of the Board's written Order approving this Stipulation, all elements of the 2014 NGC Filing shall all be deemed closed and resolved.

14. JCP&L agrees to file its next NGC petition by October 31, 2016.

Conclusion

15. The Parties agree that this Stipulation contains mutual balancing and interdependent clauses and is intended to be accepted and approved in its entirety. In the event any particular provision of this Stipulation is not accepted and approved in its entirety by the Board, or is modified by a court of competent jurisdiction, then any Party aggrieved thereby shall not be bound to proceed with this Stipulation and shall have the right, upon written notice to be provided to all other Parties within ten (10) days after receipt of any such adverse decision, to litigate all issues addressed herein to a conclusion. More particularly, in the event this Stipulation is not adopted in its entirety by the Board in an appropriate Order, or is modified by a court of competent jurisdiction, then any Party hereto is free, upon the timely provision of such written notice, to pursue its then available legal remedies with respect to all issues addressed in this Stipulation, as though this Stipulation had not been signed. The Parties agree that this Stipulation shall be binding on them for all purposes herein.

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

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

b. The contents of this Stipulation shall not in any way be considered, cited or used by any of the undersigned Parties as an indication of any Party's position on any related or other issue litigated in any other proceeding or forum, except to enforce the terms of this Stipulation.

17. This Stipulation may be executed in any number of counterparts, each of which shall be considered one and the same agreement, and shall become effective when one or more counterparts have been signed by each of the Parties.

WHEREFORE, the Parties hereto have duly executed and do respectfully submit this Stipulation to the Board, and recommend that the Board issue a Final Decision and Order adopting and approving this Stipulation in its entirety in accordance with the terms hereof.

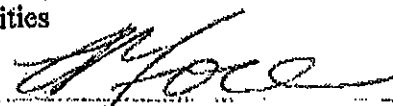
Jersey Central Power & Light Company

By: 

Gregory Eisenstark, Esq.
Windels, Marx, Lane & Mittendorf, LLP

Dated: 8-4-2016

Christopher S. Porrino, Attorney General of
New Jersey
Attorney for Staff of the Board of Public
Utilities

By: 

Alex Moreau
Deputy Attorney General

Dated: 8-4-2016

Stefanie A. Brand, Esq.
Director, Division of Rate Counsel

By: 

Diane Schulze, Esq.
Assistant Deputy Rate Counsel

Dated: 8/4/16

JERSEY CENTRAL POWER & LIGHT COMPANY
Summary of NGC Deferred Balance by Component
For the Period January 1, 2012 through December 31, 2012

Line No.		Actual Data Jan - Dec 2012	Refer to Attachment B Line No(s).
1	NGC Deferred Balance at 12/31/2011	(126,627,274)	21
2	NGC Deferred Balance 2012:		
	Revenues:		
3	Wholesale Energy/Capacity (Sales of Committed Supply)	65,096,499	1
4	MTC/NGC Retail Tariff	(1,576,816)	3-(4+5)
5	Other Revenue Sources	7,943,375	2+6
6	Total Revenues	71,463,058	7
	Costs:		
7	Committed Supply: NUG and 2-Party Contract Payments	103,634,606	13+16
8	Committed Supply: Yards Creek Costs	14,854,140	8 thru 10+15
9	Other Expenses	1,373,256	11+12+14
10	Total Cost Incurred	119,862,001	17
11	Net Revenue in Excess of Cost Deferred Jan through Dec-12	48,398,943	
12	Securitization Servicing Fee in Excess of Costs Incurred	(228,000)	18
13	Forked River Net Sale Proceeds	1,487,900	19 Footnote (a)
14	Net NGC (Over)/Under-Recovered Costs Deferred in 2012	49,658,844	20
15	NGC Over-Recovered Deferred Cost Balance at 12/31/12	(76,968,430)	21
16	NGC Deferred Interest Balance at 12/31/12	12,763,689	See Attachment C
17	NGC Over-Recovered Deferred Balance Including Interest at 12/31/12	(64,204,741)	

(a) Approved for recovery in accordance with BPU Order dated 2/10/2012, Docket ER11040224 et al. To be recovered in 2012 by application of a portion of the over-recovered NGC balance, in accordance with the Order, page 3, item #4.

JERSEY CENTRAL POWER & LIGHT COMPANY
Summary of NGC Deferred Balance by Component
For the Period January 1, 2013 through December 31, 2013

Line No.		Actual Data Jan - Dec 2013	Refer to Attachment E Line No(s).
1	NGC Deferred Balance at 12/31/2012	(76,968,430)	20
2	NGC Deferred Balance 2013:		
	<u>Revenues:</u>		
3	Wholesale Energy/Capacity (Sales of Committed Supply)	80,318,960	1
4	MTC/NGC Retail Tariff	(18,882,456)	3-(4+5)
5	Other Revenue Sources	9,837,972	2+6
6	Total Revenues	71,274,476	7
	<u>Costs:</u>		
7	Committed Supply: NUG and 2-Party Contract Payments	103,881,373	13+16
8	Committed Supply: Yards Creek Costs	16,753,641	8 thru 10+15
9	Other Expenses	1,594,238	11+12+14
10	Total Cost Incurred	122,229,252	17
11	Net Revenue in Excess of Cost Deferred Jan through Dec-13	50,954,776	
12	Securitization Servicing Fee in Excess of Costs Incurred	(228,000)	18
13	Net NGC (Over)/Under-Recovered Costs Deferred in 2013	50,726,776	19
14	NGC Over-Recovered Deferred Cost Balance at 12/31/13	(26,241,654)	20
15	NGC Deferred Interest Balance at 12/31/13	11,573,024	See Attachment F
16	NGC (Over)/Under-Recovered Deferred Balance including Interest at 12/31/13	(14,668,630)	

JERSEY CENTRAL POWER & LIGHT COMPANY
Summary of NGC Deferred Balance by Component (Actual)
For the Period January 1, 2014 through December 31, 2014

Line No.		Actual Data Jan - Dec 2014	Refer to Attachment B <u>Line No(s)</u>
1	<u>NGC Deferred Balance at 12/31/2013</u>	(26,241,654)	20
2	<u>NGC Deferred Balance 2014:</u>		
	<u>Revenues:</u>		
3	Wholesale Energy/Capacity (Sales of Committed Supply)	102,833,078	1
4	MTC/NGC Retail Tariff	(15,474,976)	3-(4+5)
5	Other Revenue Sources	12,152,789	2+6
6	<u>Total Revenues</u>	99,510,891	7
	<u>Costs:</u>		
7	Committed Supply: NUG and 2-Party Contract Payments	108,274,829	13+16
8	Committed Supply: Yards Creek Costs	23,645,801	8 thru 10+15
9	Other Expenses	709,054	11+12+14
10	<u>Total Cost Incurred</u>	132,629,484	17
11	Net Costs in Excess of Revenues Deferred Jan through Dec-14	33,118,593	
12	Securitization Servicing Fee in Excess of Costs Incurred	(228,000)	18
13	<u>Net NGC (Over)/Under-Recovered Costs Deferred in 2014</u>	32,890,593	19
14	NGC Under-Recovered Deferred Cost Balance at 12/31/14	6,648,938	20
15	NGC Deferred Interest Balance at 12/31/14	11,425,529	See Attachment C (Line 11)
16	<u>NGC (Over)Under-Recovered Deferred Balance Including Interest at 12/31/14</u>	18,074,467	

JERSEY CENTRAL POWER & LIGHT COMPANY
Calculation of Deferred NGC Expense by Month
For the Period January 1, 2014 through December 31, 2014

Line No.	Cumulative Balance Thru Dec-13	Actual Jan-14	Actual Feb-14	Actual Mar-14	Actual Apr-14	Actual May-14	Actual Jun-14
Revenues:							
1		30,856,591	9,395,972	12,133,522	5,244,630	6,728,281	6,986,185
2		1,859,136	2,113,570	2,142,340	208,290	646,767	298,071
3		5,197,529	4,975,603	5,041,208	4,375,365	\$4,131,936	\$4,557,347
4		4,379,649	4,194,986	4,259,460	3,708,316	3,500,902	\$3,810,082
5		2,208,745	2,115,414	2,147,980	1,870,077	1,765,530	1,986,014
6		231,784	219,255	213,461	222,688	217,960	217,913
7		31,556,647	10,394,000	13,123,091	4,472,580	6,458,512	6,263,420
Costs:							
8		203,980	208,131	207,360	207,003	208,981	216,381
9		88,639	89,599	90,438	90,546	90,945	92,164
10		239,398	111,576	190,942	476,488	133,661	129,136
11		284,464	12,670	249,778	177,112	55,920	50,025
12		(280,989)	(125,047)	(275,700)	3,600	186,255	(57,129)
13		2,188,902	2,060,998	2,346,923	1,952,520	2,086,890	1,597,200
14		81,920	55,721	24,113	(1,681)	(7,643)	(1,142)
15		6,413,386	1,448,346	1,982,410	699,767	1,032,227	944,122
16		15,461,127	9,065,596	9,703,673	5,126,796	6,096,804	7,552,570
17		24,680,826	12,927,591	14,499,936	8,732,152	9,864,041	10,523,326
18		-	-	-	-	-	-
19		(6,875,821)	2,533,591	1,376,845	4,259,572	3,405,529	4,259,907
20		(26,241,654)	(33,117,475)	(30,583,884)	(29,207,038)	(24,947,467)	(17,282,031)

JERSEY CENTRAL POWER & LIGHT COMPANY
Calculation of Deferred NGC Expense by Month
For the Period January 1, 2014 through December 31, 2014

Line No.		Actual Jul-14	Actual Aug-14	Actual Sep-14	Actual Oct-14	Actual Nov-14	Actual Dec-14	YTD 2014
Revenues:								
1	Wholesale Energy/Capacity Revenues (Sales of Committed Supply)	9,303,425	5,673,967	5,444,607	4,896,826	4,673,723	1,495,349	102,833,078
2	PJM Ancillary, Congestion & FTR Revenue	522,890	328,808	327,226	392,825	324,570	393,364	9,557,858
3	Total MTC Revenue	\$5,762,455	\$5,745,211	\$5,352,220	\$4,445,511	\$4,076,329	\$4,780,158	58,440,872
4	Less: TBC Revenue	\$4,679,419	\$4,649,797	\$4,341,194	\$3,622,841	\$3,333,485	\$3,881,096	48,361,229
5	Less: MTC-Tax Revenue	2,567,887	2,554,550	2,385,042	1,990,048	1,831,497	2,131,836	25,554,619
6	Telcom Revenue	216,200	213,548	213,339	213,048	209,875	205,861	2,594,930
7	Total Revenues	8,557,664	4,757,186	4,611,156	4,335,320	4,119,515	861,799	99,510,891
Costs:								
8	Return on Yards Creek Investment	223,692	222,567	221,441	234,923	237,243	236,195	2,627,897
9	Depreciation Expense - Yards Creek & Merrill Creek	93,949	94,838	94,838	96,380	98,290	98,669	1,119,294
10	Production O&M - Yards Creek	129,784	116,489	161,235	225,651	159,290	225,063	2,298,715
11	Ancillary Services	36,131	43,360	41,243	20,738	33,660	29,619	1,034,720
12	Financial Instruments - Incls. FTR Expense	55,568	16,600	32,195	3,600	3,600	3,600	(453,847)
13	Bilateral/2-Party Agreements (Restructured NUGs)	1,499,756	1,552,387	2,288,940	2,558,855	1,747,003	2,282,756	24,163,130
14	PJM Transmission Congestion	(4,921)	(2,885)	(6,516)	(5,338)	(959)	(2,489)	128,181
15	Yards Creek PJM Pumped Storage Cost	844,478	762,399	795,458	734,095	1,078,592	884,415	17,599,695
16	NUG Contract Payments	8,223,329	6,787,589	6,552,724	5,828,287	2,750,535	962,668	84,111,699
17	Total Costs	11,101,766	9,593,345	10,181,558	9,697,191	6,107,254	4,720,496	132,629,484
18	Annual Servicing Fee Paid in Excess of Cost Incurred		(228,000)	-	-	-	-	(228,000)
19	(Over)/Under Recovery of Costs	2,544,102	4,608,159	5,570,401	5,361,871	1,987,739	3,858,698	32,890,593
20	Cumulative (Over)/Under Recovery - NGC Balance	(14,737,929)	(10,129,770)	(4,559,369)	802,502	2,790,241	6,648,938	

Jersey Central Power & Light Company
Calculation of Interest on NGC Deferred Balance
For the Period January 1, 2014 through December 31, 2014

Line No.	ACTUAL Dec-13	ACTUAL Jan-14	ACTUAL Feb-14	ACTUAL Mar-14	ACTUAL Apr-14	ACTUAL May-14	ACTUAL Jun-14	ACTUAL Jul-14	ACTUAL Aug-14	ACTUAL Sep-14	ACTUAL Oct-14	ACTUAL Nov-14	ACTUAL Dec-14
1 Cumulative (Over)/Under Recovered NGC Deferred Balance	(26,241,854)	(33,117,475)	(30,583,884)	(29,207,038)	(24,947,467)	(21,541,938)	(17,282,031)	(14,737,929)	(10,129,770)	(4,559,369)	802,502	2,790,241	6,648,938
2 Balance at end of month for interest calculation	(26,241,854)	(33,117,475)	(30,583,884)	(29,207,038)	(24,947,467)	(21,541,938)	(17,282,031)	(14,737,929)	(10,129,770)	(4,559,369)	802,502	2,790,241	6,648,938
3 Deferred Tax Balance @ 40.85%	(10,719,716)	(13,528,489)	(12,493,516)	(11,931,075)	(10,191,040)	(8,799,881)	(7,059,710)	(6,020,444)	(4,138,011)	(1,862,502)	327,822	1,139,813	2,716,091
4 Deferred Balance Net of Tax for Interest Calculation	(15,521,938)	(19,588,986)	(18,090,368)	(17,275,963)	(14,756,427)	(12,742,057)	(10,222,321)	(8,717,485)	(5,991,759)	(2,696,867)	474,680	1,650,428	3,932,847
5 Accumulated Interest at January 1 for Compounding	11,573,025	11,573,025	11,573,025	11,573,025	11,573,025	11,573,025	11,573,025	11,573,025	11,573,025	11,573,025	11,573,025	11,573,025	11,573,025
6 Deferred Tax Balance @ 40.85%	4,727,581	4,727,581	4,727,581	4,727,581	4,727,581	4,727,581	4,727,581	4,727,581	4,727,581	4,727,581	4,727,581	4,727,581	4,727,581
7 Accumulated Interest Net of Tax for Compounding	6,845,444	6,845,444	6,845,444	6,845,444	6,845,444	6,845,444	6,845,444	6,845,444	6,845,444	6,845,444	6,845,444	6,845,444	6,845,444
8 Total Average Deferred Balance for Interest		(10,710,019)	(11,994,233)	(10,837,722)	(9,170,751)	(6,903,798)	(4,636,745)	(2,624,459)	(509,178)	2,501,131	5,734,350	7,907,997	9,637,081
9 Interest Rate		5.6000%	5.6000%	5.6000%	5.6000%	5.6000%	5.6000%	5.6000%	5.6000%	5.6000%	5.6000%	5.6000%	5.6000%
10 Interest on Deferred Balance for Month		(49,980)	(65,973)	(50,576)	(42,797)	(32,218)	(21,638)	(12,247)	(2,376)	11,672	26,760	36,904	44,973
11 Total Cumulative Deferred Interest	11,573,025	11,523,045	11,467,072	11,416,498	11,373,699	11,341,481	11,319,843	11,307,596	11,305,220	11,316,892	11,343,652	11,380,656	11,425,529

Note: May include in current month, retroactive adjustments to interest actually recorded in subsequent months.

JERSEY CENTRAL POWER & LIGHT COMPANY
Summary of NGC Deferred Balance by Component (Actual/Forecast)
For the Period January 1, 2015 through December 31, 2015

Line No.		Actual/Forecast Data Jan - Dec 2015	Refer to Attachment E Line No(s).
1	NGC Deferred Balance at 12/31/2014	6,648,938	20
2	NGC Deferred Balance 2015:		
	Revenues:		
3	Wholesale Energy/Capacity (Sales of Committed Supply)	27,964,003	1
4	MTC/NGC Retail Tariff	1,330,052	3-(4+5)
5	Other Revenue Sources	5,409,805	2+6
6	Total Revenues	34,703,860	7
	Costs:		
7	Committed Supply: NUG and 2-Party Contract Payments	23,549,957	13+16
8	Committed Supply: Yards Creek Costs	18,286,444	8 thru 10+15
9	Other Expenses	479,832	11+12+14
10	Total Cost Incurred	42,316,234	17
11	Net Costs in Excess of Revenues Deferred Jan through Dec-15	7,612,374	
12	Securitization Servicing Fee in Excess of Costs Incurred	(228,000)	18
13	Net NGC (Over)/Under-Recovered Costs Deferred In 2015	7,384,374	19
14	NGC Under-Recovered Deferred Cost Balance at 12/31/15	14,033,312	20
15	NGC Deferred Interest Balance at 12/31/15	12,231,982	See Attachment F (Line 11)
16	NGC (Over)Under-Recovered Deferred Balance Including Interest at 12/31/15	26,265,295	

JERSEY CENTRAL POWER & LIGHT COMPANY
Summary of NGC Deferred Balance by Component (Actual)
For the Period January 1, 2015 through December 31, 2015

Line No.		Actual Data Jan - Dec 2015	Refer to Attachment E Line No(s).
1	NGC Deferred Balance at 12/31/2014	6,648,938	20
2	NGC Deferred Balance 2015:		
	<u>Revenues:</u>		
3	Wholesale Energy/Capacity (Sales of Committed Supply)	25,429,913	1
4	MTC/NGC Retail Tariff	1,419,850	3-(4+5)
5	Other Revenue Sources	5,417,275	2+6
6	Total Revenues	32,267,037	7
	<u>Costs:</u>		
7	Committed Supply: NUG and 2-Party Contract Payments	23,651,509	13+16
8	Committed Supply: Yards Creek Costs	15,180,724	8 thru 10+15
9	Other Expenses	500,119	11+12+14
10	Total Cost Incurred	39,332,351	17
11	Net Costs in Excess of Revenues Deferred Jan through Dec-15	7,065,314	
12	Securitization Servicing Fee in Excess of Costs Incurred	(228,000)	18
13	Net NGC (Over)/Under-Recovered Costs Deferred in 2015	6,837,314	19
14	NGC Under-Recovered Deferred Cost Balance at 12/31/15	13,486,252	20
15	NGC Deferred Interest Balance at 12/31/15	12,228,235	See Attachment F
16	NGC (Over)Under-Recovered Deferred Balance Including Interest at 12/31/15	25,714,488	

JERSEY CENTRAL POWER & LIGHT COMPANY
Calculation of Deferred NGC Expense by Month
For the Period January 1, 2015 through December 31, 2015

Line No.	Cumulative Balance Thru Dec-14	Actual Jan-15	Actual Feb-15	Actual Mar-15	Actual Apr-15	Actual May-15	Actual Jun-15
Revenues:							
1		1,982,595	4,284,668	2,338,227	1,360,271	2,002,360	2,108,656
2		357,187	472,705	353,183	235,047	(558,554)	253,838
3		5,010,385	5,834,250	6,911,834	5,873,204	\$5,297,980	\$6,510,159
4		4,055,597	4,251,562	4,246,916	3,611,080	3,263,206	\$3,980,162
5		2,233,685	2,335,853	2,333,296	1,983,964	1,792,850	2,203,718
6		214,611	209,903	220,733	215,369	213,475	218,279
7	Total Revenues	1,265,496	4,214,111	3,243,765	2,088,848	1,899,205	2,907,052
Costs:							
8		235,538	225,636	230,190	229,151	212,718	211,664
9		98,736	99,129	97,362	124,331	106,392	106,413
10		217,645	233,079	383,854	235,554	219,488	341,466
11		(27,479)	160,967	29,097	28,041	28,073	30,885
12		3,600	3,600	3,600	3,600	3,600	3,600
13		2,214,105	1,937,214	1,828,731	2,222,838	2,001,487	2,034,479
14		121	8,044	1,609	(7,832)	(50,386)	26,847
15		727,743	2,423,590	829,116	416,839	608,784	429,769
16		789,317	257,156	230,371	208,192	214,605	208,722
17	Total Costs	4,259,325	5,348,415	3,633,959	3,460,714	3,344,761	3,393,844
18	Annual Servicing Fee Paid in Excess of Cost Incurred	-	-	-	-	-	-
19	(Over)/Under Recovery of Costs	2,993,830	1,134,303	390,194	1,371,866	1,445,556	486,792
20	Cumulative (Over)/Under Recovery - NGC Balance	6,648,938	9,642,768	10,777,072	11,167,265	12,539,131	14,471,479

JERSEY CENTRAL POWER & LIGHT COMPANY
Calculation of Deferred NGC Expense by Month
For the Period January 1, 2015 through December 31, 2015

Line No.		Actual Jul-15	Actual Aug-15	Actual Sep-15	Actual Oct-15	Actual Nov-15	Actual Dec-15	YTD 2015
	Revenues:							
1	Wholesale Energy/Capacity Revenues (Sales of Committed Supply)	2,112,120	2,561,528	2,046,896	1,578,634	1,520,551	1,533,408	25,429,913
2	PJM Ancillary, Congestion & FTR Revenue	389,335	276,928	375,584	207,105	211,560	216,016	2,789,933
3	Total MTC Revenue	\$7,656,951	\$8,303,675	\$7,998,913	\$8,139,161	\$5,068,202	\$5,901,296	76,506,011
4	Less: TBC Revenue	\$4,640,760	\$5,019,591	\$4,851,761	\$3,718,850	\$3,093,194	\$3,544,038	48,286,715
5	Less: MTC-Tax Revenue	2,596,242	2,809,010	2,715,254	2,081,202	1,731,072	1,983,302	26,799,447
6	Telcom Revenue	224,916	224,385	221,726	220,851	220,759	222,335	2,627,342
7	Total Revenues	3,146,320	3,537,915	3,076,104	2,345,699	2,196,806	2,345,716	32,267,037
	Costs:							
8	Return on Yards Creek Investment	211,139	210,089	209,543	208,414	208,581	208,705	2,601,367
9	Depreciation Expense - Yards Creek & Merrill Creek	106,499	106,585	106,670	106,517	106,454	106,777	1,271,864
10	Production O&M - Yards Creek	325,616	225,281	256,273	514,732	186,780	256,342	3,396,139
11	Ancillary Services	44,001	131,137	35,376	32,964	33,680	25,021	551,763
12	Financial Instruments - Incls. FTR Expense	3,600	3,600	3,600	3,600	3,600	3,600	43,200
13	Bilateral/2-Party Agreements (Restructured NUGs)	1,563,085	1,571,261	1,880,514	2,176,496	890,704	151,610	20,472,522
14	PJM Transmission Congestion	(20,414)	(4,920)	(11,134)	(6,697)	(12,979)	(17,102)	(94,844)
15	Yards Creek PJM Pumped Storage Cost	556,750	611,565	490,274	276,073	303,828	237,023	7,911,353
16	NUG Contract Payments	226,571	219,362	176,557	223,806	211,069	213,258	3,178,987
17	Total Costs	3,016,845	3,073,960	3,147,672	3,535,905	1,931,718	1,185,234	39,332,351
18	Annual Servicing Fee Paid in Excess of Cost Incurred	(228,000)	-	-	-	-	-	(228,000)
19	(Over)/Under Recovery of Costs	(357,475)	(463,955)	71,568	1,190,206	(265,088)	(1,160,483)	6,837,314
20	Cumulative (Over)/Under Recovery - NGC Balance	14,114,004	13,650,049	13,721,617	14,911,823	14,646,735	13,486,252	

Jersey Central Power & Light Company
Calculation of Interest on NGC Deferred Balance
For the Period January 1, 2015 through December 31, 2015

Line No.	ACTUAL Dec-14	ACTUAL Jan-15	ACTUAL Feb-15	ACTUAL Mar-15	ACTUAL Apr-15	ACTUAL May-15	ACTUAL Jun-15	ACTUAL Jul-15	ACTUAL Aug-15	ACTUAL Sep-15	ACTUAL Oct-15	ACTUAL Nov-15	ACTUAL Dec-15
1 Cumulative (Over)/Under Recovered NGC Deferred Balance	6,648,938	9,642,768	10,777,072	11,167,265	12,539,131	13,984,687	14,471,479	14,114,004	13,650,049	13,721,617	14,911,823	14,646,735	13,486,252
2 Balance at end of month for interest calculation	6,648,938	9,642,768	10,777,072	11,167,265	12,539,131	13,984,687	14,471,479	14,114,004	13,650,049	13,721,617	14,911,823	14,646,735	13,486,252
3 Deferred Tax Balance @ 40.85%	2,716,091	3,939,071	4,402,434	4,561,828	5,122,235	5,712,745	5,911,599	5,765,571	5,576,045	5,605,281	6,091,480	5,983,191	5,509,134
4 Deferred Balance Net of Tax for Interest Calculation	3,932,847	5,703,697	6,374,638	6,605,437	7,416,896	8,271,942	8,559,880	8,348,433	8,074,004	8,116,336	8,820,343	8,663,544	7,977,118
5 Accumulated Interest at January 1 for Compounding	11,425,528	11,425,528	11,425,528	11,425,528	11,425,528	11,425,528	11,425,528	11,425,528	11,425,528	11,425,528	11,425,528	11,425,528	11,425,528
6 Deferred Tax Balance @ 40.85%	4,667,328	4,667,328	4,667,328	4,667,328	4,667,328	4,667,328	4,667,328	4,667,328	4,667,328	4,667,328	4,667,328	4,667,328	4,667,328
7 Accumulated Interest Net of Tax for Compounding	6,758,200	6,758,200	6,758,200	6,758,200	6,758,200	6,758,200	6,758,200	6,758,200	6,758,200	6,758,200	6,758,200	6,758,200	6,758,200
8 Total Average Deferred Balance for Interest		11,576,473	12,797,368	13,248,238	13,769,367	14,602,619	15,174,111	15,212,357	14,969,419	14,853,370	15,226,540	15,500,144	15,078,532
9 Interest Rate		5.6000%	5.6000%	5.6000%	5.6000%	5.6000%	5.6000%	5.6000%	5.6000%	5.6000%	5.6000%	5.6000%	5.6000%
10 Interest on Deferred Balance for Month		54,024	59,721	61,825	64,257	68,146	70,813	70,991	69,857	69,316	71,057	72,334	70,366
11 Total Cumulative Deferred Interest	11,425,528	11,479,552	11,539,273	11,601,098	11,665,355	11,733,501	11,804,314	11,875,305	11,945,162	12,014,478	12,085,535	12,157,869	12,228,235

Note: May include in current month, retroactive adjustments to interest actually recorded in subsequent months.

Jersey Central Power & Light Company

Derivation of NGC Rates by Voltage Level

Proposed Annual NGC Revenue Increase	\$ 25,714,488	Refer to: Attachment D (Updated)
Proposed Increase in NGC Factor (\$ per kWh)	0.001262	
Current Composite MTC/NGC Factor (\$ per kWh)	0.003750	
Proposed Composite MTC/NGC Factor (\$ per kWh)	0.005012	

	Total (a)	Voltage Level					Special Provision d (f)	Total Excluding Special Provision d kWh (g)
		Secondary (b)	Primary (c)	34.5 kV (d)	230 kV (e)	Transmission		
<u>Reallocate Special Provision d to All Remaining Classes {1}</u>								
1 Forecast 7/2016 - 6/2017 Delivery kWh	20,376,466,365	16,477,779,936	1,707,530,136	1,985,144,356	105,059,802	100,952,135	20,275,514,230	
2 Proposed Composite MTC/NGC Factor	0.005012							
3 Annual NGC Revenues (equals line 2, column a times line 1)	\$102,126,849							
4 Special Provision d NGC rate per kWh (excl. SUT)						\$0.000000		
5 Annual Special Provision d NGC revenue (equals line 1 times line 4)						\$0		
						{1}		
6 Annual NGC Revenues - Excluding Special Provision d (equals line 3 minus line 5)							\$102,126,849	
7 Adjusted Composite MTC/NGC Factor (equals line 6, column g divided by line 1, column g)	0.005037							
8 Loss Factors		1.118	1.061	1.0406	1.0191	1.0191		
9 Net System Requirements (equals line 1 times line 8)		18,422,157,968	1,811,689,474	2,065,741,217	107,066,444		22,406,655,103	
10 Retail Sales Ratio (equals column value of line 1 divided by line 1, column g)		0.812693565	0.084216366	0.097908459	0.005181610		1.000000000	
11 NSR Ratio (equals column value of line 9 divided by line 9 total)		0.822173496	0.080854972	0.092193199	0.004778332		1.000000000	
12 Voltage Adjustment Factor (equals line 11 divided by line 10)		1.0116648	0.9600862	0.9416265	0.9221714			
13 Adjusted Composite MTC/NGC Factor (equals line 7)		0.005037	0.005037	0.005037	0.005037			
14 NGC per kWh, Excluding SUT (equals line 13 multiplied by line 12) {1}		\$0.005096	\$0.004836	\$0.004743	\$0.004645	\$0.000000		
15 NGC per kWh, Including SUT (equals line 14 multiplied by 1.07)		\$0.005453	\$0.005175	\$0.005075	\$0.004970	\$0.000000		
16 NGC Revenue at revised rates excluding SUT (equals line 14 times line 1)		\$83,970,767	\$8,257,616	\$9,415,540	\$488,003	\$0	\$102,131,926	
17 NGC Revenue at revised rates compared to initial NGC target revenue increase (equals line 16, column g minus line 3, column a)							\$5,077	
18 Cumulative rounding error (equals line 17, column g divided by line 1, column g)							\$0.0000003	

{1} See Attachment F, Page 2 of 2

Jersey Central Power & Light Company

Derivation of NGC Rates by Voltage Level (Special Provision d)

	Voltage Level						Total Excluding Special Provision d kWh (g)
	Total (a)	Secondary (b)	Primary (c)	Transmission		Special Provision d (f)	
				34.5 kV (d)	230 kV (e)		
Proposed Annual NGC Revenue Increase	\$ 25,714,488	Refer to: Attachment D (Updated)					
Increase in NGC Factor (\$ per kWh)	0.001262						
Current Composite MTC/NGC Factor (\$ per kWh)	0.003750						
Proposed Composite MTC/NGC Factor (\$ per kWh)	0.005912						
1. Forecast 7/2016 - 6/2017 Delivery kWh	20,376,466,365	16,477,779,936	1,707,530,136	1,985,144,356	105,059,802	100,952,135	20,275,514,230
2. Proposed Composite MTC/NGC Factor	0.005012						
3. Annual NGC Revenues (equals line 2, column a times line 1)	\$102,126,849						
4. Special Provision d NGC rate per kWh (excl. SUT)							
5. Annual Special Provision d NGC revenue (equals line 1 times line 4)							
6. Annual NGC Revenues - Excluding Special Provision d (equals line 3 minus line 5)							
7. Adjusted Composite MTC/NGC Factor (equals line 6, column g divided by line 1, column g)	0.005035						
8. Loss Factors		1.118	1.061	1.0406	1.0191	1.0191	
9. Net System Requirements (equals line 1 times line 8)		18,422,157,968	1,811,689,474	2,065,741,217	107,066,444		22,406,655,103
10. Retail Sales Ratio (equals column value of line 1 divided by line 1, column g)		0.812693565	0.084216366	0.097908459	0.005181610		1.000000000
11. NSR Ratio (equals column value of line 9 divided by line 9 total)		0.822173496	0.080854972	0.092193199	0.004778332		1.000000000
12. Voltage Adjustment Factor (equals line 11 divided by line 10)		1.0116648	0.9600862	0.9416265	0.9221714		
13. Adjusted Composite MTC/NGC Factor (equals line 7)		0.005035	0.005035	0.005035	0.005035		
14. NGC per kWh, Excluding SUT (equals line 13 multiplied by line 12)		\$0.005094	\$0.004034	\$0.004741	\$0.004644	\$0.000312	
15. NGC per kWh, Including SUT (equals line 14 multiplied by 1.07) {1}		\$0.005451	\$0.005172	\$0.005073	\$0.004869 {1}	\$0.000334 {1}	
16. NGC Revenue at revised rates excluding SUT (equals line 14 times line 1)		\$83,937,811	\$8,254,201	\$9,411,569	\$487,898	\$31,497	\$102,122,976
17. NGC Revenue at revised rates compared to initial NGC target revenue decrease (equals line 16, column g minus line 3, column a)							
18. Cumulative rounding error (equals line 17, column g divided by line 1, column g)							

{1} Per tariff Special Provision d: The NGC charge shall be the lesser of (1) \$0.000312 per kWh (\$0.000334 per kWh including SUT), or (2) the net of NGC - High Tension Service and an NGC Credit of \$0.009844 per kWh (\$0.010533 per kWh including SUT), but not less than zero, for all kWh usage. Accordingly, the revised Special Provision d rate is at zero (\$0.004869 less \$0.010533 is negative).

Attachment G

Current and Proposed Tariff Sheets

JERSEY CENTRAL POWER & LIGHT COMPANY

BPU No. 11 ELECTRIC - PART III

Original Sheet No. 38

**Rider NGC
Non-utility Generation Charge**

APPLICABILITY: Rider NGC provides a non-utility generation charge ("NGC") applicable to all KWH usage of any Full Service Customer or Delivery Service Customer.

Effective September 1, 2004, Rider MTC ("Market Transition Charge") is renamed Rider NGC to comply with the BPU Final Order dated May 17, 2004 (Docket Nos. ER02080506, etc.) that "the MTC shall be discontinued and renamed the NGC" for customer billing purposes.

Effective August 1, 2003, the Company recovers through the MTC charge, the MTC deferred balance which includes: (1) BPU-approved costs incurred during the transition to a competitive retail market and under-recovered during the period from August 1, 1999 through July 31, 2003; and (2) all BPU-approved costs associated with committed supply energy, capacity and ancillary services, net of all revenues from the sale of the committed supply in the wholesale market (Docket Nos. EX01110754 and EX01050303, etc.) Carrying cost shall be computed on a monthly basis at the applicable BPU-approved interest rate on the average net-of-tax over or under-recovered balance of the MTC, compounded annually.

Effective August 1, 2003, the composite MTC Factor shall be \$0.011013 per KWH (excluding SUT), which includes the interim recovery of MTC deferred balance as of July 31, 2003, until the BPU's decision on the securitization of the MTC deferred balance.

Effective June 1, 2005, the composite MTC Factor shall be reduced to \$0.010614 per KWH (excluding SUT), which includes the anticipation of the savings to be realized from the securitization of a portion of the MTC deferred balance as of July 31, 2003 ("Deferred BGS Transition Costs") pending the BPU approval. By Order dated June 8, 2006, the BPU approved the securitization of Deferred BGS Transition Costs.

Effective December 6, 2006, the composite MTC/NGC Factor shall be \$0.015492 per KWH (excluding SUT), which includes an increase in the NGC Factor of \$0.004878 per KWH.

Effective March 1, 2011, the composite MTC/NGC Factor shall be \$0.007687 per KWH (excluding SUT), which includes a decrease in the NGC Factor of \$0.007805 per KWH.

Effective March 1, 2012, the composite MTC/NGC Factor shall be \$0.002839 per KWH (excluding SUT), which includes a decrease in the NGC Factor of \$0.004848 per KWH.

Effective February 2, 2015, the composite MTC/NGC Factor shall be \$0.003750 per KWH (excluding SUT), which includes an increase in the NGC Factor of \$0.000911 per KWH.

For billing purposes, the composite MTC/NGC Factor of \$0.003750 per KWH, which includes the revised OC-TBC and OC-MTC-Tax associated with the securitization of Oyster Creek and the DB-TBC and DB-MTC-Tax associated with the securitization of Deferred BGS Transition Costs, as detailed below, shall be applied to all KWH usage of any Full Service Customer or Delivery Service Customer as follows:

<u>Voltage Adjusted MTC Charges per KWH (renamed NGC Charges per KWH)</u>	<u>Including SUT</u>
Secondary Voltages (Applicable to Service Classifications RS, RT, RGT, GS, GST, OL, SVL, MVL and ISL)	\$0.003828 \$0.004096
Primary Voltages (Applicable to Service Classification GP)	\$0.003632 \$0.003886
Transmission Voltages High Tension Service (230 KV) (Applicable to Service Classification GT)	\$0.003563 \$0.003489 \$0.003812 \$0.003733

Issued: March 27, 2015

Effective: April 1, 2015

**Filed pursuant to Order of Board of Public Utilities
Docket No. ER12111052 dated March 26, 2015**

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

**Rider NGC
Non-utility Generation Charge**

APPLICABILITY: Rider NGC provides a non-utility generation charge ("NGC") applicable to all KWH usage of any Full Service Customer or Delivery Service Customer.

Effective September 1, 2004, Rider MTC ("Market Transition Charge") is renamed Rider NGC to comply with the BPU Final Order dated May 17, 2004 (Docket Nos. ER02080506, etc.) that "the MTC shall be discontinued and renamed the NGC" for customer billing purposes.

Effective August 1, 2003, the Company recovers through the MTC charge, the MTC deferred balance which includes: (1) BPU-approved costs incurred during the transition to a competitive retail market and under-recovered during the period from August 1, 1999 through July 31, 2003; and (2) all BPU-approved costs associated with committed supply energy, capacity and ancillary services, net of all revenues from the sale of the committed supply in the wholesale market (Docket Nos. EX01110754 and EX01050303, etc.) Carrying cost shall be computed on a monthly basis at the applicable BPU-approved interest rate on the average net-of-tax over or under-recovered balance of the MTC, compounded annually.

Effective August 1, 2003, the composite MTC Factor shall be \$0.011013 per KWH (excluding SUT), which includes the interim recovery of MTC deferred balance as of July 31, 2003, until the BPU's decision on the securitization of the MTC deferred balance.

Effective June 1, 2005, the composite MTC Factor shall be reduced to \$0.010614 per KWH (excluding SUT), which includes the anticipation of the savings to be realized from the securitization of a portion of the MTC deferred balance as of July 31, 2003 ("Deferred BGS Transition Costs") pending the BPU approval. By Order dated June 8, 2006, the BPU approved the securitization of Deferred BGS Transition Costs.

Effective December 6, 2006, the composite MTC/NGC Factor shall be \$0.015492 per KWH (excluding SUT), which includes an increase in the NGC Factor of \$0.004878 per KWH.

Effective March 1, 2011, the composite MTC/NGC Factor shall be \$0.007687 per KWH (excluding SUT), which includes a decrease in the NGC Factor of \$0.007805 per KWH.

Effective March 1, 2012, the composite MTC/NGC Factor shall be \$0.002839 per KWH (excluding SUT), which includes a decrease in the NGC Factor of \$0.004848 per KWH.

Effective February 2, 2015, the composite MTC/NGC Factor shall be \$0.003750 per KWH (excluding SUT), which includes an increase in the NGC Factor of \$0.000911 per KWH.

Effective _____, the composite MTC/NGC Factor shall be \$0.005012 per kWh (excluding SUT), which includes an increase in the NGC Factor of \$0.001262 per KWH.

For billing purposes, the composite MTC/NGC Factor of \$0.005012 per KWH, which includes the revised OC-TBC and OC-MTC-Tax associated with the securitization of Oyster Creek and the DB-TBC and DB-MTC-Tax associated with the securitization of Deferred BGS Transition Costs, as detailed below, shall be applied to all KWH usage of any Full Service Customer or Delivery Service Customer as follows:

<u>Voltage Adjusted MTC Charges per KWH (renamed NGC Charges per KWH)</u>	<u>Including SUT</u>
Secondary Voltages (Applicable to Service Classifications RS, RT, RGT, GS, GST, OL, SVL, MVL and ISL)	\$0.005096 \$0.005453
Primary Voltages (Applicable to Service Classification GP)	\$0.004836 \$0.005175
Transmission Voltages	
High Tension Service (230 KV) (Applicable to Service Classification GT)	\$0.004743 \$0.004645 \$0.005075 \$0.004970

Issued:

Effective:

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

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