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RECEIVED
CASE MANAGEMENT
2019 SEP 16 P 3:07
BOARD OF PUBLIC UTILITIES
TRENTON, NJ

September 16, 2019

RECEIVED
MAIL ROOM
SEP 16 2019
BOARD OF PUBLIC UTILITIES
TRENTON, NJ

Via Hand Delivery

Hon. Aida Camacho-Welch
Secretary
Board of Public Utilities
44 South Clinton Avenue
Suite 314, 3rd Floor
Trenton, NJ 08625-0350

Re: I/M/O the Verified Petition of Jersey Central Power & Light Company for Approval of Rate Adjustments Pursuant to the JCP&L Reliability Plus Infrastructure Investment Program (September 2019 JCP&L Reliability Plus Rate Filing)
BPU Docket No. ER19091238

Dear Secretary Camacho-Welch:

On behalf of the Petitioner, Jersey Central Power & Light ("JCP&L" or the "Company"), enclosed herewith for filing with the Board of Public Utilities ("Board") in the above-captioned matter, please find an original and eleven copies of JCP&L's Verified Petition and appendices, attachments, direct testimony, and schedules thereto.

Two copies each of this letter and of the enclosed Verified Petition and all supporting documents are being served by hand delivery upon the Director, Division of Rate Counsel, and by FedEx overnight delivery upon the Department of Law & Public Safety, Division of Law. Copies of all such documents are also being transmitted by e-mail to the balance of the persons named in the attached Service List for this proceeding. Additional hard copies will be furnished upon request.

Kindly stamp the enclosed extra copy of this transmittal letter as "filed," with the docket number assigned, and return same to the undersigned in the enclosed self-addressed postage paid return envelope.

Thank you for your courtesy and cooperation.

Respectfully submitted,

James C. Meyer

CMS
Legal
DAG
RPA

ENERGY(z) Economist
S. Peterson
C. Artale
A. Hart

cc: Attached Service List
(by email with hard copy to designees)5073808v1

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STATE OF NEW JERSEY
BOARD OF PUBLIC UTILITIES

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SEP 16 2019

BOARD OF PUBLIC UTILITIES
TRENTON, NJ

In the Matter of the Verified Petition of **Jersey** :
Central Power & Light Company For : BPU Docket No.
Approval of Of Rate Adjustments Pursuant to :
the JCP&L Reliability Plus Infrastructure :
Investment Program (**September 2019 JCP&L** :
Reliability Plus Rate Filing) :

CERTIFICATION OF SERVICE

James C. Meyer, of full age, certifies as follows:

1. I am a partner in the law firm Riker Danzig Scherer Hyland & Perretti, LLP that is counsel to the Petitioner Jersey Central Power & Light Company ("Company") in the within matter.

2. I hereby certify that, on September 16, 2019, I caused the within Verified Petition and supporting appendices, attachments testimony, and schedules thereto (the "Filing") to be filed with the New Jersey Board of Public Utilities by causing an original and eleven copies to be hand delivered to Aida Camacho-Welch, Secretary, Board of Public Utilities, 44 South Clinton Avenue, 3rd Floor, Suite 314, Trenton, New Jersey 08625-0350, and an electronic copy to be sent to the Board Secretary's office at board.secretary@bpu.nj.gov.

3. I further certify that I caused two copies of the Filing to be hand delivered to Stefanie Brand, Esq., Director, Division of Rate Counsel and caused two copies to be sent via FedEx overnight delivery to Renee Greenberg, Esq., Deputy Attorney General.

4. I further certify that, on September 16, 2019, I caused a complete copy of the Filing thereto to be emailed to each of the parties listed in the Service List attached to the cover letter accompanying the Verified Petition.

I certify that the foregoing statements made by me are true. I am aware that, if any of the foregoing statements made by me are willfully false, I am subject to punishment.

Dated: September 16, 2019



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SEP 16 2019

BOARD OF PUBLIC UTILITIES
TRENTON, NJ

STATE OF NEW JERSEY
BOARD OF PUBLIC UTILITIES

In the Matter of the Verified Petition of **Jersey** : BPU Docket No.
Central Power & Light Company For :
Approval Of Rate Adjustments Pursuant to the :
JCP&L Reliability Plus Infrastructure :
Investment Program (September 2019 JCP&L :
Reliability Plus Rate Filing)

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BOARD OF PUBLIC UTILITIES
VERIFIED PETITION TRENTON, NJ

TO THE HONORABLE BOARD OF PUBLIC UTILITIES:

Petitioner, Jersey Central Power & Light Company (the "Petitioner", the "Company" or "JCP&L"), an electric public utility company of the State of New Jersey subject to the regulatory jurisdiction of the Board of Public Utilities (the "Board"), and maintaining principal offices at 300 Madison Avenue, Morristown, New Jersey 07962-1911 and 101 Crawford Corner Road, Building 1, Suite 1-511, Holmdel, New Jersey 07733, in support of its above-captioned Petition ("Petition"), respectfully shows:

INTRODUCTION AND OVERVIEW

1. JCP&L is a New Jersey electric public utility primarily engaged in the purchase, transmission, distribution, and sale of electric energy and related utility services to approximately 1.1 million residential, commercial and industrial customers located within 13 counties and 236 municipalities of the State of New Jersey.

2. JCP&L files this Petition to seek approval of rate adjustments to provide for cost recovery associated with the JCP&L Reliability Plus Infrastructure Investment Program ("JCP&L Reliability Plus" or the "Program") as approved by Board Order dated May 8, 2019 in BPU Docket No. E018070728 ("Final Order"). In that Final Order the Board adopted a Stipulation (the

“Stipulation”) that explicitly authorizes this rate filing in September 2019 for rates to be effective on or before March 1, 2020.

3. Paragraph 30 of the Stipulation provides that the Company may file for two rate adjustments to effectuate cost recovery for JCP&L Reliability Plus capital investments through the JCP&L Reliability Plus Rate Mechanism; the first filing to request recovery of no less than 6 months of JCP&L Reliability Plus capital investments; and the second filing to request recovery of JCP&L Reliability Plus capital investments through the remainder of the Program term. Paragraph 30 provides the following target schedule of Initial Filing, Investment as of, Update for Actuals and Rates Effective dates on or before:

JCP&L Reliability Plus Target Filing Schedule				
Filing	Initial Filing	Investment as of	Update for Actuals	Rates Effective on or before
1	September 15, 2019	November 30, 2019	December 15, 2019	March 1, 2020
2	October 15, 2020	December 31, 2020	January 15, 2021	April 1, 2021

This Petition is the initial filing by the Company pursuant to the Stipulation and Final Order to recover JCP&L Reliability Plus investment as of November 30, 2019.

4. The rate adjustment filings authorized in the Stipulation are subject to the requirements that: (1) each rate filing includes plant in-service additions during the filing period of at least \$9.7 million; and (2) the Company’s return on equity (“ROE”) calculated in accordance with Attachment D to the Stipulation does not exceed the allowed ROE from its last base rate case by 50 basis points or more. These requirements have been satisfied for this filing as set forth in the attachments hereto.

BACKGROUND

5. On December 19, 2017, the Board adopted new rules for utility “Infrastructure Investment and Recovery” to encourage utilities to implement infrastructure investment programs. These rules are codified at *N.J.A.C.* 14:3-2A.1 et seq. (“II&R Rules”) and became effective on January 16, 2018. On July 13, 2018, JCP&L filed its petition with the Board seeking approval to implement its proposed JCP&L Reliability Plus Infrastructure Investment Program, including its cost recovery mechanism, pursuant to the II&R Rules. On April 23, 2019, JCP&L, the Division of Rate Counsel, Board Staff and the New Jersey Large Energy Users Coalition (“NJLEUC”) entered the Stipulation approved by the Board in the Final Order.

6. The Board-approved Stipulation provided that JCP&L Reliability Plus shall consist of capital investment of up to \$97.01 million, plus associated allowance for funds used during construction (“AFUDC”), that is eligible for recovery through rate adjustments in accordance with the stipulated Rate Mechanism. The stipulated Rate Mechanism sets forth the methodology for calculating these rate adjustments. The Stipulation also requires the Company to maintain an average annual baseline capital expenditure level of at least \$141 million during the JCP&L Reliability Plus Program period from June 1, 2019 through December 31, 2020.

7. JCP&L Reliability Plus investments include the costs of ten projects in the following three categories: (1) \$55,127,636 million for the Overhead Circuit Reliability and Resiliency Category (*i.e.*, the Lateral Fuse Replacement with TripSaver II and Zone 2 Enhanced Vegetation Management projects); (2) \$16,124,620 million for the Substation Reliability Category (*i.e.*, the Substation Enhanced Flood Mitigation, Substation Equipment Replacement (Switchgear), Mobile Substation (Purchase One), and Modernize Protective Equipment projects); and (3) \$25,757,664

for the Distribution Automation Category (i.e., the Circuit Protection and Sectionalization, Install Supervisory Control and Data Acquisition ("SCADA") Line Devices, Distribution Automation (Loop Schemes), and RTU Upgrades in Substations projects).

8. The Parties to the Stipulation agreed that the capital investments in the stipulated categories and projects are intended to enhance the safety, reliability and resiliency of the Company's electric distribution system. As set forth in Paragraph 31 of the Stipulation, however, the review of the prudence of the JCP&L Reliability Plus projects will not take place in connection with this Petition seeking a JCP&L Reliability Plus rate adjustment. Rather, the prudence review of specific capital expenditures shall take place in the first base rate case following the associated plant being placed in service in which the Company includes such capital expenditures in the base rate case.

9. Attachment D to the Stipulation outlines the Minimum Filing Requirements ("MFRs") for the two rate adjustment Petitions. A matrix setting forth the location in this filing of information responsive to each MFR is provided in Appendix A of this Petition. Attachment 3 to this Petition also lists the MFRs and provides information responsive to each MFR or a cross-reference to the location of such information in other schedules.

10. Attachment E to the Stipulation outlines the requirements for two semi-annual status reports that are to be provided to Board Staff and Rate Counsel no later than the months of September 2019 and March 2020. The MFRs require a copy of the most recently filed semi-annual report be included in this Petition. Accordingly, the Company is simultaneously filing the September 2019 semi-annual report and satisfying the MFR by providing the semi-annual report in Attachment 4 hereto.

REQUEST FOR COST RECOVERY

11. Consistent with the Final Order, JCP&L is seeking Board approval to recover the revenue requirements associated with capitalized investment costs of JCP&L Reliability Plus through November 30, 2019. The annualized increase in revenue requirements is approximately \$3.4 million and is supported by Attachment 2, Schedule CP-1 attached hereto. The rate adjustments in this filing are for recovery of capital costs associated with JCP&L Reliability Plus investment that is anticipated to be in-service by November 30, 2019. These costs are set forth in Attachment 3, item 4. The projected costs for plant placed in-service from September 1, 2019 through November 30, 2019 will be updated for actual results by December 15, 2019.

12. As required by the Stipulation, the allocation of JCP&L Reliability Plus revenue requirements among rate classes for each filing period is based on the rate design methodology used to establish the Company's base rates in its 2016 base rate case in BPU Docket No. ER16040383. Consistent with Paragraph 36 of the Stipulation, however, the proposed rates to recover the JCP&L Reliability Plus revenue requirement are: a per kWh rate by each rate class for Service Classifications RS, RT/RGT and GS (residential and small commercial rate classes); a per kW rate by each rate class for Service Classifications GST, GP and GT (larger commercial and industrial rate classes); and a per fixture rate for all lighting classes. The detailed calculation supporting the rate design and the resulting rates for each rate are shown in Attachment 2, schedule CP-2. The proposed rates are also set forth in Attachment 2, Schedule CP-3, which is Tariff Rider RP-JCP&L Reliability Plus Charge ("Rider RP").

13. Attachment 1 hereto is the testimony of Dennis Pavagadhi, Director, Operations Support, addressing the progress of JCP&L Reliability Plus and the anticipated plant in-service at the end of the period ending November 30, 2019. Attachment 2 hereto is the testimony of Carol

Pittavino, Consultant, JCP&L Rates and Regulatory Affairs, supporting the revenue requirement and rate calculations.

14. Based on the revenue requirements in this filing, the bill impact of the proposed rates to be effective on or before March 1, 2020 (to recover investments through November 30, 2019) on a typical residential customer who uses 768 kWh per month is an increase of 0.1% or approximately \$0.16 per month, based on rates effective September 1, 2019, including New Jersey Sales and Use Tax. Attachment 2, Schedule CP-4 compares the monthly bills of customers in various customer classes with the monthly bills resulting from the proposed rate adjustments in both dollar and percentage terms.

15. The Company requests that the Board find that the proposed rates, as calculated in the proof of revenue, Attachment 2, Schedule CP-1, and set forth in Attachment 2, Schedule CP-3 (Tariff Rider RP), as updated in the Company's update filing, are just and reasonable, and authorize JCP&L to implement the proposed rates as set forth herein, effective on and after a date that is no later than March 1, 2020, upon issuance of a written Board Order.

16. Any final rate relief found by the Board to be just and reasonable may be allocated by the Board for consistency with the provisions of N.J.S.A. 48:2-21 and for other good and legally sufficient reasons, to any class or classes of customers of the Company. Therefore, the average percentage changes in final rates may increase or decrease compared to the proposed rates upon the Board's decision.

ATTACHMENTS

17. Attached hereto and made a part of this Petition are the following Attachments (which include schedules and appendices thereto):

Appendix A	Minimum Filing Requirements location
Attachment 1	Dennis Pavagadhi Testimony
Attachment 2	Carol Pittavino Testimony
Attachment 3	Minimum Filing Requirements (per Stipulation Attachment D)
Attachment 4	Semi-annual Report (per Stipulation Attachment E)

PUBLIC HEARING, NOTICE AND SERVICE OF FILING

18. JCP&L proposes that two public hearings be held, one in each region of in its service territory. JCP&L will shortly provide a draft form of public notice of the public hearings to Staff and Rate Counsel for comment, setting forth the dates, times and places of the public hearings, and the estimated bill impacts on customers attributable to recovery of the revenue requirements and implementation of the rates addressed in this Petition. JCP&L proposes that notice of this filing be combined with notice of the public hearings and be published in daily and weekly newspapers published and/or circulated in the Company's service areas, after the dates, times and places of all such public hearings thereon have been scheduled. The notice will also be served by mail upon the municipal clerks, the clerks of the Boards of Chosen Freeholders and, where appropriate, the County Executive Officers of all counties and municipalities located in the Company's service territory.

COMMUNICATIONS

21. Copies of all correspondence and other communications relating to this proceeding should be addressed to:

**James C. Meyer, Esq.
Edward K. DeHope, Esq.
Riker Danzig Scherer Hyland Perretti, LLP
Headquarters Plaza
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- and -

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- and -

**Lauren Lepkoski, Esq.
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Reading, PA 19612-6001
llepkoski@firstenergycorp.com**

CONCLUSION AND REQUEST FOR APPROVAL

WHEREFORE, the Petitioner respectfully requests that the Board retain jurisdiction of this matter and issue a final decision and order:

- (1) finding that JCP&L is authorized to recover all JCP&L Reliability Plus costs incurred through November 30, 2019 as such costs are reflected in this Petition and attachments and updates;
- (2) finding that the rates calculated in Attachment 2, schedule CP-2 and set forth in Attachment 2, Schedule CP-3 (Tariff Rider RP), as updated, are just and reasonable and may be implemented for service rendered on and after the rate effective date which shall be no later than March 1, 2020; and
- (3) granting such other and further relief as the Board shall deem just, lawful and proper.

Dated: September 16, 2019

Respectfully submitted,
RIKER DANZIG SCHERER HYLAND &
PERRETTI, LLP
Attorneys for Petitioner,
Jersey Central Power & Light Company

By: 

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Morristown, NJ 07962
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**STATE OF NEW JERSEY
BOARD OF PUBLIC UTILITIES**

In the Matter of the Verified Petition of **Jersey** : BPU Docket No.
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Program (September 2019 JCP&L Reliability :
Plus Rate Filing) _____

**AFFIDAVIT
OF
VERIFICATION**

Carol Pittavino, being duly sworn upon his oath, deposes and says:


1. I am Rates Consultant in the Rates and Regulatory Affairs Department for FirstEnergy Service Company, and I am duly authorized to make this Affidavit of Verification on behalf of Jersey Central Power & Light Company ("JCP&L"), the Petitioner named in the foregoing Petition.

2. I have read the contents of the foregoing Petition by JCP&L for approval of rate adjustments pursuant to the JCP&L Reliability Plus Infrastructure Investment Program, and I hereby verify that the statements of fact and other information contained therein are true and correct to the best of my knowledge, information and belief.



Carol Pittavino

Sworn to and subscribed before me
this 13th day of September, 2019.



(Notary Public)

