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BOARD OF PUBLIC UTILITIES
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VIA E-MAIL AND OVERNIGHT DELIVERY

Aida Camacho-Welch, Secretary
Board of Public Utilities
44 South Clinton Avenue, Suite 314
P.O. Box 350
Trenton, New Jersey 08625-0350

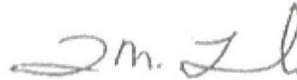
**Re: In the Matter of the Verified Petition of Jersey Central Power & Light Company Constituting Its Annual Filing With Respect to the Non-Utility Generation Charge Clause of Its Filed Tariff ("2018 NGC Filing")
BPU Docket No ER19070775**

Dear Secretary Camacho-Welch:

Enclosed for filing is a Stipulation of Settlement in the above-referenced matter that has been executed by all parties.

Thank you for your consideration in this regard.

Respectfully submitted,



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Counsel for Jersey Central Power & Light Company

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BOARD OF PUBLIC UTILITIES
TRENTON, NJ

cc: Service List ✓

Case Mgmt
a. Hart, Esq

STATE OF NEW JERSEY
BOARD OF PUBLIC UTILITIES

RECEIVED
CASE MANAGEMENT
2019 NOV 22 A 11: 01
BOARD OF PUBLIC UTILITIES
TRENTON, NJ

In the Matter of the Verified Petition of **Jersey** :
Central Power & Light Company Constituting :
Its Annual Filings With Respect to the Non- :
Utility Generation Charge Clause of Its Filed :
Tariff ("**2018 NGC Filing**") :

:

STIPULATION
OF
SETTLEMENT
BPU Docket No. ER19070775

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NOV 22 2019

BOARD OF PUBLIC UTILITIES
TRENTON, NJ

TO THE HONORABLE BOARD OF PUBLIC UTILITIES:

APPEARANCES:

Lauren M. Lepkoski, Esq., attorney for the Petitioner, Jersey Central Power & Light Company

Ami Morita, Esq. (Managing Attorney) and **Maria Novas-Ruiz, Esq.** (Assistant Deputy Rate Counsel), for the New Jersey Division of Rate Counsel (**Stefanie A. Brand, Esq.**, Director)

Matko Ilic, Deputy Attorney General, for the Staff of the New Jersey Board of Public Utilities (**Gurbir S. Grewal**, Attorney General of New Jersey)

This Stipulation of Settlement (the "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"), the Staff of the New Jersey Board of Public Utilities ("Staff") and the New Jersey Division of Rate Counsel ("Rate Counsel") (collectively, the "Parties").

The Parties do hereby join in recommending that the New Jersey Board of Public Utilities ("Board" or "BPU") issue an Order approving the Stipulation, based upon the following provisions.

Background

The Company's Non-Utility Generation Charge ("NGC") was initially approved by the Board to recover, among other things, the portion of the costs of power procured from non-utility generators ("NUGs") that were deferred on JCP&L's books to the extent the Company was unable to recover them in full under its regulated rates and market sales. *See I/M/O Jersey Central Power & Light Company, d/b/a GPU Energy – Rate Unbundling, Stranded Cost and Restructuring Filings*, BPU Docket Nos. EO97070458, EO97070459, and EO97070460 (Order dated March 7, 2001) ("Restructuring Order").¹ The Restructuring Order authorized the Company to defer, for future recovery, its costs incurred under power purchase agreements ("PPAs") with NUGs, to the extent those costs were not recovered on a current basis through the Company's capped and declining rates over the restructuring Transition Period (August 1, 1999, through July 21, 2003), with this treatment to continue after the end of the transition period.²

Pursuant to the Board's Final Order dated May 17, 2004 ("Deferred Balances Order") issued in connection with JCP&L's "2002 Deferred Balances Petition" in BPU Docket No. ER02080507, all issues relating to the NGC deferred balance through July 31, 2003 (the end of the restructuring Transition Period), were determined and resolved.

The Company's "2005 NGC Filing" (Docket No. ER05121018) sought review of its NGC deferred balance for the period from August 1, 2003, through December 31, 2005, and approval of an adjustment to the level of its NGC. This proceeding was settled and resolved in a Stipulation of Settlement dated November 8, 2006, by and among JCP&L, Staff and the then New Jersey Department of the Public Advocate, Division of Rate Counsel, which Stipulation of

¹ The NUG clause was originally designated as the Market Transition Charge and renamed the Non-Utility Generation Charge effective September 1, 2004, to comply with the BPU's final order dated May 17, 2004, in BPU Docket Nos. ER02080506 *et al.*

² *See* the Restructuring Order at 112, ¶30.

Settlement was approved by Board Order dated December 6, 2006 (“2006 NGC Order”), determining and resolving all issues relating to the NGC deferred balance through December 31, 2005. The Company was directed to make an annual informational NGC filing with the Board in the last quarter of each year, commencing in 2007, with notice to Rate Counsel and an opportunity for full discovery and evidentiary hearings.³

In accordance with the Board’s directive in the 2006 NGC Order, the Company submitted its 2007 NGC Filing on December 21, 2007 (BPU Docket No. ER07120967)⁴; its 2008 NGC Filing on January 28, 2009 (BPU Docket No. ER09040316); and its 2009 NGC Filing on July 26, 2010 (BPU Docket No. ER10070493). Pursuant to a Stipulation Setting Provisional Rates, dated January 27, 2011, executed by the Parties in BPU Docket No. ER10070493, and approved by Board Order dated February 10, 2011, JCP&L implemented the \$180 million annual rate reduction proposed in its 2009 NGC Filing, effective March 1, 2011. However, that Stipulation and Order stated that review of the Company’s 2007, 2008 and 2009 NGC Filings was not yet completed. Thereafter, on April 21, 2011, the Company filed its 2010 NGC Filing (BPU Docket No. ER11040224).

By Board Order dated February 10, 2012, approving the Stipulation of Settlement dated February 2, 2012, the Company’s 2007, 2008, 2009, and 2010 NGC filings were resolved (“2012 Order and Stipulation”). Pursuant to the 2012 Order and Stipulation, the Company’s NGC clause was adjusted, effective March 1, 2012, to decrease NGC revenues from approximately \$177 million per year to approximately \$63 million per year, a \$114 million reduction. This

³ See the 2006 NGC Order at 4, ¶6.

⁴ In accordance with the 2006 NGC Order, on June 1, 2007, JCP&L submitted its NUG Mitigation Strategy Report, which, according the 2006 NGC Order (at 5, ¶9), was to be “the basis for future discussions with [Board] Staff and Rate Counsel.” Thereafter, JCP&L filed quarterly NUG Mitigation Reports until JCP&L’s Power Purchase Agreement (“PPA”) with Manchester Renewable Power Corp. (“MRPC”) terminated on February 8, 2017. Because MRPC was the last of 13 NUG PPAs to terminate, JCP&L notified the BPU in the text of its April 27, 2017 NUG Mitigation Report that this would be JCP&L’s final quarterly report submission unless the BPU directed otherwise.

reduction in annual NGC revenues was achieved through a reduction in the non-securitization component of the NGC rate from the prior charge of \$0.003699 per kWh to a credit of \$0.001149 per kWh effective March 1, 2012. The 2012 Order and Stipulation also finalized all rate-related issues with respect to the Company's sale of the Forked River generating station ("Forked River").

On August 15, 2012, the Company filed its 2011 NGC Filing (BPU Docket No. ER12080757) seeking review of its NGC deferred balance for the period from January 1, 2011, through December 31, 2011. JCP&L did not request a change in the level of its NGC in the 2011 NGC Filing. On October 31, 2014, the Company filed its 2012/2013 NGC Filing (BPU Docket No. ER14101262). JCP&L requested an increase in the non-securitized portion of the NGC rate factor from a credit of \$0.001499 per kWh to \$0.000205 per kWh, resulting in an increase of \$19.29 million per year in NGC revenues. Pursuant to a Stipulation for Provisional Rates dated January 14, 2015, executed by the Parties in BPU Docket Nos. ER12080757 and ER14101262, and approved by Board Order dated January 21, 2015, JCP&L implemented the \$19.29 million annual rate increase proposed in its 2012/2013 NGC Filing, effective February 2, 2015. The 2015 Order and Stipulation closed the 2011 NGC filing, but set the 2012/2013 NGC rates as provisional, subject to an opportunity for a comprehensive and full review.

On August 14, 2015, the Company filed a Verified Petition and Supporting attachments for the 2014 NGC Period, which was assigned BPU Docket No. ER15080960, seeking: (1) a declaration that the provisional NGC rate approved in the 2015 Order and Stipulation is final; (2) review and approval of the deferred balances relating to the Company's NGC clause of its filed tariff, to the extent accumulated from January 1, 2014, through December 31, 2014; (3) approval of an increase in the Company's Rider NGC rates by \$26.265 million annually; and (4)

authorization of the continued deferral by JCP&L of the costs accumulated in the NGC deferred balance that are not recovered on a current basis, with the continuing accrual of interest on the unamortized balance (net of deferred taxes) at the rate provided for in the 2006 NGC Order, compounded annually, on January 1 of each year in accordance with the terms of Petitioner's Rider NGC.

On May 22, 2016, JCP&L updated schedules to reflect actual information through December 31, 2015 ("May 2016 Update"). Following public hearings and settlement discussions, the Parties entered into a Stipulation of Settlement on August 4, 2016. On August 24, 2016, the Board issued a Decision and Order approving the August 4, 2016 Stipulation of Settlement, which resolved the 2012/2013 and 2014 NGC filings. The Decision and Order approved an increase in the non-securitized NGC factor to \$0.001493 per kWh, and the composite NGC factor was set at \$0.005012 per kWh (excluding Sales and Use Tax ("SUT")). The result was an increase in revenues collected through the NGC rate by approximately \$25.714 million annually. The August 24, 2016 Decision and Order also provided that JCP&L would file its next annual NGC Petition by October 31, 2016.

On October 31, 2016, the Company filed a Verified Petition and Supporting attachments for the 2015 NGC Period seeking: (1) review and approval of the deferred balances relating to the Company's NGC clause of its filed tariff, to the extent accumulated from January 1, 2015, through December 31, 2015; (2) approval of an increase in the Company's Rider NGC rates by approximately \$7.1 million annually; and (3) authorization of the continued deferral by JCP&L of the costs accumulated in the NGC deferred balance that are not recovered on a current basis, with the continuing accrual of interest on the unamortized balance (net of deferred taxes) at the

rate provided for in the 2006 NGC Order, compounded annually, on January 1st of each year in accordance with the terms of Petitioner's Rider NGC.

The matter was transmitted to the Office of Administrative Law on November 21, 2016, and assigned to the Honorable Richard McGill, Administrative Law Judge ("ALJ"). ALJ McGill presided over a prehearing conference on January 12, 2017.

Following settlement discussions, the Parties entered into a Stipulation of Settlement on April 25, 2017, which was filed with ALJ McGill on April 26, 2017. On May 2, 2017, ALJ McGill issued an Initial Decision – Settlement approving the April 25, 2017 Stipulation. On May 31, 2017, the Board issued a Decision and Order approving the Initial Decision – Settlement and thereby resolved the 2015 NGC filing. The Decision and Order approved no change to the non-securitized NGC factor, which remained at \$0.001493 per kWh (excluding SUT).

On March 28, 2017, JCP&L filed with the Board a Verified Petition, including supporting schedules in BPU Docket No. ER17030306 ("2016 NGC Filing"), seeking review and approval of the deferred amounts included in the Company's NGC deferred balance, which, among other things, relate to amounts paid by the Company under Board-approved contracts with NUGs, to the extent accumulated from January 1, 2016, through December 31, 2016 (the "2016 NGC Period"). In the 2016 NGC Filing, JCP&L proposed to decrease the composite MTC/NGC factor from the current level of \$0.005012 per kWh (excluding SUT) to \$0.001527 per kWh (excluding SUT) effective June 1, 2017. The proposed decrease in the composite MTC/NGC factor of \$0.003485 per kWh (excluding SUT) would result in a decrease of \$69.41 million per year in NGC revenues.

Following settlement discussions, on May 11, 2017, the Parties entered into a Stipulation for Provisional Rates. In an Order dated May 31, 2017, the Board approved the implementation of provisional rates which decreased the composite MTC/NGC factor to \$0.001527 per kWh (excluding SUT) effective June 10, 2017. In addition to the un-securitized portion of the NGC, the revised composite MTC/NGC factor included: (1) the reduction of the OC-TBC and OC-MTC-Tax associated with the Oyster Creek to zero, which was effective as of May 7, 2017 as provided in its final true-up letter (year 15) dated February 28, 2017; and (2) the increase in the DB-TBC and DB-MTC-Tax associated with the securitization of Deferred BGS Transition Costs to \$0.000943 per kWh (excluding SUT) and \$0.000509 per kWh (excluding SUT), respectively, effective as of June 1, 2017, as provided in its annual true-up letter (year 12) dated March 16, 2017. The net impact of the provisional rate change was a revenue decrease of approximately \$69.41 million on an annual basis.

On November 8, 2017, JCP&L filed an update to the 2016 NGC Filing (“First Update”) wherein the Company proposed to decrease its composite MTC/NGC factor by an additional \$0.000904 per kWh, resulting in a composite MTC/NGC factor of \$0.000623 per kWh. The result of this additional rate decrease would be an incremental reduction in Rider NGC revenues of approximately \$18 million on an annual basis, compared to the provisional rate in effect at the time. In the First Update, JCP&L explained that the \$18 million incremental decrease was appropriate and necessary given the current over-recovered NGC balance.

On June 29, 2018, JCP&L filed the second update to the 2016 NGC Filing (“Second Update”). The Second Update provided a further reconciliation of the final true-up of the transition bond charge associated with the Oyster Creek securitization and corrected the data related to calculation of the costs of St. Lawrence hydro power allocation that JCP&L manages

as the “nominal recipient” on behalf of the state’s electric distribution companies. Under the Second Update, the Company proposed to decrease the composite MTC/NGC factor by an additional \$0.000150 per kWh, which would result in a composite MTC/NGC factor of \$0.000473 per kWh. This additional rate decrease would result in a reduction in Rider NGC revenues of approximately \$21.8 million on an annual basis, compared to the provisional rate in effect at the time.

Following settlement discussions, the Parties entered into a Stipulation of Settlement on August 30, 2018, which was filed with the Board on August 31, 2018. On September 17, 2018, the Board issued a Decision and Order approving the Stipulation and thereby resolving the 2016 NGC Filing. The Decision and Order approved the composite MTC/NGC factor of \$0.001527 per kWh (excluding SUT) as the final rate in that proceeding.

On September 7, 2018, JCP&L filed with the Board a Verified Petition, including supporting schedules, under BPU Docket No. ER18090977 (“2017 NGC Filing”), seeking review and approval of the deferred amounts included in the Company’s NGC deferred balance, which, among other things, relate to amounts paid by the Company under Board-approved contracts with NUGs, to the extent accumulated from January 1, 2017, through December 31, 2017 (the “2017 NGC Period”). In the 2017 NGC Filing, JCP&L proposed to decrease the composite MTC/NGC factor from the current level of \$0.001527 per kWh (excluding SUT) to a credit rate of \$0.000688 per kWh (excluding SUT) effective March 1, 2019. The proposed decrease in the composite MTC/NGC factor of \$0.002215 per kWh (excluding SUT) would result in a decrease of approximately \$45.3 million per year in NGC revenues. The impact of the proposed decrease on a residential customer using 768 kWh per month would be a decrease of approximately 1.8%, or \$1.85 per month, based on rates effective as of September 1, 2018.

After the exchange of information and discussions about the 2017 NGC Filing, on October 1, 2018, the Parties entered into a Stipulation for Provisional Rates. In an Order dated October 29, 2018, the Board approved the implementation of provisional rates effective November 1, 2018, as follows: JCP&L's composite MTC/NGC factor was decreased, on a provisional basis, from the current level of \$0.001527 per kWh (excluding SUT) to \$0.000451 per kWh (excluding SUT). The revenue decrease associated with the provisional decrease in the composite NGC factor was approximately \$22 million on an annual basis. As a result of the Stipulation for Provisional Rates in the 2017 NGC Filing, a typical residential customer using approximately 769 kWh per month would experience a decrease in their monthly bill of \$0.90 or approximately 0.9%.

The Parties entered into a Stipulation of Settlement on May 29, 2019, that was filed with the Board on May 30, 2019. On June 12, 2019, the Board issued a Decision and Order approving the Stipulation and thereby resolving the 2017 NGC filing, except for the amount of Yards Creek costs JCP&L incurred during 2017, which the Parties agreed to review in the Company's 2018 NGC Filing. The Decision and Order approved the composite MTC/NGC factor of \$0.000451 per kWh (excluding SUT) as the final rate in that proceeding.

On June 28, 2019, JCP&L filed with the Board a Verified Petition, including supporting schedules, under BPU Docket No. ER19070775 ("2018 NGC Filing"), seeking review and approval of the deferred amounts included in the Company's NGC deferred balance, which, among other things, relate to amounts paid by the Company under Board-approved contracts with NUGs, to the extent accumulated from January 1, 2018, through December 31, 2018 (the "2018 NGC Period") as well as the 2017 costs related to the accounting for Yards Creek. In the 2018 NGC Filing, JCP&L proposed to decrease the composite MTC/NGC factor from the

current level of \$0.000451 per kWh (excluding SUT) to \$0.000169 per kWh (excluding SUT) effective January 1, 2020. The proposed decrease in the composite MTC/NGC factor of \$0.000169 per kWh (excluding SUT) would result in an annual decrease of approximately \$5,699,634 in NGC revenues. However, the Company exchanged information throughout the discovery process, which provided updated schedules to the 2018 NGC Filing. Based upon the updated schedules, the proposed decrease in the composite MTC/NGC factor of \$0.000105 per kWh (excluding SUT) would result in an annual decrease of approximately \$7,002,858 in NGC revenues. *See Attachments D through J.*

Stipulation

1. The Parties agree that, as per the schedules attached hereto, the Company's ending deferred NGC balance at December 31, 2018, amounted to an over-recovery of \$37,515,220, including carrying costs of \$720,453. *See Attachments A, B, and C.*
2. The Parties agree that the Company's ending deferred NGC balance at December 31, 2019, will be reviewed in the Company's 2019 NGC filing.
3. The Parties also agree that, in light of the expiration of many of the Company's long-term NUG PPAs and the over-recovered NGC deferred balance, it is appropriate to decrease the current composite MTC/NGC factor of \$0.000451 per kWh (excluding SUT) to MTC/NGC factor of \$0.000105 per kWh (excluding SUT), which would result in an annual decrease of approximately \$7,002,858 in NGC revenues, as the final rate in this proceeding. *See Attachments D through J.*
4. The Parties further agree that the interest rate applied to the NGC deferred balance will be set to an interest rate equal to the rate on seven-year constant maturity Treasuries, as shown in the Federal Reserve Statistical Release on or closest to January 1 of each year, plus

sixty basis points, ("Carrying Cost Rate"), until changed by a future Board Order. The Parties agree that the Carrying Cost Rate is currently 3.16%. The annual compounding date remains January 1st of each year.

5. To the extent not otherwise recovered in rates, JCP&L shall also be authorized to continue to defer (i) all additional reasonable and prudent amounts paid to NUGs under Board-approved agreements, (ii) the reasonable and prudent all-in costs associated with JCP&L's interest in the Yards Creek pumped storage generating facility ("Yards Creek"), and (iii) other reasonable and prudent costs previously approved by the Board for recovery through the NGC, net of related revenues received from the sale of NUG and Yards Creek output into the PJM market, incurred and deferred subsequent to December 31, 2018, together with accrued interest thereon, for review and inclusion in future annual NGC filings and recovery through related adjustments to the Company's Rider NGC, subject to the Board's review and approval.

6. The Parties also agree that, upon the effective date of the Board's written Order approving this Stipulation, all elements of the 2018 NGC Filing shall be deemed closed and resolved except any data for calendar year 2019 shall be subject to review in the Company's 2019 NGC filing.

Conclusion

1. The Parties agree that this Stipulation contains mutual balancing and interdependent clauses and is intended to be accepted and approved in its entirety. In the event 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, in the event 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. The Parties agree that this Stipulation shall be binding on them for all purposes herein.

2. 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.

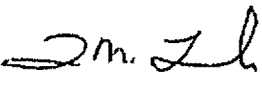
b. The contents of this Stipulation shall not in any way be considered, cited or used by any of the undersigned Parties as an indication of any Party's position on any related or other issue litigated in any other proceeding or forum, except to enforce the terms of this Stipulation.


3. 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.

Jersey Central Power & Light Company

Gurbir S. Grewal, Attorney General of New Jersey
Attorney for the Staff of the Board of Public Utilities

By: 

By: 

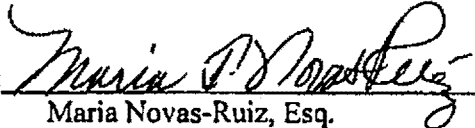
Lauren M. Lepkoski, Esq.
Jersey Central Power & Light Company

Matko Ilic
Deputy Attorney General

Dated: 11/21/2019

Dated: 11/20/19

Stefanie A. Brand, Esq.
Director, Division of Rate Counsel

By: 
Maria Novas-Ruiz, Esq.
Assistant Deputy Rate Counsel

Dated: 11/20/2019

| JERSEY CENTRAL POWER & LIGHT COMPANY Summary of NGC Deferred Balance by Component (Actual) For the Period January 1, 2018 through December 31, 2018 | | | |
|--|--|----------------------------------|---|
| Line No. | | Actual Data Jan - Dec 2018 | Refer to Attachment B Line No(s). |
| 1 | NGC Deferred Balance at 12/31/2017 | (29,171,002) | 23 |
| 2 | NGC Deferred Balance 2018: | | |
| | <u>Revenues:</u> | | |
| 3 | Wholesale Energy/Capacity (Sales of Committed Supply) | 22,218,309 | 1 |
| 4 | MTC/NGC Retail Tariff | 1,879,952 | 3-(4+5) |
| 5 | Other Revenue Sources | 4,633,559 | 2+6 |
| 6 | Total Revenues | 28,731,820 | 7 |
| | <u>Costs:</u> | | |
| 7 | Committed Supply: NUG and 2-Party Contract Payments | 4,754,751 | 14+17 |
| 8 | Committed Supply: Yards Creek Costs | 14,888,736 | 8 thru 10+16+18 |
| 9 | St. Lawrence Hydro NYISO and NITS Charges | 1,280,157 | 13 |
| 10 | Other Expenses | 412,412 | 11+12+15 |
| 11 | Total Cost Incurred | 21,336,056 | 19 |
| 12 | Net Revenues in excess of costs Deferred Jan through Dec-18 | (7,395,765) | |
| 13 | Securitization Servicing Fee in Excess of Costs Incurred | (228,000) | 20 |
| 14 | Net NGC (Over)/Under-Recovered Costs Deferred in 2018 | (7,623,765) | 22 |
| 15 | NGC (Over)-Recovered Deferred Cost Balance at 12/31/18 | (36,794,767) | 23 |
| 16 | NGC Deferred Interest Balance at 12/31/18 | (720,453) | See Attachment C |
| 17 | NGC (Over)Under-Recovered Deferred Balance Including Interest at 12/31/18 | (37,515,220) | |

JERSEY CENTRAL POWER & LIGHT COMPANY
Calculation of Deferred NGC Expense by Month
For the Period January 1, 2018 through December 31, 2018

| Line No. | Cumulative Balance Thru Dec-17 | Actual Jan-18 | Actual Feb-18 | Actual Mar-18 | Actual Apr-18 | Actual May-18 | Actual Jun-18 |
|------------------|--|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Revenues: | | | | | | | |
| 1 | Wholesale Energy/Capacity Revenues (Sales of Committed Supply) | 3,301,117 | 1,157,494 | 1,420,826 | 1,130,576 | 1,288,222 | 2,542,691 |
| 2 | PJM Ancillary, Congestion & FTR Revenue | 274,542 | 129,469 | 136,175 | 125,460 | 129,302 | 156,406 |
| 3 | Total MTC Revenue | 2,917,033 | 2,746,663 | 2,303,323 | 2,271,930 | 2,183,943 | 2,577,197 |
| 4 | Less: TBC Revenue | 1,805,441 | 1,689,830 | 1,428,603 | 1,413,710 | 1,360,866 | 1,631,653 |
| 5 | Less: MTC-Tax Revenue | 974,813 | 914,570 | 771,842 | 763,806 | 735,234 | 690,313 |
| 6 | Telcom Revenue | 236,683 | 230,747 | 230,519 | 230,505 | 233,533 | 234,201 |
| 7 | Total Revenues | 3,949,121 | 1,659,971 | 1,890,398 | 1,680,955 | 1,738,881 | 3,188,530 |
| Costs: | | | | | | | |
| 8 | Return on Yards Creek Investment | 159,246 | 133,664 | 132,984 | 131,927 | 131,603 | 130,913 |
| 9 | Depreciation Expense - Yards Creek & Merrill Creek | 105,560 | 105,582 | 105,577 | 105,578 | 105,578 | 105,578 |
| 10 | Production O&M - Yards Creek | 149,881 | 149,702 | 15,544 | 7,820 | 468,956 | 439,742 |
| 11 | Ancillary Services | 51,828 | 9,113 | 37,567 | 17,864 | 27,154 | 14,588 |
| 12 | Financial Instruments - Incls. FTR Expense | 480 | 500 | 520 | 500 | 500 | 500 |
| 13 | St. Lawrence Hydro NYISO and NITS Charges | 83,962 | 111,366 | 145,681 | 89,582 | 72,760 | 56,902 |
| 14 | Bilateral/2-Party Agreements | 604,598 | 512,066 | (722,075) | 1,367,394 | 254,410 | 706,898 |
| 15 | PJM Transmission Congestion | 36,409 | (1,913) | (10,371) | (585) | (17,234) | (12,349) |
| 16 | Yards Creek PJM Pumped Storage Cost | 2,062,890 | (28,525) | 490,535 | 266,020 | 349,929 | 789,949 |
| 17 | NUG Contract Payments | 55,736 | 9,429 | 19,708 | 12,658 | 15,551 | (2,796) |
| 18 | Production O&M - Yards Creek (True-up) | 107,080 | 128,757 | 162,721 | 16,005 | 20,094 | 22,249 |
| 19 | Total Costs | 3,417,670 | 1,129,741 | 378,391 | 2,014,765 | 1,429,302 | 2,252,176 |
| 20 | Annual Servicing Fee Paid in Excess of Cost Incurred | | | | | | |
| 21 | | | | | | | |
| 22 | (Over)/Under Recovery of Costs | (531,450) | (530,230) | (1,512,007) | 433,810 | (309,578) | (936,355) |
| 23 | Cumulative (Over)/Under Recovery - NGC Balance | (29,171,002) | (29,702,452) | (30,232,682) | (31,744,689) | (31,620,457) | (32,556,812) |

JERSEY CENTRAL POWER & LIGHT COMPANY
Calculation of Deferred NGC Expense by Month
For the Period January 1, 2018 through December 31, 2018

| Line No. | | Actual Jul-18 | Actual Aug-18 | Actual Sep-18 | Actual Oct-18 | Actual Nov-18 | Actual Dec-18 | YTD 2018 |
|----------|--|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|--------------------|
| | Revenues: | | | | | | | |
| 1 | Wholesale Energy/Capacity Revenues (Sales of Committed Supply) | 2,848,023 | 2,452,812 | 1,853,639 | 1,412,815 | 1,384,305 | 1,425,788 | 22,218,309 |
| 2 | PJM Ancillary, Congestion & FTR Revenue | 170,889 | 181,892 | 159,527 | 125,676 | 124,669 | 148,945 | 1,862,953 |
| 3 | Total MTC Revenue | 3,221,792 | 3,411,328 | 3,357,900 | 2,510,310 | 1,614,018 | 725,823 | 29,841,259 |
| 4 | Less: TBC Revenue | 2,085,414 | 2,205,142 | 2,172,740 | 1,632,050 | 1,423,745 | 1,553,322 | 20,402,536 |
| 5 | Less: MTC-Tax Revenue | 514,958 | 538,244 | 530,558 | 398,264 | 346,991 | 379,177 | 7,558,771 |
| 6 | Telcom Revenue | 226,381 | 228,259 | 234,773 | 228,227 | 228,148 | 228,629 | 2,770,606 |
| 7 | Total Revenues | 3,866,713 | 3,530,905 | 2,902,541 | 2,246,715 | 1,580,405 | 596,686 | 28,731,820 |
| | Costs: | | | | | | | |
| 8 | Return on Yards Creek Investment | 130,223 | 129,532 | 128,842 | 128,151 | 127,461 | 126,771 | 1,591,317 |
| 9 | Depreciation Expense - Yards Creek & Merrill Creek | 105,578 | 105,578 | 105,578 | 105,578 | 105,578 | 105,578 | 1,266,921 |
| 10 | Production O&M - Yards Creek | 653,000 | 397,283 | 681,603 | 738,695 | 1,054,055 | 952,851 | 5,709,134 |
| 11 | Ancillary Services | 45,019 | 20,605 | 46,413 | 30,203 | 30,777 | 33,101 | 364,233 |
| 12 | Financial Instruments - Incls. FTR Expense | 500 | 500 | 500 | 500 | 500 | 500 | 6,000 |
| 13 | St. Lawrence Hydro NYISO and NITS Charges | 132,454 | 128,793 | 44,163 | 87,644 | 155,760 | 171,090 | 1,280,157 |
| 14 | Bilateral/2-Party Agreements | 537,497 | (2,854) | 472,442 | 322,347 | 244,153 | 272,546 | 4,569,422 |
| 15 | PJM Transmission Congestion | (9,066) | 60,980 | 1,915 | (1,632) | (2,843) | (1,134) | 42,179 |
| 16 | Yards Creek PJM Pumped Storage Cost | 870,989 | 710,844 | 194,553 | - | - | - | 5,707,184 |
| 17 | NUG Contract Payments | 4,939 | 7,743 | 4,752 | 8,720 | 24,581 | 24,307 | 185,329 |
| 18 | Production O&M - Yards Creek (True-up) | 77,817 | 20,214 | 8,762 | 17,901 | 12,028 | 20,553 | 614,180 |
| 19 | Total Costs | 2,548,949 | 1,579,218 | 1,689,522 | 1,438,107 | 1,752,051 | 1,706,163 | 21,336,056 |
| 20 | Annual Servicing Fee Paid in Excess of Cost Incurred | (228,000) | | | | | | (228,000) |
| 21 | | | | | | | | |
| 22 | (Over)/Under Recovery of Costs | (1,545,763) | (1,951,687) | (1,213,019) | (808,607) | 171,645 | 1,109,477 | (7,623,765) |
| 23 | Cumulative (Over)/Under Recovery - NGC Balance | (34,102,575) | (36,054,263) | (37,267,282) | (38,075,889) | (37,904,244) | (36,794,767) | |

Jersey Central Power & Light Company
Calculation of Interest on NGC Deferred Balance
For the Period January 1, 2018 through December 31, 2018

| Line No. | ACTUAL Dec-17 | ACTUAL Jan-18 | ACTUAL Feb-18 | ACTUAL Mar-18 | ACTUAL Apr-18 | ACTUAL May-18 | ACTUAL Jun-18 | |
|----------|--|---------------|---------------|---------------|---------------|---------------|---------------|--------------|
| 1 | Cumulative (Over)/Under Recovered NGC Deferred Balance | (29,171,002) | (29,702,452) | (30,232,682) | (31,744,689) | (31,310,879) | (31,620,457) | (32,556,812) |
| 2 | Balance at end of month for interest calculation | (29,171,002) | (29,702,452) | (30,232,682) | (31,744,689) | (31,310,879) | (31,620,457) | (32,556,812) |
| 3 | Deferred Tax Balance @ 28.11% | (8,199,969) | (8,349,359) | (8,498,407) | (8,923,432) | (8,801,488) | (8,888,511) | (9,151,720) |
| 4 | Deferred Balance Net of Tax for Interest Calculation | (20,971,033) | (21,353,093) | (21,734,275) | (22,821,257) | (22,509,391) | (22,731,946) | (23,405,092) |
| 5 | Accumulated Interest at January 1 for Compounding | - | - | - | - | - | - | - |
| 6 | Deferred Tax Balance @ 28.11% | - | - | - | - | - | - | - |
| 7 | Accumulated Interest Net of Tax for Compounding | - | - | - | - | - | - | - |
| 8 | Total Average Deferred Balance for Interest | | (21,162,063) | (21,543,684) | (22,277,766) | (22,665,324) | (22,620,669) | (23,068,519) |
| 9 | Interest Rate | | 2.9800% | 2.9800% | 2.9800% | 2.9800% | 2.9800% | 2.9800% |
| 10 | Interest on Deferred Balance for Month | | (52,552) | (53,500) | (55,323) | (56,286) | (56,175) | (57,287) |
| 11 | Total Cumulative Deferred Interest | - | (52,552) | (106,052) | (161,375) | (217,661) | (273,836) | (331,123) |

Note: May include in current month, retroactive adjustments to interest actually recorded in subsequent months.

Jersey Central Power & Light Company
Calculation of Interest on NGC Deferred Balance
For the Period January 1, 2018 through December 31, 2018

| Line No. | ACTUAL Jul-18 | ACTUAL Aug-18 | ACTUAL Sep-18 | ACTUAL Oct-18 | ACTUAL Nov-18 | ACTUAL Dec-18 | |
|----------|--|---------------|---------------|---------------|---------------|---------------|--------------|
| 1 | Cumulative (Over)/Under Recovered NGC Deferred Balance | (34,102,575) | (36,054,263) | (37,267,282) | (38,075,889) | (37,904,244) | (36,794,767) |
| 2 | Balance at end of month for interest calculation | (34,102,575) | (36,054,263) | (37,267,282) | (38,075,889) | (37,904,244) | (36,794,767) |
| 3 | Deferred Tax Balance @ 28.11% | (9,586,234) | (10,134,853) | (10,475,833) | (10,703,132) | (10,654,883) | (10,343,009) |
| 4 | Deferred Balance Net of Tax for Interest Calculation | (24,516,341) | (25,919,410) | (26,791,449) | (27,372,757) | (27,249,361) | (26,451,758) |
| 5 | Accumulated Interest at January 1 for Compounding | - | - | - | - | - | - |
| 6 | Deferred Tax Balance @ 28.11% | - | - | - | - | - | - |
| 7 | Accumulated Interest Net of Tax for Compounding | - | - | - | - | - | - |
| 8 | Total Average Deferred Balance for Interest | (23,960,717) | (25,217,875) | (26,355,429) | (27,082,103) | (27,311,059) | (26,850,559) |
| 9 | Interest Rate | 2.9800% | 2.9800% | 2.9800% | 2.9800% | 2.9800% | 2.9800% |
| 10 | Interest on Deferred Balance for Month | (59,502) | (62,624) | (65,449) | (67,254) | (67,822) | (66,679) |
| 11 | Total Cumulative Deferred Interest | (390,625) | (453,249) | (518,698) | (585,952) | (653,774) | (720,453) |

Note: May include in current month, retroactive adjustments to interest actually recorded in subsequent months.

| JERSEY CENTRAL POWER & LIGHT COMPANY Summary of NGC Deferred Balance by Component (Actual/Forecast) For the Period January 1, 2019 through December 31, 2019 | | |
|---|---|--------------------------------------|
| Line No. | Actual/Forecast Data Jan - Dec 2019 | Refer to Attachment E Line No(s). |
| 1 | NGC Deferred Balance at 12/31/2018 (37,515,220) | 23 |
| 2 | NGC Deferred Balance 2019: | |
| | <u>Revenues:</u> | |
| 3 | Wholesale Energy/Capacity (Sales of Committed Supply) 16,805,733 | 1 |
| 4 | MTC/NGC Retail Tariff (19,035,637) | 3-(4+5) |
| 5 | Other Revenue Sources 5,771,401 | 2+6 |
| 6 | Total Revenues 3,541,497 | 7 |
| | <u>Costs:</u> | |
| 7 | Committed Supply: NUG and 2-Party Contract Payments 4,479,757 | 14+17 |
| 8 | Committed Supply: Yards Creek Costs 15,862,807 | 8 thru 10+16+18 |
| 9 | St. Lawrence Hydro NYISO and NITS Charges 470,220 | 13 |
| 10 | Other Expenses 406,925 | 11+12+15 |
| 11 | Total Cost Incurred 21,219,709 | 19 |
| 12 | Net Revenues in excess of costs Deferred Jan through Dec-19 17,678,212 | |
| 13 | Securitization Servicing Fee in Excess of Costs Incurred (228,000) | 20 |
| 14 | Net NGC (Over)/Under-Recovered Costs Deferred in 2019 17,450,212 | 22 |
| 15 | NGC (Over)-Recovered Deferred Cost Balance at 12/31/19 (20,065,008) | 23 |
| 16 | NGC Deferred Interest Balance at 12/31/19 (725,802) | See Attachment F |
| 17 | NGC (Over)Under-Recovered Deferred Balance Including Interest at 12/31/19 (20,790,810) | |

JERSEY CENTRAL POWER & LIGHT COMPANY
Calculation of Deferred NGC Expense by Month
For the Period January 1, 2019 through December 31, 2019

| Line No. | Cumulative Balance Thru Dec-18 | Actual Jan-19 | Actual Feb-19 | Actual Mar-19 | Actual Apr-19 | Actual May-19 | Actual Jun-19 |
|------------------|--|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Revenues: | | | | | | | |
| 1 | Wholesale Energy/Capacity Revenues (Sales of Committed Supply) | 1,846,766 | 1,725,228 | 1,780,523 | 1,802,049 | 1,724,025 | 1,091,599 |
| 2 | PJM Ancillary, Congestion & FTR Revenue | 143,370 | 134,659 | 134,079 | 110,154 | 131,465 | 31,795 |
| 3 | Total MTC Revenue | 809,835 | 751,505 | 703,717 | 621,502 | 607,424 | 700,327 |
| 4 | Less: TBC Revenue | 1,817,787 | 1,669,949 | 1,566,958 | 1,388,609 | 1,353,383 | 1,442,895 |
| 5 | Less: MTC-Tax Revenue | 443,610 | 407,520 | 382,296 | 338,828 | 330,331 | 416,039 |
| 6 | Telcom Revenue | (214,577) | 232,821 | 233,178 | 677,922 | | 469,964 |
| 7 | Total Revenues | 323,996 | 766,745 | 902,243 | 1,484,189 | 779,201 | 434,750 |
| Costs: | | | | | | | |
| 8 | Return on Yards Creek Investment | 126,080 | 137,432 | 136,063 | 134,693 | 133,324 | 131,955 |
| 9 | Depreciation Expense - Yards Creek & Merrill Creek | 105,578 | 105,578 | 105,578 | 105,578 | 105,578 | 105,578 |
| 10 | Production O&M - Yards Creek | 546,548 | 93,312 | 171,902 | 306,101 | 260,047 | 317,793 |
| 11 | Ancillary Services | 31,278 | 32,163 | 31,832 | 34,093 | 27,754 | 32,088 |
| 12 | Financial Instruments - Incls. FTR Expense | 500 | 580 | 540 | 540 | 540 | 540 |
| 13 | St. Lawrence Hydro NYISO and NITS Charges | 76,446 | 18,129 | 81,790 | 46,054 | 81,110 | 75,785 |
| 14 | Bilateral/2-Party Agreements | 92,101 | 65,982 | 928,976 | 389,075 | 430,606 | 294,469 |
| 15 | PJM Transmission Congestion | 3,886 | (1,379) | (2,986) | (2,667) | (6,293) | (3,393) |
| 16 | Yards Creek PJM Pumped Storage Cost | 357,440 | 485,115 | 345,997 | 378,280 | 255,495 | 348,288 |
| 17 | NUG Contract Payments | 9,239 | 16,360 | 14,132 | 3,936 | 8,947 | 5,981 |
| 18 | Production O&M - Yards Creek (True-up) | 39,286 | 29,114 | 792 | 1,975 | | |
| 19 | Total Costs | 1,388,382 | 982,386 | 1,814,616 | 1,397,659 | 1,297,109 | 1,309,084 |
| 20 | Annual Servicing Fee Paid in Excess of Cost Incurred | | | | | | |
| 21 | | | | | | | |
| 22 | (Over)/Under Recovery of Costs | 1,064,386 | 215,641 | 912,373 | (86,531) | 517,908 | 874,334 |
| 23 | Cumulative (Over)/Under Recovery - NGC Balance | (37,515,220) | (36,450,833) | (36,235,192) | (35,322,820) | (35,409,350) | (34,017,109) |

JERSEY CENTRAL POWER & LIGHT COMPANY
Calculation of Deferred NGC Expense by Month
For the Period January 1, 2019 through December 31, 2019

| Line No. | | Actual Jul-19 | Forecast Aug-19 | Forecast Sep-19 | Forecast Oct-19 | Forecast Nov-19 | Forecast Dec-19 | YTD 2019 |
|-----------|--|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|-------------------|
| | Revenues: | | | | | | | |
| 1 | Wholesale Energy/Capacity Revenues (Sales of Committed Supply) | 1,793,269 | 1,409,248 | 1,075,164 | 675,083 | 687,963 | 1,194,816 | 16,805,733 |
| 2 | PJM Ancillary, Congestion & FTR Revenue | 196,396 | 319,594 | 229,344 | 229,923 | 225,129 | 226,481 | 2,112,388 |
| 3 | Total MTC Revenue | 900,622 | 428,400 | 340,498 | 312,465 | 316,614 | 358,411 | 6,851,319 |
| 4 | Less: TBC Revenue | 1,624,864 | 922,800 | 734,022 | 677,536 | 685,631 | 771,763 | 14,656,196 |
| 5 | Less: MTC-Tax Revenue | 611,369 | 2,017,946 | 1,604,710 | 1,487,784 | 1,504,316 | 1,686,012 | 11,230,760 |
| 6 | Telcom Revenue | 235,127 | 492,182 | 391,393 | 362,874 | 366,906 | 411,222 | 3,659,012 |
| 7 | Total Revenues | 889,182 | (291,322) | (302,333) | (584,975) | (593,334) | (266,844) | 3,541,497 |
| | Costs: | | | | | | | |
| 8 | Return on Yards Creek Investment | 130,585 | 210,313 | 212,910 | 216,705 | 364,951 | 378,715 | 2,313,728 |
| 9 | Depreciation Expense - Yards Creek & Merrill Creek | 105,578 | 140,869 | 136,827 | 138,509 | 157,938 | 178,599 | 1,491,789 |
| 10 | Production O&M - Yards Creek | 370,111 | 286,024 | 337,333 | 2,003,006 | 1,971,755 | 495,744 | 7,159,675 |
| 11 | Ancillary Services | 26,492 | 37,979 | 64,790 | 36,043 | 35,529 | 33,716 | 423,758 |
| 12 | Financial Instruments - Incls. FTR Expense | 540 | | | | | | 3,780 |
| 13 | St. Lawrence Hydro NYISO and NITS Charges | 90,906 | | | | | | 470,220 |
| 14 | Bilateral/2-Party Agreements | 350,460 | 373,479 | 373,479 | 373,479 | 373,479 | 373,479 | 4,419,062 |
| 15 | PJM Transmission Congestion | (7,781) | | | | | | (20,613) |
| 16 | Yards Creek PJM Pumped Storage Cost | 663,572 | 747,252 | 598,146 | - | 104,271 | 542,593 | 4,826,449 |
| 17 | NUG Contract Payments | 2,099 | | | | | | 60,695 |
| 18 | Production O&M - Yards Creek (True-up) | | | | | | | 71,167 |
| 19 | Total Costs | 1,732,563 | 1,795,916 | 1,723,484 | 2,767,742 | 3,007,923 | 2,002,846 | 21,219,709 |
| 20 | Annual Servicing Fee Paid in Excess of Cost Incurred | (228,000) | | | | | | (228,000) |
| 21 | | | | | | | | - |
| 22 | (Over)/Under Recovery of Costs | 615,381 | 2,087,238 | 2,025,818 | 3,352,717 | 3,601,257 | 2,269,691 | 17,450,212 |
| 23 | Cumulative (Over)/Under Recovery - NGC Balance | (33,401,728) | (31,314,490) | (29,288,672) | (25,935,955) | (22,334,698) | (20,065,008) | |

Jersey Central Power & Light Company
Calculation of Interest on NGC Deferred Balance
For the Period January 1, 2019 through December 31, 2019

| Line No. | ACTUAL Dec-18 | ACTUAL Jan-19 | ACTUAL Feb-19 | ACTUAL Mar-19 | ACTUAL Apr-19 | ACTUAL May-19 | ACTUAL Jun-19 | |
|----------|--|------------------|------------------|------------------|------------------|------------------|------------------|--------------|
| 1 | Cumulative (Over)/Under Recovered NGC Deferred Balance | (37,515,220) | (36,450,833) | (36,235,192) | (35,322,820) | (35,409,350) | (34,891,443) | (34,017,109) |
| 2 | Balance at end of month for interest calculation | (37,515,220) | (36,450,833) | (36,235,192) | (35,322,820) | (35,409,350) | (34,891,443) | (34,017,109) |
| 3 | Deferred Tax Balance @ 28.11% | (10,545,528) | (10,246,329) | (10,185,713) | (9,929,245) | (9,953,568) | (9,807,985) | (9,562,209) |
| 4 | Deferred Balance Net of Tax for Interest Calculation | (26,969,692) | (26,204,504) | (26,049,479) | (25,393,575) | (25,455,782) | (25,083,458) | (24,454,900) |
| 5 | Accumulated Interest at January 1 for Compounding | - | - | - | - | - | - | - |
| 6 | Deferred Tax Balance @ 28.11% | - | - | - | - | - | - | - |
| 7 | Accumulated Interest Net of Tax for Compounding | - | - | - | - | - | - | - |
| 8 | Total Average Deferred Balance for Interest | | (26,587,098) | (26,126,992) | (25,721,527) | (25,424,679) | (25,269,620) | (24,769,179) |
| 9 | Interest Rate | | 3.1600% | 3.1600% | 3.1600% | 3.1600% | 3.1600% | 3.1600% |
| 10 | Interest on Deferred Balance for Month | | (70,013) | (68,801) | (67,733) | (66,952) | (66,543) | (65,226) |
| 11 | Total Cumulative Deferred Interest | - | (70,013) | (138,814) | (206,547) | (273,499) | (340,042) | (405,268) |

Note: May include in current month, retroactive adjustments to interest actually recorded in subsequent months.

Jersey Central Power & Light Company
Calculation of Interest on NGC Deferred Balance
For the Period January 1, 2019 through December 31, 2019

| Line No. | ACTUAL Jul-19 | FORECAST Aug-19 | FORECAST Sep-19 | FORECAST Oct-19 | FORECAST Nov-19 | FORECAST Dec-19 |
|--|------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| 1 Cumulative (Over)/Under Recovered NGC Deferred Balance | (33,401,728) | (31,314,490) | (29,288,672) | (25,935,955) | (22,334,698) | (20,065,008) |
| 2 Balance at end of month for interest calculation | (33,401,728) | (31,314,490) | (29,288,672) | (25,935,955) | (22,334,698) | (20,065,008) |
| 3 Deferred Tax Balance @ 28.11% | (9,389,226) | (8,802,503) | (8,233,046) | (7,290,597) | (6,278,284) | (5,640,274) |
| 4 Deferred Balance Net of Tax for Interest Calculation | (24,012,502) | (22,511,987) | (21,055,626) | (18,645,358) | (16,056,414) | (14,424,734) |
| 5 Accumulated Interest at January 1 for Compounding | - | - | - | - | - | - |
| 6 Deferred Tax Balance @ 28.11% | - | - | - | - | - | - |
| 7 Accumulated Interest Net of Tax for Compounding | - | - | - | - | - | - |
| 8 Total Average Deferred Balance for Interest | (24,233,701) | (23,262,245) | (21,783,807) | (19,850,492) | (17,350,886) | (15,240,574) |
| 9 Interest Rate | 3.1600% | 3.1600% | 3.1600% | 3.1600% | 3.1600% | 3.1600% |
| 10 Interest on Deferred Balance for Month | (63,815) | (61,257) | (57,364) | (52,273) | (45,691) | (40,134) |
| 11 Total Cumulative Deferred Interest | (469,083) | (530,340) | (587,704) | (639,977) | (685,668) | (725,802) |

Note: May include in current month, retroactive adjustments to interest actually recorded in subsequent months.

| JERSEY CENTRAL POWER & LIGHT COMPANY Summary of NGC Deferred Balance by Component (Forecast) For the Period January 1, 2020 through December 31, 2020 | | | |
|--|--|------------------------------------|---|
| Line No. | | Forecast Data Jan - Dec 2020 | Refer to Attachment H Line No(s). |
| 1 | NGC Deferred Balance at 12/31/2019 | (20,790,810) | 23 |
| 2 | NGC Deferred Balance 2020: | | |
| | <u>Revenues:</u> | | |
| 3 | Wholesale Energy/Capacity (Sales of Committed Supply) | 13,322,389 | 1 |
| 4 | MTC/NGC Retail Tariff | (12,850,821) | 3-(4+5) |
| 5 | Other Revenue Sources | 6,303,460 | 2+6 |
| 6 | Total Revenues | 6,775,028 | 7 |
| | <u>Costs:</u> | | |
| 7 | Committed Supply: NUG and 2-Party Contract Payments | 4,283,573 | 14+17 |
| 8 | Committed Supply: Yards Creek Costs | 16,414,737 | 8 thru 10+16+18 |
| 9 | St. Lawrence Hydro NYISO and NITS Charges | - | 13 |
| 10 | Other Expenses | 407,100 | 11+12+15 |
| 11 | Total Cost Incurred | 21,105,410 | 19 |
| 12 | Net Revenues in excess of costs Deferred Jan through Dec-20 | 14,330,382 | |
| 13 | Securitization Servicing Fee in Excess of Costs Incurred | (228,000) | 20 |
| 14 | Net NGC (Over)/Under-Recovered Costs Deferred in 2020 | 14,102,382 | 22 |
| 15 | NGC (Over)-Recovered Deferred Cost Balance at 12/31/20 | (6,688,428) | 23 |
| 16 | NGC Deferred Interest Balance at 12/31/20 | (314,430) | See Attachment I |
| 17 | NGC (Over)Under-Recovered Deferred Balance Including Interest at 12/31/20 | (7,002,858) | |

JERSEY CENTRAL POWER & LIGHT COMPANY
Calculation of Deferred NGC Expense by Month
For the Period January 1, 2020 through December 31, 2020

| Line No. | Cumulative Balance Thru Dec-19 | Forecast Jan-20 | Forecast Feb-20 | Forecast Mar-20 | Forecast Apr-20 | Forecast May-20 | Forecast Jun-20 |
|------------------|--|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Revenues: | | | | | | | |
| 1 | Wholesale Energy/Capacity Revenues (Sales of Committed Supply) | 1,523,939 | 1,394,567 | 1,137,390 | 981,401 | 1,046,795 | 1,149,150 |
| 2 | PJM Ancillary, Congestion & FTR Revenue | 315,529 | 286,314 | 262,035 | 254,503 | 279,031 | 316,951 |
| 3 | Total MTC Revenue | 771,232 | 695,482 | 694,997 | 619,993 | 670,723 | 821,664 |
| 4 | Less: TBC Revenue | 1,385,152 | 1,246,067 | 1,248,515 | 1,115,195 | 1,207,566 | 1,428,995 |
| 5 | Less: MTC-Tax Revenue | 525,238 | 472,559 | 473,607 | 423,163 | 458,055 | 541,723 |
| 6 | Telcom Revenue | 221,163 | 221,163 | 221,163 | 221,163 | 221,163 | 221,163 |
| 7 | Total Revenues | 921,473 | 878,899 | 593,464 | 538,702 | 552,089 | 538,210 |
| Costs: | | | | | | | |
| 8 | Return on Yards Creek Investment | 360,459 | 362,287 | 364,468 | 366,510 | 368,409 | 370,474 |
| 9 | Depreciation Expense - Yards Creek & Merrill Creek | 180,798 | 180,918 | 180,723 | 180,945 | 183,877 | 184,691 |
| 10 | Production O&M - Yards Creek | 241,017 | 223,819 | 229,070 | 470,619 | 290,423 | 230,412 |
| 11 | Ancillary Services | 33,925 | 33,925 | 33,925 | 33,925 | 33,925 | 33,925 |
| 12 | Financial Instruments - Incls. FTR Expense | | | | | | |
| 13 | St. Lawrence Hydro NYISO and NITS Charges | | | | | | |
| 14 | Bilateral/2-Party Agreements | 356,964 | 356,964 | 356,964 | 356,964 | 356,964 | 356,964 |
| 15 | PJM Transmission Congestion | | | | | | |
| 16 | Yards Creek PJM Pumped Storage Cost | 788,874 | 836,383 | 576,827 | 447,062 | 521,735 | 639,942 |
| 17 | NUG Contract Payments | | | | | | |
| 18 | Production O&M - Yards Creek (True-up) | | | | | | |
| 19 | Total Costs | 1,962,037 | 1,994,297 | 1,741,978 | 1,856,025 | 1,755,334 | 1,816,408 |
| 20 | Annual Servicing Fee Paid in Excess of Cost Incurred | | | | | | |
| 21 | | | | | | | |
| 22 | (Over)/Under Recovery of Costs | 1,040,564 | 1,115,398 | 1,148,514 | 1,317,323 | 1,203,245 | 1,278,198 |
| 23 | Cumulative (Over)/Under Recovery - NGC Balance | (20,790,810) | (19,750,246) | (18,634,849) | (17,486,335) | (16,169,012) | (13,687,569) |

JERSEY CENTRAL POWER & LIGHT COMPANY
Calculation of Deferred NGC Expense by Month
For the Period January 1, 2020 through December 31, 2020

| Line No. | | Forecast Jul-20 | Forecast Aug-20 | Forecast Sep-20 | Forecast Oct-20 | Forecast Nov-20 | Forecast Dec-20 | YTD 2020 |
|-----------|--|---------------------|---------------------|---------------------|--------------------|--------------------|--------------------|-------------------|
| | Revenues: | | | | | | | |
| 1 | Wholesale Energy/Capacity Revenues (Sales of Committed Supply) | 1,570,967 | 1,279,139 | 793,339 | 672,046 | 747,290 | 1,026,366 | 13,322,389 |
| 2 | PJM Ancillary, Congestion & FTR Revenue | 424,980 | 386,896 | 282,611 | 274,274 | 275,144 | 291,237 | 3,649,500 |
| 3 | Total MTC Revenue | 970,471 | 911,681 | 723,865 | 668,777 | 678,680 | 765,971 | 8,993,537 |
| 4 | Less: TBC Revenue | 1,681,668 | 1,584,912 | 1,258,111 | 1,167,596 | 1,183,885 | 1,330,395 | 15,838,057 |
| 5 | Less: MTC-Tax Revenue | 637,271 | 600,806 | 477,199 | 443,031 | 449,124 | 504,524 | 6,006,300 |
| 6 | Telcom Revenue | 221,163 | 221,163 | 221,163 | 221,163 | 221,163 | 221,163 | 2,653,960 |
| 7 | Total Revenues | 868,642 | 613,161 | 285,668 | 225,633 | 289,268 | 469,818 | 6,775,028 |
| | Costs: | | | | | | | |
| 8 | Return on Yards Creek Investment | 372,764 | 375,270 | 378,161 | 380,660 | 382,670 | 388,956 | 4,471,088 |
| 9 | Depreciation Expense - Yards Creek & Merrill Creek | 187,558 | 190,194 | 185,246 | 187,006 | 186,878 | 187,094 | 2,215,928 |
| 10 | Production O&M - Yards Creek | 250,575 | 215,209 | 230,052 | 948,175 | 235,652 | 286,796 | 3,851,819 |
| 11 | Ancillary Services | 33,925 | 33,925 | 33,925 | 33,925 | 33,925 | 33,925 | 407,100 |
| 12 | Financial Instruments - Incls. FTR Expense | | | | | | | - |
| 13 | St. Lawrence Hydro NYISO and NITS Charges | | | | | | | - |
| 14 | Bilateral/2-Party Agreements | 356,964 | 356,964 | 356,964 | 356,964 | 356,964 | 356,964 | 4,283,573 |
| 15 | PJM Transmission Congestion | | | | | | | - |
| 16 | Yards Creek PJM Pumped Storage Cost | 820,376 | 540,402 | 224,490 | - | 117,991 | 361,819 | 5,875,902 |
| 17 | NUG Contract Payments | | | | | | | - |
| 18 | Production O&M - Yards Creek (True-up) | | | | | | | - |
| 19 | Total Costs | 2,022,162 | 1,711,965 | 1,408,839 | 1,906,731 | 1,314,081 | 1,615,555 | 21,105,410 |
| 20 | Annual Servicing Fee Paid in Excess of Cost Incurred | (228,000) | | | | | | (228,000) |
| 21 | | | | | | | | - |
| 22 | (Over)/Under Recovery of Costs | 925,521 | 1,098,804 | 1,123,170 | 1,681,098 | 1,024,812 | 1,145,737 | 14,102,382 |
| 23 | Cumulative (Over)/Under Recovery - NGC Balance | (12,762,049) | (11,663,245) | (10,540,075) | (8,858,977) | (7,834,165) | (6,688,428) | |

Jersey Central Power & Light Company
Calculation of Interest on NGC Deferred Balance
For the Period January 1, 2020 through December 31, 2020

| Line No. | FORECAST Dec-19 | FORECAST Jan-20 | FORECAST Feb-20 | FORECAST Mar-20 | FORECAST Apr-20 | FORECAST May-20 | FORECAST Jun-20 |
|--|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| 1 Cumulative (Over)/Under Recovered NGC Deferred Balance | (20,790,810) | (19,750,246) | (18,634,849) | (17,486,335) | (16,169,012) | (14,965,768) | (13,687,569) |
| 2 Balance at end of month for interest calculation | (20,790,810) | (19,750,246) | (18,634,849) | (17,486,335) | (16,169,012) | (14,965,768) | (13,687,569) |
| 3 Deferred Tax Balance @ 28.11% | (5,844,297) | (5,551,794) | (5,238,256) | (4,915,409) | (4,545,109) | (4,206,877) | (3,847,576) |
| 4 Deferred Balance Net of Tax for Interest Calculation | (14,946,513) | (14,198,452) | (13,396,593) | (12,570,926) | (11,623,903) | (10,758,891) | (9,839,993) |
| 5 Accumulated Interest at January 1 for Compounding | - | - | - | - | - | - | - |
| 6 Deferred Tax Balance @ 28.11% | - | - | - | - | - | - | - |
| 7 Accumulated Interest Net of Tax for Compounding | - | - | - | - | - | - | - |
| 8 Total Average Deferred Balance for Interest | | (14,572,483) | (13,797,522) | (12,983,759) | (12,097,415) | (11,191,397) | (10,299,442) |
| 9 Interest Rate | | 3.1600% | 3.1600% | 3.1600% | 3.1600% | 3.1600% | 3.1600% |
| 10 Interest on Deferred Balance for Month | | (38,374) | (36,333) | (34,191) | (31,857) | (29,471) | (27,122) |
| 11 Total Cumulative Deferred Interest | - | (38,374) | (74,707) | (108,898) | (140,755) | (170,226) | (197,348) |

Note: May include in current month, retroactive adjustments to interest actually recorded in subsequent months.

Jersey Central Power & Light Company
Calculation of Interest on NGC Deferred Balance
For the Period January 1, 2020 through December 31, 2020

| Line No. | FORECAST Jul-20 | FORECAST Aug-20 | FORECAST Sep-20 | FORECAST Oct-20 | FORECAST Nov-20 | FORECAST Dec-20 |
|--|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| 1 Cumulative (Over)/Under Recovered NGC Deferred Balance | (12,762,049) | (11,663,245) | (10,540,075) | (8,858,977) | (7,834,165) | (6,688,428) |
| 2 Balance at end of month for interest calculation | (12,762,049) | (11,663,245) | (10,540,075) | (8,858,977) | (7,834,165) | (6,688,428) |
| 3 Deferred Tax Balance @ 28.11% | (3,587,412) | (3,278,538) | (2,962,815) | (2,490,258) | (2,202,184) | (1,880,117) |
| 4 Deferred Balance Net of Tax for Interest Calculation | (9,174,637) | (8,384,707) | (7,577,260) | (6,368,719) | (5,631,981) | (4,808,311) |
| 5 Accumulated Interest at January 1 for Compounding | - | - | - | - | - | - |
| 6 Deferred Tax Balance @ 28.11% | - | - | - | - | - | - |
| 7 Accumulated Interest Net of Tax for Compounding | - | - | - | - | - | - |
| 8 Total Average Deferred Balance for Interest | (9,507,315) | (8,779,672) | (7,980,983) | (6,972,989) | (6,000,350) | (5,220,146) |
| 9 Interest Rate | 3.1600% | 3.1600% | 3.1600% | 3.1600% | 3.1600% | 3.1600% |
| 10 Interest on Deferred Balance for Month | (25,036) | (23,120) | (21,017) | (18,362) | (15,801) | (13,746) |
| 11 Total Cumulative Deferred Interest | (222,384) | (245,504) | (266,521) | (284,883) | (300,684) | (314,430) |

Note: May include in current month, retroactive adjustments to interest actually recorded in subsequent months.

Proposed \$7.0 mil Reduction

Jersey Central Power & Light Company

Derivation of NGC Rates by Voltage Level

| | | |
|--|-----------------------|-----------------------------|
| Proposed Annual NGC Revenue Decrease | \$ (7,002,858) | Proposed Effective 1/1/2020 |
| Decrease in NGC Factor (\$ per kWh) | (0.000346) | |
| Current Composite MTC/NGC Factor (\$ per kWh) | 0.000451 | |
| Proposed Composite MTC/NGC Factor (\$ per kWh) | 0.000105 | |

| | Total (a) | Voltage Level | | | | | Special Provision d (f) | Total Excluding Special Provision d kWh (g) |
|--|----------------|------------------|----------------|----------------|---------------|--------------|-------------------------------|--|
| | | Secondary (b) | Primary (c) | 34.5 kV (d) | 230 kV (e) | Transmission | | |
| Reallocate Special Provision d to All Remaining Classes {1} | | | | | | | | |
| 1 Forecast 1/2020 - 12/2020 Delivery kWh | 20,234,922,098 | 16,523,009,761 | 1,756,009,515 | 1,603,128,664 | 140,180,953 | 212,593,205 | 20,022,328,893 | |
| 2 Proposed Composite MTC/NGC Factor | 0.000105 | | | | | | | |
| 3 Annual NGC Revenues (equals line 2, column a times line 1) | \$2,124,667 | | | | | | | |
| 4 Special Provision d NGC rate per kWh (excl. SUT) | | | | | | \$0.000000 | | |
| 5 Annual Special Provision d NGC revenue (equals line 1 times line 4) | | | | | | \$0 {1} | | |
| 6 Annual NGC Revenues - Excluding Special Provision d (equals line 3 minus line 5) | | | | | | | \$2,124,667 | |
| 7 Adjusted Composite MTC/NGC Factor (equals line 6, column g divided by line 1, column g) | 0.000106 | | | | | | | |
| 8 Loss Factors | | 1.118 | 1.061 | 1.0406 | 1.0191 | 1.0191 | | |
| 9 Net System Requirements (equals line 1 times line 8) | | 18,472,724,913 | 1,863,126,095 | 1,668,215,688 | 142,858,409 | | 22,146,925,105 | |
| 10 Retail Sales Ratio (equals column value of line 1 divided by line 1, column g) | | 0.825229165 | 0.087702561 | 0.080067043 | 0.007001231 | | 1.000000000 | |
| 11 NSR Ratio (equals column value of line 9 divided by line 9 total) | | 0.834098857 | 0.084125723 | 0.075324935 | 0.006450485 | | 1.000000000 | |
| 12 Voltage Adjustment Factor (equals line 11 divided by line 10) | | 1.0107482 | 0.9592163 | 0.9407733 | 0.9213358 | | | |
| 13 Adjusted Composite MTC/NGC Factor (equals line 7) | | 0.000106 | 0.000106 | 0.000106 | 0.000106 | | | |
| 14 NGC per kWh, Excluding SUT (equals line 13 multiplied by line 12) {1} | | \$0.000107 | \$0.000102 | \$0.000100 | \$0.000098 | \$0.000000 | | |
| 15 NGC per kWh, Including SUT (equals line 14 multiplied by 1.06625) | | \$0.000114 | \$0.000109 | \$0.000107 | \$0.000104 | \$0.000000 | | |
| 16 NGC Revenue at revised rates excluding SUT (equals line 14 times line 1) | | \$1,767,962 | \$179,113 | \$160,313 | \$13,738 | \$0 | \$2,121,126 | |
| 17 NGC Revenue at revised rates compared to initial NGC target revenue (equals line 16, column g minus line 3, column a) | | | | | | | -\$3,541 | |
| 18 Cumulative rounding error (equals line 17, column g divided by line 1, column g) | | | | | | | -\$0.0000002 | |

{1} See Attachment G, Page 2 of 2

Proposed \$7.0 mill Reduction

Jersey Central Power & Light Company

Derivation of NGC Rates by Voltage Level (Special Provision d)

Proposed Annual NGC Revenue Decrease
 Decrease in NGC Factor (\$ per kWh)
 Current Composite MTC/NGC Factor (\$ per kWh)
 Proposed Composite MTC/NGC Factor (\$ per kWh)

\$ (7,002,858) Proposed Effective 1/1/2020
 (0.000346)
 0.000451
0.000105

| | Total (a) | Voltage Level | | | | | Total Excluding Special Provision d kWh (g) |
|--|----------------|------------------|----------------|----------------|--------------------------|-------------------------------|--|
| | | Secondary (b) | Primary (c) | 34.5 kV (d) | 230 kV (e) | Special Provision d (f) | |
| 1 . Forecast 1/2020 - 12/2020 Delivery kWh | 20,234,922,098 | 16,523,009,761 | 1,756,009,515 | 1,603,128,664 | 140,180,953 | 212,593,205 | 20,022,328,893 |
| 2 . Proposed Composite MTC/NGC Factor | 0.000105 | | | | | | |
| 3 . Annual NGC Revenues (equals line 2, column a times line 1) | \$2,124,567 | | | | | | |
| 4 . Special Provision d NGC rate per kWh (excl. SUT) | | | | | | \$0.000312 | |
| 5 . Annual Special Provision d NGC revenue (equals line 1 times line 4) | | | | | | \$66,329 | |
| 6 . Annual NGC Revenues - Excluding Special Provision d (equals line 3 minus line 5) | | | | | | | \$2,058,338 |
| 7 . Adjusted Composite MTC/NGC Factor (equals line 6, column g divided by line 1, column g) | 0.000103 | | | | | | |
| 8 . Loss Factors | | 1.118 | 1.061 | 1.0406 | 1.0191 | 1.0191 | |
| 9 . Net System Requirements (equals line 1 times line 8) | | 18,472,724,913 | 1,863,126,095 | 1,668,215,688 | 142,858,409 | | 22,146,925,105 |
| 10 . Retail Sales Ratio (equals column value of line 1 divided by line 1, column g) | | 0.825229165 | 0.087702561 | 0.080067043 | 0.007001231 | | 1.000000000 |
| 11 . NSR Ratio (equals column value of line 9 divided by line 9 total) | | 0.834098857 | 0.084125723 | 0.075324935 | 0.006450485 | | 1.000000000 |
| 12 . Voltage Adjustment Factor (equals line 11 divided by line 10) | | 1.0107482 | 0.9582163 | 0.9407733 | 0.9213358 | | |
| 13 . Adjusted Composite MTC/NGC Factor (equals line 7) | | 0.000103 | 0.000103 | 0.000103 | 0.000103 | | |
| 14 . NGC per kWh, Excluding SUT (equals line 13 multiplied by line 12) | | \$0.000104 | \$0.000099 | \$0.000097 | \$0.000095 | \$0.000312 | |
| 15 . NGC per kWh, Including SUT (equals line 14 multiplied by 1.06625) (1) | | \$0.000111 | \$0.000106 | \$0.000103 | \$0.000101 {1} | \$0.000333 {1} | |
| 16 . NGC Revenue at revised rates excluding SUT (equals line 14 times line 1) | | \$1,718,393 | \$173,845 | \$155,503 | \$13,317 | \$66,329 | \$2,127,387 |
| 17 . NGC Revenue at revised rates compared to initial NGC target revenue (equals line 16, column g minus line 3, column a) | | | | | | | \$2,720 |
| 18 . Cumulative rounding error (equals line 17, column g divided by line 1, column g) | | | | | | | \$0.0000001 |

(1) Per tariff Special Provision d: The NGC charge shall be the lesser of (1) \$0.000312 per kWh (\$0.000333 per kWh including SUT), or (2) the net of NGC - High Tension Service and an NGC Credit of \$0.009844 per kWh (\$0.010496 per kWh including SUT), but not less than zero, for all kWh usage. Accordingly, the revised Special Provision d rate is at zero (\$0.000101 less \$0.010496 is negative).

Attachment K

Current and Proposed Tariff

| |
|--|
| Rider NGC Non-utility Generation Charge |
|--|

APPLICABILITY: Rider NGC provides a non-utility generation charge ("NGC") applicable to all KWH usage of any Full Service Customer or Delivery Service Customer. Effective September 1, 2004, Rider MTC ("Market Transition Charge") is renamed Rider NGC to comply with the BPU Final Order dated May 17, 2004 (Docket Nos. ER02080506, etc.) that "the MTC shall be discontinued and renamed the NGC" for customer billing purposes.

Effective August 1, 2003, the Company recovers through the MTC charge, the MTC deferred balance which includes: (1) BPU-approved costs incurred during the transition to a competitive retail market and under-recovered during the period from August 1, 1999 through July 31, 2003; and (2) all BPU-approved costs associated with committed supply energy, capacity and ancillary services, net of all revenues from the sale of the committed supply in the wholesale market (Docket Nos. EX01110754 and EX01050303, etc.) Carrying cost shall be computed on a monthly basis at the applicable BPU-approved interest rate on the average net-of-tax over or under-recovered balance of the MTC, compounded annually.

Effective August 1, 2003, the composite MTC Factor shall be \$0.011013 per KWH (excluding SUT), which includes the interim recovery of MTC deferred balance as of July 31, 2003, until the BPU's decision on the securitization of the MTC deferred balance.

Effective June 1, 2005, the composite MTC Factor shall be reduced to \$0.010614 per KWH (excluding SUT), which includes the anticipation of the savings to be realized from the securitization of a portion of the MTC deferred balance as of July 31, 2003 ("Deferred BGS Transition Costs") pending the BPU approval. By Order dated June 8, 2006, the BPU approved the securitization of Deferred BGS Transition Costs.

Effective December 6, 2006, the composite MTC/NGC Factor shall be \$0.015492 per KWH (excluding SUT), which includes an increase in the NGC Factor of \$0.004878 per KWH.

Effective March 1, 2011, the composite MTC/NGC Factor shall be \$0.007687 per KWH (excluding SUT), which includes a decrease in the NGC Factor of \$0.007805 per KWH.

Effective March 1, 2012, the composite MTC/NGC Factor shall be \$0.002839 per KWH (excluding SUT), which includes a decrease in the NGC Factor of \$0.004848 per KWH.

Effective February 2, 2015, the composite MTC/NGC Factor shall be \$0.003750 per KWH (excluding SUT), which includes an increase in the NGC Factor of \$0.000911 per KWH.

Effective September 1, 2016, the composite MTC/NGC Factor shall be \$0.005012 per KWH (excluding SUT), which includes an increase in the NGC Factor of \$0.001262 per KWH. By Board Order dated May 31, 2017 (Docket No. ER16101046), the Board approved no change to this Factor for the 2015 NGC Filing.

Effective June 10, 2017, the composite MTC/NGC Factor shall be \$0.001527 per KWH (excluding SUT), which includes a decrease in the NGC Factor of \$0.001548 per KWH and the OC-TBC and OC-MTC-Tax associated with the securitization of Oyster Creek at zero rate. By Board Order dated September 17, 2018 (Docket No. ER17030306), the Board approved no change to this Factor for the 2016 NGC Filing.

Effective November 1, 2018, the composite MTC/NGC Factor shall be \$0.000451 per KWH (excluding SUT), which includes a decrease in the NGC Factor of \$0.001076 per KWH. By Board Order dated June 12, 2019 (Docket No. ER18090977), the Board approved no change to this Factor for the 2017 NGC Filing.

Issued: June 24, 2019

Effective: July 1, 2019

Filed pursuant to Order of Board of Public Utilities

Docket No. ER18090977 dated June 12, 2019

Issued by James V. Fakult, President

300 Madison Avenue, Morristown, NJ 07962-1911

JERSEY CENTRAL POWER & LIGHT COMPANY

BPU No. 12 ELECTRIC - PART III

Original Sheet No. 40A

Rider NGC
Non-utility Generation Charge

For billing purposes, the composite MTC/NGC Factor of \$0.000451 per KWH, which includes the revised DB-TBC and DB-MTC-Tax associated with the securitization of Deferred BGS Transition Costs, as detailed below, shall be applied to all KWH usage of any Full Service Customer or Delivery Service Customer as follows:

| <u>Voltage Adjusted MTC Charges per KWH (renamed NGC Charges per KWH)</u> | | <u>Including SUT</u> |
|---|-------------------|----------------------|
| Secondary Voltages | \$0.000461 | \$0.000492 |
| (Applicable to Service Classifications RS, RT, RGT, GS, GST, OL, SVL, MVL, ISL and LED) | | |
| Primary Voltages | \$0.000437 | \$0.000466 |
| (Applicable to Service Classification GP) | | |
| Transmission Voltages | \$0.000429 | \$0.000457 |
| High Tension Service (230 KV) | \$0.000420 | \$0.000448 |
| (Applicable to Service Classification GT) | | |

Issued: October 29, 2018

Effective: November 1, 2018

Filed pursuant to Order of Board of Public Utilities

Docket No. ER18090977 dated October 29, 2018

Issued by James V. Fakult, President

300 Madison Avenue, Morristown, NJ 07962-1911

Rider NGC
Non-utility Generation Charge

APPLICABILITY: Rider NGC provides a non-utility generation charge ("NGC") applicable to all KWH usage of any Full Service Customer or Delivery Service Customer. Effective September 1, 2004, Rider MTC ("Market Transition Charge") is renamed Rider NGC to comply with the BPU Final Order dated May 17, 2004 (Docket Nos. ER02080506, etc.) that "the MTC shall be discontinued and renamed the NGC" for customer billing purposes.

Effective August 1, 2003, the Company recovers through the MTC charge, the MTC deferred balance which includes: (1) BPU-approved costs incurred during the transition to a competitive retail market and under-recovered during the period from August 1, 1999 through July 31, 2003; and (2) all BPU-approved costs associated with committed supply energy, capacity and ancillary services, net of all revenues from the sale of the committed supply in the wholesale market (Docket Nos. EX01110754 and EX01050303, etc.) Carrying cost shall be computed on a monthly basis at the applicable BPU-approved interest rate on the average net-of-tax over or under-recovered balance of the MTC, compounded annually.

Effective August 1, 2003, the composite MTC Factor shall be \$0.011013 per KWH (excluding SUT), which includes the interim recovery of MTC deferred balance as of July 31, 2003, until the BPU's decision on the securitization of the MTC deferred balance.

Effective June 1, 2005, the composite MTC Factor shall be reduced to \$0.010614 per KWH (excluding SUT), which includes the anticipation of the savings to be realized from the securitization of a portion of the MTC deferred balance as of July 31, 2003 ("Deferred BGS Transition Costs") pending the BPU approval. By Order dated June 8, 2006, the BPU approved the securitization of Deferred BGS Transition Costs.

Effective December 6, 2006, the composite MTC/NGC Factor shall be \$0.015492 per KWH (excluding SUT), which includes an increase in the NGC Factor of \$0.004878 per KWH.

Effective March 1, 2011, the composite MTC/NGC Factor shall be \$0.007687 per KWH (excluding SUT), which includes a decrease in the NGC Factor of \$0.007805 per KWH.

Effective March 1, 2012, the composite MTC/NGC Factor shall be \$0.002839 per KWH (excluding SUT), which includes a decrease in the NGC Factor of \$0.004848 per KWH.

Effective February 2, 2015, the composite MTC/NGC Factor shall be \$0.003750 per KWH (excluding SUT), which includes an increase in the NGC Factor of \$0.000911 per KWH.

Effective September 1, 2016, the composite MTC/NGC Factor shall be \$0.005012 per KWH (excluding SUT), which includes an increase in the NGC Factor of \$0.001262 per KWH. By Board Order dated May 31, 2017 (Docket No. ER16101046), the Board approved no change to this Factor for the 2015 NGC Filing.

Effective June 10, 2017, the composite MTC/NGC Factor shall be \$0.001527 per KWH (excluding SUT), which includes a decrease in the NGC Factor of \$0.001548 per KWH and the OC-TBC and OC-MTC-Tax associated with the securitization of Oyster Creek at zero rate. By Board Order dated September 17, 2018 (Docket No. ER17030306), the Board approved no change to this Factor for the 2016 NGC Filing.

Effective November 1, 2018, the composite MTC/NGC Factor shall be \$0.000451 per KWH (excluding SUT), which includes a decrease in the NGC Factor of \$0.001076 per KWH. By Board Order dated June 12, 2019 (Docket No. ER18090977), the Board approved no change to this Factor for the 2017 NGC Filing.

Effective January 1, 2020, the composite MTC/NGC Factor shall be \$0.000105 per KWH (excluding SUT), which includes a decrease in the NGC Factor of \$0.000346 per KWH.

Issued:

Filed pursuant to Order of Board of Public Utilities
 Docket No. dated

Effective

Issued by James V. Fakult, President
 300 Madison Avenue, Morristown, NJ 07962-1911

JERSEY CENTRAL POWER & LIGHT COMPANY

XX Rev. Sheet No. 40A

BPU No. 12 ELECTRIC - PART III

Superseding Original Sheet No. 40A

Rider NGC
Non-utility Generation Charge

For billing purposes, the composite MTC/NGC Factor of \$0.000105 per KWH, which includes the revised DB-TBC and DB-MTC-Tax associated with the securitization of Deferred BGS Transition Costs, as detailed below, shall be applied to all KWH usage of any Full Service Customer or Delivery Service Customer as follows:

| <u>Voltage Adjusted MTC Charges per KWH (renamed NGC Charges per KWH)</u> | | <u>Including SUT</u> |
|---|-------------------|----------------------|
| Secondary Voltages | \$0.000107 | \$0.000114 |
| (Applicable to Service Classifications RS, RT, RGT, GS, GST, OL, SVL, MVL, ISL and LED) | | |
| Primary Voltages | \$0.000102 | \$0.000109 |
| (Applicable to Service Classification GP) | | |
| Transmission Voltages | \$0.000100 | \$0.000107 |
| High Tension Service (230 KV) | \$0.000098 | \$0.000104 |
| (Applicable to Service Classification GT) | | |

Issued:

Filed pursuant to Order of Board of Public Utilities
Docket No. dated

Effective:

Issued by James V. Fakult, President
300 Madison Avenue, Morristown, NJ 07962-1911

**In the Matter of the Verified Petition of Jersey Central Power & Light Company
Constituting Its Annual Filing With Respect to the
Non-Utility Generation Charge Clause ("NGC") of Its Filed Tariff
"2018 NGC Filing"
BPU Docket No. ER19070775**

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