



Via Electronic Mail

February 25, 2022

Aida Camacho-Welch, Secretary
Stacy Peterson, Deputy Executive Director
New Jersey Board of Public Utilities
44 South Clinton Ave.
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Re: BPU Docket No. AO20060471 In the Matter of the New Jersey Board of Public Utilities Response to the COVID-19 Pandemic: Regulatory Asset Workgroup- Request for Comments

Dear Ms. Camacho-Welsh and Ms. Peterson,

AARP New Jersey, on behalf of its 1.2 million Garden State members is pleased to provide the following comments to the NJ Board of Public Utilities (BPU, Board) regarding the recent questions posed to the pandemic response regulatory asset working group.

It is clear the COVID-19 pandemic is having an extremely significant state-wide impact on the ability of hundreds of thousands of New Jersey consumers' ability to pay electric, gas, water and wastewater bills. Maintaining lifeline utility services is important to our entire community and to the health of our economy. Solutions that address the need to support residents who cannot afford their utility bills require a societal response. All sectors of our society – consumers, service providers and taxpayers – must step up and be part of the solution.

AARP urges the BPU to use available Federal COVID-19 relief dollars (ARPA, LIHEAP, etc.) to cover customers' COVID-19 related arrearages and uncollectables, including the costs resulting from the recently expanded Universal Service Fund (USF) program. We further urge state and local governments to coordinate utility bill relief efforts to ensure the maximum available federal relief dollars are directed at consumers in need. .

Ratepayers, who are already struggling to pay their utility bills should not be additionally burdened with the cost of COVID-19 related uncollectables. To the extent federal relief dollars do not cover COVID-19 related uncollectables, utility providers should seek recovery through a base rate case.

AARP generally opposes single issue riders, trackers and/or surcharges as they escape the normal regulatory scrutiny of a base rate case and because all offsetting cost decreases cannot be considered. Non-COVID 19 related arrearages and uncollectables should be recovered through rate cases where offsetting cost reductions can be considered on a utility-specific basis and where the public has an opportunity to provide input. For example, COVID-related expenses, and/or uncollectables not covered by federal assistance dollars and considered in a rate case could be offset by decreases in collection costs.

The Board should carefully evaluate any proposed additional surcharges on a case-by-case basis to determine whether such a rider achieves the proper balance of utility and ratepayer needs.

AARP supports the investigation of all available mechanisms to cover COVID related expenses, including uncollectables. Shareholder sharing would be welcome, and a negotiated formula should be explored for each utility. While the COVID-19 pandemic is a unique event, sharing the costs of utility bill-payment assistance programs between shareholders and ratepayers is not. For example, Ameren Missouri's Keeping Current Program includes an approximate 5/50 sharing mechanism.ⁱ

Finally, AARP believes there should be a true up of the COVID arrearages due to pay downs, Federal funds received, State funds received, Insurance funds received, etc. in order to ensure rates are fair and reasonable.

AARP appreciates the opportunity to comment and looks forward to working with all stakeholders to ensure all New Jerseyans have access to affordable and reliable utility services.

Sincerely,



Ev Liebman
Director of Advocacy
AARP New Jersey

Cc: William Malcolm, AARP Senior Legislative Representative

AARP is the nation's largest nonprofit, nonpartisan organization dedicated to empowering people 50 and older to choose how they live as they age. AARP New Jersey educates and advocates on behalf of those 50 and older on issues that are important to them, their families and to all Garden State residents. The organization works to strengthen New Jersey communities with a focus on health security, financial stability and personal fulfillment. To learn more, visit www.aarp.org/nj or follow @AARPNJ on social media.

ⁱ <https://www.ameren.com/-/media/rates/files/missouri/uecsheet160pvpscdlowincpilot.ashx>