



Agenda Date: 6/30/26
Agenda Item: 2C

STATE OF NEW JERSEY
Board of Public Utilities
44 South Clinton Avenue, 1st Floor
Post Office Box 350
Trenton, New Jersey 08625-0350
www.nj.gov/bpu/

REVENUE AND RATES

IN THE MATTER OF THE VERIFIED PETITION OF)	DECISION AND ORDER
JERSEY CENTRAL POWER & LIGHT COMPANY FOR)	APPROVING STIPULATION
THE REVIEW AND APPROVAL OF ITS COSTS)	
INCURRED FOR ENVIRONMENTAL REMEDIATION OF)	
MANUFACTURED GAS PLANT SITES PURSUANT TO)	
THE REMEDIATION ADJUSTMENT CLAUSE OF ITS)	
FILED TARIFF (“2021 RAC FILING”))	DOCKET NO. ER22090616
)	
IN THE MATTER OF THE VERIFIED PETITION OF)	
JERSEY CENTRAL POWER & LIGHT COMPANY FOR)	
THE REVIEW AND APPROVAL OF ITS COSTS)	
INCURRED FOR ENVIRONMENTAL REMEDIATION OF)	
MANUFACTURED GAS PLANT SITES PURSUANT TO)	
THE REMEDIATION ADJUSTMENT CLAUSE OF ITS)	
FILED TARIFF (“2022 RAC FILING”))	DOCKET NO. ER23100722

Parties of Record:

Michael J. Martelo, Esq., FirstEnergy Service Company, Petitioner, Jersey Central Power & Light Company
Brian O. Lipman, Esq., Director, New Jersey Division of Rate Counsel

BY THE BOARD:

On September 30, 2022, Jersey Central Power & Light Company (“JCP&L” or “Company”) filed a petition with the New Jersey Board of Public Utilities (“Board”) seeking review and approval of actual costs and expenditures incurred by JCP&L related to the environmental remediation of its former manufactured gas plant (“MGP”) sites for the period January 1, 2021 through December 31, 2021 (“2021 RAC Period”) (“2021 RAC Petition”).

On September 29, 2023, JCP&L filed a petition with the Board seeking review and approval of actual costs and expenditures incurred by JCP&L related to the environmental remediation of its former MGP sites for the period January 1, 2022 through December 31, 2022 (“2022 RAC Period”) (“2022 RAC Petition”).

By this Decision and Order, the Board considers a stipulation of settlement (“Stipulation”) executed by JCP&L, Board Staff (“Staff”), and New Jersey Division of Rate Counsel (“Rate Counsel”) (collectively, “Parties”) which seeks to resolve the 2021 RAC Petition and the 2022 RAC Petition.

BACKGROUND AND PROCEDURAL HISTORY

JCP&L's RAC is a separate component of the Societal Benefits Charge ("SBC") that allows for the recovery of reasonably incurred MGP remediation program costs amortized over a seven (7)-year rolling average period, and carrying charges tied to interest on seven (7)-year treasuries plus sixty (60) basis points.

2021 RAC

By the 2021 RAC Petition, JCP&L identified that the incremental expenses incurred in connection with JCP&L's MGP remediation program in the 2021 RAC Period were approximately \$7.65 million. Additionally, over the course of 2021, the deferral accrued carrying costs of \$0.6 million, leaving a net balance of unrecovered 2021 MGP costs, as of December 31, 2021, of approximately \$8.207 million. After subtracting the deferred incentive compensation costs of \$12,933, the resulting net incremental MGP costs incurred during calendar year 2021, which represents the total recoverable MGP remediation expense for the 2021 period, was \$8.194 million. When combined with the 2021 over-recovered deferred RAC balance of \$0.3 million and the remaining amortization of prior RAC expenditures previously approved for recovery, the resultant decrease to JCP&L's Rider RAC would be approximately \$0.5 million annually. However, the Company proposed that no change be made to the Rider RAC component of its SBC.

2022 RAC

In the 2022 RAC Petition, JCP&L identified that the incremental expenses incurred in connection with JCP&L's MGP remediation program in the 2022 RAC Period were approximately \$5.35 million. Additionally, during 2022, the deferral accrued carrying costs of \$0.9 million, leaving a net balance of unrecovered 2022 MGP costs, as of December 31, 2022, of approximately \$6.217 million. After subtracting the deferred incentive compensation costs of \$13,626, the resulting net incremental MGP costs incurred during calendar year 2022, which represents the total recoverable MGP remediation expense for the 2022 period, was \$6.204 million. When combined with the 2022 over-recovered deferred RAC balance of \$1.6 million and the remaining amortization of prior RAC expenditures previously approved for recovery, the resultant decrease to JCP&L's Rider RAC would be approximately \$80,185 annually. However, the Company proposed that no change be made to the Rider RAC component of its SBC.

Because neither petition requested an increase in rates, public hearings were neither required nor held on either matter. Additionally, the Board received no comments on either petition.

STIPULATION

Following a review of the petitions, conducting discovery, and discussions, the Parties executed the Stipulation, which provides for the following:¹

7. For the 2021 RAC Period, the Parties agree that JCP&L's total recoverable MGP remediation expenses were \$8,194,215 (excluding incentive compensation costs of

¹ Although summarized in this Order, should there be any conflict between this summary and the Stipulation, the terms of the Stipulation control, subject to the finding and conclusion in this Order. Paragraphs are lettered and/or numbered to coincide with the Stipulation.

\$12,933). (Appendix A to the Stipulation, page 2, lines 59-65).² The Parties further agree that combining this amount with the Company's 2021 over-recovered deferred RAC balance of \$293,969 yields 2021 total recoverable MGP remediation costs of \$7,900,245. (Appendix A to the Stipulation, page 2, lines 66-69).

8. The Parties agree that combining JCP&L's 2021 total recoverable MGP remediation costs of \$7,900,245 with its prior total recoverable MGP remediation costs of \$100,049,850 yields total recoverable MGP remediation costs of \$107,950,095 as of December 31, 2021. (Appendix A to the Stipulation, page 2, line 69).
9. The Parties agree that if JCP&L's total recoverable MGP remediation costs of \$107,950,095 as of December 31, 2021, were amortized over a seven (7)-year period, the total annual net recovery would be \$15,421,442. (Appendix A to the Stipulation, page 2, lines 69-71).
10. After applying forecasted retail sales for the twelve (12) months ending December 31, 2023, of \$19,770,258, the Rider RAC rate would decrease by \$0.000026 per kilowatt-hour ("kWh") [excluding Sales and Use Tax ("SUT")] from current rate of \$0.000806 per kWh (excluding SUT) to a new rate of \$0.000780 per kWh (excluding SUT), resulting in a decrease to annual RAC revenue of \$514,027. (Appendix A to the Stipulation, page 2, lines 72-76).
11. The following chart provides further details concerning the derivation of Rider RAC based on numbers provided in JCP&L's 2021 RAC Petition:

JERSEY CENTRAL POWER & LIGHT COMPANY			
Derivation of Manufactured Gas Plant (MGP) Remediation Adjustment Charge (RAC)			
	Through 12/31/2020	Year 2021	Total as of 12/31/2021
Derivation of Tariff Rider RAC:			
Total recoverable MGP remediation expenses	\$ 128,560,032	\$ 8,194,215	\$ 136,754,246
Less: Fully Amortized Layers as of 12/31/21	(28,510,182)		(28,510,182)
Ending over-recovered deferred RAC balances		(293,969)	(293,969)
Total recoverable MGP remediation costs including under-recovery	\$ 100,049,850	\$ 7,900,245	\$ 107,950,095
RAC recovery period (years)	7	7	7
Net annual recoverable MGP expenses	<u>\$ 14,292,836</u>	<u>\$ 1,128,606</u>	<u>\$ 15,421,442</u>
Retail Sales forecasted (MWh)			19,770,258
Calculated RAC factor (\$ per kWh) before SUT			\$ 0.000780
RAC factor currently in effect (\$ per kWh)			\$ 0.000806
Calculated increase/(decrease) in RAC Factor (\$ per kWh) before SUT			<u>\$ (0.000026)</u>
Proposed Rider RAC revenue (decrease)			\$ (514,027)

² Appendix A is Attachment A-1 to JCP&L's 2021 RAC Petition.

12. For the 2022 RAC Period, the Parties agree that JCP&L's total recoverable MGP remediation expenses were \$6,203,838 (excluding incentive compensation costs of \$13,626). (Appendix B to the Stipulation, page 2, lines 65-71).³ The Parties further agree that combining this amount with the Company's 2022 over-recovered deferred RAC balance of \$1,611,265 yields 2022 total recoverable MGP remediation costs of \$4,592,573. (Appendix B to the Stipulation, page 2, lines 72-75).
13. The Parties agree that combining JCP&L's 2022 total recoverable MGP remediation costs of \$4,592,573 with its prior total recoverable MGP remediation costs of \$107,950,095 yields total recoverable MGP remediation costs of \$112,542,667 as of December 31, 2022. (Appendix B to the Stipulation, page 2, line 75).
14. The Parties agree that if JCP&L's total recoverable MGP remediation costs of \$112,542,667 as of December 31, 2022, were amortized over a seven (7)-year period, the total annual net recovery would be \$16,077,524. (Appendix B to the Stipulation, page 2, lines 75-77).
15. After applying forecasted retail sales for the twelve (12) months ending December 31, 2024, of \$20,046,242, the Rider RAC rate would decrease by \$0.000004 per kWh (excluding SUT) from the current rate of \$0.000806 per kWh (excluding SUT) to a new rate of \$0.000802 per kWh (excluding SUT), resulting in a decrease of annual RAC revenue of \$80,185. (Appendix B to the Stipulation, page 2, lines 78-82).
16. The following chart provides further details concerning the derivation of Rider RAC based on numbers provided in JCP&L's 2022 RAC Filing:

JERSEY CENTRAL POWER & LIGHT COMPANY				
Derivation of Manufactured Gas Plant (MGP) Remediation Adjustment Charge (RAC)				
	Through 12/31/2020	Year 2021	Year 2022	Total as of 12/31/2022
Derivation of Tariff Rider RAC:				
Total recoverable MGP remediation expenses	\$ 128,560,032	\$ 8,194,215	\$ 6,203,838	\$ 142,958,084
Less: Fully Amortized Layers as of 12/31/22	(28,510,182)			\$ (28,510,182)
Ending over-recovered deferred RAC balances		(293,969)	(1,611,265)	\$ (1,905,234)
Total recoverable MGP remediation costs including under-recovery	\$ 100,049,850	\$ 7,900,245	\$ 4,592,573	\$ 112,542,668
RAC recovery period (years)	7	7	7	7
Net annual recoverable MGP expenses	\$ 14,292,836	\$ 1,128,606	\$ 656,082	\$ 16,077,524
Retail Sales forecasted (MWh)				20,046,242
Calculated RAC factor (\$ per kWh) before SUT				\$ 0.000802
RAC factor currently in effect (\$ per kWh)				\$ 0.000806
Calculated increase/(decrease) in RAC Factor (\$ per kWh) before SUT				\$ (0.000004)
Proposed Rider RAC revenue (decrease)				\$ (80,185)

³ Appendix B is Attachment A-1 to JCP&L's 2022 RAC Filing.

17. Because the 2022 RAC Filing decrease is *de minimis* and includes the impact of the 2021 RAC Filing, rather than adjust the Rider RAC rate, the Parties agree to maintain the current Rider RAC rate of \$0.000806 per kWh (excluding SUT).
18. The Parties acknowledge that, in November 2022, JCP&L sold a portion of its remediated property in Sea Isle City, Cape May County for \$2,665,555. The proceeds from the sale have been applied against the costs of remediating the Sea Isle City properties. The closings for additional remediated Sea Isle City property sales were completed in early 2023. Any revenues the Company received from the sale of remediation properties during the 2021 and 2022 RAC Periods were credited to the deferred RAC balances.
19. The Parties agree that, from 2005 through 2022, JCP&L has total deferred NRD-related costs of \$803,654. (See Appendix B to the Stipulation, page 3). Since JCP&L incurred none of these NRD-related costs during the 2021 and 2022 RAC Periods, the Parties acknowledge that none are included in the Company's 2021 and 2022 total recoverable MGP remediation costs set forth in the Stipulation. The Parties further acknowledge that deferred NRD-related costs are excluded from the Rider RAC rates set forth in the Stipulation.
20. Relatedly, the Parties acknowledge that JCP&L claims the right to retain NRD-related costs of approximately \$76,000 from two (2) prior RAC years, 2003 and 2004.
21. The Parties agree that from 2006 through 2022, JCP&L has total deferred incentive compensation costs of \$247,956, with JCP&L having incurred \$12,933 during the 2021 RAC Period and \$13,626 during the 2022 RAC Period. (See Appendix B to the Stipulation, page 3). The Parties acknowledge that none of these incentive compensation costs are included in the Company's 2021 and 2022 total recoverable MGP remediation costs set forth in the Stipulation. The Parties further acknowledge that incentive compensation costs are excluded from the Rider RAC rates set forth in the Stipulation.
22. As in prior RAC stipulations, the Parties agree that the Board shall make no determination as to the recoverability of NRD-related and incentive compensation costs under the RAC or the reasonableness of such costs at this time. The Parties further agree that JCP&L may continue to defer such costs. The Parties reserve all rights concerning the recoverability and reasonableness of such costs in connection with the Company's prior and future RAC filings, acknowledging that nothing in the Stipulation shall affect or limit each other's right to argue its respective position until there is a resolution.

23. The Parties agree that JCP&L may continue to defer all additional reasonable and prudent MGP remediation costs and expenses incurred and deferred after December 31, 2022, including NRD-related and incentive compensation costs, together with accrued interest thereon, for review and inclusion in future RAC filings and related adjustments to the Company's Rider RAC, subject to the Board's review and approval. In accordance with Generally Accepted Accounting Principles ("GAAP") as applied by JCP&L's independent auditors, the deferred RAC balance as of December 31, 2021, and December 31, 2022, included certain RAC expense accruals. Although the Parties will continue to review the levels of such accruals in the Company's deferred RAC accounts in future proceedings, the Parties do not object to the use of such GAAP accrual accounting procedures as required by the Company's auditors.
24. In accordance with the Board's Order dated April 27, 2009, JCP&L agrees to continue: performing outside legal and community relations activities in a prudent and reasonable manner for the purpose of supporting its remediation program and mitigating potential liabilities related to its remediation program; and providing descriptions and explanations of the expenses incurred for such activities in subsequent RAC filings, with claimed confidential information provided pursuant to a confidentiality agreement.⁴
25. Also, in accordance with the April 2009 Order, JCP&L agrees to continue maintaining a complaint log for each MGP site that will provide details about complaints (exclusive of formal legal claims or lawsuits) received from property owners, neighboring residents, and municipal officials, as well as a description of the Company's actions responding to the complaints.
26. In subsequent RAC filings, JCP&L agrees to include responses to the minimum filing requirements ("MFRs") listed in Appendix C to the Stipulation. As part of the Stipulation, the Parties agree to make changes to the applicable MFRs in future RAC filings. The Company is providing the MFRs to enable Staff and Rate Counsel to review the prudence of the Company's remediation costs that the Company seeks to recover in that particular RAC filing and to understand the progress and plan for completing the remediation of each site, to the extent each such Exhibit C MFR requests information regarding the foregoing.
27. In accordance with the Board Order dated March 9, 2011, JCP&L agrees to competitively bid remediation projects expected to cost in excess of \$250,000 with respect to work at existing sites or work at any new sites identified in the future.⁵ If competitive bidding is not utilized as provided in Paragraph 27 of the Stipulation, the Company will be required to show that competitive bidding was not practical or advantageous under the circumstances.

⁴ In re the Verified Petition of Jersey Central Power & Light Company for the Review and Approval of Costs Incurred for Environmental Remediation of Manufactured Gas Plant Sites Pursuant to the Remediation Adjustment Clause of Its Filed Tariff ("2005 Annual RAC Filing"), BPU Docket No. ER06030258, Order dated April 27, 2009 ("April 2009 Order").

⁵ In the Matter of the Verified Petition of Jersey Central Power & Light Company for the Review and Approval of Costs Incurred for Environmental Remediation of Manufactured Gas Plant Sites Pursuant to the Remediation Adjustment Clause of Its Filed Tariff ("2006-2008 RAC Filing"), BPU Docket No. ER09030194, Order dated March 9, 2011 ("March 2011 Order").

28. Also, in accordance with the March 2011 Order, JCP&L will continue to make annual RAC filings by October 1 each year, which will not be combined with any SBC filings, regardless of whether the Company is seeking any changes in its RAC recovery rate.
29. Also, in accordance with the March 2011 Order, JCP&L agrees to continue providing a final reconciliation of its annual RAC factor recovery within ninety (90) days of the completion of each RAC recovery year, which reconciliation will include the calculation of actual sales volumes that recovered the RAC factor and the resultant net expense or credit amount, which is to be carried over to the next recovery year. Implementation and/or adjustment of the RAC factor is subject to the Parties' review of JCP&L's RAC expenditures and reconciliation thereof in JCP&L's future RAC and/or SBC proceedings.

The Parties agree that the terms of the Stipulation shall be deemed to resolve all factual and legal issues relating to the determination of all amounts that were or could have been included in the calculation of JCP&L's deferred RAC balance through and including December 31, 2022, except with respect to NRD-related costs and incentive compensation costs.

DISCUSSION AND FINDINGS

The Board reviewed the record in this matter, including the 2021 and 2022 RAC Petitions and the Stipulation. The Board **HEREBY FINDS** the Stipulation to be reasonable and in the public interest, being persuaded that the MGP costs were thoroughly reviewed. The Board **FURTHER FINDS** that the Company's MGP remediation work performed during the 2021 and 2022 RAC Periods was prudent, and the resulting MGP costs for the 2021 and 2022 RAC Periods are reasonable and prudent.

Accordingly, the Board **HEREBY ADOPTS** the Stipulation as its own, as if fully set forth herein. The Board **HEREBY ORDERS** that the Company maintain the current Rider RAC rate of \$0.000806 per kWh before SUT and the same shall remain in effect until further Order of the Board. As a result of the Stipulation, a typical residential customer using an average of 783 kWh per month will see no change in their current bill.

The Board **FURTHER ORDERS** that the NRD related costs of \$803,654, covering the period 2005 through 2022, and \$247,956 for incentive compensation related to the period 2006 through 2022, shall continue to be deferred until such time as the Board addresses the rate recoverability of expenditures related to NRD and incentive compensation via the RAC mechanism.

The Board **FURTHER ORDERS** that the Company continue to defer all additional reasonable and prudent MGP remediation costs and expenses incurred and deferred subsequent to December 31, 2022, including NRD-related and incentive compensation costs, together with accrued interest thereon, for review and inclusion in future RAC filings and related adjustments to the Company's RAC rate.

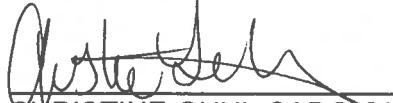
The Board **HEREBY DIRECTS** the Company to file revised tariff sheets that conform to the terms and conditions of this Order by July 15, 2026, for service rendered on and after July 15, 2026.

The Company's costs, including those related to the RAC, shall remain subject to on-going audit by the Board. Additionally, the Company will periodically conduct audits of these expenses. This Decision and Order shall not preclude or prohibit the Board from taking any actions determined to be appropriate as a result of any such audit.

This Order shall be effective June 30, 2026.

DATED: June 30, 2026

BOARD OF PUBLIC UTILITIES
BY:


CHRISTINE GUHL-SADOVY
PRESIDENT

ABSTAINED

DR. ZENON CHRISTODOULOU
COMMISSIONER


MICHAEL BANGE
COMMISSIONER


EMMA REBHORN
COMMISSIONER


JOSEPH COVIELLO
COMMISSIONER

ATTEST:


SHERRI L. LEWIS
BOARD SECRETARY

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

IN THE MATTER OF THE VERIFIED PETITION OF JERSEY CENTRAL POWER & LIGHT COMPANY FOR THE REVIEW AND APPROVAL OF ITS COSTS INCURRED FOR ENVIRONMENTAL REMEDIATION OF MANUFACTURED GAS PLANT SITES PURSUANT TO THE REMEDIATION ADJUSTMENT CLAUSE OF ITS FILED TARIFF ("2021 RAC FILING")

BPU DOCKET NO. ER22090616

IN THE MATTER OF THE VERIFIED PETITION OF JERSEY CENTRAL POWER & LIGHT COMPANY FOR THE REVIEW AND APPROVAL OF ITS COSTS INCURRED FOR ENVIRONMENTAL REMEDIATION OF MANUFACTURED GAS PLANT SITES PURSUANT TO THE REMEDIATION ADJUSTMENT CLAUSE OF ITS FILED TARIFF ("2022 RAC FILING")

BPU DOCKET NO. ER23100722

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May 28, 2026

VIA ELECTRONIC MAIL

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Re: In the Matter of the Verified Petition of Jersey Central Power & Light Company for the Review and Approval of Its Costs Incurred for Environmental Remediation of Manufactured Gas Plant Sites Pursuant to the Remediation Adjustment Clause of Its Filed Tariff (“2021 RAC Filing”), BPU Docket No. ER22090616

In the Matter of the Verified Petition of Jersey Central Power & Light Company for the Review and Approval of Its Costs Incurred for Environmental Remediation of Manufactured Gas Plant Sites Pursuant to the Remediation Adjustment Clause of Its Filed Tariff (“2022 RAC Filing”), BPU Docket No. ER23100722

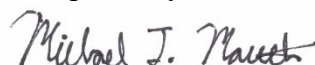
Dear Secretary Lewis:

On behalf of Jersey Central Power & Light Company, in connection with the above-referenced proceedings, please find enclosed for filing with the New Jersey Board of Public Utilities (“BPU” or the “Board”) a fully executed Stipulation of Settlement and its Appendices.

Consistent with the Board’s Order issued on March 19, 2020, in In the Matter of the New Jersey Board of Public Utilities’ Response to the COVID-19 Pandemic for a Temporary Waiver of Requirements for Certain Non-Essential Obligations, BPU Docket No. EO20030254, this filing is being electronically filed with the Secretary of the Board and the New Jersey Division of Rate Counsel. This filing is also being served upon the balance of persons on the enclosed service list. No paper copies will follow.

If you have any questions, please feel free to contact me.

Respectfully submitted,



Michael J. Martelo

Enclosures
Cc: Service List (via email)

**2021 & 2022 RAC Filings
BPU Docket Nos. ER22090616 & ER23100722**

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**2021 & 2022 RAC Filings
BPU Docket Nos. ER22090616 & ER23100722**

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

**IN THE MATTER OF THE VERIFIED
PETITION OF JERSEY CENTRAL
POWER & LIGHT COMPANY FOR THE
REVIEW AND APPROVAL OF ITS
COSTS INCURRED FOR
ENVIRONMENTAL REMEDIATION OF
MANUFACTURED GAS PLANT SITES
PURSUANT TO THE REMEDIATION
ADJUSTMENT CLAUSE OF ITS FILED
TARIFF (“2021 RAC FILING”)**

STIPULATION OF SETTLEMENT

BPU DOCKET NO. ER22090616

**IN THE MATTER OF THE VERIFIED
PETITION OF JERSEY CENTRAL
POWER & LIGHT COMPANY FOR THE
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TARIFF (“2022 RAC FILING”)**

BPU DOCKET NO. ER23100722

APPEARANCES:

Michael J. Martelo, Esq., FirstEnergy Service Company, for Petitioner, Jersey Central Power & Light Company

Steven A. Chaplar, Esq., Deputy Attorney General, for the Staff of the New Jersey Board of Public Utilities (**Jennifer Davenport, Esq.**, Attorney General of the State of New Jersey)

Maura Caroselli, Esq., Managing Attorney – Gas, **Mamie W. Purnell, Esq.**, **Andrew M. Kuntz, Esq.**, and **Michael Lombardi, Esq.**, Assistant Deputies Rate Counsel for the New Jersey Division of Rate Counsel (**Brian O. Lipman, Esq.**, Director)

TO THE HONORABLE NEW JERSEY BOARD OF PUBLIC UTILITIES:

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

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

BACKGROUND

1. The Remediation Adjustment Clause (“RAC”) is a component of JCP&L’s Societal Benefits Charge (“SBC”) in its filed tariff.

2. Rider RAC provides for the recovery of Manufactured Gas Plant (“MGP”) site remediation costs (net of insurance and other recoveries) over rolling seven (7)-year periods, including carrying costs on the unamortized balance. Carrying cost is calculated on a monthly basis at an interest rate equal to the rate on seven (7)-year constant maturity Treasuries, as shown in the Federal Reserve Statistical Release on or closest to January 1 of each year, plus (60) sixty basis points, compounded annually as of January 1 of each year.

3. JCP&L’s Rider RAC rate is currently set at \$0.000806 per kilowatt-hour (“kWh”) excluding Sales and Use Tax (“SUT”).

4. On September 30, 2022, JCP&L filed a Verified Petition with the Board, including supporting schedules, seeking review and approval of all expenses incurred by the Company in connection with the environmental remediation of MGP sites during calendar year 2021 (“2021 RAC Period”) pursuant to the RAC (“2021 RAC Filing”). While the information contained in the 2021 RAC Filing would result in a decrease to the annual Rider RAC revenues of approximately \$0.5 million, the 2021 RAC Filing proposed no change to the Rider RAC rate. Keeping with past practice, JCP&L proposed to continue to defer costs related to natural resource damages (“NRD”) and incentive compensation, but not to recover such costs, including interest, until there is a resolution of whether such costs are recoverable under the RAC.

5. On September 29, 2023, JCP&L filed a separate Verified Petition with the Board, including supporting schedules, seeking review and approval of all expenses incurred by the Company in connection with the environmental remediation of MGP sites during calendar year 2022 (“2022 RAC Period”) pursuant to the RAC (“2022 RAC Filing”). While the information contained in the 2022 RAC Filing would result in a decrease to the annual Rider RAC revenues of approximately \$80,185, by the 2022 RAC Filing, the Company again proposed no change to the Rider RAC rate and to continue to defer but not recover NRD-related and incentive compensation costs, including interest, until there is a resolution of whether such costs are recoverable under the RAC.

6. Following the filing of the 2021 and 2022 RAC Filings, the Parties engaged in discovery. Having completed discovery, the Parties now agree to resolve the 2021 and 2022 RAC Filings in accordance with the terms set forth below.

STIPULATION

7. For the 2021 RAC Period, the Parties agree that JCP&L’s total recoverable MGP remediation expenses were \$8,194,215 (excluding incentive compensation costs of \$12,933). (Appendix A, page 2, lines 59-65).¹ The Parties further agree that combining this amount with the Company’s 2021 over-recovered deferred RAC balance of \$293,969 yields 2021 total recoverable MGP remediation costs of \$7,900,245. (Appendix A, page 2, lines 66-69).

8. The Parties agree that combining JCP&L’s 2021 total recoverable MGP remediation costs of \$7,900,245 with its prior total recoverable MGP remediation costs of \$100,049,850 yields total recoverable MGP remediation costs of \$107,950,095 as of December 31, 2021. (Appendix A, page 2, line 69).

¹ Appendix A is Attachment A-1 to JCP&L’s 2021 RAC Filing.

9. The Parties agree that if JCP&L's total recoverable MGP remediation costs of \$107,950,095 as of December 31, 2021, were amortized over a seven (7)-year period, the total annual net recovery would be \$15,421,442. (Appendix A, page 2, lines 69-71).

10. After applying forecasted retail sales for the twelve (12) months ending December 31, 2023, of \$19,770,258, the Rider RAC rate would decrease by \$0.000026 per kWh (excluding SUT) from the current rate of \$0.000806 per kWh (excluding SUT) to a new rate of \$0.000780 per kWh (excluding SUT), resulting in a decrease to annual RAC revenue of \$514,027. (Appendix A, page 2, lines 72-76).

11. The following chart provides further details concerning the derivation of Rider RAC based on numbers provided in JCP&L's 2021 RAC Filing:

JERSEY CENTRAL POWER & LIGHT COMPANY			
Derivation of Manufactured Gas Plant (MGP) Remediation Adjustment Charge (RAC)			
	Through 12/31/2020	Year 2021	Total as of 12/31/2021
Derivation of Tariff Rider RAC:			
Total recoverable MGP remediation expenses	\$ 128,560,032	\$ 8,194,215	\$ 136,754,246
Less: Fully Amortized Layers as of 12/31/21	(28,510,182)		(28,510,182)
Ending over-recovered deferred RAC balances		(293,969)	(293,969)
Total recoverable MGP remediation costs including under-recovery	\$ 100,049,850	\$ 7,900,245	\$ 107,950,095
RAC recovery period (years)	7	7	7
Net annual recoverable MGP expenses	\$ 14,292,836	\$ 1,128,606	\$ 15,421,442
Retail Sales forecasted (MWh)			19,770,258
Calculated RAC factor (\$ per kWh) before SUT			\$ 0.000780
RAC factor currently in effect (\$ per kWh)			\$ 0.000806
Calculated increase/(decrease) in RAC Factor (\$ per kWh) before SUT			\$ (0.000026)
Proposed Rider RAC revenue (decrease)			\$ (514,027)

12. For the 2022 RAC Period, the Parties agree that JCP&L's total recoverable MGP remediation expenses were \$6,203,838 (excluding incentive compensation costs of \$13,626).

(Appendix B, page 2, lines 65-71).² The Parties further agree that combining this amount with the Company's 2022 over-recovered deferred RAC balance of \$1,611,265 yields 2022 total recoverable MGP remediation costs of \$4,592,573. (Appendix B, page 2, lines 72-75).

13. The Parties agree that combining JCP&L's 2022 total recoverable MGP remediation costs of \$4,592,573 with its prior total recoverable MGP remediation costs of \$107,950,095 yields total recoverable MGP remediation costs of \$112,542,667 as of December 31, 2022. (Appendix B, page 2, line 75).

14. The Parties agree that if JCP&L's total recoverable MGP remediation costs of \$112,542,667 as of December 31, 2022, were amortized over a seven (7)-year period, the total annual net recovery would be \$16,077,524. (Appendix B, page 2, lines 75-77).

15. After applying forecasted retail sales for the twelve (12) months ending December 31, 2024, of \$20,046,242, the Rider RAC rate would decrease by \$0.000004 per kWh (excluding SUT) from the current rate of \$0.000806 per kWh (excluding SUT) to a new rate of \$0.000802 per kWh (excluding SUT), resulting in a decrease to annual RAC revenue of \$80,185. (Appendix B, page 2, lines 78-82).

16. The following chart provides further details concerning the derivation of Rider RAC based on numbers provided in JCP&L's 2022 RAC Filing:

² Appendix B is Attachment A-1 to JCP&L's 2022 RAC Filing.

JERSEY CENTRAL POWER & LIGHT COMPANY				
Derivation of Manufactured Gas Plant (MGP) Remediation Adjustment Charge (RAC)				
	Through 12/31/2020	Year 2021	Year 2022	Total as of 12/31/2022
Derivation of Tariff Rider RAC:				
Total recoverable MGP remediation expenses	\$ 128,560,032	\$ 8,194,215	\$ 6,203,838	\$ 142,958,084
Less: Fully Amortized Layers as of 12/31/22	(28,510,182)			\$ (28,510,182)
Ending over-recovered deferred RAC balances		(293,969)	(1,611,265)	\$ (1,905,234)
Total recoverable MGP remediation costs including under-recovery	\$ 100,049,850	\$ 7,900,245	\$ 4,592,573	\$ 112,542,668
RAC recovery period (years)	7	7	7	7
Net annual recoverable MGP expenses	<u>\$ 14,292,836</u>	<u>\$ 1,128,606</u>	<u>\$ 656,082</u>	<u>\$ 16,077,524</u>
Retail Sales forecasted (MWh)				20,046,242
Calculated RAC factor (\$ per kWh) before SUT				\$ 0.000802
RAC factor currently in effect (\$ per kWh)				\$ 0.000806
Calculated increase/(decrease) in RAC Factor (\$ per kWh) before SUT				<u>\$ (0.000004)</u>
Proposed Rider RAC revenue (decrease)				\$ (80,185)

17. Because the 2022 RAC Filing decrease is *de minimis* and includes the impact of the 2021 RAC Filing, rather than adjust the Rider RAC rate, the Parties agree to maintain the current Rider RAC rate of \$0.000806 per kWh (excluding SUT).

18. The Parties acknowledge that, in November 2022, JCP&L sold a portion of its remediated property in Sea Isle City, Cape May County for \$2,665,555. The proceeds from the sale have been applied against the costs of remediating the Sea Isle City properties. The closings for additional remediated Sea Isle City property sales were completed in early 2023. Any revenues the Company received from the sale of remediation properties during the 2021 and 2022 RAC Periods were credited to the deferred RAC balances.

19. The Parties agree that, from 2005 through 2022, JCP&L has total deferred NRD-related costs of \$803,654. (See Appendix B, page 3). Since JCP&L incurred none of these NRD-related costs during the 2021 and 2022 RAC Periods, the Parties acknowledge that none are included in the Company's 2021 and 2022 total recoverable MGP remediation costs set forth

above. The Parties further acknowledge that deferred NRD-related costs are excluded from the Rider RAC rates set forth above.

20. Relatedly, the Parties acknowledge that JCP&L claims the right to retain NRD-related costs of approximately \$76,000 from two (2) prior RAC years, 2003 and 2004.

21. The Parties agree that from 2006 through 2022, JCP&L has total deferred incentive compensation costs of \$247,956, with JCP&L having incurred \$12,933 during the 2021 RAC Period and \$13,626 during the 2022 RAC Period. (See Appendix B, page 3). The Parties acknowledge that none of these incentive compensation costs are included in the Company's 2021 and 2022 total recoverable MGP remediation costs set forth above. The Parties further acknowledge that incentive compensation costs are excluded from the Rider RAC rates set forth above.

22. As in prior RAC stipulations, the Parties agree that the Board shall make no determination as to the recoverability of NRD-related and incentive compensation costs under the RAC or the reasonableness of such costs at this time. The Parties further agree that JCP&L may continue to defer such costs. The Parties reserve all rights concerning the recoverability and reasonableness of such costs in connection with the Company's prior and future RAC filings, acknowledging that nothing in this Stipulation shall affect or limit each other's right to argue its respective position until there is a resolution.

23. The Parties agree that JCP&L may continue to defer all additional reasonable and prudent MGP remediation costs and expenses incurred and deferred after December 31, 2022, including NRD-related and incentive compensation costs, together with accrued interest thereon, for review and inclusion in future RAC filings and related adjustments to the Company's Rider RAC, subject to the Board's review and approval. In accordance with Generally Accepted

Accounting Principles (“GAAP”) as applied by JCP&L’s independent auditors, the deferred RAC balance as of December 31, 2021, and December 31, 2022, included certain RAC expense accruals. Although the Parties will continue to review the levels of such accruals in the Company’s deferred RAC accounts in future proceedings, the Parties do not object to the use of such GAAP accrual accounting procedures as required by the Company’s auditors.

24. In accordance with the Board’s Order dated April 27, 2009, JCP&L agrees to continue: performing outside legal and community relations activities in a prudent and reasonable manner for the purpose of supporting its remediation program and mitigating potential liabilities related to its remediation program; and providing descriptions and explanations of the expenses incurred for such activities in subsequent RAC filings, with claimed confidential information provided pursuant to a confidentiality agreement.³

25. Also, in accordance with the April 2009 Order, JCP&L agrees to continue maintaining a complaint log for each MGP site that will provide details about complaints (exclusive of formal legal claims or lawsuits) received from property owners, neighboring residents, and municipal officials, as well as a description of the Company’s actions responding to the complaints.

26. In subsequent RAC filings, JCP&L agrees to include responses to the minimum filing requirements (“MFRs”) listed in Appendix C to this Stipulation. As part of this Stipulation, the Parties agree to make changes to the applicable MFRs in future RAC filings. The Company is providing the MFRs to enable Staff and Rate Counsel to review the prudence of the Company’s remediation costs that the Company seeks to recover in that particular RAC filing and to

³ In re the Verified Petition of Jersey Central Power & Light Company for the Review and Approval of Costs Incurred for Environmental Remediation of Manufactured Gas Plant Sites Pursuant to the Remediation Adjustment Clause of Its Filed Tariff (“2005 Annual RAC Filing”), BPU Docket No. ER06030258, Order dated April 27, 2009 (“April 2009 Order”).

understand the progress and plan for completing the remediation of each site, to the extent each such Exhibit C MFR requests information regarding the foregoing.

27. In accordance with the Board Order dated March 9, 2011, JCP&L agrees to competitively bid remediation projects expected to cost in excess of \$250,000 with respect to work at existing sites or work at any new sites identified in the future.⁴ If competitive bidding is not utilized as provided in this Paragraph, the Company will be required to show that competitive bidding was not practical or advantageous under the circumstances.

28. Also, in accordance with the March 2011 Order, JCP&L will continue to make annual RAC filings by October 1 each year, which will not be combined with any SBC filings, regardless of whether the Company is seeking any change in its RAC recovery rate.

29. Also, in accordance with the March 2011 Order, JCP&L agrees to continue providing a final reconciliation of its annual RAC factor recovery within ninety (90) days of the completion of each RAC recovery year, which reconciliation will include the calculation of actual sales volumes that recovered the RAC factor and the resultant net expense or credit amount, which is to be carried over to the next recovery year. Implementation and/or adjustment of the RAC factor is subject to the Parties' review of JCP&L's RAC expenditures and reconciliation thereof in JCP&L's future RAC and/or SBC proceedings.

30. The Parties agree that the terms of this Stipulation shall be deemed to resolve all factual and legal issues relating to the determination of all amounts that were or could have been included in the calculation of JCP&L's deferred RAC balance through and including December 31, 2022, except with respect to NRD-related costs and incentive compensation costs.

⁴ In the Matter of the Verified Petition of Jersey Central Power & Light Company for the Review and Approval of Costs Incurred for Environmental Remediation of Manufactured Gas Plant Sites Pursuant to the Remediation Adjustment Clause of Its Filed Tariff ("2006-2008 RAC Filing"), BPU Docket No. ER09030194, Order dated March 9, 2011 ("March 2011 Order").

CONCLUSION

31. The Parties agree that this Stipulation contains mutual balancing and interdependent clauses and is intended to be accepted and approved in its entirety. If 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, if 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.

32. The Parties agree that this Stipulation shall be binding on them for all purposes herein.

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

- a. By executing this Stipulation, no Party waives any rights it possesses under any prior stipulation, except where the terms of this Stipulation supersede such prior stipulation; and
- b. The contents of this Stipulation shall not in any way be considered, cited, or used by any of the undersigned Parties as an indication of any Party's position on any related or other issue litigated in any other proceeding or forum, except to enforce the terms of this Stipulation.

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


WHEREFORE, the Parties hereto have duly executed and do respectfully submit this Stipulation to the Board and recommend that the Board issue a Final Decision and Order adopting and approving this Stipulation in its entirety in accordance with the terms hereof. The Parties further acknowledge that a Board Order approving this Stipulation will become effective upon the service of said Board Order, or upon such date after the service thereof as the Board may specify, in accordance with N.J.S.A. 48:2-40.

**JERSEY CENTRAL POWER & LIGHT COMPANY
PETITIONER**

By: 
MICHAEL J. MARTELO, ESQ.
COUNSEL

Dated: May 6, 2026

**BRIAN O. LIPMAN, DIRECTOR
NEW JERSEY DIVISION OF RATE COUNSEL**

By: 
MAMIE W. PURNELL, ESQ.
ASSISTANT DEPUTY RATE COUNSEL

Dated: May 19, 2026

**JENNIFER DAVENPORT
ATTORNEY GENERAL OF NEW JERSEY**
Attorney for the Staff of the Board of Public Utilities

By: 
STEVEN A. CHAPLAR
DEPUTY ATTORNEY GENERAL

Dated: May 19, 2026

JERSEY CENTRAL POWER & LIGHT COMPANY
Derivation of Manufactured Gas Plant (MGP) Remediation Adjustment Charge (RAC)
For Tariff Rider Effective January 1, 2023

Line No.	Through 12/31/2020 (1)	Year 2021 (2)	Total as of 12/31/2021 (3)	Data Sources
MGP Remediation Costs				
1	\$ 50,166,335			
2	(150,892)			
3	(29,097,165)			Footnote (b)
4	\$ 20,918,278			Line Nos. 1 through 3
5	435,073			Footnote (c)
6	103,751			Footnote (d)
7	\$ 20,379,454			ER10020130 (6/15/11) & ER11030141 (3/12/12)
8	\$ 7,700,028			ER12080751 (11/21/2014)
9	474,978			ER12080751 (11/21/2014)
10	\$ 8,175,006			Line Nos. 8 + 9
11	33,404			Footnote (c)
12	10,874			Footnote (d)
13	\$ 8,130,728			ER12080751 (11/21/2014)
14	\$ 34,539,907			ER15040499
15	1,589,722			ER15040499
16	36,129,629			Line Nos. 14 + 15
17	182,593			Footnote (c)
18	28,452			Footnote (d)
19	\$ 35,918,584			ER15040499 (07/29/2016)
20	\$ 7,883,897			ER16090922
21	851,961			ER16090922
22	\$ 8,735,858			Line Nos. 20 + 21
23	98,616			Footnote (c)
24	13,248			Footnote (d)
25	\$ 8,623,994			ER16090922 (11/21/17)
26	\$ 13,621,248			ER17111191
27	1,016,079			ER17111191
28	\$ 14,637,327			Line Nos. 26 + 27
29	51,947			Footnote (c)
30	13,551			Footnote (d)
31	\$ 14,571,829			ER17111191 (06/22/18)
32	\$ 26,063,647			ER18080965 (Attmt B Revised)
33	1,367,586			ER18080965 (Attmt G Revised)
34	\$ 27,431,233			Line Nos. 32 + 33
35	3,217			Footnote (c)
36	12,722			Footnote (d)
37	\$ 27,415,294			ER18080965 (10/25/19)
38	\$ 16,629,984			ER19101332
39	1,975,403			ER19101332
40	(17,256,349)			Footnote (b)
41	\$ 1,349,038			Line Nos. 38 + 39 + 40
42	(1,196)			Footnote (c)
43	9,922			Footnote (d)
44	\$ 1,340,313			ER19101332 (05/15/20)
45	\$ 8,983,474			ER20100628
46	1,716,401			ER20100628
47	(3,947,992)			Footnote (e)
48	(4,629,843)			Footnote (b)
49	\$ 2,122,040			Line Nos. 45 + 46 + 47 + 48
50	-			Footnote (c)
51	14,062			Footnote (d)
52	\$ 2,107,978			ER20100628 (02/27/21)
53	\$ 8,918,306			ER21101155
54	1,168,367			ER21101155
55	10,086,673			Line Nos. 53 + 54
56	-			Footnote (c)
57	14,815			Footnote (d)
58	\$ 10,071,858			ER21101155 (08/24/22)

JERSEY CENTRAL POWER & LIGHT COMPANY
Derivation of Manufactured Gas Plant (MGP) Remediation Adjustment Charge (RAC)
For Tariff Rider Effective January 1, 2023

59	Total MGP remediation costs incurred	\$	7,654,476		Attachment B
60	Carrying cost on deferred MGP costs accrued		552,672		Attachment G
61	Total unrecovered MGP costs at 12/31/21		<u>8,207,148</u>		Line Nos. 59 + 60
62	Less: Natural Resources Damages (NRD) expenses				Footnote (c)
63	Less: Incentive Compensation Program (ICP) Costs		12,933		Footnote (d)
64	Total MGP costs submitted for recovery		<u>\$ 8,194,215</u>		Line Nos. 61 less 62 & 63
65	Total recoverable MGP remediation expenses	<u>\$ 128,560,032</u>	<u>\$ 8,194,215</u>	<u>\$ 136,754,246</u>	Columns (1) through (3)
<u>Derivation of Tariff Rider RAC:</u>					
66	Total recoverable MGP remediation expenses	\$ 128,560,032	\$ 8,194,215	\$ 136,754,246	Line 65
67	Less: Fully Amortized Layers (Lines 7 & 13)	(28,510,182)		(28,510,182)	
68	Ending over-recovered deferred RAC balances		(293,969)	(293,969)	Attachment A-2 p.3 (26)
69	Total recoverable MGP remediation costs incl.under-recovery	<u>\$ 100,049,850</u>	<u>\$ 7,900,245</u>	<u>\$ 107,950,095</u>	Line Nos. 66 + 67 + 68
70	RAC recovery period (years)	<u>7</u>	<u>7</u>	<u>7</u>	ER91121820J 12/16/94 Order
71	Net annual recoverable MGP expenses	<u>\$ 14,292,836</u>	<u>\$ 1,128,606</u>	<u>\$ 15,421,442</u>	Line 69 divided by Line 70
72	Retail Sales forecasted (MWh)			19,770,258	12 mos. Ended 12/31/23 Line
73	Calculated RAC factor (\$ per kWh) before SUT			\$ 0.000780	71 divided by Line 72 Rider
74	RAC factor currently in effect (\$ per kWh)			\$ 0.000806	RAC effective 9/1/22 Line 73 -
75	Calculated increase/(decrease) in RAC Factor (\$ per kWh) before SUT			<u>\$ (0.000026)</u>	Line 74
76	Rider RAC revenue (decrease) *			<u>\$ (514,027)</u>	Line 72 x Line 75

* The Company is proposing no change in the current Rider RAC rate.

JERSEY CENTRAL POWER & LIGHT COMPANY
Derivation of Manufactured Gas Plant (MGP) Remediation Adjustment Charge (RAC)
For Tariff Rider Effective January 1, 2023

FOOTNOTES:

(a) Total cost incurred is net of:

- (1) Write-off in accordance with RAC Stipulation and BPU Order ER03121020 (\$2,500,000);
- (2) Insurance proceeds received (\$36,100,000);
- (3) MGP revenue previously collected through base rates (\$16,877,403).

(b) Application of over-recovered SBC components at year-end in accordance with Tariff Rider SBC:

	Annual	Cumulative
2004	\$ (6,424,026)	
2005	(2,639,759)	
2006	(2,401,577)	
2007	(5,621,172)	
2008	(2,640,262)	
2009	(1,523,158)	
2010	(7,847,211)	\$ (29,097,165)
2011	-	(29,097,165)
2012	-	(29,097,165)
2013	-	(29,097,165)
2014	-	(29,097,165)
2015	-	(29,097,165)
2016	-	(29,097,165)
2017	-	(29,097,165)
2018	(17,256,349)	(46,353,513)
2019	(4,629,843)	(50,983,356)
2020	-	(50,983,356)
2021	-	(50,983,356)

(c) NRD Expenses incurred by year:

	Annual	Cumulative
2005	\$ 62,856	
2006	157,594	
2007	53,434	
2008	18,046	
2009	89,580	
2010	53,563	\$ 435,073
2011	33,404	468,477
2012	83,412	551,889
2013	5,116	557,005
2014	94,065	651,070
2015	98,616	749,686
2016	51,947	801,633
2017	3,217	804,850
2018	(1,196)	803,654
2019	-	803,654
2020	-	803,654
2021	-	803,654

(d) ICP Costs by year:

	Annual	Cumulative
2006	\$ 27,479	
2007	32,141	
2008	30,346	
2009	-	
2010	13,785	\$ 103,751
2011	10,874	114,625
2012	11,328	125,953
2013	10,259	136,212
2014	6,865	143,077
2015	13,248	156,325
2016	13,551	169,876
2017	12,722	182,598
2018	9,922	192,520
2019	14,062	206,582
2020	14,815	221,397
2021	12,933	234,330

(e) Per the BPU's Order in Docket No.ER20010089, dated May 20, 2020, that adopted the Stipulation of Settlement ("SOS") in JCP&L's final annual filing with respect to its Storm Recovery Charge Rider ("Final 2019 SRC Filing") in its entirety, and incorporated the terms and conditions of the SOS as though fully set forth in its Order. In the BPU-approved SOS, it was agreed that JCP&L's Final 2019 SRC Filing was the final true-up of the Rider SRC balance and that the ending deferred balance in Rider SRC at December 31, 2019, was an over-recovery of \$3,947,992, including carrying costs of \$302,742. The Parties further agreed that, in accordance with the July 2019 Order, the ending deferred balance in Rider SRC was applied to Rider RAC, which was the largest under-recovered component of the Company's SBC deferred balance at the time of the filing of the Company's January 2020 Petition.

(f) The 2020 Total MGP remediation costs incurred (Lines 53 and 54 above) have been reduced for 2019 New Jersey Sales & Use Tax adjustments of approximately \$21.5k including interest.

JERSEY CENTRAL POWER & LIGHT COMPANY
Derivation of Manufactured Gas Plant (MGP) Remediation Adjustment Charge (RAC)
For Tariff Rider Effective January 1, 2024

Line No.	Through 12/31/2020 (1)	Year 2021 (2)	Year 2022 (3)	Total as of 12/31/2022 (4)	Data Sources
MGP Remediation Costs					
1	\$ 50,166,335				
2	(150,892)				
3	(29,097,165)				Footnote (b)
4	\$ 20,918,278				Line Nos. 1 through 3
5	435,073				Footnote (c)
6	103,751				Footnote (d)
7	\$ 20,379,454				ER10020130 (6/15/11) & ER11030141 (3/12/12)
8	\$ 7,700,028				ER12080751 (11/21/2014)
9	474,978				ER12080751 (11/21/2014)
10	\$ 8,175,006				Line Nos. 8 + 9
11	33,404				Footnote (c)
12	10,874				Footnote (d)
13	\$ 8,130,728				ER12080751 (11/21/2014)
14	\$ 34,539,907				ER15040499
15	1,589,722				ER15040499
16	36,129,629				Line Nos. 14 + 15
17	182,593				Footnote (c)
18	28,452				Footnote (d)
19	\$ 35,918,584				ER15040499 (07/29/2016)
20	\$ 7,883,897				ER16090922
21	851,961				ER16090922
22	\$ 8,735,858				Line Nos. 20 + 21
23	98,616				Footnote (c)
24	13,248				Footnote (d)
25	\$ 8,623,994				ER16090922 (11/21/17)
26	\$ 13,621,248				ER17111191
27	1,016,079				ER17111191
28	\$ 14,637,327				Line Nos. 26 + 27
29	51,947				Footnote (c)
30	13,551				Footnote (d)
31	\$ 14,571,829				ER17111191 (06/22/18)
32	\$ 26,063,647				ER18080965 (Attmt B Revised)
33	1,367,586				ER18080965 (Attmt G Revised)
34	\$ 27,431,233				Line Nos. 32 + 33
35	3,217				Footnote (c)
36	12,722				Footnote (d)
37	\$ 27,415,294				ER18080965 (10/25/19)
38	\$ 16,629,984				ER19101332
39	1,975,403				ER19101332
40	(17,256,349)				Footnote (b)
41	\$ 1,349,038				Line Nos. 38 + 39 + 40
42	(1,196)				Footnote (c)
43	9,922				Footnote (d)
44	\$ 1,340,313				ER19101332 (05/15/20)
45	\$ 8,983,474				ER20100628
46	1,716,401				ER20100628
47	(3,947,992)				Footnote (e)
48	(4,629,843)				Footnote (b)
49	\$ 2,122,040				Line Nos. 45 + 46 + 47 + 48
50	-				Footnote (c)
51	14,062				Footnote (d)
52	\$ 2,107,978				ER20100628 (02/27/21)
53	\$ 8,918,306				ER21101155
54	1,168,367				ER21101155
55	10,086,673				Line Nos. 53 + 54
56	-				Footnote (c)
57	14,815				Footnote (d)
58	\$ 10,071,858				ER21101155 (08/24/22)

JERSEY CENTRAL POWER & LIGHT COMPANY
Derivation of Manufactured Gas Plant (MGP) Remediation Adjustment Charge (RAC)
For Tariff Rider Effective January 1, 2024

59	Total MGP remediation costs incurred	\$	7,654,476						Attachment B	
60	Carrying cost on deferred MGP costs accrued		<u>552,672</u>						Attachment G	
61	Total unrecovered MGP costs at 12/31/21		8,207,148						Line Nos. 59 + 60	
62	Less: Natural Resources Damages (NRD) expenses		-						Footnote (c)	
63	Less: Incentive Compensation Program (ICP) Costs		<u>12,933</u>						Footnote (d)	
64	Total MGP costs submitted for recovery		<u>\$ 8,194,215</u>						Line Nos. 61 less 62 & 63	
65	Total MGP remediation costs incurred	\$	5,348,123						Attachment B	
66	Carrying cost on deferred MGP costs accrued		<u>869,341</u>						Attachment G	
67	Total unrecovered MGP costs at 12/31/22		6,217,464						Line Nos. 65 + 66	
68	Less: Natural Resources Damages (NRD) expenses		-						Footnote (c)	
69	Less: Incentive Compensation Program (ICP) Costs		<u>13,626</u>						Footnote (d)	
70	Total MGP costs submitted for recovery		<u>\$ 6,203,838</u>						Line Nos. 67 less 68 & 69	
71	Total recoverable MGP remediation expenses	<u>\$ 128,560,032</u>	<u>\$ 8,194,215</u>	<u>\$ 6,203,838</u>	<u>\$ 142,958,084</u>				Columns (1) through (4)	
Derivation of Tariff Rider RAC:										
72	Total recoverable MGP remediation expenses	\$	128,560,032	\$	8,194,215	\$	6,203,838	\$	142,958,084	Line 71
73	Less: Fully Amortized Layers (Lines 7 & 13)		(28,510,182)						(28,510,182)	
74	Ending over-recovered deferred RAC balances			(293,969)		(1,611,265)			(1,905,235)	Attachment A-2 p.3 (Column 28)
75	Total recoverable MGP remediation costs incl. under-recovery	\$	100,049,850	\$	7,900,245	\$	4,592,573	\$	112,542,667	Line Nos. 72 + 73 + 74
76	RAC recovery period (years)		<u>7</u>		<u>7</u>		<u>7</u>		<u>7</u>	ER91121820J 12/16/94 Order
77	Net annual recoverable MGP expenses	<u>\$</u>	<u>14,292,836</u>	<u>\$</u>	<u>1,128,606</u>	<u>\$</u>	<u>656,082</u>	<u>\$</u>	<u>16,077,524</u>	Line 75 divided by Line 76
78	Retail Sales forecasted (MWh)							<u>20,046,242</u>		12 mos. Ended 12/31/24
79	Calculated RAC factor (\$ per kWh) before SUT							<u>\$ 0.000802</u>		Line 77 divided by Line 78
80	RAC factor currently in effect (\$ per kWh)							<u>\$ 0.000806</u>		Rider RAC effective 9/1/22
81	Calculated increase/(decrease) in RAC Factor (\$ per kWh) before SUT							<u>\$ (0.000004)</u>		Line 79 - Line 80
82	Rider RAC revenue (decrease) *							<u>\$ (80,185)</u>		Line 78 x Line 81

* The Company is proposing no change in the current Rider RAC rate.

JERSEY CENTRAL POWER & LIGHT COMPANY
Derivation of Manufactured Gas Plant (MGP) Remediation Adjustment Charge (RAC)
For Tariff Rider Effective January 1, 2024

FOOTNOTES:

- (a) Total cost incurred is net of:
 (1) Write-off in accordance with RAC Stipulation and BPU Order ER03121020 (\$2,500,000);
 (2) Insurance proceeds received (\$36,100,000);
 (3) MGP revenue previously collected through base rates (\$16,877,403).

- (b) Application of over-recovered SBC components at year-end in accordance with Tariff Rider SBC:

	Annual	Cumulative
2004	\$ (6,424,026)	
2005	(2,639,759)	
2006	(2,401,577)	
2007	(5,621,172)	
2008	(2,640,262)	
2009	(1,523,158)	
2010	(7,847,211)	\$ (29,097,165)
2011	-	(29,097,165)
2012	-	(29,097,165)
2013	-	(29,097,165)
2014	-	(29,097,165)
2015	-	(29,097,165)
2016	-	(29,097,165)
2017	-	(29,097,165)
2018	(17,256,349)	(46,353,513)
2019	(4,629,843)	(50,983,356)
2020	-	(50,983,356)
2021	-	(50,983,356)
2022	-	(50,983,356)

- (c) NRD Expenses incurred by year:

	Annual	Cumulative
2005	\$ 62,856	
2006	157,594	
2007	53,434	
2008	18,046	
2009	89,580	
2010	53,563	\$ 435,073
2011	33,404	468,477
2012	83,412	551,889
2013	5,116	557,005
2014	94,065	651,070
2015	98,616	749,686
2016	51,947	801,633
2017	3,217	804,850
2018	(1,196)	803,654
2019	-	803,654
2020	-	803,654
2021	-	803,654
2022	-	803,654

- (d) ICP Costs by year:

	Annual	Cumulative
2006	\$ 27,479	
2007	32,141	
2008	30,346	
2009	-	
2010	13,785	\$ 103,751
2011	10,874	114,625
2012	11,328	125,953
2013	10,259	136,212
2014	6,865	143,077
2015	13,248	156,325
2016	13,551	169,876
2017	12,722	182,598
2018	9,922	192,520
2019	14,062	206,582
2020	14,815	221,397
2021	12,933	234,330
2022	13,626	247,956

- (e) Per the BPU's Order in Docket No.ER20010089, dated May 20, 2020, that adopted the Stipulation of Settlement ("SOS") in JCP&L's final annual filing with respect to its Storm Recovery Charge Rider ("Final 2019 SRC Filing") in its entirety, and incorporated the terms and conditions of the SOS as though fully set forth in its Order. In the BPU-approved SOS, it was agreed that JCP&L's Final 2019 SRC Filing was the final true-up of the Rider SRC balance and that the ending deferred balance in Rider SRC at December 31, 2019, was an over-recovery of \$3,947,992, including carrying costs of \$302,742. The Parties further agreed that, in accordance with the July 2019 Order, the ending deferred balance in Rider SRC was applied to Rider RAC, which was the largest under-recovered component of the Company's SBC deferred balance at the time of the filing of the Company's January 2020 Petition.

- (f) The 2020 Total MGP remediation costs incurred (Lines 53 and 54 above) have been reduced for 2019 New Jersey Sales & Use Tax adjustments of approximately \$21.5k including interest.

Jersey Central Power & Light Company
RAC Minimum Filing Requirements

As part of the Company's annual RAC filing, the Company will provide responses to the following Minimum Filing Requirements ("MFRs"). The requests, unless noted otherwise, relate to the historical twelve (12)-month RAC period. The data shall be provided on or before September 30 of the calendar year following the historical twelve (12)-month RAC period. The Company retains the right to limit providing data in response to the MFRs based on confidentiality concerns pending the execution of a non-disclosure agreement, and the parties take no position on future claims of privilege at this time.

1. Identify all JCP&L manufactured gas plant sites by physical address, including block and lot number, and New Jersey Department of Environmental Protection ("NJDEP") Program Interest number for which JCP&L has requested or is requesting recovery pursuant to the Order of the New Jersey Board of Public Utilities dated July 30, 1997, in BPU Docket No. ER95120634 ("MGP Site"). For each MGP Site, indicate if any remediation activity was either on-going or pending during the RAC period that is the subject of the petition in this matter ("Active Sites"), or if remediation was on-going in the nature of monitoring activity during the RAC period that is the subject of this petition ("Monitoring Sites"). Please also indicate what, if any, the use of the MGP site will be or is contemplated after the remediation is complete.
2. The Company currently provides a vendor summary as Attachment D with its annual filing. This Attachment provides a summary of the expenditures incurred by vendor by site for the twelve-month RAC period. Hereafter, the Attachment will be supplemented with a general description of the services provided by each vendor. The data noting expenditures incurred through November shall be submitted to the Parties on or before December 31 of the filing period. The data are updated with the expenditures incurred through December and submitted to the Parties on or before January 31 of the year following the filing period.
3. At the request of the New Jersey Division of Rate Counsel or Board Staff, the Company will provide for each MGP Site, in electronic format with formulae intact, all technical reports issued in the petition year. Technical documents will be produced in full including appendices, figures, and tables. Technical documents will also include but not be limited to data reports, work plans, subcontracts, assessments and determinations of impracticability, and bidding specifications.
4. For each MGP Site, provide a copy of the most recent report and/or form submitted to NJDEP, even if submitted before the current petition year: (1) Remedial Funding Source/Financial Assurance Form, (2) Preliminary Assessment/Site Investigation, (3) Receptor Evaluation, (4) Remedial Investigation Report, (5) Classification Exception Area (if applicable), (6) Remedial Action Workplan, (7) Remedial Action Report, (8) Remedial Action Permit for soil (if applicable), (9) Remedial Action Permit for ground water (if applicable), and (10) Response Action Outcome (if applicable). The copies should include the narrative portion of the report and all technical supporting

- workpapers in electronic format with the formulae intact (if available), charts and tables, and supporting source documents provided to NJDEP.
5. For each MGP Site, provide a copy of all NJDEP letters, notices, administrative consent orders, correspondence between the Company and NJDEP, and correspondence between the Company's Licensed Site Remediation Professionals ("LSRP") and the NJDEP concerning submissions for the MGP Site which have a material impact on remediation activities and associated costs incurred by the Company. The correspondence should span the twelve (12)-months preceding December 31 of the most recent RAC period.
 6. For each MGP Site, provide expense documentation for any contractor or supplier whose invoices for the RAC period exceed \$250,000 in aggregate. The expense documentation should include descriptions of services rendered, applicable invoices, and any tracking of invoiced charges vs. budgets. The expense detail need not include expense reports or time sheets, but it should include supporting documentation for any subcontractor and third party expenses totaling \$100,000 or more for the period.
 7. For each MGP Site, provide a narrative description and organization chart for that site, showing the vendors and project control structure for the remediation effort. The response should show what entities supervise all significant contractors and subcontractors and which Company personnel are involved in site and remediation supervision and control.
 8. For any Active Site, provide a detailed, comprehensive narrative describing Company activities and any reimbursements related to potentially responsible parties' ("PRPs") liabilities for that Active Site. The narrative, with supporting documentation, should cover the prior RAC period, and include the number of PRPs for each Active Site, their viability, contamination at each Active Site potentially caused by PRPs, and potential liability assessments. Provide reports on any related litigation pursued; if litigation was not pursued, provide an explanation. The Company will also provide a description of all efforts to search for additional PRPs and seek future reimbursements.
 9. For each Active Site, provide a detailed, comprehensive narrative report describing Company activities and any reimbursements related to insurance claims for that Active Site. The report shall list all reimbursements received from each insurance company through the end of the year covered in the filing but need not disclose any insurance company's identity. The narrative, with supporting documentation, should cover the prior RAC period, and include the number of claims or potential claims for each Active Site, their viability, and potential coverage assessments. Provide reports on claims pursued; if claims were not pursued, provide an explanation.
 10. Provide copies of any RAC audit reports or related materials prepared by the Board's Audit Staff, the Federal Energy Regulatory Commission, or the Company's internal or external auditors during the previous twelve (12) months. To the degree applicable,

- please also provide any materials prepared in response to the audits or in compliance with any audit findings.
11. Provide a narrative concerning all material events, whether related to NJDEP mandates or not, which could have an impact on the Company's ultimate MGP remediation liability, with claimed confidential information provided pursuant to a confidentiality agreement. The narrative should encompass all MGP Sites, whether or not active remediation efforts on the MGP Site are under way.
 12. Provide schedules and supporting workpapers and documents, which show the reconciliation of the prior period RAC expenditures and recoveries as well as the derivation of the deferred tax credit and the interest accrual on any unamortized balances.
 13. Provide the Company's bid evaluation studies, reports, workpapers or other material related to the two largest MGP remediation contracts awarded during the previous RAC period. The response should include the criteria utilized for bid evaluation and the comparisons between the terms and conditions offered by the competitive bidders.
 14. Provide documentation relating to the two (2) largest supplemental contract amendments authorized by the Company during the previous RAC period. The response should provide the contractor's request for supplemental funding, the reasons cited for the request, and the Company's evaluation and action taken concerning the request.
 15. Provide documentation relating to any instances during the previous RAC period where the Company sought to modify, change, or eliminate the NJDEP site remediation requirements for any of its MGP sites. The response should provide copies of any such Company requests, the NJDEP responses, and the ultimate outcome concerning the requests.
 16. Provide a calculation of the carrying costs that the Company seeks to recover in this filing, including workpapers and supporting documentation.
 17. The Company currently provides a schedule that summarizes the expenditures incurred by major cost category by site on a quarterly basis. These data are, and will continue to be, reported as Attachment C to its annual filing.
 18. For each report and/or form provided in response to MFR 4, provide a narrative description of any material change(s) to the MGP Site that occurred after the report and/or form was submitted to NJDEP along with a discussion of major remediation problems, such as zoning or brownfield development zones. For each material change identified, provide a detailed explanation of any changes in the estimated costs and timeframes previously submitted to NJDEP. Such estimated costs and timeframes should report total funds and time spent to date, and approximate the percentage of work completed.

19. Provide an update concerning the status of discussions with the NJDEP concerning its NRD initiative as well as any other NRD-related activities, with claimed confidential information provided pursuant to a confidentiality agreement. Such update will include information about NRD-related expenditures during the prior RAC period and related documentation, as well as total NRD-related expenses deferred to date.

20. Provide information about material unexpected delays in excess of sixty (60) days in remediation efforts caused by the inability to obtain requisite approvals, clearances or other rights from the NJDEP, local authorities or property owners, or other circumstances that are unduly impeding remediation efforts. The Company will address issues that are outside of the ordinary experience for these matters.