

JUL 26 2013

July 24, 2013

TO: Each Municipal Clerk and County  
Executive or Administrator of  
the Municipalities and Counties  
of New Jersey Served by Jersey  
Central Power & Light Company

RE: Annual Universal Service Fund Compliance Filing  
Jersey Central Power & Light Company  
BPU Docket No. ER13060534

Dear Sir/ Madam:

We herewith serve upon you a copy of the Notice of Filing and Public Hearing (Notice) for Jersey Central Power & Light Company's annual Universal Service Fund (USF) compliance filing to establish the appropriate recovery level for the 2013/2014 USF Program year.

**PLEASE TAKE NOTICE** that public hearings have been scheduled on the above compliance filing at the dates, times and locations set forth in the enclosed Public Notice.

Copies of the compliance filing and tariff rate schedules are available for inspection at the offices of the Board of Public Utilities at 44 South Clinton Street, 9<sup>th</sup> Floor, PO Box 350, Trenton, New Jersey and at the Company's offices in Morristown, as noted in the enclosed Public Notice.

We will be pleased to furnish you with any assistance or additional information that you might reasonably require.

Sincerely,



Sally J. Cheong  
Manager – Tariff Activity  
Rates & Regulatory Affairs- NJ

Attachment

# NOTICE TO THE CUSTOMERS OF JERSEY CENTRAL POWER & LIGHT COMPANY

## Notice of a Filing and Notice of Public Hearings

In the Matter of the 2013/2014 Annual Compliance Filing for an Increase in the Statewide Electric and Gas Permanent Universal Service Fund (USF) Program Factors within the Electric and Gas Societal Benefits Charges (SBC) Rates Pursuant to N.J.S.A. 48:2-21 and N.J.S.A. 48:21.1

Docket No. ER13060534

**TAKE NOTICE** that, on June 20, 2013, Jersey Central Power & Light Company ("JCP&L") made a compliance filing providing supporting documentation for changes in the Universal Service Fund ("USF") and Lifeline components of the electric Societal Benefits Charges ("SBC"). This requested change in electric USF/Lifeline components is made pursuant to Orders of the New Jersey Board of Public Utilities ("Board" or "BPU") and includes the recovery of funding for the USF Program through uniform statewide rates.

The USF Program was established by the Board in 2003, pursuant to the Electric Discount and Energy Competition Act, N.J.S.A. 48:3-49, et seq, ("EDECA"), to provide funds to assist qualifying low-income individuals in paying their energy bills. The State of New Jersey's Department of Community Affairs ("DCA") is the Administrator of the USF Program and the New Jersey Department of Human Services ("DHS") is the Administrator of the Lifeline programs. DCA and DHS authorize the disbursement of benefits to eligible customers in the respective programs.

Based upon the results and available estimates to date for the 2012/2013 USF program year and the available estimates known to date for the 2013/2014 USF program year, it is anticipated that the statewide USF rates ("USF Rates") should decrease to collect \$177.7 million of USF program costs on a statewide basis, and that the statewide Lifeline rates ("Lifeline Rates") should increase to collect \$87.9 million of Lifeline program costs on a statewide basis, incorporating an allocation for Work First New Jersey. \$152.2 million of the total estimated statewide USF program costs of \$177.7 million would be recovered through electric rates and the remaining portion of \$25.5 million would be recovered through gas rates. Also, it is anticipated that \$61.5 million of the statewide Lifeline program costs of \$87.9 million would be recovered through electric rates and the remaining portion of \$26.4 million would be recovered through gas rates.

The Board in its June 22, 2005 Universal Service Fund Order directed that the filing requirements for rate setting, including notice of filing, notice of public hearings, and tariffs, should be made by July 1, 2006, and each year thereafter. In accordance with that Order, JCP&L made a filing with the Board on June 20, 2013, requesting to change its current USF/Lifeline program charges, as described below, to become effective on October 1, 2013.

The proposed statewide charges for electric customers are as follows:

### Universal Service/Lifeline Fund Components of Societal Benefits Charge

	Present	Present (Includes Sales and Use Tax)	Proposed	Proposed (Includes Sales and Use Tax)
USF-Electric per kWh	\$0.002269	\$0.002428	\$0.002050	\$0.002194
Lifeline-Electric per kWh	\$0.000596	\$0.000638	\$0.000828	\$0.000886

The above requests will not result in any profit to JCP&L. The revenues received under the proposed USF and Lifeline program factors are designed to permit JCP&L to recover its costs associated with these programs only. Actual program costs will be reconciled with the revenues received through the USF and Lifeline program charges in the next scheduled annual USF and Lifeline compliance filing to be made on or before July 1, 2014.

If approved by the Board, the effect of the proposed changes in the electric USF/Lifeline program charges on a typical residential electric bill is illustrated at the top of the next column:

### Impact of the proposed USF and Lifeline charges on typical residential electric bills:

Monthly kWh Usage	Annual kWh Usage	Present Annual Bill (1)	Proposed Annual Bill (2)	Proposed Annual Increase	Proposed % Increase
500	6,000	\$852.28	\$852.36	\$0.08	0.01%
1,000	12,000	\$1,770.04	\$1,770.16	\$0.12	0.01%
1,500	18,000	\$2,710.64	\$2,710.88	\$0.24	0.01%

- (1) Based on Residential Full Service (RS) rates in effect June 1, 2013.  
(2) Based on Residential Full Service (RS) rates in effect June 1, 2013 with proposed changes.

As set forth in the above chart, based on JCP&L's June 20, 2013 filing, a typical residential electric customer using 500 kilowatt hours per month, and 6,000 kilowatt hours on an annual basis, would see an increase in the annual bill from \$852.28 to \$852.36, or \$0.08 or approximately 0.01%.

In addition, in Orders issued June 21, 2010 and October 20, 2010, the Board, among other things, authorized recovery by the utilities of USF-related administrative costs as of July 31, 2009 and its administrative costs since July 31, 2009 through the USF Rates and Lifeline Rates requested in the July 1, 2010 compliance filings. The Board also authorized the utilities, including JCP&L, to provide, in subsequent annual USF compliance filings, details regarding the utilities' USF-related administrative costs for the prior year for inclusion in the USF Rates and Lifeline Rates. Accordingly, JCP&L has provided detailed information regarding its USF-related administrative costs for the period July 1, 2012 through April 30, 2013 (to be updated through June 30, 2013) and has requested the full recovery of these annual administrative costs in rates effective October 1, 2013.

Actual results regarding USF expenditures and recoveries could be significantly affected by program changes, participation rates, and/or sales volumes.

The Board has the statutory authority to establish the USF Rates and Lifeline Rates at levels it finds just and reasonable. Therefore, the Board may establish the USF Rates and Lifeline Rates at levels other than those proposed by JCP&L's June 20, 2013 filing. As a result, the above described charges may increase or decrease based upon the Board's decision.

Copies of JCP&L's June 20, 2013 filing are available for review at JCP&L's offices at 300 Madison Avenue, Morristown, New Jersey and at the Board's offices at 44 South Clinton Avenue, 9th Floor, Trenton, New Jersey 08625-0350.

The following dates, times and locations for public hearings have been scheduled on the above filing so that members of the public may present their views.

**August 19, 2013**  
4:30 P.M. and 5:30 P.M.  
Freehold Township  
Municipal Building  
Room 114  
One Municipal Plaza  
Freehold, New Jersey 07728

**August 21, 2013**  
4:30 P.M. and 5:30 P.M.  
Morris County  
Administration & Records Building  
Public Meeting Room  
5th Floor, 10 Court Street  
Morristown, New Jersey 07963

In order to encourage full participation in this opportunity for public comment, please submit any requests for needed accommodations, including interpreters, listening devices or mobility assistance, 48 hours prior to the above hearings. Customers may file written comments with the Secretary of the New Jersey Board of Public Utilities at 44 South Clinton Avenue, 9th Floor, Post Office Box 350, Trenton, New Jersey 08625-0350, ATTN: Kristi Izzo whether or not they attend the public hearings or they may send comments by e-mail to the BPU at [usf.rates@bpu.state.nj.us](mailto:usf.rates@bpu.state.nj.us).