

A FirstEnergy Company

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August 19, 2022

## **VIA ELECTRONIC MAIL ONLY**

Carmen D. Diaz, Acting Secretary New Jersey Board of Public Utilities 44 South Clinton Ave. Trenton, NJ 08625 Board.secretary@bpu.nj.gov

Re: In the Matter of the New Jersey Board of Public Utilities' Response to the Covid-19 Pandemic

BPU Docket No. AO20060471

Jersey Central Power & Light Company Letter in Support of Motion

On behalf of Jersey Central Power & Light Company ("JCP&L" or the "Company"), please accept this letter in support of the August 2, 2022 letter motion of Public Service Electric and Gas Company ("PSE&G's Motion") requesting that the New Jersey Board of Public Utilities ("BPU" or "Board") amend its July 2, 2022 Order Authorizing Establishment of a Regulatory Asset for Incremental COVID-19 Related Expenses ("COVID Regulatory Asset Order"). More specifically, JCP&L supports PSE&G's request that the Board: (i) extend the deferral period for the COVID regulatory asset through December 31, 2023; and (ii) modify the deadline for the utilities to file for recovery of the deferred incremental costs to be sixty (60) days after the close of the extended regulatory asset period. As requested by Elizabethtown Gas Company and South Jersey Gas (the "SJI Utilities") in their combined letter in support, JCP&L further requests that the Board, in granting PSE&G's Motion, clarify that each utility has the right to conclude its deferral and seek recovery of its regulatory asset balance prior to the expiration of the extension period, if it so chooses.<sup>1</sup>

In its COVID Regulatory Asset Order, the Board acknowledged that "the regulated utilities' response to the COVID-19 pandemic, including but not limited to, complying with the Governor's COVID-19-related Executive Orders, could cause the State's regulated utilities to incur significant and extraordinary COVID-19-related expenditures, including uncollectible expenses, that could have a negative financial impact on the State's regulated utilities." As PSE&G's Motion notes, the utilities may continue to incur significant incremental costs beyond

<sup>&</sup>lt;sup>1</sup> See August 15, 2022 Letter in Support of PSE&G's Motion Submitted by the SJI Utilities.

<sup>&</sup>lt;sup>2</sup> I/M/O the New Jersey Board of Public Utilities' Response to the COVID-19 Pandemic, Order Authorizing Establishment of a Regulatory Asset for Incremental COVID-19 Related Expenses, BPU Docket No. AO20060471, at p. 3 (July 2, 2020).

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December 31, 2022 as uncertainties around COVID-19-related work practices continue and the utilities work to recover from and unwind the impacts of these last several years on their operations and collections.<sup>3</sup> Consistent with the intent of the COVID Regulatory Asset Order, to the extent incremental costs associated with these efforts continue to be significant and extraordinary for the utilities, the continued deferral of these costs continues to be appropriate to ensure the utilities' financial stability.

Accordingly, JCP&L respectfully requests that the Board grant PSE&G's Motion and: (i) extend the deferral period for the COVID regulatory asset through December 31, 2023; (ii) modify the deadline for the utilities to file for recovery of the deferred incremental costs to be sixty (60) days after the close of the extended regulatory asset period; and (iii) clarify that each utility has the right to conclude its deferral and seek recovery of its regulatory asset balance prior to the expiration of the extension period, if it so chooses.

Respectfully submitted,

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Joshua R. Eckert

Counsel for Jersey Central Power & Light Company

<sup>&</sup>lt;sup>3</sup> See PSE&G's Motion at 3, 5.