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**PRESENTED BY AMI MORITA
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In The Matter Of The Verified Petition Of Jersey Central Power & Light Company for Review and Approval Of Increases in and Other Adjustments to Its Rates and Charges for Electric Service, and For Approval of Other Proposed Tariff Revisions in Connection Therewith; and for Approval of and Accelerated Reliability Enhancement Program ("2012 Base Rate Filing)

**BPU DOCKET NO. ER12111052
OAL DOCKET NO. PUCRL 16310-2012N**

PUBLIC HEARING

**Ocean County Administration Building
Room 119
101 Hooper Avenue
Toms River, New Jersey**

**April 8 2013 – 1:30 PM
April 8 2013 – 6:30 PM**

Good afternoon. My name is Ami Morita and I am a Deputy Rate Counsel here on behalf of the New Jersey Division of Rate Counsel. Our office was created by the New Jersey Legislature to represent ratepayers in cases involving public utility service.

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Jersey Central Power and Light Company¹ filed a Petition² with the New Jersey Board of Public Utilities³ on November 30, 2012 requesting an increase in the Company's electric base rates of \$31.7 million. Also with this filing, the Company requested Board approval for its implementation of an accelerated reliability enhancement program ("AREP") and the associated cost recovery mechanism. JCP&L is proposing to recover the costs associated with the AREP through a non-bypassable distribution rate rider. The specific projects to be included for recovery through the AREP cost recovery mechanism have not yet been determined.

On February 22, 2013, the Company updated its filing to include costs associated with Hurricane Sandy and the November 2012 Nor'easter. In this updated filing, the Company is seeking recovery for an additional \$345 million in distribution related capital expenditures and \$258 million in deferred distribution-related expenses. JCP&L is proposing to amortize these deferred expenses over a six year period. Including the update for the Hurricane Sandy and November 2012 Nor'easter, JCP&L is now seeking a base rate increase of \$112.3 million on an annual basis.

The proposed rate increase, according to the Company, is required to operate and maintain its electric distribution systems in a safe, adequate, proper and reliable manner as

¹ "JCP&L" or "the Company".

² *In The Matter Of The Verified Petition Of Jersey Central Power & Light Company for Review and Approval of Increases in and Adjustments to Its Rates and Charges for Electric Service, and for Approval of Other Proposed Tariff Revisions in Connection Therewith, and for Approval of an Accelerated Reliability Enhancement Program ("2012 Base Rate Filing")* BPU Docket No. ER12111052.

³ "Board" or "BPU".

required by law. The Company's electric base rates were last increased on or about June 1, 2005.⁴

Based on the Company's updated filing, a typical residential electric customer using 1000 kilowatthours per month would see their monthly charge increase from \$152.80 to \$159.86. On an annual basis, residential rates, based on the updated filing, would rise approximately 4.8%.

Any rate adjustments with resulting changes in bill impacts found by the Board to be just and reasonable as the result of the Company's filing may be modified and/or allocated by the Board in accordance with the provisions of N.J.S.A 48:2-21 and for other good and legally sufficient reasons to any class or classes of customers of the Company. Therefore, the described charges may increase or decrease based upon the Board's decision.

Present electric rates will remain in effect until new rates are approved by the Board. Copies of the Company's Petition and supporting documents filed with the Board showing proposed increases in electric rate schedules for all classes of customers are available for review at JCP&L's regional headquarters at 300 Madison Avenue, Morristown, New Jersey and 331 Newman Springs Road, Suite 325, Red Bank New Jersey, at each of the Company's local business offices and at the office of the Board of Public Utilities, 44 South Clinton Ave, Trenton, New Jersey.

Our office is conducting a complete review of the Company's Petition, based on the information supplied and updated by the Company. We have retained the services of expert consultants to assist us in our review. Rate Counsel's inquiry is focused on the critical issues

⁴ *In The Matter Of The Verified Petition Of Jersey Central Power & Light Company for Review and Approval of an Increase in and Adjustments to Its Unbundled Rates and Charges for Electric Service, and for Approval of Other Proposed Tariff Revisions in Connection Therewith, et al., BPU Docket No. ER02080507 et al., Order dated May 31, 2005.*

of whether the amount of the proposed increase is necessary, insuring that ratepayers pay the lowest reasonable rates while receiving safe, reliable and proper service. The BPU will make the final decision regarding the filing.

The purpose of this hearing is for you, the customer, to voice your opinion and offer comments about these matters. It is important that you express your views so they may become part of the record on which the Board makes its decision. Rate Counsel also needs to hear your views. Your active participation is strongly encouraged to help in our evaluation of the Company's proposals.

This hearing is being transcribed and your comments will become part of the record. I would like to reiterate the importance of your participation so that Rate Counsel can have a clear record of your concerns and interests.

On behalf of Rate Counsel, please know that we will work diligently to represent your interests throughout this proceeding. Thank you for attending today's hearing.