



**RIKER
DANZIG
SCHERER
HYLAND
PERRETTI^{LLP}**

ATTORNEYS AT LAW

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BOARD OF PUBLIC UTILITIES
TRENTON, NJ

James C. Meyer
Partner

Direct:
t: 973.451.8464
f: 973.451.8688
jmeyer@riker.com
Reply to: Morristown

February 12, 2020

Via FedEx

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 a Stipulation of Settlement executed by the parties. It is anticipated by the parties that this matter will be addressed at the February 19, 2020 Agenda Meeting.

Copies of the Stipulation are also being transmitted by e-mail to all persons named in the attached Service List for this proceeding and by mail to designees.

Kindly stamp the enclosed extra copy of the Stipulation as "filed" and return same to the undersigned in the enclosed self-addressed postage-paid return envelope.

Thank you for your courtesy and cooperation.

Case Mgmt

cc: Attached Service List ✓
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Respectfully submitted,

James C. Meyer
James C. Meyer

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

Service List [December 23, 2019]

BPU

#Aida Camacho-Welch, Board Secretary
Board of Public Utilities
44 South Clinton Avenue, Suite 314
P.O. Box 350
Trenton, NJ 08625-0350
board.secretary@bpu.nj.gov

Paul Flanagan, Esq.
Executive Director
Board of Public Utilities
44 South Clinton Avenue, Suite 314
P.O. Box 350
Trenton, NJ 08625-0350
paul.flanagan@bpu.nj.gov

Grace Strom Power, Esq.
Chief of Staff
Board of Public Utilities
44 South Clinton Avenue, Suite 314
P.O. Box 350
Trenton, NJ 08625-0350
grace.power@bpu.nj.gov

Abe Silverman, Esq.
Chief Counsel
Board of Public Utilities
44 South Clinton Avenue, Suite 314
P.O. Box 350
Trenton, NJ 08625-0350
abe.silverman@bpu.nj.gov

Thomas Walker
Board of Public Utilities
44 South Clinton Avenue, Suite 314
P.O. Box 350
Trenton, NJ 08625-0350
thomas.walker@bpu.nj.gov

▲ Stacy Peterson ✓
Director, Division of Energy
Board of Public Utilities
44 South Clinton Avenue, Suite 314
P.O. Box 350
Trenton, NJ 08625-0350
stacy.peterson@bpu.nj.gov

Kevin Moss
Bureau Chief, Revenue Requirements
Board of Public Utilities
44 South Clinton Avenue
3rd Floor, Suite 314
P.O. Box 350
Trenton, NJ 08625-0350
kevin.moss@bpu.nj.gov

Carole Artale, Esq.
Legal Specialist
Board of Public Utilities
44 South Clinton Avenue, Suite 314
P.O. Box 350
Trenton, NJ 08625-0350
carole.artale@bpu.nj.gov

Andrea Hart, Esq., Legal Specialist
Board of Public Utilities
44 South Clinton Avenue, Suite 314
P.O. Box 350
Trenton, NJ 08625-0350
andrea.hart@bpu.nj.gov

Dr. Ben Witherell, Chief Economist
Board of Public Utilities
44 South Clinton Avenue
3rd Floor, Suite 314
P.O. Box 350
Trenton, NJ 08625-0350
ben.witherell@bpu.nj.gov

Son Lin Lai, Ph.D., CFA
Board of Public Utilities
44 South Clinton Avenue, Suite 314
P.O. Box 350
Trenton, NJ 08625-0350
son.lai@bpu.nj.gov

Jackie O'Grady
Office of the Chief Economist
Board of Public Utilities
44 South Clinton Avenue, Suite 314
P.O. Box 350
Trenton, NJ 08625-0350
jackie.ogrady@bpu.nj.gov

Paul Lupo
Bureau Chief, Rates and Tariffs
Board of Public Utilities
44 South Clinton Avenue
3rd Floor, Suite 314
P.O. Box 350
Trenton, NJ 08625-0350
Paul.lupo@bpu.nj.gov

James Giuliano, Director
Division of Reliability and Security
44 South Clinton Avenue, Suite 314
P.O. Box 350
Trenton, NJ 08625-0350
james.giuliano@bpu.nj.gov

Oneil Hamilton
Board of Public Utilities
44 South Clinton Avenue
3rd Floor, Suite 314
P.O. Box 350
Trenton, NJ 08625-0350
Oneil.hamilton@bpu.nj.gov

John Zarzycki
Board of Public Utilities
44 South Clinton Avenue
3rd Floor, Suite 314
P.O. Box 350
Trenton, NJ 08625-0350
john.zarzycki@bpu.nj.gov

DIVISION OF LAW

Caroline Vachier, Esq.
Deputy Attorney General
Division of Law
124 Halsey Street
P.O. Box 45029
Newark, NJ 07101-45029
caroline.vachier@law.njoag.gov

Geoffrey Gersten, Esq.
Deputy Attorney General
Division of Law
124 Halsey Street
P.O. Box 45029
Newark, NJ 07101-45029
geoffrey.gersten@law.njoag.gov

Alex Moreau, Esq.
Deputy Attorney General
Division of Law
124 Halsey Street
P.O. Box 45029
Newark, NJ 07101-45029
alex.moreau@law.njoag.gov

Renee Greenberg, Esq.
Deputy Attorney General
Division of Law
124 Halsey Street
P.O. Box 45029
Newark, NJ 07101-45029
renee.greenberg@law.njoag.gov

Jenique Jones, Paralegal
Division of Law
124 Halsey Street
P.O. Box 45029
Newark, NJ 07101-45029
jenique.jones@law.njoag.gov

*Matko Ilic ✓
Deputy Attorney General
NJ Department of Law and Public Safety
Richard J. Hughes Justice Complex
Public Utilities Section
25 Market Street, P.O. Box 112
Trenton, NJ 08625
matko.ilic@law.njoag.gov

*Receives two hard copies of pleadings; #Only receives filed pleadings-no discovery; ▲ Receives one hard copy of discovery.

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

RATE COUNSEL

*Stefanie A. Brand Esq., Director
Division of Rate Counsel
140 East Front Street, 4th Floor
P.O. Box 003
Trenton, NJ 08625-0003
sbrand@rpa.nj.gov

Brian O. Lipman, Esq.
Litigation Manager
Division of Rate Counsel
140 East Front Street, 4th Floor
P.O. Box 003
Trenton, NJ 08625-0003
blipman@rpa.nj.gov

▲ Ami Morita, Esq.
Managing Attorney - Electric Division of Rate
Counsel
140 East Front Street, 4th Floor
P.O. Box 003
Trenton, NJ 08625-0003
amorita@rpa.nj.gov

T. David Wand, Esq.
Division of Rate Counsel
140 East Front Street (4th Floor)
Trenton, NJ 08625-0003
dwand@rpa.nj.gov

Kurt Lewandowski, Esq.
Division of Rate Counsel
140 East Front Street, 4th Floor
P.O. Box 003
Trenton, NJ 08625-0003
klewando@rpa.nj.gov

James Glassen, Esq.
Division of Rate Counsel
140 East Front Street, 4th Floor
P.O. Box 003
Trenton, NJ 08625-0003
jglassen@rpa.nj.gov

Maria Novas-Ruiz, Esq.
Division of Rate Counsel
140 East Front Street, 4th Floor
P.O. Box 003
Trenton, NJ 08625-0003
mnovas-ruiz@rpa.nj.gov

Lisa Gurkas
Paralegal
Division of Rate Counsel
140 East Front Street, 4th Floor
P.O. Box 003
Trenton, NJ 08625-0003
lgurkas@rpa.nj.gov

▲ Debora Layugan, Paralegal
Division of Rate Counsel
140 East Front Street, 4th Floor
P.O. Box 003
Trenton, NJ 08625-0003
dlayugan@rpa.nj.gov

Max Chang
Synapse Energy Economics, Inc.
485 Massachusetts Ave., Suite 2
Cambridge, MA 02139
mchang@synapse-energy.com

Charles Salamone
Cape Power Systems Consulting
630 Cumberland Drive
Flagler Beach, FL 32136
csalamone@capepowersystems.com

David Peterson
Chesapeake Regulatory Consultants
10351 Southern Maryland Blvd.,
Suite 202, Dunkirk, Maryland 20754
davcp@chesapeake.net

JCP&L

Lauren Lepkowski, Esq.
FirstEnergy Corp.
2800 Pottsville Pike
P.O. Box 16001
Reading, PA 19612-6001
llepkoski@firstenergycorp.com

*James C. Meyer, Esq.
Edward K. DeHope, Esq.
Riker Danzig Scherer Hyland & Perretti
Headquarters Plaza
One Speedwell Avenue
Morristown, NJ 07962-1981
jmeyer@riker.com
edehope@riker.com

Mark A. Mader
Jersey Central Power & Light Company
300 Madison Avenue 07962-1922
Morristown, NJ 07962-1911
mamader@firstenergycorp.com

Carol Pittavino
First Energy Service Company
800 Cabin Hill Drive,
Greensburg, PA 15601
cpittavino@firstenergycorp.com

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*Receives two hard copies of pleadings; #Only receives filed pleadings-no discovery; ▲ Receives one hard copy of discovery.

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CASE MANAGEMENT

2020 FEB 13 A 10:38

STATE OF NEW JERSEY
BOARD OF PUBLIC UTILITIES

BOARD OF PUBLIC UTILITIES
TRENTON, NJ

In the Matter of the Verified Petition of **Jersey** :
Central Power & Light Company For : BPU Docket No. ER19091238
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
TRENTON, NJ

STIPULATION OF SETTLEMENT

TO THE HONORABLE BOARD OF PUBLIC UTILITIES:

APPEARANCES:

James C. Meyer, Esq. and **Edward K. DeHope, Esq.**, (Riker Danzig Scherer Hyland & Perretti, LLP, attorneys), for the Petitioner, Jersey Central Power & Light Company

Lauren Lepkoski, Esq., FirstEnergy Service Company, for the Petitioner, Jersey Central Power & Light Company

Brian O. Lipman, Esq. (Litigation Manager), **Ami Morita, Esq.** (Managing Attorney), **James Glassen, Esq.** (Assistant Deputy Rate Counsel), **Maria Novas-Ruiz, Esq.**, (Assistant Deputy Rate Counsel), and **T. David Wand, Esq.**, (Assistant Deputy Rate Counsel), 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 ("Stipulation" or "Settlement") is made as of February 12, 2020 by and among the Petitioner, Jersey Central Power & Light Company ("JCP&L" or the "Company"), the New Jersey Division of Rate Counsel ("Rate Counsel"), and the Staff of the New Jersey Board of Public Utilities ("Staff"), the only parties to this proceeding (collectively the "Parties"). On September 16, 2019, the Company filed a Petition ("September 2019 Petition") with the Board seeking approval of rate adjustments to provide for recovery of costs

associated with the JCP&L Infrastructure Investment Program (“JCP&L Reliability Plus” or the “Program”) incurred through and including November 30, 2019.

The September 2019 Petition sought approval for rate changes to provide for cost recovery associated with the JCP&L Reliability Plus. The Board approved JCP&L Reliability Plus in its Order dated May 8, 2019, in BPU Docket No. EO18070728 (“JCP&L Reliability Plus Order”). The Board’s JCP&L Reliability Plus Order adopted a stipulation (“April 2019 Stipulation”) that authorized the request for rate increases in the September 2019 Petition. Paragraph 30 of the April 2019 Stipulation established that revenue requirements associated with Program investments that are placed into service through and including November 30, 2019, would go into rates effective on or before March 1, 2020. The Stipulation provided a schedule for the initial filing for such rates by September 15, 2019, and the update for actual data through November 30, 2019 by December 15, 2019.¹

JCP&L’s September 2019 Petition sought authority to establish rates to recover an annualized increase in electric revenue requirement of approximately \$3.4 million. The proposed revenue requirement increase is associated with JCP&L Reliability Plus investment costs. The annualized increase in revenue requirement was supported by Attachment 2, Schedule CP-1 attached to the September 2019 Petition, which was based upon actual expenditures in-service through August 31, 2019 and a forecast through November 30, 2019.

Notice of the Company’s Petition, including the date, time and place of public hearings, was placed in newspapers having a circulation with the Company’s electric service territory. In accordance with that notice, two public hearings were held on January 15, 2020, one in Freehold Township, New Jersey, and one in Morristown, New Jersey. Seven individuals provided

¹ September 15, 2019 and December 15, 2019 are Sundays, such that the initial filing and update for actuals were due by September 16, 2019 and December 16, 2019, respectively.

comments at the public hearings in support of the filing. In addition, two (2) members of the public filed written comments with the Board – one objecting to the proposed rate increase, and the second citing concerns that the Program would not address his service concerns. A second notice of the Company's Petition, including the date, time and place of public hearings, was placed in newspapers having a circulation with the Company's electric service territory, and was served on the Clerks of the municipalities, the Clerks of the Board of Chosen Freeholders, and the County Executives within the Company's electric service territories. In accordance with that notice, two public hearings were held on February 11, 2020, one in Freehold Township, New Jersey, and one in Morristown, New Jersey. No members of the public attended the February 11, 2020 public hearings.

On December 16, 2019, the Company provided updated schedules in this matter (the "Update"), which replaced the projected data in the original schedules with actual data through November 30, 2019, reflecting the updated annualized increase to electric revenue requirements associated with JCP&L Reliability Plus investment costs. As a result of the Update, the Company's proposed revenue requirement increased from \$3,354,457 to \$3,518,287.

Upon review of the September 2019 Petition, updates thereto, and responses to discovery, the Parties HEREBY STIPULATE AND AGREE AS FOLLOWS:

1. The Parties agree that the Board shall approve the rates provided in the Update to Schedule CP-2, which is attached hereto as Attachment 1. The Company shall file Rider RP, Original Tariff Sheet No. 62, which was provided in the Update to Schedule CP-3 and is attached hereto as Attachment 2, and implement the rates set forth therein, which are the rates including Sales and Use Tax that are also set forth in Attachment 1.

2. The monthly impact of the proposed rates to the typical residential customer that uses 768 kWh per month is an increase of \$0.16 or approximately 0.16%.

3. Pursuant to the terms of the JCP&L Reliability Plus Order, the Company shall implement the rates discussed in paragraph 1 and set forth in Attachment 2 effective March 1, 2020.

4. The rate adjustments, established herein, shall be provisional and subject to refund. The prudence of Program expenditures shall be determined in the Company's next base rate case. Nothing herein will preclude any party from raising in the next rate base rate case any objection that could have been raised in the Program's cost recovery filings.

5. This Stipulation represents a mutual balancing of interests, contains interdependent provisions and, therefore, is intended to be accepted and approved in its entirety. In the event any particular aspect of this Stipulation is not accepted and approved in its entirety by the Board, any party aggrieved thereby shall not be bound to proceed with this Stipulation and shall have the right to litigate all issues addressed herein to a conclusion. More particularly, in the event that this Stipulation is not adopted in its entirety by the Board in any applicable Order, then any Party hereto is free to pursue its then available legal remedies with respect to all issues addressed in this Stipulation as though this Stipulation has not been signed.

6. The Parties agree that they consider the Stipulation to be binding on them for all purposes herein.


7. It is specifically understood and agreed that this Stipulation represents a negotiated agreement and has been made exclusively for the purpose of these proceedings. Except as expressly provided herein, the Company, Board Staff and Rate Counsel shall not be deemed to have approved, agreed to, or consented to any principle or methodology underlying or

supposed to underlie any agreement provided herein, in total or by specific item. The Parties further agree that this Stipulation is in no way binding on them in any other proceeding, except to enforce the terms of this Stipulation.


8. The Parties further acknowledge that a Board Order approving this Stipulation will become effective upon the service of said Board Order, or upon such date after the service thereof as the Board may specify, in accordance with N.J.S.A. 48:2-40.

WHEREFORE, the Parties 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, and without modification, in accordance with the terms hereof.

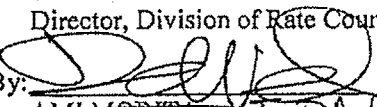
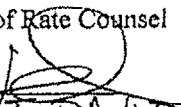
JERSEY CENTRAL POWER & LIGHT COMPANY

By: 
JAMES C. MEYER
Riker Danzig Scherer Hyland & Perretti, LLP
Attorneys for JCP&L

GURBIR S. GREWAL
ATTORNEY GENERAL OF NEW JERSEY
Attorney for the Staff of the Board of Public
Utilities

By: 
MATKO ILIC
Deputy Attorney General

STEFANIE A. BRAND
Director, Division of Rate Counsel

By:  
AMI MORITA T. DAVID WAND
Managing Attorney Assistant Deputy Rate Counsel

RP Rate Derivation and Proof of Revenues

Proposed Rider RP for Recovery Period March 1, 2020 through March 31, 2021

RP Revenue Requirement - Monthly \$293,191
 RP Revenue Requirement for 12 Months \$3,518,287

RP Allocation (1)

Non Customer-related Distribution Revenues

% of Non Customer-related Revenues

RP Revenue Requirements Allocation

Projected 12 Months Units for Recovery (2)

Total kWh

Total kW

Total # of Fixture

RP Rate (\$/kWh)

RP Rate (\$/kWh with SUT)

RP Rate (\$/kW)

RP Rate (\$/kW with SUT)

RP Rate (\$/Fixture)

RP Rate (\$/Fixture with SUT)

	TOTAL	RS	RT/RGT	GS	GST	GP	GT	LTG
Non Customer-related Distribution Revenues	\$ 517,256,161	\$ 262,598,194	\$ 6,378,234	\$ 182,242,425	\$ 13,118,862	\$ 28,404,688	\$ 18,787,113	\$ 5,726,545
% of Non Customer-related Revenues	100.0%	50.8%	1.2%	35.2%	2.5%	5.5%	3.6%	1.1%
RP Revenue Requirements Allocation	\$3,518,287	\$1,786,148	\$43,384	\$1,239,581	\$89,232	\$193,204	\$127,787	\$38,952
Total kWh		9,022,591,875	209,942,318	6,639,525,853				
Total kW					1,340,685	3,871,593	4,746,861	
Total # of Fixture								2,544,109
RP Rate (\$/kWh)		\$0.000198	\$0.000207	\$0.000187				
RP Rate (\$/kWh with SUT)		\$0.000211	\$0.000221	\$0.000199				
RP Rate (\$/kW)					\$0.07	\$0.05	\$0.03	
RP Rate (\$/kW with SUT)					\$0.07	\$0.05	\$0.03	
RP Rate (\$/Fixture)								\$0.02
RP Rate (\$/Fixture with SUT)								\$0.02

Proof of Revenues

RP Revenue Recovered through RP Rates

Difference from RP Revenue Requirements

\$/kWh, \$/kW or \$/Fixture

RP Revenue Recovered through RP Rates	\$3,552,238	\$1,786,473	\$43,458	\$1,241,591	\$93,848	\$193,580	\$142,406	\$50,882
Difference from RP Revenue Requirements	\$33,951	\$326	\$74	\$2,010	\$4,616	\$376	\$14,619	\$11,931
\$/kWh, \$/kW or \$/Fixture		\$0.0000000	\$0.0000004	\$0.0000003	\$0.003	\$0.000	\$0.003	\$0.005

Note:

(1) Based on Distribution Revenue (excluding Customer Charge/Fixture Charge) per JCP&L "2016 Base Rate Filing" in Docket No. ER16040383 Order dated December 12, 2016

(2) Forecast From March 2020 to February 2021

JERSEY CENTRAL POWER & LIGHT COMPANY

BPU No. 12 ELECTRIC - PART III

Original Sheet No. 62

<p style="text-align: center;">Rider RP JCP&L Reliability Plus Charge</p>

APPLICABILITY: Rider RP provides for full and timely recovery of revenue requirements associated with reliability infrastructure investment projects subject to the Infrastructure Investment and Recovery regulations pursuant to N.J.A.C. 14:3-2A.1 et seq. and as approved by the BPU Order dated May 8, 2019 in Docket No. EO18070728.

The JCP&L Reliability Plus (RP) Charge is applicable to Service Classifications RS (Residential Service), RT (Residential Time-of-Day), RGT (Residential Geothermal & Heat Pump), GS (General Service Secondary), GST (General Service Secondary Time-of-Day), GP (General Service Primary), GT (General Service Transmission), OL (Outdoor Lighting), SVL (Sodium Vapor Street Lighting), MVL (Mercury Vapor Street Lighting), ISL (Incandescent Street Lighting) and LED (LED Street Lighting) and for all usage (KWH, KW or per Fixture) of any Full Service Customer or Delivery Service Customer, as follows:

<u>Service Classification</u>	<u>RP Charge (Including SUT)</u>	
RS	\$0.000211	per KWH
RT/RGT	\$0.000221	per KWH
GS	\$0.000199	per KWH
GST	\$0.07	per KW
GP	\$0.05	per KW
GT	\$0.03	per KW
Lighting (OL, SVL, MVL, SVL and LED)	\$0.02	per Fixture

The Company will make periodic filings to reset the RP Charges. The initial recovery period will include actual capital investments with in-service dates between June 1, 2019 and November 30, 2019 and will be filed no later than September 15, 2019 with an effective date on or before March 1, 2020. All subsequent filings will adhere to the Company's recovery periods as approved in the above referenced BPU Order and in accordance with N.J.A.C. 14:3-2A.1 et seq.

 Issued:

Effective:

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

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