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**IN THE MATTER OF THE PROVISION OF  
BASIC GENERATION SERVICE FOR THE  
PERIOD BEGINNING JUNE 1, 2009**

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**Docket No. ER08050310**

**JERSEY CENTRAL POWER & LIGHT COMPANY**

**PROPOSAL FOR  
BASIC GENERATION SERVICE  
BEYOND MAY 31, 2009**

**COMPANY SPECIFIC ADDENDUM**

**July 1, 2008**

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## **I. RETAIL MARGIN**

By Order dated December 18, 2002 (Docket No. EO02070384), the Board of Public Utilities (“Board” or “BPU”) approved the implementation of a retail margin of \$.005 to be paid by all BGS customers with a peak load of 750 kW and above beginning June 1, 2003. In its Order dated December 8, 2005 (Docket No. EO05040317), the Board proposed to address this issue in the instant proceeding. JCP&L has recommended previously that the Board evaluate the efficacy of the retail margin, whether it should be continued at its current level, and the manner in which the appropriate level should be established. JCP&L continues to believe that such an evaluation is both necessary and appropriate.

Regardless of the level at which the retail margin ultimately is set, however, JCP&L recommends that the retail margin revenues collected by the EDCs from BGS customers be given back to customers. In the case of JCP&L, crediting those revenues to customers would be achieved by either applying them to a reduction of JCP&L’s Non-Utility Generation Charge (“NGC”) Deferred Balance or funding consumer education to encourage customer participation in demand response initiatives, as recommended by the April 2008 Draft New Jersey Energy Master Plan (the “Draft EMP”).

## **II. USE OF COMMITTED SUPPLY AND CONTINGENCY PLANS**

### **A. Committed Supply**

“Committed Supply,” means power supplies to which JCP&L has an existing physical or financial entitlement. This will include specifically NUG contracts, including any restructured replacement power contracts, customer generation under the operational control of JCP&L and

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generation assets still owned by JCP&L, namely Yards Creek. JCP&L will retain the right to negotiate changes in all NUG contracts and to make changes with respect to the operational control over Yards Creek and dispatchable NUGs.

As previously directed by the Board in its Order dated December 11, 2001 (Docket No. EX01050303), except where retained to meet requirements of the Contingency Plan, JCP&L will continue to sell all of the energy, capacity and ancillary services associated with its Committed Supply into the PJM Spot Market unless and until the Board determines that a different sales protocol is appropriate. All net revenues from these sales will be credited to the NGC, provided that, in the case of JCP&L-owned generation assets, the all-in costs of those assets will continue to be recovered through BGS charges or JCP&L's NGC Deferred Balance.

In the event that JCP&L is required to invoke its Contingency Plan, Committed Supply may be used to offset requirements associated with the Contingency Plan.

Consistent with the Board's Orders dated January 29, 2004 (Docket No. EO03050394) and April 20, 2005 (Docket No. EX04080879), and to the extent otherwise permitted by applicable regulatory and contractual provisions, JCP&L will provide all renewable attributes on a pro-rata basis to BGS-FP Suppliers, or allow such Suppliers to take credit for such attributes, to comply with the Renewable Energy Portfolio Standards ("RPS"), provided that no BGS-FP Supplier will be allocated a share of JCP&L's renewable attributes that is greater than that Supplier's RPS obligation as a BGS Supplier for the subject period. The renewable energy purchased by JCP&L as part of its Committed Supply will be reported to the Board in its compliance reports and, subject to the foregoing limitations, will be applied towards the minimum renewable energy percentages required for BGS-FP Supply. JCP&L will use its best efforts to obtain and provide

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to the BPU all documentation necessary to verify the renewable attributes of Committed Supply, as required in N.J.A.C. 14:4-8.11(d). BGS-FP Suppliers will only be responsible for obtaining and providing related verification information to JCP&L for the minimum Class I and Class II percentages required in the RPS associated with the tranches they serve, net of renewable attributes of the Committed Supply energy proportionately applied, subject to the foregoing limitations, to each BGS-FP Supplier's tranches using the BGS-FP Supplier Responsibility Share.

Just as they are currently, JCP&L's actual NUG contract costs will continue to be recovered through BGS charges or the NGC, with full and timely cost recovery assured, in accordance with JCP&L's Final Restructuring Order.

#### B. Contingency Plans

While not every contingency can be anticipated, JCP&L has identified three possible occurrences for which a Contingency Plan has been developed:

- (a) JCP&L receives an insufficient number of bids to provide for a fully subscribed Auction Volume, either for the BGS-FP auction or the BGS-CIEP auction;
- (b) A default by one of the winning bidders prior to June 1, 2009;
- (c) A default during the June 1, 2009 – May 31, 2012 supply period.

**(a) Insufficient Number of Bids in Auction**

In order for the Auction Process to achieve the best price for customers, the degree of competition in the auction must be sufficient. To ensure a sufficient degree of competition, the target volume of BGS-FP and BGS-CIEP Load purchased at each auction will be decided after the round 1 bids are received. Provided that there are sufficient bids at the starting prices, the auctions will be held for 100% of BGS-CIEP Load with yearly rolling procurements for the BGS-FP Load, where one-third of the required supply is contracted for the next three years.

It is possible that the number of initial bids will not result in a competitive auction for 100% of the BGS-CIEP Load and one-third of the yearly BGS-FP Supply. This determination will be made by the Auction Manager in consultation with the State's electric distribution companies and the Board Advisor.

In the event that the auction volume is reduced to less than 100% of BGS-FP or BGS-CIEP Load, JCP&L will implement a Contingency Plan for the remaining tranches. Under that plan, JCP&L, at its option, will purchase necessary services for the remaining tranches through PJM-administered markets, and may retain Committed Supply to serve these tranches. JCP&L's procurements will be made at prevailing Day-ahead JCP&L zonal spot market prices, and, unless instructed otherwise by the BPU, JCP&L will not enter into hedging transactions to attempt to mitigate the associated price or volume risks to serve these tranches.

This Contingency Plan will alert bidders that in order to secure BGS-FP or BGS-CIEP prices from New Jersey BGS customers for the bidders' supply, it will be necessary to bid in the

auctions. Failure to bid will mean that the BGS market faced by suppliers will be a spot market with volatility and related risks.

Since the Contingency Plan calls for the purchase of BGS supply in PJM-administered markets, it is considered a strong feature of the auction proposal because it provides bidders a strong incentive to participate in the Auction Process. If bidders were to believe that a less than fully subscribed auction would lead to a negotiation or a secondary market in which JCP&L, on behalf of its customers, would seek to acquire fixed-priced supplies, then the incentive to participate in the auction and the incentive for bidders to present their best offer in the auction would be diminished.

**(b) Defaults prior to June 1, 2009**

If a winning bidder defaults prior to the beginning of the BGS service, then, at JCP&L's option, the open tranches may be offered to the other winning bidders or these tranches may be bid out as quickly as possible, or procured in PJM-administered markets, and Committed Supply may be retained to serve these tranches. JCP&L's procurements in PJM-administered markets will be made at prevailing Day-ahead JCP&L zonal spot market prices, and, unless instructed otherwise by the BPU, JCP&L will not enter into hedging transactions to attempt to mitigate the associated price or volume risks to serve these tranches. Additional costs incurred by JCP&L in implementing this Contingency Plan will be assessed against the defaulting supplier's credit security, to the extent available.

**(c) Defaults during the Supply Period**

If a default occurs during the June 1, 2009 through May 31, 2012 period, at JCP&L's option, the available tranches may be offered to other winning bidders, bid out or procured in PJM-administered markets, and Committed Supply may be retained to serve these tranches. JCP&L's procurements in PJM-administered markets will be made at prevailing Day-ahead JCP&L zonal spot market prices, and, unless instructed otherwise by the BPU, JCP&L will not enter into hedging transactions to attempt to mitigate the associated price or volume risks to serve these tranches. Additional costs incurred by JCP&L in implementing this Contingency Plan will be assessed against the defaulting supplier's credit security, to the extent available.

**III. APPLIANCE CYCLING AND DEMAND RESPONSE PROGRAMS**

JCP&L will credit an amount equal to the appropriate share of the Interruptible Load for Reliability Credit received from PJM ("ILR Credit") for JCP&L's Appliance Cycling Program, on a pro-rata basis, to JCP&L (for the 10 MW of load it serves) and to the winning BGS-FP suppliers that are parties to one or both of the 2007 and 2008 BGS-FP Supplier Master Agreements with respect to any such program in place at the time such agreements were executed in order to ensure that the reliability benefits of these programs are retained by JCP&L's BGS customers. With respect to the 2009 BGS-FP Supplier Master Agreement and with respect to any Appliance Cycling Programs initiated after the execution of the 2008 Supplier Master Agreement, an amount equal to the appropriate share of the ILR Credit received by JCP&L for the Appliance Cycling Program will be credited to the System Control Charge ("SCC"), and will not be provided to JCP&L or the 2009 BGS-FP Suppliers. JCP&L has pending before the Board, and expects to propose in the future, additional demand response

initiatives that may become eligible for ILR Credit. Any such ILR Credit received by JCP&L will be credited to the rider designated by the Board for JCP&L's recovery of the associated costs in the orders authorizing such new demand response programs. Per the Board's directive in Docket No. EO03050394, the costs associated with the Company's Appliance Cycling Program are being funded through the SCC for the June 1, 2008 through May 31, 2009 period. The Company proposes to continue to fund the program costs through the SCC and will continue to work with Board Staff to set appropriate policy.

Pursuant to action taken by the Board at its June 13, 2008 Agenda Meeting, JCP&L is required to provide new demand response in 2009 and thereafter. The "inverted tariff" discussed in Section V.B(4) below, as well as any additional demand response initiatives referenced in Section V.B(4) and the demand response programs referenced above, shall be counted towards the obligation to provide new demand response.

#### **IV. ACCOUNTING AND COST RECOVERY**

The accounting and cost recovery that JCP&L proposes for its BGS is summarized in this section. These provisions are intended to be applicable to JCP&L only. Each EDC will provide individual BGS cost recovery proposals.

##### **A. BGS-FP and BGS-CIEP Reconciliation Charges (BGS-FPRC, BGS-CIEPRC)**

JCP&L's BGS accounting will account for BGS-FP revenues and BGS-CIEP revenues individually as follows:

1. BGS-FP and BGS-CIEP revenues will be tracked using established accounting procedures and recorded separately as BGS-FP revenue and BGS-CIEP revenue.
2. As previously established for JCP&L, uncollectible revenues are recovered through a component of JCP&L's Societal Benefits Charge.
3. BGS-CIEP Retail Margin revenues and BGS-FP Retail Margin revenues will be tracked using established accounting procedures and recorded separately and will be subject to deferred accounting. These revenues will be recorded separately as BGS-CIEP Retail Margin revenue and BGS-FP Retail Margin revenue and will not be included in the calculation of the BGS-CIEP or BGS-FP Reconciliation Charge.
4. Revenues related to the Board-approved pass-through of Transmission Charge increases (e.g., RMR) will be tracked separately and recorded using established accounting procedures.

JCP&L's BGS accounting will account for BGS-FP and BGS-CIEP costs individually as the sum of the following:

1. Payments made to winning BGS bidders for the provision of BGS-FP or BGS-CIEP service.
2. Any administrative costs associated with the provision of BGS-FP and BGS-CIEP service.
3. The cost of any procurement of necessary services, including capacity, energy, ancillary services, transmission and other expenses related to the Contingency Plan, less payments, if any, recovered from defaulting bidders or from defaulting bidders' credit security.
4. Costs related to the Board-approved pass-through of Transmission Charge increases (e.g., RMR) will be tracked separately and recorded using established accounting procedures.

BGS-FP and BGS-CIEP rates will be subject to deferred accounting since there will be differences between the BGS revenue and costs (as defined above). Adjustment-type charges are necessary in order to balance out the difference between (1)(x) the amount paid to the BGS-FP

and BGS-CIEP suppliers for BGS-FP and BGS-CIEP supply, (y) the total administrative costs, net of amounts received from BGS-FP and BGS-CIEP suppliers, and (z) the total Contingency Plan costs, net of recoveries from defaulting bidders, and (2) the total revenue received from customers for BGS-FP (adjusted for BGS-FP rate design changes more fully described in Section V.B(4)) and BGS-CIEP services, respectively.

A BGS deferral/credit will be determined individually for the BGS-FP and BGS-CIEP rates as the difference between recorded BGS-FP or BGS-CIEP revenue and the total BGS-FP or BGS-CIEP costs. The individual BGS deferrals will be accounted for in the following manner:

1. If individual BGS costs, as defined above, are higher than individual BGS recorded revenue, then the difference will be charged on a monthly basis to a reconciliation account to be reconciled and recovered from customers, with interest, on a quarterly basis through the BGS-FPRC and/or the BGS-CIEPRC;
2. If individual BGS costs, as defined above, are lower than individual BGS recorded revenue, then the difference will be credited on a monthly basis to a reconciliation account to be reconciled and returned to customers, with interest, on a quarterly basis through the BGS-FPRC and/or BGS-CIEPRC.

Reconciliation Charge rates will be calculated separately each quarter, with interest, for BGS-FP and BGS-CIEP, on a cents/kWh basis, and the respective rates applied to all BGS-FP and BGS-CIEP kWh billed. Interest will be calculated monthly at the interest rate equal to the average monthly rate actually incurred on the Company's short term debt (debt maturing in less than one year), or the rate on equivalent temporary cash investments if the Company has no short-term debt outstanding. These charges may be combined with the fixed, seasonally-differentiated BGS-FP rates and BGS-CIEP hourly charges for billing, although they will be published in

separate BGS-FPRC and BGS-CIEPRC tariff sheets that will be revised quarterly to reflect adjustments made based on actual costs.

Consistent with the Board-approved mechanisms for all prior BGS Post Transition Years and the related quarterly reconciliations, JCP&L will file formula-based BGS-FPRC and BGS-CIEPRC rates with the Board at least 30 days in advance of the effective dates. The filed rates will become final and effective 30 days after filing, absent a determination of manifest error by the Board. The quarterly reconciliation effective dates will be March 1, June 1, September 1 and December 1 of each year. For billing reasons, the June 1 effective date for reconciliation is aligned with the beginning of the BGS annual supply period (*i.e.*, June 1, 2009). The subsequent formula-based reconciliation will continue every three-months thereafter.

In connection with this filing, JCP&L is requesting the Board to make the following determinations with respect to BGS accounting and cost recovery:

1. that JCP&L's proposed accounting for BGS is approved by the Board for purposes of accounting and BGS cost recovery; and
2. that the proposed BGS Contingency Plan is approved by the Board and there will exist a presumption of reasonableness and prudence with respect to (i) the BGS Auction Plan method, (ii) the costs incurred for BGS supply under the Auction Plan, and (iii) the related Contingency Plan.

B. Accounting for the NGC Deferred Balance

The NGC Deferred Balance will be credited with net revenues from the sale of Committed Supply energy, capacity and ancillary services in the wholesale market.

The NGC Deferred Balance will be charged with all costs associated with Committed Supply, including NUGs and Yards Creek.

C. Accounting for the System Control Charge

The SCC will be subject to deferred accounting. The difference between SCC revenues and the costs of the Appliance Cycling Program will be deferred with interest in a separate account. Interest will be calculated monthly at the rate in effect for other BGS and SBC deferrals, which is the average monthly rate actually incurred on the Company's short term debt (debt maturing in less than one year), or the rate on equivalent temporary cash investments if the Company has no short term debt outstanding.

The SCC rate will be adjusted annually to account for any over/under-recovery of SCC. JCP&L will file formula-based SCC rates with the Board at least 30 days in advance of the requested annual June 1 effective date. The filed rates will become final and effective 30 days after filing, absent a determination of manifest error by the Board.

In connection with this filing, JCP&L is requesting that the Board make a determination that JCP&L's proposed accounting for SCC is approved by the Board for purposes of accounting and SCC cost recovery.

**V. DESCRIPTION OF BGS TARIFF SHEETS AND OTHER TARIFF CHANGES**

A. General

As described in the generic section of the EDCs' 2009 BGS Proposal, two different methods will be utilized for the pricing of BGS default supply service to customers – fixed energy pricing and

variable hourly energy pricing. For JCP&L, the fixed energy pricing will be termed “Basic Generation Service – Fixed Pricing”, or BGS-FP, and the hourly energy pricing service will be termed “Basic Generation Service – Commercial Industrial Energy Pricing”, or BGS-CIEP.

The BGS-FP default service is proposed to be available to residential and small and medium sized business customers, specifically those served on Service Classifications RS, RT, RGT, GS, GST, OL, SVL, MVL and ISL, except as noted below. This comprises the vast majority of the number of customers and approximately 86% of the total load on the JCP&L electric system.

The BGS-CIEP default service is proposed to be available to the larger business customers, specifically those served on Service Classifications GP – General Service Primary and GT- General Service Transmission, and as noted below. Approximately 594 customers, excluding GS and GST customers as noted below, would thus be eligible to receive BGS-CIEP default service, which would comprise about 14% of the total load on the JCP&L electric system.

**B. BGS-FP (Rider BGS-FP)**

The tariff sheet for the Basic Generation Service – Fixed Pricing (BGS-FP) default supply service is included in Attachment 1. The BGS-FP default service is proposed to be available to customers served on Service Classification RS, RT, RGT, GS, GST, OL, SVL, MVL and ISL, except for GS and GST customers with peak load shares of 1000 kW or greater as of November 1, 2008, and those GS and GST customers that have opted to take BGS-CIEP default service for the 2009/2010 BGS Supply Period (June 1, 2009 through May 31, 2010) as of January 5, 2009.

On any meter reading date, and with prior requisite notice, a customer taking supply service under BGS-FP may switch to third-party supply service, and a customer taking third-party supply service may switch to BGS-FP supply service. In its Agenda Meeting of November 8, 2007, the BPU decided that any BGS-FP eligible customer with a peak load share of less than 1000 kW but equal to or greater than 500 kW, that receives electric supply from a third-party supplier on or after June 1, 2008, and subsequently returns to BGS-FP supply service, must commit to remain on BGS-FP for a 12-month period. In the joint EDC proposal, the EDCs propose that this restriction be removed. Accordingly, the JCP&L tariff filed herewith reflects this proposed revision.

As indicated on the proposed tariff sheet, the BGS-FP default service is made up of three components: BGS-FP Energy Charges, BGS-FP Transmission Charges, and the BGS-FP Reconciliation Charge.

(1) BGS-FP Energy Charges

The BGS-FP Energy Charges applicable to Service Classifications RS, RT, RGT, GS, GST, OL, SVL, MVL and ISL, except for certain GS and GST customers as noted above, include the costs related to energy, ancillary services and generation capacity and administrative-related costs. This calculation is consistent with the current, approved methodology of recovering all electric supply service costs in the kWh charges for these rate classes.

The specific costs that will be used to calculate the BGS-FP Energy Charges will be calculated as the “winning bid price” for the JCP&L zone times the appropriate Ratio of BGS Unit Costs at customer to All-In Average Cost at transmission nodes, as shown on Table #C7 of the Composite

Cost Allocation of the 2009 BGS Auction Cost and Bid Factor Tables, included in Attachment 2, less the applicable transmission charge. “Winning bid price” is defined as the tranche weighted average of the winning bid prices adjusted for the seasonal payment factors. For the RS rate class, the Summer energy charges are further modified by the blocking differential found in Table #C7 of the Composite Cost Allocation of the 2009 BGS Cost and Bid Factor Tables. In addition, the proposed rate design changes in Table #C8, as discussed in Section V.B(4), will be combined with the aforementioned BGS-FP Energy Charges.

JCP&L will identify all GS and GST customers with loads of 750 kW or greater (but less than 1000 kW) based on the individual customer’s share of the capacity peak load as in effect as of November 1, 2008 assigned to the JCP&L Transmission Zone by the PJM Interconnection, L.L.C., adjusted for billing anomalies. JCP&L will notify these customers by letter that a retail margin of \$0.005 per kWh will be added to the BGS Energy Charges for all kWh usage. As described below, the letter will also inform these customers that they are permitted to switch from the BGS-FP default service to the BGS-CIEP default service by notifying JCP&L in writing, no later than January 5, 2009.

Implementation of the Retail Margin for BGS-FP default service is explained in Section I - Retail Margin, above.

(2) BGS-FP Transmission Charges

BGS-FP Transmission Charges will be based on such applicable rate schedules on file with and approved by the Board as may be in effect from time to time.

In compliance with the BGS-FP Supplier Master Agreement, JCP&L will file with the BPU to change the transmission cost components of the BGS charges to customers as the Federal Energy Regulatory Commission (the “FERC”) approves changes in the Network Integration Transmission Service rates for the JCP&L zone in the PJM Open Access Transmission Tariff (the “PJM OATT”), or the FERC approves other network transmission-related charges in the PJM OATT. JCP&L will review and verify the basis for any BGS transmission charge adjustment, file supporting documentation from the PJM OATT as well as any rate translation spreadsheets used.

(3) BGS-FP Reconciliation Charge

Implementation of the BGS-FP Reconciliation Charge for the BGS-FP default service is explained in Section IV - Accounting and Cost Recovery, above.

(4) BFS-FP Rate Design Changes

The Draft EMP includes a goal of reducing statewide peak demand for electricity by 5,700 MW by 2020. To achieve this goal, the Draft EMP exhorts the BPU to, among other things, “examine an expansion of the ‘inverted tariff’ pricing for residential customers” (Draft EMP at p. 60). Additionally, pursuant to action taken by the Board at its June 13, 2008 Agenda Meeting, JCP&L is obligated to provide new demand response in 2009 and thereafter. In furtherance of this goal and in support of these obligations, JCP&L proposes to expand its existing inverted tariff for residential customers and to introduce new demand response initiatives applicable to certain small commercial and industrial customers as described below.

(a) High Use Residential Customers

JCP&L proposes to impose a Summer Peak Surcharge (the “SPS”) on customers (i) in Service Classification RS (such customers, “RS Customers”) on all usage exceeding 2,500 kWh in any summer month (i.e., June through September) and (ii) in Service Classification RT (such customers, “RT Customers”) on all usage exceeding 1,000 on-peak kWh in any summer month. The SPS will include approximately \$14 million of the expected non-summer capacity costs (i.e., October through May) for Service Classification RS and approximately \$0.6 million of the expected non-summer capacity costs for Service Classification RT from the 2009 BGS auction year (i.e., June 1, 2009 to May 31, 2010). JCP&L expects the SPS to be \$0.084486 per kWh<sup>1</sup> for RS Customers and \$0.168247 per kWh for RT Customers. This rate change will affect the top 5% (about 44,000) of the RS Customers and the top 6% (about 1,000) of the RT Customers. All high-use RS Customers and RT Customers will see an increase in summer rates<sup>2</sup>, but because of the shifting in non-summer capacity costs to derive the SPSs, all RS Customers and all RT Customers will have lower kWh prices in the non-summer months to maintain interclass revenue neutrality. For a revenue neutrality analysis regarding these proposals, see Attachment 3 and for a customer impact analysis regarding these proposals, see Attachment 4.

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<sup>1</sup> All rates referred to in this section (4) excludes Sales and Use Tax.

<sup>2</sup> For example, a high-use RS Customer would see a 15% SPUS-related increase in the total monthly bill (as compared to rates in effect as of June 1, 2008) if usage were at 4,000 kWh and a 27% SPUS-related increase in the total monthly bill (as compared to rates in effect as of June 1, 2008) if usage were at 8,000 kWh. Likewise, a high-use RT Customer would see a 14% SPUS-related increase in the total monthly bill (as compared to rates in effect as of June 1, 2008) if usage were at 4,000 kWh and a 26% SPUS-related increase in the total monthly bill (as compared to rates in effect as of June 1, 2008) if usage were at 8,000 kWh.

(b) All GS Customers

Under the proposed rate design, the per kWh charge for the first 2,500 kWh usage in the summer (June through September) for all 105,000 customers in Service Classification GS that are BGS-FP eligible (such customers, “GS Customers”) would increase by \$0.018113 to encourage usage reduction. The increase in this new summer usage block will include approximately \$11 million of the expected non-summer capacity costs for GS Customers from the 2009 BGS auction year. To preserve interclass revenue neutrality, a decrease in the non-summer (October through May) kWh price will offset the shifting of non-summer capacity costs to summer. For a revenue neutrality analysis regarding these proposals, see Attachment 3 and for a customer impact analysis regarding these proposals, see Attachment 4.

(c) GS Customers with greater than a 10 kW demand

JCP&L proposes adding a Summer Peak Demand Charge (the “SPDC”) of \$5.55 per kW which would be applicable to any GS Customer’s demand in excess of 10 kW in any summer month. Under current rate design, which will not be affected when the SPDC is adopted, all GS Customers are charged, in distribution rates, for demand in excess of 10 kW. The amount of the SPDC has been derived so that it will recover, during the summer months, \$12 million of non-summer capacity costs in addition to the summer capacity costs for the GS Customers with greater than a 10 kW demand. To preserve interclass revenue neutrality, a decrease in the non-summer kWh price will offset the shifting of non-summer capacity costs to summer. In addition, a reduction in the per kWh price of the summer usage tail-block (all usage that exceeds 2,500 kWh per month) will offset the summer capacity costs embedded in the new SPDC.

Under the SPDC, low load factor (“LF”) customers (those customers who have high spikes in demand) would see a greater percentage increase in bills than would higher LF customers. An average GS Customer with 43% LF would see an increase of 4% in the total monthly bill from current summer rates as in effect on June 1, 2008, while an average GS Customer with 10% LF would see an increase of 27% over those current summer rates. JCP&L expects that 37% of the total GS Customers, or 39,000 customers, will be affected by the imposition of the new SPDC. For a revenue neutrality analysis regarding these proposals, see Attachment 3 and for a customer impact analysis regarding these proposals, see Attachment 4.

(d) Summer Peak Load Factor Improvement Pilot (“Pilot”)

JCP&L proposes the introduction of a Summer Peak Load Factor Improvement Pilot for certain low LF GS Customers as an incentive for them to improve LF and to test customer behavior in response to summer pricing elasticity.

BGS-FP customers served under the GS tariff with greater than 10 kW summer demand and LF lower than the class average that are located in the Company’s congested circuit areas will be identified and billed under this Pilot. Participation in this Pilot will be mandatory once the customer is identified, unless the customer selects a third-party supplier for generation service and no longer takes BGS service.

GS Customers subject to the Pilot would not pay the SPDC discussed above, but would instead pay a Summer Peak Demand Charge-Pilot (“SPDC-P”) of \$27.75 per kW Demand-P. Demand-P is determined as the monthly maximum KW demand above 10 kW in excess of 80% of the prior year’s monthly maximum kW demand above 10 kW, adjusted for usage increase. The

SPDC-P is 5 times the SPDC by design, based on the manner in which kW-Demand-P is determined.

The SPDC-P rate impact for the Pilot group will be the same as that for customers in the non-Pilot group (discussed above) with comparable LF and, if a particular Pilot participant's LF remains unchanged, the monthly billing impact of the SPDC-P charge would be the same as the SPDC. However, if LF is improved, the individual customers in the Pilot group will see greater reduction on the summer peak demand charge than the customers in the non-Pilot group.

GS Customers with lower LF generally may have more potential opportunities for improvement. This Pilot will provide greater incentive for improvement as well as potentially greater relief from problematic circuit congestion during crucial summer months.

The effective date of this Pilot will coincide with the proposed SPDC on June 1, 2009. This Pilot will be in place for one summer. However, upon request from a Pilot customer, the Company may consider extension of Pilot rate treatment for up to three years for customers that achieved sustainable LF improvement through capital investment.

(e) Customer Education

JCP&L intends to undertake comprehensive customer education in connection with these proposed changes. Upon approval of the Pilot in particular, JCP&L will provide specifically targeted LF improvement education for lower LF customers so that they have the opportunity to improve usage patterns and lower their summer bills. Additionally, JCP&L customer service and contact center employees will receive extensive training so that they will be able to work with

customers both before and after these changes. The Company will work with Board staff to develop the appropriate strategies to educate customers on the rate design changes outlined above to facilitate changes in customer behavior to achieve favorable usage and demand response results. The Company proposes that the costs associated with new consumer education activities be recovered from either the BGS-FP tranche fees collected from the winning bidders in the 2009 auction or, consistent with the Draft EMP recommendations, the Retail Margin fund.

C. BGS-CIEP (Rider BGS-CIEP)

The tariff sheet for the Basic Generation Service – Commercial Industrial Energy Pricing (BGS-CIEP) is included in Attachment 1. The BGS-CIEP default service will be the only default service for customers served on Service Classifications GP – General Service Primary and GT – General Service Transmission and for customers served on Service Classifications GS – General Service Secondary and GST – General Service Secondary Time-of-Day customers with peak load shares of 1000 kW or greater as of November 1, 2008, those GS and GST customers that have opted to take BGS-CIEP default service for the 2009/2010 BGS Supply Period (June 1, 2009 through May 31, 2010) as of January 5, 2009, and those GS and GST customers that previously opted to take BGS-CIEP default service and do not notify the Company, by January 5, 2009, that they opt to return to BGS-FP default service for the 2009/2010 BGS Supply Period (June 1, 2009 through May 31, 2010).

All GS and GST customers (with the exception of non-metered accounts) may “opt in” to BGS-CIEP, effective June 1, 2009, provided that they notify the Company no later than January 5,

2009. Customers identified with loads of 750 kW or greater (but less than 1000 kW), as described above, will be notified by letter of their option to take BGS-CIEP service. Notification will include a return card and/or a toll free number or web address to opt in. The letter will advise of the deadline for selecting BGS-CIEP and advise that customers selecting this rider will be required to remain on BGS-CIEP for the 12-month contract period (June 1, 2009 through May 31, 2010) if they do not shop. For all other remaining GS and GST (other than non-metered accounts) customers, the Company will post a notice on its website informing these customers that they may voluntarily opt-in to BGS-CIEP, along with a toll free number or web address to use to opt in to BGS-CIEP under the same terms and conditions provided to GS and GST customers identified with loads of 750 kW or greater (but less than 1000 kW).

All customers voluntarily requesting to be billed under BGS-CIEP will be required to pay the metering and communications costs to accommodate BGS-CIEP billing. In addition, any GS customer with special provision (d) or (e) for restricted water heating service (“Restricted Off-Peak Water Heating Service” or “Restricted Controlled Water Heating Service”) who opts to take BGS-CIEP will no longer qualify for such special provisions effective June 1, 2009.

The rates for BGS-CIEP are comprised of several segments: BGS-CIEP Energy Charges, a BGS-CIEP Capacity Charge, BGS-CIEP Transmission Charges and the BGS-CIEP Reconciliation Charge.

(1) BGS-CIEP Energy Charges

The primary component of this charge will be the actual real time PJM load weighted average Locational Marginal Price (“LMP”) of energy for the JCP&L Transmission Zone plus the

ancillary service costs (including PJM Administrative Costs). This sum will then be adjusted for losses for service at the various voltage levels to which this service is applicable (such losses will be updated to reflect actual PJM marginal loss), plus a retail margin of \$0.005 per kWh. The ancillary service costs will be set at \$0.006 per kWh for all monthly usage.

Implementation of the Retail Margin for BGS-CIEP default service is explained in Section I - Retail Margin, above.

(2) BGS-CIEP Capacity Charge

This charge is designed to recover the costs associated with generation capacity for customers served under Service Classifications GP and GT, GS and GST customers that have a peak load share of 1000 kW or greater as of November 1, 2008, and GS and GST customers that have opted in no later than January 5, 2009. The BGS-CIEP Capacity Charge is expressed on a per kW of generation capacity obligation at \$0.xxxx per kW-day to be applied to the customer's share of capacity peak load assigned to the JCP&L Transmission Zone by PJM, as adjusted by PJM assigned capacity related factors. The capacity charge will be determined in the BGS-CIEP Auction Process.

(3) BGS-CIEP Transmission Charges

The BGS-CIEP Transmission Charges will be based on such applicable rate schedules on file with and approved by the Board as may be in effect from time to time.

In compliance with the BGS-CIEP Supplier Master Agreement, JCP&L will file with the BPU to change the transmission cost components of the BGS charges to customers as the FERC

approves changes in the Network Integration Transmission Service rates for the JCP&L zone in the PJM OATT, or the FERC approves other network transmission-related charges in the PJM OATT. JCP&L will review and verify the basis for any BGS transmission charge adjustment, file supporting documentation from the PJM OATT as well as any rate translation spreadsheets used.

(4) BGS-CIEP Reconciliation Charge

Implementation of the BGS-CIEP Reconciliation Charge for the BGS-CIEP default service is explained in Section IV - Accounting and Cost Recovery, above.

D. CIEP Standby Fee (Rider CIEP - Standby Fee (formerly Rider DSSAC))

This charge (formerly the “Default Supply Service Availability Charge”), equal to \$0.00015 per kWh of BGS-CIEP-Eligible Customers’ usage, is intended to recover the BGS-CIEP Suppliers’ costs associated with maintaining the availability of the hourly priced default electric supply service for all customers on the applicable rate classes as indicated in the Rider and, thus, this charge will be paid directly to the BGS-CIEP Suppliers by the Company.

E. System Control Charge (Rider SCC)

This non-bypassable charge is intended to recover the BGS system control costs associated with the Company’s Appliance Cycling Program. This charge will be applicable to all kWh usage for all customers, subject to annual true-up as explained in Section IV - Accounting and Cost Recovery, above.

**VI. DESCRIPTION OF BGS PRICING SPREADSHEET**

The charge for each BGS rate element (i.e. Rate RT Summer charge, Winter charge, etc.) for the BGS-FP service will be based on a factor times the final winning bid price. These factors have been developed based on the ratios of the estimated underlying market costs of each rate element (for each rate class) to the overall all-in BGS cost, as determined by the tranche weighted costs of the remaining load served from the 2007 and 2008 BGS auctions and the forecasted cost for the 2009 BGS auction. The tables included in Attachment 2 present all of the input data, intermediate calculations, and the final results in the calculation of these ratios.

A separate cost allocation is performed for each auction (2007/2008, 2008/2009 and 2009/2010, BGS Supply Periods). Except where noted, the tables are identical for each year.

Table #1 (% Usage during PJM On-Peak Period) contains the percentage of on-peak load, inputted by month, for each rate schedule. The on-peak period as used in this table (referred to as PJM periods) is defined as the 16-hour period from 7 AM to 11 PM, Monday through Friday (non-holidays). All remaining weekday hours and all hours on weekends and holidays recognized by the National Electric Reliability Council (“NERC”) are considered the off-peak period. This is consistent with the time periods used in the forwards market for trading of bulk power. The values in this table are an average based on the on-peak versus total usage for the respective rate class and calendar month using 2005, 2006 and 2007 data.

Table #2 (% Usage During JCP&L On-Peak Billing Period) contains the percentage of on-peak load, forecasted for 2008, by month, for JCP&L's RT and GST rate schedule based on the definitions of time periods as contained in JCP&L's Tariff under the applicable rate schedule.

RT and GST are the two rate schedules in Table #1 for which JCP&L bills energy charges differentiated by on-peak and off-peak prices.

Table #3 (Class Usage @ customer) contains the calendar month sales forecasted for the calendar year 2008. The GS and GST classes exclude the usage of those accounts with peak load shares of 1000 kW or greater to be served under BGS-CIEP.

Table #4 (Forwards Prices – Energy Only @ bulk system) contains the forwards prices for energy, by time period and month, for the applicable Post Transition Year. For the 2007/2008 and 2008/2009 BGS Supply Periods, the initial prices that were used were adjusted by a uniform amount (see Table #17) so that the total costs match the total payments at the final bid price for the 36-month tranches from the 2007 and 2008 BGS auctions. These values consist of the published energy on-peak forwards at the time the respective year's Pricing Spreadsheet was developed, and an estimate of the unpublished costs for the off-peak periods of each month derived based on a ratio of on-peak to off-peak prices.

An adjustment of the forward prices contained in Table #4 must be made to correct for the pricing differential between the PJM West trading hub and the JCP&L zone where the BGS supply will be utilized.

Table #5 (Zone-Hub Basis Differential) contains an estimate of the average differential, by month and time period, which, when multiplied by the prices at the PJM West trading hub, will result in costs for power delivered into the JCP&L zone.

The factors utilized for average system losses and unaccounted-for supply are inputted in Table #6 (Losses) by rate schedule. Loss factors (@ bulk) are those currently in effect and approved by the Board. Since the service for all of the rates indicated is at secondary voltages, the loss factors are identical for all rates. The loss factors (@ transmission node) shown on the lower portion of this Table reflected PJM marginal loss.

Table #7 (Summary of Average BGS Energy Only Unit Costs @ customer – PJM Time Periods) is the calculation of the energy-only costs by rate, time period and season. These values are the seasonal and time period average costs per MWh as measured at the customer billing meter (from Table #3), based on the forward prices (from Table #4) corrected for zone-hub differential (from Table #5), losses (from Table #6), and monthly time period weights (from Table #1). These average costs do not include the costs associated with Ancillary Services, Generation Obligation or Transmission, which will be considered in subsequent calculations.

Table #8 (Summary of Average BGS Energy Only Costs @ Customer – PJM Time Periods) indicates the total value, in thousands of dollars, of the average BGS energy-only costs. These are the results of the multiplication of the unit costs from Table #7 and the total sales to customers from Table #3. Since the end result of these calculations will be utilized in the development of retail BGS rates, the rates utilizing time-of-day pricing must be developed based upon the time periods as defined for billing.

Table #9 (Summary of Average BGS Energy Only Unit Costs @ Customer – JCP&L Time Periods) shows the result of the corrections for the RT and GST rates billed on a time-of-day basis. These values are calculated by starting with the revenue in Table #8. Because JCP&L bills fewer on-peak hours than the hours defined by PJM, a portion of the PJM on-peak costs had

to be reallocated to the revenue to be collected at Tariff off-peak hour prices. This was accomplished by first calculating the difference between the two sets of on-peak hours by multiplying the total respective RT and GST MWh usage for each month from Table #3 by the percentages in Table #1 versus the percentages in Table #2. This difference between these two sets of on-peak MWh was then totaled by season (Summer and Winter) and multiplied by the average of the applicable Summer or Winter on-peak and off-peak prices in Table #7. This revenue amount was added to the respective off-peak revenue amount in Table #8 and subtracted from the respective on-peak revenue amount in Table #8. The revenue amounts in Table #8 (with the respective RT and GST on-peak and off-peak revenue adjusted by the calculations noted above) were then divided by the Tariff-based MWh for the respective rate class and usage type (total, on-peak or off-peak) and season (Summer or Winter) to arrive at the unit costs in Table #9.

Table #10 sets up the calculations to establish the costs of the Generation Capacity and Transmission obligations. The top portion of Table #10 (Generation & Transmission Obligations and Costs) shows the total obligations, by rate schedule, that are currently being utilized in the year 2008, with the GS and GST obligation reduced to reflect the accounts with a peak load share of 1000 kW or greater taking service under BGS-CIEP. The middle portion of this table shows the number of Summer and Winter days and months and the seasonally differentiated costs of generation capacity that were projected during the applicable BGS Supplier Period. For the 2007/2008 and 2008/2009 BGS Supply Periods, the initial prices used are adjusted by a uniform amount (see Table #17) so that the total costs match the final bid price for the 36-month tranches from the 2007 and 2008 BGS auctions. The cost of transmission service is equal to the current transmission rate under the JCP&L retail tariff approved by the

BPU, excluding the pass-through of transmission rate increases (e.g., SECA) that are subject to refund. The generation capacity costs are based on an estimate of the relevant current wholesale market price. The bottom portion of this table shows the Summer BGS price block differential for the RS rate class as prescribed by the Board. The percentage usage figures are based on the amount of RS Summer billing month usage forecasted to be billed at the respective price blocks for 2008. These price block usage percentages are used in Table #13 to lower the first block (0-600 kWh per month) and raise the second block (over 600 kWh per month) RS Summer prices on an overall revenue neutral basis.

Table #11 includes an estimate of the average annual per MWh costs of Ancillary Services (Ancillary Services). For the 2007/2008 and 2008/2009 BGS Supply Periods, the initial prices used are adjusted by a uniform amount (see Table #17) so that the total costs match the final bid price for the 36-month tranches from the 2007 and 2008 BGS auctions.

Table #12 (Summary of Obligation Costs Expressed as \$/MWh @ customer) provides transmission obligations, which are JCP&L's Tariff transmission rates for the rate schedules indicated, excluding the pass-through of transmission rate increases (e.g., SECA) that are subject to refund, and sales and use tax, and shows the result of the allocation of generation costs on a per MWh basis. The values for the generation obligations are calculated by taking the total generation capacity costs from the middle of Table #10 (Summer, Winter and annual) and allocating them by rate class based on each rate class's portion of the BGS-FP Total Generation Obligation (from the top of Table #10). The respective allocated capacity costs for each rate class and season are then divided by the associated MWh. The MWhs are taken from Table #3 for the All Hours costs to arrive at the Generation Obligation \$/MWh in Table #12. For RT and

GST, the respective MWhs from Table #3 are multiplied by the on-peak percentages from Table #2 to arrive at the On-Peak Generation Obligation \$/MWh in Table #12. .

Table #13 (Summary of BGS Unit Costs @ customer) is the result of the inclusion of the transmission (excluding the pass-through of transmission rate increases (e.g., SECA) that are subject to refund), generation capacity, and Ancillary Services costs in the energy only costs shown in Table #9. Note: The Ancillary Services cost in Table #11 is corrected for losses (from Table #6). This table shows the total estimated all-in BGS costs on a dollars per MWh basis.

Table #14 (Units at Customer) This is the forecasted 2008 units at customer (metered usage without losses) by rate class, season, usage block and on-peak versus off-peak as applicable.

Table #15 (Summary of Total Estimated BGS Costs by Season) provides the total cost by rate class by season, usage block and on-peak versus off-peak period, as applicable. This is based on the unit costs in Table #13 multiplied by the applicable units in Table #14.

Table #16 (Customer and Bulk System Costs) applies only to the 2007/2008 and 2008/2009 BGS Supply Periods. This table takes the total costs at customer from Table #15, summarizes the units from Table #14 by season and then calculates the Supplier Payment that would be required if 100% of the load was provided based on the final bid price and seasonal factors for the applicable auction year.

Table #17 (Adjustment Factor Calculation) applies only to the 2007/2008 and 2008/2009 BGS Supply Periods. This table compares the Total Supplier Payments from Table #16 to the total Estimated BGS Costs by Season in Table #15 based upon the initial Forwards Prices in Table #4,

Generation Capacity Cost in Table #10 and Ancillary Service Charges in Table #11. The resulting Summer and Winter adjustment factors are then used to derive the adjusted Forwards Prices in table #4, Generation Capacity Cost in Table #10 and Ancillary Service Charges in Table #11. After updating the applicable formulas with these adjustment factors the Total Suppliers Payments in Table #16 and the Total Estimated BGS Costs by Season in Table #15 should match within rounding error and the adjustment factor calculation should arrive at (or very close to) 1.

Table #18 (Bulk System Costs) applies only to the 2009/2010 BGS Supply Period. This table takes the total cost from Table #15 and divides it by the total units in Table #3 adjusted by the loss factors in Table #6 to derive the average annual cost per wholesale MWh.

Table #19 (Seasonal Payment Factors) performs a similar calculation to Table #18, but on a seasonal basis to arrive at the average Summer cost per wholesale MWh and the average Winter cost per wholesale MWh. It then compares these average seasonal costs to the average annual cost to derive the Seasonal Payment Factors for the 2009/2010 BGS Supply Period.

The Composite Cost Allocation uses the Total Estimated BGS Costs by Season from Table #15 for each of the BGS Supplier Periods to derive the tranche weighted average cost for June 1, 2009 through May 31, 2010 for each rate class, by season, usage block and on-peak versus off-peak as applicable.

Tables #C1, #C2 and #C3 are the costs for the three bid years along with the number of tranches that will be served from each respective bid year for the period June 1, 2009 through May 31, 2010.

Table #C4 (Composite Tranche-Weighted Costs) is the cost for each of the bid years multiplied by the respective number of tranches to be served, totaled and divided by the total tranches for the 2009/2010 BGS Supply Period (*i.e.*, June 1, 2009 through May 31, 2010).

Table #C5 (Units @ Customer) This is the forecasted 2008 units at customer (metered usage without losses) by rate class, season, usage block and on-peak versus off-peak, as applicable.

Table #C6 (Summary of BGS Unit Costs @ customer) is the average cost per MWh for each rate class, season, usage block and on-peak versus off-peak (as applicable), based on the Composite Costs in Table #C4 divided by the units at customer in Table #C5. The second part of Table #C6 takes the total Composite Cost from Table #C4 and divides it by the total wholesale MWh (2009/2010 BGS Supply Period, Table #3 adjusted by the loss factors in 2009/2010 BGS Supply Period, Table #6) to arrive at the All-In Average Costs at bulk system and the All-In Average Costs at transmission nodes.

Table #C7 (Ratio of BGS Unit Costs @ customer to All-In Average Cost @ transmission nodes) indicates the ratio of the individual rate element costs to the overall all-in cost as measured at the transmission nodes, both from Table #C6. These ratios are to be used to go from the bid price to the rate class-specific retail BGS rates effective June 1, 2009 through May 31, 2010. For all but the RS service classification, the rate class specific energy, capacity and ancillary services rate will be the bid price times the ratio in Table #C7, less the transmission price from 2009/2010 BGS Supply Period, Table #12, the result of which is increased for sales and use tax. Customers will continue to be billed the current Tariff transmission rates. For the RS service classification, Table #C7 also provides constants (excluding sales and use taxes) to be applied to all RS Summer first and second block units (after applying the ratio in Table #C7) to achieve the

prescribed first versus second block differential (per the bottom of Table #10) while maintaining the same overall revenue. Other than adjusting the price by this constant, all rates for the RS service classification are calculated as indicated above.

Table #C8 (Proposed BGS Rate Design to be Combined with Resulting Class Specific Retail BGS Rates from Table #C7) provides the rate design changes in \$/kWh and \$/kW, as discussed in Section V.B(4) of this Addendum, to be combined with the BGS rates from Table #C7 to be included in the tariff Rider BGS-FP.

## **VII. CONCLUSION**

JCP&L hereby submits its Company Specific Addendum Compliance Filing to the Board and asks that the Board issue an Order specifically approving, as reasonable and prudent, the Company's proposals for (1) use of its Committed Supply, (2) a Contingency Plan, (3) Allocation of Renewable Energy as described under Section II.A - Committed Supply, above, and ALM Capacity Credits related to the Appliance Cycling Program, (4) the SCC, (5) Tariff sheets for Service Classifications GS and GST, Riders BGS-FP, BGS-CIEP, CIEP - Standby Fee and SCC, (6) BGS pricing, (7) new rate design and (8) as discussed in Section III hereof, treatment of the proposed BGS-FP rate design changes described in Section V.B(4) hereof and the demand response programs referenced in Section III hereof as counting toward JCP&L's obligation to provide new demand response.

**Attachment 1**  
**Proposed Tariff Sheets**

JERSEY CENTRAL POWER & LIGHT COMPANY

BPU No. 10 ELECTRIC - PART III

XX Rev. Sheet No. 12

Superseding XX Rev. Sheet No. 12

**Service Classification GS  
General Service Secondary**

**DETERMINATION OF DEMAND:** The KW used for billing purposes shall be the maximum 15-minute integrated kilowatt demand during each billing month calculated to the nearest one-tenth KW. In instances where the Company has determined that the demand will not exceed 10 KW, and has therefore elected to not install a demand meter, the demand shall be considered less than 10 KW for billing purposes. Where Service is rendered under Special Provision (a), the on-peak demand shall be the maximum 15-minute integrated kilowatt demand created during the on-peak hours of 8 AM to 8 PM prevailing time, Monday through Friday each billing month, while the off-peak demand shall be the maximum demand created during the remaining hours. A Contract Demand not less than the actual monthly demands may also be specified for mutually agreeable contract purposes.

**TERM OF CONTRACT:** None, except that reasonable notice of service discontinuance will be required. Where special circumstances apply or special or unusual facilities are supplied by the Company, a contract of one year or more to supply such facilities or accommodate special circumstances may be required for any Full Service Customer and any Delivery Service Customer.

~~Effective June 1, 2008, certain BGS-FP eligible customers, as provided in Rider BGS-FP (Basic Generation Service - Fixed Pricing), may be required to remain a Full Service Customer for 12 months upon returning to BGS-FP default service. See Rider BGS-FP for detail.~~

**TERMS OF PAYMENT:** Bills are due when rendered by the Company and become overdue when payment is not received by the Company on or before the due date specified on the bill. Overdue bills thereafter become subject to a late payment charge as described in Section 3.19, Part II.

**SERVICE CHARGE:** A Service Charge of **\$14.00** shall be applicable for initiating service to a customer under any Service Classification (see Part II, Section 2.01). A **\$54.00** Service Charge shall be applicable for final bill readings requested to be performed other than during the normal working hours of 8 AM to 4:30 PM, Monday through Friday. (See Part II, Section 3.13)

**RECONNECTION CHARGES:** A Reconnection Charge, applicable after a discontinuance requested by the customer or because of a default by the customer, of **\$22.00** is applicable to service reconnections which can be performed at the meter during the normal working hours of 8 AM to 4:30 PM, Monday through Friday. A Reconnection Charge of **\$54.00** is applicable to service reconnections which can be performed at the meter during all other hours. The charge for all reconnections which cannot be performed at the meter shall be based upon billing work order costs. (See Part II, Section 8.04)

**DELINQUENT CHARGE:** A Field Collection Charge of **\$20.00** shall be applicable for each collection visit made to the customer's premises. (See Part II, Section 3.20)

**RECONNECTIONS WITHIN 12-MONTH PERIOD:** Customers who request a disconnection and reconnection of service at the same location within a 12-month period shall not be relieved of Minimum Demand Charges resulting from demands created during the preceding eleven months, even though occurring prior to such disconnection.

Customers who request more than one disconnection and reconnection of service at the same location within a 12-month period shall be subject to the conditions specified above for the first such period of disconnection. In addition, for subsequent periods of disconnection, the customer shall be required to pay an additional Reconnection Charge equivalent to the sum of the Minimum Demand Charges, determined in accordance with the conditions specified in the preceding paragraph, for each month of that subsequent period.

Issued:

Effective: **June 1, 2009**

Filed pursuant to Order of Board of Public Utilities

**Docket No.      dated**

Issued by Stephen E. Morgan, President  
300 Madison Avenue, Morristown, NJ 07962-1911

<b>Service Classification GST</b> <b>General Service Secondary Time-Of-Day</b>
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- 3) **Non-utility Generation Charge (Rider NGC):**  
\$ 0.016960 per KWH for all KWH on-peak and off-peak
- 4) **Transitional Energy Facility Assessment Charge (Rider TEFA):**  
\$ 0.002021 per KWH for all KWH on-peak and off-peak
- 5) **Societal Benefits Charge (Rider SBC):**  
\$ 0.005707 per KWH for all KWH on-peak and off-peak
- 6) **System Control Charge (Rider SCC):**  
\$ 0.000079 per KWH for all KWH on-peak and off-peak
- 7) **CIEP – Standby Fee as provided in Rider CIEP – Standby Fee** (formerly Rider DSSAC)

**MINIMUM DEMAND CHARGE PER MONTH:** The monthly KW Demand Charge under Distribution Charge shall be the greater of (1) the product of the KW Charge per maximum KW provided above and the current month's maximum demand created during on-peak hours as determined below; or (2) the product of the KW Minimum Charge provided above and the highest on-peak or off-peak demand created in the current and preceding eleven months (but not less than the Contract Demand).

**DETERMINATION OF DEMAND:** The KW during on-peak hours used for billing purposes shall be the maximum 15-minute integrated kilowatt demand created during the on-peak hours each billing month calculated to nearest one-tenth KW. The off-peak demand shall be the maximum demand created during the remaining hours. A Contract Demand not less than the actual monthly demands may also be specified for mutually agreeable contract purposes.

**DEFINITION OF ON-PEAK AND OFF-PEAK HOURS:** The hours to be considered as on-peak are from 8 AM to 8 PM prevailing time Monday through Friday. All other hours including weekend hours will be considered off-peak. The Company reserves the right to change the on-peak hours from time to time as the on-peak periods of the supply system change. The off-peak hours will not be less than 12 hours daily.

**TERM OF CONTRACT:** None, except that reasonable notice of service discontinuance will be required. Where special circumstances apply or special or unusual facilities are supplied by the Company, a contract of one year or more to supply such facilities or accommodate special circumstances may be required for any Full Service Customer and any Delivery Service Customer.

~~Effective June 1, 2008, certain BGS-FP eligible customers, as provided in Rider BGS-FP (Basic Generation Service – Fixed Pricing), may be required to remain a Full Service Customer for 12 months upon returning to BGS-FP default service. See Rider BGS-FP for detail.~~

**TERMS OF PAYMENT:** Bills are due when rendered by the Company and become overdue when payment is not received by the Company on or before the due date specified on the bill. Overdue bills thereafter become subject to a late payment charge as described in Section 3.19, Part II.

**SERVICE CHARGE:** A Service Charge of **\$14.00** shall be applicable for initiating service to a customer under any Service Classification (see Part II, Section 2.01). A **\$54.00** Service Charge shall be applicable for final bill readings requested to be performed other than during the normal working hours of 8 AM to 4:30 PM, Monday through Friday. (See Part II, Section 3.13)

Issued:

Effective: **June 1, 2009**

Filed pursuant to Order of Board of Public Utilities  
Docket No.            dated

**Rider BGS-FP**  
**Basic Generation Service – Fixed Pricing**  
 (Applicable to Service Classifications RS, RT, RGT, GS, GST, OL, SVL, MVL and ISL)

**AVAILABILITY:** Rider BGS-FP is available to and provides Basic Generation Service (default service) charges applicable to all KWH usage for Full Service Customers taking service at secondary voltages under Service Classifications RS, RT, RGT, GS, GST, OL, SVL, MVL and ISL, except for GS and GST customers that have a peak load share of 1000 KW or greater as of November 1, 2008. Rider BGS-FP-eligible GS and GST customers may elect to take default service under Rider BGS-CIEP no later than the second business day in January of each year. Such election will be effective June 1 of that year and Rider BGS-CIEP will remain the customer's default service for the entire 12-month period from June 1 through May 31 of the following year. BGS-FP-eligible customers who have elected to take default service under BGS-CIEP may return to BGS-FP by notifying the Company no later than the second business day in January of each year. Such notification to return to BGS-FP will become effective June 1 of that year.

~~Effective June 1, 2008, each BGS-FP eligible customer with a peak load share of 500 KW or greater, that receives electric generation service from an Alternative Electric Supplier and subsequently returns to BGS-FP default service, must remain a Full Service Customer for 12 months under Rider BGS-FP, unless such customer begins receiving service from a new Alternative Electric Supplier within a "grace period" of 30 days after such customer's return to BGS-FP default service, or until the next June 1 if such customer is required or elects to take default service under Rider BGS-CIEP on that June 1.~~

**RATE PER BILLING MONTH: (For service rendered effective June 1, 2009 through May 31, 2010)**  
**1) BGS Energy Charge per KWH:** (All charges include Sales and Use Tax as provided in Rider SUT.)

<u>Service Classification</u>	<u>June through September</u>	<u>October through May</u>
<b>RS</b> – for all KWH		<b>\$x.xxxxxx</b>
- for first 600 KWH	<b>\$x.xxxxxx</b>	
- for all KWH over 600 KWH (Note 1)	<b>\$x.xxxxxx</b>	
(Excludes off-peak and controlled water heating special provisions)		
<b>RT</b> – for all on-peak KWH (Note 1)	<b>\$x.xxxxxx</b>	<b>\$x.xxxxxx</b>
– for all off-peak KWH	<b>\$x.xxxxxx</b>	<b>\$x.xxxxxx</b>
<b>RGT</b> – for all KWH		<b>\$x.xxxxxx</b>
– for all on-peak KWH	<b>\$x.xxxxxx</b>	
– for all off-peak KWH	<b>\$x.xxxxxx</b>	
<b>RS and GS Water Heating</b> – for all KWH	<b>\$x.xxxxxx</b>	<b>\$x.xxxxxx</b>
(For separately metered off-peak and controlled water heating usage under applicable special provisions)		
<b>GS</b> – for all KWH (Note 2)		<b>\$x.xxxxxx</b>
- for first 2500 KWH (Note 2)	<b>\$x.xxxxxx</b>	
- for all KWH over 2500 KWH (Note 2)	<b>\$x.xxxxxx</b>	
(Excludes off-peak and controlled water heating special provisions)		

**Summer Peak Demand Charge (SPDC):** \$x.xx per maximum KW demand during June through September, in excess of 10 KW (Note 3)

<b>GST</b> – for all on-peak KWH (Note 2)	<b>\$x.xxxxxx</b>	<b>\$x.xxxxxx</b>
- for all off-peak KWH (Note 2)	<b>\$x.xxxxxx</b>	<b>\$x.xxxxxx</b>
<b>OL, SVL, MVL, ISL</b> – for all KWH	<b>\$x.xxxxxx</b>	<b>\$x.xxxxxx</b>

BGS Energy Charges above reflect costs for energy, generation capacity, ancillary services and related cost.

Issued:

Effective: **June 1, 2009**

Filed pursuant to Order of Board of Public Utilities

Docket No.                      dated

JERSEY CENTRAL POWER & LIGHT COMPANY

BPU No. 10 ELECTRIC - PART III

XX Rev. Sheet No 36A  
Superseding XX Rev. Sheet No. 36A

**Rider BGS-FP**  
**Basic Generation Service – Fixed Pricing**  
(Applicable to Service Classifications RS, RT, RGT, GS, GST, OL, SVL, MVL and ISL)

**1) BGS Energy Charge per KWH: (Continued)**

**(Note 1) Summer Peak Surcharge (SPS):** A SPS of \$x.xxxxxx per KWH (includes Sales and Use Tax as provided in Rider SUT) will be applicable to RS customers with KWH usage above 2500 for June through September. A SPS of \$x.xxxxxx per KWH (includes Sales and Use Tax as provided in Rider SUT) will be applicable to RT customers with on-peak KWH usage above 1000 for June through September.

**(Note 2) Retail Margin:** A Retail Margin of \$0.005350 per KWH (includes Sales and Use Tax as provided in Rider SUT) will be added to the BGS Energy Charges stated above applicable to all KWH usage by any GS and GST customers that the Company has identified with loads of 750 KW or greater (but less than 1000 KW) as of November 1, 2008 and that the Company has notified that the Retail Margin would be added to the BGS Energy Charges applicable to their KWH usage beginning June 1, 2009.

**(Note 3) Summer Peak Demand Charge - Pilot (SPDC-P):** A SPDC-P of \$x.xx per KW Demand-P (includes Sales and Use Tax as provided in Rider SUT) during June through September will be applicable to Pilot customers that the Company has identified with lower than class average load factor and are located in certain circuit congestive areas. The Company has notified the Pilot customers that the SPDC-P will be applicable to KW Demand-P to be determined as follows: monthly maximum KW demand above 10 KW in excess of 80% prior year's monthly maximum KW demand above 10 KW, adjusted for usage increase. The Pilot customers will not be billed the SPDC as other non-Pilot customers; all other charges for GS under this Rider will still apply to the Pilot customers.

**2) BGS Transmission Charge per KWH:** As provided in the respective tariff for Service Classifications RS, RT, RGT, GS, GST, OL, SVL, MVL and ISL. Effective January 1, 2009, a RMR surcharge of \$x.xxxxxx per KWH (includes Sales and Use Tax as provided in Rider SUT) will be added to the BGS Transmission Charge applicable to all KWH usage.

Effective January 1, 2009, a TEC surcharge of \$x.xxxxxx per KWH (includes Sales and Use Tax as provided in Rider SUT) will be added to the BGS Transmission Charge applicable to all KWH usage except lighting under Service Classifications OL, SVL, MVL and ISL.

**3) BGS Reconciliation Charge per KWH:** \$x.xxxxxx (includes Sales and Use Tax as provided in Rider SUT)

The above BGS Reconciliation Charge recovers the difference between the payments to BGS suppliers and the revenues from BGS customers for Basic Generation Service and is subject to quarterly true-up.

Issued:

Effective: June 1, 2009

Filed pursuant to Order of Board of Public Utilities  
Docket No.      dated

Issued by Stephen E. Morgan, President  
300 Madison Avenue, Morristown, NJ 07962-1911

**Rider BGS-CIEP**  
**Basic Generation Service – Commercial Industrial Energy Pricing**  
 (Applicable to Service Classifications GP and GT and  
 Certain Customers under Service Classifications GS and GST)

**AVAILABILITY:** Rider BGS-CIEP is available to and provides Basic Generation Service (default service) charges applicable to all Full Service Customers taking service at primary and transmission voltages under Service Classifications GP and GT and any Full Service Customers taking service at secondary voltages under Service Classifications GS and GST that have a peak load share of 1000 KW or greater as of November 1, 2008, or that have elected to take BGS-CIEP service no later than the second business day in January of each year. All BGS-CIEP customers remain subject to this Rider for the entire 12-month period from June 1 of any given year through May 31 of the following year.

**RATE PER BILLING MONTH:**

(For service rendered effective June 1, 2009 through May 31, 2010)

**1) BGS Energy Charge per KWH:** The sum of actual real-time PJM load weighted average Locational Marginal Price for JCP&L Transmission Zone and ancillary services of \$0.00600 per KWH, times the Losses Multiplier provided below, plus a Retail Margin of \$0.005 per KWH, times 1.07 multiplier for Sales and Use Tax as provided in Rider SUT.

Losses Multiplier:	GT – High Tension Service	x.xxx
	GT	x.xxx
	GP	x.xxx
	GST	x.xxx
	GS	x.xxx

**2) BGS Capacity Charge per KW of Generation Obligation:** \$x.xxxx per KW-day times BGS-CIEP customer's share of the capacity peak load assigned to the JCP&L Transmission Zone by the PJM Interconnection, L.L.C., as adjusted by PJM assigned capacity related factors, times 1.07 multiplier for Sales and Use Tax as provided in Rider SUT.

**3) BGS Transmission Charge per KWH:** As provided in the respective tariff for Service Classifications GS, GST, GP and GT. Effective January 1, 2009, a RMR surcharge will be added to the BGS Transmission Charge applicable to all KWH usage, as follows (includes Sales and Use Tax as provided in Rider SUT):

GT – High Tension Service	\$x.xxxxxx
GT	\$x.xxxxxx
GP	\$x.xxxxxx
GS and GST	\$x.xxxxxx

Effective January 1, 2009, a TEC surcharge will be added to the BGS Transmission Charge applicable to all KWH usage, as follows (includes Sales and Use Tax as provided in Rider SUT):

GT – High Tension Service	\$x.xxxxxx
GT	\$x.xxxxxx
GP	\$x.xxxxxx
GS and GST	\$x.xxxxxx

**4) BGS Reconciliation Charge per KWH:** \$x.xxxxxx (includes Sales and Use Tax as provided in Rider SUT)

The above BGS Reconciliation Charge recovers the difference between the payments to BGS suppliers and the revenues from BGS customers for Basic Generation Service and is subject to quarterly true-up.

Issued:

Effective: June 1, 2009

Filed pursuant to Order of Board of Public Utilities  
 Docket No.            dated

JERSEY CENTRAL POWER & LIGHT COMPANY

BPU No. 10 ELECTRIC - PART III

XX Rev. Sheet No. 38

Superseding XX Rev. Sheet No. 38

**Rider CIEP – Standby Fee**  
**Commercial Industrial Energy Pricing Standby Fee**  
**(Applicable to Service Classifications GP and GT and**  
**Certain Customers under Service Classifications GS and GST)**

Effective June 1, 2007, Rider DSSAC (Default Supply Service Availability Charge) is renamed Rider CIEP – Standby Fee to comply with the BPU Order dated December 22, 2006 (Docket No. EO06020119).

**APPLICABILITY:** Rider CIEP – Standby Fee provides a charge applicable to all KWH usage of all Full Service Customers or Delivery Service Customers taking service under Service Classifications GP and GT and any Full Service Customer or Delivery Service Customer taking service under Service Classifications GS and GST that has a peak load share of 1000 KW or greater as of November 1, 2008, or that has elected to take Basic Generation Service-Commercial Industrial Energy Pricing under Rider-CIEP no later than the second business day in January of each year. This charge is applicable for service rendered from June 1, 2009 through May 31, 2010 to recover costs associated with administrating and maintaining the availability of the hourly-priced default Basic Generation Service for these customers.

**CIEP – Standby Fee per KWH: \$0.000150**

(\$0.000161 including Sales and Use Tax as provided in Rider SUT)

Issued:

Effective: June 1, 2009

Filed pursuant to Order of Board of Public Utilities  
Docket No. dated

Issued by Stephen E. Morgan, President  
300 Madison Avenue, Morristown, NJ 07962-1911

**Rider SCC  
System Control Charge**

**APPLICABILITY:** Rider SCC provides a charge for Basic Generation Service system control costs applicable to all KWH usage of any Full Service Customer or Delivery Service Customer. The SCC rate is subject to annual true-up for any over or under-recovery of system control costs.

**SCC = \$0.000074 per KWH (\$0.000079 per KWH including SUT)**

System control costs shall include carrying costs on any unamortized balance of such costs at the applicable interest rate approved by the BPU. Pursuant to the Summary Order dated August 1, 2003, such interest rate shall be "the rate actually incurred on the Company's short-term debt (debt maturing in less than one year), or the rate on equivalent temporary cash investments if the Company has no short-term debt outstanding...interest shall be computed monthly and compounded annually (added to the balance on which interest is accrued annually)."

Issued: July 14, 2006

Effective: July 15, 2006

Filed pursuant to Order of Board of Public Utilities  
Docket No. EO03050394 dated February 11, 2004  
And Docket No. AT06070502

Issued by Stephen E. Morgan, President  
300 Madison Avenue, Morristown, NJ 07962-1911

**Jersey Central Power & Light  
Attachment 2  
2009 BGS Auction Cost and Bid Factor Tables**

**2007/2008 BGS Supply Period Estimated Supplier Payments Allocated by Rate Class**

**Development of Post Transition Period BGS Cost and Bid Factors  
Adjusted to Billing Time Periods**

**Table #1**

**% Usage During PJM On-Peak Period**

*Based on an average of 2005 through 2007 Load Profile Information  
On-Peak periods defined as the 16 hr PJM Trading period, adj for NERC holidays*

	Profile Meter Data	Profile Meter Data	Profile Meter Data	Profile Meter Data	Other Analysis
	RT{1}	RS{2}	GS{3}	GST	OL/SL
<i>(data rounded to nearest .01 %)</i>					
January	47.56%	50.92%	56.80%	55.97%	32.16%
February	46.80%	50.42%	56.59%	55.45%	29.95%
March	47.30%	51.02%	58.86%	57.27%	31.86%
April	43.89%	48.19%	56.18%	54.97%	28.89%
May	48.68%	54.09%	59.83%	59.02%	30.67%
June	52.05%	55.20%	59.23%	58.57%	29.38%
July	51.57%	53.15%	56.82%	55.39%	27.62%
August	54.43%	56.95%	60.53%	58.84%	30.71%
September	49.93%	52.51%	57.89%	57.04%	30.59%
October	46.76%	51.21%	59.06%	57.30%	33.01%
November	48.46%	53.19%	59.67%	58.10%	33.82%
December	46.95%	49.46%	56.39%	54.28%	32.10%

**Table #2**

**% Usage During JCP&L On-Peak Billing Period**

*On-Peak periods as defined in specified rate schedule*

	2008 Forecasted	N/A	N/A	2008 Forecasted	N/A
	Calendar Month Sales	RS{2}	GS{3}	Calendar Month Sales	OL/SL
	RT{1}			GST	
<i>(data rounded to nearest .01 %)</i>					
January	35.11%	----	----	42.54%	----
February	34.74%	----	----	43.20%	----
March	34.76%	----	----	43.60%	----
April	34.89%	----	----	44.38%	----
May	36.28%	----	----	45.86%	----
June	39.29%	----	----	47.22%	----
July	40.76%	----	----	46.58%	----
August	40.27%	----	----	46.31%	----
September	38.43%	----	----	46.25%	----
October	35.90%	----	----	46.04%	----
November	35.21%	----	----	44.63%	----
December	35.34%	----	----	43.38%	----

{1} For BGS purposes the RT rate class includes the RS and GS rate class Off-Peak (OPWH) and Controlled Water Heating (CTWH) provisions. The RT rate class also includes the summer billing month RGT rate class usage. OPWH and CTWH is billed on the average RT rates, while RT and Summer RGT use is billed at on-peak and off-peak rates.

{2} For BGS purposes the RS rate class excludes the Off-Peak and Controlled Water Heating provisions and includes the winter billing month RGT rate class usage

{3} For BGS purposes the GS rate class excludes the Off-Peak and Controlled Water Heating provisions

**Jersey Central Power & Light  
Attachment 2**

**Table #3**

**Class Usage @ customer**

*calendar month sales forecasted for 2008  
in MWh*

	RT{1}	RS{2}	GS{3}	GST {4}	OL/SL	Total
January	53,645	833,951	622,193	54,586	9,965	1,574,340
February	48,346	745,033	590,146	48,077	9,885	1,441,487
March	46,508	698,231	566,567	48,546	9,650	1,369,502
April	36,777	603,294	552,995	49,270	9,774	1,252,110
May	31,850	615,539	556,560	47,659	9,738	1,261,346
June	39,338	935,227	643,621	54,969	9,493	1,682,648
July	40,805	1,092,544	705,766	57,421	9,599	1,906,135
August	37,811	1,046,996	694,539	56,181	9,500	1,845,027
September	27,165	730,382	597,299	48,793	9,446	1,413,085
October	26,403	645,583	602,259	48,366	9,655	1,332,266
November	39,189	648,997	543,358	47,766	9,514	1,288,824
December	47,684	802,242	604,150	50,810	9,556	1,514,442
Total	475,521	9,398,020	7,279,453	612,444	115,775	17,881,213

**Table #4**

**Forwards Prices - Energy Only @ bulk system**

*in \$/MWh*

	Initial On-Peak	Adjusted On-Peak	Initial Off-Peak	Adjusted Off-Peak
January	90.470	103.933	63.781	73.272
February	90.470	103.933	63.781	73.272
March	73.760	84.736	52.001	59.739
April	73.760	84.736	52.001	59.739
May	64.790	74.431	45.677	52.474
June	74.920	85.417	43.633	49.746
July	93.040	106.076	54.186	61.778
August	93.040	106.076	54.186	61.778
September	70.790	81.324	41.228	47.363
October	71.500	82.140	50.408	57.909
November	71.500	82.140	50.408	57.909
December	71.500	82.140	50.408	57.909

**Table #5**

**Zone-Hub Basis Differential**

**Based on 3 Year Average**

	On-Peak	Off-Peak
January	110%	105%
February	110%	105%
March	110%	105%
April	110%	105%
May	110%	105%
June	114%	105%
July	114%	105%
August	114%	105%
September	114%	105%
October	110%	105%
November	110%	105%
December	110%	105%

**Table #6**

**Losses**

	RT{1}	RS{2}	GS{3}	GST {4}	OL/SL
Loss Factors =	10.5545%	10.5545%	10.5545%	10.5545%	10.5545%
Expansion Factor =	1.11800	1.11800	1.11800	1.11800	1.11800

{4} The GS and GST units exclude the units associated with the 1000+ kW PLS accounts that will be required to take service under BGS-CIEP

**Jersey Central Power & Light  
Attachment 2**

**Table #7**      **Summary of Average BGS Energy Only Unit Costs @ customer - PJM Time Periods**  
based on Forwards prices corrected for zone-hub differential and losses - PJM time periods  
in \$/MWh

		RT{1}	RS{2}	GS{3}	GST {4}	OL/SL	
Summer - all hrs		\$ 95.113	\$ 96.877	\$ 98.319	\$ 97.481	\$ 81.320	
	PJM on pk	\$ 122.415	\$ 122.825	\$ 121.669	\$ 121.378	\$ 120.562	
	PJM off pk	\$ 65.372	\$ 65.701	\$ 65.235	\$ 65.207	\$ 64.846	
Winter - all hrs		\$ 90.274	\$ 90.910	\$ 92.793	\$ 92.291	\$ 83.399	
	PJM on pk	\$ 109.150	\$ 108.152	\$ 107.467	\$ 107.474	\$ 107.367	
	PJM off pk	\$ 73.491	\$ 72.960	\$ 72.619	\$ 72.562	\$ 72.354	
Annual		\$ 91.751	\$ 93.326	\$ 94.798	\$ 94.133	\$ 82.716	
System Total	\$ 93.84						

**Table #8**      **Summary of Average BGS Energy Only Costs @ customer - PJM Time Periods**  
based on Forwards prices corrected for zone-hub differential and losses  
in \$1000

		RT{1}	RS{2}	GS{3}	GST {4}	OL/SL	Total
Summer - all hrs		\$ 13,803	\$ 368,632	\$ 259,683	\$ 21,189	\$ 3,093	\$ 666,400
	PJM on pk	\$ 9,262	\$ 255,072	\$ 188,393	\$ 15,159	\$ 1,356	\$ 469,243
	PJM off pk	\$ 4,540	\$ 113,560	\$ 71,289	\$ 6,030	\$ 1,737	\$ 197,157
Winter - all hrs		\$ 29,827	\$ 508,450	\$ 430,394	\$ 36,463	\$ 6,483	\$ 1,011,617
	PJM on pk	\$ 16,974	\$ 308,535	\$ 288,560	\$ 23,996	\$ 2,633	\$ 640,697
	PJM off pk	\$ 12,853	\$ 199,915	\$ 141,834	\$ 12,467	\$ 3,850	\$ 370,919
Annual		\$ 43,630	\$ 877,082	\$ 690,077	\$ 57,651	\$ 9,576	\$ 1,678,017
System Total	\$ 1,678,017						

**Jersey Central Power & Light  
Attachment 2**

**Table #9** **Summary of Average BGS Energy Only Unit Costs @ customer - JCP&L Time Periods**  
based on Forwards prices corrected for zone-hub differential and losses - JCP&L billing time periods  
in \$/MWh

	RT{1}	RS{2}	GS{3}	GST {4}	OL/SL
Summer - all hrs	\$ 95.113	\$ 96.877	\$ 98.319	\$ 97.481	\$ 81.320
JCP&L On pk	\$ 131.271			\$ 127.922	
JCP&L Off pk	\$ 71.210			\$ 70.918	
Winter - all hrs	\$ 90.274	\$ 90.910	\$ 92.793	\$ 92.291	\$ 83.399
JCP&L On pk	\$ 114.286			\$ 112.352	
JCP&L Off pk	\$ 77.229			\$ 76.421	
Annual Average	\$ 91.751	\$ 93.326	\$ 94.798	\$ 94.133	\$ 82.716
System Average	\$ 93.84				

**Table #10** **Generation & Transmission Obligations and Costs and Other Adjustments**  
obligations - annual average forecasted for 2008; costs are market estimates  
in MW

	RT{1}	RS{2}	GS{3}	GST {4}	OL/SL	BGS-FP TOTAL
Gen Obl - MW	110.2	3,318.1	1,729.2	128.5	0.3	5,286.3
Trans Obl - MW	Not applicable for JCP&L - Transmission rates are based on Retail Tariff rates for the respective rate classes					
# of Months and Days used in this analysis						
	# of summer days = 122		# of summer months = 4			
	# of winter days = 244		# of winter months = 8			
			total # months = 12			

Transmission charges will be based on Retail Tariff rates for the applicable rate schedules

		Initial	Adjusted		
Generation Capacity cost	Summer	\$ 170.00	195.298 \$/MW/day	Summer Total	\$ 125,953,318
	Winter	\$ 25.00	28.720 \$/MW/day	Winter Total	\$ 37,044,714
				Annual Total	\$ 162,998,032

Residential summer BGS + Transmission charge differential  
per BPU and summer blocking percentages

Charges	Rate	% usage
Block 1 (0-600 kWh/m)		52.81%
Block 2 (>600 kWh/m)		47.19%
Differential (Excl. SUT)	0.8652 ¢/kWh	

**Table #11** **Ancillary Services**  
forecasted overall annual average

	Initial	Adjusted
	\$ 3.00	3.446 \$/MWh

**Table #12** **Summary of Obligation Costs Expressed as \$/MWh @ customer**

	RT{1}	RS{2}	GS{3}	GST {4}	OL/SL
Transmission Obl - all months	\$ 3.842	\$ 4.627	\$ 4.615	\$ 3.690	\$ 3.508
Generation Obl \$/MWh - all months	\$ 7.146	\$ 10.886	\$ 7.325	\$ 6.467	\$ 0.080
Generation Obl \$/MWh - Summer - All Hours	\$ 18.093	\$ 20.777	\$ 15.599	\$	\$ 0.188
Generation Obl \$/MWh - Summer - On-Peak Hours	\$ 45.463			\$ 30.217	
Generation Obl \$/MWh - Winter - All Hours	\$ 2.337	\$ 4.157	\$ 2.613	\$	\$ 0.027
Generation Obl \$/MWh - Winter - On-Peak Hours	\$ 6.639			\$ 5.158	

**Jersey Central Power & Light  
Attachment 2**

**Table #13** Summary of BGS Unit Costs @ customer

**NON-DEMAND RATES**

*includes energy, Generation and Transmission obligations, and Ancillary Services - adjusted to billing time periods in \$/MWh*

		RT{1}		RS{2}		GS{3}		GST {4}		OL/SL
Summer - all hrs		\$ 120.90	\$	126.13	\$	122.39				\$ 88.87
	JCP&L On pk	\$ 184.43					\$	165.68		
	JCP&L Off pk	\$ 78.90					\$	78.46		
	Block 1 (0-600 kWh/m)		\$	122.05						
	Block 2 (>600 kWh/m)		\$	130.70						
Winter - all hrs		\$ 100.31	\$	103.55	\$	103.87				\$ 90.79
	JCP&L On pk	\$ 128.62					\$	125.05		
	JCP&L Off pk	\$ 84.92					\$	83.96		
Annual -all hrs		\$ 106.59	\$	112.69	\$	110.59	\$	108.14	\$	90.16

**DEMAND RATES**

*includes energy and Ancillary Services, G&T obligations charged separately - adjusted to billing time periods in \$/MWh*

**JCP&L does not have a demand component in its BGS charges**

**Jersey Central Power & Light  
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**Table #14**

**Units @ Customer  
in kWh**

	<b>RT{1}</b>	<b>RS{2}</b>	<b>GS{3}</b>	<b>GST {4}</b>	<b>OL/SL</b>	
Summer - all hrs	5,985,515		2,641,225,000			38,038,000
JCP&L On pk	55,378,516			101,287,247		
JCP&L Off pk	83,754,969			116,076,753		
Block 1 (0-600 kWh/m)		2,009,465,000				
Block 2 (>600 kWh/m)		1,795,684,000				
Winter - all hrs	14,398,227	5,592,871,000	4,638,228,000			77,737,000
JCP&L On pk	111,237,517			174,505,698		
JCP&L Off pk	204,766,256			220,574,302		
						<b>Total</b>
Summer Total	145,119,000	3,805,149,000	2,641,225,000	217,364,000	38,038,000	6,846,895,000
Winter Total	<u>330,402,000</u>	<u>5,592,871,000</u>	<u>4,638,228,000</u>	<u>395,080,000</u>	<u>777,370,000</u>	<u>11,034,318,000</u>
Annual Total	475,521,000	9,398,020,000	7,279,453,000	612,444,000	115,775,000	17,881,213,000

**Table #15**

**Summary of Total Estimated BGS Costs by Season**

	<b>RT{1}</b>	<b>RS{2}</b>	<b>GS{3}</b>	<b>GST {4}</b>	<b>OL/SL</b>	<b>Total</b>
Total Costs by Rate - in \$1000						
Summer - all hrs	\$ 724		\$ 323,249		\$ 3,380	
JCP&L On pk	\$ 10,213			\$ 16,781		
JCP&L Off pk	\$ 6,609			\$ 9,107		
Block 1 (0-600 kWh/m)		\$ 245,256				
Block 2 (>600 kWh/m)		\$ 234,701				
Winter - all hrs	\$ 1,444	\$ 579,128	\$ 481,787		\$ 7,057	
JCP&L On pk	\$ 14,307			\$ 21,822		
JCP&L Off pk	\$ 17,389			\$ 18,520		
Total Costs - in \$1000						
Summer	\$ 17,546	\$ 479,957	\$ 323,249	\$ 25,889	\$ 3,380	\$ 850,021
Winter	\$ 33,141	\$ 579,128	\$ 481,787	\$ 40,343	\$ 7,057	\$ 1,141,456
Total	\$ 50,687	\$ 1,059,085	\$ 805,036	\$ 66,231	\$ 10,438	\$ 1,991,477
% of Annual Total \$						
Summer	35%	45%	40%	39%	32%	43%
Winter	65%	55%	60%	61%	68%	57%

**Jersey Central Power & Light  
Attachment 2**

**Table #16 Customer & Bulk System Costs**

**Customer Costs Per Allocation Matrix**

Grand Total Cost in \$1000 = \$ 1,991,477

Seasonal Units	RT{1}	RS{2}	GS{3}	GST {4}	OL/SL	Total
Summer	162,243	4,254,154	2,952,888	243,013	42,526	7,654,824
Winter	369,389	6,252,826	5,185,535	441,699	86,910	12,336,359

**Supplier Payment in \$1000**

**Post Transition Year 5 Bid price**

	Seasonal Factor	Price per MWH 99.640	Units	Payment
Seasonally Adjusted Summer Payment	1.1145	111.049	7,654,824	\$ 850,061
Seasonally Adjusted Winter Payment	0.9286	92.526	12,336,359	\$ 1,141,434
Total Supplier Payment				\$ 1,991,495

**Table #17 Adjustment Factor Calculation**

Allocated Customer Costs on a per MWh basis (on bulk system MWhs):	Seasonal Supplier Payment	Adjustment Factor Calculation	Adjustment Factor
Summer \$ 111.044 per MWh @ bulk system	111.049	1.0000	1.14011
Winter \$ 92.528 per MWh @ bulk system	92.526	1.0000	1.14881

**Assumptions:**

- Generation Capacity Cost = \$ 195.30 per MW day Summer
- \$ 28.72 per MW day Winter
- Transmission cost = Transmission charges will be based on Retail Tariff rates for the applicable rate schedules
- Analysis time period = 4 summer months
- 8 winter months
- Ancillary Services = \$ 3.45 per MWh
- Energy Costs = Based on Forwards prices @ PJM West corrected for hub-zone basis differential (both based on the figures used to derive the Bid Factors and establish retail rates in Post Transition Year 4) and adjusted to match the total cost at the actual supplier bid price.
- Usage patterns = forecasted 2008 energy use by class based upon PJM on/off % from 2005 through 2007 class load profiles
- JCP&L billing on/off % from 2008 forecasted billing determinants
- Obligations = class totals for 2008 excluding accounts required to take service under BGS-CIEP as of June 1, 2009
- Losses = Consistent with Losses as approved by the BPU
- PJM Time Periods = PJM trading time periods - 7 AM to 11 PM weekdays, local time, excluding NERC holidays - New Year's, Memorial, 4th of July, Labor Day, Thanksgiving & Christmas
- JCP&L Billing time periods = RT On-peak hours are 8 am to 8 pm Eastern Standard Time, Monday through Friday.
- GST On-peak hours are 8 am to 8 pm prevailing time, Monday through Friday.
- The Holidays identified by PJM are not excluded from the RT or GST Billing On-Peak kWh.

**Jersey Central Power & Light  
Attachment 2  
2009 BGS Auction Cost and Bid Factor Tables**

**2008/2009 BGS Supply Period Estimated Supplier Payments Allocated by Rate Class**

**Development of Post Transition Period BGS Cost and Bid Factors  
Adjusted to Billing Time Periods**

**Table #1**

**% Usage During PJM On-Peak Period**

*Based on an average of 2005 through 2007 Load Profile Information  
On-Peak periods defined as the 16 hr PJM Trading period, adj for NERC holidays*

	<i>Profile Meter Data</i>	<i>Profile Meter Data</i>	<i>Profile Meter Data</i>	<i>Profile Meter Data</i>	<i>Other Analysis</i>
	<b>RT{1}</b>	<b>RS{2}</b>	<b>GS{3}</b>	<b>GST</b>	<b>OL/SL</b>
<i>(data rounded to nearest .01 %)</i>					
January	47.56%	50.92%	56.80%	55.97%	32.16%
February	46.80%	50.42%	56.59%	55.45%	29.95%
March	47.30%	51.02%	58.86%	57.27%	31.86%
April	43.89%	48.19%	56.18%	54.97%	28.89%
May	48.68%	54.09%	59.83%	59.02%	30.67%
June	52.05%	55.20%	59.23%	58.57%	29.38%
July	51.57%	53.15%	56.82%	55.39%	27.62%
August	54.43%	56.95%	60.53%	58.84%	30.71%
September	49.93%	52.51%	57.89%	57.04%	30.59%
October	46.76%	51.21%	59.06%	57.30%	33.01%
November	48.46%	53.19%	59.67%	58.10%	33.82%
December	46.95%	49.46%	56.39%	54.28%	32.10%

**Table #2**

**% Usage During JCP&L On-Peak Billing Period**

*On-Peak periods as defined in specified rate schedule*

	<i>2008 Forecasted Calendar Month Sales</i>	<i>N/A</i>	<i>N/A</i>	<i>2008 Forecasted Calendar Month Sales</i>	<i>N/A</i>
	<b>RT{1}</b>	<b>RS{2}</b>	<b>GS{3}</b>	<b>GST</b>	<b>OL/SL</b>
<i>(data rounded to nearest .01 %)</i>					
January	35.11%	----	----	42.54%	----
February	34.74%	----	----	43.20%	----
March	34.76%	----	----	43.60%	----
April	34.89%	----	----	44.38%	----
May	36.28%	----	----	45.86%	----
June	39.29%	----	----	47.22%	----
July	40.76%	----	----	46.58%	----
August	40.27%	----	----	46.31%	----
September	38.43%	----	----	46.25%	----
October	35.90%	----	----	46.04%	----
November	35.21%	----	----	44.63%	----
December	35.34%	----	----	43.38%	----

{1} For BGS purposes the RT rate class includes the RS and GS rate class Off-Peak (OPWH) and Controlled Water Heating (CTWH) provisions. The RT rate class also includes the summer billing month RGT rate class usage. OPWH and CTWH is billed on the average RT rates, while RT and Summer RGT use is billed at on-peak and off-peak rates.

{2} For BGS purposes the RS rate class excludes the Off-Peak and Controlled Water Heating provisions and includes the winter billing month RGT rate class usage

{3} For BGS purposes the GS rate class excludes the Off-Peak and Controlled Water Heating provisions

**Jersey Central Power & Light  
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**Table #3**

**Class Usage @ customer**  
calendar month sales forecasted for 2008  
in MWh

	RT{1}	RS{2}	GS{3}	GST {4}	OL/SL	Total
January	53,645	833,951	622,193	54,586	9,965	1,574,340
February	48,346	745,033	590,146	48,077	9,885	1,441,487
March	46,508	698,231	566,567	48,546	9,650	1,369,502
April	36,777	603,294	552,995	49,270	9,774	1,252,110
May	31,850	615,539	556,560	47,659	9,738	1,261,346
June	39,338	935,227	643,621	54,969	9,493	1,682,648
July	40,805	1,092,544	705,766	57,421	9,599	1,906,135
August	37,811	1,046,996	694,539	56,181	9,500	1,845,027
September	27,165	730,382	597,299	48,793	9,446	1,413,085
October	26,403	645,583	602,259	48,366	9,655	1,332,266
November	39,189	648,997	543,358	47,766	9,514	1,288,824
December	47,684	802,242	604,150	50,810	9,556	1,514,442
Total	475,521	9,398,020	7,279,453	612,444	115,775	17,881,213

**Table #4**

**Forwards Prices - Energy Only @ bulk system**  
in \$/MWh

	Initial On-Peak	Adjusted On-Peak	Initial Off-Peak	Adjusted Off-Peak
January	86.250	102.140	59.556	70.528
February	86.250	102.140	59.556	70.528
March	78.650	93.140	54.308	64.313
April	78.650	93.140	54.308	64.313
May	75.250	89.113	51.960	61.533
June	80.630	95.659	47.209	56.008
July	103.380	122.649	60.529	71.811
August	103.380	122.649	60.529	71.811
September	79.880	94.596	46.770	55.386
October	71.750	84.969	49.543	58.670
November	71.750	84.969	49.543	58.670
December	71.750	84.969	49.543	58.670

**Table #5**

**Zone-Hub Basis Differential**  
Based on 3 Year Average

On-Peak	Off-Peak
109%	105%
109%	105%
109%	105%
109%	105%
109%	105%
112%	103%
112%	103%
112%	103%
112%	103%
109%	105%
109%	105%
109%	105%

**Table #6**

**Losses**

	RT{1}	RS{2}	GS{3}	GST {4}	OL/SL
Loss Factors =	10.5545%	10.5545%	10.5545%	10.5545%	10.5545%
Expansion Factor =	1.11800	1.11800	1.11800	1.11800	1.11800
Loss Factors from Transmission Nodes =	9.3291%	9.3291%	9.3291%	9.3291%	9.3291%
Expansion Factor to Transmission Nodes =	1.10289	1.10289	1.10289	1.10289	1.10289

(4) The GS and GST units exclude the units associated with the 1000+ kW PLS accounts that will be required to take service under BGS-CIEP

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**Table #7**      **Summary of Average BGS Energy Only Unit Costs @ customer - PJM Time Periods**  
*based on Forwards prices corrected for zone-hub differential and losses - PJM time periods  
in \$/MWh*

		RT{1}	RS{2}	GS{3}	GST {4}	OL/SL	
Summer - all hrs		\$ 107,461	\$ 109,525	\$ 111,163	\$ 110,186	\$ 92,038	
	PJM on pk	\$ 138,133	\$ 138,688	\$ 137,411	\$ 137,036	\$ 136,171	
	PJM off pk	\$ 74,047	\$ 74,486	\$ 73,970	\$ 73,924	\$ 73,511	
Winter - all hrs		\$ 92,967	\$ 93,888	\$ 96,208	\$ 95,727	\$ 86,314	
	PJM on pk	\$ 112,968	\$ 112,262	\$ 111,916	\$ 111,991	\$ 111,816	
	PJM off pk	\$ 75,183	\$ 74,758	\$ 74,611	\$ 74,593	\$ 74,562	
Annual		\$ 97,390	\$ 100,219	\$ 101,634	\$ 100,859	\$ 88,195	
System Total	\$ 100.66						

**Table #8**      **Summary of Average BGS Energy Only Costs @ customer - PJM Time Periods**  
*based on Forwards prices corrected for zone-hub differential and losses  
in \$1000*

		RT{1}	RS{2}	GS{3}	GST {4}	OL/SL	Total
Summer - all hrs		\$ 15,595	\$ 416,760	\$ 293,605	\$ 23,950	\$ 3,501	\$ 753,411
	PJM on pk	\$ 10,452	\$ 288,016	\$ 212,770	\$ 17,114	\$ 1,532	\$ 529,883
	PJM off pk	\$ 5,143	\$ 128,744	\$ 80,836	\$ 6,836	\$ 1,969	\$ 223,528
Winter - all hrs		\$ 30,716	\$ 525,103	\$ 446,233	\$ 37,820	\$ 6,710	\$ 1,046,582
	PJM on pk	\$ 17,567	\$ 320,262	\$ 300,508	\$ 25,004	\$ 2,742	\$ 666,084
	PJM off pk	\$ 13,149	\$ 204,841	\$ 145,725	\$ 12,816	\$ 3,968	\$ 380,499
Annual		\$ 46,311	\$ 941,863	\$ 739,838	\$ 61,770	\$ 10,211	\$ 1,799,994
System Total	\$ 1,799,994						

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**Table #9** **Summary of Average BGS Energy Only Unit Costs @ customer - JCP&L Time Periods**  
based on Forwards prices corrected for zone-hub differential and losses - JCP&L billing time periods  
in \$/MWh

	RT{1}	RS{2}	GS{3}	GST {4}	OL/SL
Summer - all hrs	\$ 107.461	\$ 109.525	\$ 111.163	\$ 110.186	\$ 92.038
JCP&L On pk	\$ 148.083			\$ 144.389	
JCP&L Off pk	\$ 80.606			\$ 80.341	
Winter - all hrs	\$ 92.967	\$ 93.888	\$ 96.208	\$ 95.727	\$ 86.314
JCP&L On pk	\$ 115.280			\$ 117.216	
JCP&L Off pk	\$ 80.844			\$ 78.726	
Annual Average	\$ 97.390	\$ 100.219	\$ 101.634	\$ 100.859	\$ 88.195
System Average	\$ 100.66				

**Table #10** **Generation & Transmission Obligations and Costs and Other Adjustments**  
obligations - annual average forecasted for 2008; costs are market estimates  
in MW

	RT{1}	RS{2}	GS{3}	GST {4}	OL/SL	BGS-FP TOTAL
Gen Obl - MW	110.2	3,318.1	1,729.2	128.5	0.3	5,286.3
Trans Obl - MW	Not applicable for JCP&L - Transmission rates are based on Retail Tariff rates for the respective rate classes					
# of Months and Days used in this analysis						
	# of summer days = 122		# of summer months = 4			
	# of winter days = 243		# of winter months = 8			
			total # months = 12			

Transmission charges will be based on Retail Tariff rates for the applicable rate schedules

		Initial	Adjusted		
Generation Capacity cost	Summer	\$ 143.51	169.949 \$/MW/day	Summer Total	\$ 109,605,016
	Winter	\$ 143.51	169.949 \$/MW/day	Winter Total	\$ 218,311,630
				Annual Total	\$ 327,916,646

Residential summer BGS + Transmission charge differential  
per BPU and summer blocking percentages

Charges	Rate	% usage
Block 1 (0-600 kWh/m)		52.81%
Block 2 (>600 kWh/m)		47.19%
Differential (Excl. SUT)	0.8652 ¢/kWh	

**Table #11** **Ancillary Services**  
forecasted overall annual average

	Initial	Adjusted
	\$ 3.00	3.553 \$/MWh

**Table #12** **Summary of Obligation Costs Expressed as \$/MWh @ customer**

	RT{1}	RS{2}	GS{3}	GST {4}	OL/SL
Transmission Obl - all months	\$ 3.842	\$ 4.627	\$ 4.615	\$ 3.690	\$ 3.508
Generation Obl \$/MWh - all months	\$ 14.376	\$ 21.901	\$ 14.736	\$ 13.010	\$ 0.161
Generation Obl \$/MWh - Summer - All Hours	\$ 15.745	\$ 18.080	\$ 13.575		\$ 0.164
Generation Obl \$/MWh - Summer - On-Peak Hours	\$ 39.562			\$ 26.295	
Generation Obl \$/MWh - Winter - All Hours	\$ 13.774	\$ 24.501	\$ 15.397		\$ 0.159
Generation Obl \$/MWh - Winter - On-Peak Hours	\$ 39.128			\$ 30.399	

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**Table #13 Summary of BGS Unit Costs @ customer**

**NON-DEMAND RATES**

*includes energy, Generation and Transmission obligations, and Ancillary Services - adjusted to billing time periods in \$/MWh*

		RT{1}		RS{2}		GS{3}		GST {4}		OL/SL
Summer - all hrs		\$ 131.02	\$	136.20	\$	133.32				\$ 99.68
	JCP&L On pk	\$ 195.46					\$	178.35		
	JCP&L Off pk	\$ 88.42					\$	88.00		
	Block 1 (0-600 kWh/m)		\$	132.12						
	Block 2 (>600 kWh/m)		\$	140.77						
Winter - all hrs		\$ 114.56	\$	126.99	\$	120.19				\$ 93.95
	JCP&L On pk	\$ 162.22					\$	155.28		
	JCP&L Off pk	\$ 88.66					\$	86.39		
Annual -all hrs		\$ 119.58	\$	130.72	\$	124.96	\$	121.53	\$	95.84

**DEMAND RATES**

*includes energy and Ancillary Services, G&T obligations charged separately - adjusted to billing time periods in \$/MWh*

**JCP&L does not have a demand component in its BGS charges**

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**Table #14**

**Units @ Customer  
in kWh**

	<b>RT{1}</b>	<b>RS{2}</b>	<b>GS{3}</b>	<b>GST {4}</b>	<b>OL/SL</b>	
Summer - all hrs	5,985,515		2,641,225,000			38,038,000
JCP&L On pk	55,378,516			101,287,247		
JCP&L Off pk	83,754,969			116,076,753		
Block 1 (0-600 kWh/m)		2,009,465,000				
Block 2 (>600 kWh/m)		1,795,684,000				
Winter - all hrs	14,398,227	5,592,871,000	4,638,228,000			77,737,000
JCP&L On pk	111,237,517			174,505,698		
JCP&L Off pk	204,766,256			220,574,302		
Summer Total	145,119,000	3,805,149,000	2,641,225,000	217,364,000		38,038,000
Winter Total	<u>330,402,000</u>	<u>5,592,871,000</u>	<u>4,638,228,000</u>	<u>395,080,000</u>		<u>77,737,000</u>
Annual Total	475,521,000	9,398,020,000	7,279,453,000	612,444,000		115,775,000
						<b>Total</b>
						6,846,895,000
						<u>11,034,318,000</u>
						17,881,213,000

**Table #15**

**Summary of Total Estimated BGS Costs by Season**

	<b>RT{1}</b>	<b>RS{2}</b>	<b>GS{3}</b>	<b>GST {4}</b>	<b>OL/SL</b>	<b>Total</b>
Total Costs by Rate - in \$1000						
Summer - all hrs	\$ 784		\$ 352,140		\$ 3,792	
JCP&L On pk	\$ 10,824			\$ 18,064		
JCP&L Off pk	\$ 7,406			\$ 10,215		
Block 1 (0-600 kWh/m)		\$ 265,493				
Block 2 (>600 kWh/m)		\$ 252,785				
Winter - all hrs	\$ 1,649	\$ 710,227	\$ 557,476		\$ 7,304	
JCP&L On pk	\$ 18,045			\$ 27,097		
JCP&L Off pk	\$ 18,154			\$ 19,055		
Total Costs - in \$1000						
Summer	\$ 19,014	\$ 518,278	\$ 352,140	\$ 28,279	\$ 3,792	\$ 921,503
Winter	\$ 37,849	\$ 710,227	\$ 557,476	\$ 46,152	\$ 7,304	\$ 1,359,008
Total	\$ 56,863	\$ 1,228,506	\$ 909,616	\$ 74,431	\$ 11,095	\$ 2,280,511
% of Annual Total \$						
Summer	33%	42%	39%	38%	34%	40%
Winter	67%	58%	61%	62%	66%	60%

**Jersey Central Power & Light  
Attachment 2**

**Table #16 Customer & Bulk System Costs**

**Customer Costs Per Allocation Matrix**

Grand Total Cost in \$1000 = \$ 2,280,511

Seasonal Units	RT{1}	RS{2}	GS{3}	GST {4}	OL/SL	Total
Summer	162,243	4,254,154	2,952,888	243,013	42,526	7,654,824
Winter	369,389	6,252,826	5,185,535	441,699	86,910	12,336,359

**Supplier Payment in \$1000**

**Post Transition Year 6 Bid price**

	Seasonal Factor	Price per MWH 114.090	Units	Payment
Seasonally Adjusted Summer Payment	1.0552		7,654,824	\$ 921,549
Seasonally Adjusted Winter Payment	0.9656	110.165	12,336,359	\$ 1,359,035
Total Supplier Payment				\$ 2,280,584

**Table #17 Adjustment Factor Calculation**

Allocated Customer Costs on a per MWh basis (on bulk system MWhs):	Seasonal Supplier Payment	Adjustment Factor Calculation	Adjustment Factor
Summer \$ 120.382 per MWh @ bulk system	120.388	1.0000	1.18639
Winter \$ 110.163 per MWh @ bulk system	110.165	1.0000	1.18423

**Assumptions:**

- Generation Capacity Cost = \$ 169.95 per MW day Summer
- \$ 169.95 per MW day Winter
- Transmission cost = Transmission charges will be based on Retail Tariff rates for the applicable rate schedules
- Analysis time period = 4 summer months
- 8 winter months
- Ancillary Services = \$ 3.55 per MWh
- Energy Costs = Based on Forwards prices @ PJM West corrected for hub-zone basis differential (both based on the figures used to derive the Bid Factors and establish retail rates in Post Transition Year 3) and adjusted to match the total cost at the actual supplier bid price.
- Usage patterns = forecasted 2008 energy use by class based upon PJM on/off % from 2005 through 2007 class load profiles
- JCP&L billing on/off % from 2008 forecasted billing determinants
- Obligations = class totals for 2008 excluding accounts required to take service under BGS-CIEP as of June 1, 2009
- Losses = Consistent with Losses as approved by the BPU
- PJM Time Periods = PJM trading time periods - 7 AM to 11 PM weekdays, local time, excluding NERC holidays - New Year's, Memorial, 4th of July, Labor Day, Thanksgiving & Christmas
- JCP&L Billing time periods = RT On-peak hours are 8 am to 8 pm Eastern Standard Time, Monday through Friday.
- GST On-peak hours are 8 am to 8 pm prevailing time, Monday through Friday.
- The Holidays identified by PJM are not excluded from the RT or GST Billing On-Peak kWh.

**Jersey Central Power & Light**  
**Attachment 2**  
**2009 BGS Auction Cost and Bid Factor Tables**

**2009/2010 BGS Supply Period Estimated Supplier Payments Allocated by Rate Class**

**Development of Post Transition Period BGS Cost and Bid Factors**  
**Adjusted to Billing Time Periods**

**Table #1**

**% Usage During PJM On-Peak Period**

*Based on an average of 2005 through 2007 Load Profile Information*  
*On-Peak periods defined as the 16 hr PJM Trading period, adj for NERC holidays*

	Profile Meter		Profile Meter		Other Analysis
	Data	Profile Meter Data	Profile Meter Data	Data	
(data rounded to nearest .01 %)	RT{1}	RS{2}	GS{3}	GST	OL/SL
January	47.56%	50.92%	56.80%	55.97%	32.16%
February	46.80%	50.42%	56.59%	55.45%	29.95%
March	47.30%	51.02%	58.86%	57.27%	31.86%
April	43.89%	48.19%	56.18%	54.97%	28.89%
May	48.68%	54.09%	59.83%	59.02%	30.67%
June	52.05%	55.20%	59.23%	58.57%	29.38%
July	51.57%	53.15%	56.82%	55.39%	27.62%
August	54.43%	56.95%	60.53%	58.84%	30.71%
September	49.93%	52.51%	57.89%	57.04%	30.59%
October	46.76%	51.21%	59.06%	57.30%	33.01%
November	48.46%	53.19%	59.67%	58.10%	33.82%
December	46.95%	49.46%	56.39%	54.28%	32.10%

**Table #2**

**% Usage During JCP&L On-Peak Billing Period**

*On-Peak periods as defined in specified rate schedule*

	2008			2008 Forecasted	
	Forecasted	N/A	N/A	Forecasted	N/A
(data rounded to nearest .01 %)	Calendar Month	RS{2}	GS{3}	Calendar Month	OL/SL
	Sales			Sales	
	RT{1}			GST	
January	35.11%	----	----	42.54%	----
February	34.74%	----	----	43.20%	----
March	34.76%	----	----	43.60%	----
April	34.89%	----	----	44.38%	----
May	36.28%	----	----	45.86%	----
June	39.29%	----	----	47.22%	----
July	40.76%	----	----	46.58%	----
August	40.27%	----	----	46.31%	----
September	38.43%	----	----	46.25%	----
October	35.90%	----	----	46.04%	----
November	35.21%	----	----	44.63%	----
December	35.34%	----	----	43.38%	----

{1} For BGS purposes the RT rate class includes the RS and GS rate class Off-Peak (OPWH) and Controlled Water Heating (CTWH) provisions. The RT rate class also includes the summer billing month RGT rate class usage. OPWH and CTWH is billed on the average RT rates, while RT and Summer RGT use is billed at on-peak and off-peak rates.

{2} For BGS purposes the RS rate class excludes the Off-Peak and Controlled Water Heating provisions and includes the winter billing month RGT rate class usage

{3} For BGS purposes the GS rate class excludes the Off-Peak and Controlled Water Heating provisions

**Jersey Central Power & Light  
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**Table #3**

**Class Usage @ customer**  
calendar month sales forecasted for **2008**  
in MWh

	RT{1}	RS{2}	GS{3}	GST {4}	OL/SL	Total
January	53,645	833,951	622,193	54,586	9,965	1,574,340
February	48,346	745,033	590,146	48,077	9,885	1,441,487
March	46,508	698,231	566,567	48,546	9,650	1,369,502
April	36,777	603,294	552,995	49,270	9,774	1,252,110
May	31,850	615,539	556,560	47,659	9,738	1,261,346
June	39,338	935,227	643,621	54,969	9,493	1,682,648
July	40,805	1,092,544	705,766	57,421	9,599	1,906,135
August	37,811	1,046,996	694,539	56,181	9,500	1,845,027
September	27,165	730,382	597,299	48,793	9,446	1,413,085
October	26,403	645,583	602,259	48,366	9,655	1,332,266
November	39,189	648,997	543,358	47,766	9,514	1,288,824
December	47,684	802,242	604,150	50,810	9,556	1,514,442
<b>Total</b>	<b>475,521</b>	<b>9,398,020</b>	<b>7,279,453</b>	<b>612,444</b>	<b>115,775</b>	<b>17,881,213</b>

**Table #4**

**Forwards Prices - Energy Only @ bulk system**  
in \$/MWh

	On-Peak	Off/On Pk LMP ratio	Off-Peak
January	122.67	0.6948	85.230
February	122.67	0.6948	85.230
March	111.50	0.6948	77.469
April	94.00	0.6948	65.310
May	92.96	0.6948	64.587
June	105.35	0.5818	61.296
July	138.06	0.5818	80.328
August	148.50	0.5818	86.402
September	112.58	0.5818	65.503
October	107.00	0.6948	74.342
November	98.46	0.6948	68.409
December	106.00	0.6948	73.648

**Table #5**

**Zone-Hub Basis Differential  
Based on 3 Year Average**

	On-Peak	Off-Peak
January	113%	109%
February	113%	109%
March	113%	109%
April	113%	109%
May	113%	109%
June	107%	102%
July	107%	102%
August	107%	102%
September	107%	102%
October	113%	109%
November	113%	109%
December	113%	109%

**Table #6**

**Losses**

	RT{1}	RS{2}	GS{3}	GST {4}	OL/SL
Loss Factors @ Bulk =	10.5545%	10.5545%	10.5545%	10.5545%	10.5545%
Expansion Factors @ Bulk =	1.11800	1.11800	1.11800	1.11800	1.11800
Loss Factors @ Transmission Node =	9.0973%	9.0973%	9.0973%	9.0973%	9.0973%
Expansion Factors @ Transmission Node =	1.10008	1.10008	1.10008	1.10008	1.10008

{4} The GS and GST units exclude the units associated with the 1000+ kW PLS accounts that will be required to take service under BGS-CIEP

**Jersey Central Power & Light  
Attachment 2**

**Table #7**      **Summary of Average BGS Energy Only Unit Costs @ customer - PJM Time Periods**  
*based on Forwards prices corrected for zone-hub differential and losses - PJM time periods  
in \$/MWh*

		RT{1}	RS{2}	GS{3}	GST {4}	OL/SL	
Summer - all hrs		\$ 119.768	\$ 122.216	\$ 124.042	\$ 122.909	\$ 103.517	
	PJM on pk	\$ 152.635	\$ 153.521	\$ 152.241	\$ 151.716	\$ 150.995	
	PJM off pk	\$ 83.964	\$ 84.602	\$ 84.086	\$ 84.006	\$ 83.585	
Winter - all hrs		\$ 113.451	\$ 114.554	\$ 116.945	\$ 116.192	\$ 104.977	
	PJM on pk	\$ 137.322	\$ 136.400	\$ 135.571	\$ 135.416	\$ 135.425	
	PJM off pk	\$ 92.225	\$ 91.809	\$ 91.339	\$ 91.210	\$ 90.946	
Annual		\$ 115.379	\$ 117.656	\$ 119.520	\$ 118.576	\$ 104.497	
System Total	\$ 118.30						

**Table #8**      **Summary of Average BGS Energy Only Costs @ customer - PJM Time Periods**  
*based on Forwards prices corrected for zone-hub differential and losses  
in \$1000*

		RT{1}	RS{2}	GS{3}	GST {4}	OL/SL	Total
Summer - all hrs		\$ 17,381	\$ 465,049	\$ 327,622	\$ 26,716	\$ 3,938	\$ 840,705
	PJM on pk	\$ 11,549	\$ 318,820	\$ 235,732	\$ 18,948	\$ 1,698	\$ 586,747
	PJM off pk	\$ 5,832	\$ 146,229	\$ 91,890	\$ 7,768	\$ 2,239	\$ 253,958
Winter - all hrs		\$ 37,484	\$ 640,684	\$ 542,418	\$ 45,905	\$ 8,161	\$ 1,274,653
	PJM on pk	\$ 21,355	\$ 389,120	\$ 364,023	\$ 30,234	\$ 3,321	\$ 808,054
	PJM off pk	\$ 16,130	\$ 251,564	\$ 178,395	\$ 15,671	\$ 4,840	\$ 466,599
Annual		\$ 54,865	\$ 1,105,733	\$ 870,040	\$ 72,621	\$ 12,098	\$ 2,115,358
System Total	\$ 2,115,358						

**Jersey Central Power & Light  
Attachment 2**

**Table #9** **Summary of Average BGS Energy Only Unit Costs @ customer - JCP&L Time Periods**  
based on Forwards prices corrected for zone-hub differential and losses - JCP&L billing time periods  
in \$/MWh

	RT{1}	RS{2}	GS{3}	GST {4}	OL/SL
Summer - all hrs	\$ 119.768	\$ 122.216	\$ 124.042	\$ 122.909	\$ 103.517
JCP&L On pk	\$ 163.296			\$ 159.605	
JCP&L Off pk	\$ 90.992			\$ 90.890	
Winter - all hrs	\$ 113.451	\$ 114.554	\$ 116.945	\$ 116.192	\$ 104.977
JCP&L On pk	\$ 143.726			\$ 141.593	
JCP&L Off pk	\$ 97.002			\$ 96.096	
Annual Average	\$ 115.379	\$ 117.656	\$ 119.520	\$ 118.576	\$ 104.497
System Average	\$ 118.30				

**Table #10** **Generation & Transmission Obligations and Costs and Other Adjustments**  
obligations - annual average forecasted for 2008; costs are market estimates  
in MW

	RT{1}	RS{2}	GS{3}	GST {4}	OL/SL	BGS-FP TOTAL
Gen Obl - MW	110.2	3,318.1	1,729.2	128.5	0.3	5,286.3
Trans Obl - MW	Not applicable for JCP&L - Transmission rates are based on Retail Tariff rates for the respective rate classes					
# of Months and Days used in this analysis						
	# of summer days = 122		# of summer months = 4			
	# of winter days = 243		# of winter months = 8			
			total # months = 12			
Transmission charges will be based on Retail Tariff rates for the applicable rate schedules						
Generation Capacity cost	Summer	\$ 188.55 \$/MW/day		Summer Total	\$ 121,601,338	
	Winter	\$ 188.55 \$/MW/day		Winter Total	\$ 242,205,943	
				Annual Total	\$ 363,807,281	

Residential summer BGS + Transmission charge differential  
per BPU and summer blocking percentages

Charges	Rate	% usage
Block 1 (0-600 kWh/m)		52.81%
Block 2 (>600 kWh/m)		47.19%
Differential (Excl. SUT)	0.8652 ¢/kWh	

**Table #11** **Ancillary Services**  
forecasted overall annual average \$ 3.00 \$/MWh

**Table #12** **Summary of Obligation Costs Expressed as \$/MWh @ customer**

	RT{1}	RS{2}	GS{3}	GST {4}	OL/SL
Transmission Obl - all months	\$ 3.842	\$ 4.627	\$ 4.615	\$ 3.690	\$ 3.508
Generation Obl \$/MWh - all months	\$ 15.949	\$ 24.298	\$ 16.349	\$ 14.434	\$ 0.178
Generation Obl \$/MWh - Summer - All Hours	\$ 17.468	\$ 20.059	\$ 15.060	\$	\$ 0.181
Generation Obl \$/MWh - Summer - On-Peak Hours	\$ 43.892			\$ 29.173	
Generation Obl \$/MWh - Winter - All Hours	\$ 15.282	\$ 27.182	\$ 17.082	\$	\$ 0.177
Generation Obl \$/MWh - Winter - On-Peak Hours	\$ 43.410			\$ 33.726	

**Jersey Central Power & Light  
Attachment 2**

**Table #13** Summary of BGS Unit Costs @ customer

**NON-DEMAND RATES**

*includes energy, Generation and Transmission obligations, and Ancillary Services - adjusted to billing time periods in \$/MWh*

	RT{1}	RS{2}	GS{3}	GST {4}	OL/SL
Summer - all hrs	\$ 144.43	\$ 150.26	\$ 147.07		\$ 110.56
JCP&L On pk	\$ 214.38			\$ 195.82	
JCP&L Off pk	\$ 98.19			\$ 97.93	
Block 1 (0-600 kWh/m)		\$ 146.17			
Block 2 (>600 kWh/m)		\$ 154.82			
Winter - all hrs	\$ 135.93	\$ 149.72	\$ 142.00		\$ 112.02
JCP&L On pk	\$ 194.33			\$ 182.36	
JCP&L Off pk	\$ 104.20			\$ 103.14	
Annual -all hrs	\$ 138.52	\$ 149.94	\$ 143.84	\$ 140.05	\$ 111.54

**DEMAND RATES**

*includes energy and Ancillary Services, G&T obligations charged separately - adjusted to billing time periods in \$/MWh*

**JCP&L does not have a demand component in its BGS charges**

**Jersey Central Power & Light  
Attachment 2**

**Table #14**

**Units @ Customer  
in kWh**

	<b>RT{1}</b>	<b>RS{2}</b>	<b>GS{3}</b>	<b>GST {4}</b>	<b>OL/SL</b>	
Summer - all hrs	5,985,515		2,641,225,000			38,038,000
JCP&L On pk	55,378,516			101,287,247		
JCP&L Off pk	83,754,969			116,076,753		
Block 1 (0-600 kWh/m)		2,009,465,000				
Block 2 (>600 kWh/m)		1,795,684,000				
Winter - all hrs	14,398,227	5,592,871,000	4,638,228,000			77,737,000
JCP&L On pk	111,237,517			174,505,698		
JCP&L Off pk	204,766,256			220,574,302		
Summer Total	145,119,000	3,805,149,000	2,641,225,000	217,364,000	38,038,000	6,846,895,000
Winter Total	<u>330,402,000</u>	<u>5,592,871,000</u>	<u>4,638,228,000</u>	<u>395,080,000</u>	<u>777,370,000</u>	<u>11,034,318,000</u>
Annual Total	475,521,000	9,398,020,000	7,279,453,000	612,444,000	115,775,000	17,881,213,000

**Table #15**

**Summary of Total Estimated BGS Costs by Season**

	<b>RT{1}</b>	<b>RS{2}</b>	<b>GS{3}</b>	<b>GST {4}</b>	<b>OL/SL</b>	<b>Total</b>
Total Costs by Rate - in \$1000						
Summer - all hrs	\$ 864		\$ 388,448		\$ 4,206	
JCP&L On pk	\$ 11,872			\$ 19,834		
JCP&L Off pk	\$ 8,224			\$ 11,368		
Block 1 (0-600 kWh/m)		\$ 293,729				
Block 2 (>600 kWh/m)		\$ 278,016				
Winter - all hrs	\$ 1,957	\$ 837,348	\$ 658,610		\$ 8,708	
JCP&L On pk	\$ 21,617			\$ 31,823		
JCP&L Off pk	\$ 21,336			\$ 22,750		
Total Costs - in \$1000						
Summer	\$ 20,961	\$ 571,745	\$ 388,448	\$ 31,202	\$ 4,206	\$ 1,016,561
Winter	\$ 44,910	\$ 837,348	\$ 658,610	\$ 54,574	\$ 8,708	\$ 1,604,151
Total	\$ 65,871	\$ 1,409,093	\$ 1,047,058	\$ 85,776	\$ 12,913	\$ 2,620,711
% of Annual Total \$						
Summer	32%	41%	37%	36%	33%	39%
Winter	68%	59%	63%	64%	67%	61%

**Jersey Central Power & Light  
Attachment 2**

Table #16 & Table #17

Not Applicable to 2009/2010 BGS Supply Period

**Table #18 Bulk System Costs**

**ALL RATES**

Grand Total Cost in \$1000 = \$ 2,620,711  
All-In Average costs @ bulk system = \$ 131.09 per MWh at bulk system (per bulk system metered MWh)

**Table #19 Seasonal Payment Factors**

If total \$ were split on a per MWh basis (on bulk nodes MWhs):		<u>Ratio to All-In Cost (rounded to 4 decimal places)</u>
Summer	\$ 132.80 per MWh @ bulk system	<b>Summer 1.0130</b>
Winter	\$ 130.03 per MWh @ bulk system	<b>Winter 0.9919</b>

**Assumptions:**

Generation Capacity Cost = \$ 188.55 per MW day Summer  
 \$ 188.55 per MW day Winter  
 Transmission cost = Transmission charges will be based on Retail Tariff rates for the applicable rate schedules  
 Analysis time period = 4 summer months  
 8 winter months  
 Ancillary Services = \$ 3.00 per MWh  
 Energy Costs = based on 6/09 to 5/10 Forwards @ PJM West corrected for hub-zone basis differential  
 Usage patterns = forecasted 2008 energy use by class based upon PJM on/off % from 2005 through 2007 class load profiles  
 JCP&L billing on/off % from 2008 forecasted billing determinants  
 Obligations = class totals for 2008 excluding accounts required to take service under BGS-CIEP as of June 1, 2009  
 Loss = Consistent with Losses as approved by the BPU  
 PJM Marginal Losses = PJM's calculated mean value of hourly marginal loss factor  
 PJM Time Periods = PJM trading time periods - 7 AM to 11 PM weekdays, local time, excluding NERC  
 holidays - New Year's, Memorial, 4th of July, Labor Day, Thanksgiving & Christmas  
 JCP&L Billing time periods = RT On-peak hours are 8 am to 8 pm Eastern Standard Time, Monday through Friday.  
 GST On-peak hours are 8 am to 8 pm prevailing time, Monday through Friday.  
 The Holidays identified by PJM are not excluded from the RT or GST Billing On-Peak kWh.

**Jersey Central Power & Light  
Attachment 2  
2009 BGS Auction Cost and Bid Factor Tables**

**BGS-FP Composite Cost Allocation**

**Table #C1**

**Post Transition Year 5 Costs**  
in \$1,000's

Tranches = 15

Total Costs by Rate - in \$1000	RT{1}	RS{2}	GS{3}	GST {4}	OL/SL	
Summer - all hrs	\$ 724		\$ 323,249		\$ 3,380	
JCP&L On pk	\$ 10,213			\$ 16,781		
JCP&L Off pk	\$ 6,609			\$ 9,107		
Block 1 (0-600 kWh/m)		\$ 245,256				
Block 2 (>600 kWh/m)		\$ 234,701				
Winter - all hrs	\$ 1,444	\$ 579,128	\$ 481,787		\$ 7,057	
JCP&L On pk	\$ 14,307			\$ 21,822		
JCP&L Off pk	\$ 17,389			\$ 18,520		
Total Costs - in \$1000						
Summer	\$ 17,546	\$ 479,957	\$ 323,249	\$ 25,889	\$ 3,380	\$ 850,021
Winter	\$ 33,141	\$ 579,128	\$ 481,787	\$ 40,343	\$ 7,057	\$ 1,141,456
Total	\$ 50,687	\$ 1,059,085	\$ 805,036	\$ 66,231	\$ 10,438	\$ 1,991,477

**Table #C2**

**Post Transition Year 6 Costs**  
in \$1,000's

Tranches = 12

Total Costs by Rate - in \$1000	RT{1}	RS{2}	GS{3}	GST {4}	OL/SL	
Summer - all hrs	\$ 784		\$ 352,140		\$ 3,792	
JCP&L On pk	\$ 10,824			\$ 18,064		
JCP&L Off pk	\$ 7,406			\$ 10,215		
Block 1 (0-600 kWh/m)		\$ 265,493				
Block 2 (>600 kWh/m)		\$ 252,785				
Winter - all hrs	\$ 1,649	\$ 710,227	\$ 557,476		\$ 7,304	
JCP&L On pk	\$ 18,045			\$ 27,097		
JCP&L Off pk	\$ 18,154			\$ 19,055		
Total Costs - in \$1000						
Summer	\$ 19,014	\$ 518,278	\$ 352,140	\$ 28,279	\$ 3,792	\$ 921,503
Winter	\$ 37,849	\$ 710,227	\$ 557,476	\$ 46,152	\$ 7,304	\$ 1,359,008
Total	\$ 56,863	\$ 1,228,506	\$ 909,616	\$ 74,431	\$ 11,095	\$ 2,280,511

{1} For BGS purposes the RT rate class includes the RS and GS rate class Off-Peak (OPWH) and Controlled Water Heating (CTWH) provisions. The RT rate class also includes the summer billing month RGT rate class usage. OPWH and CTWH is billed on the average RT rates, while RT and Summer RGT use is billed at on-peak and off-peak rates.

{2} For BGS purposes the RS rate class excludes the Off-Peak and Controlled Water Heating provisions and includes the winter billing month RGT rate class usage

{3} For BGS purposes the GS rate class excludes the Off-Peak and Controlled Water Heating provisions

{4} The GS and GST units exclude the units associated with the 1000+ kW PLS accounts that will be required to take service under BGS-CIEP

**Jersey Central Power & Light**  
**Attachment 2**  
**BGS Post Transition Composite Cost Allocation**

**Table #C3**

**Post Transition Year 7 Costs**  
in \$1,000's

Tranches = 17

Total Costs by Rate - in \$1000

	RT{1}	RS{2}	GS{3}	GST {4}	OL/SL		
Summer - all hrs	\$ 864		\$ 388,448		\$ 4,206		
JCP&L On pk	\$ 11,872			\$ 19,834			
JCP&L Off pk	\$ 8,224			\$ 11,368			
Block 1 (0-600 kWh/m)		\$ 293,729					
Block 2 (>600 kWh/m)		\$ 278,016					
Winter - all hrs	\$ 1,957	\$ 837,348	\$ 658,610		\$ 8,708		
JCP&L On pk	\$ 21,617			\$ 31,823			
JCP&L Off pk	\$ 21,336			\$ 22,750			
Total Costs - in \$1000							
Summer	\$ 20,961	\$ 571,745	\$ 388,448	\$ 31,202	\$ 4,206	\$ 1,016,561	
Winter	\$ 44,910	\$ 837,348	\$ 658,610	\$ 54,574	\$ 8,708	\$ 1,604,151	
Total	\$ 65,871	\$ 1,409,093	\$ 1,047,058	\$ 85,776	\$ 12,913	\$ 2,620,711	

**Table #C4**

**Composite (Tranche Weighted) Costs**  
in \$1,000's

Total Costs by Rate - in \$1000

	RT{1}	RS{2}	GS{3}	GST {4}	OL/SL		
Summer - all hrs	\$ 795		\$ 356,319		\$ 3,811		
JCP&L On pk	\$ 11,021			\$ 18,311			
JCP&L Off pk	\$ 7,450			\$ 10,283			
Block 1 (0-600 kWh/m)		\$ 269,504					
Block 2 (>600 kWh/m)		\$ 256,368					
Winter - all hrs	\$ 1,698	\$ 714,649	\$ 570,748		\$ 7,762		
JCP&L On pk	\$ 18,151			\$ 27,125			
JCP&L Off pk	\$ 19,123			\$ 20,300			
Total Costs - in \$1000							
Summer	\$ 19,266	\$ 525,872	\$ 356,319	\$ 28,594	\$ 3,811	\$ 933,861	
Winter	\$ 38,972	\$ 714,649	\$ 570,748	\$ 47,425	\$ 7,762	\$ 1,379,557	
Total	\$ 58,238	\$ 1,240,521	\$ 927,067	\$ 76,019	\$ 11,574	\$ 2,313,418	

**Jersey Central Power & Light  
Attachment 2  
BGS Post Transition Composite Cost Allocation**

**Table #C5**

**Units @ Customer**  
Forecasted 2008 in kWh

	RT{1}	RS{2}	GS{3}	GST {4}	OL/SL	
Summer - all hrs	5,985,515		2,641,225,000			38,038,000
JCP&L On pk	55,378,516			101,287,247		
JCP&L Off pk	83,754,969			116,076,753		
Block 1 (0-600 kWh/m)		2,009,465,000				
Block 2 (>600 kWh/m)		1,795,684,000				
Winter - all hrs	14,398,227	5,592,871,000	4,638,228,000			77,737,000
JCP&L On pk	111,237,517			174,505,698		
JCP&L Off pk	204,766,256			220,574,302		
Summer Total	145,119,000	3,805,149,000	2,641,225,000	217,364,000	38,038,000	6,846,895,000
Winter Total	330,402,000	5,592,871,000	4,638,228,000	395,080,000	77,737,000	11,034,318,000
Annual Total	475,521,000	9,398,020,000	7,279,453,000	612,444,000	115,775,000	17,881,213,000

**Table #C6**

**Summary of BGS Unit Costs @ customer**

**NON-DEMAND RATES**

includes energy, Generation & Transmission obligations, and Ancillary Services - adjusted to billing time periods in \$/MWh

	RT{1}	RS{2}	GS{3}	GST {4}	OL/SL
Summer - all hrs	\$ 132.75		\$ 134.91		\$ 100.20
JCP&L On pk	\$ 199.01			\$ 180.78	
JCP&L Off pk	\$ 88.95			\$ 88.59	
Block 1 (0-600 kWh/m)		\$ 134.12			
Block 2 (>600 kWh/m)		\$ 142.77			
Winter - all hrs	\$ 117.96	\$ 127.78	\$ 123.05		\$ 99.85
JCP&L On pk	\$ 163.17			\$ 155.44	
JCP&L Off pk	\$ 93.39			\$ 92.03	
Annual -all hrs	\$ 122.47	\$ 132.00	\$ 127.35	\$ 124.12	\$ 99.97

**DEMAND RATES**

includes energy and Ancillary Services, G&T obligations charged separately - adjusted to billing time periods in \$/MWh

**JCP&L does not have a demand component in its BGS charges**

**ALL RATES**

Grand Total Cost in \$1000 = \$ 2,313,418

All-In Average costs @ bulk system = \$ 115.72 per MWh at bulk system (per bulk system metered MWh)

All-In Average costs @ transmission nodes = \$ 117.61 per MWh at transmission nodes (per transmission nodes metered MWh)

**Jersey Central Power & Light  
Attachment 2**

**Table #C7**

<b>Ratio of BGS Unit Costs @ customer to All-In Average Cost @ transmission nodes (rounded to 3 decimal places)</b>						
<b>NON-DEMAND RATES</b>						
<i>includes Energy, Generation &amp; Transmission obligations, and Ancillary Services - adjusted to billing time periods</i>						
		<b>RT{1}</b>	<b>RS{2}</b>	<b>GS{3}</b>	<b>GST {4}</b>	<b>OL/SL</b>
Summer - all hrs		1.129	1.175	1.147		0.852
	JCP&L On pk	1.692			1.537	
	JCP&L Off pk	0.756			0.753	
			(4.083)			
	Constant for Block 1 (0-600 kWh/m) usage (Excl. SUT)		4.569			
	Constant for Block 2 (>600 kWh/m) usage (Excl. SUT)					
Winter - all hrs		1.003	1.086	1.046		0.849
	JCP&L On pk	1.387			1.322	
	JCP&L Off pk	0.794			0.783	
Annual - all hrs		1.041	1.122	1.083	1.055	0.850

**DEMAND RATES**

*includes energy and Ancillary Services, G&T obligations charged separately - adjusted to billing time periods*

**JCP&L does not have a demand component in its BGS charges**

**Table #C8**

<b>Proposed BGS Rate Design (\$/kWh, \$/kW) To Be Combined with Resulting Class Specific Retail BGS Rates from Table #C7</b>						
		<b>RT{1}</b>	<b>RS{2}</b>	<b>GS{3}</b>	<b>GST {4}</b>	<b>OL/SL</b>
Summer						
	JCP&L On pk 0 - 1000 kWh/m					
	>1000 kWh/m	0.168247				
	All Hours 0 - 2500 kWh/m			0.018113		
	>2500 kWh/m		0.084486	-0.011503		
	Maximum Demand >10 kW Demand			5.55		
Winter						
	JCP&L On pk 0 - 1000 kWh	-0.002270				
	1000+ kWh	-0.047660				
	All Hours 0-2500 kWh/m		-0.001359	-0.004425		
	>2500 kWh/m		-0.028541	-0.004425		

Jersey Central Power and Light Company

Calculation of Composite BGS-FP Price  
June 1, 2009 through May 31, 2010

	BGS Post Transition Year 5	BGS Post Transition Year 6	BGS Post Transition Year 7	Total BGS-FP Cost
	1 Year Term Remaining	2 Year Term Remaining	3 Year Term	
Final Auction Price - in \$/MWh	\$ 99.64	\$ 114.09	\$ 114.09	(Note 1)
# of Tranches for Bid	15	12	17	
Total # of Tranches	44	44	44	
<u>Seasonal Factors</u>				
Summer	1.1145	1.0552	1.0130	
Winter	0.9286	0.9656	0.9919	
<u>Applicable Customer Usage @ transmission node</u>				
Summer MWh	7,532,116	7,532,116	7,532,116	7,532,116
Winter MWh	12,138,606	12,138,606	12,138,606	12,138,606
<u>All-in BGS-FP Cost</u>				
Summer	\$ 285,147,372	\$ 247,302,173	\$ 336,333,611	\$ 868,783,156
Winter	\$ 382,886,272	\$ 364,705,424	\$ 530,738,424	\$ 1,278,330,120
Total	\$ 668,033,645	\$ 612,007,596	\$ 867,072,035	\$ 2,147,113,276

Assumed Composite Bid Price \$ 109.15

Note (1): For illustrative purposes, assumed BGS Post Transition Year 7 final auction price at \$114.09/MWh.

**Derivation of BGS-FP Energy Charges (excl. SUT)**  
**June 1, 2009 through May 31, 2010**

Assumed Composite Bid Price \$0.109150 (1)

**Prices Before Rate Design Changes:**

**Prices After Rate Design Changes:**

Rate Class & Usage Type	Ratio of Retail BGS Price to Wholesale BGS Price (2)		Resulting Retail BGS Price Prior to Usage Block Adjustment		Usage Block Adjustment for RS (2)	Resulting Retail BGS Price After RS Usage Block Adjustment		Proposed Rate Design Changes (3)		Resulting Retail BGS Price After Rate Design Changes	
	Summer	Winter	Summer	Winter	Summer	Summer	Winter	Summer	Winter	Summer	Winter
RS - 1 to 600	1.175	1.086	\$0.128251	\$0.118537	-\$0.004083	\$0.124168	\$0.118537		-\$0.001359	\$0.124168	\$0.117178
RS 600 - 2500	1.175	1.086	\$0.128251	\$0.118537	\$0.004569	\$0.132820	\$0.118537		-\$0.001359	\$0.132820	\$0.117178
RS Over 2500	1.175	1.086	\$0.128251	\$0.118537	\$0.004569	\$0.132820	\$0.118537	\$0.084486	-\$0.028541	\$0.217306	\$0.089996
RT - On-peak 0 - 1000	1.692	1.387	\$0.184682	\$0.151391		\$0.184682	\$0.151391		-\$0.002270	\$0.184682	\$0.149121
RT - On-peak Over 1000	1.692	1.387	\$0.184682	\$0.151391		\$0.184682	\$0.151391	\$0.168247	-\$0.047660	\$0.352929	\$0.103731
RT - Off-peak	0.756	0.794	\$0.082517	\$0.086665		\$0.082517	\$0.086665			\$0.082517	\$0.086665
CTWH & OPWH	1.129	1.003	\$0.123230	\$0.109477		\$0.123230	\$0.109477			\$0.123230	\$0.109477
GS - 0 to 2500	1.147	1.046	\$0.125195	\$0.114171		\$0.125195	\$0.114171	\$0.018113	-\$0.004425	\$0.143308	\$0.109746
GS - Over 2500	1.147	1.046	\$0.125195	\$0.114171		\$0.125195	\$0.114171	-\$0.011503	-\$0.004425	\$0.113692	\$0.109746
GS - Demand (kW)								\$5.55		\$5.55	
GST On-Peak	1.537	1.322	\$0.167764	\$0.144296		\$0.167764	\$0.144296			\$0.167764	\$0.144296
GST Off-Peak	0.753	0.783	\$0.082190	\$0.085464		\$0.082190	\$0.085464			\$0.082190	\$0.085464
OL/SL	0.852	0.849	\$0.092996	\$0.092668		\$0.092996	\$0.092668			\$0.092996	\$0.092668

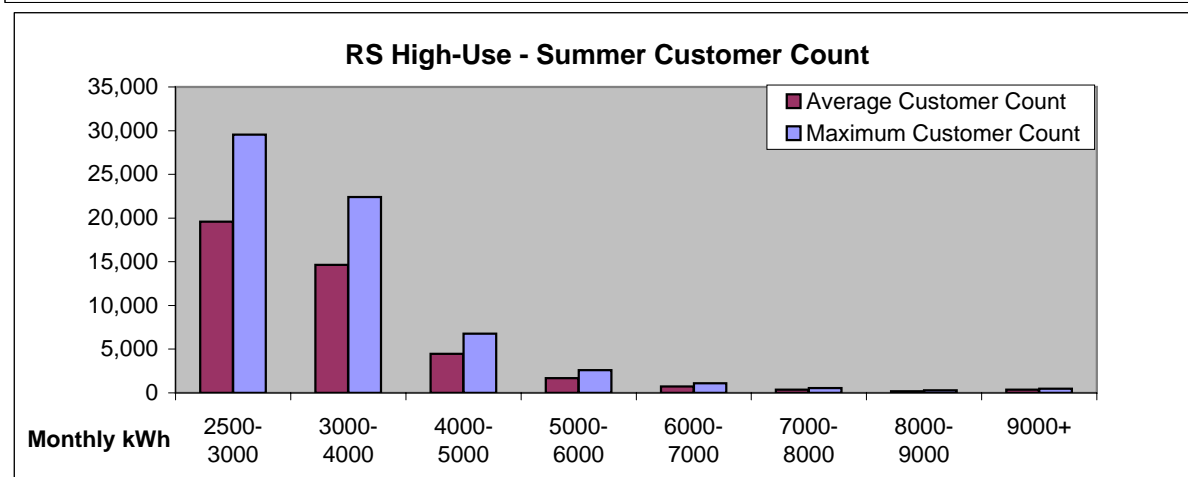
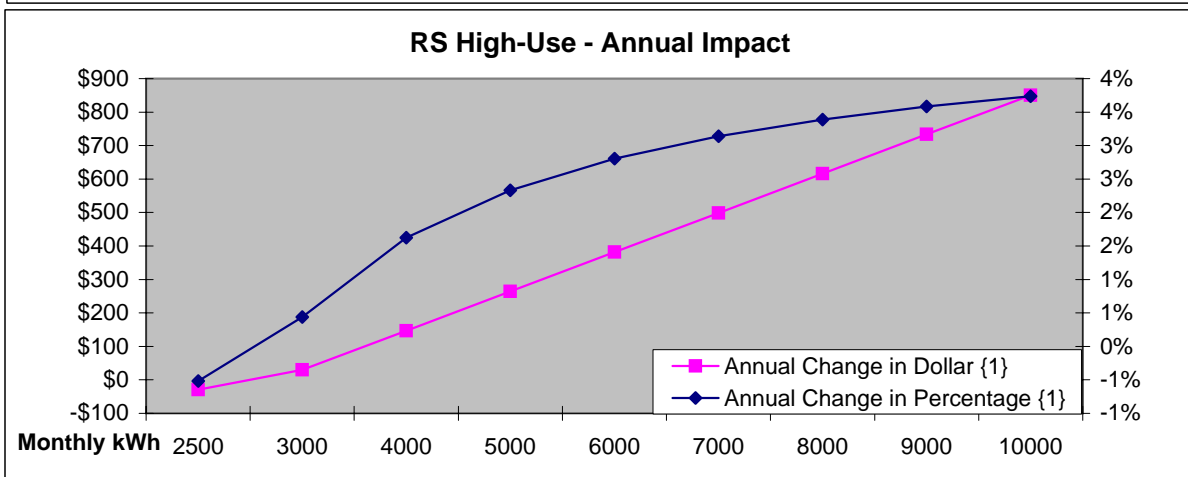
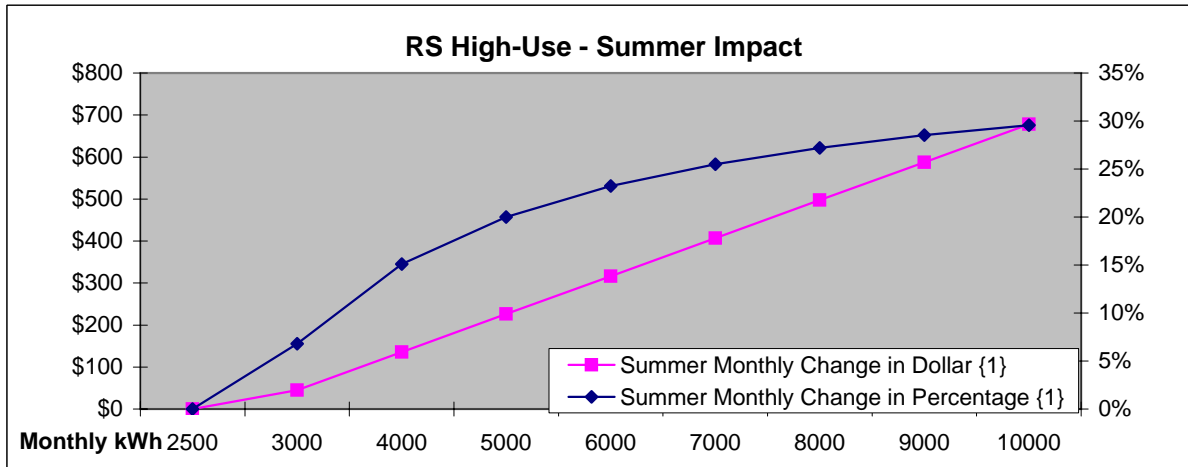
(1) Assumed Composite Bid Price from page 1.  
 (2) Table #C7 of BGS-FP pricing spreadsheet  
 (3) Table #C8 of BGS-FP pricing spreadsheet

**BGS-FP Revenues Before and After Proposed Rate Design Changes**

Rate Class & Usage Type	kWh/kW used to derive BGS-FP prices		Before Rate Design Changes Retail BGS Price (1)		Before Rate Design Changes BGS Revenue		After Rate Design Changes Retail BGS Price (1)		After Rate Design Changes BGS Revenue		Difference
	Summer	Winter	Summer	Winter	Summer	Winter	Summer	Winter	Summer	Winter	
RS - 1 to 600	2,009,465,000	2,953,544,927	\$0.124168	\$0.118537	\$249,511,250	\$350,104,355	\$0.124168	\$0.117178	\$249,511,250	\$346,090,487	
RS 600 - 2500	1,624,993,131	2,388,441,808	\$0.132820	\$0.118537	\$215,831,588	\$283,118,727	\$0.132820	\$0.117178	\$215,831,588	\$279,872,834	
RS Over 2500	170,690,869	250,884,265	\$0.132820	\$0.118537	\$22,671,161	\$29,739,068	\$0.217306	\$0.089996	\$37,092,150	\$22,578,580	
<b>Total RS Annual Revenues</b>					<b>\$ 1,150,976,149</b>				<b>\$ 1,150,976,889</b>		\$ 740
RT - On-peak 0 - 1000	52,102,962	104,657,990	\$0.184682	\$0.151391	\$9,622,479	\$15,844,278	\$0.184682	\$0.149121	\$9,622,479	\$15,606,704	
RT - On-peak Over 1000	3,275,554	6,579,527	\$0.184682	\$0.151391	\$604,936	\$996,081	\$0.352929	\$0.103731	\$1,156,038	\$682,501	
RT - Off-peak	83,754,969	204,766,256	\$0.082517	\$0.086665	\$6,911,209	\$17,746,068	\$0.082517	\$0.086665	\$6,911,209	\$17,746,068	
<b>Total RT Annual Revenues</b>					<b>\$ 51,725,051</b>				<b>\$ 51,724,999</b>		\$ (52)
CTWH & OPWH	5,985,515	14,398,227	\$0.123230	\$0.109477	\$737,595	\$1,576,275	\$0.123230	\$0.109477	\$737,595	\$1,576,275	
GS - 0 to 2500	584,429,413	1,026,310,468	\$0.125195	\$0.114171	\$73,167,640	\$117,174,892	\$0.143308	\$0.109746	\$83,753,410	\$112,633,469	
GS - Over 2500	2,056,795,587	3,611,917,532	\$0.125195	\$0.114171	\$257,500,524	\$412,376,237	\$0.113692	\$0.109746	\$233,841,204	\$396,393,501	
GS - Demand (kW)	6,056,911						\$5.55		\$33,615,856		
<b>Total GS Annual Revenues</b>					<b>\$ 860,219,293</b>				<b>\$ 860,237,440</b>		\$ 18,147
GST On-Peak	101,287,247	174,505,698	\$0.167764	\$0.144296	\$16,992,354	\$25,180,474	\$0.167764	\$0.144296	\$16,992,354	\$25,180,474	
GST Off-Peak	116,076,753	220,574,302	\$0.082190	\$0.085464	\$9,540,348	\$18,851,162	\$0.082190	\$0.085464	\$9,540,348	\$18,851,162	
OL/SL	38,038,000	77,737,000	\$0.092996	\$0.092668	\$3,537,382	\$7,203,732	\$0.092996	\$0.092668	\$3,537,382	\$7,203,732	
<b>Total Revenues</b>					<b>\$2,146,539,815</b>				<b>\$2,146,558,650</b>		
<b>Difference in BGS Revenue Due to Rounding ==&gt;</b>											<b>\$18,835</b>

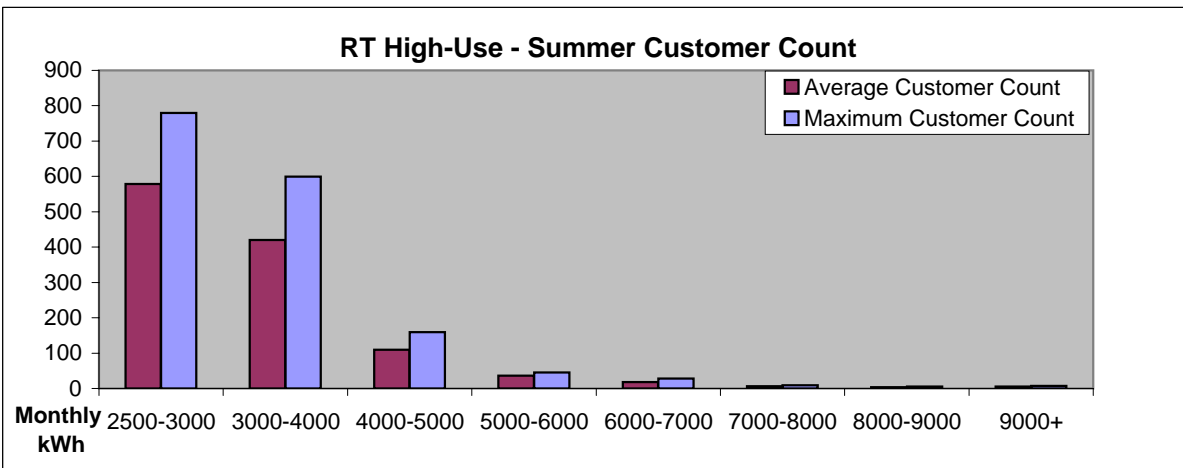
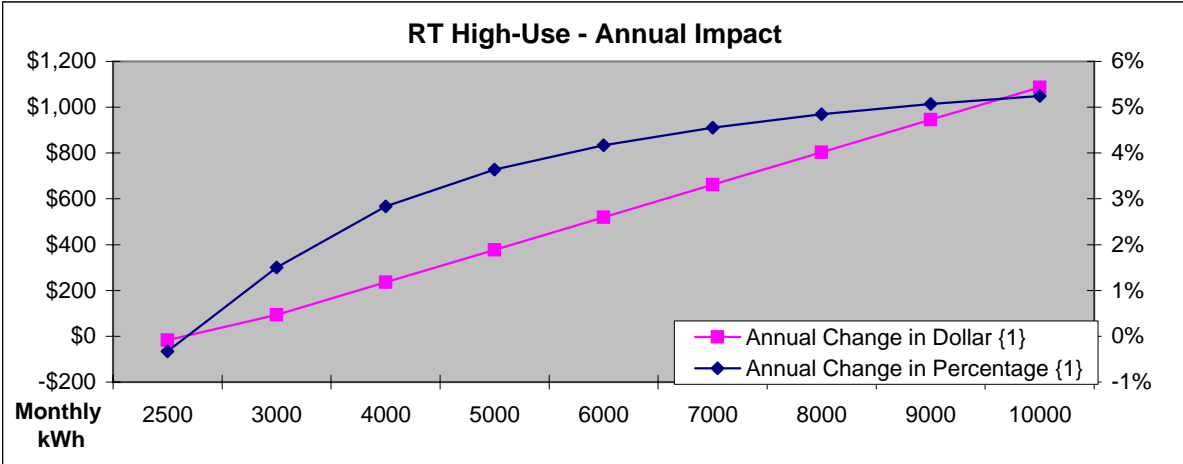
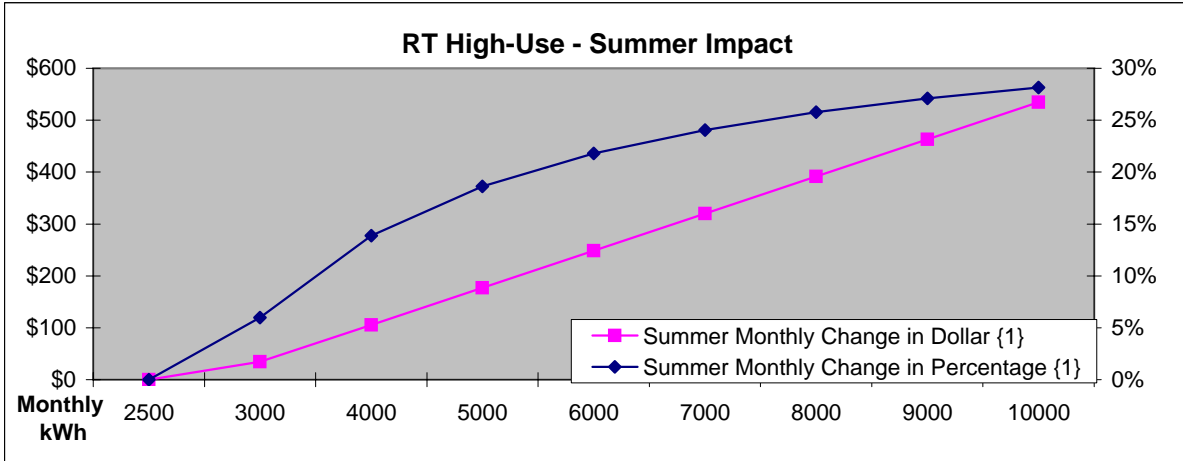
(1) From page 2 of 3

Monthly Usage	Summer Monthly Change in Dollar {1}	Summer Monthly Change in Percentage {1}	Annual Change in Dollar {1}	Annual Change in Percentage {1}	Monthly Usage	Average Customer Count	Maximum Customer Count
2500	\$0	0%	-\$29	-1%	2500-3000	19599	29544
3000	\$45	7%	\$30	0%	3000-4000	14662	22414
4000	\$136	15%	\$147	2%	4000-5000	4456	6788
5000	\$226	20%	\$264	2%	5000-6000	1679	2583
6000	\$316	23%	\$381	3%	6000-7000	743	1086
7000	\$407	26%	\$499	3%	7000-8000	368	545
8000	\$497	27%	\$616	3%	8000-9000	197	300
9000	\$588	29%	\$733	4%	9000+	351	492
10000	\$678	30%	\$851	4%			



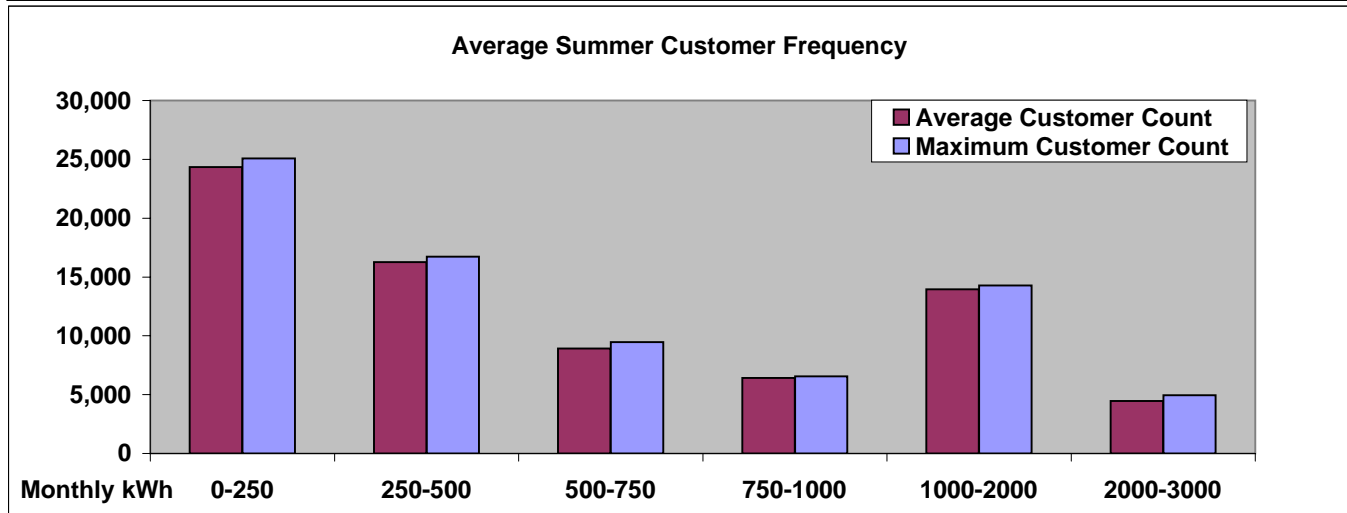
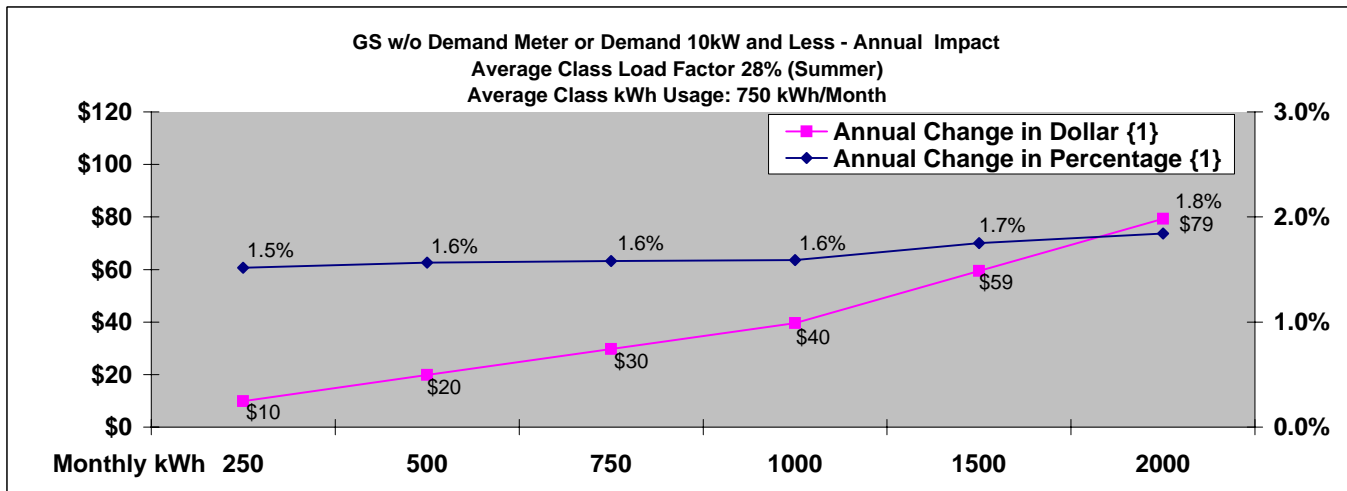
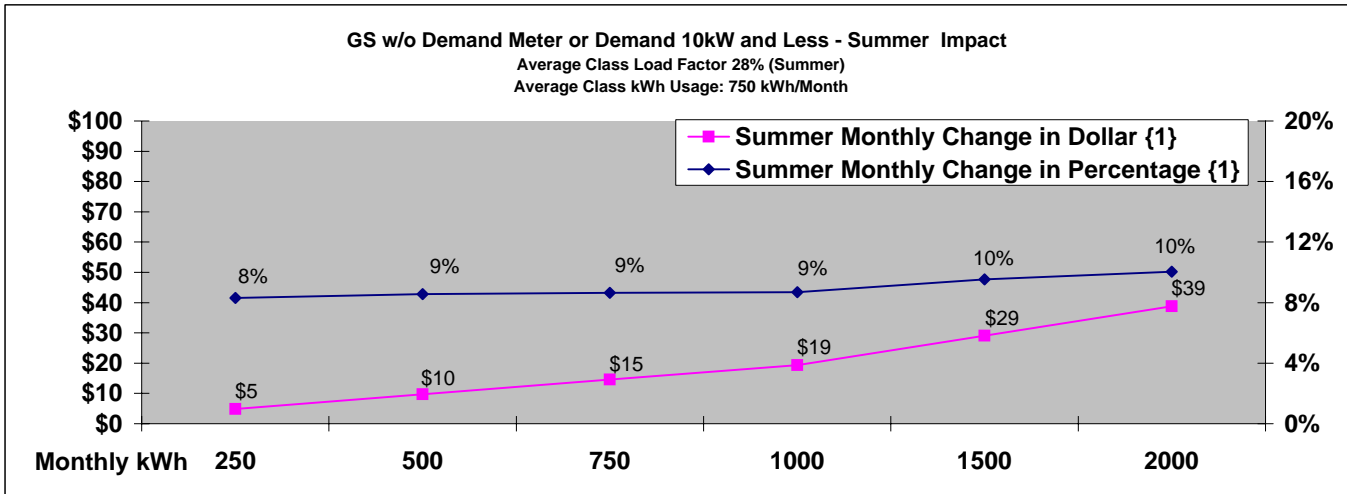
{1} Based on rates in effect 6/1/2008

Monthly Usage	Summer Monthly Change in Dollar {1}	Summer Monthly Change in Percentage {1}	Annual Change in Dollar {1}	Change in Percentage {1}	Monthly Usage	Average Customer Count	Maximum Customer Count
2500	\$0	0%	-\$17	0%	2500-3000	579	780
3000	\$34	6%	\$94	2%	3000-4000	420	599
4000	\$106	14%	\$236	3%	4000-5000	110	159
5000	\$177	19%	\$378	4%	5000-6000	36	45
6000	\$249	22%	\$520	4%	6000-7000	18	28
7000	\$320	24%	\$661	5%	7000-8000	7	9
8000	\$392	26%	\$803	5%	8000-9000	4	5
9000	\$463	27%	\$945	5%	9000+	5	7
10000	\$534	28%	\$1,087	5%			



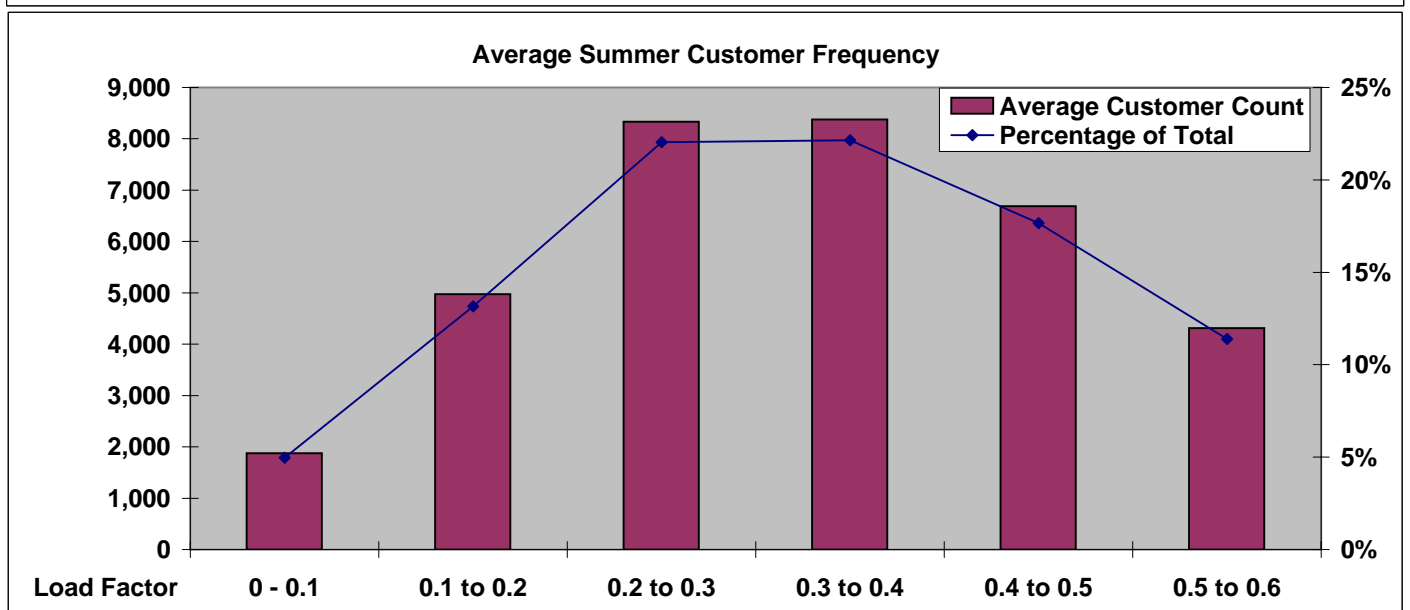
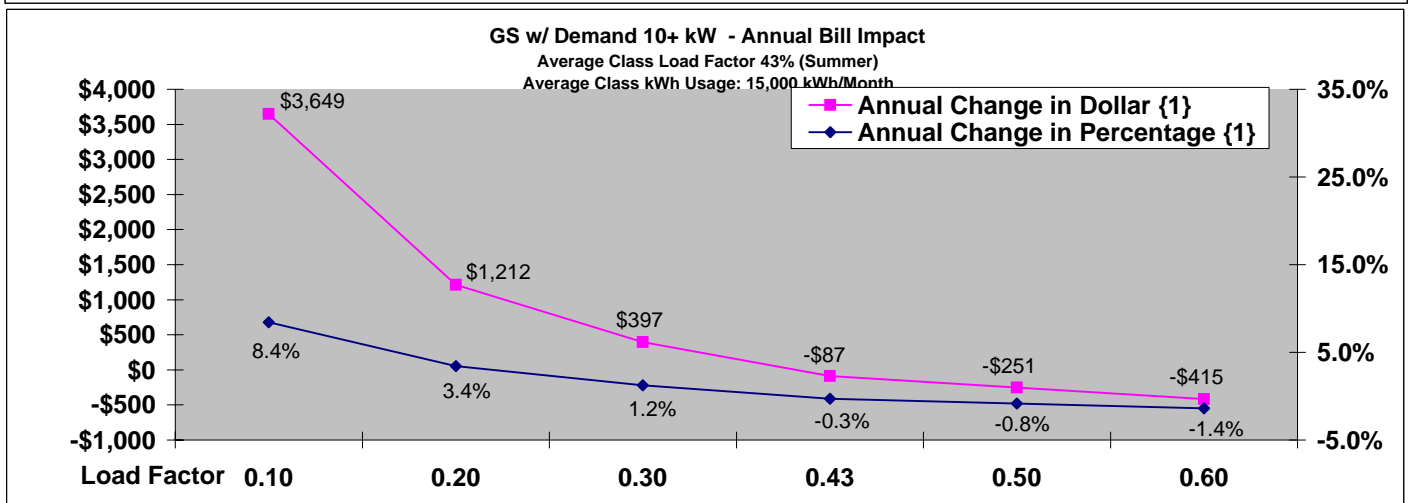
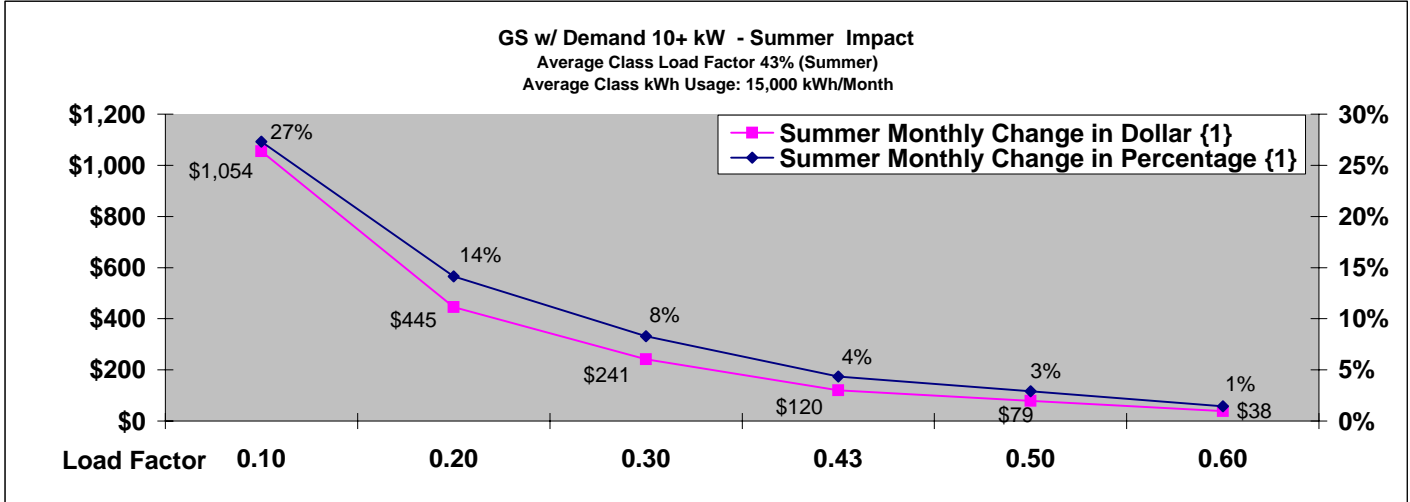
{1} Based on rates in effect 6/1/2008

Monthly KWh	Summer Monthly Change in Dollar {1}	Summer Monthly Change in Percentage {1}	Annual Change in Dollar {1}	Annual Change in Percentage {1}	Monthly kWh	Average Customer Count	Maximum Customer Count
250	\$5	8%	\$10	1.5%	0-250	24,335	25,085
500	\$10	9%	\$20	1.6%	250-500	16,263	16,722
750	\$15	9%	\$30	1.6%	500-750	8,917	9,454
1000	\$19	9%	\$40	1.6%	750-1000	6,411	6,567
1500	\$29	10%	\$59	1.7%	1000-2000	13,952	14,273
2000	\$39	10%	\$79	1.8%	2000-3000	4,460	4,957



{1} Based on rates In effect 6/1/2008

LF	Summer Monthly Change in Dollar {1}	Summer Monthly Change in Percentage {1}	Annual Change in Dollar {1}	Annual Change in Percentage {1}	LF	Average Customer Count	Percentage of Total
0.10	\$1,054	27%	\$3,649	8.4%	0 - 0.1	1,876	5%
0.20	\$445	14%	\$1,212	3.4%	0.1 to 0.2	4,974	13%
0.30	\$241	8%	\$397	1.2%	0.2 to 0.3	8,333	22%
0.43	\$120	4%	-\$87	-0.3%	0.3 to 0.4	8,380	22%
0.50	\$79	3%	-\$251	-0.8%	0.4 to 0.5	6,686	18%
0.60	\$38	1%	-\$415	-1.4%	0.5 to 0.6	4,315	11%



{1} Based on rates in effect 6/1/2008