

# ASSEMBLY RESOLUTION No. 198

## STATE OF NEW JERSEY 219th LEGISLATURE

INTRODUCED OCTOBER 22, 2020

**Sponsored by:**

**Assemblyman RONALD S. DANCER**

**District 12 (Burlington, Middlesex, Monmouth and Ocean)**

**Assemblyman DANIEL R. BENSON**

**District 14 (Mercer and Middlesex)**

**Co-Sponsored by:**

**Assemblymen Catalano and McGuckin**

**SYNOPSIS**

Opposes Jersey Central Power and Light Company's proposed petition for rate increase and urges BPU to review its finances.

**CURRENT VERSION OF TEXT**

As introduced.



**(Sponsorship Updated As Of: 10/22/2020)**

1 **AN ASSEMBLY RESOLUTION** opposing Jersey Central Power and  
2 Light Company's proposed petition for a rate increase and urging  
3 the Board of Public Utilities to conduct a review of the  
4 company's finances.  
5  
6 **WHEREAS**, The Jersey Central Power and Light Company (JCP&L) is  
7 an electric utility company providing electric services to numerous  
8 residential and commercial customers in New Jersey, and is a  
9 subsidiary of the FirstEnergy Corporation (FirstEnergy)  
10 headquartered in Akron, Ohio; and  
11 **WHEREAS**, On February 18, 2020, JCP&L submitted a verified  
12 petition seeking, among other adjustments to its current rate and  
13 charges for electric services, an approval of a 7.8 percent rate  
14 increase and a tariff revision; and  
15 **WHEREAS**, JCP&L contends that the requested rate increase is  
16 necessary to allow the company to respond to damages caused by  
17 storms that occurred between January 1, 2016 through June 30,  
18 2020; and  
19 **WHEREAS**, R.S.48:2-23 mandates that a utility company has a duty to  
20 provide its customers within the State with "safe, adequate and  
21 proper service"; and  
22 **WHEREAS**, In August 2020, New Jersey was hit by Tropical Storm  
23 Isaias, which devastated the State and left more than 1.3 million  
24 homes and businesses without power; and  
25 **WHEREAS**, More than 788,000 of the homes and businesses that lost  
26 power due to the storm were JCP&L customers, a figure which  
27 exceeds 50 percent of the company's entire State customer base;  
28 and  
29 **WHEREAS**, JCP&L previously received a 3.6 percent rate increase on  
30 January 1, 2017 which was to be used for vegetative management  
31 and infrastructure upgrades; and  
32 **WHEREAS**, The infrastructure and safety upgrades JCP&L promised to  
33 complete under the terms of its previous rate increase failed,  
34 leading to unsafe, inadequate, and improper service; and  
35 **WHEREAS**, In addition, FirstEnergy, the parent company of JCP&L, is  
36 being investigated by the United States Securities and Exchange  
37 Commission for potential ties to a \$60 million bribery scheme; and  
38 **WHEREAS**, These failures on the part of both JCP&L and FirstEnergy  
39 demonstrate the need for a thorough review of the company's  
40 finances, along with a review of its execution of infrastructure and  
41 storm mitigation plans; and  
42 **WHEREAS**, As part of its rate increase process under R.S.48:2-21, the  
43 Board of Public Utilities (BPU) has the power to investigate  
44 whether a proposed increase is "just and reasonable," with the  
45 utility company having the burden of proof to demonstrate that it is  
46 just and reasonable; and



1 homes and businesses without power, including more than 50  
2 percent of JCP&L customers. The upgrades JCP&L promised to  
3 complete under the terms of its previous January 1, 2017 rate  
4 increase failed, leading to unsafe, inadequate, and improper service.  
5 In addition, FirstEnergy, the parent company of JCP&L, is being  
6 investigated by the United States Securities and Exchange  
7 Commission for potential ties to a \$60 million bribery scheme.

8 These failures on the part of both JCP&L and its parent company  
9 demonstrate the need for a review of the finances raised from past  
10 rate increases, along with a review of the company's execution of  
11 infrastructure and storm mitigation plans. As part of its rate  
12 increase process under R.S.48:2-21, the BPU has the power to  
13 investigate whether a proposed increase is just and reasonable, with  
14 the utility company having the burden of proof to demonstrate that  
15 it is just and reasonable. In addition to the routine BPU  
16 investigation, the BPU shall appoint a Special Master to review all  
17 rate increases for JCP&L and to audit JCP&L and FirstEnergy to  
18 confirm that no revenue from JCP&L was improperly diverted from  
19 the rate payers of New Jersey to any illegal enterprise. Under the  
20 current circumstances, approving JCP&L's proposed rate increase  
21 would be futile and would do more harm to the State and its  
22 residents.