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cc: Admin

September 12, 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 Proposal for Basic Generation Service ("BGS")  
BPU Docket No. ER08050310

Dear Sir/Madam:

We herewith serve upon you a copy of the Notice of Filing and Public Hearing for Basic Generation Service Charges (BGS) Procured by JCP&L on behalf of its Default Electric Service Customers and Notice of Proposed Recovery through its BGS Charge of Costs Resulting from Statewide Auction for Basic Generation Service.

**PLEASE TAKE NOTICE** that the New Jersey Board of Public Utilities has scheduled a public hearing on the Petition at the time and place set forth in the enclosed Public Notice.

Copies of the Petition, tariff and rate schedule are available for inspection at the offices of the Board of Public Utilities in Newark.

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

Sincerely,

Michael J. Filippone  
Director  
Rates & Regulatory Affairs-NJ

Enclosure

# NOTICE TO JERSEY CENTRAL POWER & LIGHT COMPANY CUSTOMERS

Notice of Filing and Public Hearings for Basic Generation Service Charges Procured by  
JCP&L on behalf of its Basic Generation Service Customers

and

Notice of Proposed Recovery through its Basic Generation Service Charges  
of Costs Resulting from Statewide Auction for Basic Generation Service  
In The Matter Of The Provision Of Basic Generation Service For  
The Period Beginning June 1, 2009  
BPU Docket No. ER08050310

**TAKE NOTICE** that, on July 1, 2008, Jersey Central Power & Light Company ("JCP&L") filed a proposal (Annual Proposal for Basic Generation Service ("BGS") Requirements to be Procured Effective June 1, 2009) with the New Jersey Board of Public Utilities ("Board") requesting that the Board approve the procurement of BGS supply through a statewide competitive auction process with new BGS charges to become effective June 1, 2009. BGS is provided to all JCP&L customers who do not procure their electric supply requirements from a third party supplier.

The New Jersey Electric Distribution Companies ("EDCs"), such as JCP&L, are mandated to provide BGS in accordance with the requirements of the Electric Discount and Energy Competition Act ("Act"). BGS is currently procured through a statewide competitive auction process in which all of the EDCs seek offers for BGS supply from electric generation suppliers. In this auction process, electric generation suppliers bid in a descending-clock auction on specified portions of the electric requirements for BGS customers for each of the EDCs. The Board has approved this type of auction for each year since 2001, and has found that this auction process meets the statutory requirements of the Act.

On September 29, 2008, a hearing will be held at the Board's Newark office on the BGS proposals. At the Board Agenda Meeting of November 7, 2008, the Board is expected to rule on the EDCs' BGS proposal.

The maximum starting price for the next auction to procure BGS supply for customers eligible to receive BGS at fixed prices ("BGS-FP") has not yet been determined. For the BGS-FP auction conducted in 2008, the maximum starting price for BGS-FP supply was 19 cents per kilowatt-hour. The final prices for BGS-FP supply from that auction were 11.409 cents per kilowatt-hour for a 36-month supply period. This final price is blended with the prices procured for the previous two auctions to develop the BGS-FP rate to be paid by BGS-FP customers beginning June 1, 2009.

The maximum starting price for the next auction to procure BGS supply for commercial and industrial customers eligible to receive hourly-priced BGS ("BGS-CIEP") has not yet been determined.

The final prices for the BGS supply procured in the 2009 BGS-FP and BGS-CIEP auctions may be higher than

or lower than the auction clearing prices obtained in the 2008 auction. Auction prices are converted to customer charges, which may be higher or lower than current charges, depending on the outcome of the auctions, consistent with market conditions. BGS rates also include network transmission charges set by the Federal Energy Regulation Commission ("FERC"). BGS-FP and BGS-CIEP rates may rise to reflect any increases in these FERC network transmission charges.

Customer classes eligible to be served under the BGS-FP rate include customers served under JCP&L's distribution rate schedules RS, RT, RGT, OL, SVL, MVL and ISL, and customers served under JCP&L's distribution rate schedules GS and GST with a peak load share of less than 1000 kW. JCP&L customers served under distribution rate schedules GS and GST with a peak load share of 1000 kW or greater, and JCP&L customers served under distribution rate schedules GP and GT, are only eligible to be served under the BGS-CIEP rate. All customers receiving service under BGS-CIEP, and BGS-FP customers with peak load share of 750 kW or greater, will also pay a retail margin of 0.5 cents per kilowatt-hour (plus sales and use tax) in addition to other BGS charges.

PLEASE TAKE NOTICE that the Board has scheduled the following date, time and location for a public hearing on the above filing so that members of the public may present their views. The hearings will continue until all public witnesses are heard.

Time: 1:30 pm, October 6, 2008  
Location: Morris County Administration & Records Building, Public Meeting Room, 5th Floor  
2123 Court Street  
Morristown, New Jersey

Customers may file written comments with the Secretary of the Board of Public Utilities by September 26, 2008 at Two Gateway Center, Newark, New Jersey 07102 ATTN: Kristi Izzo, regardless of whether or not they attend the public hearings.

JERSEY CENTRAL POWER & LIGHT COMPANY