

July 30, 2020

The Honorable Aida Camacho-Welch, Secretary N.J. Board of Public Utilities 44 South Clinton Avenue, 9th Floor Post Office Box 350 Trenton, NJ 08625-0350

Re: New Jersey Natural Gas Company

Universal Service Fund

Quarterly Report

June 2020

BPU Docket No. EX00020091

Dear Secretary Camacho-Welch:

Pursuant to the above, enclosed is the New Jersey Natural Gas Company's Universal Service Fund report for the quarter end June 30, 2020. Electronic copies of the attached schedules have already been provided to Richard Lambert and Peter Hilerio.

If you have any questions or comments, please call Marianne Harrell at (732) 938-1257.

Very truly yours,

Mark G. Kahrer

Vice President – Regulatory Affairs

МН

Attachments

C: (via email)

Alice Bator, BPU Maureen Clerc, BPU Paul Flanagan, BPU William Foley, BPU Richard Lambert, BPU Stefanie Brand, RC Sarah Steindel, RC STATE OF NEW JERSEY)
SS :

COUNTY OF MONMOUTH)

VERIFICATION

MARK G. KAHRER, being duly sworn according to law, upon his oath, deposes and says that:

- 1. I am the Vice President of Regulatory Affairs for New Jersey Natural Gas Company and I am authorized to make this affidavit on behalf of New Jersey Natural Gas Company.
- 2. The attached schedules correctly portray the information set forth therein, to the best of my knowledge and belief.

MARK G. KAHRER

Sworn and subscribed before me this

30th day of July 2020

Andrew K. Dembia

ATTORNEY AT LAW

STATE OF NEW JERSEY

New Jersey Natural Gas USF 3rd Quarter Report 2020

Number of USF																
Customers	7,179	average														
	\$5.00 to	\$25.01 to	\$50.01 to	\$75.01 to	\$100.01 to	\$125.010 to	Greater									
Distribution of Benefit		\$50.00		\$100.00	\$125.00		\$150.00	Total								
Dollars	\$99,173		\$111,023	\$53,067	\$34,518	\$14,680	\$0									
Number of Customers	8,962		1,844	626	312	103	φ0 0									
Trainibol of Gasternois	0,302	5,302	1,044	020	312	100	U	13,009								
Distribution of Freeh	l and Them	CF 00 4-	COE 04 4-	CEO 04 4-	675 04 4-	¢400 04 4-	0000 04 4-	\$300.01 to	£400 04 to	¢500.04.4-	¢4000 04 4-	*******	60000 04 4-			
Distribution of Fresh Start				\$50.01 to \$75.00	\$75.01 to \$100.00			\$400.00			\$1000.01 to \$2000.00	\$3000.00	\$4000.00		\$5000.01 and Greater	Total
Arrearage Forgiveness	70.00	+====	+	71.0100	7100100	7_0000	700000	* *************************************	700000	***************************************	7_00000	7000000	***************************************			
Dollars	\$2.16	\$3,639.59	\$4,761.06	\$2,068.63	\$1,907.06	\$0.00	\$0 00	\$0.00	\$0.00	\$0.00	\$0 00	\$2,593.66	\$0.00	\$0.00	\$0.00	\$14,972.16
Number of Customers	38	270	133	34	20	0	0	0	0	0	0	1	0	0	0	485
Distribution of Customer	\$1.00 to	\$50.01 to	\$100.01 to	\$150.01 to	\$200.01 to	\$250.01										
bills		•	\$150.00	\$200.00		and greater	Total									
Bill Dollars	231964.2	645419.67	529718.54	222259.16	74512.89	66772.09	1770646.55									
Number of Customers	7,065	8,796	4,399	1,311	340	179	22,090									
Number of Customer																
Terminated for Non-																
Payment	0															
					91% to	Greater		ļ								
Distribution of Bills paid	0 to25%	26% to 50%	51% to 75%	76% to 90%	100%	than 100%										
Number of customer	7,743	2,234	1,444	558	7,736	2,043	21,758									
	35.59%	10.27%	6.64%	2.56%	35.55%											
Distribution of Customer	0.1.050/	000/ 1 500/	E40/ 1 7E0/	700/ 1 000/	91% to	Greater										
Share Paid			51% to 75%		100%	than 100%	04.750									
Number of Customers	12,551		619	129	7,047	619	21,752									
Percentage	57.70%	3.62%	2.85%	0.59%	32.40%	2.85%										
Number of customer																
participating in Comfort																
Partners	5															

USF Report April 2020

Number of USF Customers	7,196															
Distribution of Benefit	\$5.00 to \$25.00	\$25.01 to \$50.00	\$50.01 to \$75.00				Greater than \$150.00	Total								
Dollars	\$30,294	\$44,393	\$34,203	\$16,407	\$10,731	\$4,289		\$140,316.75								
Number of Customers	2,759	1,229	569	194	97	30		4,878								
Distribution of Fresh Start	Less Than \$5.00			\$50.01 to \$75.00				\$300.01 to \$400.00	400.01 to	to	\$1000.01 to \$2000.00	to	\$3000.01 to \$4000.00	4000 01 to \$5000.00	\$5000.01 and Greater	Total
Arrearage Forgiveness Dollars	\$1	\$892	\$1,247	\$666	\$400							\$2,594				\$5,800.26
Number of Customers	11	70	33	11	4							1				130
Distribution of Customer bills	\$1.00 to \$50.00		\$100.01 to \$150.00	\$150.01 to \$200.00	\$200.01 to \$250.00	\$250.01 and greater	Total									
Bill Dollars	\$11,952	\$219,540	\$358,078	\$170,666	\$57,324	\$46,553	\$864,111.72									
Number of Customers	347	2,734	2,955	1,005	261	121	7,423									
Number of Customer Terminated for Non-Payment	0															
Distribution of Bills paid	0 to25%	26% to 50%	51% to 75%		91% to 100%	Greater than 100%										
Number of customer	2,699	771	493		,	663	7,278									
Distribution of Customer Share Paid	37.08% 0 to25%	10.59% 26% to 50%	6.77% 51% to 75%	76% to	34.20% 91% to 100%	9.11% Greater than 100%										
Number of Customers	4,318	268	204	37	2,258	191	7,276									
%	59.35%	3.68%	2.80%	0.51%	31.03%	2.63%										
Number of customer participating in Comfort Partners	4															

USF Report May 2020

I														
Number of USF Customers	7,149													
Distribution of Benefit	\$5.00 to \$25.00				*		Greater than \$150.00	Total						
Dollars	\$34,325	\$49,115	\$37,975	\$18,264	\$11,617	\$5,390		\$156,686						
Number of Customers	3,094	1,366	631		105	38		5,449						
										\$2000.01	\$3000.01		\$5000.01	
Distribution of Fresh Start	Less Than \$5.00	\$5.00 to \$25.00			*	*		\$300.01 to \$400.00	\$500.01 to \$1000.00	to \$3000.00	to \$4000.00	4000.01 to \$5000.00	and Greater	Total
Arrearage Forgiveness Dollars	\$0.87	\$1,300.56	\$1,668.69	\$936.74	\$670.66									\$4,577.52
Number of Customers	16	100	47	15	7									185
Distribution of Customer bills	\$1.00 to \$50.00	\$50.01 to \$100.00		\$150.01 to \$200.00	\$200.01 to \$250.00	\$250.01 and greater	Total							
Bill Dollars	\$49,149	\$311,452	\$156,445	\$48,617	\$15,458	\$14,478	\$595,598							
Number of Customers	1307	4,290	1,316	289	71	42	7,315							
Number of Customer Terminated for Non-Payment	0													
Distribution of Bills paid	0 to25%	26% to 50%	51% to 75%			Greater than 100%								
Number of customer	2,699	771	493	163	2,489	663	7,278							
Distribution of Customer Share Paid	37.08% 0 to25%	10.59% 26% to 50%	6.77% 51% to 75%	76% to		9.11% Greater than 100%								
Number of Customers	4,318	268	204	37	2,258	191	7,276							
%	59.35%	3.68%	2.80%	0.51%	31.03%	2.63%								
Number of customer participating in Comfort Partners	0													

USF Report June 2020

Number of USF Customers	7,192															
Distribution of Benefit						\$125.010 to \$150.00	Greater than \$150.00	Total								
Dollars	\$34,555		\$38,845	\$18,396	\$12,170	\$5,001		\$158,144								
Number of Customers	3,109	1,367	644	217	110	35		5,482								
Distribution of Fresh Start	Les Than \$5.00							\$300.01 to \$400.00		\$500.01 to \$1000.00	\$1000.01 to	to	\$3000.01 to \$4000.00	4000.01 to \$5000.00	\$5000.01 and Greater	Total
Arrearage Forgiveness Dollars	\$0.60				\$836.40	φ200.00	φ300.00	φ400.00	φ300.00	\$1000.00	φ2000.00	φ3000.00	φ4000.00	φ3000.00	Gleater	\$4,594.38
Number of Customers	\$0.60 11		\$1,645.00		φο30.40 Ω											\$4,594.36 170
Number of Customers	- ''	100	33	0	3											170
Distribution of Customer bills	\$1.00 to \$50.00		\$100.01 to \$150.00	\$150.01 to \$200.00	\$200.01 to \$250.00	\$250.01 and greater	Total									
Bill Dollars	\$170,864	\$114,428.36	\$15,195.55	\$2,976.86	\$1,730.26	\$5,741.88	\$310,937									
Number of Customers	5,411	1,772	128	17	8	16	7,352									
Number of Customer Terminated for Non-Payment	0															
Distribution of Bills paid	0 to25%	26% to 50%	51% to 75%	76% to 90%	91% to 100%	Greater than 100%	Total									
Number of customer	2,345	692	458	232	2,758	717	7,202									
	32.56%		6.36%	3.22%	38.29%	9.96%	100.00%									
Distribution of Customer Share Paid				76% to 90%	91% to 100%	Greater than 100%										
Number of Customers	3,915	251	211	55	2,531	237	7,200									
%	54.38%	3.49%	2.93%	0.76%	35.15%	3.29%										
Number of customer participating in Comfort Partners	1															

New Jersey Natural Gas Company USF/ Lifeline Billing and Remittance Summary

USF/Lifeline Billing

Total Units USF Lifeline USF/Lifeline Billing Billing Billed Rate Rate Billing Oct-19 а 28,517,804 \$0.006200 \$176,810.38 \$0.005200 \$148,292.58 \$325,102.96 Nov-19 79,315,477 \$0.006200 \$491,755.96 \$0.005200 \$412,440.48 \$904,196 а Dec-19 113,275,852 \$0.006200 \$702,310.28 \$0.005200 \$589,034.43 \$1,291,345 а Jan-20 а 111,862,290 \$0.006200 \$693,546.20 \$0.005200 \$581,683.91 \$1,275,230 Feb-20 а 94,707,107 \$0.006200 \$587,184.06 \$0.005200 \$492,476.96 \$1,079,661 \$378,794.06 Mar-20 72,845,011 \$0.006200 \$451,639.07 \$0.005200 \$830,433 а Apr-20 58,756,037 \$0.006200 \$364,287.43 \$0.005200 \$305,531.39 \$669,819 а May-20 32,158,508 \$0.006200 \$199,382.75 \$0.005200 \$167,224.24 \$366,607 а Jun-20 24,661,902 \$0.006200 \$152,805.61 \$0.005200 \$128,159.54 \$280,965 а \$0.005200 \$224,420 Jul-20 е 19,685,969 \$0.006200 \$122,053.01 \$102,367.04 Aug-20 19,749,360 \$0.006200 \$122,446.03 \$0.005200 \$102,696.67 \$225,143 е Sep-20 е 19,337,416 \$0.006200 \$119,891.98 \$0.005200 \$100,554.56 \$220,447 Total 674,872,734 \$4,184,112.76 \$3,509,255.86 \$7,693,369

USF/Lifeline Remittance

			∥ Total
	Lifeline		USF/Lifeline
Date	Remittance	Date	Remittance
11/14/19	\$148,293.00	11/14/19	\$325,103
12/11/19	\$412,440.00	12/11/19	\$904,196
01/13/20	\$589,034.00	01/13/20	\$1,291,344
02/14/20	\$581,684.00	02/14/20	\$1,275,230
03/12/20	\$492,477.00	03/12/20	\$1,079,661
04/10/20	\$378,794.00	04/10/20	\$830,433
05/14/20	\$305,531.00	05/14/20	\$669,818
06/09/20	\$167,224.00	06/10/20	\$366,607
07/13/20	\$128,160.00	07/13/20	\$280,966
	\$102,367.00		\$224,420
	\$102,697.00		\$225,143
	\$100,555.00		\$220,447
	\$3,509,256.00		\$7,693,368
	11/14/19 12/11/19 01/13/20 02/14/20 03/12/20 04/10/20 05/14/20 06/09/20	Remittance	Date Remittance Date 11/14/19 \$148,293.00 11/14/19 12/11/19 \$412,440.00 12/11/19 01/13/20 \$589,034.00 01/13/20 02/14/20 \$581,684.00 02/14/20 03/12/20 \$492,477.00 03/12/20 04/10/20 \$378,794.00 04/10/20 05/14/20 \$305,531.00 05/14/20 06/09/20 \$167,224.00 06/10/20 07/13/20 \$128,160.00 07/13/20 \$102,697.00 \$100,555.00

Date Submitted: 7/30/2020 Prepared By: Marianne Harrell Phone No.: 732-938-1257 E-mail: mharrell@njng.com

New Jersey Natural Gas Company Calculation of USF Recovery

		USF Credits Issued ¹	Fresh Start Forgiveness Granted Total USF Admin and Other Credits Total Due From Trust Fund Meceived From Trus Amount			Under/(Over) Recovery for the Month	Cumulative Under/Over Recovery excl. interest			
Sep-19	а									\$1,016,793
Oct-19	а	\$198,530	\$4,471	\$203,001	\$0	\$203,001	\$111,428	10/1/19 & 10/29/2019	\$91,573	\$1,108,367
Nov-19	а	\$166,742	\$4,058	\$170,801	\$0	\$170,801	\$0		\$170,801	\$1,279,167
Dec-19	а	\$189,814	\$3,751	\$193,565	\$0	\$193,565	\$98,141	12/19/19	\$95,424	\$1,374,592
Jan-20	а	\$200,673	\$3,613	\$204,286	\$0	\$204,286	\$635,412	1/13/20 & 1/31/2020	(\$431,126)	\$943,466
Feb-20	а	\$174,746	\$2,469	\$177,215	\$0	\$177,215	\$0		\$177,215	\$1,120,681
Mar-20	а	\$208,332	\$2,637	\$210,969	\$0	\$210,969	\$461,990	03/04/20	(\$251,021)	\$869,660
Apr-20	а	\$200,287	\$5,873	\$206,159	\$0	\$206,159	\$0		\$206,159	\$1,075,819
May-20	а	\$192,454	\$4,578	\$197,031	\$0	\$197,031	\$739,355	5/13/20 & 5/26/20	(\$542,323)	\$533,495
Jun-20	а	\$214,413	\$4,803	\$219,216	\$0	\$219,216	\$339,605	6/8/20 & 6/25/20	(\$120,389)	\$413,107
Jul-20	е	\$214,413	\$4,803	\$219,216	\$0	\$219,216	\$119,223		(\$120,389)	\$292,718
Aug-20	е	\$214,413	\$4,803	\$219,216	\$0	\$219,216	\$100,821		\$118,394	\$411,112
Sep-20	е	\$214,413	\$4,803	\$219,216	\$0	\$219,216	\$95,918		\$123,297	\$534,410
Total		\$2,389,230	\$50,661	\$2,439,891	\$0	\$2,439,891	\$2,701,894		(\$482,384)	

¹ Actual customer credits are based on the calendar month. Since the timing of cycle billing for a particular month may cross months, customer credits reported will vary from the credits in each cycle billing period.

Date Submitted: 7/30/2020
Prepared By: Marianne Harrell
Phone No.: 732-938-1257
E-mail: mharrell@njng.com

New Jersey Natural Gas Company Calculation of USF Interest

		Beg Balance	Customer Benefits ¹	Admin and Other Credits	Sub-Total	Amt Received From Trust Fund ³	Underrecovery Balance	Average Balance Net of Tax	Rate	Interest on Avg Balance	Cumulative Interest ²³	Underrecovery and Interest Balance
Sep-19	а						\$1,016,793					\$1,016,793
Oct-19	а	\$1,016,793	\$203,001	\$0	\$1,219,795	\$96,638	\$1,123,157	\$769,205	2.16%	\$1,385	\$1,385	\$1,124,542
Nov-19	а	\$1,123,157	\$170,801	\$0	\$1,293,958	\$0	\$1,293,958	\$868,832	2.16%	\$1,564	\$2,948	\$1,296,906
Dec-19	а	\$1,293,958	\$193,565	\$0	\$1,487,523	\$98,141	\$1,389,382	\$964,526	2.21%	\$1,776	\$4,725	\$1,394,107
Jan-20	а	\$1,389,382	\$204,286	\$0	\$1,593,668	\$635,412	\$958,256	\$843,858	2.18%	\$1,533	\$6,258	\$964,514
Feb-20	а	\$958,256	\$177,215	\$0	\$1,135,471	\$0	\$1,135,471	\$752,590	1.96%	\$1,229	\$7,487	\$1,142,958
Mar-20	а	\$1,135,471	\$210,969	\$0	\$1,346,440	\$461,990	\$884,450	\$726,061	1.44%	\$871	\$8,358	\$892,809
Apr-20	а	\$884,450	\$206,159	\$0	\$1,090,609	\$0	\$1,090,609	\$709,935	0.83%	\$491	\$8,849	\$1,099,459
May-20	а	\$1,090,609	\$197,031	\$0	\$1,287,641	\$739,355	\$548,286	\$589,101	0.80%	\$393	\$9,242	\$557,528
Jun-20	а	\$548,286	\$219,216	\$0	\$767,502	\$339,605	\$427,897	\$350,889	0.74%	\$216	\$9,458	\$437,356
Jul-20	е	\$427,897	\$219,216	\$0	\$647,113	\$119,223	\$527,889	\$343,557	0.83%	\$238	\$9,696	\$537,586
Aug-20	е	\$527,889	\$219,216	\$0	\$747,105	\$100,821	\$646,284	\$422,057	0.83%	\$292	\$9,988	\$656,272
Sep-20	е	\$646,284	\$219,216	\$0	\$865,500	\$95,918	\$769,581	\$508,933	0.83%	\$352	\$10,340	\$779,921

¹ Benefits include monthly customer credits and Fresh Start Forgiveness granted. Actual customer credits are based on the calendar month. Since the timing of cycle billing for a particular month may cross months, customer credits reported will vary from the credits in each cycle billing period.

Date Submitted: 7/30/2020 Prepared By: Marianne Harrell Phone No.: 732-938-1257 E-mail: mharrell@njng.com

² The Cumulative Interest should be added to the underrecovery balance at the end of the program year in order to determine the USF factor for the next program year.

³ The amount received in October 2019 has been reduced by the prior year's interest.