

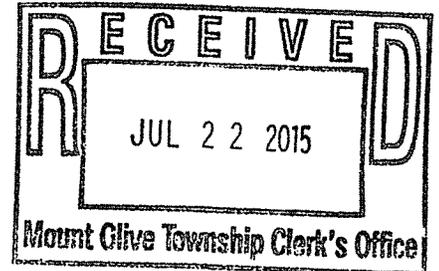
(C)

7/22/15  
SJT cc:Admin

300 Madison Avenue  
P.O. Box 1911  
Morristown, NJ 07962-1911

July 20, 2015

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. ER15060732

Dear Sir/Madam:

We herewith serve upon you a copy of the Notice of a Filing and Notice of Public Hearings (Notice) for Jersey Central Power & Light Company's annual Universal Service Fund (USF) compliance filing to establish the appropriate recovery level for the 2015/2016 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 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 Avenue, 9<sup>th</sup> Floor, Trenton, New Jersey and at the Company's offices in Morristown, as noted in the enclosed Notice.

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

Sincerely,

A handwritten signature in black ink, appearing to be "Sally J. Cheong".

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

Enclosure

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

**Notice of a Filing  
and  
Notice of Public Hearings**

**In the Matter of the 2015/2016 Annual Compliance Filing  
For a Change in the Statewide Electric and Gas  
Permanent Universal Service Fund Program Factors  
within the Electric and Gas Societal Benefits Charge Rates  
Pursuant to *N.J.S.A. 48:2-21* and *N.J.S.A. 48:2-21.1***

**Docket No. ER15060732**

**TAKE NOTICE** that, on June 19, 2015, 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 known to date for the 2014/2015 USF program year and the available estimates known to date for the 2015/2016 USF Program year, it is anticipated that the statewide USF rates (“USF Rates”) should increase to collect \$176.0 million of USF program costs on a statewide basis, and that the statewide Lifeline rates (“Lifeline Rates”) should decrease to collect \$74.2 million of Lifeline program costs on a statewide basis. \$154.1 million of the total estimated statewide USF program costs of \$176.0 million would be recovered through electric rates and the remaining portion of \$21.9 million would be recovered through gas rates. Also, it is anticipated that \$49.7 million of the statewide Lifeline program costs of \$74.2 million would be recovered through electric rates and the remaining portion of \$24.5 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 19, 2015, requesting to change its current USF/Lifeline program charges, as described below, to become effective on October 1, 2015.

The proposed statewide charges for electric customers are as follows:

<b>Universal Service/Lifeline Fund Components of Societal Benefits Charge</b>				
	<b>Present</b>	<b>Present (Incl. Sales and Use Tax)</b>	<b>Proposed</b>	<b>Proposed (Incl. Sales and Use Tax)</b>
USF-Electric per kWh	\$0.001863	\$0.001993	\$0.002098	\$0.002245
Lifeline-Electric per kWh	\$0.000690	\$0.000738	\$0.000677	\$0.000724

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, 2016.

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 below:

<b>Impact of the proposed USF and Lifeline charges on typical residential electric bills:</b>					
Monthly kWh Usage	Annual kWh Usage	Present Annual Bill (1)	Proposed Annual Bill (2)	Proposed Annual Increase	Proposed % Increase
500	6,000	\$ 833.35	\$ 834.78	\$ 1.43	0.2%
1,000	12,000	\$ 1,725.21	\$ 1,728.07	\$ 2.86	0.2%
1,500	18,000	\$ 2,637.46	\$ 2,641.74	\$ 4.28	0.2%

(1) Based on Residential Full Service (RS) rates in effect June 1, 2015

(2) Based on Residential Full Service (RS) rates in effect June 1, 2015 with proposed changes.

As set forth in the above chart, based on JCP&L's June 19, 2015 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 \$833.35 to \$834.78 or \$1.43 or approximately 0.2%.

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, 2014 through March 31, 2015 and has requested the full recovery of these annual administrative costs in rates effective October 1, 2015.

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 19, 2015 filing. As a result, the above described charges may increase or decrease based upon the Board's decision.

Copies of JCP&L's June 19, 2015 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 17, 2015  
4:00 P.M. and 5:00 P.M.  
Morris County Administration & Records Building  
Public Meeting Room  
5th Floor, 10 Court Street  
Morristown, New Jersey 07963

August 19, 2015  
4:00 P.M. and 5:00 P.M.  
Freehold Township Municipal Building  
Room 114  
One Municipal Plaza  
Freehold, New Jersey 07728

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: Irene Kim Asbury whether or not they attend the public hearings or they may send comments by e-mail to the BPU at [Board.Secretary@bpu.state.nj.us](mailto:Board.Secretary@bpu.state.nj.us).