

**STATE OF NEW JERSEY
BOARD OF PUBLIC UTILITIES**

*In the Matter of the Verified Petition of Jersey Central Power & Light Company
For Approval of the Sale and Conveyance of the improved property at 207 40th
Street, Sea Isle City, Cape May County, New Jersey
Pursuant to N.J.S.A. 48:3-7 and N.J.A.C. 14:1-5.6.
BPU Docket No. EM22050329*

*In the Matter of the Verified Petition of Jersey Central Power & Light Company
For Approval of the Sale and Conveyance of nine (9) unimproved/vacant
property lots in Sea Isle City, Cape May County, New Jersey
Pursuant to N.J.S.A. 48:3-7 and N.J.A.C. 14:1-5.6.
BPU Docket No. EM22050330*

*In the Matter of the Verified Petition of Jersey Central Power & Light Company
For Approval of the Sale and Conveyance of the improved property at 214 39th
Street, Sea Isle City, Cape May County, New Jersey
Pursuant to N.J.S.A. 48:3-7 and N.J.A.C. 14:1-5.6.
BPU Docket No. EM22050331*

*In the Matter of the Verified Petition of Jersey Central Power & Light Company
For Approval of the Sale and Conveyance of the improved property at
218 39th Street-East, Sea Isle City, Cape May County, New Jersey
and
218 39th Street-West, Sea Isle City, Cape May County, New Jersey
Pursuant to N.J.S.A. 48:3-7 and N.J.A.C. 14:1-5.
BPU Docket No. EM22050334*

*In the Matter of the Verified Petition of Jersey Central Power & Light Company
For Approval of the Sale and Conveyance of the improved property at 220 40th
Street, Sea Isle City, Cape May County, New Jersey
Pursuant to N.J.S.A. 48:3-7 and N.J.A.C. 14:1-5.6.
BPU Docket No. EM22050335*

AFFIDAVIT OF FRANK LAWSON

Frank Lawson, of full age, being duly sworn upon his oath, deposes and says:

1. I am the Supervisor for Environmental and Site Remediation for FirstEnergy Service Company acting on behalf of Jersey Central Power & Light Company (“JCP&L”). Accordingly, I am duly authorized to make this Affidavit on behalf of JCP&L. This Affidavit is

made in support to the JCP&L response to comments filed by the Division of Rate Counsel in the above-referenced proceedings and certain conditions Rate Counsel suggests the New Jersey Board of Public Utilities (“**Board**” or “**BPU**”) impose in approving the property transactions in those several proceedings.

2. I have been involved in, and have supervised, the site remediation and am aware of the environmental concerns related to the sale of fourteen (14) properties that are owned by JCP&L in Sea Isle City, New Jersey on the former manufactured gas plant (“**MGP**”) site, which currently continued to be remediated by JCP&L (the fourteen parcels are hereinafter referred to as “**the Sea Isle City Properties**”), which are the subject of five proceedings currently pending before the Board, seeking the Board’s approval of the sale of such properties, subject to certain conditions and obligations on JCP&L as set forth in the purchase and sales agreements for such sales.

3. The Sea Isle City Properties are among a number of parcels subject to site remediation by JCP&L as part of a larger, active contaminated site. The Petitions for the sale of the Sea Isle City Properties explain that the parcels are remediated for soils and are no longer part of, or required for, the ongoing groundwater remediation of the former Sea Isle City MGP site, except to the limited extent provided in the governing purchase and sale agreements and attached Post-Closing Obligations Agreement (particularly in the event of new discoveries, changed standards or laws). The completed remediation status is documented in, and subject to the terms and conditions or restrictions of, the current soils Response Action Outcome (“**RAO**”) associated with each such parcel of property. Therefore, the New Jersey Department of Environmental Protection (“**NJDEP**”) maintains oversight of contamination for the Sea Isle City Properties, with the potential risk that the NJDEP could require prospective remediation by JCP&L post-closing.

4. Groundwater remediation of the area continues. The NJDEP maintains oversight of the Sea Isle City Properties to address any potential groundwater contamination through the Site Remediation Reform Act's licensing programs for Site Remediation Professionals ("**LSRP**"). The LSRP issues the RAO for each property, and there are a classification exception area(s) ("**CEA**") and groundwater remediation action permit ("**RAP**") to be indefinitely imposed on and about the Sea Isle City Properties. It remains possible that given its continued oversight into the Sea Isle City Properties, that the LSRP for the properties and the entirety of the former MGP site would require JCP&L to address groundwater contamination and incur the cost of remediation.

5. This is particularly the case because the NJDEP remediation standards and rules regarding RAP and other remediation programs may change and impose further restrictions on JCP&L as the former owner of the MGP site in the future. The NJDEP would likely look to JCP&L to address prospective remediation for the former MGP site.

6. Similarly, while the RAOs have been released for soil contamination on the former MGP site, the RAOs remains subject to NJDEP approval and modification, particularly in the event of changed standards, laws, rules or guidance. The NJDEP may audit and require additional work and costs to be incurred by JCP&L with respect to soil remediation.¹

7. Moreover, in the case of one of the properties at 220 40th Street, Block 40.04, Lot 20, which is the focus of the proceeding opened at BPU Docket No. EM22050335, this property is also subject to a Deed Notice, which will be recorded specifying the restrictions that will transfer with the property unless or until certain contamination is remediated by JCP&L. The Deed Notice puts the world on notice that JCP&L is expressly obligated to the NJDEP and to the Buyer for all

¹ JCP&L has not yet received the soils RAP, and the LSRP has not yet issued the RAO for the 220 40th Street property. JCP&L is waiting to hear back from the NJDEP with respect to these applications, which increases the uncertainty for future remediation requirements.

prospective remediation, about which it is certain that future remediation will be required, consistent with JCP&L's obligations had it retained ownership of the property. Indeed, ownership of the properties is not necessary in order to carry out these anticipated or potential responsibilities. Under that Deed Notice and associated soils RAP, and any future Deed Notice and RAP for any other of the Sea Isle City Properties in the event of any future changes, JCP&L is obligated to conduct periodic inspections, pay NJDEP fees, maintain financial assurances and correct any deficiencies. These obligations continue indefinitely.

8. Both soil and groundwater remediation remain subject to NJDEP review and the NJDEP could require JCP&L to prospectively incur the cost of remediation, including based on future standards that may be more stringent than those in effect today. Accordingly, JCP&L maintains risk of future costs for remediation even after the sales of the Sea Isle City Properties.

9. The NJDEP standards, applicable laws and corresponding guidance frequently change. New contaminants are occasionally added to the NJDEP's purview, new laws, regulations or guidance are adopted, new concepts or approaches are sometimes imposed for remediation—and as these changes occur hereafter, the NJDEP could require additional work and expenses for JCP&L to address the former MGP sites, even those with RAOs. While there may be some protections in place for JCP&L with respect to known contaminants with specific standards applicable to the MGP site, the NJDEP may require JCP&L to take additional steps to address remediation. JCP&L will need to address the then applicable laws,, regulations, guidance and standards if and when additional remediation is required. The purchase and sale agreements and Post-Closing Obligations Agreement impose these liabilities and obligations on JCP&L, with the buyers and future owners obligated to cooperate with and assist JCP&L in meeting NJDEP

requirements, known and unknown, including if necessary to allow use of new deed notices with minimal if any additional excavations.

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



Frank Lawson

Sworn to and subscribed before me
this 18th day of July, 2022.



Notary Public or Attorney-at-Law