



March 1, 2021

VIA ELECTRONIC MAIL

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

Re: I/M/O the NJ Board of Public Utilities' 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 reaffirms its comments previously submitted in this docket on November 30, 2020 and 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).

SJI commends the Board for its continued attention to the adverse impacts that the COVID-19 pandemic has had on utility customers and energy consumers across the State. The Board's recent stakeholder meeting and public hearings in this docket, held on February 8, 2021 and February 25, 2021, respectively, confirm the urgent need to address the full panoply of challenges visited upon our customers by the ongoing public health crisis. With growing utility bill arrearages statewide, it is incumbent upon all utility industry participants to continue to collaborate with the Board and other State agencies on ways to help meet the needs of citizens who are unable to pay their utility bills, to address the growing arrearages that appear on the books of utility companies and to ensure the continued, uninterrupted delivery of energy services to our residents.

As the COVID-19 pandemic continues to have a profound impact upon our State, our organization remains committed to helping our customers maintain energy security by providing for the uninterrupted delivery of safe and reliable natural gas, providing critical support to the communities we serve and protecting the health, safety and welfare of our 1,100 employees and 700,000 customers. Most notably, we continue to offer extended deferred payment

arrangements, without interest or penalty, to our customers, work to align our customers with available energy assistance support programs that fit their needs, and protect our customers from the discontinuation of service for non-payment. Coupled with our unwavering commitment to continuing to follow CDC guidelines and implementing best practices for public health as recommended by federal, State and local public health experts, our actions over the past 12 months demonstrate our firm commitment to good corporate citizenship.

Without question, our customers have been profoundly affected by the economic impacts of COVID-19. In 2020, for instance, the number of South Jersey Gas customer accounts where energy assistance credits were applied equaled 42,513, up from 34,713 in 2019. At Elizabethtown Gas, 23,633 customer accounts reflected energy assistance credits in 2020, compared to 27,059 in 2019. Moreover, at 2020 year-end, over 63,000 South Jersey Gas residential customer accounts reflected unpaid balances, with total arrearages equaling \$32.5M. For commercial customers at South Jersey Gas, over 4,000 accounts reflected unpaid balances at year-end, with total arrearages reaching over \$5.6M. Similarly, at Elizabethtown Gas, 55,577 residential customer accounts reflected unpaid balances, with total arrearages equaling \$15.3M, while 4,938 commercial accounts had unpaid balances totaling \$3.9M.

Understanding the profound impact that the pandemic has had on our customers, SJI's utilities have increased efforts to connect our customers with available assistance programs, enhanced education around eligibility for and enrollment in energy assistance programs and paired those in need with service providers and public assistance agencies. With a robust customer outreach team, South Jersey Gas continues to provide important information to low-income customers about available customer assistance resources. Areas of focus include:

- Identifying the full range of federal, State, and local financial assistance programs available to customers,
- Attending workshops, events, and other training opportunities with a focus on payment assistance to customers,
- Developing and maintaining relationships with State agencies that administer payment assistance programs,
- Developing and maintaining relationships with a variety of community partners,
- Communicating programs and assisting customers with enrollment in payment assistance programs,
- Creating and conducting daily customer assistance outreach events and enrolling customers in budget billing,
- Providing companywide training to internal representatives,
- Collecting and evaluating data from State agencies to develop strategies to increase customer participation in payment assistance programs,
- Regularly providing information on our social media platforms to advertise available energy assistance programs, and
- Planning a joint energy assistance summit with Atlantic City Electric, to take place on March 11, 2021, to educate social services providers and other interested stakeholders about energy assistance programs available to New Jersey residents who are experiencing difficulty paying their bills.

Moreover, at South Jersey Gas, every customer service representative is trained to be knowledgeable in, and to offer assistance with, program information to any customer that indicates the need for assistance or difficulty making payments. Representatives are trained on

the options, guidelines, and benefits of each program so they can best direct customers. For convenience, LIHEAP-USF applications are available on our website, as well as via email from our customer service representatives. If a customer needs additional information, the SJG Customer Outreach team is available to assist. Currently, the Outreach team partners with over 200 non-profit and community organizations within the SJG service territory. Activity regarding the Company's outreach efforts to low-income customers via the Universal Service Fund ("USF"), and Low-Income Home Energy Assistance Program ("LIHEAP"), and Lifeline programs during FY 2020 is set forth below:

- LIHEAP: \$5,631,747
- USF: \$3,931,447
- USF Fresh Start: \$133,166
- LIFELINE: \$755,892

In addition, throughout the pandemic, the SJG Customer Outreach team has continued to provide assistance and resources to small businesses. The team recently partnered with the New Jersey Economic Development Authority ("NJEDA") to provide information and guidance regarding the Small Business Emergency Assistance Grant Program, as well as information about LIHEAP and USF. The team also partnered with the Greater Atlantic City Chamber of Commerce to provide information regarding county and local government financial assistance programs available for businesses. With a keen understanding of how impactful the COVID-19 pandemic has been on the small businesses in our State, SJG has demonstrated a continued commitment to helping the business community navigate the many challenges visited upon them during the public health emergency.

At Elizabethtown Gas, energy assistance personnel significantly increased their outreach activities during the pandemic to better serve their customers and to match those in need with the LIHEAP, USF, NJ SHARES, PAGE, and Lifeline programs. Efforts include grass roots outreach, partnerships with community organizations, targeted communications, mass corporate communications, social media outreach and individualized customer level outreach. Activity regarding the Company's outreach efforts to low-income customers via the USF, LIHEAP, and Lifeline programs during FY 2020 is set forth below:

- LIHEAP \$4,012,980
- USF \$1,892,860
- USF Fresh Start \$65,850
- LIFELINE \$416,025

Energy assistance programs in our State are an indispensable lifeline, helping to ensure that recipients do not have to choose between paying their energy bills and affording other necessities like food and medicine. Yet annual funding for energy assistance programs is not calibrated to deal with massive economic calamities like those experienced during the present public health emergency. While additional federal and State funding is needed, SJG also 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, and greater financial investments by lawmakers at the federal and State levels. 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, together

with greater financial resources to support such programs, 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. 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, fuel local economies and improve the customer experience through investments in technology and human capital. A bad debt rider for natural gas utilities will help to advance these important goals.

Next, one of the primary inquiries of this proceeding is to determine the best course of action with respect to the presently existing moratorium on shutoffs for non-payment, which is set to expire in mid-March of this year. Since the earliest days of the pandemic, SJL has been concerned about the impact of the public health emergency on access to vital energy services for our residents. Accordingly, in March of 2020, we voluntarily established a moratorium on shutoffs, 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; the result of a collaborative effort with the Murphy Administration to formalize the measure across the utility sector through Executive Order 190. At the time of its expiration on March 15, 2021, the moratorium on shutoffs will have been in effect either voluntarily or by government directive for nearly an entire year.

New Jersey was not alone in exploring and implementing shutoff moratoriums to provide relief to customers adversely impacted by the pandemic. According to the National Association of Regulatory Utility Commissioners ("NARUC") 34 states imposed a moratorium on shutoffs for non-payment last year. At present, 21 of those states have allowed the moratoriums to expire as they continue to review, analyze, and consider measures to extend financial support for utility customers in need and plan for the disposition of COVID-19 related arrearages. Most of the remaining states are set to allow their moratoriums to expire by the Spring of this year.

In New Jersey, while the moratorium on shutoffs for non-payment has ensured the continued provision of energy services to all of the State's residents regardless of their financial situation, customer arrearages have continued to grow and take rates for assistance programs have not risen significantly. We are concerned that an extension of the moratorium will only serve to exacerbate this problem, resulting in ever-increasing arrearages that will eventually overburden the utilities and their ratepayers. In order to effectively address this issue, our State should shift our focus away from the moratorium and instead recalibrate our assistance programs to ensure that those in need continue to have access to utility services and utilities are provided with the tools necessary to recover their costs in a prudent and responsible way. Utilities are well-positioned to advertise, promote, and inform our customers about available energy assistance programs and when customers are properly incentivized to enroll in such programs we can begin to bring arrearages down and reverse the damaging trend of ever-increasing bad debt.

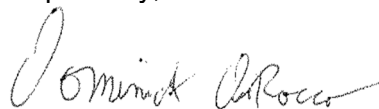
Lastly, while all of the issues being considered in this docket are critically important to determining the most effective pathways forward for helping utility customers recover from the

adverse impacts of the COVID-19 pandemic, it is important for the Board and all affected stakeholders to be mindful of the utility industry's history of spurring economic development and recovery in our State. Over the past few decades, New Jersey's utilities have led the way in creating stable, well-paying jobs that have fueled our State's economy during periods of economic downturn. Natural gas utilities, for example, have spearheaded infrastructure projects that have modernized transmission and distribution pipelines, enhanced the resiliency of gas delivery systems and hardened infrastructure for storm preparedness purposes. These investments have not only advanced economic goals by putting people to work and fueling our economy, but they have also helped the State meet its long-term environmental goals by reducing methane leaks, enhancing energy efficiency and incentivizing renewable energy deployment. Without question, our State's utilities are well positioned to reverse the economic contraction and employment losses visited upon us by the pandemic and we urge the Board to continue to lean on the utilities for economic stimulus through infrastructure investment and similar programs.

At SJI, our mission remains consistent—to provide safe, reliable, and affordable energy to more than 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. Our commitment to serving our customers and communities has never been stronger and the current public health emergency has only strengthened 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.

Thank you for the opportunity to provide comments.

Respectfully,

A handwritten signature in black ink, appearing to read "Dominick DiRocco". The signature is fluid and cursive, with a long horizontal stroke at the end.

Dominick DiRocco
Vice President, External Affairs