



**STATE OF NEW JERSEY**  
**Board of Public Utilities**  
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ENERGY

IN THE MATTER OF THE VERIFIED PETITION OF )  
 JERSEY CENTRAL POWER & LIGHT COMPANY )  
 ("JCP&L") AND MID-ATLANTIC INTERSTATE )  
 TRANSMISSION, LLC ("MAIT") FOR: (1) APPROVAL )  
 OF THE TRANSFER OF ITS TRANSMISSION ASSETS )  
 TO MAIT PURSUANT TO N.J.S.A. 48:3-7; (2) )  
 APPROVAL OF A LEASE OF JCP&L'S REAL )  
 PROPERTY AND THE REAL PROPERTY RIGHTS )  
 ASSOCIATED WITH ITS TRANSMISSION ASSETS TO )  
 MAIT PURSUANT TO N.J.S.A. 48:3-7; (3) APPROVAL )  
 OF A MUTUAL ASSISTANCE AGREEMENT )  
 PURSUANT TO N.J.S.A. 48:3-7.1; AND (4) A )  
 DECLARATION THAT MAIT WILL BE DEEMED A )  
 PUBLIC UTILITY FOR, *INTER ALIA*, THE PURPOSES )  
 OF SITING AUTHORITY UNDER N.J.S.A. 40:55D-19 )  
 AND EMINENT DOMAIN AUTHORITY PURSUANT TO )  
N.J.S.A. 48:3-17.6 ET. SEQ.

PRE-HEARING ORDER  
 AND PROCEDURAL  
 SCHEDULE

DOCKET NO. EM15060733

-AND-

IN THE MATTER OF THE VERIFIED PETITION OF )  
 JERSEY CENTRAL POWER AND LIGHT COMPANY )  
 FOR AUTHORIZATION PURSUANT TO N.J.S.A. 48:3-  
7.2 FOR APPROVAL TO PARTICIPATE IN THE )  
 FIRSTENERGY CORP. INTRASYSTEM MONEY POOL )

DOCKET NO. EF02030185

**Parties of RECORD:**

**Gregory Eisenstark, Esq.**, Jersey Central Power and Light Co.  
**Stefanie A. Brand, Esq.**, Director, New Jersey Division of Rate Counsel

BY PRESIDENT RICHARD MROZ:

On June 19, 2015, Jersey Central Power and Light Company ("JCP&L") and Mid-Atlantic Interstate Transmission ("MAIT") (collectively, "Joint Petitioners") filed a petition requesting the Board issue a decision and order:

- (1) approving the transfer of JCP&L's transmission assets to MAIT;
- (2) approving a ground lease between JCP&L and MAIT;
- (3) declaring that MAIT will be a New Jersey public utility subject to the Board's jurisdiction for certain, limited purposes and enjoying the rights and privileges of a public utility and approving MAIT's request to maintain its books and records out of State;
- (4) declaring that, for those transmission projects for which the Board has granted JCP&L siting approval pursuant to N.J.S.A. 40:55D-19 but which have not yet been placed in service, such authority will be transferred to MAIT;
- (5) approving the addition of MAIT to the Utility Money Pool pursuant to N.J.S.A. 48:3-7.1;
- (6) approving a Mutual Assistance Agreement between JCP&L and MAIT; and
- (7) granting such other and further relief as the Board deems just, lawful, and proper.

By Order dated August 19, 2015, the Board retained this matter for hearing, and designated me as the presiding officer with authority to establish and modify schedules, decide all motions and otherwise control the conduct of this case, subject to Board ratification. Additionally, the August 19 Order set Friday September 18, 2015 as the last day for filing motions to intervene or participate in this matter.

Pursuant to the authority granted under the August 19 Order, I **HEREBY ISSUE** this as the Prehearing Order in this matter.

**1. NATURE OF PROCEEDINGS AND ISSUES TO BE RESOLVED:**

- a) Whether the proposed transaction, including the transfer of transmission assets and

the associated leases, affects the interests of ratepayers, and the ability of JCP&L to provide safe, adequate and proper utility service at just and reasonable rates;

(b) Whether the proposed assets to be transferred and associated leases are fairly valued and properly classified transmission assets;

(c) Whether waiver of the advertising requirements in N.J.A.C. 14:1-5.6(b) is appropriate;

(d) Whether MAIT qualifies under N.J.S.A. 48-2-13 to be deemed a public utility in New Jersey entitled to exercise certain rights reserved to public utilities;

(e) Whether MAIT qualifies to participate in the FirstEnergy Corp. Intrasystem Utility Money Pool;

(f) Whether the proposed transaction is in the public interest without negative impact on rates, regulation, competition, service quality, and employees; and

(g) Whether, if the transfers are approved and MAIT declared a public utility, should authorization be granted to keep books and records out of State.

## **2. PARTIES AND ATTORNEYS ARE REPRESENTATIVES:**

As of the date of this Order, parties to this matter include the Joint Petitioners, the New Jersey Division of Rate Counsel ("Rate Counsel"), and Board Staff.

Joint Petitioners are represented by Gregory Eisenstark, Esq.

Rate Counsel is represented by Stefanie Brand, Esq.

Public Service Electric & Gas ("PSE&G"), by Joseph Accardo, Esq., and Hesser G.

McBride, Jr., Esq., filed a motion to intervene on July 16, 2015.

The New Jersey Large Energy Users Coalition ("NJLEUC"), by Steven S. Goldenberg, Esq., filed motions to intervene and for Admission Pro Hoc Vice of Paul F. Forshay, Esq. on August 6, 2015.

Rockland Electric ("RECO"), by Margaret Comes, Esq., filed a motion to participate on September 15, 2015.

Atlantic City Electric ("ACE"), by Colleen Foley, Esq., filed a motion to participate on September 18, 2015. These motions will be addressed in a separate Order.

**3. SPECIAL LEGAL REQUIREMENTS AS TO NOTICE OF HEARING:**

Public hearings will be held in the Company's service territory after publication of notice in newspapers of general circulation in the service territory. The public hearings will be held in the Morris County Administration & Records Building, 10 Court Street, 5<sup>th</sup> Floor, Morristown, N.J. on October 26, 2015, and in the Freehold Township Municipal Building, One Municipal Plaza (Schanck Road at Stillwells Corner Road), Freehold, N.J. on October 28, 2015 at 6:00 P.M.

**4. SCHEDULE OF HEARING DATES, TIME AND PLACE:**

Evidentiary hearings shall be held on February 23, 25, 26 and 29 and March 4 and 9, 2016 at 9:30 A.M. in Trenton, New Jersey.

**5. STIPULATIONS:**

No other stipulations are pending at this time.

**6. SETTLEMENTS:**

Settlement conference(s) among the parties are encouraged, and may be convened at the convenience of the parties on notice to all parties without my prior approval.

**7. AMENDMENTS TO PLEADINGS:**

On August 6, 2015, JCP&L filed Supplemental Direct Testimony of Mark A. Mader.

**8. DISCOVERY AND DATES FOR COMPLETION:**

Discovery shall be conducted in accordance with N.J.A.C. 1:1-10.4 unless otherwise provided in the procedural schedule marked as Exhibit A. Exhibit A,

previously e-mailed to the service list on September 18, 2015, has been revised in accordance with a letter request received from Rate Counsel September 22, 2015.

**9. ORDER OF PROOFS:**

The Joint Petitioners have the burden of proof. The hearings will be conducted by topic (see point 12, below) unless otherwise agreed by the parties. Within each topic, witnesses shall be presented and cross examination will be conducted in the following order (depending on the identity of the witness), pending a determination on additional parties:

Joint Petitioners  
Rate Counsel  
Intervenors  
Board Staff

**10. EXHIBITS MARKED FOR IDENTIFICATION:**

None at this time.

**11. EXHIBITS MARKED IN EVIDENCE:**

None at this time.

**12. ESTIMATED NUMBER OF FACT AND EXPERT WITNESSES:**

Joint Petitioners will present the following witnesses:

Mark A. Mader  
Jeffrey J. Mackauer  
K. Jon Taylor  
Steven R. Staub

Rate Counsel will present the following witnesses:

Kevin O'Donnell  
Matthew Kahal  
Scott Hempling  
Dave Peterson  
Gregory Booth

All parties shall notify the Commissioner and all other parties of the proposed order of witnesses based on topics to be covered no later than 5 days prior to the first day of hearings.

At this time, Staff does not anticipate having any witnesses. Intervenor witnesses shall be added based on the filing of testimony.

**13. MOTIONS CONTEMPLATED, PENDING OR GRANTED:**

As described above under 2, motions to intervene or participate are pending.

**14. OTHER SPECIAL MATTERS:**

Joint Petitioners have filed and will be filing several related proceedings.

All parties acknowledge the simultaneous related petitions filed by FirstEnergy East Operating Companies, MAIT, and FirstEnergy Transmission, LLC ("FET") at the Federal Energy Regulatory Commission ("FERC") seeking authorization for the contribution of the transmission assets owned by the FirstEnergy East Operating Companies to MAIT and at the Pennsylvania Public Utility Commission ("PA PUC") seeking similar relief as that requested at the BPU. Joint Petitioners have also indicated that they will make other related filings at FERC, including, but not limited to, Section 204 and Section 205 filings under the Federal Power Act as well as a Petition for Declaratory Order recognizing the classification of assets.

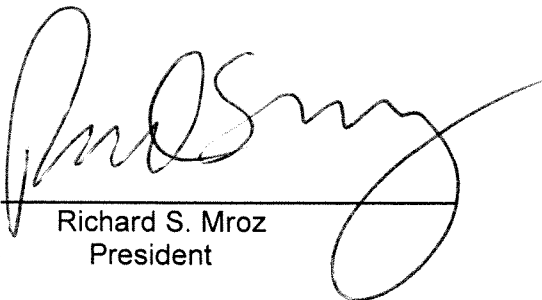
Resolution of the related proceedings does not prejudice the Board's independent authority under Title 48 to conduct a thorough and complete review of the facts and issues presented in this proceeding and render a final decision. However, the relationship among these proceedings to the pending transaction cannot be overlooked. Therefore, Joint Petitioners should file monthly reports in this docket updating the Board on the status of the related proceedings. The updates in the monthly report shall include, but not be limited to, discussion of the procedural posture of the filed cases, including anticipated date of resolution of the proceedings, as well as the anticipated timing of pending applications. The monthly reports

should also discuss the relationship of the issues to be addressed in the related proceedings to the issues arising in the instant proceeding.

I **DIRECT** Staff to post this Prehearing Order on the Board's website and distribute this Order electronically to the e-service list.

This provisional ruling is subject to ratification or other alteration by the Board as it deems appropriate during the proceedings in this matter.

DATED: October 7, 2015

By:   
Richard S. Mroz  
President

In the Matter of the Verified Petition of Jersey Central Power & Light Company ("JCP&L") and Mid-Atlantic Interstate Transmission, LLC ("MAIT") for (1) Approval of the Transfer of JCP&L's Transmission Assets to MAIT Pursuant to N.J.S.A. 48:3-7; (2) Approval of a Lease of the Real Property and Real Property Rights Associated with its Transmission Assets Pursuant to N.J.S.A. 48:3-7; (3) Approval of a Mutual Assistance Agreement Pursuant to N.J.S.A. 48:3-7, 1; and (4) a Declaration that MAIT will be Deemed a Public Utility for, *inter alia*, the Purposes of Siting Authority under N.J.S.A. 40:55d-19 and Eminent Domain Authority pursuant to N.J.S.A. 48:3-17.6 et. seq.

-and-

In the Matter of the Verified Petition of Jersey Central Power and Light Company for Authorization Pursuant to N.J.S.A. 48:3-7.2 for Approval to Participate in the Firstenergy Corp. Intrasystem Money Pool  
Docket Nos: EM15060733 & EF02030185

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**In the Matter of the Verified Petition of Jersey Central Power & Light Company (“JCP&L”) and Mid-Atlantic Interstate Transmission, LLC (“MAIT”) for (1) Approval of the Transfer of JCP&L’s Transmission Assets to MAIT Pursuant to N.J.S.A. 48:3-7; -and- In the Matter of the Verified Petition of Jersey Central Power and Light Company for Authorization Pursuant to N.J.S.A. 48:3-7.2 for Approval to Participate in the  
Firstenergy Corp. Intrasystem Money Pool  
Docket No.s: EM15060733 & EF02030185**

## **Procedural Schedule**

### **Exhibit A**

**September 29, 2015:** Deadline for first round discovery requests

**October 14, 2015:** First round responses due

**October 27, 2015:** Deadline for second round discovery requests

**October 26 and 28, 2015:** Public Hearings in Morristown, NJ and Freehold, NJ at 6:00 PM.

**November 10, 2015:** Second round responses due

**Week of November 16, 2015:** Technical conference

**November 19 & 20 (if necessary), 2015:** Discovery Conference/ Settlement Talks

**December 11, 2015:** Rate Counsel and Intervenors file direct testimony

**December 18, 2015:** Discovery on Rate Counsel and Intervenor testimony

**January 7, 2015:** Responses to discovery on Rate Counsel and Intervenor

**January 15, 2016:** Rebuttal testimony by Company and Intervenors

**January 26, 2016:** Discovery on rebuttal testimony due

**February 4, 2016:** Responses to discovery on rebuttal testimony due

**Week of February 8, 2016:** Settlement Conference(s)- several dates TBD

**February 23, 25, 26 and 29 and March 4 and 9, 2016:** Evidentiary Hearings with live surrebuttal at 9:30 AM in Trenton, NJ

**Briefs – TBD**

**Discovery shall proceed on a rolling basis subject to the end dates in this schedule.**