

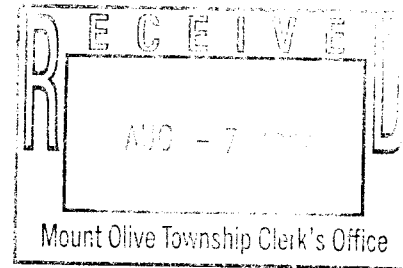
**Jersey Central
Power & Light**

A FirstEnergy Company

C. Admin

300 Madison Avenue
P.O. Box 1911
Morristown, NJ 07962-1911

August 5, 2008



TO: Each Municipal Clerk and County
Executive or Administrator of the
Municipalities and Counties of
New Jersey Served by Jersey
Central Power & Light Company

RE: Annual Universal Service Fund Compliance Filing
Jersey Central Power & Light Company
BPU Docket Nos. EX00020091 and ER08060455

Dear Sir/Madam:

We herewith serve upon you a copy of the Notice of Filing and Public Hearing (Notice) for Jersey Central Power & Light Company's annual Universal Service Fund (USF) compliance filing to establish the appropriate recovery level for the 2008/2009 USF Program year.

PLEASE TAKE NOTICE that public hearings have been scheduled on the above compliance filing at the dates, times and locations set forth in the enclosed Notice.

Copies of the compliance filing and tariff rate schedules are available for inspection at the offices of the Board of Public Utilities in Newark and at the Company's offices in Morristown, as noted in the enclosed Notice.

We will be pleased to furnish you with any assistance or additional information that you might reasonably require.

Sincerely,

A handwritten signature in black ink, appearing to read "Sally J. Cheong".

Sally J. Cheong
Manager – Tariff Activity
Rates & Regulatory Affairs-NJ

Enclosure
u:/rates/public hearings/USF/2008/08-05-2008.

**NOTICE
TO THE CUSTOMERS OF
JERSEY CENTRAL POWER & LIGHT COMPANY**

**Notice of a Filing
and Notice of Public Hearings**

**In the Matter of the 2008/2009 Annual Compliance Filing
for an Increase in the Statewide Electric and Gas
Permanent Universal Service Fund Program Factors
within the Electric and Gas Societal Benefits Charges Rates
Pursuant to N.J.S.A. 48:2-21 and N.J.S.A. 48:21.1**

Docket Nos. EX00020091 and ER08060455

TAKE NOTICE that, on July 1, 2008, Jersey Central Power & Light Company ("JCP&L") made a compliance filing providing supporting documentation for changes in the Universal Service Fund (USF) and Lifeline components of the electric Societal Benefits Charges (SBC). This requested change in electric USF/Lifeline components is made pursuant to Orders of the New Jersey Board of Public Utilities ("Board" or "BPU") and includes the recovery of funding for the USF Program through uniform statewide rates.

The USF Program was established by the Board in 2003, pursuant to the Electric Discount and Energy Competition Act, *N.J.S.A. 48:3-49, et seq.* (EDECA), to provide funds to assist qualifying low-income individuals in paying their energy bills. The State of New Jersey's Department of Community Affairs ("DCA") is the Administrator of the USF Program and the New Jersey Department of Health and Senior Services ("DHS") is the Administrator of the Lifeline programs. DCA and DHS authorize the disbursement of benefits to eligible customers in the respective programs.

Based upon the results and available estimates known to date for the 2007/2008 USF program year and the available estimates known to date for the 2008/2009 USF Program year, it is anticipated that the USF rate should be set to collect \$249.6 million on a statewide basis, and that the Lifeline rate should be set to collect \$76.8 million on a statewide basis. \$152.2 million of the total estimated statewide USF cost of \$249.6 million would be recovered through electric rates and the remaining portion of \$97.4 million would be recovered through gas rates. Also, the estimated \$50.7 million of the statewide Lifeline Program cost of \$76.8 million would be recovered through electric rates and the remaining portion of \$26.1 million would be recovered through gas rates.

The Board in its June 22, 2005 Universal Service Fund Order directed that the filing requirements for rate setting, including notice of filing, notice of public hearings, and tariffs,

should be made by July 1, 2006, and each year thereafter. In accordance with that Order, the JCP&L made a filing with the Board on July 1, 2008, requesting to change its current USF/Lifeline Program charges, as described below, to become effective on October 1, 2008.

The proposed statewide charges for electric customers are as follows:

Universal Service/Lifeline Fund Components of Societal Benefits Charge				
	Present	Present (Incl. Sales and Use Tax)	Proposed	Proposed (Incl. Sales and Use Tax)
USF-Electric per kWh	\$0.001215	\$0.001300	\$0.001909	\$0.002043
Lifeline-Electric per kWh	\$0.000630	\$0.000674	\$0.000636	\$0.000681

The above requests will not result in any profit to JCP&L. The revenues received under the proposed USF and Lifeline Program factors are designed to permit JCP&L to recover its costs associated with these programs only. Actual program costs will be reconciled with the revenues received through the USF and Lifeline program charges in the next scheduled annual USF and Lifeline filing to be made on or before July 1, 2009.

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

Impact of the proposed USF and Lifeline charges on typical residential electric bills:					
Monthly kWh Usage	Annual kWh Usage	Present Annual Bill (1)	Proposed Annual Bill (2)	Proposed Annual Increase	Proposed % Increase
300	3,600	\$ 643.24	\$ 646.00	\$ 2.76	0.43%
600	7,200	\$ 1,260.08	\$ 1,265.48	\$ 5.40	0.43%
900	10,800	\$ 1,945.80	\$ 1,953.92	\$ 8.12	0.42%
1,200	14,400	\$ 2,631.52	\$ 2,642.32	\$ 10.80	0.41%

(1) Based on Residential Full Service (RS) rates in effect June 1, 2008.

(2) Based on Residential Full Service (RS) rates in effect June 1, 2008 with proposed changes.

As set forth in the above chart, based on the JCP&L's July 1, 2008 filing, a typical residential electric customer using 600 kilowatt hours per month, and 7,200 kilowatt hours on an annual basis, would see an increase in the annual bill from \$1,260.08 to \$1,265.48, or \$5.40 or approximately 0.43%.

Actual results regarding USF expenditures and recoveries could be significantly affected by program changes, participation rates, and/or sales volumes. Therefore, in addition to the above

request, JCP&L has also requested that the Board permit it to implement an increase in the applicable 2008/2009 USF program factors if insufficient funding should occur during the course of the coming year as a result of the auto enrollment of Lifeline beneficiaries or increased charges associated with Basic Generation Service. If changed circumstances indicate that an increase of \$5 million or more to the electric statewide budget would be necessary to avoid developing an under-recovery at the end of the recovery year, JCP&L has requested in its compliance filing the authority to initiate a self-implementing increase in the applicable USF program factor to recover the additional costs. Such increase would only be done upon Board of Public Utilities approval and providing ten (10) days notice to the Board and the Division of the Rate Counsel and would be coordinated with the other utilities in order to maintain a statewide rate. Any such increases would be included in the reconciliation in JCP&L's next scheduled annual USF/Lifeline Compliance Filing to be made on or before July 1, 2009.

Notice is hereby provided that for every \$5 million increase over the 2008/2009 USF electric statewide budget, JCP&L's bills to residential electric customers would be increased by approximately 0.04% annually for a residential electric customer using 600 kilowatt hours each summer month and 7,200 kilowatt hours annually above those shown above.

Any final rate adjustments with resulting changes in bill impacts found by the Board to be just and reasonable as the result of this filing may be modified and/or allocated by the Board in accordance with the provisions of *N.J.S.A. 48:3-4* and for other good and legally sufficient reasons. Therefore, the above described charges may increase or decrease based upon the Board's decision.

Copies of JCP&L's July 1, 2008 filing are available for review at JCP&L's offices at 300 Madison Avenue, Morristown, New Jersey and at the Board of Public Utilities at Two Gateway Center, Newark, New Jersey 07102.

The following dates, times and locations for public hearings have been scheduled on the above filing so that members of the public may present their views.

September 8, 2008
3:30 P.M. and 5:30 P.M.
Municipal Building/Municipal Complex
65 Mt. Hope Road
Rockaway Township, New Jersey

September 9, 2008
3:30 P.M. and 5:30 P.M.
Freehold Borough Municipal Building
Council Room, Second Floor
51 W. Main Street
Freehold, New Jersey

In order to encourage full participation in this opportunity for public comment, please submit any requests for needed accommodations, including interpreters, listening devices or mobility assistance, 48 hours prior to the above hearings. Customers may file written comments with the Secretary of the Board of Public Utilities at Two Gateway Center, Newark, New Jersey 07102

ATTN: Kristi Izzo whether or not they attend the public hearings or they may send comments by e-mail to the BPU at usf.rates@bpu.state.nj.us.