

July 29, 2009

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. EX00020091

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 2009/2010 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 Two Gateway Center, in Newark, 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
Tariff Activity Lead
Rates & Regulatory Affairs - NJ

Enclosure

u:/rates/public hearings/2009/08-31 & 09-01

NOTICE TO THE CUSTOMERS OF JERSEY CENTRAL POWER & LIGHT COMPANY

Notice of a Filing and Notice of Public Hearings

In the Matter of the 2009/2010 Annual Compliance Filing for an Increase in the Statewide Electric and Gas Permanent Universal Service Fund Program Factors within the Electric and Gas Societal Benefits Charges Rates Pursuant to N.J.S.A. 48:2-21 and N.J.S.A. 48:21.1

Docket No. EX00020091

TAKE NOTICE that, on July 1, 2009, 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 Charge (SBC). This requested change in the 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 Health and Senior Services ("DHS") is the Administrator of the Lifeline Program. 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 2008/2009 USF Program year and the available estimates known to date for the 2009/2010 USF Program year, it is anticipated that the USF rate should be set to collect \$182.3 million on a statewide basis, and that the Lifeline rate should be set to collect \$76.8 million on a statewide basis. \$126.4 million of the total estimated statewide USF cost of \$182.3 million would be recovered through electric rates and the remaining portion of \$55.9 million would be recovered through gas rates. Also, it is anticipated that \$51.5 million of the statewide Lifeline Program cost of \$76.8 million would be recovered through electric rates and the remaining portion of \$25.3 million would be recovered through gas rates.

The Board in its June 22, 2005 USF 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 July 1, 2009, requesting to change its current USF/Lifeline Program charges, as described below, to become effective on October 1, 2009.

The proposed statewide charges for electric customers are as follows:

	Universal Service/Lifeline Fund Components of Societal Benefits Charge			
	Present	Proposed	Present	Proposed
	(Incl. Sales and Use Tax)		(Incl. Sales and Use Tax)	
USF-Electric per kWh	\$0.001897	\$0.002030	\$0.001636	\$0.001751
Lifeline-Electric per kWh	\$0.000636	\$0.000681	\$0.000666	\$0.000713

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 filing to be made on or before July 1, 2010.

If approved by the Board, the effect of the proposed changes in the electric USF/Lifeline Program charges on a typical JCP&L residential electric bill is illustrated below:

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
300	3,600	\$657.00	\$656.04	\$-0.96	-0.15%
600	7,200	\$1,287.60	\$1,285.80	\$-1.80	-0.14%
900	10,800	\$1,987.00	\$1,984.32	\$-2.68	-0.13%
1,200	14,400	\$2,686.44	\$2,682.96	\$-3.48	-0.13%

- (1) Based on Residential Full Service (RS) rates in effect June 1, 2009.
- (2) Based on Residential Full Service (RS) rates in effect June 1, 2009 with proposed changes.

As set forth in the preceding chart, based on JCP&L's July 1, 2009 filing, a typical residential electric customer using 600 kilowatt hours per month, and 7,200 kilowatt hours on an annual basis, would see a decrease in the annual bill from \$1,287.60 to \$1,285.80, or -\$1.80 or approximately -0.14%.

In addition, pursuant to the Board's Order dated October 21, 2008, the utilities have also included details for their accumulated USF-related administrative costs in their 2009/2010 compliance filings and have requested the full recovery of these accumulated administrative costs in rates effective October 1, 2009.¹

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 and Lifeline rates at levels it finds just and reasonable. Therefore, the rates proposed in JCP&L's filing may be modified and/or allocated by the Board in accordance with the provisions of N.J.S.A. 48:3-4 and for other good and legally sufficient reasons. As a result, the above described charges may increase or decrease based upon the Board's decision.

Copies of JCP&L's July 1, 2009 filing are available for review at JCP&L's offices at 300 Madison Avenue, Morristown, New Jersey and at the Board of Public Utilities at Two Gateway Center, Newark, New Jersey 07102.

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 31, 2009
3:30 P.M. and 5:30 P.M.
Morris County Administration
& Records Building
Public Meeting Room, 5th Floor
2123 Court Street
Morristown, New Jersey 07963

September 1, 2009
3:30 P.M. and 5:30 P.M.
Freehold Borough Municipal Building
Council Room, 2nd Floor
51 W. Main Street
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 Two Gateway Center, Newark, New Jersey 07102 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.

¹As indicated in the Company's filing, these administrative costs, which have been incurred as of April, 2009, are not included in the requested USF rate as described above.