

Joshua R. Eckert, Esq.
(330) 690-8329
(330) 315-9165 (Fax)

September 9, 2022

VIA ELECTRONIC MAIL ONLY

Carmen D. Diaz, Acting Secretary
New Jersey Board of Public Utilities
44 South Clinton Ave.
Trenton, NJ 08625
Board.secretary@bpu.nj.gov

Re: In the Matter of the New Jersey Board of Public Utilities' Response to the Covid-19 Pandemic

BPU Docket No. AO20060471

Jersey Central Power & Light Company Reply to Rate Counsel Response

On behalf of Jersey Central Power & Light Company (“JCP&L” or the “Company”), please accept this letter as JCP&L’s Reply to the Response of the New Jersey Division of Rate Counsel (“Rate Counsel”) regarding the Motion of Public Service Electric and Gas Company (“PSE&G”) seeking to extend the regulatory asset deferral period established by the New Jersey Board of Public Utilities (“BPU” or “Board”) in the above-referenced proceeding. Previously, on August 19, 2022, JCP&L filed a letter in support of PSE&G’s Motion seeking to extend the regulatory asset deferral period for utilities through December 31, 2023 and to modify the deadline for the utilities to file for recovery of the deferred incremental costs to be sixty (60) days after the close of the extended regulatory asset period. JCP&L’s letter further requested that, in the event the extension is granted, the Board clarify that each utility may still choose to conclude its deferral and seek recovery of its regulatory asset balance prior to the expiration of the extended deferral period.

On September 2, 2022, Rate Counsel filed a Response to PSE&G’s Motion (the “Response”) and the utilities’ accompanying letters in support and/or of non-opposition. In the Response, Rate Counsel argues that the extension is unnecessary, in part, because the utilities’ filings in support of and/or non-opposition to PSE&G’s Motion did not themselves explicitly request an extension.¹ This argument is based on faulty premise, given that PSE&G’s Motion requested the extension of the regulatory asset period through an amendment to the Board’s prior Order, which is applicable to all utilities.² As such, the utilities’ letter in support and/or non-opposition was indicative of an assent to have the deferral period extended for all utilities. The Response goes on to state that “other utilities appear to have already ended their COVID deferrals

¹ Rate Counsel Response at pp. 7-8.

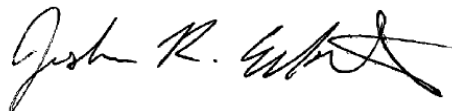
² PSE&G Motion at p. 1.

and appear more concerned that their ability to file for recovery will not be impacted by this motion.”³ While it is true that the utilities filing letters of support and/or non-opposition, including JCP&L, requested a clarification from the Board that the utilities would have the option to file for recovery of the regulatory asset before the end of the extended deferral period, this does not mean that they have already ended their regulatory asset deferrals at this time or that an extension is not appropriate for the reasons set forth in PSE&G’s Motion and in the letters filed by the utilities.

In the event the request to extend the deferral period is granted, the Response further requests that the Board place two conditions on a utility’s ability to seek recovery of the regulatory asset prior to the end of the extended deferral period. First, Rate Counsel argues that such utility should be required to verify that it is no longer accruing further COVID-19-related costs after making its COVID-19 cost recovery filing. Second, Rate Counsel argues that the utility should be required to agree to seek recovery of any subsequent incremental COVID-19-related expenses in a future base rate case.⁴ The Board should reject these conditions. Given the nature of the pandemic and uncertainty surrounding possible future variants, the Board should not prematurely include Rate Counsel’s requested conditions and deny itself the exercise of its judgement to decide the appropriateness of future deferrals based on the then-existing circumstances with respect to the pandemic.

For these reasons and those set forth in the Company’s letter of support, JCP&L respectfully requests that the Board grant PSE&G’s Motion and: (i) extend the deferral period for the COVID regulatory asset through December 31, 2023; (ii) modify the deadline for the utilities to file for recovery of the deferred incremental costs to be sixty (60) days after the close of the extended regulatory asset period; and (iii) clarify that each utility has the right to seek recovery of its regulatory asset balance prior to the expiration of the extension period, if it so chooses.

Respectfully submitted,



Joshua R. Eckert
Counsel for Jersey Central Power & Light Company

³ Rate Counsel Response at p. 8.

⁴ Rate Counsel Response at p. 13.