

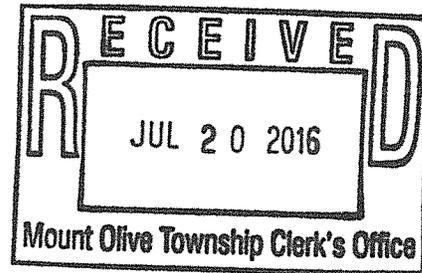
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7/20/16 Sec: Adm.

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

July 18, 2016

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. ER16060536

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 2016/2017 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, 3rd Floor, Suite 314, 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 read "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 2016/2017 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. ER16060536

TAKE NOTICE that, on June 23, 2016, 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 2015/2016 USF program year and the available estimates known to date for the 2016/2017 USF Program year, it is anticipated that the statewide USF rates ("USF Rates") should decrease to collect \$167.1 million of USF program costs on a statewide basis, and that the statewide Lifeline rates ("Lifeline Rates") should increase to collect \$74.6 million of Lifeline program costs on a statewide basis. \$133.5 million of the total estimated statewide USF program costs of \$167.1 million would be recovered through electric rates and the remaining portion of \$33.6 million would be recovered through gas rates. Also, it is anticipated that \$52.2 million of the statewide Lifeline program costs of \$74.6 million would be recovered through electric rates and the remaining portion of \$22.4 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 23, 2016, requesting to change its current USF/Lifeline program charges, as described below, to become effective on October 1, 2016.

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 | \$0.002086 | \$0.002232 | \$0.001858 | \$0.001988 |
| Lifeline-Electric per kWh | \$0.000677 | \$0.000724 | \$0.000727 | \$0.000778 |

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, 2017.

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 in 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 Decrease | Proposed % Decrease |
|-------------------|------------------|-------------------------|--------------------------|--------------------------|---------------------|
| 500 | 6,000 | \$828.48 | \$827.34 | \$1.14 | 0.1% |
| 1,000 | 12,000 | \$1,715.45 | \$1,713.17 | \$2.28 | 0.1% |
| 1,500 | 18,000 | \$2,622.82 | \$2,619.40 | \$3.42 | 0.1% |

- (1) Based on Residential Full Service (RS) rates in effect June 1, 2016
(2) Based on Residential Full Service (RS) rates in effect June 1, 2016 with proposed changes.

As set forth in the above chart, based on JCP&L's June 23, 2016 filing, a typical residential electric customer using 500 kilowatt hours per month, and 6,000 kilowatt hours on an annual basis, would see a decrease in the annual bill from \$828.48 to \$827.34 or \$1.14 or approximately 0.1%.

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 23, 2016 filing. As a result, the above described charges may increase or decrease based upon the Board's decision.

Copies of JCP&L's June 23, 2016 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, 3rd Floor, Suite 314, Trenton, New Jersey 08625-0350. A copy of the JCP&L Petition can also be found on the Company's website at: https://www.firstenergycorp.com/jersey_central_power_light/regulatory.html.

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 16, 2016
4:00 P.M. and 5:00 P.M.
Rockaway Township Municipal Building Conference Room
65 Mt. Hope Road
Rockaway Township,
New Jersey 07866-1698

August 17, 2016
4:00 P.M. and 5:00 P.M.
Freehold Township Municipal Building Conference Room
One Municipal Plaza,
Schanck Road
Freehold, New Jersey 07728-3099

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, 3rd Floor, Suite 314, 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.nj.gov.