

Mark A. Jones
Vice President,
External Affairs

October 18, 2016

Richard T. Hammer
Transportation Commissioner & Board Chairman
NJ TRANSIT Corporation
One Penn Plaza East
Newark, NJ 07105-2246

Dear Chairman Hammer,

As a follow up to your request at the October 13 Board of Directors meeting, I am providing additional information about the benefits of the proposed Monmouth County Reliability Project (MCRP).

The MCRP is a new 230-kilovolt (kV) transmission line, substation enhancement and modern technology upgrade that will result in a stronger and more modern electrical system. The MCRP is necessary to deliver reliable electrical service to nearly 214,000 JCP&L customers in Monmouth County, including those living in Aberdeen, Hazlet, Holmdel, Middletown, Red Bank, and all or portions of 40 other municipalities. JCP&L filed a formal petition with the New Jersey Board of Public Utilities (BPU) on August 9, 2016.

Transmission lines serve as major arteries on the electric system, carrying large amounts of electricity and feeding it through substations onto the local power lines in your community. The region of Monmouth County where the project will be located is currently served by two 230-kV transmission lines located on a common set of poles. In the event that electrical service is disrupted on both of those lines, approximately 214,000 customers county-wide could lose electricity for up to several days. Significant power outages of this kind have already occurred in this area of Monmouth County in 2008 and 2010.

Both JCP&L and PJM, the regional grid operator, have determined that this system design violates mandatory reliability criteria required by the North American Electric Reliability Corporation (NERC) and enforced by the Federal Energy Regulatory Commission (FERC). Failure to meet these requirements presents an unacceptable service reliability risk to customers in the area. JCP&L and PJM have concluded that the MCRP is necessary to prevent additional large-scale outages and continue to provide JCP&L customers with dependable electricity service.

The electrical need for the MCRP is outlined in detail in JCP&L's petition to the BPU. Specifically, please see Exhibit JC-8, which contains the testimony of Lawrence Hozempa, Manager, Transmission Planning in the Energy Delivery Planning and Protection at FirstEnergy, and Exhibit JC-9, which is the testimony of Mark L. Sims, Manager of Transmission Planning at PJM.

The MCRP is safe and meets all applicable guidelines for electric and magnetic fields (EMFs). EMFs are invisible energy waves associated with appliances and electronics such as microwaves, televisions and cell phones. The overall conclusion reached by national and international scientific and health agencies makes clear that exposures to EMF that people encounter in their daily life, including those from transmission lines like the one considered here, do not pose any recognized health risks.

The proposed levels of magnetic fields from the transmission line along the right-of-way are similar to levels associated with wood pole distribution lines that have existed throughout the country for nearly one hundred years, as well as levels found in homes, businesses, and schools near electrical wiring and appliances.

As part of JCP&L's BPU filing for the MCRP, the company submitted a comprehensive analysis of the existing and proposed EMF levels along the project corridor. That analysis, along with the expert testimony of Kyle King, president of K&R Consulting and former director of the Electric Power Research Institute's High Voltage Research and Test Center, is available in Exhibit JC-12 of JCP&L's BPU petition. JCP&L also filed the expert testimony of William H. Bailey, Ph.D., which provides a comprehensive discussion regarding EMF and health. Dr. Bailey's testimony is available in Exhibit JC-13 of JCP&L's BPU petition.

The MCRP will not affect area property values. An independent real estate expert has found that because they have already been affected by the presence of the active electric rail line there will be no impact. As part of the analysis, the appraiser conducted a comprehensive review of studies on the potential impact to market values of properties adjacent to high voltage transmission lines.

For more information on the property values analysis, please review the testimony of real estate expert Jerome McHale, found in Exhibit JC-11 of JCP&L's BPU petition.

To ensure JCP&L chose the best possible route for the new transmission line, we considered 17 alternatives, including roads such as Route 35 and the Garden State Parkway, as well as other transmission rights-of-way. The proposed route was chosen because it uses existing land already designated for public use and minimizes social, environmental and financial impacts on the community compared to alternative routes.

While we understand that others have suggested building the MCRP underground, there are many significant obstacles to constructing a 230-kV transmission line underground. Placing the line underground along the proposed route would be impossible because of the proximity to the railroad and its underground equipment. On any other route, burying a 230-kV transmission line would require digging a large trench, resulting in extensive traffic disruptions across multiple communities, substantial environmental considerations, and would cost between four and ten

times more than the proposed overhead construction for the MCRP, which would have to be reflected in customer bills.

The complete Routing Study is available for review in the BPU testimony of Peter Sparhawk, an expert in transmission siting. The information can be found in Exhibit JC-7 of JCP&L's BPU petition.

FirstEnergy is committed to keeping New Jersey Transit and the public informed about the MCRP and has provided timely information to area residents through a series of open house events, social media outreach, an informational hotline and a dedicated website. We continue to share information, provide updates and answer questions from the community at: www.monmouthreliability.com. Interested stakeholders can also follow us on [Facebook](#) and [Twitter](#). We welcome the opportunity to meet with you to provide more details about the MCRP.

Respectfully,

A handwritten signature in black ink, appearing to read "Mark J.", with a long horizontal flourish extending to the right.

Mark A. Jones
Vice President, JCP&L External Affairs