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***VIA ELECTRONIC MAIL***

Aida Camacho-Welch, Secretary of the Board  
Board of Public Utilities  
44 S. Clinton Avenue, 9<sup>th</sup> Floor  
P.O. Box 350  
Trenton, NJ 08625-0350

**Re: In The Matter of the New Jersey Board of Public Utilities’ Response to the Covid-19 Pandemic, BPU Docket No. AO20060471**

Please accept these comments on behalf of Public Service Electric and Gas Company (“PSE&G” or the “Company”) in response to the February 8<sup>th</sup> and February 25<sup>th</sup> Notices of the New Jersey Board of Public Utilities (“Board” or “BPU”) requesting comments regarding the impact of the COVID-19 pandemic on the ability of customers to pay bills; the sufficiency of existing assistance programs; and any further actions necessary in this matter. We thank the Board for the opportunity to present these comments on behalf of PSE&G in this important proceeding.

The country is in the wake of a health crisis that has triggered significant job losses, caused a downturn in the economy, and greatly affected so many in our state. The Company appreciates the Board’s efforts, and its ongoing commitment to balance the interests of New Jersey’s utilities, our customers, and the State during these times.

Throughout these challenging times, the Company has responded, and is continuing to respond, to the evolving needs of our customers, while maintaining safe and reliable electric and gas service. On March 13, 2020, PSE&G voluntarily announced the suspension of shutoffs for all electric and gas customers, which has continued under Governor Murphy’s Executive Order 190, which expires on March 15<sup>th</sup> of this year. PSE&G also took action at that time to restore service to all residential customers who had previously been disconnected for nonpayment, waiving all reconnection fees and deposit requirements for new or existing customers. Additionally, PSE&G proactively refunded deposits to struggling non-residential customers to help ease their burdens. Also at that time, the Company began waiving any late payment charges on all non-residential accounts. Since August 2020, PSE&G has provided flexible deferred payment arrangements (“DPAs”), to our customers by requiring no down payments and extending the timeframe to pay outstanding balances, for up to 24 months for residential customers, and 12 months for non-residential customers.

Nevertheless, DPAs themselves, without any form of outside support for customers, are not sufficient. As a result, PSE&G has been proactive in its outreach and collaboration efforts with local nonprofits, to help low-income customers and small businesses identify available financial

resources, including the Low Income Home Energy Assistance Program (“LIHEAP”), and Paycheck Protection Program loans. PSE&G makes the public aware of available energy assistance options in a variety of ways, including the PSEG website, bill inserts, social media posts, email and print campaigns, and targeted mailings to customers with delinquent accounts. The Company features videos in English and Spanish about all of the assistance programs, and in 2020 provided information about the Universal Service Fund, LIHEAP, Lifeline and PAGE (Payment Assistance for Gas and Electric) programs by way of bill inserts. This year, the Company’s Payment Assistance Outreach Team ran a pilot program, mailing LIHEAP applications directly to customers. The Company partners with several non-profits, including the Salvation Army and food pantries throughout New Jersey to provide information, training, and marketing on energy assistance programs. PSE&G has also taken part in community events such as the Jersey City Department of Human Services/School PTA Annual Fair, and the Hispanic Chamber of Commerce Business Expo, to get the word out about available assistance, and has met with the Volunteer Lawyers for Justice to assist members of the bar on the subject of utility collections.

Beyond its residential customers, PSE&G has conducted outreach to its small business and commercial customers, to promote special extended DPA terms and deliver information about payment assistance available through the CARES program. PSE&G is a founder of the New Jersey Utility Energy Outreach Group, an organization made up of New Jersey utilities as well as the BPU, whose members coordinate on outreach efforts providing information on low-income utility assistance programs to organizations that serve the needs of low-income residents.

In addition to all of these efforts, since the start of the COVID-19 pandemic in 2020, PSEG and the PSEG Foundation have committed \$5 million to support nonprofits and community organizations with pandemic response and relief; food insecurity; and efforts to support social justice initiatives in our service areas.

PSE&G has a duty to take these types of actions, as part of being a good corporate citizen during these unprecedented times. At the same time, we provide an essential service, and have the fundamental duty to provide safe and reliable service, all the while upholding its responsibility to protect the health of our customers, the public at large, and our own employees from this virus. As the Board acknowledged in its July 2, 2020 Order, complying with the State’s various safety requirements and guidelines has resulted in significant and unforeseen costs to the regulated utilities. Among the most significant costs PSE&G has incurred, and continues to incur, are its COVID-19 Preparation and Response costs, which include costs for establishing remote reporting sites to ensure proper social distancing, and for protection of our employees who work on site.

Another significant cost attributable to the pandemic is the growing customer arrearages. As the shut-off moratorium has continued, unpaid accounts have grown significantly. Equally troubling is the fact that approximately 77% of PSE&G’s residential accounts that are greater than 90 days delinquent are not low income or seniors accounts to the Company’s knowledge. Therefore, as the pandemic and economic situation evolves, it is important that the Board examine true solutions to the arrearages epidemic, and provide all customers in need with the financial assistance they require. Although shut-off moratoria have served an important purpose during this pandemic, EEI reports that these moratoria have expired in 26 states around the country, and many other states are moving away from moratoria and toward designing plans

to help customers pay their utility bills. While some have suggested a continued extension of the shut-off moratorium, doing so without having a forgiveness program in place does not assist customers that are struggling or cannot pay their bills. Rather, it serves to bury customers further and further into debt as the bills continue to mount over time, something all parties would want to avoid. PSE&G agrees with Rate Counsel's proposal that the Board establish a debt forgiveness program, or a crisis fund, for utility customers facing financial hardship due to COVID-19. Payment assistance and forgiveness programs such as "Fresh Start" should be expanded, to address customers whose incomes are above the current eligibility requirements, but who are still having difficulty making payments during this crisis. However, while the Company agrees that the State should do everything possible to access all available funding for customers who need payment assistance, it is likewise important, as the Board noted in its July 2<sup>nd</sup> Order, to minimize the financial impact of COVID-19 on the State's regulated utilities.

Additionally, it is important to recognize that utility investment programs have historically served to stimulate our state's economy. As President Fiordaliso noted at the Board's July 15, 2020 meeting in connection with the approval of the Company's December 2019 GSMP II rate roll-in filing, "one of the things that sometimes gets overlooked is the fact that public service commissions really can...help to ignite an economy by encouraging the utilities to continue with infrastructure work." The Board, President Fiordaliso continued, can be "an engine to help kick start the economy, which we know is extremely important right now because of the crisis that we are in." Utility investment in general, including traditional infrastructure projects as well as renewables and energy efficiency investment, produces a significant number of jobs and spurs economic activity both directly and indirectly. Indeed, increased infrastructure work is an established means, recognized by the State and the Board, of addressing the type of economic crisis the State is now facing. In response to the significant economic downturn experienced during the "Great Recession" of 2008, the Board approved PSE&G's Capital Economic Stimulus Infrastructure Program ("Stimulus Program") in April 2009.<sup>1</sup> At that time, PSE&G filed the Stimulus Program in direct response to a call from Governor Corzine for the Board of Public Utilities to implement infrastructure programs to, among other things, provide immediate assistance for New Jersey residents and support long-term economic growth.<sup>2</sup> The Board recognized then, as we believe it recognizes now, that utility investments have been and can be key in near-term job growth and economic recovery for New Jersey.

PSE&G is committed to working together with the Board, Rate Counsel, and the other utilities in New Jersey to help combat this economic downturn, and support the development of economic growth and payment assistance sources, as judiciously and expeditiously possible.

Thank you for your consideration of the Company's comments.

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<sup>1</sup> *I/M/O The Petition of Public Service Electric and Gas Company for Approval of a Capital Economic Stimulus Infrastructure Investment Program and an Associated Cost Recovery Mechanism Pursuant to N.J.S.A. 48:2-21 and 48:21.1, Decision and Order (December 17, 2009) ("Stimulus Program Order").*

<sup>2</sup> Stimulus Program Order at 2.