



November 30, 2020

VIA ELECTRONIC MAIL

Aida Camacho-Welch
Secretary of the Board
New Jersey Board of Public Utilities
44 South Clinton Avenue
Trenton, NJ 08625

Re: NJBPU's Response to the COVID-19 Pandemic
BPU Docket No. AO20060471

Dear Secretary Camacho-Welch,

Please accept the following comments on behalf of South Jersey Industries ("SJI") in response to BPU Docket No. AO20060471; *In the matter of the New Jersey Board of Public Utilities' Response to the COVID-19 Pandemic*. In addition, please be advised that SJI joins in and concurs with the comments submitted by the New Jersey Utilities Association in this docket. SJI also respectfully requests that all future communications related to this matter be addressed to the following individuals: Dominick DiRocco, Vice President, External Affairs (ddirocco@sjindustries.com), Deborah Franco, Vice President, Rates, Regulatory Affairs & Sustainability (dfranco@sjindustries.com), and Andrew McNally, Director, Government Relations (amcnally@sjindustries.com).

As the operator of two natural gas distribution companies in New Jersey, South Jersey Gas ("SJG") and Elizabethtown Gas ("ETG"), our organization is uniquely situated to help shape the State's continuing response to the COVID-19 pandemic as it relates to meeting the energy demands of our citizens during this difficult and unprecedented time in our history. For over a century, SJG and ETG have been committed to serving the energy needs of New Jersey residents. At present, our utilities serve over 700,000 customers across the State. Moreover, since its inception, our company has been a committed community partner as well as a driver of economic growth, supporting thousands of jobs and contributing significant resources to the State's economy and to statewide charitable and social welfare endeavors.

At the outset, it should be noted that while the State of New Jersey continues to undertake activities to protect the public health, safety, and welfare of our citizens, SJI remains committed to helping our customers maintain energy security by providing for the uninterrupted delivery of safe and reliable natural gas to the communities we serve. Since the earliest days of the COVID-19 pandemic, our organization has worked hard to identify and implement actionable solutions to the challenges posed by coronavirus. In March, we voluntarily established a moratorium on utility shut offs for non-payment, ensuring that our customers hit hardest by the pandemic would have uninterrupted access to natural gas regardless of their economic conditions. That moratorium

remains in effect today and will continue through mid-March 2021. This continued moratorium was the result of a collaborative effort with the Murphy Administration to formalize the measure across the utility sector in Executive Order 190 (“EO 190”).

Moreover, customer service representatives for our utilities are working daily to align our customers with assistance programs and payment plans that fit their needs. Earlier this year, we began offering extended deferred payment arrangements to struggling customers, elongating payment periods from 12 to 24 months without interest or penalty. These payment arrangements have provided an extended runway for customers who have fallen victim to the record-high unemployment and economic contraction brought on by COVID-19. We have also enhanced our efforts to connect our customers with payment assistance programs that help them manage their monthly energy costs. These programs include the Low-Income Home Energy Assistance Program (“LIHEAP”), the Universal Service Fund (“USF”), the Payment Assistance for Gas and Electric (“PAGE”) program, and NJ SHARES. We’ve also worked hard to ensure customers are equipped with the tools they need manage their accounts remotely.

Additionally, SJG and ETG continue to take all precautions necessary to ensure the collective health and safety of our employees and the customers with whom we come into contact. Following COVID-19’s impact in the United States, we established a companywide Pandemic Task Force and set into motion a Pandemic Management Plan to guide our actions in response to unfolding information about the coronavirus disease. Beginning in March and continuing today, we successfully transitioned all employees, with the exception of field representatives, to work-from-home reporting. For those in the field, both utilities have instituted measures to ensure the health, safety, and welfare of employees and customers, including preventative measures prior to entering any homes or businesses. Such measures include, but are not limited to:

- Following the requirements of Federal, State, and local leaders and health experts, as well as implementing the recommendations of the Centers for Disease Control and Prevention (“CDC”) and our utility peers;
- Practicing social distancing and requiring the use of Personal Protective Equipment (“PPE”) by our field employees and contractors (face covering, gloves, or more if needed) in situations where social distancing is not possible;
- Reinforcing training and education to ensure our field employees and contractors are exercising caution and utilizing all precautionary measures;
- Requesting that customers disclose any information around a respiratory or other COVID-like illness within their household prior to our field employees or contractors entering a property; and
- Postponing all work (other than emergency response) for at least 14 days at any property where a resident has reported a member of the household to be sick with a respiratory illness, cough or fever, has had a possible exposure to, or been diagnosed with, COVID-19 in the past 14 days, or is being self-quarantined or self-monitoring due to suspected exposure.

In the community, SJI and its utility companies remain committed to supporting COVID-19 pandemic response efforts throughout the State of New Jersey. In recognition of the extraordinary needs facing our medical and first responder communities, SJI contributed \$50,000 to the New Jersey Pandemic Relief Fund established by New Jersey First Lady Tammy Murphy. These funds went directly towards fighting the medical, social, and economic impacts of COVID-19 on New Jersey’s most vulnerable, supporting organizations that provide essential services and aiding those on the front line of the pandemic. Additionally, South Jersey Gas made a \$25,000

donation to the AtlantiCare Foundation, and Elizabethtown Gas supported the Trinitas Health Foundation with a \$25,000 donation. Both organizations are centrally located within the communities served by our utilities. Additional financial contributions and commitments have been made to service organizations throughout our territories and we continue to seek out ways to help our citizens overcome the challenges posed by COVID-19, consistent with our long-standing mission to make a positive impact in the communities we serve.

SJI commends the BPU for opening Docket No. AO20060471 and expanding the proceeding to consider the COVID-19 related relief measures sought by the Division of Rate Counsel in Rate Counsel's October 2, 2020 petition entitled "In the Matter of COVID-19 Related Arrearages" (Docket No. EO20100629U). In its filing, Rate Counsel petitions the Board to order a formal investigation into the scope of the COVID-19 public health emergency's impact on ratepayers' ability to make timely payments, a moratorium on the discontinuance of service for non-payment, and the development of appropriate arrearage and bill payment assistance plans. In addition, the petition calls for the suspension of the filing of new utility rate cases, a moratorium on the filing of new utility infrastructure programs, the reconnection of utility customers disconnected for non-payment during the COVID-19 pandemic, the waiver of reconnection fees and late fees, the establishment of extended deferred payment arrangements, and other measures.

While SJI agrees that the State and the Board must continue to analyze, review, and implement appropriate measures to alleviate the burdens of COVID-19 visited upon our citizens, we are concerned that many of the remedies sought by Rate Counsel are duplicative, unnecessary, or would have the unintended consequence of adversely impacting our State's economic recovery. First, EO 190, issued on October 15, 2020, squarely addresses many of Rate Counsel's requests, including the extension of the moratorium on shut offs for non-payment through mid-March 2021, a prohibition on late fees for utility customers that are in arrears, and the reconnection of utility service without penalty, interest, or fees. Moreover, all of the State's gas, electric, and water utilities have voluntarily implemented extended deferred payment arrangement plans and have agreed to work with the Board to educate customers and increase awareness of payment arrangement options and other available customer assistance programs. Finally, the utilities continue to work with the Board on the reporting of utility customer arrearage data and continue to collaborate with industry partners to find innovative ways to assist customers.

Furthermore, while SJI appreciates Rate Counsel's sensitivity to programmatic ratepayer impacts during the pandemic, we firmly believe that Rate Counsel's appeal for a moratorium on rate cases and utility infrastructure program filings would have the unintended consequence of stifling economic recovery in our State. Without question, the current public health emergency has caused severe financial hardship and widespread economic damage in New Jersey. Over 1.5 million residents have filed for unemployment benefits since mid-March and over 750,000 jobs were lost in April alone. Clearly, New Jersey needs an economic stimulus initiative that will put people back to work and infuse local economies with consumer spending.

Over the past few decades, the utility sector has led the way in creating stable, well-paying jobs that have fueled our economic growth. For instance, during this period, natural gas utilities have spent billions of dollars modernizing transmission and distribution pipelines, enhancing the resiliency of gas delivery systems and hardening our infrastructure for storm preparedness purposes. Unequivocally, our State's utilities are best positioned to reverse employment losses and stimulate the economy through infrastructure investment programs. Moreover, these investments not only advance economic goals, but they also help the State meet its long-term environmental goals by reducing methane leaks, enhancing energy efficiency and incentivizing

renewable energy deployment. Regrettably, Rate Counsel's call for a moratorium on infrastructure investments would upend these gains.

Similarly, a moratorium on rate cases would be counterproductive to economic recovery in our State. New Jersey's ratepayers and energy consumers are best served when utility industry participants are financially sound and well capitalized. Financially sound utilities keep people employed, invest billions of dollars into the economy through construction and infrastructure improvement projects, and fuel local economies. The long-standing and well-established utility rate case process helps keep utilities financially sound by providing a mechanism for the recovery of prudent investments. As noted above, a financially strong energy sector has many benefits for the State – especially during an economic downturn.

Turning to COVID-19 related customer arrearages, SJI believes that continued collaboration between the Board and its regulated utilities can lead to improved outcomes for struggling utility ratepayers. Existing customer assistance programs can be made more effective through increased communication by the utilities and the Board. The COVID-19 pandemic has affected many residents who are unfamiliar with economic insecurity and increasing public awareness of the many assistance programs that are available for energy consumers is critical to putting the benefits of those programs into action. Moreover, the establishment of a bad debt rider for natural gas utilities (similar to the rider available to electric companies) would give the LDCs the power to better manage arrearages, thereby putting the companies on a stronger financial footing and providing them with the bandwidth to invest in infrastructure and customer service improvements.

At SJI, our mission remains consistent—to provide safe, reliable, and affordable service to more than 700,000 customers across the State. We meet those goals through responsible and strategic investments across our business, including investments in technology and service delivery to improve the customer experience, investments in infrastructure to modernize and enhance our systems for improved safety and reliability, and investments in our employees and the communities we serve. Our commitment to serving our customers and communities has never been stronger and the current public health emergency has only sharpened our resolve. We strive to be a partner with the State of New Jersey and the Board, working collaboratively to meet and overcome the challenges posed by COVID-19.

Once again, thank you for the opportunity to provide comments.

A handwritten signature in black ink that reads "Dominick DiRocco". The signature is written in a cursive, flowing style.

Dominick DiRocco
Vice President, External Affairs