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January 30, 2023

VIA ELECTRONIC MAIL

Ms. Carmen Diaz, Acting Secretary
Board of Public Utilities
44 South Clinton Ave., 9th Floor
PO Box 350
Trenton, NJ 08625-0350

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

Dear Secretary Diaz,

On July 2, 2020, the New Jersey Board of Public Utilities (“BPU” or “Board”) issued an Order, requiring that each utility that establishes a COVID-19 regulatory asset account file quarterly reports with the Board of the COVID-19-related costs incurred and offsets together with a verification by an authorized representative.

The information in the attached report reflects those COVID-19-related costs that have been identified and quantified, to date, and does not represent an exhaustive list for any or all deferral periods. As this event is continuing, the Company is working diligently to assess the financial and operational impacts to improve identification and quantification of appropriate impacts for future deferral and reporting.

In accordance with the July 2, 2020 Order, Jersey Central Power & Light Company (“JCP&L” or the “Company”) is filing its eleventh quarterly report of the COVID-19-related costs incurred and offsets for the period ending December 31, 2022, along with a verification.

In a December 21, 2022 Order, the Board required that utilities include the number of Deferred Payment Arrangements created each month, Fresh Start recipients, funds received through existing state and federal programs, new hires related to addressing COVID-19 arrearages, number of field collection visits and the number of disconnections and reconnections by zip code or city, in their quarterly reports. Please note that such information has been provided on a monthly basis, in accordance with Staff direction, as part of the Company’s monthly arrearage data filings starting with the November filing.

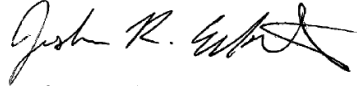
The December 21, 2022 Order further required that utilities include information related to amounts of arrearages recovered through any mechanism,¹ amounts of COVID-related short-term

¹ JCP&L does not have a rate recovery mechanism for the recovery of arrearages; however, the Company does recover its uncollectible account expense through the Rider UNC component of its Societal Benefits Charge. During calendar year 2022, the Company recovered approximately \$7.2M through Rider UNC. The deferred balance in Rider UNC as of December 31, 2022 was \$11.8M, including interest.

borrowing and carrying costs on that debt², amounts saved due to COVID-related changes in their business activities, and revenues from each class of customer during the regulatory asset period. Like the information discussed in the previous paragraph, information regarding the revenues from each class of customer is included in the Company's monthly reports in accordance with Staff direction. The remaining additional requirements are addressed herein and within the instant report.

Please contact me if you have any further questions.

Very truly yours,

A handwritten signature in black ink, appearing to read "Joshua R. Eckert". The signature is fluid and cursive, with a prominent flourish at the end.

Joshua R. Eckert

² JCP&L does not undertake or assign specific financing to fund incremental COVID-related expenses or to replace cash shortfalls due to incremental COVID-related arrearages. JCP&L has not requested carrying costs on any incremental COVID-related expenses except for its incremental COVID-related accounts receivables, which for purposes of calculating interest, JCP&L uses as a proxy for short-term interest rates the 2-year constant maturing Treasury rate plus 60 bps. Such interest rate is consistent with the interest calculations for certain of JCP&L's annually reconcilable riders.

AFFIDAVIT
OF
VERIFICATION

Mark A. Mader, being duly sworn upon his oath, deposes and says:

1. I am Director of Rates and Regulatory Affairs – New Jersey for Jersey Central Power & Light Company (“JCP&L”), and I am duly authorized to make this Affidavit of Verification on its behalf.

2. The foregoing JCP&L Quarterly Report was prepared by me or under my supervision, and I hereby verify that the information contained therein is true and correct to the best of my knowledge, information, and belief.



Mark A. Mader

Sworn to and subscribed before me
this 30 day of January 2023.



Joshua R. Eckert
An Attorney-at-Law licensed to practice in the State of New Jersey
Attorney ID: 250992018

JCP&L COVID-19 Deferral as of December 31, 2022

<u>Line</u>	<u>Incremental COVID-19 Costs</u>	<u>4th Qtr. 2022</u> <u>Cumulative</u>
1	Communications	\$590,504 A
2	COVID-19 Pandemic Employee Recognition	\$3,007,212 B
3	COVID-19 Preparation and Response	\$4,431,851 C
4	Facility Cleaning & Guard Service	\$338,025
5	Forgone Distribution Fee Revenues	\$183,317
6	Forgone Reconnection Fees	\$445,084
7	General Business & Travel	\$1,121,219
8	Incremental A/R Carrying Charge	\$903,953 D
9	Lost Productivity	\$5,416,684 E
10	Medical Services	\$738,539 F
11	Personal Protection Equipment (PPE)	\$1,221,885 G
12	Recruited Contingent Labor/Direct COVID-19 OT Labor	\$1,685,080 H
13	Storm Prep and Response - Tropical Storm Isaias	\$7,540,725 I
14	Vehicle Rentals	\$3,252,621
15	Total Incremental Costs	<u>\$30,876,699</u>
	<u>Incremental COVID-19 Savings & Cost Offsets</u>	
16	Health Benefits	J
17	Office Supplies	(\$9,766) K
18	Reduction in Travel Expenses	(\$20,773) K
19	Travel	(\$794,691) L
20	Total Savings/Cost Offsets	<u>(\$825,230)</u>
21	Total Net COVID-19 Costs/Savings	<u>\$30,051,469 M</u>

INCREMENTAL COVID-19 COSTS

A Communications

Customer education on obtaining bill assistance.

B COVID-19 Pandemic Employee Recognition

One-time discretionary payment for employees, who were required to continue working in the field or FE location, whose jobs did not allow flexibility to work from home or another location.

C COVID-19 Preparation and Response

Costs associated with establishing remote reporting sites in order to ensure proper social distancing. These costs include: office space and storage trailers, port-a-johns, washing stations, water, electrician services and cleaning and sanitizing.

All costs listed in this category were a direct result of COVID-19 and would not have been incurred if not for the pandemic.

D Incremental A/R Carrying Charge

Carrying cost on incremental non-current A/R.

- E Lost Productivity**
Incremental Overtime and Contractor Costs to complete work due to employees absences due to COVID-19 illness. As noted in S-JCP&L-16 discovery response, the Company committed to providing a quantification of COVID-related lost productivity, to date, in the report.
- F Medical Services**
Includes FMLA Deferrals - Family Medical Leave Absence related to COVID.
- G Personal Protection Equipment (PPE)**
Incremental costs of items required for the protection of customers and employees such as gloves, goggles, hazmat bags, face shields/masks, protectors, hoods and liners and sanitation kits.

JCP&L uses Personal Protective Equipment during many activities, additional PPE required to perform activities during the pandemic have been purchased.
- H Direct COVID-19 OT Labor**
The amount included above is for incremental COVID-19 overtime to establish remote work sites.
- I Storm Prep and Response - Tropical Storm Isaias**
Expenses related to: additional lodging for mutual assistance support to support social distancing, incremental vehicles for mutual assistance support travelling to NJ to support social distancing and increased staging site costs to support COVID testing of mutual assistance contractors before returning home.
- Incremental COVID-19 Savings & Cost Offsets**
- J Health Benefits**
Temporary reduction in group health claims due to deferral of elective surgeries and doctor/dentist visits. However, as reopening has occurred the company has observed increases to medical expenses as employees resume routine healthcare and treatments. The company is monitoring medical service expenses to confirm changes are temporary.
- K** As noted in S-JCP&L-20 discovery response, the Company committed to providing a quantification of COVID-related savings in the 2022Q2 report. The amounts quantified represent the reduction in the allocation of corporate expenses for travel and office supplies to JCP&L.
- L Travel**
This relates to JCP&L travel related savings excluding increases in Meter Reading travel expenses which are included in Line 7.
- M** In Quarter 4, other than processing invoices for Quarter 3 expenses (\$197,766), the only costs deferred were associated with interest on COVID related arrearages (\$187,576) and forgone reconnection fees (\$106,225).