



Agenda Date: 09/23/20
Agenda Item: 2M

STATE OF NEW JERSEY
Board of Public Utilities
44 South Clinton Avenue, 9th Floor
Post Office Box 350
Trenton, New Jersey 08625-0350
www.nj.gov/bpu/

ENERGY

IN THE MATTER OF THE PETITION OF)
JERSEY CENTRAL POWER AND LIGHT)
COMPANY FOR APPROVAL OF AN)
ADVANCED METERING INFRASTRUCTURE)
(AMI) PROGRAM (JCP&L AMI))
)
) ORDER DESIGNATING
) COMMISSIONER, SETTING
) MANNER OR SERVICE AND
) BAR DATE
)
) DOCKET NO. EO20080545

Parties of Record:

Stefanie A. Brand, Esq., Director, New Jersey Division of Rate Counsel
James C. Meyer, Esq., Riker Danzig Scherer Hyland & Perretti LLP on behalf of Jersey Central Power and Light Company

BY THE BOARD

By Order dated February 19, 2020, the New Jersey Board of Public Utilities (“Board”) ordered three (3) of New Jersey’s electric distribution utilities to file or update a previously filed for Advanced Metering Infrastructure (“AMI”) program by August 27, 2020.¹ In compliance with the AMI Order, on August 27, 2020, Jersey Central Power & Light Company (“JCP&L” or “Company”) filed a petition seeking approval of an AMI Program, including an associated cost recovery mechanism pursuant to N.J.S.A. 48:2-21 and N.J.S.A. 48:2-21.1 (“Petition”).

In the Petition, the Company proposed to install advanced meters and other AMI throughout its service territory over a three (3) year period commencing on January 1, 2023 and ending December 2025 (“Deployment Phase”). Prior to the start of the Deployment Phase, the Company proposed to commence a one (1)-year Pre-Deployment Phase on January 1, 2022 consisting of two (2) successive six (6)-month periods. The first six (6)-month period would consist of JCP&L confirming its project team, assessing market conditions and pricing, contract with key vendors, make arrangements for procurement of equipment and resources, and develop construction and deployment schedules. The second six (6)-month period would be for the build out of necessary Information Technology infrastructure. The Deployment Phase would be followed by a two (2)-year post-deployment period, known as the Final Engineering Phase where AMI meters will be

¹In re the Petition of Rockland Electric Company for Approval of an Advanced Metering Program; and for Other Relief, BPU Docket No. ER16060524, Order dated February 19, 2020 (“AMI Order”).

installed for approximately 1% of customers that constitute complex metering, difficult to access locations, and communication challenged locations.

JCP&L proposed to install approximately 1.15 million advanced meters and related infrastructure throughout the Deployment Phase. During the Deployment Phase, the Company intends to integrate the AMI system with an advanced distribution management system (“ADMS”).

In the Petition, JCP&L estimates that, through the first 20 years, AMI Program costs will be \$733 million, with \$506 million in capital investment and \$227 million in operations and maintenance (“O&M”) costs. During the Deployment Phase, the Pre-Deployment Phase and the Final Engineering Phase, JCP&L estimates expenditures of approximately \$458 million, consisting of capital investment of approximately \$360 million and O&M costs of approximately \$98 million.

The Company proposed to recover program costs through a new rider, Rider AMI. As proposed, Rider AMI would employ a separate customer charge for residential and small commercial customers in rate classes Residential Service, Residential Time-of-Day Service/Residential Geothermal & Heat Pump Service and General Service and for larger commercial and industrial customers in rate classes General Service Secondary Time-of-Day and General Service Primary. JCP&L proposed that the costs recovered in Rider AMI would include return on net investment, plus depreciation expense, O&M, amortization of stranded meter costs and cost of removal. The proposed return on net investment would be the weighted average cost of capital approved in the Company’s most recent rate case. JCP&L proposed to recover the revenue requirement associated with the Program through annual recovery filings.

In the Petition, JCP&L also sought approval to defer the stranded costs associated with the removed legacy non-AMI meters, which will be retired on a real-time basis as a regulatory asset. The average remaining net book value of all non-AMI meters removed would be added to a regulatory asset and amortized over a rolling five-year period from the month they are retired.

According to the Petition, the AMI Program would have an estimated maximum incremental bill impact on residential customers over the six (6) year program period of approximately \$1.42, or 1.3% of the current average monthly bill.

DISCUSSION

The Board has determined that the Petition described above should be retained by the Board for hearing, and pursuant to N.J.S.A. 48:2-32, **HEREBY DESIGNATES** Commissioner Bob Gordon as the presiding officer with authority to rule on all motions that arise during the pendency of these proceedings and modify any schedules that may be set as necessary to secure a just and expeditious determination of the issues. Further, the Board **HEREBY DIRECTS** that any entity seeking to intervene or participate in this matter file the appropriate application with the Board by October 14, 2020. Any party wishing to file a motion for admission of counsel, pro hac vice, should do so concurrently with any motion to intervene or participate.

In addition, in compliance with the Board’s Order in Docket No. EO20030254, all parties are **HEREBY DIRECTED** to serve all documents electronically. No hard copies shall be filed until the Board lifts the restrictions imposed in that Order. The Board **HEREBY DIRECTS** Staff to post this Order to the Board’s website.

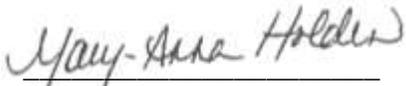
The effective date of this Order is September 30, 2020.

DATED: September 23, 2020

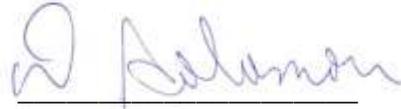
BOARD OF PUBLIC UTILITIES
BY:



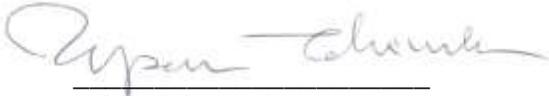
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PRESIDENT



MARY-ANNA HOLDEN
COMMISSIONER



DIANNE SOLOMON
COMMISSIONER



UPENDRA J. CHIVUKULA
COMMISSIONER



ROBERT M. GORDON
COMMISSIONER

ATTEST:



AIDA CAMACHO-WELCH
SECRETARY

IN THE MATTER OF THE PETITION OF JERSEY CENTRAL POWER & LIGHT COMPANY
FOR APPROVAL OF AN ADVANCED METERING INFRASTRUCTURE (AMI) PROGRAM
(JCP&L AMI)

BPU DOCKET NO. EO20080545

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