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February 25, 2026

The Honorable Debbie-Anne A. Reese
Secretary
Federal Energy Regulatory Commission
888 First Street, NE
Washington, DC 20426

**Re: Jersey Central Power & Light Company
Docket No. ER26-1504-000**

Request for Order Authorizing Recovery of Abandoned Plant Costs

Dear Secretary Reese:

Pursuant to Section 205 of the Federal Power Act (the FPA)¹ and Part 35 of the regulations of the Federal Energy Regulatory Commission (FERC or the Commission),² Jersey Central Power & Light Company (JCP&L) submits this filing³ to request recovery through its existing formula rate of 50 percent (*i.e.*, about \$6.8 million) of the approximately \$13.6 million in total costs it incurred⁴ toward construction of the Montville-Whippany 230 kilovolt (kV) transmission line project (the Project), prior to

¹ 16 U.S.C. § 824d.

² 18 C.F.R. Part 35.

³ Pursuant to Order No. 714, this filing is submitted by PJM Interconnection, L.L.C. (PJM) on behalf of JCP&L as part of an XML filing package that conforms with the Commission's regulations. *See Electronic Tariff Filings*, Order No. 714, 124 FERC ¶ 61,270 (2008), *order on reh'g*, Order No. 714-A, 147 FERC ¶ 61,115 (2014). PJM has agreed to make all filings on behalf of the PJM Transmission Owners (TOs), including JCP&L, in order to retain administrative control over the PJM Open Access Transmission Tariff (OATT). Thus, JCP&L has requested that PJM submit Attachment H-4 to the PJM OATT (*see infra* note 6) in the Commission's eTariff system as part of PJM's electronic Intra-PJM Tariffs (available in eTariff at <https://etariff.ferc.gov/TariffBrowser.aspx?tid=1731>).

⁴ The exact costs constituting the total amount are broken out below in Section II of this filing and the exhibits cited therein.

PJM's cancellation of the Project.⁵ PJM cancelled the Project on February 26, 2025, when the PJM Board of Managers (PJM Board) adopted recommendations contained in a White Paper issued by the Transmission Expansion Advisory Committee (TEAC) of PJM.

JCP&L requests that the Commission issue an order authorizing this cost recovery by April 27, 2026.⁶

I. Background

A. JCP&L

JCP&L, a wholly owned subsidiary of FirstEnergy Corp. (FirstEnergy), is a New Jersey corporation that does business as an electric public utility in New Jersey. JCP&L's wholesale and transmission rates and operations are regulated by the Commission, and its retail and distribution rates and operations are regulated by the New Jersey Board of Public Utilities (NJBPU).

JCP&L is a transmission owner in the PJM region and a signatory to the PJM Consolidated Transmission Owners Agreement (TOA).⁷ JCP&L's transmission facilities are under PJM's operational control. PJM provides service over JCP&L's transmission facilities pursuant to the PJM OATT. Attachment H-4 to the PJM OATT contains JCP&L's existing formula rate for transmission service.

B. PJM

PJM, a Regional Transmission Organization (RTO), is responsible for planning its region's transmission grid to maintain reliability within the standards established by the

⁵ The Commission's policy is that a utility should submit an abandoned plant cost recovery filing within one year after the relevant project was formally abandoned or cancelled, unless the utility can show good cause for seeking such cost recovery beyond the one-year point. *See Duquesne Light Co.*, 184 FERC ¶ 61,018, at PP 16 & n.33 (2023) (the "Duquesne Cost Recovery Order"); *Duke Energy Carolinas, LLC*, 168 FERC ¶ 61,194, at PP 12, 24-26 (2019). JCP&L is submitting the instant filing within one year after PJM formally cancelled the Project.

⁶ JCP&L makes this filing through eTariff by including a duplicate of its existing tariff record for Attachment H-4 to the PJM OATT, entitled "Annual Transmission Rates – Jersey Central Power & Light Company," with an updated effective date of April 28, 2026. The duplicate tariff record is provided in Exhibit A to this filing. JCP&L's submittal of this duplicate tariff record, in conjunction with its request for a Commission order authorizing the cost recovery described above, is consistent with the direction provided in the Commission's *Notice of Procedures for Making Statutory Filings When Authorization for New or Revised Tariff Provisions Is Not Required*, Docket No. RM01-5-000 (June 3, 2020). *See also Pioneer Transmission, LLC*, 169 FERC ¶ 61,265, at P 25 (2019) (describing duplicate tariff record submittal process). Apart from providing an updated effective date, JCP&L does not propose any changes to Attachment H-4 to the PJM OATT or propose any other tariff revisions or rate changes in this filing.

⁷ Rate Schedule FERC No. 42.

North American Electric Reliability Corporation (NERC). PJM conducts such planning through its annual Regional Transmission Expansion Planning (RTEP) process. The PJM TOA obligates JCP&L (and all other transmission owners within PJM) to construct, operate, and own transmission facilities as designated by PJM in the RTEP process.⁸

As part of the RTEP process, PJM performs a system-wide analysis each year to determine the ability of the PJM transmission grid to meet all applicable reliability standards and operational requirements. The RTEP process accounts for forecasted firm loads in PJM, firm imports from and exports to neighboring systems, existing generation and transmission assets in PJM, and anticipated new generation and transmission facilities.⁹ Using this baseline reliability analysis, PJM identifies future reliability violations and transmission expansions and upgrades that are needed to resolve any anticipated violations.¹⁰

After review and approval by the TEAC, projects included in the RTEP are presented to the PJM Board for final approval.¹¹ The PJM Board is responsible for approving additions and changes to the RTEP—including cancellations of baseline upgrades—in accordance with the requirements of the PJM Operating Agreement and the PJM OATT.¹²

C. PJM Selection, NJBPU Action, and PJM Cancellation

1. PJM Selected the Project to Address Reliability Criteria Violations

The Project consisted of the proposed construction of approximately 6.4 miles of 230 kV circuit from Montville, New Jersey to Whippany, New Jersey in the JCP&L zone.¹³ JCP&L proposed to construct the Project because, in the 2012 RTEP process, PJM identified NERC reliability criteria violations in the event of a contingency on two

⁸ See PJM Rate Schedule FERC No. 24, PJM Operating Agreement, at Schedule 6 (PJM Operating Agreement).

⁹ PJM Operating Agreement at Schedule 6.

¹⁰ See PJM Manual 14B: Regional Planning Process, Rev. 57 at Section 2.3.2 (Sept. 25, 2024), <http://www.pjm.com/~media/documents/manuals/m14b.ashx> (PJM Manual 14B).

¹¹ PJM Operating Agreement, Schedule 6 at Section 1.5.6

¹² See PJM Operating Agreement, Schedule 6 at Section 1.6(a); PJM Manual 14B at Sections 1.4.2–1.4.3; PJM Board of Managers February 26, 2025 Meeting Minutes, at 10 (PJM Board Feb. 2025 Meeting Minutes), <https://www.pjm.com/~media/DotCom/about-pjm/who-we-are/board-meetings/2025/20250224/20250226-minutes.pdf>. <https://www.pjm.com/~media/DotCom/about-pjm/who-we-are/board-meetings/2025/20250224/20250226-minutes.pdf>.

¹³ See Exhibit B to this filing (Declaration of Lawrence A. Hozempa on behalf of JCP&L) at ¶ 4.

system elements (*i.e.*, an N-1-1 outage).¹⁴ JCP&L confirmed that such a contingency could result in more than 300 megawatts (MW) of load loss, which would violate both JCP&L and PJM planning criteria.¹⁵ JCP&L intended the Project to address these reliability criteria violations, and PJM confirmed that constructing the Project would address them.¹⁶ PJM designated the Project as a baseline upgrade (number b2003) in the JCP&L zone of the PJM region and fully allocated all Project costs to the JCP&L zone.¹⁷ The Project was included in all subsequent annual RTEPs until PJM cancelled it as described in Section I.C.3.¹⁸

2. The NJBPU Approved the Project Subject to JCP&L Obtaining Authorizations to Proceed from Relevant Regulatory Authorities

On March 27, 2015, JCP&L filed a petition with the NJBPU for a determination that the Project was reasonably necessary for the service, convenience, or welfare of the public (Petition). The NJBPU issued a final order granting the Petition on November 21, 2017.¹⁹ However, the NJBPU's order also specified that it "shall not be construed as" granting approval to "construct or disturb any land within the jurisdiction of any other regulatory agency," and that JCP&L would separately "need to obtain any approval or authorization to proceed from these entities or any other entity as may be required by law or rules."²⁰

JCP&L was unable to obtain three required authorizations.²¹ First, the New Jersey Department of Environmental Protection (NJDEP) would not approve an easement

¹⁴ Specifically, loss of two 230 kV circuits sourcing the Montville area. See TEAC Reliability Analysis Update at slide 11 (Feb. 4, 2025), <https://www.pjm.com/-/media/DotCom/committees-groups/committees/teac/2025/20250204/20250204-item-12---reliability-analysis-update.pdf>.

¹⁵ Exhibit B to this filing at ¶ 5.

¹⁶ *Id.* at ¶ 6.

¹⁷ *Id.*

¹⁸ *Id.*

¹⁹ See NJBPU Decision and Order, *In the Matter of the Petition of Jersey Cent. Power & Light Co. Pursuant to N.J.S.A. 40:55D-19 for a Determination that the Montville-Whippany 230 kV Transmission Project Is Reasonably Necessary for the Service, Convenience or Welfare of the Public*, Docket No. E015030383, 2017 N.J. PUC LEXIS 250 (Nov. 21, 2017), <https://nj.gov/bpu/pdf/boardorders/2017/20171121/11-21-17-2K.pdf> (NJBPU Order). The NJBPU Order was upheld on appeal in New Jersey state court. See *In re Jersey Cent. Power & Light Co. Pursuant To N.J.S.A. 40:55D-19*, Docket No. A-2183-17T3, 2019 N.J. Super. Unpub. LEXIS 2246 (App. Div., Nov. 1, 2019), *certification denied*, 241 N.J. 153, 226 A.3d 505 (Mar. 13, 2020).

²⁰ NJBPU Order at 41.

²¹ The Commission has recognized that abandoned plant cost recovery may be appropriate for a project cancelled due to inability to obtain necessary permits or other regulatory approvals. See, e.g., *NextEra Energy Transmission MidAtlantic Ind., Inc.*, 186 FERC ¶ 61,052, at PP 18-19, 21, 23 (2024) (granting

across property that was part of a wetlands mitigation bank. Second, the NJDEP would not grant an easement across property that consisted of forested wetlands. Third, a local municipality would not grant an easement over its property.

After receiving the denials of these necessary authorizations, JCP&L explored other approaches to constructing the Project (*e.g.*, by undergrounding the transmission line and evaluating other overhead solutions from other substations in the area), but without success.²² Despite JCP&L's reasonable best efforts, and for reasons beyond JCP&L's control, JCP&L could not build the Project. JCP&L's efforts and the associated timeline are addressed in the Declaration of Lawrence A. Hozempa, General Manager, Planning with FirstEnergy Service Company, provided in Exhibit B to this filing.

3. PJM Cancelled the Project

As a result, on January 10, 2025, JCP&L notified PJM of its inability to construct the Project. PJM's TEAC recommended that the PJM Board cancel the Project.²³ On February 26, 2025, the PJM Board cancelled the Project.²⁴ JCP&L did not incur any Project costs after the PJM cancellation.²⁵

100 percent abandoned plant incentive due to “numerous risks and challenges that could lead to abandonment, including numerous layers of different state and local regulatory review and permitting processes”); *Transource Pa., LLC*, 184 FERC ¶ 61,091, at PP 46, 51 (2024) (granting 100 percent abandoned plant incentive for reasons including that “the Project faces the risk of various federal, state, or local permitting requirements that may prevent the siting of the Project”).

²² *See, e.g., Potomac-Appalachian Transmission Highline, L.L.C.*, Opinion No. 554, 158 FERC ¶ 61,050, at P 207 (2017) (finding that difficulty in obtaining necessary state approvals “would not justify the utility abandoning its efforts to complete a project that PJM determined is needed to maintain reliability. The entities designated to construct the projects PJM identifies must employ reasonable efforts to do so. They are only relieved of that responsibility if they *cannot* build the project.”) (emphasis in original).

²³ *See* TEAC White Paper at 4-5 (Feb. 2025) (listing three projects, including the JCP&L Project, which the TEAC recommended be cancelled), <https://www.pjm.com/-/media/DotCom/committees-groups/committees/teac/2025/20250204/20250204-pjm-board-whitepaper-february-2025.pdf>.

²⁴ *See* PJM Board document regarding its February 26, 2025 meeting, at 10 (item (c) under the paragraph that begins “NOW, THEREFORE, BE IT RESOLVED . . .”), <https://www.pjm.com/-/media/DotCom/about-pjm/who-we-are/board-meetings/2025/20250224/20250226-minutes.pdf>. This PJM Board resolution was for “[c]ancellation of three (3) existing approved RTEP baseline projects totaling approximately a \$48.7 million net decrease,” *i.e.*, the same net RTEP decrease amount identified for the cancellation of the Project and two other projects on pages 4-5 of the TEAC White Paper cited immediately above.

²⁵ *See* Exhibit D to this filing. As shown in Exhibit D, JCP&L incurred \$0 in 2025, and less than \$2,500 in 2024.

II. Request to Recover the Abandoned Plant Costs of the Project

Consistent with Commission precedent, the Commission should authorize JCP&L to recover 50 percent of the abandoned plant costs incurred for the Project prior to its abandonment because the costs were prudently incurred. Further support for this cost recovery is provided in Exhibits C-E hereto.²⁶

A. **Commission Precedent Permits Recovery of 50 Percent of Costs of an Abandoned Project**

The Commission established its current abandoned plant policy in Opinion No. 295, which found that public utilities with investments in cancelled generating plants were entitled to recovery of 50 percent of their prudently incurred investments, and were also entitled to rate base treatment of the unamortized portion of 50 percent of such investments (*i.e.*, a return on investment).²⁷ The Commission later extended its abandoned plant policy to include transmission projects, finding among other things that the policy was not limited to generation facilities only or to cancellations that were the result of economics.²⁸ The Commission found in Opinion No. 295 that allocating abandoned plant cost equally between ratepayers and investors would equitably balance the interests of those entities.²⁹

JCP&L is eligible to seek recovery of 50 percent of abandoned plant costs for the Project prudently incurred prior to its abandonment, consistent with this Commission precedent.³⁰ JCP&L abandoned the Project on February 26, 2025, when the PJM Board

²⁶ *See, e.g.*, Duquesne Cost Recovery Order, 184 FERC ¶ 61,018, at P 25 (finding that abandoned plant cost recovery was just and reasonable in relevant part because the applicant utility, Duquesne Light Company, “provided invoices, contracts, and purchase orders showing the costs were legitimate public utility expenditures solely for the Projects”); *S. Cal. Edison Co.*, 148 FERC ¶ 61,126, at P 23 (2014) (“We find SoCal Edison’s recovery of \$14.445 million of abandoned plant costs in its formula rate is reasonable based on the information presented in this proceeding.”).

²⁷ *New Eng. Power Co.*, Opinion No. 295, 42 FERC ¶ 61,016 (Opinion No. 295), *order on reh’g*, Opinion No. 295-A, 43 FERC ¶ 61,285 (1988) (Opinion No. 295-A).

²⁸ *E.g.*, *Pac. Gas & Elec. Co.*, 193 FERC ¶ 61,019, at PP 2-3 (2025) (PG&E Cost Recovery Order) (citing Opinion Nos. 295 and 295-A); *Pub. Serv. Co. of N.M.*, 75 FERC ¶ 61,266, at 61,859 (1996) (extending abandoned plant policy to transmission projects). *See also The Potomac Edison Co.*, 190 FERC ¶ 61,074, at P 23 (2025) (Potomac Edison Cost Recovery Order).

²⁹ Opinion No. 295, 42 FERC ¶ 61,016, at 61,081-82.

³⁰ The Commission’s prudence standard is governed by the reasonable utility management test. *Delmarva Power & Light Co.*, 172 FERC ¶ 61,175, at P 15 (2020) (citing precedent). Under this standard, the Commission presumes that a utility’s expenditures are prudent in the absence of a challenge casting “serious doubt” on such prudence. Establishing serious doubt regarding prudence requires “reliable, probative, and substantial evidence.” *Id.* (quoting *Wis. Elec. Power Co.*, 73 FERC ¶ 63,019, at 65,225 (1995), *aff’d in relevant part*, 98 FERC ¶ 61,233 (2002)). “Bare allegations are insufficient to support a claim of imprudence.” *Medina Power Co.*, 76 FERC ¶ 63,013, at 65,058 (1996). If the evidentiary threshold for establishing serious doubt is met, the burden then shifts back to

adopted the TEAC’s recommendation to cancel it.³¹ Therefore, JCP&L may seek to recover 50 percent of abandoned plant costs for the Project incurred prior to February 26, 2025.

B. The Project’s Costs

JCP&L incurred eligible costs totaling \$13,657,008.29 prior to February 26, 2025, and JCP&L requests approval to recover \$6,828,504.15 (*i.e.*, 50 percent) of these costs (the Recoverable Costs).

As shown in Exhibits D-E to this filing, the Recoverable Costs consist of eleven categories that add up to the 50 percent amount listed immediately above:

<u>Cost category</u>	<u>50% dollar amount</u> ³²
1. Internal labor	657,440.61
2. Program support	542,981.25
3. Real estate and right-of-way	89,962.63
4. Engineering	1,910,096.17
5. Material and equipment direct purchase	325,037.71
6. Vegetation and forestry	8,683.04
7. Above grade/line construction	137,476.49
8. Testing and commissioning	760.50
9. Overheads	1,802,906.64
10. Allowance for funds used during construction (AFUDC)	1,300,706.37
11. Other	52,452.06
	<hr/>
Total	6,828,504.15

Additional information regarding these categories of costs is provided in Exhibit C to this filing, the Declaration of James E. Robinson, Director, Program Support and Project Management with FirstEnergy Service Company.

JCP&L charged these categories of costs in the same manner it charges such costs for other transmission projects. Exhibit C to this filing shows 50 percent of JCP&L’s

the utility to dispel this doubt with evidence showing that its expenditures were prudent. 172 FERC ¶ 61,175, at P 15 (citing precedent).

³¹ See Section I.C. of this filing.

³² The cents in the 50% dollar amounts for the eleven categories of costs are rounded in this table.

Recoverable Costs incurred each year until cancellation by PJM and subsequent abandonment.

<u>Year</u>	<u>50 % dollar amount</u> ³³
2012	48,825.26
2013	56,262.32
2014	427,411.66
2015	794,111.42
2016	1,495,411.54
2017	834,352.37
2018	998,474.54
2019	1,478,016.05
2020	380,689.25
2021	312,587.99
2022	44,045.94
2023	(32,925.12)
2024	1,240.91
2025	0.00
	<hr/>
Total	6,828,504.15

No changes are required to the JCP&L formula rate (contained in Attachment H-4 to the PJM OATT) to permit recovery of the Recoverable Costs, because the formula rate already includes a placeholder for Commission-approved recovery of abandoned plant costs.³⁴ JCP&L requests that the Commission allow JCP&L to recoup the Recoverable Costs as a regulatory asset by including those costs in the formula rate following Commission approval in the instant proceeding.³⁵

C. Accounting and Tax Treatment

The accounting treatment for the Recoverable Costs is consistent with JCP&L’s showing that the costs were prudently incurred. In accordance with the Commission’s Uniform System of Accounts and the JCP&L formula rate contained in Attachment H-4 to the PJM OATT, JCP&L recorded the work in progress for the Project in Account 107 (entitled Construction work in progress—Electric) (CWIP). After the Project was abandoned and in anticipation of this filing, JCP&L transferred the Recoverable Costs in Account 107 to Account 182.2 (entitled Unrecovered Plant and Regulatory Study Costs). JCP&L calculated the transferred Recoverable Costs by reviewing individual charges at

³³ The cents in the 50% dollar amounts incurred each year are rounded in this table.

³⁴ See Attachment H-4A to the PJM OATT (formula rate template), at Attachment 16.

³⁵ See Potomac Edison Cost Recovery Order, 190 FERC ¶ 61,074, at P 26.

the work order level for the Project. Charges were recorded and transferred at original cost. These costs are subject to going-forward accounting entries for debits and credits associated with the orderly closing of business related to development of the Project. JCP&L uses accounting systems and practices that ensure the Recoverable Costs are properly recorded and do not result in double recovery.³⁶

JCP&L requests Commission authorization to amortize the Recoverable Costs, over a one-year period, to Account 407 (entitled Amortization of property losses, unrecovered plant and regulatory study costs).³⁷ The Commission considers the appropriate amortization period on a case-by-case basis.³⁸ The Commission has approved amortization periods of one year associated with abandoned plant cost recovery in other proceedings,³⁹ and should do the same here. JCP&L anticipates future tax deductions in the same tax year the regulatory asset is amortized.⁴⁰

JCP&L has not received any income tax benefits associated with abandoned plant recorded in Account 182.2. Future tax deductions are anticipated in the same tax year the regulatory asset is amortized in accordance with accounting treatment. Additionally, because the Project costs were recorded in CWIP and not placed in service, JCP&L did not receive any accelerated tax benefits. Consequently, there are no timing differences associated with the abandoned plant.

³⁶ See, e.g., Duquesne Cost Recovery Order, 184 FERC ¶ 61,018 at P 25 & n.42 (granting abandoned plant cost recovery in relevant part because, “[b]ased on the information provided, we find that Duquesne has demonstrated that there was no double-recovery.”) (citing *Promoting Transmission Investment through Pricing Reform*, Order No. 679, 116 FERC ¶ 61,057, at P 166 (2006), which explained that “the Commission will evaluate the public utility’s cost recovery to ensure no double recovery of costs”). The 50 percent of costs incurred for the Project that were not included in the Recoverable Costs were expensed to shareholders under Account 426.5.

³⁷ See, e.g., Duquesne Cost Recovery Order, 184 FERC ¶ 61,018, at P 28.

³⁸ *Pub. Serv. Elec. & Gas Co.*, 140 FERC ¶ 61,197, at P 27 (2012).

³⁹ See, e.g., Potomac Edison Cost Recovery Order, 190 FERC ¶ 61,074, at P 25 (“With respect to the amortization period, we accept Potomac Edison’s one-year amortization proposal. We find that this approach will reduce potential overall costs by avoiding years of carrying costs, and, accordingly, will reduce the impact on Potomac Edison’s overall revenue requirement.”); Duquesne Cost Recovery Order, 184 FERC ¶ 61,018, at P 27 (providing same rationale for approving one-year amortization period); *S. Cal. Edison Co.*, 155 FERC ¶ 61,169, at P 22 (2016) (same).

⁴⁰ See Opinion No. 295, 42 FERC ¶ 61,016, at 61,082 (“The deferred income taxes associated with the 50 percent of abandonment costs which are being allocated to ratepayers will be accumulated [in the relevant deferred tax account] and will be used as a reduction to ratebase for ratemaking purposes.”); Opinion No. 295-A, 43 FERC ¶ 61,285, at 61,781 (“Under the new policy, ratepayers are entitled to the income tax deduction associated with that portion of the loss for which they are paying. They are similarly entitled to a ratebase reduction to reflect the accumulated deferred income tax amounts associated with fifty percent of the abandonment loss.”); 18 C.F.R. § 35.24.

III. Request for Commission Order Authorizing Cost Recovery

JCP&L requests that the Commission issue an order authorizing the cost recovery described above in Section II of this filing by April 27, 2026.

IV. Request for Waivers and Representations

JCP&L requests waiver of the following sections of the Commission's regulations: Section 35.13(d)(1)-(2), 18 C.F.R. § 35.13(d)(1)-(2) (requiring Period I and Period II data for Statements AA through BM); Section 35.13(d)(5), 18 C.F.R. § 35.13(d)(5) (requiring work papers related to Period I and Period II data); and Section 35.13(h), 18 C.F.R. § 35.13(h) (requiring cost of service statements). Detailed statements of JCP&L's costs of service are unnecessary because the proposed abandonment cost recovery reflects cost inputs to the formula rates that are derived from the FERC Form No. 1 of JCP&L, and detailed support regarding these inputs is contained in this filing. To the extent additional waivers are necessary to accept this filing, JCP&L respectfully requests such waivers.

In accordance with Section 35.13(b) of the Commission's regulations, 18 C.F.R. § 35.13(b), JCP&L represents that: (1) no additional agreement, by contract or otherwise, is required for the filing of this rate; and (2) there are no expenses or costs included in this filing that have been alleged or found in any administrative or judicial proceeding to be illegal, duplicative, or unnecessary costs that are demonstrably the product of discriminatory employment practices, within the meaning of Section 35.13(b)(7) of the Commission's regulations, 18 C.F.R. § 35.13(b)(7).

V. Contents of Filing

In addition to this transmittal letter, this filing contains the following exhibits:

- Exhibit A Clean tariff record of Attachment H-4 to the PJM OATT
- Exhibit B Declaration of Lawrence A. Hozempa
- Exhibit C Declaration of James E. Robinson
- Exhibit D Table of costs incurred for the Project listed by category and year
- Exhibit E Additional cost detail

VI. Correspondence and Communications

All notices, correspondence, and communications regarding this filing should be directed to the following individuals and their names should be placed on the official service list maintained by the Secretary for this proceeding:

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PJM has served a copy of this filing on all necessary PJM Members and state utility regulatory commissions in the PJM Region by posting this filing electronically. In accordance with the Commission's regulations,⁴¹ PJM will post a copy of this filing to the FERC filings section of its internet site, located at the following link: <https://www.pjm.com/library/filing-order> with a specific link to the newly filed document, and will send an e-mail on the same date as this filing to all PJM Members and all state utility regulatory commissions in the PJM Region⁴² alerting them that this filing has been made by PJM and is available by following such link. If the document is not immediately available by using the referenced link, the document will be available through the referenced link within 24 hours of the filing. Also, a copy of this filing will be available on the Commission's eLibrary website located at the following link: <https://www.ferc.gov/ferc-online/elibrary> in accordance with the Commission's regulations and Order No. 714.

⁴¹ See 18 C.F.R §§ 35.2(e) and 385.2010(f)(3).

⁴² PJM already maintains, updates, and regularly uses e-mail lists for all PJM members and affected state commissions.

The Honorable Debbie-Anne A. Reese

February 25, 2026

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VII. Conclusion

For the reasons set forth above, JCP&L respectfully requests that the Commission issue an order by April 27, 2026 authorizing the recovery of 50 percent of JCP&L's abandoned plant costs for the Project as described herein.

Respectfully submitted,

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/s/ Michael Kunselman
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Bradley R. Miliauskas
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Counsel for Jersey Central Power & Light Company

Exhibit A

Clean Tariff Record of Attachment H-4 to the PJM OATT

ATTACHMENT H-4

Annual Transmission Rates -- Jersey Central Power & Light Company

1. The transmission revenue requirements and the rates for Network Integration Transmission Service are equal to the results of the formula shown in Attachment H-4A and will be posted on the PJM website pursuant to Attachment H-4B (Formula Rate Protocols). The transmission revenue requirement and the rates reflect the cost of providing transmission service over the 34.5 kV delta and higher transmission facilities of Jersey Central Power & Light Company ("JCP&L"). Service utilizing facilities at voltages below 34.5 kV delta will be provided at rates determined on a case-by-case basis and stated in Attachment H-4C as well as in service agreements with affected customers.
2. The formula rate set forth in Attachment H-4A shall be calculated on the basis of projections, subject to true-up to actual data in accordance with the adjustment mechanism described in Attachment H-4B (Formula Rate Protocols).
3. The rates and revenue requirements in this attachment shall be effective until amended by JCP&L or modified by the Commission.
4. In addition to the rates set forth in paragraph 1 above, a Network Customer purchasing Network Integration Transmission Service shall pay for transmission congestion charges, in accordance with the provisions of the Tariff, and any amounts necessary to reimburse JCP&L for applicable sales, excise, "Btu," carbon, value-added or similar taxes (other than taxes based upon or measured by net income) with respect to the amounts payable pursuant to the Tariff.

Exhibit B

Declaration of Lawrence A. Hozempa

**UNITED STATES OF AMERICA
BEFORE THE
FEDERAL ENERGY REGULATORY COMMISSION**

Jersey Central Power & Light Company)

Docket No. ER26-____-000

**DECLARATION OF LAWRENCE A. HOZEMPA ON BEHALF OF
JERSEY CENTRAL POWER & LIGHT COMPANY**

I, Lawrence A. Hozempa, state as follows:

1. I am employed as General Manager, Planning with FirstEnergy Service Company doing work for Jersey Central Power & Light Company (JCP&L). My business address is 800 Cabin Hill Drive, Greensburg, PA 15601. As part of my duties at JCP&L, I oversee the transmission planning functions throughout the FirstEnergy footprint that include performing analysis on the transmission system to identify the necessary reliability upgrades such as the Montville-Whippany 230 kilovolt (kV) transmission line project (the Project).
2. Prior to my current position at JCP&L, I held various roles in the transmission planning group, managed the FE South transmission operations control center, and served in various management/engineering roles in distribution field operations. I received a Bachelor of Science in Electrical Engineering from the Pennsylvania State University and am a registered Professional Engineer in the State of New Jersey and other jurisdictions.
3. The purpose of my declaration is to discuss JCP&L's efforts to construct the Project, prior to cancellation of the Project by PJM Interconnection, L.L.C. (PJM) in February 2025.

4. The Project consisted of the proposed construction of approximately 6.4 miles of 230 kV circuit from Montville, New Jersey to Whippany, New Jersey in the JCP&L zone.
5. JCP&L proposed to construct the Project because, in PJM’s 2012 Regional Transmission Expansion Planning (RTEP) process, PJM identified North American Electric Reliability Corporation (NERC) reliability criteria violations in the event of a contingency on two system components (*i.e.*, an N-1-1 outage)—specifically, loss of two 230 kV circuits sourcing the Montville area. JCP&L confirmed that such a contingency could result in more than 300 megawatts (MW) of load loss, which would violate both JCP&L and PJM planning criteria.
6. JCP&L intended the Project to address these reliability criteria violations, and PJM confirmed that constructing the Project would address them. PJM designated the Project as a baseline upgrade (number b2003) in the JCP&L zone of the PJM region and fully allocated all Project costs to the JCP&L zone. The Project was included in all subsequent annual RTEPs until PJM cancelled it.
7. In November 2017, the New Jersey Board of Public Utilities (NJBPU) issued a final order (Final Order) granting the petition filed by JCP&L in 2015 for a determination by the NJBPU that the Project was reasonably necessary for the service, convenience, or welfare of the public.¹ The NJBPU Final Order also specified that it “shall not be construed as” granting approval to “construct or disturb any land within the jurisdiction of any other regulatory agency,” and that JCP&L would separately “need to obtain any

¹ The NJBPU Final Order is available at <https://nj.gov/bpu/pdf/boardorders/2017/20171121/11-21-17-2K.pdf>.

approval or authorization to proceed from these [regulatory] entities or any other entity as may be required by law or rules.”²

8. After the NJBPU Final Order was issued, JCP&L diligently attempted to obtain authorizations within the jurisdiction of the New Jersey Department of Environmental Protection (NJDEP) required to construct the Project. Ultimately, however, JCP&L was unsuccessful in obtaining those authorizations. The NJDEP refused to release easements on a wetlands mitigation bank that were necessary for the Project and were subject to a conservation restriction held by the NJDEP, due primarily to the owner of the wetlands mitigation bank, Wildlife Preserves, Inc., declining to provide consent. Furthermore, the NJDEP refused to grant JCP&L a permit under New Jersey’s Freshwater Wetlands Protection Act, citing impacts of Project construction on forested wetlands covering approximately 14 acres. In addition, due to resident opposition to the Project, the Township of Parsippany-Troy Hills (Township) decided not to continue with the diversion process under New Jersey’s Green Acres Program, which was a prerequisite to granting easements for the Project across Township-owned Green Acres-restricted property.
9. My understanding is that JCP&L was obligated to construct the Project to address the NERC reliability criteria violations identified by PJM if at all possible. To that end, even after JCP&L was unable to obtain the authorizations described above, JCP&L explored other possible approaches to constructing the Project (*e.g.*, by undergrounding the transmission line and evaluating other overhead solutions from other substations in the area), but without success.

² NJBPU Final Order at 41.

10. JCP&L provided quarterly status updates to PJM on JCP&L's efforts throughout the time it attempted to construct the Project. JCP&L provided updates on the progress of the Project, changes to the estimated cost of the Project, and changes to the projected in-service date.
11. Given the circumstances described above, JCP&L contacted PJM in January 2025 to notify PJM of the infeasibility and suggest to PJM that an alternative solution would likely be necessary. In February 2025, the PJM Board of Managers approved a resolution that included cancellation of the Project.

I hereby certify under penalty of perjury that the foregoing statements are true and correct to the best of my knowledge, information, and belief:

Dated: February 20, 2026

/s/ Lawrence A. Hozempa
Lawrence A. Hozempa

Exhibit C

Declaration of James E. Robinson

**UNITED STATES OF AMERICA
BEFORE THE
FEDERAL ENERGY REGULATORY COMMISSION**

Jersey Central Power & Light Company)

Docket No. ER26-____-000

**DECLARATION OF JAMES E. ROBINSON ON BEHALF OF
JERSEY CENTRAL POWER & LIGHT COMPANY**

I, James E. Robinson state as follows:

1. I am Director, Program Support and Project Management with FirstEnergy Service Company. My business address is 341 White Pond Drive, Akron, OH 44320. As part of my duties, I lead forecast analysts that, at the project level, assist project managers with forecasting future investment, reporting on actual investment incurred, and recording accruals to reflect actual work completed. This includes the forecast analyst that supported the project manager who oversaw the Jersey Central Power & Light Company (JCP&L) Montville-Whippany 230 kilovolt (kV) transmission line project (the Project).
2. Prior to my current position, I was in Business Services, I.T. (Financial Transformation Project), Distribution Portfolio Management, Project Controls, and FET Finance over my 19-year career at FirstEnergy. In Business Services, my main responsibilities were related to the reporting of distribution capital investment performance and the forecasting, accruing, and reporting of financials relating to energy efficiency programs and Ohio smart grid. In I.T., I was a team member of the Financial Transformation Project relating to the restructuring of financial cost flows and the reconstruction of various financial reporting, including project capital reporting. In Distribution Portfolio Management, I led a team responsible for the development of our distribution capital

investment portfolios for FirstEnergy's distribution companies. In Project Controls, I managed a team responsible for the scheduling of construction activities for Transmission projects as well as the planning of outages for associated projects. In FET Finance, I managed a team of analysts responsible for forecasting future investment and in-servicing, reporting of actual investment incurred, and recording accruals to reflect actual work completed. Our focus was primarily related to Transmission projects, including the Montville-Whippany Project.

3. The purpose of my declaration is to discuss the costs of the Project prior to its cancellation by PJM Interconnection, L.L.C. (PJM) in February 2025. My discussion below addresses cost categories, dollar amounts, and when JCP&L incurred costs for the Project.
4. The Project consisted of the proposed construction of approximately 6.4 miles of 230 kV circuit from Montville, New Jersey to Whippany, New Jersey in the JCP&L zone of PJM. The estimated cost for the Project was \$37.5 million.
5. JCP&L incurred costs for the Project from 2012, when PJM selected the Project for inclusion in PJM's Regional Transmission Expansion Plan for that year, until 2024. The amount of costs that JCP&L incurred for the Project, not counting written-off costs, totaled \$13,657,008.29. In the application that accompanies this declaration, JCP&L requests authorization to recover 50% of that cost total—*i.e.*, \$6,828,504.15 (the Recoverable Costs).

6. The Recoverable Costs consist of eleven categories of costs:

<u>Cost category</u>	<u>50% dollar amount¹</u>
1. Internal labor	657,440.61
2. Program support	542,981.25
3. Real estate and right-of-way	89,962.63
4. Engineering	1,910,096.17
5. Material and equipment direct purchase	325,037.71
6. Vegetation and forestry	8,683.04
7. Above grade/line construction	137,476.49
8. Testing and commissioning	760.50
9. Overheads	1,802,906.64
10. Allowance for funds used during construction (AFUDC)	1,300,706.37
11. Other	52,452.06
	<hr/>
Total	6,828,504.15

7. The internal labor costs consist of employees working directly for FirstEnergy.

Employees can be union/non-union, professionals, administrative, support functions, or management.

8. The program support costs consist of external contractors to FirstEnergy that perform the following activities: Project management, Construction management, Project controls, Real estate liaison, Materials management, Permitting support, Environmental services, Procurement support, Cost control support, Outage coordination, and legal services.

9. The real estate and right-of-way costs consist of Properties & land purchases, real estate fees, licenses, bonds, and real estate legal fees.

10. The engineering costs consist of external contractors that perform design, right of way engineering, permitting, protection engineering, network and security engineering, scoping and estimating, and supervisory control and data acquisition (SCADA).

¹ The cents in the 50% dollar amounts for the eleven categories of costs are rounded in this table.

11. The material and equipment direct purchase costs consist of non-stock coded materials and substation material and transmission line steel poles that could not be reused or otherwise returned.
12. The vegetation and forestry costs consist of vegetation access and clearing.
13. The above grade/line construction costs included costs such as construction and engineering consulting service, right-of-way services, environmental permitting, equipment rental, site preparations materials, and evaluation for asbestos removal and disposal. These preconstruction activities were specific to the locations that would have been part of the Project.
14. The testing and commissioning costs consist of external contractors performing functional & apparatus testing, execution of commissioning activities, planning activities, and testing of relaying panels.
15. The overheads costs consist of Overhead Source Pools that are applied to eligible capital and O&M projects. Cost centers are used to accumulate costs for each overhead type. Examples of the source pools are Administrative & General, Supervisions & Engineering, and Benefits.
16. The AFUDC (Allowance for Funds Used During Construction) is a capitalized cost, and corresponding increase to income, that represents the cost of financing (using equity or debt) construction activities partially through borrowings and partially through equity for regulated companies.
17. The other costs consist of employee expenses, office supplies, lease/rental equipment, association fees/dues, postage, and company-sponsored meeting/meals.

18. JCP&L charged these eleven categories of costs in the same manner it charges such costs for other transmission projects.

19. JCP&L incurred the Recoverable Costs on a year-to-year basis as follows:

<u>Year</u>	<u>50% dollar amount</u> ²
2012	48,825.26
2013	56,262.32
2014	427,411.66
2015	794,111.42
2016	1,495,411.54
2017	834,352.37
2018	998,474.54
2019	1,478,016.05
2020	380,689.25
2021	312,587.99
2022	44,045.94
2023	(32,925.12)
2024	1,240.91
2025	0.00
	<hr/>
Total	6,828,504.15

20. Exhibits D and E to this filing provide more granular information regarding this year-by-year tally of the Recoverable Costs. I note that in the table immediately above, the negative amount for 2023 indicates a reversal of an accrual for a study that was no longer necessary.

I hereby certify under penalty of perjury that the foregoing statements are true and correct to the best of my knowledge, information, and belief:

Dated: February 20, 2026

/s/ James E. Robinson
James E. Robinson

² The cents in the 50% dollar amounts incurred each year are rounded in this table.

Exhibit D

Table of Costs Incurred for the Project Listed by Category and Year

Table of Costs Incurred for the Project Listed by Category and Year

Status	Include													2024	Grand Total
	Fiscal Year														
Cost Category	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023			
Montville-Whippany Project costs															
Internal Labor	4,695.62	39,741.18	141,078.22	139,630.73	226,214.26	195,498.98	274,128.64	229,863.99	47,599.49	6,644.19	3,450.99	4,663.37	1,671.55	1,314,881.21	
Program Support			1,434.83	74,972.36	131,856.82	52,356.95	313,572.89	464,847.51	30,634.97	14,377.79	53,279.81	(51,370.08)		1,085,963.85	
Real Estate & ROW						227,500.00	(108,274.75)	60,700.00						179,925.25	
Engineering	91,919.35	63,909.60	300,698.66	539,770.48	1,290,202.39	137,738.22	652,243.89	507,740.90	280,906.46	(65,524.87)	21,587.25	0.00		3,820,192.33	
Material & Equipment Direct Purchase			852.97	320.67	422,209.95	325,908.07	(434.93)	178.26	(98,938.29)	(21.28)				650,075.42	
Vegetation & Forestry			948.02	801.71	4,546.40		8,495.11	2,574.84						17,366.08	
Above Grade / Line Construction			7,820.78	30,504.36	4,278.15	28,710.66	(27,957.75)	212,895.00	37,627.89	10,073.90	(29,000.00)			274,952.99	
Testing & Commissioning									1,521.00					1,521.00	
Overheads			375,542.10	753,107.12	707,033.71	268,441.02	579,446.75	737,646.21	130,801.40	33,354.39	38,773.83	(19,143.53)	810.28	3,605,813.28	
AFUDC	181.66	831.96	6,197.26	27,903.92	192,177.38	419,352.94	269,942.48	729,255.06	329,298.23	626,271.86				2,601,412.75	
Other	853.89	8,041.91	20,250.48	22,211.49	12,304.02	13,197.91	15,786.75	10,330.33	1,927.35					104,904.13	
Grand Total	97,650.52	112,524.65	854,823.32	1,588,222.84	2,990,823.08	1,668,704.75	1,976,949.08	2,956,032.10	761,378.50	625,175.98	88,091.88	(65,850.24)	2,481.83	13,657,008.29	

Exhibit E

Additional Cost Detail

Summary

Montville-Whippany Abandonment Recovery

	Administrative	50% Recovery
Project Overhead		1,802,906.64
AFUDC		1,300,706.37
Employee Expenses		38,155.83
Meetings/Office Supplies		79.42
Public Notices		8,304.34
	Subtotal	3,150,152.60
	Internal Labor	
Project Management		128,373.90
Engineers		359,269.22
Environmental/Siting		69,574.38
Real Estate		41,306.88
Information Technology		2,444.96
Internal Legal		2,753.76
Transmission Operations		53,717.51
	Subtotal	657,440.61
	Materials	
Materials		320,766.80
Fuel/Freight		4,270.91
	Subtotal	325,037.71
	Contracted Labor	
Program Support		542,981.25
Real Estate & ROW		89,962.63
Engineering		1,910,096.17
Vegetation & Forestry		8,683.04
Above Grade / Line Construction		137,476.49
Testing & Commissioning		760.50
Lease Rental		5,913.15
	Subtotal	2,695,873.23
	TOTAL	6,828,504.15

Administrative

Project Overhead		1,802,906.64
	Capitalization of Supervision Overhead Charges	634,651.61
	Capitalization of Engineering Overhead Charges	308,804.41
	Capitalization of Administrative/General Overhead Charges	384,572.60
	Capitalization of Benefits Overhead Charges	474,353.42
	Capitalization of Transportation - Other Charges	524.60
AFUDC		1,300,706.37
Employee Expenses		38,155.83
	Employee Expenses for Travel to Sites	38,155.83
Meetings/Office Supplies		79.42
Public Notices		8,304.34
	Outsourced services for required Public Notices	8,304.34
	Total	3,150,152.60

Internal Labor

Project Management		128,373.90
	ED-Portfolio Managem / Managers	2,318.22
	ED Project Managemen / Managers	126,055.68
Engineers		359,269.22
	Regional Eng Services	4,158.35
	Substation Engineering Services	3,769.70
	T&S Eng Ext Eng Svcs	31,308.42
	Transmission Engineering	320,032.75
Environmental/Siting		69,574.38
	Environ Dept	69,574.38
Real Estate		41,306.88
	Real Estate Dept	41,306.88
Information Technology		2,444.96
	IT EMS	130.94
	IT NERO	1,055.28
	IT RTO Ops Support	1,258.74
Legal		2,753.76
	Legal Departments	2,753.76
Trans Ops		53,717.51
	Admin Support	1,968.24
	Customer Support	2,923.50
	Corp Communications	253.64
	FERC Tech Support	2,540.19
	Forestry	13,364.47
	Reg Subst	5,213.68
	OperSupport	418.37
	Plnng&Prtct Svcs	23,807.32
	Power Network	40.25
	External Affairs	2,102.47
	StratCatMgmnt	1,085.38
	Total	657,440.61

Materials

Material & Equipment Direct Purchase

Materials		320,766.80
	Misc Materials	234.30
	CVT's/Wave Trap/Line Tuner	69,138.00
	Digital Fault Recorder	66,301.76
	Steel	13,488.50
	Relay Panel	30,253.00
	Relay Panel	20,311.34
	Substation materials	33,512.99
	RTAC	3,480.58
	Power Circuit Breakers	52,585.33
	Switches	31,461.00
Fuel		78.66
Freight		4,192.25
	Total	325,037.71

Contractors

Program Support		542,981.25
	Legal	438,022.21
	Environmental	52,937.57
	Project Management	48,482.03
	Scheduling	1,172.36
	Program Support	2,367.08
Real Estate & ROW		89,962.63
Engineering		1,910,096.17
Vegetation & Forestry		8,683.04
Above Grade / Line Construction		137,476.49
	Environmental work	5,323.53
	Crane/Trucking	12,555.66
	Outside Contractors	119,597.30
Testing & Commissioning		760.50
Lease Rental		5,913.15
	Total	2,695,873.23