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AUG 2 1 2015

BOARD OF PUBLIC UTILITIES MAIL ROOM

August 20, 2015

In the Matter of the
2015/2016 Annual Compliance Filings
For a Change 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

BPU Docket No. ER15060732

VIA ELECTRONIC & OVERNIGHT MAIL

Irene Kim Asbury, Secretary New Jersey Board of Public Utilities 44 South Clinton Avenue, 9th Floor P.O. Box 350 Trenton, New Jersey 08625-0350

Dear Secretary Asbury:

On behalf of Atlantic City Electric Company ("ACE"), New Jersey Natural Gas Company ("NJNG"), Elizabethtown Gas Company ("ETG"), Jersey Central Power & Light Company ("JCP&L"), Public Service Electric and Gas Company ("PSE&G"), Rockland Electric Company ("RECO"), and South Jersey Gas Company ("SJG") (collectively, the "Utilities"), please accept for filing an original and 10 copies of these joint comments submitted in response to the comments filed by the Division of Rate Counsel ("Rate Counsel") on August 17, 2015 in the above-referenced matter.

CMS Dix (house) In its Comments, Rate Counsel states that it "is not opposed to the proposed USF and Lifeline rates becoming effective on October 1, 2015." Rate Counsel at p. 6. Nor does Rate Counsel "object to the utilities' request for recovery of their actual administrative costs incurred associated with the USF program (given that actual expenditures will replace the utilities' forecasts for the months of May through September 2015 in the reconciliation to be reflected in the utilities' 2016/2017 Annual Compliance Filing)." Id. at p.6. It should be noted that the Utilities are requesting recovery of administrative expenses for the period July 1, 2014 through September 30, 2014 as well as administrative expenses for the period October 1, 2014 through June 30, 2015 as shown below:

ADMINISTRATIVE COSTS

	Admin Expenses July 2014- September 2014	Admin Expenses October 2014-June 2015	Carrying Costs	Total Requested Admin Expenses
ACE	\$2,536	\$0	\$0	\$2,536
JCP&L PSE&G-	\$5,905	(\$10,809)	\$0	(\$4,904)
E	\$0	\$0	\$0	\$0
RECO	\$122	\$452	\$0	\$574
subtotal	\$8,563	(\$10,357)	\$0	(\$1,794)
ETG	\$0	\$0	\$0	\$0
NJNG	\$720	\$6,448	\$26	\$7,194
PSE&G-G	\$0	\$0	\$0	\$0
SJG	\$2,150	\$6,205	\$40	\$8,395
subtotal	\$2,870	\$12,653	\$79	\$15,589
TOTAL E&G	\$11,433	\$2,296	\$79	\$13,794

Rate Counsel notes correctly that "the utilities updated calculations reflecting two additional months of actual data would result in a very slight decrease in the USF rates for the electric utilities." <u>Id.</u> at p.6.

The Utilities note that the decision whether to implement the rates derived in the original filing with actual data thru April or the updated rates with actual data thru June 2015 rests with the Board. In the past, the Board has chosen to implement USF rates based on the most recent updated USF and Lifeline data provided by the Utilities, which are subject to Board Staff's and Rate Counsel's review.

Conclusion

Based on the record in this proceeding, including Rate Counsel's comments, the Utilities respectfully urge the Board to approve the USF and Lifeline Rates and the administrative expenses (based on the administrative expenses from July 2014 through June 2015 as clarified above). This would include Board approval of the full recovery of the administrative expenses for each of the Utilities, as applicable, in the month following Board approval of the 2015/2016 USF and Lifeline rates from funds disbursed to the Utilities by the USF Trust Fund and maintained by the New Jersey State Department of Treasury.

Please feel free to contact me with any questions regarding this correspondence.

Respectfully,

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Public Service Electric and Gas Company USF 2015-2016 BPU Docket No. ER15060732

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