



Agenda Date: 4/23/25

Agenda Item: 2A

**STATE OF NEW JERSEY**  
**Board of Public Utilities**  
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Trenton, New Jersey 08625-0350  
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ENERGY

IN THE MATTER OF THE VERIFIED PETITION ) ORDER APPROVING STIPULATION  
OF JERSEY CENTRAL POWER & LIGHT ) OF SETTLEMENT  
COMPANY FOR APPROVAL OF AN )  
INFRASTRUCTURE INVESTMENT PROGRAM II ) DOCKET NO. EO23110793  
("ENERGIZENJ")

**Parties of Record:**

**Gregory Eisenstark, Esq.**, Cozen O'Connor on behalf of Jersey Central Power & Light Company  
**Brian O. Lipman, Esq., Director**, New Jersey Division of Rate Counsel  
**Steven S. Goldenberg, Esq.**, Giordano, Halleran and Ciesla, P.C. for New Jersey Large Energy Users Coalition

**BY THE BOARD:**

By this Decision and Order, the New Jersey Board of Public Utilities ("Board") considers a stipulation of settlement ("Stipulation") executed by Jersey Central Power & Light Company ("JCP&L" or "Company"), Board Staff ("Staff"), the New Jersey Division of Rate Counsel ("Rate Counsel"), and the New Jersey Large Energy Users Coalition ("NJLEUC") (collectively, "Parties"), which resolves all issues in controversy in the above-captioned matter.

**BACKGROUND AND PROCEDURAL HISTORY**

On November 9, 2023, JCP&L filed a petition with the Board seeking approval of an Infrastructure Investment Program ("IIP") and an associated cost recovery mechanism pursuant to N.J.A.C. 14:3-2A.1 *et seq.* ("Petition").<sup>1</sup> On February 27, 2024, JCP&L submitted an amended petition, which proposed its five (5)-year IIP, "EnergizeNJ," ("Program") with a total investment level of approximately \$930.5 million ("Amended Petition").<sup>2</sup>

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<sup>1</sup> On December 19, 2017, the Board adopted new regulations for utility "Infrastructure Investment and Recovery" supporting the implementation of an IIP, which allows a utility to accelerate its investment in the construction, installation, and rehabilitation of certain non-revenue producing utility plant and facilities that enhance safety, reliability, and/or resiliency ("II&R Regulations"). The rules are codified at N.J.A.C. 14:3-2A.1 *et seq.* and became effective on January 16, 2018.

<sup>2</sup> By the Petition, as initially filed, JCP&L proposed to spend approximately \$934.8 million over the five (5)-year life of the Program.

By the Amended Petition, the Company proposed three (3) Program categories: 1) Grid Modernization; 2) System Resiliency; and 3) Substation Modernization. The estimated cost and proposed programs in each category are summarized in the table below:

Subprogram	Projects	Costs
Grid Modernization	Lateral Fuse Replacement with TripSaver II; Circuit Protection and Sectionalization; Distribution Circuit of the Future; Underground Cable Replacement; and Selective Undergrounding	Approximately \$271.3 Million
System Resiliency	Distribution Voltage Standardization; Automatic Circuit Ties with Supervisory Control and Data Acquisition (“SCADA”) (Loop Schemes); New Distribution Sources; and Distribution Automation Enablement	Approximately \$559.3 Million
Substation Modernization	Coastal Substation Switchgear Replacement; Oil Circuit Breaker Replacements; Modernize Protective Equipment; Remote Terminal Unit (“RTU”) Replacements; and Mobile Substations	Approximately \$100.0 Million

JCP&L proposed to recover costs associated with the Program through its base rates via annual and semi-annual base rate adjustment filings which JCP&L noted is “generally consistent with the Board’s [II&R Regulations].”<sup>3</sup> As such, by the Amended Petition, JCP&L requested a waiver of the requirement at N.J.A.C. 14:3-2A.6(d) that IIP-related costs be recovered through a separate clause of the utility’s Board-approved tariff. For each base rate adjustment filing, JCP&L proposed to calculate the revenue requirements associated with the Program’s costs as follows: Pre-Tax Cost of Capital multiplied by the rate base plus depreciation and/or amortization. JCP&L also proposed to earn a return on its investment based on the return on equity, long-term debt, and capital structure approved by the Board in its most recent base rate case. As further proposed, any future changes in the Weighted Average Cost of Capital (“WACC”) authorized by the Board would be reflected in the subsequent revenue requirement calculations and subsequent base rate adjustment filings for the Program.

By Order dated December 20, 2023, the Board determined that the Petition should be retained by the Board for hearing and, pursuant to N.J.S.A. 48:2-32, designated Commissioner Zenon Christodoulou as the presiding officer authorized to rule on all motions arising during the pendency of these proceedings and modify any schedules as may be necessary to ensure a just and expeditious determination of the issues.<sup>4</sup> Additionally, by the December 2023 Order, the Board directed that entities seeking leave to intervene or participate in this matter file the appropriate application with the Board by January 19, 2024, and that any party wishing to file a motion for admission of counsel *pro hac vice* do so concurrently with any motion to intervene or participate.

<sup>3</sup> Specifically, JCP&L proposed to conduct seven (7) rate adjustment filings, consisting of four (4) semi-annual filings and three (3) annual filings.

<sup>4</sup> In re the Verified Petition of Jersey Central Power & Light Company for Approval of an Infrastructure Investment Program II (“EnergizeNJ”), Order Designating Commissioner and Setting Manner of Service and Bar Date, BPU Docket No. EO23110793, Order dated December 20, 2023 (“December 2023 Order”).

On March 28, 2024, Commissioner Christodoulou issued an Order ruling on motions to intervene and participate in this matter, thereby granting intervenor status to NJLEUC and participant status to the Commercial Metals Company, Atlantic City Electric Company, and Public Service Electric and Gas Company.<sup>5</sup>

Following proper notice, two (2) virtual public hearings were held on March 31, 2025. No members of the public appeared or provided comments at the hearings. However, the Board received numerous written public comments from constituents regarding the Program, with the majority of comments in support of the Program.

### **STIPULATION**

Following extensive discovery and settlement discussions, the Parties executed the Stipulation, which provides for the following:<sup>6</sup>

15. Subject to Board approval of the Stipulation, JCP&L may implement EnergizeNJ under the terms and conditions described in the Stipulation. The Program will include capital investment in the JCP&L electric distribution system, an IIP accelerated rate recovery mechanism including scheduled rate adjustment filings, and other provisions described in the Stipulation. In addition, the Stipulation provides for an annual baseline capital expenditure to be made by the Company and recovered through base rates.
16. EnergizeNJ shall consist of a total IIP capital investment of \$202,537,239 in the Company's electric distribution system beginning on July 1, 2025 and continuing through December 31, 2028. The Company shall seek recovery of that capital investment through the Company's Rider EnergizeNJ mechanism, including three (3) semi-annual rate adjustment filings and two (2) annual rate adjustment filings as described below in the Stipulation ("EnergizeNJ Rate Mechanism").
17. The Program is comprised of three (3) overarching main project categories that are comprised of a total of seven (7) components dispersed under each main category project with capital investment levels up to the following amounts for which the Company may seek to recover through the EnergizeNJ Rate Mechanism:

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<sup>5</sup> In re the Verified Petition of Jersey Central Power & Light Company for Approval of an Infrastructure Investment Program II ("EnergizeNJ"), Order on Motions to Intervene or Participate, BPU Docket No. EO23110793, Order dated March 28, 2024.

<sup>6</sup> Although summarized in this Order, should there be any conflict between this summary and the Stipulation, the detailed terms of the Stipulation are controlling, subject to the findings and conclusions of this Order. Paragraphs are numbered to coincide with the Stipulation.

<b><u>Project</u></b>	<b><u>\$(dollars)</u></b>
<b>Grid Modernization</b>	<b>\$20,450,320</b>
Lateral Fuse Replacement with TripSaver II	\$17,234,770
Circuit Protection and Sectionalization	\$3,215,550
<b>System Resiliency</b>	<b>\$128,935,762</b>
New Distribution Sources	\$34,693,201
Automatic Circuit Ties with SCADA (loop scheme)	\$62,708,682
Distribution Automation Enablement	\$31,533,879
<b>Substation Modernization</b>	<b>\$53,151,157</b>
Modern Protective Equipment	\$20,928,057
RTU Replacements	\$32,223,100
<b>EnergizeNJ total IIP</b>	<b>\$202,537,239</b>

18. To the extent the Company decides not to proceed with any of the subprogram projects identified in Paragraphs 17 and 18 of the Stipulation, as originally planned, the Parties stipulate that those projects will no longer be recovered through the EnergizeNJ Program and the total EnergizeNJ budget will be decreased by the stipulated cost. The Company is free to seek recovery of prudently incurred costs of these or similar projects through a future base rate case as normal base spend outside the EnergizeNJ Rate Mechanism. These projects and component projects and the work to be performed thereunder are described as follows:
- Grid Modernization. Component projects in the Grid Modernization category include Lateral Fuse Replacement with TripSaver II project (upgrading existing fused cutouts with “TripSaver II” circuit-mounted reclosers) and Circuit Protection and Sectionalization. In the Circuit Protection and Sectionalization component, the Company will replace fuses on 4.8kV circuits with electronic reclosers equipped with SCADA control.
  - System Resiliency. Component projects in this category include New Distribution Sources; Automatic Circuit Ties with SCADA (loop scheme); and Distribution Automation Enablement. In the Automatic Circuit Ties with SCADA (loop scheme) project, the Company will install SCADA reclosers to automatically switch customer loads during outage events and upgrade conductors to provide increased capacity to, among other things, enable circuit ties. The Company will include the creation of new circuits or installation of additional substation sources, including new distribution transformers in the New Distribution Sources component. In the Distribution Automation Enablement component, the Company will replace electromechanical relays with industry appropriate devices as required on associated line and substation devices.
  - Substation Modernization. The Substation Modernization category includes the Modernize Protective Equipment and RTU Replacement component projects. The Modernize Protection Equipment component will upgrade under-frequency load shed and distribution protection unit style relays with modernized protective equipment at an accelerated rate. In the RTU Replacement project, upgraded RTUs will provide enhanced data that would provide the Distribution System Operator the visibility to monitor the system, specifically, load, voltage and various transformer monitoring at the distribution level.

19. **Attachment 1** to the Stipulation summarizes the estimated projected EnergizeNJ capital in-servicing per component per year and in total. For calendar years 2025 and 2026, the Company will provide an updated version of this attachment by November 1, 2025 to Staff and Rate Counsel in the form of updated Schedules. This will continue annually for the duration of the Program. There are a number of factors that can potentially affect the Company's ability to in-service equipment per the schedule and, therefore, the in-service equipment schedule would require an annual update. These items may include, but are not limited to, constraints around acquiring needed equipment, as also discussed in Paragraph 28 of the Stipulation.

### **Baseline Capital Expenditures**

20. In addition to the EnergizeNJ expenditures described in the Stipulation, the Company agrees to maintain a minimum annual baseline capital expenditure of \$200 million for each year of the Program period (July 1, 2025 through December 31, 2028), or prorated annual amount where applicable, that includes metering, replacements and improvements, reliability, street lighting, system reinforcements, facilities, tools and equipment, and/or other.<sup>7</sup> The Company will also maintain capital expenditures of \$20 million [equal to ten percent (10%) of actual spend] on similar projects over the same duration pursuant to N.J.A.C. 14:3-2A.2(c). The Company further agrees to additional capital expenditures of \$112 million for matching projects (with no specified annual amounts) to be completed by the end of the Program. The total stipulated base spending (\$132 million) shall consist of no less than the following project components in the Company's Amended Petition: Selective Undergrounding (\$5.2M), New Distribution Sources (\$66.8M), Automatic Circuit Ties with SCADA (\$19.1M), Replace Coastal Substation Switchgear (\$18.8M), Oil Circuit Breaker Replacement (\$13.3M), and Mobile Substations (\$8.7M). The Company shall spend at least twenty percent (20%) of the \$132 million total stipulated base spending (or \$26.4 million) before its second EnergizeNJ rate adjustment (for investment placed in service through December 31, 2026) shall become effective. The Company shall spend at least fifty percent (50%) of the \$132 million total stipulated base spending (or \$66 million) before its third EnergizeNJ rate adjustment (for investment placed in service through December 31, 2027) shall become effective. The Company shall complete its \$132 million total stipulated base spending before its fifth EnergizeNJ rate adjustment (for investment placed in service through December 31, 2028) shall become effective.

### **Term**

21. The Program period for EnergizeNJ is 3.5 years and shall commence on July 1, 2025, and end on December 31, 2028, except as provided in the Stipulation.
22. The Company shall have the option of seeking Board approval to extend the Program beyond the term provided in the Stipulation due to reasons outside the Company's reasonable control. To the extent the Company determines that any such extension is necessary, the Company will make electronic notice to Staff and Rate Counsel no later than thirty (30) days after the Company makes that determination and will seek Board

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<sup>7</sup> The category "other" is contemplated to capture costs associated with miscellaneous type categories, and certain interconnections that JCP&L is legally obligated to fund without customer contributions.

approval for such extension no sooner than fifteen (15) days following that electronic notice. The Parties reserve all rights to take any positions.

**Cost Recovery for EnergizeNJ Capital Investments**

23. The Parties agree that \$202,537,239 of the EnergizeNJ capital investments, plus associated allowance for funds used during construction ("AFUDC"), may be eligible for recovery through the EnergizeNJ Rate Mechanism, as defined in the Stipulation, subject to refund based on a review discussed below in Paragraph 29 of the Stipulation.
24. The EnergizeNJ Rate Mechanism is provided in the Stipulation and **Attachment 2** of the Stipulation (which provides an illustrative revenue requirement calculation). JCP&L may seek recovery of costs that have not been recovered via the EnergizeNJ Rate Mechanism in a base rate case, including any costs by which the Company exceeds the budgeted investments subject to a finding that the investments are reasonable and prudent. The Company agrees that any such additional cost included by the Company in the revenue requirement in any base rate case shall be specifically identified separately in such filing.
25. The EnergizeNJ Rate Mechanism will recover Program costs, including the return on net plant in-service. Net plant in-service, also referred to in the Stipulation as "EnergizeNJ Rate Base," will be calculated as gross plant in-service, less associated accumulated depreciation, less accumulated deferred income taxes ("ADIT"). The EnergizeNJ Rate Mechanism will also recover depreciation expense for plant in-service on a book depreciation expense basis based on the depreciation rates established for each asset class in the Company's most recently approved base rate case. The book recovery of each asset class and its associated tax depreciation will be based on current approved depreciation rates that are set forth in **Attachment 3** of the Stipulation, if and until those depreciation rates are adjusted in a future base rate case. Operations and maintenance expenses associated with the Program will not be included in the EnergizeNJ revenue requirement nor recovered through the EnergizeNJ Rate Mechanism. Uncollectible expense associated with EnergizeNJ is not included in the revenue requirement because it will be recovered along with other uncollectible expense in existing Rider Uncollectible Accounts Charge.
26. The Company will file up to three (3) semi-annual rate adjustment filings, and up to two (2) annual rate adjustment filings to effectuate cost recovery for EnergizeNJ capital investments through the EnergizeNJ Rate Mechanism. Each rate filing will include a minimum investment level of ten percent (10%) of the total Program capital investment consistent with the II&R Regulations, N.J.A.C. 14:3-2A.6(b). The Company must also meet the earnings test as specified in the II&R Regulations. The Company's rate adjustment filings will provide for recovery of revenue requirements for plant placed into service of no less than six (6) months. Each rate adjustment filing will request recovery of EnergizeNJ capital investments within the Program term inclusive of plant in-service additions during the filing period of at least ten percent (10%) of the total amount authorized to be recovered via the EnergizeNJ Rate Mechanism, i.e., of at least \$20,253,723.
27. The return on equity ("ROE") calculated in accordance with **Attachment 4** of the Stipulation will not exceed an ROE of 9.4%, as agreed for purpose of the Stipulation. For purposes of the earnings test, should the Company exceed the allowed ROE from

its most recent base rate case (currently 9.6%) by fifty (50) basis points or more for the most recent reported quarter-ending period, the pending full rate adjustment shall not be allowed for the applicable filing period pursuant to N.J.A.C. 14:3-2A.6(i). **Attachment 5** of the Stipulation demonstrates the latest earnings test for twelve (12) months ending September 30, 2024 for illustrative purposes, which will be provided in each subsequent EnergizeNJ rate adjustment filing.

28. Based on the forecasted capital expenditures and in-service dates, the target schedule for annual and semi-annual rate adjustment filings is listed below in the Stipulation. JCP&L will make annual and semi-annual filings in a process providing actual expenditures as they exist at the time of the initial filing and in each update. Staff and Rate Counsel may review each rate filing to ensure that the revenue requirements and proposed rates are being calculated in accordance with the Board Order approving the Program. The Company reserves the right to deviate from this schedule based on unforeseen circumstances such as material and/or construction delays and major storms provided, however, the Company provides notice to the parties with a full and complete explanation and it meets the filing requirements of the II&R Regulations. In the event that the Company chooses to deviate from the schedule, notice shall be provided to Staff and Rate Counsel no later than thirty (30) days before the scheduled filing date in the EnergizeNJ Target Filing Schedule. The rate effective dates for the adjustments may be revised by agreement of the Parties.

<b>EnergizeNJ Target Filing Schedule</b>				
<b>Filing</b>	<b>Initial Filing</b>	<b>Investment as of</b>	<b>Update for Actuals</b>	<b>Rates Effective on or after</b>
1	October 15, 2025	December 31, 2025	January 15, 2026	April 1, 2026
2	October 15, 2026	December 31, 2026	January 15, 2027	April 1, 2027
3	October 15, 2027	December 31, 2027	January 15, 2028	April 1, 2028
4	April 15, 2028	June 30, 2028	July 15, 2028	October 1, 2028
5	October 15, 2028	December 31, 2028	January 15, 2029	April 1, 2029

The Company acknowledges and agrees that any unreasonable delay in the initial filing or receipt of complete discovery responses from the Company during these annual and semi-annual rate adjustment filings may push out the rate effective date. The Parties agree that rates will not be in effect until after the effective date of a Board Order following public notice and public hearing.

29. The review of the prudence of all projects undertaken in EnergizeNJ will not take place prior to or in connection with the rate adjustments and EnergizeNJ Rate Mechanism established in the Stipulation. Staff and Rate Counsel will have the opportunity to review each semi-annual and annual rate filing to ensure that the revenue requirements and proposed rates are being determined in accordance with the Board's Order approving EnergizeNJ. The rate adjustments established in the annual and semi-annual Program rate adjustment filings will be provisional. The prudence of the Company's capital expenditures will be reviewed by Staff and Rate Counsel as part of JCP&L's subsequent base rate cases following the rate adjustment filings. The annual and semi-annual adjustment filings to tariff Rider EnergizeNJ ("Rider ENJ") are subject to refund until final determination in a base rate case by the Board that JCP&L prudently incurred these capital expenditures. Nothing in the Stipulation will preclude any Party from raising in the base rate case prudence review any objection that could have been raised in a prior IIP rate filing.
30. In the rate adjustment proceedings provided for in the paragraphs above in the Stipulation, the revenue requirement for the investments recovered through the EnergizeNJ Rate Mechanism shall be calculated as summarized below in the Stipulation.

EnergizeNJ Capital Investment Costs – All qualifying EnergizeNJ capital expenditures, including actual costs of engineering, design and construction, and property acquisition, including actual labor, materials, contractor costs, overhead, and capitalized AFUDC associated with the projects ("EnergizeNJ Capital Investment Costs"), will be recovered through the rate adjustments for each of the time periods described above in the Stipulation. The EnergizeNJ Capital Investment Costs will be recorded, during construction, in a Construction Work In Progress ("CWIP") account and then in a Plant in Service account upon the respective project being deemed used and useful. The Company will follow its current policies and practices with regard to capitalizing costs, including overheads.

Net Investment - Is equal to the EnergizeNJ Capital Investment Costs that have been placed into service less the associated accumulated depreciation less the associated accumulated deferred income taxes.

WACC – JCP&L shall earn a return on its Net Investment in EnergizeNJ using the authorized capital structure and debt cost approved in the most recent base rate case and a ROE of 9.4%. The Company will use a pre-tax WACC of 8.99%, as referenced in **Attachment 4** of the Stipulation. Any change in the Company's WACC in a subsequent base rate case, except for the ROE, which is specifically agreed for the purpose of the Stipulation, will be reflected prospectively in subsequent revenue requirement calculations and rate adjustment filings.

The rate adjustment to rates in Rider ENJ will be calculated using the following formula:

Revenue Requirement = [(EnergizeNJ Rate Base \* Pre-Tax WACC) + Depreciation and/or Amortization Expense]. The Company will also apply the appropriate factor to collect applicable sales and use tax.

- i. EnergizeNJ Rate Base - The EnergizeNJ Rate Base will be calculated as Plant in Service, including CWIP transferred into service and associated AFUDC, less the associated accumulated depreciation and less ADIT. AFUDC will be accrued using 18 C.F.R. Ch. 1 Pt. 101, Electric Plant Instructions, (17) Allowance for Funds Used During Construction. AFUDC is accrued monthly and capitalized to CWIP until a project is placed in-service. The AFUDC rate will include the cost of equity of 9.4%.
  - ii. Depreciation and/or Amortization Expense - Depreciation expense will be calculated as the EnergizeNJ Capital Investment Costs by asset class multiplied by the associated depreciation rate applied to the same asset in current base rates. The Company will apply the applicable depreciation rates from the schedule of depreciation rates set forth in **Attachment 3** of the Stipulation. Any future changes to book or tax depreciation rates during the construction period of EnergizeNJ will be reflected in the depreciation expense calculation at the time of each subsequent rate adjustment filing.
  - iii. ADIT – ADIT is calculated as book depreciation less tax depreciation, multiplied by the statutory composite federal and state income tax rate, which is currently 28.11%. Any future changes to the book or tax depreciation rates during the construction period of EnergizeNJ will be reflected in the ADIT calculation at the time of each subsequent rate adjustment filing.
31. The revenue requirement reflects the federal corporate tax rate of twenty-one percent (21%). Future changes to federal or state tax laws will be reflected in the revenue requirement calculations in the first rate adjustment filing subsequent to the change. Tax depreciation uses Modified Accelerated Recovery Systems depreciation rules without bonus depreciation.
  32. The Company will recover its EnergizeNJ revenue requirements through rates set forth in Rider ENJ which is attached to the Stipulation as **Attachment 6**. As such, JCP&L withdraws its request for a waiver of N.J.A.C. 14:3-2A.6(d) requiring IIP-related costs be recovered through a separate clause in the utility's Board-approved tariff.

### **Rate Design**

33. The Company will allocate the revenue requirement associated with each rate adjustment proportionately with the total non-customer related revenue allocations by service classification approved in the Company's most recent base rate case. The revenue requirement allocated to each service classification will be recovered through a kilowatt hour charge for residential and small commercial customers on Service Classifications RS, RT, RGT and GS, a kilowatt charge for large commercial and industrial customers on Service Classifications GST, GP and GT, and a Fixture charge for lighting customers on Service Classifications OL, SVL, ISL, MVL and LED. The detailed calculations supporting the rate for the forecasted filings are shown in **Attachment 7** of the Stipulation. In addition, **Attachment 8** of the Stipulation provides a summary of bill impacts for each of the proposed forecasted rate filings. Any rate design changes which would occur from subsequent base rate cases will be incorporated into future filings.
34. Based upon the Stipulation, the estimated bill impact for the first rate adjustment filing would be an increase to the typical residential customer using 777 kWh per month of \$0.11 or 0.1%. The Company estimates that the proposed Program's five (5) rate adjustment filings will result in a cumulative bill impact to the typical residential customer using 777 kWh per month of an estimated increase of \$0.86 or 0.6% from the current bill based on rates effective as of February 1, 2025. These rate changes are only current estimates and are subject to change.

### **Base Rate Case Filing Requirement**

35. The Company agrees to file a base rate case no later than January 1, 2030, or four and one-half (4.5) years following the start date of the Program.<sup>8</sup> The EnergizeNJ Rate Mechanism and related rate adjustment filings and tariff Rider ENJ will be used to recover all EnergizeNJ capital investments up to \$202,537,239. This treatment will continue until the conclusion of the Company's base rate case following the conclusion of EnergizeNJ. After such base rate filing, the Company may seek to recover all approved EnergizeNJ investments in base rates. Notwithstanding any other provision of the Stipulation, should the Company file a base rate case prior to the conclusion of the term of EnergizeNJ, it may propose to include (i.e., roll into base rates) eligible EnergizeNJ investments in such a base rate case. The prudence of any EnergizeNJ investment not reviewed and determined by the Board in the next rate case shall be reviewed and determined in a subsequent base rate case, which shall be filed no later than four (4) years after the approval of the Company's next rate case.

### **Filing/Reporting Requirements**

36. Minimum Filing Requirements ("MFRs"). Each rate change filing will be accompanied by the MFRs that are set forth in **Attachment 9** to the Stipulation.

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<sup>8</sup> In the matter of the Verified Petition of Jersey Central Power & Light Company for Approval of JCP&L's Second Energy Efficiency and Conservation Plan Including Energy Efficiency and Peak Demand Reduction Programs ("JCP&L EE&C Plan II Filing"), Order adopting Stipulation at paragraph 68, BPU Docket No. QO23120872, Order dated October 30, 2024.

37. The Company will provide semi-annual status reports to Staff and Rate Counsel, consistent with the reporting requirements of N.J.A.C. 14:3-2A.5(e), by September 30 and March 31 of each calendar year, beginning September 30, 2025 (with reporting ending on March 31, 2029).
38. The Company's semi-annual reports will also report on the totalized EnergizeNJ savings metrics, and results will be provided in a form such as the following table:

<b><u>EnergizeNJ</u></b> Total Savings	Baseline	Annualized Savings					<b><u>Total</u></b>
	<b><u>Average</u></b> <b><u>2020-2024</u></b>	<b><u>*2025</u></b>	<b><u>*2026</u></b>	<b><u>*2027</u></b>	<b><u>*2028</u></b>	<b><u>2029</u></b>	
Customer Minutes of Interruption ("CMI")							
Customers Interrupted ("CI")							
SAIDI (Including and excluding Major Events) <sup>9</sup>							
SAIFI (Including and excluding Major Events) <sup>10</sup>							
Full Time Equivalents** (Internal)							
Full Time Equivalents (Contracted)							
*All project work will be completed between July 1, 2025 and December 31, 2028 ** For the purposes of reporting FTEs, the Company will define a FTE position as 1,820 hours per year.							

39. The Company will disclose a totalized (sum of all) reliability savings (CI/CMI) on an annualized (per calendar year) basis for the investments in the component projects eligible under IIP as identified below:
- Lateral Fuse Replacement with TripSaver II
  - Circuit Protection and Sectionalization
  - New Distribution Sources
  - Automatic Circuit Ties with SCADA (Loop scheme)
  - RTU Replacements

<sup>9</sup> "SAIDI" refers to System Average Interruption Duration Index.

<sup>10</sup> "SAIFI" refers to System Average Interruption Frequency Index.

40. The semi-annual reporting will also include the following metrics:

- The estimated total quantity of work and the quantity completed to date or, if the project work cannot be quantified with numbers, the major tasks completed, e.g., design phase, material procurement, permit gathering, phases of construction;
- The forecasted and actual costs to date for the reporting period and for the Program-to-date; where project work is identified by project component (with the actual variances from forecasted amounts expressed in dollar and percentage terms);
- The estimated project completion date, and estimated completion dates for each project component and the Program as a whole;
- Anticipated changes to EnergizeNJ projects, if any;
- Actual capital expenditures made by the utility in the normal course of business on similar project work, identified by project component; and
- Any other performance metric concerning EnergizeNJ required by the Board.
- For circuits improved within the Grid Modernization and System Resiliency projects, JCP&L will provide SAIDI results for Major Event performance at the circuit level (redacted and confidential unredacted) for circuits affected by a Major Event during the reporting period and at the operating area level and system wide. The SAIDI results will be reported and measured against a baseline that reflects performance for each circuit under Major Event conditions for the prior five (5) years from the Program start date.
- For circuits improved upon within the Grid Modernization and System Resiliency projects, JCP&L will include non-Major Event performance (where a non-Major Event excludes all "Major Events" as defined at N.J.A.C. 14:5-1.2) including circuit designation (information to be provided redacted and confidential unredacted), that reflects non-Major Event conditions for the reporting period. In addition to SAIDI, the Company will report non-Major Event data for Customer Average Interruption Duration Index (CAIDI) and SAIFI. The SAIDI results will be reported and measured against a baseline that reflects performance for each circuit under non-Major Event conditions for the prior five (5) years from the Program start date.

#### **Program Monitoring**

41. The Company, following consultation with Staff and Rate Counsel, will retain an independent monitor subject to a Request for Quotation ("RFQ process") to review and report to Staff and Rate Counsel on the EnergizeNJ investments, as follows: cost effectiveness and efficiency of investments; appropriateness of overall system performance; appropriate cost assignment; and other information deemed appropriate by the Company, Staff and Rate Counsel. The independent monitor shall continue until one (1) quarter following the completion of the EnergizeNJ investments unless the Company, Staff and Rate Counsel agree that the services of the independent monitor should continue or terminate sooner. Independent monitor expenses shall be capitalized to the extent consistent with Generally Accepted Accounting Principles and shall be included as part of the EnergizeNJ Rate Mechanism costs and counted against the maximum investment levels for accelerated recovery set forth in Paragraph 16 above in the Stipulation.

**Federal Infrastructure Investment and Jobs Act of 2021 (Federal Funding)**

42. To the extent federal funding is made available for any subprogram project described in the Stipulation, the Company will employ its best efforts to identify and secure such Funding or other unknown federal funding source that becomes available after execution of the Stipulation.
43. If funding or credits, or any subsequent state or federal action, become available to the Company for project reimbursement, applicable to work related to the Program, the Company agrees that any such funds will be credited to customers in a manner agreed to by the Parties to the extent permitted by applicable law.

**DISCUSSION AND FINDINGS**

In evaluating a proposed stipulation of settlement, the Board must review the record, balance the interests of the ratepayers and the shareholders, and determine whether the proposed settlement represents a reasonable disposition of the issues that will enable the Company to provide its customers with safe, adequate, and proper service at just and reasonable rates.<sup>11</sup>

The Board enacted the II&R Regulations to provide a rate recovery mechanism that encourages and supports all necessary accelerated construction, installation, and rehabilitation of certain non-revenue producing utility plant and equipment.<sup>12</sup> IIPs are important for continued system safety, reliability, resiliency, and sustained economic growth. After carefully considering the record in this proceeding and the terms of the Stipulation, the Board is persuaded that the current settlement satisfies these goals.

With respect to the proposed cost recovery mechanism, the Stipulation provides that the Company may recover all expenditures related to the utility plant placed in service, but on a provisional basis, subject to refund. These costs will be subject to review in JCP&L's next base rate case(s), which the Company has committed to filing no later than January 1, 2030. The Board, in its discretion, may require JCP&L to file its next base rate case within a shorter period. The Board believes that the cost recovery mechanism adopted in the Stipulation strikes an effective balance between giving the Company a reasonable opportunity to earn its allowed rate of return over the life of the investment while still protecting ratepayers from paying more than reasonably necessary. No rates will be charged to customers until the facilities for which the rates are being charged are in service. The Stipulation also mandates the Company to maintain certain reporting requirements, which provides additional protection to ratepayers.

Based upon the Board's careful review and consideration of the record in this proceeding, the Board **HEREBY FINDS** the Stipulation to be reasonable and in accordance with the law, striking an appropriate balance between the needs of customers and of the Company.

Accordingly, the Board **HEREBY ADOPTS** the Stipulation in its entirety, and **HEREBY INCORPORATES** its terms and conditions as though fully set forth herein, subject to any terms and conditions set forth in this Order.

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<sup>11</sup> In re Petition of Pub. Serv. Elec. & Gas, 304 N.J. Super. 247 (App. Div.), certif. denied, 152 N.J. 12 (1997).

<sup>12</sup> N.J.A.C. 14:3-2A.1(b).

Agenda Date: 4/23/25  
Agenda Item: 2A

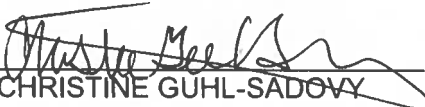
The Board **HEREBY RATIFIES** the decisions made by Commissioner Christodoulou during the pendency of this proceeding for the reasons stated in his decisions and Orders.

The Company's costs, including those related to the Program, will remain subject to audit by the Board. This Decision and Order shall not preclude, nor prohibit, the Board from taking any actions determined to be appropriate as a result of any such audit.

This Order shall be effective April 30, 2025.

DATED: April 23, 2025

BOARD OF PUBLIC UTILITIES  
BY:

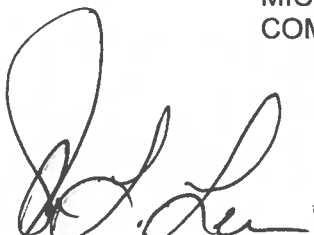
  
CHRISTINE GUHL-SADOVY  
PRESIDENT

  
DR. ZENON CHRISTODOULOU  
COMMISSIONER

  
MARIAN ABDOU  
COMMISSIONER

  
MICHAEL BANGE  
COMMISSIONER

ATTEST:

  
SHERRI L. LEWIS  
SECRETARY

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

IN THE MATTER OF THE VERIFIED PETITION OF JERSEY CENTRAL POWER & LIGHT  
COMPANY FOR APPROVAL OF AN INFRASTRUCTURE INVESTMENT PROGRAM II  
("ENERGIZENJ")

DOCKET NO. EO23110793

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

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In the Matter of the Verified Petition of Jersey	:	BPU Docket No. EO23110793
Central Power & Light Company For Approval of	:	
An Infrastructure Investment Program II	:	
("EnergizeNJ")	:	STIPULATION OF SETTLEMENT

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**TO THE HONORABLE BOARD OF PUBLIC UTILITIES:**

**APPEARANCES:**

**Gregory Eisenstark, Esq., Michael J. Connolly, Esq., and William Lesser, Esq.,** (Cozen O'Connor, PC, attorneys), for the Petitioner, Jersey Central Power & Light Company

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

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

**Steven Chaplar, Esq.,** Deputy Attorney General, for the Staff of the New Jersey Board of Public Utilities (Matthew J. Platkin, Attorney General of New Jersey)

**Steven S. Goldenberg, Esq.** (Giordano Halleran & Ciesla, P.C., attorneys), for intervenor New Jersey Large Energy Users Coalition

It is hereby AGREED by and between Jersey Central Power and Light Company ("JCP&L" or "Company") , the Staff of the New Jersey Board of Public Utilities ("Board Staff"), the New Jersey Division of Rate Counsel ("Rate Counsel"), and the New Jersey Large Energy Users Coalition ("NJLEUC") (collectively, "Parties" or "Signatories") to execute this Stipulation of Settlement ("Stipulation") resolving JCP&L's petition in this docket, and to recommend to the New Jersey Board of Public Utilities ("Board" or "BPU") that the Board issue a Final Decision and Order approving this Stipulation without modification.

## **BACKGROUND**

1. On December 19, 2017, the Board adopted new rules for utility “Infrastructure Investment and Recovery” that became effective on January 16, 2018 and are codified at N.J.A.C. 14:3-2A.1 et seq. (“II&R Rules”). The II&R Rules, *inter alia*, authorize a utility to petition the Board for approval of an Infrastructure Investment Program (“IIP”) that includes accelerated investment in certain projects that enhance safety, reliability and/or resiliency. The II&R Rules also provide for accelerated rate recovery of IIP costs through a separate clause of the utility’s Board-approved tariff with a prudence review in a subsequent base rate case.
2. On November 9, 2023, JCP&L filed a verified petition and supporting testimony in this matter, proposing JCP&L’s EnergizeNJ Program (“EnergizeNJ” or “Program”). Specifically, the Company sought approval of a five (5)-year Program consisting of \$934.7 million of capital investments for electric distribution infrastructure projects in three (3) Program categories: Grid Modernization, System Resiliency and Substation Modernization.
3. On November 27, 2023, NJLEUC filed a motion to intervene. On December 13, 2023, Atlantic City Electric Company (“ACE”) filed a motion to participate. On January 16, 2024, Commercial Metals Company (“CMC”) filed a motion to intervene. On January 18, 2024, Public Service Electric and Gas Company (“PSE&G”) filed a motion to participate.
4. By Order dated December 20, 2023, the Board retained this matter, designated Commissioner Zenon Christodoulou as the Presiding Officer to rule on all motions and determine schedules, directed that any motions to intervene or participate be filed on or before January 19, 2024, and specified the manner of service of documents.

5. By Order dated March 28, 2024, Commissioner Christodoulou granted the motions of NJLEUC, ACE and PSE&G.<sup>1</sup> Commissioner Christodoulou denied the motion to intervene of CMC and in the alternative granted participant status to CMC.
6. On February 2, 2024, the Company and parties to its then-pending base rate case, In the Matter of the Verified Petition of Jersey Central Power & Light Company for Review and Approval of Increases in and Other Adjustments to its Rates and Charges for Electric Service, and for Approval of Other Proposed Tariff Revisions in Connection Therewith, OAL Docket No. PUC 3346-23, BPU Docket No. ER23030144 (“2023 Base Rate Case”) executed a Stipulation of Settlement (“Rate Case Stipulation”). In the Rate Case Stipulation, the Company agreed to amend the EnergizeNJ filing. Specifically, paragraph 34 of the Rate Case Stipulation states that “[t]he Company shall amend its current EnergizeNJ filing no later than February 29, 2024, to: (a) remove \$95 million identified in this case as HPC Phase I to meet the Company’s three-year goals as set forth in Paragraph 29 above; and (b) to add the additional HPC Phase II work needed to remove the remaining 9 circuits from HPC list<sup>2</sup> as discussed herein above in Paragraph 30.”
7. The 2023 Base Rate Case presiding judge, Administrative Law Judge Irene Jones, issued an Initial Decision approving the Rate Case Stipulation on February 5, 2024 and the Board issued an Order approving the Rate Case Stipulation on February 14, 2024.
8. On February 27, 2024, JCP&L filed an Amended Verified Petition (“Amended Petition”) and supporting amended testimony proposing an amended EnergizeNJ Program in compliance with the Rate Case Stipulation. The Company’s Amended Petition, among other things,

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<sup>1</sup> In re the Verified Petition of Jersey Central Power & Light Company for Approval of an Infrastructure Investment Program II (“EnergizeNJ”), Order on Motions to Intervene or Participate, BPU Docket No. EO23110793, Order dated March 28, 2024.

<sup>2</sup> “HPC” refers to “High Priority Circuits.”

proposed to implement multiple capital projects the Company claimed would enhance the safety, reliability and resiliency of its electric distribution system. Specifically, the Company sought approval of a five (5)-year Program consisting of \$930.5 million of capital investments for electric distribution infrastructure projects in three (3) Program categories: Grid Modernization, System Resiliency and Substation Modernization.

9. In the Amended Petition, JCP&L sought a waiver of the provision of the II&R Rules that states that “[r]ates approved by the Board for recovery of expenditures under an Infrastructure Investment Program shall be . . . recovered through a separate clause of the utility’s Board-approved tariff.”<sup>3</sup> The Company proposed to recover the revenue requirements of EnergizeNJ through its base rates via annual and semi-annual base rate adjustment filings.
10. In support of, and as part of, its Amended Petition, the Company filed the Amended Direct Testimony of Dana I. Gibellino, Exhibit JC-2, and the Amended Direct Testimony of Carol A. Pittavino, Exhibit JC-3. Ms. Gibellino’s Amended Direct Testimony addressed, among other things, the proposed EnergizeNJ capital investments (“Projects”), benefits and savings, an engineering evaluation and report, and implementation reporting. Ms. Gibellino’s Amended Direct Testimony included: Appendix A (Amended) – the Amended EnergizeNJ Engineering Evaluation and Report (“Amended Engineering Report”), which included approximately 240 pages of schedules (“Schedules”) detailing the components of the proposed Projects; Appendix B – a redline document showing the changes between the Engineering Report and the Amended Engineering Report; Schedule DIG-1 (Amended) – the JCP&L forecasted/budgeted Annual Capital Spending Levels 2024-2029; Schedule DIG-2 – the JCP&L Actual Capital Expenditures for the past five (5) years (2018-2022) by major expenditures; and Schedule DIG-

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<sup>4</sup> “SCADA” refers to supervisory control and data acquisition.

3 (Amended) – the EnergizeNJ Total Proposed Program Capital Expenditures 2024-2029. Ms. Pittavino’s Amended Direct Testimony addressed the proposed cost recovery mechanism, revenue requirements, base rate adjustment filings and bill impacts. Ms. Pittavino’s Amended Direct Testimony included: Schedule CAP-1 (Amended) – Weighted Average Cost of Capital; Schedule CAP-2 (Amended) – Revenue Requirements For EnergizeNJ Rate Filings; Schedule CAP-3 (Amended) – Rate Derivation and Proof of Revenues; and Schedule CAP-4 (Amended) – Bill Impact Summary.

11. Notice of virtual public hearings (“Notice”), including a public hearing statement of the overall effect on customers, combined with dates, times, and virtual sign-in information were served upon the municipal clerks, the clerks of the Boards of County Commissioners and, where appropriate, the County Executive Officers of all counties and municipalities located in the Company’s service territory. The Notice was also published in newspapers of general circulation throughout the Company’s service territory.
12. The virtual public hearings on the EnergizeNJ filing were held on March 31, 2025 at 4:30 p.m. and 5:30 p.m. No members of the public appeared or provided comments at the hearings. Additionally, the Board received a number of written comments in support of / opposition to the EnergizeNJ filing.
13. During the course of this proceeding, the Parties engaged in extensive discovery. The Company has provided written and documentary information in response to comprehensive interrogatories and informal discovery requests addressing each of the Company’s proposals, the original petition and the Amended Petition, and the pre-filed direct testimony. In addition, discovery conferences were convened during the proceeding.
14. The Parties also held virtual settlement conferences.

## **STIPULATION**

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

### **EnergizeNJ Program**

15. Subject to Board approval of this Stipulation, JCP&L may implement EnergizeNJ under the terms and conditions described herein. The Program will include capital investment in the JCP&L electric distribution system, an IIP accelerated rate recovery mechanism including scheduled rate adjustment filings, and other provisions described herein. In addition, this Stipulation provides for an annual baseline capital expenditure to be made by the Company and recovered through base rates.
16. EnergizeNJ shall consist of a total IIP capital investment of \$202,537,239 in the Company's electric distribution system beginning on July 1, 2025 and continuing through December 31, 2028. The Company shall seek recovery of that capital investment through the Company's Rider EnergizeNJ mechanism, including three (3) semi-annual rate adjustment filings and two (2) annual rate adjustment filings as described below ("EnergizeNJ Rate Mechanism").
17. The Program is comprised of three (3) overarching main project categories that are comprised of a total of seven (7) components dispersed under each main category project with capital investment levels up to the following amounts for which the Company may seek to recover through the EnergizeNJ Rate Mechanism:

<b><u>Project</u></b>	<b><u>\$(dollars)</u></b>
<b>Grid Modernization</b>	<b>\$20,450,320</b>
Lateral Fuse Replacement with TripSaver II	\$17,234,770
Circuit Protection and Sectionalization	\$3,215,550
<b>System Resiliency</b>	<b>\$128,935,762</b>
New Distribution Sources	\$34,693,201
Automatic Circuit Ties with SCADA <sup>4</sup> (loop scheme)	\$62,708,682
Distribution Automation Enablement	\$31,533,879
<b>Substation Modernization</b>	<b>\$53,151,157</b>
Modernize Protective Equipment	\$20,928,057
Remote Terminal Unit (“RTU”) Replacements	\$32,223,100
<b>EnergizeNJ total IIP</b>	<b>\$202,537,239</b>

18. To the extent the Company decides to not to proceed with any of the subprogram projects identified in Paragraphs 17 and 18 of the Stipulation, as originally planned, the Parties stipulate that those projects will no longer be recovered through the EnergizeNJ Program and the total EnergizeNJ budget will be decreased by the stipulated cost. The Company is free to seek recovery of prudently incurred costs of these or similar projects through a future base rate case as normal base spend outside the EnergizeNJ Rate Mechanism. These projects and component projects and the work to be performed thereunder are described as follows:

- (a) Grid Modernization. Component projects in the Grid Modernization category include Lateral Fuse Replacement with TripSaver II project (upgrading existing fused cutouts with “TripSaver II” circuit-mounted reclosers) and Circuit Protection

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<sup>4</sup> “SCADA” refers to supervisory control and data acquisition.

and Sectionalization. In the Circuit Protection and Sectionalization component, the Company will replace fuses on 4.8kV circuits with electronic reclosers equipped with SCADA control.

- (b) System Resiliency. Component projects in this category include New Distribution Sources; Automatic Circuit Ties with SCADA (loop scheme); and Distribution Automation Enablement. In the Automatic Circuit Ties with SCADA (loop scheme) project, the Company will install SCADA reclosers to automatically switch customer loads during outage events and upgrade conductors to provide increased capacity to, among other things, enable circuit ties. The Company will include the creation of new circuits or installation of additional substation sources, including new distribution transformers in the New Distribution Sources component. In the Distribution Automation Enablement component, the Company will replace electromechanical relays with industry appropriate devices as required on associated line and substation devices.
- (c) Substation Modernization. The Substation Modernization category includes the Modernize Protective Equipment and RTU Replacement component projects. The Modernize Protection Equipment component will upgrade under-frequency load shed and distribution protection unit style relays with modernized protective equipment at an accelerated rate. In the RTU Replacement project, upgraded RTUs will provide enhanced data that would provide the Distribution System Operator the visibility to monitor the system, specifically, load, voltage and various transformer monitoring at the distribution level.

19. **Attachment 1** summarizes the estimated projected EnergizeNJ capital in-servicing per component per year and in total. For calendar years 2025 and 2026, the Company will provide an updated version of this attachment by November 1, 2025 to Board Staff and Rate Counsel in the form of updated Schedules. This will continue annually for the duration of the Program. There are a number of factors that can potentially affect the Company's ability to in-service equipment per the schedule and, therefore, the in-service equipment schedule would require an annual update. These items may include, but are not limited to, constraints around acquiring needed equipment, as also discussed in Paragraph 28.

### **Baseline Capital Expenditures**

20. In addition to the EnergizeNJ expenditures described above, the Company agrees to maintain a minimum annual baseline capital expenditure of \$200 million for each year of the Program period (July 1, 2025 through December 31, 2028), or prorated annual amount where applicable, that includes metering, replacements and improvements, reliability, street lighting, system reinforcements, facilities, tools and equipment, and/or other.<sup>5</sup> The Company will also maintain capital expenditures of \$20 million [equal to ten percent (10%) of actual spend] on similar projects over the same duration pursuant to N.J.A.C. 14:3-2A.2(c). The Company further agrees to additional capital expenditures of \$112 million for matching projects (with no specified annual amounts) to be completed by the end of the Program. The total stipulated base spending (\$132 million) shall consist of no less than the following project components in the Company's Amended Petition: Selective Undergrounding (\$5.2M), New Distribution Sources (\$66.8M), Automatic Circuit Ties with SCADA (\$19.1M), Replace Coastal Substation Switchgear (\$18.8M), Oil Circuit Breaker Replacement (\$13.3M), and Mobile Substations

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<sup>5</sup> The category "other" is contemplated to capture costs associated with miscellaneous type categories, and certain interconnections that JCP&L is legally obligated to fund without customer contributions.

(\$8.7M). The Company shall spend at least twenty percent (20%) of the \$132 million total stipulated base spending (or \$26.4 million) before its second EnergizeNJ rate adjustment (for investment placed in service through December 31, 2026) shall become effective. The Company shall spend at least fifty percent (50%) of the \$132 million total stipulated base spending (or \$66 million) before its third EnergizeNJ rate adjustment (for investment placed in service through December 31, 2027) shall become effective. The Company shall complete its \$132 million total stipulated base spending before its fifth EnergizeNJ rate adjustment (for investment placed in service through December 31, 2028) shall become effective.

### **Term**

21. The Program period for EnergizeNJ is 3.5 years and shall commence on July 1, 2025, and end on December 31, 2028, except as provided herein.
22. The Company shall have the option of seeking Board approval to extend the Program beyond the term provided herein due to reasons outside the Company's reasonable control. To the extent the Company determines that any such extension is necessary, the Company will make electronic notice to Board Staff and Rate Counsel no later than thirty (30) days after the Company makes that determination and will seek Board approval for such extension no sooner than fifteen (15) days following that electronic notice. The Parties reserve all rights to take any positions.

### **Cost Recovery for EnergizeNJ Capital Investments**

23. The Parties agree that \$202,537,239 of the EnergizeNJ capital investments, plus associated allowance for funds used during construction ("AFUDC"), may be eligible for recovery through the EnergizeNJ Rate Mechanism, as defined herein, subject to refund based on a review discussed below in Paragraph 29.

24. The EnergizeNJ Rate Mechanism is provided in this Stipulation and **Attachment 2** (which provides an illustrative revenue requirement calculation). JCP&L may seek recovery of costs that have not been recovered via the EnergizeNJ Rate Mechanism in a base rate case, including any costs by which the Company exceeds the budgeted investments subject to a finding that the investments are reasonable and prudent. The Company agrees that any such additional cost included by the Company in the revenue requirement in any base rate case shall be specifically identified separately in such filing.
25. The EnergizeNJ Rate Mechanism will recover Program costs, including the return on net plant in-service. Net plant in-service, also referred to herein as “EnergizeNJ Rate Base,” will be calculated as gross plant in-service, less associated accumulated depreciation, less accumulated deferred income taxes (“ADIT”). The EnergizeNJ Rate Mechanism will also recover depreciation expense for plant in-service on a book depreciation expense basis based on the depreciation rates established for each asset class in the Company’s most recently approved base rate case. The book recovery of each asset class and its associated tax depreciation will be based on current approved depreciation rates that are set forth in **Attachment 3**, if and until those depreciation rates are adjusted in a future base rate case. Operations and maintenance expenses associated with the Program will not be included in the EnergizeNJ revenue requirement nor recovered through the EnergizeNJ Rate Mechanism. Uncollectible expense associated with EnergizeNJ is not included in the revenue requirement because it will be recovered along with other uncollectible expense in existing Rider Uncollectible Accounts Charge.
26. The Company will file up to three (3) semi-annual rate adjustment filings, and up to two (2) annual rate adjustment filings to effectuate cost recovery for EnergizeNJ capital investments

through the EnergizeNJ Rate Mechanism. Each rate filing will include a minimum investment level of ten percent (10%) of the total Program capital investment consistent with the II&R Rules, N.J.A.C. 14:3-2A.6(b). The Company must also meet the earnings test as specified in the II&R Rules. The Company's rate adjustment filings will provide for recovery of revenue requirements for plant placed into service of no less than six (6) months. Each rate adjustment filing will request recovery of EnergizeNJ capital investments within the Program term inclusive of plant in-service additions during the filing period of at least ten percent (10%) of the total amount authorized to be recovered via the EnergizeNJ Rate Mechanism, i.e., of at least \$20,253,723.

27. The return on equity ("ROE") calculated in accordance with **Attachment 4** hereto will not exceed an ROE of 9.4%, as agreed for purpose of this Stipulation. For purposes of the earnings test, should the Company exceed the allowed ROE from its most recent base rate case (currently 9.6%) by fifty (50) basis points or more for the most recent reported quarter-ending period, the pending full rate adjustment shall not be allowed for the applicable filing period pursuant to N.J.A.C. 14:3-2A.6(i). **Attachment 5** demonstrates the latest earnings test for twelve (12) months ending September 30, 2024 for illustrative purposes, which will be provided in each subsequent EnergizeNJ rate adjustment filing.

28. Based on the forecasted capital expenditures and in-service dates, the target schedule for annual and semi-annual rate adjustment filings is listed below. JCP&L will make annual and semi-annual filings in a process providing actual expenditures as they exist at the time of the initial filing and in each update. Board Staff and Rate Counsel may review each rate filing to ensure that the revenue requirements and proposed rates are being calculated in accordance with the Board Order approving the Program. The Company reserves the right to deviate from

this schedule based on unforeseen circumstances such as material and/or construction delays and major storms provided, however, the Company provides notice to the parties with a full and complete explanation and it meets the filing requirements of the II&R Rules. In the event that the Company chooses to deviate from the schedule, notice shall be provided to Board Staff and Rate Counsel no later than thirty (30) days before the scheduled filing date in the EnergizeNJ Target Filing Schedule. The rate effective dates for the adjustments may be revised by agreement of the Parties.

<b>EnergizeNJ Target Filing Schedule</b>				
<b>Filing</b>	<b>Initial Filing</b>	<b>Investment as of</b>	<b>Update for Actuals</b>	<b>Rates Effective on or after</b>
1	October 15, 2025	December 31, 2025	January 15, 2026	April 1, 2026
2	October 15, 2026	December 31, 2026	January 15, 2027	April 1, 2027
3	October 15, 2027	December 31, 2027	January 15, 2028	April 1, 2028
4	April 15, 2028	June 30, 2028	July 15, 2028	October 1, 2028
5	October 15, 2028	December 31, 2028	January 15, 2029	April 1, 2029

The Company acknowledges and agrees that any unreasonable delay in the initial filing or receipt of complete discovery responses from the Company during these annual and semi-annual rate adjustment filings may push out the rate effective date. The Parties agree that rates will not be in effect until after the effective date of a Board Order following public notice and public hearing.

29. The review of the prudence of all projects undertaken in EnergizeNJ will not take place prior to or in connection with the rate adjustments and EnergizeNJ Rate Mechanism established herein. Board Staff and Rate Counsel will have the opportunity to review each semi-annual and annual rate filing to ensure that the revenue requirements and proposed rates are being determined in accordance with the Board's Order approving EnergizeNJ. The rate adjustments

established in the annual and semi-annual Program rate adjustment filings will be provisional. The prudence of the Company's capital expenditures will be reviewed by Board Staff and Rate Counsel as part of JCP&L's subsequent base rate cases following the rate adjustment filings. The annual and semi-annual adjustment filings to tariff Rider EnergizeNJ ("Rider ENJ") are subject to refund until final determination in a base rate case by the Board that JCP&L prudently incurred these capital expenditures. Nothing herein will preclude any Party from raising in the base rate case prudence review any objection that could have been raised in a prior IIP rate filing.

30. In the rate adjustment proceedings provided for in the paragraphs above, the revenue requirement for the investments recovered through the EnergizeNJ Rate Mechanism shall be calculated as summarized below.

EnergizeNJ Capital Investment Costs – All qualifying EnergizeNJ capital expenditures, including actual costs of engineering, design and construction, and property acquisition, including actual labor, materials, contractor costs, overhead, and capitalized AFUDC associated with the projects ("EnergizeNJ Capital Investment Costs"), will be recovered through the rate adjustments for each of the time periods described above. The EnergizeNJ Capital Investment Costs will be recorded, during construction, in a Construction Work In Progress ("CWIP") account and then in a Plant in Service account upon the respective project being deemed used and useful. The Company will follow its current policies and practices with regard to capitalizing costs, including overheads.

Net Investment - Is equal to the EnergizeNJ Capital Investment Costs that have been placed into service less the associated accumulated depreciation less the associated accumulated deferred income taxes.

Weighted Average Cost of Capital ("WACC") – JCP&L shall earn a return on its Net Investment in EnergizeNJ using the authorized capital structure and debt cost approved in the most recent base rate case and a ROE of 9.4%. The Company will use a pre-tax WACC of 8.99%, as referenced in Attachment 4. Any change in the Company's WACC in a subsequent base rate case, except for the ROE, which is specifically agreed for the purpose of this Stipulation,

will be reflected prospectively in subsequent revenue requirement calculations and rate adjustment filings.

The rate adjustment to rates in Rider ENJ will be calculated using the following formula:

Revenue Requirement = [(EnergizeNJ Rate Base \* Pre-Tax WACC) + Depreciation and/or Amortization Expense]. The Company will also apply the appropriate factor to collect applicable sales and use tax.

- i. EnergizeNJ Rate Base - The EnergizeNJ Rate Base will be calculated as Plant in Service, including CWIP transferred into service and associated AFUDC, less the associated accumulated depreciation and less ADIT. AFUDC will be accrued using 18 C.F.R. Ch. 1 Pt. 101, Electric Plant Instructions, (17) Allowance for Funds Used During Construction. AFUDC is accrued monthly and capitalized to CWIP until a project is placed in-service. The AFUDC rate will include the cost of equity of 9.4%.
- ii. Depreciation and/or Amortization Expense - Depreciation expense will be calculated as the EnergizeNJ Capital Investment Costs by asset class multiplied by the associated depreciation rate applied to the same asset in current base rates. The Company will apply the applicable depreciation rates from the schedule of depreciation rates set forth in **Attachment 3**. Any future changes to book or tax depreciation rates during the construction period of EnergizeNJ will be reflected in the depreciation expense calculation at the time of each subsequent rate adjustment filing.
- iii. ADIT – ADIT is calculated as book depreciation less tax depreciation, multiplied by the statutory composite federal and state income tax rate, which is currently 28.11%. Any future changes to the book or tax depreciation rates during the construction period of EnergizeNJ will be reflected in the ADIT calculation at the time of each subsequent rate adjustment filing.

31. The revenue requirement reflects the federal corporate tax rate of twenty-one percent (21%).

Future changes to federal or state tax laws will be reflected in the revenue requirement

calculations in the first rate adjustment filing subsequent to the change. Tax depreciation uses Modified Accelerated Recovery Systems depreciation rules without bonus depreciation.

32. The Company will recover its EnergizeNJ revenue requirements through rates set forth in Rider ENJ which is attached hereto as **Attachment 6**. As such, JCP&L withdraws its request for a waiver of N.J.A.C. 14:3-2A.6(d) requiring IIP-related costs be recovered through a separate clause in the utility's Board-approved tariff.

### **Rate Design**

33. The Company will allocate the revenue requirement associated with each rate adjustment proportionately with the total non-customer related revenue allocations by service classification approved in the Company's most recent base rate case. The revenue requirement allocated to each service classification will be recovered through a kilowatt hour charge for residential and small commercial customers on Service Classifications RS, RT, RGT and GS, a kilowatt charge for large commercial and industrial customers on Service Classifications GST, GP and GT, and a Fixture charge for lighting customers on Service Classifications OL, SVL, ISL, MVL and LED. The detailed calculations supporting the rate for the forecasted filings are shown in **Attachment 7**. In addition, **Attachment 8** provides a summary of bill impacts for each of the proposed forecasted rate filings. Any rate design changes which would occur from subsequent base rate cases will be incorporated into future filings.
34. Based upon the Stipulation, the estimated bill impact for the first rate adjustment filing would be an increase to the typical residential customer using 777 kWh per month of \$0.11 or 0.1%. The Company estimates that the proposed Program's five (5) rate adjustment filings will result in a cumulative bill impact to the typical residential customer using 777 kWh per month of an estimated increase of \$0.86 or 0.6% from the current bill based on rates effective as of February 1, 2025. These rate changes are only current estimates and are subject to change.

### **Base Rate Case Filing Requirement**

35. The Company agrees to file a base rate case no later than January 1, 2030, or four and one-half (4.5) years following the start date of the Program.<sup>6</sup> The EnergizeNJ Rate Mechanism and related rate adjustment filings and tariff Rider ENJ will be used to recover all EnergizeNJ capital investments up to \$202,537,239. This treatment will continue until the conclusion of the Company's base rate case following the conclusion of EnergizeNJ. After such base rate filing, the Company may seek to recover all approved EnergizeNJ investments in base rates. Notwithstanding any other provision of this Stipulation, should the Company file a base rate case prior to the conclusion of the term of EnergizeNJ, it may propose to include (i.e., roll into base rates) eligible EnergizeNJ investments in such a base rate case. The prudence of any EnergizeNJ investment not reviewed and determined by the Board in the next rate case shall be reviewed and determined in a subsequent base rate case, which shall be filed no later than four (4) years after the approval of the Company's next rate case.

### **Filing/Reporting Requirements**

36. Minimum Filing Requirements ("MFRs"). Each rate change filing will be accompanied by the MFRs that are set forth in **Attachment 9** hereto.

37. The Company will provide semi-annual status reports to Board Staff and Rate Counsel, consistent with the reporting requirements of N.J.A.C. 14:3-2A.5(e), by September 30 and March 31 of each calendar year, beginning September 30, 2025 (with reporting ending on March 31, 2029).

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<sup>6</sup> In the matter of the Verified Petition of Jersey Central Power & Light Company for Approval of JCP&L's Second Energy Efficiency and Conservation Plan Including Energy Efficiency and Peak Demand Reduction Programs ("JCP&L EE&C Plan II Filing"), Order adopting Stipulation at paragraph 68, BPU Docket No. QO23120872, Order dated October 30, 2024.

38. The Company’s semi-annual reports will also report on the totalized EnergizeNJ savings metrics, and results will be provided in a form such as the following table:

<b>EnergizeNJ</b> Total Savings	Baseline	Annualized Savings					<b><u>Total</u></b>
	<b><u>Average</u></b> <b><u>2020-2024</u></b>	<b><u>*2025</u></b>	<b><u>*2026</u></b>	<b><u>*2027</u></b>	<b><u>*2028</u></b>	<b><u>2029</u></b>	
Customer Minutes of Interruption (“CMI”)							
Customers Interrupted (“CI”)							
SAIDI (Including and excluding Major Events) <sup>7</sup>							
SAIFI (Including and excluding Major Events) <sup>8</sup>							
Full Time Equivalents** (Internal)							
Full Time Equivalents (Contracted)							
<p>*All project work will be completed between July 1, 2025 and December 31, 2028</p> <p>** For the purposes of reporting FTEs, the Company will define a FTE position as 1,820 hours per year.</p>							

39. The Company will disclose a totalized (sum of all) reliability savings (CI/CMI) on an annualized (per calendar year) basis for the investments in the component projects eligible under IIP as identified below:

- Lateral Fuse Replacement with TripSaver II
- Circuit Protection and Sectionalization
- New Distribution Sources

<sup>7</sup> “SAIDI” refers to System Average Interruption Duration Index.

<sup>8</sup> “SAIFI” refers to System Average Interruption Frequency Index.

- Automatic Circuit Ties with SCADA (Loop scheme)
- RTU Replacements

40. The semi-annual reporting will also include the following metrics:

- The estimated total quantity of work and the quantity completed to date or, if the project work cannot be quantified with numbers, the major tasks completed, e.g., design phase, material procurement, permit gathering, phases of construction;
- The forecasted and actual costs to date for the reporting period and for the Program-to-date; where project work is identified by project component (with the actual variances from forecasted amounts expressed in dollar and percentage terms);
- The estimated project completion date, and estimated completion dates for each project component and the program as a whole;
- Anticipated changes to EnergizeNJ projects, if any;
- Actual capital expenditures made by the utility in the normal course of business on similar project work, identified by project component; and
- Any other performance metric concerning EnergizeNJ required by the Board.
- For circuits improved within the Grid Modernization and System Resiliency projects, JCP&L will provide SAIDI results for Major Event performance at the circuit level (redacted and confidential unredacted) for circuits affected by a Major Event during the reporting period and at the operating area level and system wide. The SAIDI results will be reported and measured against a baseline that reflects performance for each circuit under Major Event conditions for the prior five (5) years from the Program start date.

- For circuits improved upon within the Grid Modernization and System Resiliency projects, JCP&L will include non-Major Event performance (where a non-Major Event excludes all “Major Events” as defined at N.J.A.C. 14:5-1.2) including circuit designation (information to be provided redacted and confidential unredacted), that reflects non-Major Event conditions for the reporting period. In addition to SAIDI, the Company will report non-Major Event data for CAIDI<sup>9</sup> and SAIFI. The SAIDI results will be reported and measured against a baseline that reflects performance for each circuit under non-Major Event conditions for the prior five (5) years from the Program start date.

### **Program Monitoring**

41. The Company, following consultation with Board Staff and Rate Counsel, will retain an independent monitor subject to a Request for Quotation (“RFQ process”) to review and report to Board Staff and Rate Counsel on the EnergizeNJ investments, as follows: cost effectiveness and efficiency of investments; appropriateness of overall system performance; appropriate cost assignment; and other information deemed appropriate by the Company, Board Staff and Rate Counsel. The independent monitor shall continue until one (1) quarter following the completion of the EnergizeNJ investments unless the Company, Board Staff and Rate Counsel agree that the services of the independent monitor should continue or terminate sooner. Independent monitor expenses shall be capitalized to the extent consistent with Generally Accepted Accounting Principles and shall be included as part of the EnergizeNJ Rate Mechanism Costs and counted against the maximum investment levels for accelerated recovery set forth in Paragraph 16 above.

**Federal Infrastructure Investment and Jobs Act of 2021 (Federal Funding)**

42. To the extent federal funding is made available for any subprogram Project described herein, the Company will employ its best efforts to identify and secure such Funding or other unknown federal funding source that becomes available after execution of this Stipulation.
43. If funding or credits, or any subsequent state or federal action, become available to the Company for Project reimbursement, applicable to work related to the Program, the Company agrees that any such funds will be credited to customers in a manner agreed to by the Parties to the extent permitted by applicable law.

**Further Provisions**

44. All attachments referenced in and attached to this Stipulation are incorporated by reference herein as if set forth in the body of this Stipulation.
45. The Parties agree this Stipulation is voluntary, consistent with law, fully dispositive of the issues addressed herein, and in the public interest. The Parties have entered this Stipulation after consideration of the Amended Petition, the Amended pre-filed testimony, discovery, and the II&R Rules and after settlement discussions.

**Other**

46. The Parties agree that if the Board approves this Stipulation without modification, this Stipulation will authorize JCP&L to implement EnergizeNJ, based on the terms and conditions set forth herein, effective July 1, 2025. The Parties hereby request the Board address this matter at its Agenda Meeting schedule on April 23, 2025 and the Board issue a written Order approving this Stipulation thereafter. However, the Parties understand there is no guarantee that this matter will be decided on a particular date or at a specific Board Meeting.


47. The Parties agree this Stipulation contains mutual balancing and interdependent clauses and is intended to be accepted and approved in its entirety. In the event any particular provision of this Stipulation is not accepted and approved in its entirety by the Board, or is modified by a court of competent jurisdiction, then any Party aggrieved thereby shall not be bound to proceed with this Stipulation and shall have the right, upon written notice to be provided to all other Parties within ten (10) days after receipt of any such adverse decision, to litigate all issues 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.
48. It is specifically understood and agreed by the Parties that this Stipulation represents a negotiated agreement and shall be binding on them for all purposes herein. By executing this Stipulation, no Party waives any rights it possesses under any prior stipulation, except where the terms of this Stipulation expressly supersede such prior stipulation.
49. 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.
50. The subject headings set forth within and between the paragraphs of this Stipulation are inserted solely for the purpose of convenient reference and are not intended to, nor shall they, affect the meaning of any provision of this Stipulation.
51. This Stipulation shall be governed and construed in accordance with the laws of the State of New Jersey.

52. This Stipulation may be executed in any number of counterparts, each of which shall be considered one and the same agreement and shall become effective when one (1) or more counterparts have been signed by each of the Parties. The Parties understand that the Board's written Order approving this Stipulation shall become effective in accordance with N.J.S.A. 48:2-40.

### **CONCLUSION**

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

#### **JERSEY CENTRAL POWER & LIGHT COMPANY**

By:   
Gregory Eisenstark, Esq.  
Cozen O'Connor, PC

Dated: April 10, 2025

#### **MATTHEW J. PLATKIN ATTORNEY GENERAL OF NEW JERSEY ATTORNEY FOR STAFF OF THE BOARD OF PUBLIC UTILITIES**

By:  on behalf of Steven A. Chaplar  
Steven A. Chaplar  
Deputy Attorney General


Dated: 4/10/2025

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

By: T. David Wand  
T. David Wand, Esq.  
Deputy Rate Counsel

Dated: April 10, 2025

**NEW JERSEY LARGE ENERGY USERS COALITION**

By:   
Steven Goldenberg  
Attorney for New Jersey Large Energy Users Coalition

Dated: April 10, 2025

**Jersey Central Power & Light Company**  
**Estimated EnergizeNJ Project Capital In-Servicing**

Components	Yr1 2025 - IIP	Yr2 2026 - IIP	Yr3 2027 - IIP	Yr4 2028 - IIP	Total
Lateral Fuse Replacement with TripSaver II	2,157,470	7,555,310	5,022,990	2,499,000	17,234,770
Circuit Protection and Sectionalization	742,050	824,500	824,500	824,500	3,215,550
Automatic Circuit Ties with SCADA (Loop Schemes)	5,083,373	16,487,976	21,107,592	20,029,742	62,708,682
New Distribution Sources			13,598,367	21,094,833	34,693,201
Distribution Automation Enablement	8,085,610	10,511,293	8,085,610	4,851,366	31,533,879
Modernize Protective Equipment	2,665,299	5,960,667	5,960,667	6,341,424	20,928,057
Remote Terminal Unit (RTU) Replacements	4,603,300	9,206,600	9,206,600	9,206,600	32,223,100
<b>Total</b>	<b>23,337,101</b>	<b>50,546,346</b>	<b>63,806,326</b>	<b>64,847,465</b>	<b>202,537,239</b>

**Jersey Central Power & Light Company**  
**Revenue Requirement - Illustrative**

		Ratio	Rate	Pre-Tax	Post-Tax
Tax Rate	28.11%	Debt	48.10%	4.57%	2.20%
Tax Factor	1.39	Equity	51.90%	9.40%	6.79%
				8.99%	7.08%

Rate Base Calculation						Monthly Revenue Requirement			Interest
	Cumulative PIS	Cumulative Reserve	NBV	ADIT	Rate Base	Depreciation	Return	Total	
July 2025	\$3,157,666	\$105,626	\$3,263,292	(\$1,006)	\$3,262,286	\$6,289	\$24,435	\$30,724	\$5,978
August 2025	\$6,315,332	\$93,048	\$6,408,380	(\$3,018)	\$6,405,362	\$12,578	\$47,977	\$60,555	\$11,739
September 2025	\$13,065,293	\$194,346	\$13,259,639	(\$7,180)	\$13,252,459	\$26,022	\$99,263	\$125,285	\$24,287
October 2025	\$16,222,959	\$34,715	\$16,257,674	(\$12,348)	\$16,245,326	\$32,311	\$121,680	\$153,991	\$29,771
November 2025	\$19,380,625	(\$3,885)	\$19,376,740	(\$18,523)	\$19,358,217	\$38,600	\$144,995	\$183,595	\$35,476
December 2025	\$22,538,291	(\$48,774)	\$22,489,517	(\$25,703)	\$22,463,814	\$44,889	\$168,257	\$213,146	\$41,167
January 2026	\$33,274,299	\$220,547	\$33,494,846	(\$36,303)	\$33,458,543	\$66,272	\$250,609	\$316,881	\$61,316
February 2026	\$35,750,561	(\$194,947)	\$35,555,614	(\$47,692)	\$35,507,922	\$71,204	\$265,959	\$337,163	\$65,072
March 2026	\$38,226,823	(\$271,083)	\$37,955,740	(\$59,870)	\$37,895,870	\$76,136	\$283,845	\$359,981	\$69,448
April 2026	\$43,772,974	(\$230,303)	\$43,542,671	(\$73,815)	\$43,468,856	\$87,182	\$325,587	\$412,769	\$79,661
May 2026	\$46,249,236	(\$450,379)	\$45,798,857	(\$88,549)	\$45,710,308	\$92,114	\$342,376	\$434,490	\$83,769
June 2026	\$48,725,498	(\$547,425)	\$48,178,073	(\$104,071)	\$48,074,002	\$97,046	\$360,080	\$457,126	\$88,101
July 2026	\$65,014,378	(\$101,164)	\$64,913,214	(\$127,349)	\$64,785,865	\$129,488	\$485,254	\$614,742	\$118,727
August 2026	\$65,542,112	(\$888,673)	\$64,653,439	(\$153,361)	\$64,500,078	\$130,539	\$483,114	\$613,653	\$118,203
September 2026	\$66,069,846	(\$1,020,263)	\$65,049,583	(\$185,027)	\$64,864,556	\$131,590	\$485,844	\$617,434	\$118,871
October 2026	\$70,006,557	(\$1,017,598)	\$68,988,959	(\$220,512)	\$68,768,447	\$139,431	\$515,084	\$654,515	\$126,026
November 2026	\$70,534,291	(\$1,300,176)	\$69,234,115	(\$258,732)	\$68,975,383	\$140,482	\$516,634	\$657,116	\$126,405
December 2026	\$71,062,025	(\$1,441,709)	\$69,620,316	(\$299,685)	\$69,320,631	\$141,533	\$519,220	\$660,753	\$127,038
January 2027	\$85,901,903	(\$777,298)	\$85,124,605	(\$354,091)	\$84,770,514	\$171,089	\$634,942	\$806,031	\$155,351
February 2027	\$86,186,342	(\$1,790,015)	\$84,396,327	(\$410,599)	\$83,985,728	\$171,656	\$629,064	\$800,720	\$153,913
March 2027	\$86,474,603	(\$1,962,024)	\$84,512,579	(\$469,211)	\$84,043,368	\$172,230	\$629,495	\$801,725	\$154,019
April 2027	\$89,196,915	(\$1,999,029)	\$87,197,886	(\$533,198)	\$86,664,688	\$177,652	\$649,129	\$826,781	\$158,823
May 2027	\$89,485,176	(\$2,317,902)	\$87,167,274	(\$599,288)	\$86,567,986	\$178,226	\$648,405	\$826,631	\$158,645
June 2027	\$89,773,437	(\$2,496,702)	\$87,276,735	(\$667,483)	\$86,609,252	\$178,800	\$648,714	\$827,514	\$158,721
July 2027	\$125,170,992	(\$717,271)	\$124,453,721	(\$759,790)	\$123,693,931	\$249,300	\$926,483	\$1,175,783	\$226,683
August 2027	\$127,661,391	(\$2,873,016)	\$124,788,375	(\$852,919)	\$123,935,456	\$254,260	\$928,292	\$1,182,552	\$227,125
September 2027	\$127,981,324	(\$3,253,329)	\$124,727,995	(\$945,721)	\$123,782,274	\$254,897	\$927,145	\$1,182,042	\$226,845
October 2027	\$130,735,307	(\$3,373,064)	\$127,362,243	(\$1,042,199)	\$126,320,044	\$260,382	\$946,153	\$1,206,535	\$231,495
November 2027	\$131,059,062	(\$3,774,517)	\$127,284,545	(\$1,138,808)	\$126,145,737	\$261,027	\$944,847	\$1,205,874	\$231,176

December 2027	\$131,382,817	(\$4,036,189)	\$127,346,628	(\$1,235,548)	\$126,111,080	\$261,672	\$944,588	\$1,206,260	\$231,112
January 2028	\$140,245,072	(\$4,081,607)	\$136,163,465	(\$1,345,807)	\$134,817,658	\$279,323	\$1,009,801	\$1,289,124	\$247,068
February 2028	\$141,967,381	(\$4,504,324)	\$137,463,057	(\$1,456,531)	\$136,006,526	\$282,753	\$1,018,706	\$1,301,459	\$249,247
March 2028	\$143,689,690	(\$4,790,507)	\$138,899,183	(\$1,567,725)	\$137,331,458	\$286,183	\$1,028,630	\$1,314,813	\$251,675
April 2028	\$148,567,998	(\$4,879,986)	\$143,688,012	(\$1,681,980)	\$142,006,032	\$295,899	\$1,063,643	\$1,359,542	\$260,242
May 2028	\$150,290,307	(\$5,385,735)	\$144,904,572	(\$1,796,704)	\$143,107,868	\$299,329	\$1,071,896	\$1,371,225	\$262,261
June 2028	\$152,012,616	(\$5,688,494)	\$146,324,122	(\$1,911,897)	\$144,412,225	\$302,759	\$1,081,665	\$1,384,424	\$264,651
July 2028	\$179,541,332	(\$4,031,170)	\$175,510,162	(\$2,062,187)	\$173,447,975	\$357,587	\$1,299,147	\$1,656,734	\$317,862
August 2028	\$181,816,281	(\$6,372,054)	\$175,444,227	(\$2,214,788)	\$173,229,439	\$362,118	\$1,297,510	\$1,659,628	\$317,462
September 2028	\$184,091,230	(\$6,738,703)	\$177,352,527	(\$2,367,516)	\$174,985,011	\$366,649	\$1,310,659	\$1,677,308	\$320,679
October 2028	\$187,636,686	(\$7,029,314)	\$180,607,372	(\$2,522,742)	\$178,084,630	\$373,710	\$1,333,876	\$1,707,586	\$326,360
November 2028	\$189,942,981	(\$7,488,665)	\$182,454,316	(\$2,678,530)	\$179,775,786	\$378,303	\$1,346,543	\$1,724,846	\$329,459
December 2028	\$192,249,276	(\$7,871,561)	\$184,377,715	(\$2,834,878)	\$181,542,837	\$382,896	\$1,359,778	\$1,742,674	\$332,697
January 2029	\$192,249,276	(\$8,405,302)	\$183,843,974	(\$2,995,287)	\$180,848,687	\$382,896	\$1,354,579	\$1,737,475	\$331,425
February 2029	\$192,249,276	(\$8,788,198)	\$183,461,078	(\$3,156,768)	\$180,304,310	\$382,896	\$1,350,502	\$1,733,398	\$330,427
March 2029	\$192,249,276	(\$9,171,094)	\$183,078,182	(\$3,319,323)	\$179,758,859	\$382,896	\$1,346,416	\$1,729,312	\$329,428
April 2029	\$192,249,276	(\$9,553,990)	\$182,695,286	(\$3,484,847)	\$179,210,439	\$382,896	\$1,342,308	\$1,725,204	\$328,423
May 2029	\$192,249,276	(\$9,936,886)	\$182,312,390	(\$3,651,443)	\$178,660,947	\$382,896	\$1,338,193	\$1,721,089	\$327,416
June 2029	\$192,249,276	(\$10,319,782)	\$181,929,494	(\$3,819,113)	\$178,110,381	\$382,896	\$1,334,069	\$1,716,965	\$326,407
July 2029	\$192,249,276	(\$10,702,678)	\$181,546,598	(\$4,002,407)	\$177,544,191	\$382,896	\$1,329,828	\$1,712,724	\$325,369
August 2029	\$192,249,276	(\$11,085,574)	\$181,163,702	(\$4,186,829)	\$176,976,873	\$382,896	\$1,325,579	\$1,708,475	\$324,330
September 2029	\$192,249,276	(\$11,468,470)	\$180,780,806	(\$4,372,263)	\$176,408,543	\$382,896	\$1,321,322	\$1,704,218	\$323,288
October 2029	\$192,249,276	(\$11,851,366)	\$180,397,910	(\$4,559,425)	\$175,838,485	\$382,896	\$1,317,052	\$1,699,948	\$322,243
November 2029	\$192,249,276	(\$12,234,262)	\$180,015,014	(\$4,748,014)	\$175,267,000	\$382,896	\$1,312,772	\$1,695,668	\$321,196
December 2029	\$192,249,276	(\$12,617,158)	\$179,632,118	(\$4,938,032)	\$174,694,086	\$382,896	\$1,308,480	\$1,691,376	\$320,146
January 2030	\$192,249,276	(\$13,000,054)	\$179,249,222	(\$5,124,019)	\$174,125,203	\$382,896	\$1,304,219	\$1,687,115	\$319,104
February 2030	\$192,249,276	(\$13,382,950)	\$178,866,326	(\$5,309,485)	\$173,556,841	\$382,896	\$1,299,962	\$1,682,858	\$318,062
March 2030	\$192,249,276	(\$13,765,846)	\$178,483,430	(\$5,494,430)	\$172,989,000	\$382,896	\$1,295,709	\$1,678,605	\$317,021
April 2030	\$192,249,276	(\$14,148,742)	\$178,100,534	(\$5,677,833)	\$172,422,701	\$382,896	\$1,291,467	\$1,674,363	\$315,984
May 2030	\$192,249,276	(\$14,531,638)	\$177,717,638	(\$5,860,715)	\$171,856,923	\$382,896	\$1,287,230	\$1,670,126	\$314,947
June 2030	\$192,249,276	(\$14,914,534)	\$177,334,742	(\$6,043,075)	\$171,291,667	\$382,896	\$1,282,996	\$1,665,892	\$313,911
July 2030	\$192,249,276	(\$15,297,430)	\$176,951,846	(\$6,215,708)	\$170,736,138	\$382,896	\$1,278,835	\$1,661,731	\$312,893
August 2030	\$192,249,276	(\$15,680,326)	\$176,568,950	(\$6,387,385)	\$170,181,565	\$382,896	\$1,274,681	\$1,657,577	\$311,876
September 2030	\$192,249,276	(\$16,063,222)	\$176,186,054	(\$6,558,003)	\$169,628,051	\$382,896	\$1,270,535	\$1,653,431	\$310,862
October 2030	\$192,249,276	(\$16,446,118)	\$175,803,158	(\$6,727,103)	\$169,076,055	\$382,896	\$1,266,401	\$1,649,297	\$309,850
November 2030	\$192,249,276	(\$16,829,014)	\$175,420,262	(\$6,895,498)	\$168,524,764	\$382,896	\$1,262,271	\$1,645,167	\$308,840
December 2030	\$192,249,276	(\$17,211,910)	\$175,037,366	(\$7,063,189)	\$167,974,177	\$382,896	\$1,258,147	\$1,641,043	\$307,831

**Jersey Central Power & Light**  
**Approved Depreciation Rates (Including Net Salvage)**

	Distribution Plant	Total
360.12	Distribution Substation Easements	1.31
360.22	Distribution Line Easements	0.73
361.10	Structures and Improvements	0.83
361.20	Structures and Improvements - Clearing	1.50
362.00	Substation Equipment	1.39
364.00	Poles, Towers and Fixtures	2.90
365.00	Overhead Conductors and Devices	2.72
365.10	Overhead Conductors and Devices - Clearing	1.56
366.00	Underground Conduit	1.29
367.00	Underground Conductors and Devices	1.89
368.00	Line Transformers	2.54
369.00	Services	1.21
370.00	Meters	7.47
371.00	Installations on Customer Premises	4.18
373.00	Street Lighting and Signal Systems	3.33
373.30	Street Lighting and Signal Systems- LED	0.06
	Total Distribution Plant	2.39

**Attachment-4**

**Jersey Central Power & Light Company  
Weighted Average Cost of Capital (WACC)**

	Ratio	Rate	Pre-Tax	Post-Tax
Debt	48.10%	4.57%	2.20%	2.20%
Equity	51.90%	9.40%	6.79%	4.88%
			8.99%	7.08%
Tax Rate	28.11%			
Tax Facto:	1.39			

**Jersey Central Power & Light**  
**Statement of Income - Delivery**  
**Earnings Test**  
**Twelve Months ended September 2024**

Line No.		Adjusted
1	Operating Revenues	<u>\$693,993,342</u>
2	Operations and Maintenance	\$ 296,436,028
3	Depreciation & Amortization Expense	\$151,127,315
4	Taxes Other Than Income Taxes	\$8,970,519
5	Regulatory Debit	14,370,246
6	Regulatory Credit	43,142
7	Income Taxes	<u>\$38,951,643</u>
8	Total Operating Expenses	<u>\$ 509,898,893</u>
9	Operating Income	<u>\$184,094,450</u>
10	Interest Expense	\$70,684,029
11	Net Income	\$113,410,421

12 **RETURN ON AVERAGE EQUITY (Associated with Proprietary Capital)** **3.41%**

		<u>Distr Alloc b/</u>	<u>Distr M-T-M</u>
13	<u>Ratemaking Adjustment to O&amp;M:</u>		
14	Remove O&M M-to-M expense add delayed recognition:	Pension O&M (7,505,128)	
15		OPEB O&M 19,489,802	
16		<u>\$ 11,984,673</u>	<u>\$ 11,018,709</u>
17	Increase to Income taxes 28.11%		<u>(\$3,097,359)</u>
	After tax expense impact from the mark-to-market adjustment		<u>\$ 7,921,350</u>

	Equity:	Amount (9/30/23)	Amount (9/30/24)	Distribution %	Avg Dist Equity
18	Common Stock	\$136,284,470	\$136,284,470		
19	Premium on Common Stock	\$2,674,561,942	\$3,444,561,942		
20	Other Paid-In Capital	\$71,292,996	\$77,102,784		
21	Retained Earnings	\$1,233,357,291	\$1,382,459,833		
22	Unappropriated Retained Earnings	\$0			
23	Accumulated Other Comprehensive Income	<u>(\$4,969,623)</u>	<u>(\$4,606,926)</u>		
24	Total Proprietary Capital	<u>\$4,110,527,076</u>	<u>\$5,035,802,103</u>	<u>72.79%</u>	<u>\$3,328,806,505</u>

25	State CBT	9.00%
26	Federal IT	21.00%
27	Composite	28.11%



# EnergizeNJ Charge Derivation and Proof of Revenues

Proposed EnergizeNJ Charge for Recovery Period April 1, 2026 to March 31, 2027

Attachment 7

Page 1 of 5

EnergizeNJ Revenue Requirement - Monthly **\$213,146**  
 EnergizeNJ Revenue Requirement for 12 Months **\$2,557,749**

Base Rate Case Distribution Revenue (1)	<u>TOTAL</u>	<u>RS</u>	<u>RT/RGT</u>	<u>GS</u>	<u>GST</u>	<u>GP</u>	<u>GT</u>	<u>LTG</u>
Customer Related (Customer, Fixture)	\$ 79,067,579	\$ 48,468,306	\$ 1,230,459	\$ 14,318,200	\$ 116,713	\$ 307,351	\$ 527,641	\$ 14,098,909
Non Customer (kW, kWh, kVar, Misc. Lighting)	\$ 650,305,048	\$ 349,431,292	\$ 6,071,853	\$ 229,215,685	\$ 11,491,515	\$ 27,249,089	\$ 20,873,368	\$ 5,972,246
Total Distribution Revenue	\$ 729,372,627	\$ 397,899,598	\$ 7,302,312	\$ 243,533,885	\$ 11,608,228	\$ 27,556,440	\$ 21,401,009	\$ 20,071,155

<u>Proposed EnergizeNJ Revenue Allocation</u>	<u>TOTAL</u>	<u>RS</u>	<u>RT/RGT</u>	<u>GS</u>	<u>GST</u>	<u>GP</u>	<u>GT</u>	<u>LTG</u>
Non Customer-related Distribution Revenues	\$ 650,305,048	\$ 349,431,292	\$ 6,071,853	\$ 229,215,685	\$ 11,491,515	\$ 27,249,089	\$ 20,873,368	\$ 5,972,246
% of Non Customer-related Revenues	<b>100.0%</b>	53.7%	0.9%	35.2%	1.8%	4.2%	3.2%	0.9%
Proposed EnergizeNJ Revenue Requirements Allocation	<b>\$2,557,749</b>	\$1,374,367	\$23,882	\$901,540	\$45,198	\$107,175	\$82,098	\$23,490
<u>Projected 12 Months Units for Recovery (2)</u>								
Total kWh		9,876,206,351	188,671,182	5,787,131,831				
Total kW					941,458	3,134,841	4,141,476	
Total # of Fixture								2,790,986
EnergizeNJ Rate (\$/kWh)		\$0.000139	\$0.000127	\$0.000156				
EnergizeNJ Rate (\$/kWh with SUT)		\$0.000148	\$0.000135	\$0.000166				
EnergizeNJ Rate (\$/kW)					\$0.05	\$0.03	\$0.02	
EnergizeNJ Rate (\$/kW with SUT)					\$0.05	\$0.03	\$0.02	
EnergizeNJ Rate (\$/Fixture)								\$0.01
EnergizeNJ Rate (\$/Fixture with SUT)								\$0.01

## Proof of Revenues

Proposed EnergizeNJ Revenue Recovered through Rate	\$2,551,404	\$1,372,793	\$23,961	\$902,793	\$47,073	\$94,045	\$82,830	\$27,910
Difference from EnergizeNJ Revenue Requirements	-\$6,345	-\$1,574	\$80	\$1,252	\$1,875	-\$13,130	\$731	\$4,420
\$/kWh, \$/kW or \$/Fixture		-\$0.0000002	\$0.0000004	\$0.0000002	\$0.002	-\$0.004	\$0.000	\$0.002

Note:

(1) BPU Order Docket No. ER23030144, dated 2/14/2024, "2023 Base Rate Filing"

(2) Forecast from April 1, 2026 to March 31, 2027

**EnergizeNJ Charge Derivation and Proof of Revenues**  
**Proposed EnergizeNJ Charge for Recovery Period April 1, 2027 to March 2028**

Attachment 7

Page 2 of 5

EnergizeNJ Revenue Requirement - Monthly **\$660,753**  
 EnergizeNJ Revenue Requirement for 12 Months **\$7,929,037**

	<u>TOTAL</u>	<u>RS</u>	<u>RT/RGT</u>	<u>GS</u>	<u>GST</u>	<u>GP</u>	<u>GT</u>	<u>LTG</u>
Base Rate Case Distribution Revenue (1)								
Customer Related (Customer, Fixture)	\$ 79,067,579	\$ 48,468,306	\$ 1,230,459	\$ 14,318,200	\$ 116,713	\$ 307,351	\$ 527,641	\$ 14,098,909
Non Customer (kW, kWh, kVar, Misc. Lighting)	\$ 650,305,048	\$ 349,431,292	\$ 6,071,853	\$ 229,215,685	\$ 11,491,515	\$ 27,249,089	\$ 20,873,368	\$ 5,972,246
Total Distribution Revenue	\$ 729,372,627	\$ 397,899,598	\$ 7,302,312	\$ 243,533,885	\$ 11,608,228	\$ 27,556,440	\$ 21,401,009	\$ 20,071,155

Proposed IIP Revenue Allocation

	<u>TOTAL</u>	<u>RS</u>	<u>RT/RGT</u>	<u>GS</u>	<u>GST</u>	<u>GP</u>	<u>GT</u>	<u>LTG</u>
Non Customer-related Distribution Revenues	\$ 650,305,048	\$ 349,431,292	\$ 6,071,853	\$ 229,215,685	\$ 11,491,515	\$ 27,249,089	\$ 20,873,368	\$ 5,972,246

% of Non Customer-related Revenues	<b>100.0%</b>	53.7%	0.9%	35.2%	1.8%	4.2%	3.2%	0.9%
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Proposed IIP Revenue Requirements Allocation	<b>\$7,929,037</b>	\$4,260,545	\$74,033	\$2,794,780	\$140,114	\$332,243	\$254,505	\$72,818
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Projected 12 Months Units for Recovery (2)

Total kWh	10,143,887,174	194,736,229	5,580,388,751					
Total kW				909,132	3,029,398	3,954,636		
Total # of Fixture								2,745,729
IIP Rate (\$/kWh)	\$0.000420	\$0.000380	\$0.000501					
IIP Rate (\$/kWh with SUT)	\$0.000448	\$0.000405	\$0.000534					
IIP Rate (\$/kW)				\$0.15	\$0.11	\$0.06		
IIP Rate (\$/kW with SUT)				\$0.16	\$0.12	\$0.06		
IIP Rate (\$/Fixture)								\$0.03
IIP Rate (\$/Fixture with SUT)								\$0.03

**Proof of Revenues**

Proposed IIP Revenue Recovered through Rates	\$7,919,461	\$4,260,433	\$74,000	\$2,795,775	\$136,370	\$333,234	\$237,278	\$82,372
Difference from IIP Revenue Requirements	-\$9,577	-\$112	-\$33	\$995	-\$3,744	\$991	-\$17,227	\$9,553
\$/kWh, \$/kW or \$/Fixture		\$0.0000000	-\$0.0000002	\$0.0000002	-\$0.004	\$0.000	-\$0.004	\$0.003

Note:

(1) BPU Order Docket No. ER23030144, dated 2/14/2024, "2023 Base Rate Filing"

(2) Forecast from Period April 1, 2027 to March 2028

## EnergizeNJ Charge Derivation and Proof of Revenues

Proposed EnergizeNJ Charge for Recovery Period April 1, 2028 to September 30, 2028

Attachment 7

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EnergizeNJ Revenue Requirement - Monthly **\$1,206,260**  
 EnergizeNJ Revenue Requirement for 6 Months **\$7,237,558**

Base Rate Case Distribution Revenue (1)	<u>TOTAL</u>	<u>RS</u>	<u>RT/RGT</u>	<u>GS</u>	<u>GST</u>	<u>GP</u>	<u>GT</u>	<u>LTG</u>
Customer Related (Customer, Fixture)	\$ 79,067,579	\$ 48,468,306	\$ 1,230,459	\$ 14,318,200	\$ 116,713	\$ 307,351	\$ 527,641	\$ 14,098,909
Non Customer (kW, kWh, kVar, Misc. Lighting)	\$ 650,305,048	\$ 349,431,292	\$ 6,071,853	\$ 229,215,685	\$ 11,491,515	\$ 27,249,089	\$ 20,873,368	\$ 5,972,246
Total Distribution Revenue	\$ 729,372,627	\$ 397,899,598	\$ 7,302,312	\$ 243,533,885	\$ 11,608,228	\$ 27,556,440	\$ 21,401,009	\$ 20,071,155

Proposed EnergizeNJ Revenue Allocation	<u>TOTAL</u>	<u>RS</u>	<u>RT/RGT</u>	<u>GS</u>	<u>GST</u>	<u>GP</u>	<u>GT</u>	<u>LTG</u>
Non Customer-related Distribution Revenues	\$ 650,305,048	\$ 349,431,292	\$ 6,071,853	\$ 229,215,685	\$ 11,491,515	\$ 27,249,089	\$ 20,873,368	\$ 5,972,246
% of Non Customer-related Revenues	<b>100.0%</b>	53.7%	0.9%	35.2%	1.8%	4.2%	3.2%	0.9%
Proposed EnergizeNJ Revenue Requirements Allocation	<b>\$7,237,558</b>	\$3,888,989	\$67,577	\$2,551,052	\$127,895	\$303,268	\$232,310	\$66,468
<u>Projected 6 Months Units for Recovery (2)</u>								
Total kWh		5,558,959,552	91,578,434	2,728,771,426				
Total kW					446,129	1,505,147	1,946,624	
Total # of Fixture								1,356,286
EnergizeNJ Rate (\$/kWh)		\$0.000700	\$0.000738	\$0.000935				
EnergizeNJ Rate (\$/kWh with SUT)		\$0.000746	\$0.000787	\$0.000997				
EnergizeNJ Rate (\$/kW)					\$0.29	\$0.20	\$0.12	
EnergizeNJ Rate (\$/kW with SUT)					\$0.31	\$0.21	\$0.13	
EnergizeNJ Rate (\$/Fixture)								\$0.05
EnergizeNJ Rate (\$/Fixture with SUT)								\$0.05

### Proof of Revenues

Proposed EnergizeNJ Revenue Recovered through Rate	\$7,242,074	\$3,891,272	\$67,585	\$2,551,401	\$129,377	\$301,029	\$233,595	\$67,814
Difference from EnergizeNJ Revenue Requirements	\$4,516	\$2,283	\$8	\$350	\$1,483	-\$2,239	\$1,285	\$1,346
\$/kWh, \$/kW or \$/Fixture		\$0.0000004	\$0.0000001	\$0.0000001	\$0.003	-\$0.001	\$0.001	\$0.001

Note:

(1) BPU Order Docket No. ER23030144, dated 2/14/2024, "2023 Base Rate Filing"

(2) Forecast from April 1, 2028 to September 30, 2028

# **EnergizeNJ Charge Derivation and Proof of Revenues**

**Proposed EnergizeNJ Charge for Recovery Period October 1, 2028 to March 31, 2029**

**Attachment 7**

Page 4 of 5

EnergizeNJ Revenue Requirement - Monthly **\$1,384,424**  
 EnergizeNJ Revenue Requirement for 6 Months **\$8,306,547**

	<u>TOTAL</u>	<u>RS</u>	<u>RT/RGT</u>	<u>GS</u>	<u>GST</u>	<u>GP</u>	<u>GT</u>	<u>LTG</u>
Base Rate Case Distribution Revenue (1)								
Customer Related (Customer, Fixture)	\$ 79,067,579	\$ 48,468,306	\$ 1,230,459	\$ 14,318,200	\$ 116,713	\$ 307,351	\$ 527,641	\$ 14,098,909
Non Customer (kW, kWh, kVar, Misc. Lighting)	<u>\$ 650,305,048</u>	<u>\$ 349,431,292</u>	<u>\$ 6,071,853</u>	<u>\$ 229,215,685</u>	<u>\$ 11,491,515</u>	<u>\$ 27,249,089</u>	<u>\$ 20,873,368</u>	<u>\$ 5,972,246</u>
Total Distribution Revenue	\$ 729,372,627	\$ 397,899,598	\$ 7,302,312	\$ 243,533,885	\$ 11,608,228	\$ 27,556,440	\$ 21,401,009	\$ 20,071,155

## Proposed EnergizeNJ Revenue Allocation

	<u>TOTAL</u>	<u>RS</u>	<u>RT/RGT</u>	<u>GS</u>	<u>GST</u>	<u>GP</u>	<u>GT</u>	<u>LTG</u>
Non Customer-related Distribution Revenues	\$ 650,305,048	\$ 349,431,292	\$ 6,071,853	\$ 229,215,685	\$ 11,491,515	\$ 27,249,089	\$ 20,873,368	\$ 5,972,246
% of Non Customer-related Revenues	<b>100.0%</b>	53.7%	0.9%	35.2%	1.8%	4.2%	3.2%	0.9%
Proposed EnergizeNJ Revenue Requirements Allocation	<b>\$8,306,547</b>	\$4,463,394	\$77,558	\$2,927,843	\$146,785	\$348,061	\$266,622	\$76,285
<u>Projected 6 Months Units for Recovery (2)</u>								
Total kWh		4,903,165,809	108,930,360	2,685,621,905				
Total kW					432,534	1,424,133	1,896,639	
Total # of Fixture								1,344,991
EnergizeNJ Rate (\$/kWh)		\$0.000910	\$0.000712	\$0.001090				
EnergizeNJ Rate (\$/kWh with SUT)		\$0.000970	\$0.000759	\$0.001162				
EnergizeNJ Rate (\$/kW)					\$0.34	\$0.24	\$0.14	
EnergizeNJ Rate (\$/kW with SUT)					\$0.36	\$0.26	\$0.15	
EnergizeNJ Rate (\$/Fixture)								\$0.06
EnergizeNJ Rate (\$/Fixture with SUT)								\$0.06

## Proof of Revenues

Proposed EnergizeNJ Revenue Recovered through Rates	\$8,301,850	\$4,461,881	\$77,558	\$2,927,328	\$147,062	\$341,792	\$265,529	\$80,699
Difference from EnergizeNJ Revenue Requirements	-\$4,697	-\$1,513	\$1	-\$515	\$277	-\$6,269	-\$1,092	\$4,414
\$/kWh, \$/kW or \$/Fixture		-\$0.0000003	\$0.0000000	-\$0.0000002	\$0.001	-\$0.004	-\$0.001	\$0.003

Note:

(1) BPU Order Docket No. ER23030144, dated 2/14/2024, "2023 Base Rate Filing"

(2) Forecast from October 1, 2028 to March 31, 2029

# EnergizeNJ Charge Derivation and Proof of Revenues

Proposed EnergizeNJ Charge for Recovery Period April 1, 2029 to March 31, 2030

Attachment 7

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EnergizeNJ Revenue Requirement - Monthly **\$1,742,674**  
 EnergizeNJ Revenue Requirement for 12 Months **\$20,912,092**

	<u>TOTAL</u>	<u>RS</u>	<u>RT/RGT</u>	<u>GS</u>	<u>GST</u>	<u>GP</u>	<u>GT</u>	<u>LTG</u>
Base Rate Case Distribution Revenue (1)								
Customer Related (Customer, Fixture)	\$ 79,067,579	\$ 48,468,306	\$ 1,230,459	\$ 14,318,200	\$ 116,713	\$ 307,351	\$ 527,641	\$ 14,098,909
Non Customer (kW, kWh, kVar, Misc. Lighting)	\$ 650,305,048	\$ 349,431,292	\$ 6,071,853	\$ 229,215,685	\$ 11,491,515	\$ 27,249,089	\$ 20,873,368	\$ 5,972,246
Total Distribution Revenue	\$ 729,372,627	\$ 397,899,598	\$ 7,302,312	\$ 243,533,885	\$ 11,608,228	\$ 27,556,440	\$ 21,401,009	\$ 20,071,155

## Proposed EnergizeNJ Revenue Allocation

	<u>TOTAL</u>	<u>RS</u>	<u>RT/RGT</u>	<u>GS</u>	<u>GST</u>	<u>GP</u>	<u>GT</u>	<u>LTG</u>
Non Customer-related Distribution Revenues	\$ 650,305,048	\$ 349,431,292	\$ 6,071,853	\$ 229,215,685	\$ 11,491,515	\$ 27,249,089	\$ 20,873,368	\$ 5,972,246
% of Non Customer-related Revenues	<b>100.0%</b>	53.7%	0.9%	35.2%	1.8%	4.2%	3.2%	0.9%
Proposed EnergizeNJ Revenue Requirements Allocation	<b>\$20,912,092</b>	\$11,236,787	\$195,255	\$7,370,971	\$369,537	\$876,259	\$671,232	\$192,052
<u>Projected 12 Months Units for Recovery (2)</u>								
Total kWh		10,857,102,842	208,220,397	5,446,232,681				
Total kW					882,885	2,924,613	3,816,354	
Total # of Fixture								2,657,618
EnergizeNJ Rate (\$/kWh)		\$0.001035	\$0.000938	\$0.001353				
EnergizeNJ Rate (\$/kWh with SUT)		\$0.001104	\$0.001000	\$0.001443				
EnergizeNJ Rate (\$/kW)					\$0.42	\$0.30	\$0.18	
EnergizeNJ Rate (\$/kW with SUT)					\$0.45	\$0.32	\$0.19	
EnergizeNJ Rate (\$/Fixture)								\$0.07
EnergizeNJ Rate (\$/Fixture with SUT)								\$0.07

## Proof of Revenues

Proposed EnergizeNJ Revenue Recovered through Rate	\$20,922,338	\$11,237,101	\$195,311	\$7,368,753	\$370,812	\$877,384	\$686,944	\$186,033
Difference from EnergizeNJ Revenue Requirements	\$10,246	\$314	\$56	-\$2,218	\$1,275	\$1,125	\$15,711	-\$6,018
\$/kWh, \$/kW or \$/Fixture		\$0.0000000	\$0.0000003	-\$0.0000004	\$0.001	\$0.000	\$0.004	-\$0.002

Note:

(1) BPU Order Docket No. ER23030144, dated 2/14/2024, "2023 Base Rate Filing"

(2) Forecast from April 1, 2029 to March 31, 2030

# Summary of Bill Impacts of Forecasted EnergizeNJ Rates

## Attachment 8

Page 1 of 1

Proposed Effective Date ==>

IIP1	IIP2	IIP3	IIP4	IIP5
4/1/2026	4/1/2027	4/1/2028	10/1/2028	4/1/2029

### Class Average Per Customer/Fixture

Rate Class	Current Monthly Bill (1)	Proposed Monthly Bill (2)	Proposed Monthly Bill (2)	Proposed Monthly Bill (2)	Proposed Monthly Bill (2)	Proposed Monthly Bill (2)
Residential (RS)	\$138.52	\$138.64	\$138.87	\$139.10	\$139.28	\$139.38
Residential Time of Day (RT/RGT)	\$191.08	\$191.22	\$191.52	\$191.94	\$191.91	\$192.18
General Service – Secondary (GS)	\$699.27	\$699.95	\$701.47	\$703.38	\$704.06	\$705.22
General Service - Secondary Time of Day (GST)	\$29,022.94	\$29,049.71	\$29,108.58	\$29,188.87	\$29,215.64	\$29,263.81
General Service – Primary (GP)	\$34,972.67	\$34,994.19	\$35,058.77	\$35,123.35	\$35,159.23	\$35,202.28
General Service – Transmission (GT)	\$84,139.43	\$84,186.08	\$84,352.72	\$84,492.67	\$84,562.64	\$84,659.31
Lighting (Average Per Fixture)	\$13.04	\$13.05	\$13.07	\$13.09	\$13.10	\$13.11

### Incremental Monthly Increase in \$

Rate Class	Current Monthly Bill (1)	Proposed Monthly Bill (2)	Proposed Monthly Bill (2)	Proposed Monthly Bill (2)	Proposed Monthly Bill (2)	Proposed Monthly Bill (2)
Residential (RS)	\$138.52	\$0.12	\$0.23	\$0.23	\$0.18	\$0.10
Residential Time of Day (RT/RGT)	\$191.08	\$0.14	\$0.30	\$0.42	-\$0.03	\$0.27
General Service – Secondary (GS)	\$699.27	\$0.68	\$1.52	\$1.91	\$0.68	\$1.16
General Service - Secondary Time of Day (GST)	\$29,022.94	\$26.77	\$58.87	\$80.29	\$26.77	\$48.17
General Service – Primary (GP)	\$34,972.67	\$21.52	\$64.58	\$64.58	\$35.88	\$43.05
General Service – Transmission (GT)	\$84,139.43	\$46.65	\$166.64	\$139.95	\$69.97	\$96.67
Lighting (Average Per Fixture)	\$13.04	\$0.01	\$0.02	\$0.02	\$0.01	\$0.01

### Incremental Monthly Increase by %

Rate Class	Current Monthly Bill (1)	Proposed Monthly Bill (2)	Proposed Monthly Bill (2)	Proposed Monthly Bill (2)	Proposed Monthly Bill (2)	Proposed Monthly Bill (2)
Residential (RS)	\$138.52	0.1%	0.2%	0.2%	0.1%	0.1%
Residential Time of Day (RT/RGT)	\$191.08	0.1%	0.2%	0.2%	0.0%	0.1%
General Service – Secondary (GS)	\$699.27	0.1%	0.2%	0.3%	0.1%	0.2%
General Service - Secondary Time of Day (GST)	\$29,022.94	0.1%	0.2%	0.3%	0.1%	0.2%
General Service – Primary (GP)	\$34,972.67	0.1%	0.2%	0.2%	0.1%	0.1%
General Service – Transmission (GT)	\$84,139.43	0.1%	0.2%	0.2%	0.1%	0.1%
Lighting (Average Per Fixture)	\$13.04	0.1%	0.2%	0.2%	0.1%	0.1%

### Typical Residential Customer on RS Rate

	Current Monthly Bill (1)	Proposed Monthly Bill (2)	Proposed Monthly Bill (2)	Proposed Monthly Bill (2)	Proposed Monthly Bill (2)	Proposed Monthly Bill (2)
Residential (RS) using 777 kW per Month	\$136.37	\$136.48	\$136.72	\$136.95	\$137.12	\$137.23
Incremental Increase		\$0.11	\$0.24	\$0.23	\$0.17	\$0.11
% of Incremental Increase		0.1%	0.2%	0.2%	0.1%	0.1%
Cumulative Increase from Current		\$0.11	\$0.35	\$0.58	\$0.75	\$0.86
% of Cumulative Increase from Current		0.1%	0.3%	0.4%	0.5%	0.6%

{1} Rates effective 2/1/2025

(2) EnergizeNJ rates effective as proposed, all other rates unchanged from 2/1/2025

## ATTACHMENT 9

### MINIMUM FILING REQUIREMENTS

- 1) JCP&L's income statement for the most recent 12 month period prepared using the same Federal Energy Regulatory Commission ("FERC") reporting and accounting conventions that are reflected in the Company's Annual Report to the Board.
- 2) JCP&L's balance sheet for the most recent 12 month period, as filed with the Board prepared using the same FERC reporting and accounting conventions that are reflected in the Company's Annual Report to the Board.
- 3) JCP&L's capital spending for each of the past five (5) years, broken down by major categories (e.g., system reinforcement, replace facilities, environmental/regulatory, and support facilities).
- 4) JCP&L's overall approved EnergizeNJ capital budget broken down by major categories, both budgeted and actual amounts.
- 5) For each EnergizeNJ Program subprogram:
  - a. The original project summary for each EnergizeNJ sub-program,
  - b. Expenditures incurred to date for each sub-program,
    - i. The cost of removal and
    - ii. The amount of allocated overhead.
  - c. Appropriate metric (e.g., reclosers installed), and
  - d. Work completed, including identified tasks completed (e.g., design phase, material procurement, permit gathering, phases of construction)
- 6) Anticipated sub-program timeline with updates and expected changes.
- 7) A calculation of the proposed rate adjustment based on details related to EnergizeNJ Program projects included in Plant in Service, including a calculation of the associated depreciation expense, based on those projects closed to Plant in Service during the period.
- 8) A list of any and all funds or credits received from the United States government, the State of New Jersey, a county or a municipality, for work related to any of the EnergizeNJ Program projects, such as relocation, reimbursement, or stimulus money. An explanation of the financial treatment associated with the receipt of the government funds or credits.
- 9) A revenue requirement calculation showing the actual capital expenditures for the period for which the filing is made, as well as supporting calculations.
- 10) An earnings test calculation demonstrating that the calculated ROE does not exceed the Company's allowed ROE from the latest base rate case by 50-basis points or more as demonstrated in Attachment 5. The Company should divide the actual net income of the utility for the most recent 12-month period filed with the Board or FERC by the average of the beginning and ending common equity balances for the corresponding period, subject to adjustments. Common equity will be as reflected on the Company's FERC financial statements, adjusted to reflect only the electric and gas distribution allocation. The Company should provide nine (9) months actual data and three (3) months forecasted data at the time of each Initial Filing. The three (3) months of forecasted data should be updated with actuals at the same time the Company provides the Actuals Update for Investments.