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March 1, 2021

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VIA ELECTRONIC MAIL

Ms. Aida Camacho-Welch
Secretary
NJ Board of Public Utilities
44 South Clinton Street, 9th Floor
P.O. Box 350
Trenton, New Jersey 08625

Re: In the Matter of the New Jersey Board of Public Utilities' Response to the COVID-19 Pandemic
BPU Dkt. No. AO20060471

Dear Secretary Camacho-Welch:

On behalf of Jersey Central Power & Light Company ("***JCP&L***"), please accept for filing JCP&L's Additional Comments in response to the Board's Secretary Notice dated February 2, 2021 in the above-referenced BPU Docket (the "***COVID-19 Proceeding***"). JCP&L's Additional Comments in the COVID-19 Proceeding are accompanied by Attachment A, which is referred to therein.

JCP&L's Additional Comments are being filed with the Board Secretary and served on the parties in the COVID-19 Proceeding, electronically only, consistent with the Board's Order dated March 19, 2020 (Docket No. EO20030254) directing that all submissions to the Board, of any kind, be submitted electronically. No paper copies will follow and we would appreciate if the Board Secretary's office would please acknowledge receipt of this filing. Your anticipated courtesies and cooperation are very much appreciated. If your office has any questions about this filing, please do not hesitate to contact us.

Respectfully submitted,

COZEN O'CONNOR

By: Michael J. Connolly

MJC:lg

C: Service List (*via electronic mail*)

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In the Matter of the New Jersey Board of Public Utilities' Response to The COVID-19 Pandemic
BPU Dkt. No. AO20060471 (and BPU Docket No. EO20100629U)

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BPU Dkt. No. AO20060471 (and BPU Docket No. EO20100629U)

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STATE OF NEW JERSEY

BOARD OF PUBLIC UTILITIES

In the Matter of The New Jersey Board of Public Utilities' Response to The COVID-19 Pandemic	:	**ADDITIONAL COMMENTS OF JERSEY POWER & LIGHT COMPANY**
In the Matter of COVID-19 Related Arrearages	:	**BPU Docket No. AO20060471** **BPU Docket No. EO20100629U**

Jersey Central Power & Light Company ("***JCP&L***" or "***Company***"), an electric public utility company of the State of New Jersey subject to the regulatory jurisdiction of the Board of Public Utilities (the "***BPU***" or "***Board***"), and maintaining offices at 101 Crawford Corner Rd. Building #1, Suite 1-511, Holmdel, New Jersey 07733 and at 300 Madison Avenue, Morristown, New Jersey 07962-1911, hereby files its additional comments ("***JCP&L Additional Comments***") in this proceeding. The JCP&L Additional Comments respond to a request by the Board, as set forth in notices issued February 1, 2021. Such notices were issued pursuant to the procedural scheduling order dated January 28, 2021 of Presiding Commissioner, Board President Joseph Fiordaliso in BPU Docket No. AO20060471 (the "***Procedural Scheduling Order***").[1] The

[1] In order to allow interested parties the opportunity to present comments concerning the complex issues involved, the Procedural Scheduling Order, among other things, provided for a stakeholder meeting to be convened on February 8, 2021 and public input hearings during the week of February 22-25. The Board's notices dated February 1, 2021 announced (i) the February 8, 2021 stakeholder meeting for the purpose of conducting an informal discussion regarding the growing size and number of arrearages and potential rate impacts of the extended moratoria relative to Governor Murphy's Executive Order No. 190; (ii) public input hearings to take place virtually on February 25, 2021 for the purpose of providing the Board an opportunity to hear from interested parties and the public on the impact of the pandemic on the ability of customers to pay bills; the sufficiency of existing assistance programs; and any further actions necessary in this matter, and (iii) that written comments would be accepted until March 1, 2021 at 5 p.m.

Additional Comments follow the initial comments ("***JCP&L's Initial Comments***") filed on November 30, 2020 in this proceeding as then directed by the Board in its October 28, 2020 Order (the "***October 28 Board Order***").[2] A copy of JCP&L's Initial Comments is attached hereto for ease of reference (Attachment A). As indicated, this filing provides the Company's Additional Comments in this proceeding as requested by the Board. The Company reserves the right to add to, clarify, modify or change such comments as this docketed matter proceeds.

I. INTRODUCTION

1. JCP&L is a New Jersey electric public utility primarily engaged in the purchase, transmission, distribution, and sale of electric energy and related utility services to more than 1,000,000 residential, commercial and industrial customers located within 13 counties and 236 municipalities of the State of New Jersey.

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

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[2] *In The Matter of The [Board's] Response to the COVID-19 Pandemic*, BPU Docket No. AO20060471 (the "***COVID-19 Proceeding***").

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3. The Procedural Scheduling Order and the Board's notices provide a summary of developments and the Board's actions related to the initiation and evolution of this proceeding as of January 28, 2021 and February 1, 2021 respectively, and will not be repeated here.

4. Since then, the Board has conducted a virtual stakeholder meeting on February 8 and virtual public hearings on February 25, 2021.[3] In both instances, the Board indicated its interest in written comments by March 1, 2021 from the parties, other stakeholders and the public.

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[3] On February 23, 2021, the organization of working groups for the stakeholder process was announced by Board Staff indicating the formation of working groups and subgroups, in pertinent part, as follows:

> - **Rates:** Rate treatment of arrearages and uncollectible expense; development arrearage management programs for each sector; data collection and reporting of customer arrearages; and other pandemic-related extraordinary changes in costs and revenues.
> - **Programs:** Review adequacy of existing programs, including procedures, eligibility requirements, additional protections and/or prohibitions (e.g. no late fees or reconnection fees);
>   - **Funding:** What are other external sources of funding to reduce arrearages? For example, what is still available/unutilized from the CARES Act? Are there other sources of federal funding?
>   - **Outreach, Education and Enrollment [subgroup]**: specifically, to work with companies, advocates and DCA on enrollment and access points.
> - **Water**: Separate working group for water/wastewater issues, including municipal systems.

See Email dated February 23, 2021 4:39 PM from the Board Secretary entitled: *Response to Covid-19 Pandemic - Working Groups*

II. BRIEF REVIEW OF JCP&L'S INITIAL COMMENTS

5. JCP&L's Initial Comments acknowledged the highly unusual and disruptive force of the COVID-19 pandemic and its impacts on all New Jerseyans. They recognized the Governor's and the Board's leadership in encouraging collaboration from the outset of the pandemic, including through the extended moratorium on disconnection of customers for non-payment of their utility bills culminating with the Governor's issuance of the October 15, 2020 Executive Order No. 190 ("***EO-190***") formally extending the disconnection moratorium for residential customers until March 15, 2021. JCP&L also expressed its support for continued collaboration regarding the appropriate measures necessary to assist utility customers during the pandemic, encouraging collaborative efforts to obtain additional state and federal funding. This included, by way of example, the prompt use of the $15 million from the Coronavirus Relief Fund to be used by the Department of Community Affairs ("***DCA***") to reduce utility arrearages through the existing Universal Service Fund ("***USF***") program. JCP&L also encouraged greater support for other assistance sources such LIHEAP (Low Income Home Energy Assistance Program), Lifeline Credit Program (Lifeline), Fresh Start, PAGE (Payment Assistance for Gas and Electric), the New Jersey SHARES (NJ SHARES) and Weatherization assistance programs as well as pandemic-specific relaxation of the eligibility standards and processes for such programs.

6. JCP&L's Initial Comments also urged a sharply focused, time-limited, inquiry and stakeholder process in hopes of yielding timely, effective and efficient ways to address those emergent COVID-19 ramifications. At the same time, JCP&L cautioned against (i) one-size-fits-all recommendations that do not accommodate differences in utility systems and methodologies, and (ii) a process that could bog down on debating longstanding, and sometimes differing, perspectives on customer assistance delivery systems. Instead, JCP&L encouraged and stated

support for a data-driven, triage-like approach to the current and continuing emergency presented by the pandemic.[4]

7. JCP&L's Initial Comments also reviewed certain issues not raised in the Rate Counsel Petition. In particular, utility financial strength; regulatory compliance; "ensuring the continued provision of safe and adequate service at just and reasonable rates, while recognizing the ramifications from the COVID-19 pandemic;" and "other regulatory priorities such as whether, and to what extent, if any, the current or planned clean energy programs or other utility filings or mechanisms should be modified, maintained, curtailed or accelerated" (October 28 Board Order at p. 6). As to these matters, JCP&L saw no need for the Board to curtail business as usual. JCP&L supported the Board's use of its discretionary authority under N.J.A.C. 14:1 et seq., to relax its regulations in special cases and for good cause shown, and to waive compliance where full compliance would "adversely affect … the ability of the utility … to render safe, adequate and proper service, or the interests of the general public." JCP&L suggested that keeping the COVID-19 Proceeding narrowly tailored to address only emergent pandemic-related issues and ramifications was the best approach for the Board to ensure timely and impactful results, while minimizing the need to re-prioritize programs or the resources supporting them.

8. Finally, the Company supported the Board's establishing a framework for full and timely recovery of prudently incurred costs as a significant step in addressing issues concerning

[4] JCP&L's Initial Comments were framed to address twenty-one specific recommendations offered by the Division of Rate Counsel in a Petition dated October 2, 2020 in BPU Docket No. EO20100629 ("***Petition***"), which was subsequently incorporated into the current proceeding by the October 28 Board Order. Rate Counsel's Petition addressed, and JCP&L commented on the Petition's recommendations regarding: (i) disconnection and restoration of utility service, (ii) data collection and reporting, (iii) rate increases, (iv) resources for repayment assistance, (v) municipal utility authorities for water service, and (vi) payment assistance funding. Petition at pp. 14-17. JCP&L's Initial Comments on, and about, these areas and recommendations continue to be pertinent to the Board's considerations in this ongoing proceeding and JCP&L notes that it continues to stand by its positions as expressed therein.

utility financial strength that can or may arise as result of COVID-19 pandemic financial impacts, which, in turn, helps to assure the continuation of safe and adequate service at just and reasonable rates.

9. Since November 30, 2020, JCP&L has responded to a round of discovery requests from Staff and Rate Counsel related to various pertinent issues. Such issues included utility data reporting regarding the amount and age of, and number of customers in, arrears, the number of current year and prior years' disconnections, customers eligible for disconnection, and the outreach efforts made to provide assistance and payment arrangement information to customers.

10. In addition, JCP&L has participated with other stakeholders in (i) the February 8, 2021 Stakeholder Meeting, which has resulted in the formation of several issues-based working groups, and (ii) the public hearings held on February 25. JCP&L intends to participate in the working group process.

III. JCP&L'S ADDITIONAL COMMENTS

11. With the foregoing as background, JCP&L appreciates the opportunity to provide these Additional Comments in the hope of providing a data-based perspective that will be helpful to guide further Board action as March 15, 2021 and the end of the EO-190 moratorium approaches. The Additional Comments will place a particular data-based emphasis on JCP&L's earlier cautionary views regarding the impact of the moratorium on disconnections on arrearages and, ultimately, uncollectible expense,

12. JCP&L's experience as a New Jersey public utility over the course of the past year and its experience as part of a larger multi-state public utility holding company system have led the Company to certain conclusions. Among these, JCP&L believes the continuation of the moratorium on customer disconnections has dampened the effectiveness of customer outreach

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efforts, lowered the levels of customer engagement with their electric utility provider, and has led to the underutilization of available federal and state funding assistance designed to help customers manage payment of their utility bills. Indeed, the continuation of the moratorium approach removes a critical tool from the customer outreach toolbox by creating a disincentive to customer engagement. Lower levels of engagement means that the time for dealing with mounting utility service arrearages is postponed and those arrearages are permitted to grow without the benefit of available assistance in some instances and without the focus and planning provided by extended deferred payment arrangements. Lower levels of engagement also means that the utility is less able to differentiate and distinguish the pandemic impacts on its customers' bill payment patterns and abilities so as to tailor and customize approaches to addressing those payment patterns and abilities. The less able the utility is to engage in this differentiation process, the less able are all parties to (i) accurately paint the picture of the pandemic impacts on utility customers' bill payment patterns (in order to distinguish levels of need, ability to pay, eligibility for assistance), (ii) access and utilize available sources of assistance, (iii) avoid the loss of unutilized or unallocated available assistance funding, and (iv) make the case for additional federal and state funding and more flexible eligibility criteria to better address customers' payment problems. Ultimately, less engagement means that the percentage of growing arrearages likely to become uncollectible expense and to be collected from all customers will be higher than might otherwise be the case.

<u>Efforts to Promote Customer Engagement</u>

13. Proactively, JCP&L has implemented new, and modified existing, outreach programs in order to provide information to customers, recognizing that the pandemic experience impacts individual customers in individual as well as collective ways (whether through unemployment, COVID-related illness and loss, the need for remote learning for school-age

children, and the need of adults to work remotely, among others). These outreach programs include:

- Outbound dialing messages to customers with delinquent bills that normally receive reminder or termination notice calls were modified so that such customers would receive reminder calls that included energy assistance program information specifically focused on COVID-19 relief.
- Creation of internal small business team, specialized in educating commercial customers regarding relevant provisions within the CARES Act and their options for payment arrangements.
- A customer outreach campaign through field collections activities in August 2020 to present new printed materials to customers with delinquent accounts, encouraging them to contact the Company for payment options and to provide energy assistance program information.
- A bill assistance campaign providing bill inserts and bill messaging related to assistance options for residential customers and the CARES Act for commercial customers.
- Email and social media campaigns that focused on assistance options, promoted human service programs and provided energy assistance information to residential customers, including a new email campaign to highlight LIHEAP and USF programs.
- A new website dedicated to information and resources related to the Company's response to COVID-19 and multiple news releases which focused on the suspension of service termination and customer payment and assistance options.[5]
- Advertising campaigns that included radio, television and billboard ads were run to encourage customers to enroll in no money down DPAs and seek assistance.
- Live-Agent outbound calls to residential customers with past due balances more than 60 days past due who did not have a recent payment, were not on a payment arrangement, and were not participating in a customer assistance program.

[5] The website can be accessed at: https://www.firstenergycorp.com/help/safety/coronavirus.html

Customers were contacted to discuss payment, payment arrangements, and customer assistance information.

- Talking points for customer-facing employees on the Company's COVID-19 response and assistance options for residential and commercial customers.

14. Despite these and similar efforts and supportive news and releases and other messaging by the Governor's office and the Board, the data suggests that customers are not engaging with JCP&L to take advantage of the opportunities to address their arrearages and to access assistance to address arrearages. For instance,

Call Volume

- After the implementation of the moratorium in March 2020 in response to the COVID-19 pandemic, credit calls to the Company's call centers fell on average to 85% of 2019 volumes for the months of April through August 2020.
- However, when the prospect of the resumption of disconnection activity arose in October 2020, customer credit call volume to the Company's contact centers immediately increased to 95% of the call volumes for September and October 2019.
- Moreover, the Company also observed that credit call volume in November 2020 (*i.e.*, 67,820 calls) dropped nearly 16% from the previous month, October 2020 (*i.e.*, 80,391 calls), after the issuance of EO-190.[6]

Residential Deferred Payment Arrangements (DPAs")

- Residential DPAs saw a sharp decrease in volumes beginning in March 2020 (25% lower than March 2019).
- Residential DPAs continued to be lower each month from April 2020 – August 2020 showing an overall decrease in residential DPAs of 42% compared to the same period in 2019 and hitting a peak decline of 57% in April 2020. This is despite

[6] JCP&L notes that, among its Pennsylvania sister companies, call center credit call volumes fell 68-78% of 2019 volumes after a moratorium was initiated in March of 2020, and rose to 97% of December 2019 levels when the absolute moratorium was lifted in December 2020.

Company making available a "no-money-down" DPA in addition to those DPAs required by Board regulation.

- Residential DPAs volumes increased for the next two months (September and October) with a 4% increase in September 2020 vs September 2019 and 49% increase in October 2020 vs October 2019.
- However, Residential DPAs saw a 15% decrease in November and a 24% decrease December 2020 over the same period in 2019.
- Currently, as of the end of January 2021, Residential DPAs are 12% lower than January 2020 and down 25% compared to January 2019.[7]

Assistance Participation Levels

15. Relative to accessing available assistance, unfortunately, JCP&L has seen a decrease in customer participation – not what one would expect during an economic and health crisis. In this regard, JCP&L saw decreased participation in LIHEAP, Lifeline and USF of approximately 8% from 2019 levels and larger decreases in participation in other available

[7] Interestingly, FirstEnergy has observed that in the state of Maryland, where its utility company is subject to the use of similar extended DPAs as is JCP&L in New Jersey (but where the moratorium was lifted in December 2020), it saw an increase in DPA usage of 37% compared to the same period in 2019-2020. This compared to an increase of 3% for JCP&L, suggesting that the continuation of the moratorium in New Jersey may have contributed to the up to approximately 34 percent point difference in JCP&L's anecdotal experience. Changes in usage levels as between JCP&L and its Maryland sister company during the period April 2020 to August 2020 period compared to the prior year were only about 8percent points higher in Maryland than New Jersey lending further observational support for the anecdotal suggestion regarding the impact of the continued moratorium on customer engagement. In Pennsylvania, it is noted that the use of regular payment arrangements fell 31% in May 2020 after the moratorium was put in place compared to May 2019, but rose to 104% of prior year November levels when the announcement of the lifting of the absolute moratorium was made and as customers engaged to address their arrears with a payment arrangement. By way of update, JCP&L notes that on February 24, 2021, the Maryland PSC announced an infusion of at least $30 million to Maryland's gas and electric utilities to retire customer arrearages. In connection with this cash infusion to retire arrearages, the Maryland PSC also instituted disconnection protections for certain categories of customers likely eligible to receive the funds (*i.e.*, any customer that is either a special needs customer or has received or been qualified to receive [particular energy assistance program assistance] after February 15, 2017, may not have service disconnected for failure to pay for service. during the period necessary to distribute the funds until after June 30, 2021. https://webapp.psc.state.md.us/newIntranet/Maillog/content.cfm?filepath=//Coldfusion/Casenum/Admin%20Filings/200000-249999/233918/Order%20No.%2089745%20-%20PC53%20-%20RELIEF%20Act%20-%20Order%20Directing%20Data%20Submission.pdf

programs (typically accessed by customers with disconnect notices) in the range of 21%-24%. Even enrollment in JCP&L's Critical Care program (that identifies customers who use certain electrically operated life sustaining medical equipment in their home) has decreased by approximately 50% comparing January 2020 to January 2021.

16. Other data suggests that the trends that JCP&L sees are not unique. For instance, JCP&L understands that:

- DCA sent 36,000 letters regarding availability of about $23 million in available grants, with only about a 27% response rate as of February 8.
- JCP&L submitted the names and accounts of 6,032 USF customers who were eligible for the DCA arrearage program. Of the 6,032 customers submitted, 1,245 (20%) applied and are receiving the additional assistance.
- FirstEnergy WV utilities experienced similar engagement issues in trying to award grants prior to the end of the moratorium on the utility's ability to resume disconnects.

Amounts and Age of Arrears

17. Although the Company has effectively transmitted additional information and enhanced payment term offers to customers, the information provided during a period of extended moratorium, has not resulted in the levels of anticipated or desired customer engagement. For instance,

- As the pandemic has continued, the past-due balances greater than 30 days for active residential customers have continued to increase with January 2021 balances 90% higher compared to January 2020 (*i.e.*, $43.6 million in January 2021 vs $22.9

million in January 2020).[8]

- However, the number of customers with past due balances greater than 30 days has only increased slightly for January 2021 compared to January 2020.

18. In other words, the Company has not seen large increases in the number of customers in arrears as result of the pandemic, but it has seen an increased level of arrearages among such customers. For example,

- As of January 31, 2021, 9% of active residential customers were greater than 30 days past due with an average balance of $502.54, whereas on January 31, 2020, 8% of active customers were greater than 30 days past due with an average balance of $288.31.[9]

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[8] Historically, non-residential customer arrearages typically remain relatively flat. In 2019, nonresidential > 30 days past due amount each month remained within a $2.1M range (ranging anywhere from $8.8M to $10.9M in a month). However, beginning in March 2020, JCP&L started to see steady growth in its non-residential > 30 days past due balance with a peak month over month change of 31% in April 2020 (vs March 2020) when the > 30 days past due grew from $9.1M to $11.9M. By comparison, in 2019, April's > 30 days past due balance was 8% lower than March 2019. JCP&L notes that with the resumption of disconnection activity of non-residential customers, the Company is starting to see a decline in the > 30 days past due amount. For instance, January 2021 is 5% lower than December 2020. Also, JCP&L has seen a decrease in the average balance owed ($1,324.45 in January 2021 compared to $1,486.40 in December 2020). To be clear, these are anecdotal observations but they tend to support the suggestion that continuation of moratorium protections may be contributing to decreased engagement, which, in turn, means that arrearages that may be addressed in a number of varied ways are not being addressed as long as the moratorium protections remain in place. Also, lost in the lack of engagement is the ability to understand the differences in customer experiences, which may lead to further insights and opportunities for creative approaches. For instance, JCP&L has been able to discern that approximately 14% of its active residential customer >30 day arrears appears attributable to about 27% of its active residential customers who are newly in arrears. Without additional motivation to engage with the Company regarding these arrear amounts, JCP&L's focused efforts to contact these customers have not resulted in the kind of data that would allow for more effective categorization and targeting of methods and assistance that may be of help to these customers. These may be a group of customers who are very unfamiliar with the experience and unaware of the mechanisms and processes for obtaining assistance. JCP&L has concluded that the extended moratorium protections have suppressed engagement with these customers as well as the possibility of successfully addressing individual customer issues.

[9] The experience of JCP&L's sister companies in Pennsylvania was similar while absolute moratorium protections remained in place. For instance, the percentage of active residential customers with a balance greater than 30 days past due was 11% at year-end 2019 and 2020, respectively. However, the average balance of those customers as of December 31, 2019 was $496.86 as compared to an average balance of $823.30 as of December 31, 2020 representing a growth rate of almost 66%.

- As of January 2021, 73% of active residential customers in arrears >30 days and 68% of active residential customers in arrears >60 days, do not meet the standard qualifications for participation in the Winter Termination Program qualifications (*e.g.*, income, supplemental SSI, pharmaceutical assistance, hardship, etc.).
- Other data indicates to JCP&L that as of late 2020, about 11% of LIHEAP customers and 30% of USF customers were in arrears.

19. Taken together, this data suggest the need to maximize use of federal and state assistance funding, encourage the use of stimulus checks, rental assistance, and additional unemployment benefits to address utility arrears, advocate for additional LIHEAP funding, and to estimate future USF needs based on pandemic impacts. To do so, requires, as stated earlier, more not less customer engagement, which is the process through which increased data granularity, regarding the nature, scope and the circumstance of the varying types of customers experiencing utility bill payment problems, can be achieved and based upon which approaches can be customized as necessary and appropriate. In turn, based on the data, more customer engagement requires the full panoply of utility collection approaches including the prospect of disconnection without continued moratorium protection.

20. Lifting of winter moratorium protections, which typically occurs in March of each year, does not result in immediate service disconnection. Indeed, service disconnection is the final step along a continuum of steps required by existing regulation and current Company practices that serve to reduce the ultimate exposure to disconnection by encouraging workable payment arrangements (such as the now extended DPAs), and access to assistance, which may also include energy conservation assistance. In other words, a disconnect notice does not mean disconnection is certain but rather that the customer is eligible for disconnection. Eligibility for disconnection is an encouragement to the customer to engage with the utility about the various ways in which to

change status and to avoid disconnection. Historical information suggests that approximately 11% of disconnection eligible customers would require field visits that could possibly lead to a disconnect for non-payment or some type of alternative resolution.

21. With federal stimulus, supplemental unemployment benefits, and available funding administered by DHS and other agencies, utilities can begin the process to resume issuance of disconnection notices dated after March 25, 2021 under which the earliest exposure to the risk of disconnection would not arise before April 5, 2021. With only a slight increase in the number of customers in arrears (5% Jan 21 vs Jan 19) but a substantial increase in arrears balances (71%) compared to 2019, and given the availability of enhanced DPAs, the Company believes that customer engagement encouraged by the lifting of the moratorium will result in a far lower rate of disconnections than was the case in the 2019 post-winter moratorium period.

22. Based on the foregoing data, it is clear that any extension of the service termination moratorium would continue to increase customer arrearages, which increases the likelihood that customers will struggle to pay off their past-due balances moving forward. As the Board is well aware, larger customer arrearages will likely lead to higher uncollectible expenses for New Jersey utilities, which ultimately are paid for by all New Jersey utility consumers. Accordingly, given the full panoply of protections available through the Board's regulations that will be fully utilized and followed to provide notice, communicate about and facilitate access to available assistance, and to manage service disconnections in a fair, consistent and appropriate manner consistent with such

applicable regulations,[10] the Company does not recommend continuing the service disconnection moratorium (in any form) beyond March 31, 2021 in response to the COVID-19 pandemic.

23. To the extent that the COVID-19 Proceeding gives rise to processes and approaches that have the likely effect of further increasing uncollectible expense, the Board should ensure that the utilities continue to receive full and timely recovery of such expenses through the SBC or other established mechanisms.

24. At the initiation of the stakeholder process that began February 8, 2020, Board Staff asked the following questions:

- What data is needed to help determine the impact of the pandemic on customers' ability to pay outstanding utility bills?
- Are existing assistance programs sufficient to meet the needs of customers who are unable to pay their current utility bills?
- What steps are necessary to address the arrearages caused by the pandemic?
- What mechanisms and timelines are appropriate for the implementation of plans to address these issues?

25. At this juncture and based on the information provided in these Additional Comments, JCP&L believes that data such as it has been regularly providing to the Board or as provided in response to *ad hoc* requests from Board Staff and as provided in response to discovery requests in this proceeding are all helpful to the cause of understanding pandemic impacts. However, they do not provide a panacea of solutions and do not reduce the need for customers'

[10] Referring, in particular to those requirements found in Title 14 of the New Jersey Administrative Code, Subchapter 3A (Discontinuance and Restoration of Service), including by way of example, N.J.A.C. 14: 3-3A.1 (Basis of discontinuance of service); N.J.A.C. 14: 3-3A.2 (Discontinuance for nonpayment); N.J.A.C. 14: 3-3A.3 (Notice of discontinuance for nonpayment); N.J.A.C. 14: 3-3A.4 (Additional notice requirements for discontinuance of residential and special customers); and N.J.A.C. 14: 3-3A.9 (Basis of restoration). It is further noted, again, by way of example, that N.J.A.C. 14: 3-3A.2 includes prohibitions against discontinuance, and processes to follow during high temperature periods, and during medical emergencies.

engagement with their utilities, which is both a source of data and a means for beginning, at least, to address the individual arrearage problem, if not resolve it.

26. Thus far, JCP&L's experience suggests that there is a need for additional state and federal funding of assistance programs and even relaxation of eligibility for qualifying for them. However, evidence that currently available assistance funding is going unutilized or under-utilized belies that experience. In JCP&L's view, customer engagement is the key to matching assistance with need, which also will be the process for demonstrating additional need. Customer outreach alone cannot outweigh the unintended consequences of the disincentive created by extended moratorium protections, which JCP&L's experience suggests suppresses customer engagement.

27. Regarding additional federal funding (which is anticipated in the next round of stimulus) and further supplemental state funding[11] coordination of outreach communications about, and of the allocation of such funding, should be the subject of immediate focus so that the lag between the availability of funds and the announcement of the availability, and the application, of such funds to arrearages can be minimized or eliminated. The use of such funds to eliminate arrearages for the neediest, while also providing more flexible eligibility standards for broader access to assistance should be encouraged.

28. While additional steps may be necessary to tackle the full breadth and scope of pandemic impacts on utility arrearages, using all the tools and resources already in place (as discussed in JCP&L's Initial Comments) or recently developed should not await development of additional steps. Allowing utility companies to operate under the existing regulatory framework

[11] Including, for instance, the New Jersey Department of Treasury February 2, 2021 announced $3.6 million contribution to help struggling New Jersey households with utility costs as part of the National Unclaimed Property Day awareness campaign (https://www.state.nj.us/treasury/news/2021/02022021.shtml).

but without continued extended moratorium protections is one of the tools of customer engagement that has been left/taken off the table up to now.

29. It is reasonable to expect that resolving pandemic impacts on utility arrearages and addressing increased uncollectible expense for both utilities and their customers will be a multi-year process, but the planning necessary to address them need not be. Indeed, the Board's steps so far in this proceeding provide a forum and a roadmap for doing so on a very focused and expedited basis that takes advantage of existing programs, systems and processes (including timely rate proceedings) seeking to tweak as opposed to overhauling and coordinating efforts to make funding available and to seek additional funding.

IV. CONCLUSION

JCP&L appreciates the opportunity to continue to comment on the impact of COVID-19 on utility customers. JCP&L continues to support the Board's efforts to address COVID-19 ramifications in a timely and precise manner, and to encourage collaboration in dealing with them. JCP&L continues to emphasize the need for a coordinated state government approach to seeking additional federal and state funding for existing programs and the relaxation of eligibility standards, where the additional funding can support such relaxation.

While JCP&L also continues to support ongoing, frequent and targeted communications by the utilities, the Board and the Murphy Administration regarding utility arrearages, the Company is convinced that further extension of the moratorium on utility service disconnections will actually inhibit efforts to address the mounting arrearage issue at the individual customer level. Therefore, the Company also recommends the recommencement of the highly regulated collections and disconnection process (continuing the good faith sensitivity to the pandemic circumstances as has already been exhibited) as a mechanism for increasing the type and volume of customer engagement that predominantly leads to, and is expected to lead to, effective differentiation, access to assistance, and reasonable payment arrangements. Increased customer contact that encourages more immediate individual, engagement, responsibility and action using the resources at hand to lessen the long-range individual impact of accumulating arrearages can occur concurrently with focused efforts, and planning to develop enhancements to existing assistance programs and the creation of new ones. In the meantime, under-utilization of existing resources serves no one.

The Company looks forward to continuing to participate in the COVID-19 Proceeding, which it continues to hope will remain sharply focused and time-limited. In this regard, the Company hopes that its comments are helpful to the Board's efforts to guide the COVID-19 proceeding to a speedy and successful conclusion.

Respectfully submitted,

JERSEY CENTRAL POWER & LIGHT COMPANY

By: ______________________
Michael J. Connolly, Esq.
Cozen O'Connor, LLP

Dated: March 1, 2021

lg/Attachment: JCP&L's Initial Comments dated November 30, 2020

c: Attached Service List

ATTACHMENT A

STATE OF NEW JERSEY

BOARD OF PUBLIC UTILITIES

In the Matter of The New Jersey Board of Public Utilities' Response to The COVID-19 Pandemic	:	**COMMENTS & ANSWER OF JERSEY POWER & LIGHT COMPANY**
In the Matter of COVID-19 Related Arrearages	:	**BPU Docket No. AO20060471** **BPU Docket No. EO20100629U**

Jersey Central Power & Light Company ("***JCP&L***" or "***Company***"), an electric public utility company of the State of New Jersey subject to the regulatory jurisdiction of the Board of Public Utilities (the "***Board***"), and maintaining offices at 101 Crawford Corner Rd. Building #1, Suite 1-511, Holmdel, New Jersey 07733 and at 300 Madison Avenue, Morristown, New Jersey 07962-1911, hereby files its Comments as directed by the Board in its October 28, 2020 Order (the "***October 28 Board Order***").[1] This filing provides the Company's comments and also incorporates the Company's Answer to the petition of the Division of Rate Counsel ("***Rate Counsel***") dated October 2, 2020 in BPU Docket No. EO20100629 ("***Petition***"), each as directed by the October 28 Board Order, and respectfully states as follows:

I. INTRODUCTION

1. JCP&L is a New Jersey electric public utility primarily engaged in the purchase, transmission, distribution, and sale of electric energy and related utility services to more than

[1] *In The Matter of The [Board's] Response to the COVID-19 Pandemic*, BPU Docket No. AO20060471 (the "***COVID-19 Proceeding***").

1,000,000 residential, commercial and industrial customers located within 13 counties and 236 municipalities of the State of New Jersey.

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

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- and –

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- and –

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3. The Board initiated the COVID-19 Proceeding with its July 2, 2020 order ((the "***July 2 Board Order***"), which authorized each of the State's utilities to create a regulatory asset for purposes of deferring for future recovery the prudently incurred incremental costs related to addressing the COVID-19 pandemic.

4. In the October 28 Board Order, the Board continues the COVID-19 Proceeding directing that it should also:

> … examine all pandemic issues by way of a generic proceeding initiated through this Order to include submission of public comments … [in] this

> proceeding which will include, but not be limited to: impacts on rate setting, rate design, and utility financial strength; low income and other utility bill assistance programs; regulatory compliance; collections and termination of service; and ensuring the continued provision of safe and adequate service at just and reasonable rates, while recognizing the ramifications from the COVID-19 pandemic. The Board shall also consider other regulatory priorities such as whether, and to what extent, if any, the current or planned clean energy programs or other utility filings or mechanisms should be modified, maintained, curtailed or accelerated.

October 28 Board Order at p. 6.

5. The October 28 Board Order:

> … invites utilities and other interested parties to provide comments on any issues related to the ramifications of COVID-19 on Board adopted tariffs, regulations, policies and programs, as well as on Board regulated entities, utility ratepayers, and Board adopted programs….

Id., at p. 6.

6. Rate Counsel's Petition, which asked the Board to undertake numerous measures as a result of the COVID-19 pandemic, has also been incorporated into the COVID-19 Proceeding. Id.

7. As summarized in the October 28 Board Order, Rate Counsel's Petition proposes measures that Rate Counsel says are necessary due to the impact of the pandemic on New Jersey citizens and businesses and their ability to pay utility bills. In addition to providing a perspective on the financial impacts of the pandemic, and on what some other states have done to address the payment troubled customer situation before and since the pandemic, Rate Counsel makes a series of twenty-one requests for the Board to investigate related to some of the same categories or areas contained within the Board's proposed scope for the COVID-19 Proceeding.[2]

[2] In this regard, Rate Counsel's requests address: (i) disconnection and restoration of utility service, (ii) data collection and reporting, (iii) rate increases, (iv) resources for repayment assistance, (v) municipal utility authorities for water service, and (vi) payment assistance funding. Petition at pp. 14-17.

8. JCP&L agrees that the COVID-19 pandemic is a highly-unusual and disruptive force that has impacted all New Jerseyans in many ways including, in some instances, the health, employment, housing, and overall economic condition of many.

9. The Company also agrees that the Board should collaborate with the utilities and other stakeholders to take appropriate measures to assist utility customers during the pandemic. In fact, as discussed herein, the Board has already done so.

10. At the urging of the Board, the State's regulated utilities put in place and, several times, extended a moratorium on disconnection of customers for non-payment of their utility bills. Most recently, on October 15, 2020, the Governor issued Executive Order No. 190 ("***EO-190***") formally extending the disconnection moratorium for residential customers until at least March 15, 2021.

11. At the same time, the State also announced it has set aside $15 million from the Coronavirus Relief Fund so that the Department of Community Affairs ("***DCA***") can reduce utility arrearages. The DCA will use a portion of the funds to address arrearages among low income households who are current Universal Service Fund ("***USF***") participants.[3]

12. Moreover, there are also other customer assistance programs already in place to help customers during the pandemic, and these, including USF, would clearly benefit from additional public funding from federal and state governmental sources, and/or, if necessary,

[3] See, Press Release, dated October 15, 2020, *Governor Murphy Signs Executive Order Extending Utility Shutoff Moratorium Through March 15*, 2021, *Announces $15 Million with Legislative Leadership from the Coronavirus Relief Fund to Reduce Utility Arrearages for Low Income Households,* available at: https://nj.gov/governor/news/news/562020/approved/20201015c.shtml; and Press Release, October 20, 2020 - *DCA Launches New Online Application for the Low Income Home Energy Assistance Program*, available at: https://www.nj.gov/dca/news/news/2020/approved/20201020.html

ratepayer mechanisms.[4] JCP&L supports and encourages Board and DCA collaborative efforts to secure additional sources of public funding (beyond the additional $15 million announced in October) for these existing assistance programs. Should federal or state resources be available, or should the Board determine to increase ratepayer support for existing assistance programs, JCP&L also supports proposals for pandemic-specific relaxation of the eligibility standards and processes for such programs.

13. Given the measures that the State has taken, including the issuance of EO 190, to assist utility customers during the pandemic, it is important to recognize that a number of requests in Rate Counsel's Petition as well as many of the categories of issues set forth in the October 28 Board Order already have been or are being addressed in a reasonable fashion.

14. Initially seeking comments on "the ramifications of COVID-19 on Board adopted tariffs, regulations, policies and programs, … on Board regulated entities, utility ratepayers, and Board adopted programs," (October 28 Board Order at p. 6), should better equip the Board in determining where the need for investigation truly lies. The comment process should better inform the Board as to where a sharply-focused, time-limited, further inquiry and stakeholder process can yield timely, effective and efficient ways to address those emergent COVID-19 ramifications. JCP&L supports such an approach.

15. Importantly, however, the COVID-19 pandemic is not an opportunity for, and JCP&L does not recommend or support a process that encourages debating longstanding, and sometimes differing, perspectives regarding: (i) the roles of public utilities in the distribution and allocation of societal benefits, or (ii) the need for wholesale revamping of existing systems and

[4] In addition to USF, such programs include LIHEAP (Low Income Home Energy Assistance Program), Lifeline Credit Program (Lifeline), Fresh Start, PAGE (Payment Assistance for Gas and Electric), the New Jersey SHARES (NJ SHARES) and Weatherization assistance programs.

programs that, while not perfect, have served ratepayers and the utilities that serve them in a reasonably effective and efficient manner. Over the course of many years, and in the context of numerous traditional stakeholder processes, and rate case and rulemaking proceedings, such roles, systems and programs have evolved or have undergone refinement based on various factors, including technological developments, data-driven experience, and the dynamics of competing priorities. An emergency situation, such as the COVID-19 pandemic, calls for an approach more akin to triage, where the need for immediate intervention is quickly and expertly assessed based on the actual presenting circumstances, rather than elective surgery, where second and third opinions are well-advised and time is not a driving concern.

16. Accordingly, JCP&L encourages the Board's efforts in the COVID-19 Proceeding to timely and precisely address emergent COVID-19 ramifications, while recognizing the impact of EO-190 and the progress already made through existing Board and utility collaboration.

II. RESPONSE TO THE RATE COUNSEL PETITION.

A. THE BOARD'S JURISDICTION IS BROAD, BUT NOT ABSOLUTE.

Recognizing that through March 15, 2021 at least, EO-190 has addressed concerns about residential customer utility service disconnections, JCP&L believes it necessary to address certain other aspects of the Rate Counsel Petition. In Section II of the Petition, Rate Counsel argues that the provisions of Title 48 of N.J.S.A. regarding discontinuation of utility service give the Board "the authority to order utilities to maintain service to customers, even if customers are unable to pay their bills during this unprecedented public health and economic crisis caused by COVID-19." Petition at p. 5. While the issue itself may be (at least temporarily) moot because of EO-190 requiring utilities to extend the (theretofore voluntary) disconnection moratorium for residential customers through March 15, 2021, JCP&L believes it worth noting that the specific provision of Title 48 Rate Counsel relies on (i.e., N.J.S.A. 48:2-24) does not confer upon the Board the authority to unilaterally order utilities to maintain service to non-paying customers.

N.J.S.A. 48:2-24 has two sections: the first provides that a utility may not "discontinue, curtail or abandon any service" without Board approval. Consistently, this portion of the statute has been interpreted to apply to the discontinuation or abandonment of a certain *type of service* or *service classification,* not the disconnection of a specific customer for non-payment. In fact, as Rate Counsel admits, the second portion of N.J.S.A. 48:2-24, which states in relevant part "A public utility may terminate service for a violation of the terms of its approved tariffs on file with the [Board] upon giving the customer at least 3 days' notice of such termination unless otherwise provided for by rules, regulations or orders of the board", governs disconnections for non-payment (or other violations of a tariff).

Similarly, *Pennsylvania R. Co. v. Public Utilities Comm'rs Bd.,* 11 N.J. 43, 51 (1952), which was cited by Rate Counsel, does not confer on the Board jurisdiction it does not have under statute. That case involved a railroad's request to discontinue certain train routes, not the disconnection of customers for the non-payment of bills. Thus, *Pennsylvania R. Co.* is simply not relevant to the relief Rate Counsel requests in its Petition.

In sum, the Board may not unilaterally order a utility to extend a disconnection moratorium. Utility tariffs, once approved, have the force and effect of law. Utility tariffs, along with certain Board regulations, govern the utility's right to disconnect customers for nonpayment of amounts due. Interestingly and correctly, the October 28 Board Order does not cite this provision as a source of authority in the COVID-19 Proceeding, and the Rate Counsel Petition has cited to no Board Order or case law that interprets N.J.S.A. 48:2-24 to allow the Board to prohibit utilities from disconnection customers for non-payment. Even if the statute did confer such jurisdiction, the Board could not take such action without affording the State's utilities due process of law, including the right to be heard and to contest such action. Accordingly, it is clear that the Board may not unilaterally modify utility tariffs to compel a utility to provide a disconnection moratorium. For this reason, prior to the issuance of EO-190, which occurred after the filing of Rate Counsel's Petition, ongoing collaboration between the utilities and the BPU to reach agreement for *voluntary* action by the utilities was essential to continuing to provide customer protections from disconnection – and that collaboration was successful to accomplish the desired end, within the confines of the law. While EO-190 overrides the specific concern, the lesson of the limits of Board authority and of Board and utility voluntary collaboration should not be lost.

B. RESPONSE TO SPECIFIC RELIEF REQUESTED IN THE RATE COUNSEL PETITION.

As indicated above, the Rate Counsel Petition provides a series of specific requests for relief that touch upon many, although not all, of the proposed issues set forth in the October 28 Board Order. JCP&L believes that responding to each of those specific requests provides a logical platform for providing an answer to the Petition and further comments to the Board about the intended scope of the COVID-19 Proceeding under such Order.

Disconnection and Restoration of Utility Service

1. ***Open an investigation to determine the number of customers in arrears, the amount owed, and the scope of the COVID-19-related uncollectibles issue;***

As indicated in more detail with respect to Request 12 below, the utilities, including JCP&L, regularly provide the Board with data pertaining to such matters, and have responded to the Board's *ad hoc* requests and will continue to do so. While the October 28 Board Order provides a forum in which to discuss the data, a Board proceeding or investigation is not necessary for the Board to obtain, compile or share such information.

2. ***Extend the voluntary moratorium on utility service shutoffs through April 1, 2021 for both residential and non-residential customers;***

This request was addressed by EO-190.

3. ***Reconnect all utility customers disconnected for non-payment since March 15, 2020;***

This action had already been taken on a voluntary basis and is now also required under EO-190.

4. ***Order the utilities to waive any fees or interest on late payments*****;**

This request also has been covered by EO-190. JCP&L notes that even before the COVID-19 pandemic, residential customers are already exempt from late fees (or interest).

5. ***Order the utilities to waive fees and deposits to establish or reconnect service for residential and small business customers experiencing financial hardship;***

For reconnection circumstances, please see the response to request 4. above. For commercial customers, JCP&L notes that although they are not afforded the protections of the EO-190 moratorium on service disconnections, the Company has, at the urging of the Board, voluntarily made extended-term deferred payment arrangements ("***DPAs***") available to its commercial customers who have been impacted by the pandemic (and has agreed to do so for thirty days after the end of the public health emergency). Finally, the Company believes the establishment of new service (as opposed to reconnected and continuing service) has not been, and should not be, subject to COVID-19 protections. Such safeguards are meant to protect current customers as opposed to new customers who should be subject to pre-COVID-19 rules and requirements unless the initiation of new service can be demonstrated to stem from a COVID-19 hardship, which are circumstances best addressed on a case-by-case basis and in accordance with Board rules pertaining to applicants and security deposits.

6. ***Facilitate customers' showing of financial hardship by minimizing or waiving required documentation;***

Insofar as this request related to reconnections, this request also has been covered by EO-190. Under non-pandemic circumstances, JCP&L's approach to documentation of financial circumstance is flexible and requirements are considered on a case-by-case basis, by its trained professionals. To the degree that a showing of financial hardship is necessary for eligibility to other programs or benefits, those determinations are not typically made by utilities. In general, as a matter of sound public policy, showings of financial hardship protect the integrity of the programs and benefits being sought in order to assure the distribution and allocation of limited resources to intended eligible beneficiaries. As such, decisions to relax or waive documentation requirements are often best made on a case-by-case approach as opposed to by general rule. JCP&L recognizes that this may be an important consideration when the EO-190 moratorium expires and customers who have not already (*i.e.*, during the moratorium) entered into extended DPAs, then seek to avoid disconnection.[5] JCP&L has already advised Board Staff that it is willing to continue to offer extended-term DPAs for thirty days following the end of the public health emergency. However, it believes that post-EO-190 some level of documentation of financial hardship as a result of the pandemic should be required, and requests for relaxation or waiver of such requirements should be addressed on a case-by-case basis. Such a requirement is a matter of sound public policy that promotes fairness to customers who have responded to the State's

[5] The State's public utilities continue to offer enhanced payment assistance programs for customers who are unable to pay their utility bill on time. For JCP&L, extended DPAs of as long as 12 months for residential and non-residential customers. Residential DPAs are renewable in additional 12-month segments if more time is needed through March 15, 2021. No down payments are required for these DPAs.

encouragement to enter into such DPAs sooner rather than later, and to protect against "gaming the system" scenarios. Thus, as part of the COVID-19 Proceeding, JCP&L recommends the Board clearly announce its intention to allow the resumption of normal utility collection activity, including disconnection of service in accordance with the Board's regulations, following the expiration of EO-190, which will motivate customers, who have not done so, to contact the utility to seek available assistance. JCP&L also encourages the Board to support the need for post-moratorium financial hardship documentation requirements that promote these sound public policy considerations.

7. ***New Jersey regulated utilities have agreed to offer DPAs of at least 12 months and up to 24 months with no down payment. Continue those extended DPA terms with no down payment for 180 days after the shutoff moratorium;***

See the response to request 6 above. The existing, voluntarily extended DPAs available to customers by the utilities should continue to be available for up to thirty days following the end of the public health emergency. As the Board is well aware, some of the arrearages that will have accumulated were accrued prior to the declaration of a state of emergency in March 2020, and the utility voluntary moratoriums, which effectively extended the regular 2019-2020 Winter Termination Program (under N.J.A.C. 14:3-3A.5) to October 15, 2020. Thus, with the EO-190 moratorium from October 15, 2020 to March 15, 2021, there may be customers who have not made good faith efforts to address their mounting arrearages since at least November 2019. Promoting a further extension of time in which to avoid addressing these arrearages, as Rate Counsel's request would do, further increases the potential for increased write-offs, which then will be collected from other customers and, therefore, cannot be justified as sound public policy in the public interest.

8. ***Identify the best practices for helping ratepayers afford their utility bills, including a financial relief program, and direct implementation of those practices;***

There are already substantial assistance programs in place, both in terms of long-standing assistance programs[6] and pandemic-related additional assistance for existing programs.[7] Continued Board efforts (with stakeholder support as necessary and useful) should be directed to leverage and increase funding for existing programs and sources of assistance and to connect customers with such resources as appropriate. Board and DCA coordination and collaboration should be encouraged in efforts to seek such additional funding.

A process for identifying best practices among New Jersey utilities for addressing the ramifications of the COVID-19 pandemic or other similar public health emergencies is, generally, not objectionable insofar as JCP&L is concerned, so long as any required implementation accounts and allows for differences in individual utility experiences, systems, territories, resources and provides for cost recovery. Proposals for normal course best practice identification on a regional and nationwide basis, particularly when not aimed to address pandemic-specific emergent issues, should not be considered at this time, especially when the time and effort to identify them will likely detract from a timely focus on pandemic-specific emergent issues in New Jersey.

9. ***Consider expanding eligibility for the [USF] and other programs for low-income and fixed-income customers, which cap the customer's utility bills at a percentage of their income, and establishing funding sources for the expanded program beyond charging other ratepayers via the Societal Benefits Charge ("SBC");***

This request is not a utility matter, and may not even be a matter for BPU investigation. As mentioned above, New Jersey has announced the set-aside of $15 million from the Coronavirus

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[6] Such as LIHEAP (Low Income Home Energy Assistance Program), Lifeline Credit Program (Lifeline), USF, PAGE (Payment Assistance for Gas and Electric), and the New Jersey SHARES (NJ SHARES). These are in addition to a process for addressing medical emergencies, and a process for medical conditions requiring the use of life-sustaining equipment.

[7] See Footnote No. 3 above.

Relief Fund for the DCA to use to help reduce utility customer arrearages. The DCA intends to use a portion of the funds to address arrearages among low income households who are current USF participants. This is an example of a COVID-19 pandemic specific measure. While JCP&L has no objection to, and would support, the Board's and/or Rate Counsel's appeals for additional funding for LIHEAP, USF and other assistance programs in the form of state or federal funds raised via general taxes or specific legislative grants, these are legislative matters that do not require the kind of Board investigation sought by Rate Counsel in its Petition or contemplated by the October 28 Board Order. Instead, they require coordinated legislative and inter-governmental agency advocacy for funding grants and/or additional taxes.

Furthermore, any change to the USF programs, which is addressed annually by the Board (most recently, in an order issued this past September), should be considered only after a specific stakeholder process in which the utilities and all interested parties (including but not limited to DCA) can participate and have opportunity to provide input. While changes to existing funding levels can be addressed on an emergency basis by appropriate legislative and governmental agencies, programmatic changes seeking to effectively overhaul such longstanding programs should not be made *ad hoc* in a proceeding intended to address the ramifications of a specific emergency situation. Moreover, even proposals for supplemental outreach efforts to encourage customers in need to apply for available resources must consider the potential unintended consequences of removing the prospect of a loss of service from the vendor-customer relationship. These unintended consequences may take the form of contradictory incentives, moral hazards and/or goal displacement. Thus, the impact of such unintended consequences on the efficacy of additional outreach must also be considered.

10. ***Require utilities to offer to enroll customers with payment difficulties in all applicable payment assistance programs such as LIHEAP. If the customer accepts the offer of enrollment help, the utility must actually enroll the eligible customer;***

This proposal is not pandemic-specific and, while seemingly simple, is very complex and proposes to generally shift existing responsibilities from DCA to the utilities without any view as to the reasons for the current system or the implications of changing it. Moreover, the proposal presupposes: (i) expanded eligibility requirements to all customers having payment difficulties (as opposed to the existing eligibility requirements based on a percentage of the federal poverty level), (ii) the payment assistance programs have relaxed or waived their documentation requirements, which they have not, and/or (iii) that utilities have customer income information, which they do not. The proposal also overlooks the existing DCA infrastructure to provide, accept and process customer applications for LIHEAP, USF and Weatherization benefits. Proposing to make utilities enrollment agents for customers suggests, without evidence, that the current system is not working and overlooks the time, effort, and costs associated with doing so as well as the unlikelihood of such undertakings ever providing relief in the context of this pandemic.

11. ***Explore other possible programs or changes to eligibility requirements to assist customers who are unable to pay their bills or arrearages;***

As discussed above, there are already substantial assistance programs available to customers. That said, this proceeding is an appropriate forum in which to explore other possible programs to assist customers who, as a result of the COVID-19 pandemic, are unable to pay their bills or arrearages. However, a decision to pursue that inquiry should not be at the expense of efforts to increase funding for, and expand utilization of, current programs, which represent an efficient and effective path to immediately helping customers suffering financial hardship as a result of the pandemic. JCP&L cautions against entertaining more general, less focused proposals that go beyond pandemic-related emergent issues, which should be deemed to be beyond the scope of this proceeding.

Data Collection and Reporting

12. ***Require utilities to record and publicly report the aggregate level of late payments, payment arrearages and shutoffs by utility, customer service class and zip code for at least the last two full calendar years (i.e., calendar years 2018 and 2019) to present, and continuing after the moratorium ends. Data should include number of customers in arrears, number facing disconnection, total amount of arrears, distribution of arrearage amounts among customers in arrears, and distribution of customers in arrears by zip code. Record and publicly report the level of service disconnections and collections activity by utility and zip code for at least the last two full calendar years (i.e., calendar years 2018 and 2019) through present, and continuing after the moratorium ends. Data should include number of customers disconnected, and distribution of disconnections by zip code;***

Rate Counsel's request (which is not pandemic specific), does not acknowledge the level of reporting already provided to the Board, nor does it indicate any evidence that the Board or its Staff have been unable to obtain the data, which the Board has regularly requested during the pandemic and which JCP&L (and other New Jersey utilities) have provided when and as requested.[8] Indeed, while Rate Counsel asserts that utility commissions in other states require the kind and level of data sought in this request, the support Rate Counsel offers (in footnotes 38 and

[8] For instance, JCP&L provides monthly data to the Board regarding, among other things, aggregate arrears on the total number of overdue residential accounts, the distribution of overdue residential accounts by dollar amount, and the distribution of residential accounts by payment status. As to DPAs, JCP&L provides reporting regarding the number of new DPAs, new DPAs by USF customers, the number of broken DPAs by month. In addition, the Company monthly reports the number of Winter Termination Program budget agreements made and broken, new budget plans made, the number of actual meter readings, the number of estimated meter readings, the number of new security deposits requested, and the number and amount of deposits waived. The Company also provides a monthly report of the number of residential bills, residential service with and without heating, total residential customers, the number of non-residential bills, the number or commercial and industrial customers, total customers, number of discontinuance notices by type and total, number of third party notifications, number of senior citizen notices, number of accounts with third party designations and with third party telephone designations, termination field visits by type and total, accounts terminated by type and total, reason for termination, number of reconnections by type, gross and net charge-off amounts number of accounts eligible for termination but not terminated as a result of payment commitments from various assistance programs or other reasons.

39 of the Petition) does not actually address the subject of this request at all or the level of detail suggested by this request. JCP&L will continue to respond to Board requests for data, which it provides as available from its systems. Proposals for a more general, less focused, inquiry requiring uniform reporting of historical (i.e., 2018-2019) and prospective data (including by zip code) that requires time and resources to reconfigure, design, develop and implement, as well as the need for timely recovery of such costs through base rates, should be deemed to be beyond the scope of this COVID-19 Proceeding.

13. ***Require utilities to report data on DPAs, including: total number of customers enrolled in a DPA, number of new customers with a DPA, dollar amounts subject to a DPA, number of customers who successfully completed the DPA and number of unsuccessful DPAs;***

Please see the response to request 12 above.

14. ***Require utilities to report data on the number of their customers who participate in payment assistance programs such as LIHEAP, Universal Service Fund, Lifeline, PAGE, TRUE, NJ Shares, and Fresh Start, as well as the amount of money that the utility receives from each of these programs, for at least the last two full calendar years (i.e., calendar years 2018 and 2019) through present, and continuing after the shutoff moratorium ends;***

Please see the response to request 12 above.

15. ***Report the specific measures the utility is taking to help all customers, including non-English speaking customers, avoid disconnection for non-payment;***

The voluntary moratoria, the enhanced DPAs, EO-190 and other programs mentioned herein have been and continue to be aimed at helping *all* customers, including JCP&L's non-English speaking customers, avoid disconnection for non-payment, making this request unnecessary to include within the scope of the COVID-19 Proceeding.

Rate Increases

16. ***Suspend the filing of new base rate cases and infrastructure programs during the current public health emergency and until further order of the Board;***

The Company has observed that the utilities and the BPU have managed to go about the business of resetting rates in a very thoughtful manner throughout this pandemic. This is a credit to the BPU, Rate Counsel and the utilities for finding creative solutions that benefit both the utilities and their customers. Such a broad-brush approach as this request suggests would potentially stifle what has been successful resolution of practical business problems with practical solutions. In this regard, JCP&L refers to the experience of its most recent base rate case where the Board's and Rate Counsel's interests in delaying the effective date for a rate increase was accommodated by stipulation in a creative manner that also worked for the Company. The request for the Board to mandate such suspensions, however, conflicts with settled law to the effect that a public utility has a statutory right to file for a base rate increase pursuant to N.J.S.A. 48:2-21; the Board cannot suspend a statutory right. Moreover, a utility has a constitutional right to earn a reasonable rate of return – if prevented from doing so by such a "suspension", there would be taking of property without just compensation. *Bluefield Water Works v. Public Service Comm'n*, 262 U.S. 679 (1923). Not only is the undertaking legally precarious, this Rate Counsel proposal would have the consequence of discouraging utility investment (at the cost of the jobs that may be associated with such investment activity) at the very time that the Governor is seeking to continue the phased-in reopening of the State. Now is not the time to discourage utility investment or the economic benefits that accompany it. Furthermore, as Rate Counsel well knows, the very filings it seeks to have suspended are, typically, lengthy proceedings that are necessary to resolve many issues. Suspension of such filings during the current emergency postpones more than the effective date for rate implementation; it also unnecessarily postpones the work necessary to resolve the many issues that result in those rates. The Board should reject this request as counter-productive to proper utility regulation and outside the necessary and proper scope of the COVID-19 Proceeding.

17. ***Analyze the impacts of any proposed rate increase on disconnection rates when a utility applies to increase any rate;***

This issue is not specifically related to the COVID-19 pandemic and, like rate design, is most appropriately raised and addressed in the specific context of any base rate case, if and when applicable. Thus, there is no need to include this request or topic, including with respect to rate design, within the scope of the COVID-19 proceeding.

Resources for Repayment Assistance

18. ***Order utilities to apply LIHEAP funding received to participants' current monthly bills first, and not to retire arrearages first;***

Please see the responses to request 9 and request 11 above. Again, this proposal appears simplistic on the surface, but is very complex and proposes what would be an entirely different approach to payment-posting than exists today. Further, it is unclear as to how the manner in which LIHEAP payments are applied to arrearages on customer accounts addresses emergent COVID-19 pandemic concerns in a meaningful way. Moreover, there is no evidence that the current process of applying LIHEAP payments consistent with the Company's payment-posting processes gives rise to, or exacerbates, COVID-related emergent issues. This Rate Counsel request, whether knowingly or not, creates the need for a distinct billing and payment processing sub-system for customers who are LIHEAP recipients, one that differs from the Company's current billing and payment processing system, policies and procedures, which are intended to facilitate eligible customers in accessing the benefit. Such an undertaking would be time-consuming and costly to design, develop, implement, operate and maintain with no significant benefit generally, or for customers suffering financial hardships due to COVID-19, specifically. As such, the request appears outside of the scope of the COVID-19 Proceeding.

Moreover, the more pressing need in the midst of the pandemic is how to connect as many eligible residential customers as possible to the available assistance to reduce the threat of disconnection as a consequence of their utility arrearage obligations. EO-190 has, for the moment, eliminated the risk of service disconnection, which can have the unintended consequence of discouraging customers from contacting the utility, even as the need for the assistance continues. The focus and effort should be on accessing the assistance using established mechanisms not on changing how assistance payments are applied. When assistance payments are received by JCP&L they are applied in the same manner as payments from, or for, *all* customers (*i.e.*, to the oldest arrears first). There is no pressing need to change that approach.

19. ***Establish a debt forgiveness program for utility customers facing financial hardship and a source of funding to cover the arrearages outside of the SBC or other ratepayer funded programs;***

Funding such a program is a legislative matter, not a utility matter, and therefore is not appropriately resolved through a Board investigative proceeding. As discussed above, New Jersey already has significant customer assistance programs, including the Fresh Start program,[9] The creation of new ones or changes to terms and conditions of existing programs should only be

[9] "Fresh Start is a component of the USF program. It is available upon receiving USF for the first time. A household is automatically enrolled in the program if there is a balance of $60 or more on the bill. Under this forgiveness program the arrearage is set aside when a customer is placed in the program. The previous balance will be erased if the customer pays their bill for the next 12 months in full. Fresh Start is a one[-]time only program and is only available the first time a customer is enrolled in USF." http://www.njcommunityresources.info/njenergy.htm

considered with the context of separate stakeholder proceedings where all interested parties may provide input, and not in the context of a proceeding intended to address the ramifications of the COVID-19 pandemic. Moreover, any new funding sources should be state or federal funds raised via general taxes or specific new legislation providing funding grants.[10]

Municipal Utility Authorities for Water Service

20. ***Public water systems serving 60% of all water customers in New Jersey are publicly owned by a municipal utility authority ("MUA") rather than by private investors and, therefore, not subject to BPU regulation. While Rate Counsel concedes that municipal service falls outside the Board's statutory jurisdiction, thousands of MUA customers are at risk of losing service following the end of the voluntary utility shutoff moratorium. The Board should engage with the Department of Community Affairs, which does oversee the budgets of municipal utilities authorities to explore solutions for those customers;***

Although this request does not appear to fit within the scope of the COVID-19 Proceeding as described in the October 28 Board Order, JCP&L takes no position on this request. Rate Counsel does not require a proceeding to encourage the Board to encourage DCA to consider these circumstances.

[10] For its part, JCP&L notes that since January 2020, the Company's foundation has made numerous charitable contributions in New Jersey totaling $556,000, many of which directly involve COVID-related circumstances. The foundation also recently embarked on its "Investment with Purpose" initiative. This initiative is supporting those organizations that are affected by COVID and/or racial equity/social justice issues. Requests for assistance are currently coming in and will continue to do so throughout the rest of this year. The Company also coordinated the donation of leftover food and supplies from the engagement of thousands of additional personnel for Tropical Storm Isaias restoration to eight JCP&L-area foodbanks, totaling 83,817 pounds of food and paper products, equivalent to over 107,000 meals for those in need (and worth approximately $71,000). The Company's foundation also contributed $115,000 to support community partners and customers in need after the storm. A total of $65,000 was awarded to Police Chief Associations in 13 counties and $50,000 was awarded to eight foodbanks covering the hardest hit counties in JCP&L territory.

Payment Assistance Funding

21. ***Rate Counsel asks the Board to undertake measures within its jurisdiction to increase funds allocated to financial assistance programs from federal CARES Act or other federal funds.***

JCP&L takes no issue with the Board seeking increases in federal funding to provide assistance to utility customers, where appropriate. Indeed, JCP&L encourages the Board to do so and will support the Board in those efforts, whether under the *Coronavirus Aid, Relief, and Economic Security (CARES) Act*, Pub. L. 116–136, 134 Stat. 281 (2020), or other federal or state legislation including future COVID stimulus laws if and when, they are available.

III. COMMENTS ON POTENTIAL COVID-19 PROCEEDING ISSUES NOT ADDRESSED BY JCP&L'S RESPONSE TO THE RATE COUNSEL PETITION.

JCP&L notes that the October 28 Board Order also addresses some issues that are not addressed in Section II above; namely, utility financial strength; regulatory compliance; "ensuring the continued provision of safe and adequate service at just and reasonable rates, while recognizing the ramifications from the COVID-19 pandemic;" and "other regulatory priorities such as whether, and to what extent, if any, the current or planned clean energy programs or other utility filings or mechanisms should be modified, maintained, curtailed or accelerated." October 28 Board Order at p. 6. As to these, the Company provides the following comments:

Utility Financial Strength and Continued Provision of Safe, Adequate and Proper Service

The July 2 Board Order authorized each of the State's utilities to create a regulatory asset for purposes of deferring for future recovery the prudently incurred incremental costs related to COVID-19. This Order sets the framework for full and timely recovery of prudently incurred costs and is a significant step in addressing issues concerning utility financial strength that can or may arise as result of COVID-19 pandemic financial impacts. In turn, as a matter of principle and consistent with the traditional regulatory compact, addressing such costs in subsequent utility rate cases, when appropriate in accordance with the Board's Order and each utility's needs, helps to assure the continuation of safe and adequate service at just and reasonable rates.

However, it must be anticipated that the increase in uncollectible expenses associated with the pandemic and the moratorium on disconnections is already significant and will become more significant with each passing month. Indeed, continuing the moratorium on disconnections beyond the current timetable anticipated by EO-190 is not a sustainable approach for utilities or their customers. The circumstances that utilities and customers will face in March 2021 does demand focused attention now in the form of efforts to increase customers' awareness of (i) the danger of disconnection beginning in March as a result of unaddressed growing arrearages, and (ii) the availability of assistance programs and reasonable extended-term DPAs. JCP&L has undertaken proactive measures to make its customers aware of the risks, assistance programs and extended-term DPAs through the Company's website, social media, emails, bill inserts, door-hangers, print, radio, television and billboard public service announcements, and customer service representative training and message scripting.

Additional and regular public service announcements and public outreach such as reflected in the recent opinion article by Lt. Governor and Commissioner of the Department of Community Affairs Sheila Oliver and BPU President Joseph Fiordaliso[11] are also necessary on a continued basis, and should include the use of radio and television as well as social media outlets. The utilities and the BPU should also prepare now for restoring normal collections processes, including service disconnections, after March 15, 2021 when EO-190 expires, with assurances that the full

[11] Available at: https://www.nj.com/opinion/2020/11/if-you-cant-afford-to-pay-your-utility-bill-new-jersey-can-help-opinion.html

panoply of protections already available through the Board's regulations will be fully utilized and followed to provide notice, communicate about and facilitate access to available assistance, and to manage service disconnections in a fair, balanced and appropriate manner consistent with such applicable regulations.[12] Finally, to the extent that the COVID-19 Proceeding gives rise to processes and approaches that have the likely effect of further increasing uncollectable expense, the Board should ensure that the utilities continue to receive full and timely recovery of such expenses through the SBC or other established mechanisms.

Regulatory Compliance

JCP&L is not aware of any particular regulatory compliance issues, which have arisen as a result of the pandemic that have not been resolved by the Board. For example, the Board issued an Order on March 19, 2020 at BPU Docket No. EO20030254, providing a temporary waiver of several of its regulatory requirements designed to allow utilities and other entities subject to the Board's jurisdiction to focus on providing essential services to the public, while minimizing the health threats caused by the COVID-19 pandemic, by curtailing activities not related to the imminent health and safety of the public. The Board took these actions pursuant to N.J.A.C. 14:1 et seq., which provides the Board with discretionary authority to relax it regulations in special cases and for good cause shown. The Board's regulations at N.J.A.C. 14:1-1.2, also allow, upon written application, for the waiver of compliance where full compliance would, among other

[12] Referring, in particular to those requirements found in Title 14 of the New Jersey Administrative Code, Subchapter 3A (Discontinuance and Restoration of Service), including by way of example, N.J.A.C. 14: 3-3A.1 (Basis of discontinuance of service); N.J.A.C. 14: 3-3A.2 (Discontinuance for nonpayment); N.J.A.C. 14: 3-3A.3 (Notice of discontinuance for nonpayment); N.J.A.C. 14: 3-3A.4 (Additional notice requirements for discontinuance of residential and special customers); and N.J.A.C. 14: 3-3A.9 (Basis of restoration). It is further noted, again, by way of example, that N.J.A.C. 14: 3-3A.2 includes prohibitions against discontinuance, and processes to follow during high temperature periods, and during medical emergencies.

things, "adversely affect … the ability of the utility … to render safe, adequate and proper service, or the interests of the general public." This regulation already provides a process, which has proven to work effectively during the COVID-19 pandemic, for addressing compliance issues, if and when they arise.

Other Regulatory Priorities

From JCP&L's perspective, the Board has done exemplary work in maintaining, on a remote basis, a business-as-usual approach to the exercise of the Board's jurisdictional mandate during the pandemic. This is an approach to be encouraged and one that foreshadows an eventual return to "normal," or to the development of a "new normal." In this context, the Board should, to the extent feasible, continue its business-as-usual approach, which helps the New Jersey utilities in their provision of "safe, adequate and proper service and the furnishing and performance of service in a non-discriminatory manner, and in a manner that tends to conserve energy resources and preserve the quality of the environment." N.J.A.C. 14: 3-3.1. Keeping the focus of the COVID-19 Proceeding narrowly tailored to address only emergent pandemic-related issues and ramifications, as suggested herein, is the best approach to ensure timely and impactful results, while minimizing the need to re-prioritize programs or the resources supporting them.

IV. CONCLUSION

As discussed herein, JCP&L believes that the issuance of EO-190 and its extension of the residential service disconnection moratorium until at least March 15, 2021, the actions already taken by the Board, along with the existing programs and regulations pertaining to collections and service disconnections, obviate the need for a widespread or far-reaching investigation regarding COVID-19 ramifications. JCP&L appreciates the opportunity provided by, and supports, the

Board's initial step in seeking comments regarding the proposed scope of the on-going COVID-19 Proceeding, including the opportunity to address the issues and requests raised by Rate Counsel's Petition. JCP&L supports the Board's efforts to timely and precisely address COVID-19 ramifications, while recognizing the impact of EO-190 and the progress already made through existing Board and utility collaboration. JCP&L also supports the seeking additional federal and state funding for existing programs and relaxation of eligibility standards, where such relaxation can be supported by the additional funding. JCP&L also supports continued, frequent and targeted communications by the utilities, the Board and the Murphy Administration regarding: (i) the risks of mounting arrearages to customers who will face restored collection and disconnection practices in the spring; and (ii) the assistance and programs available to help them now. The Company looks forward to participating in the COVID-19 Proceeding, which it anticipates will be sharply-focused and time-limited. In this regard, the Company hopes that its comments on the October 28 Board Order (containing its answer to the Rate Counsel Petition) are helpful to the Board's efforts to guide the COVID-19 proceeding to a speedy and successful conclusion.

Respectfully submitted,

JERSEY CENTRAL POWER & LIGHT COMPANY

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Cozen O'Connor, LLP

Dated: November 30, 2020

c: Attached Service List