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Via email: [board.secretary@bpu.nj.gov](mailto:board.secretary@bpu.nj.gov)

Carmen D. Diaz  
Acting Board Secretary and Acting Custodian  
44 South Clinton Avenue  
Post Office Box 350  
Trenton, NJ 08625-0350

**RE: In the Matter of the New Jersey Board of Public Utilities' Response to the Covid-19 Pandemic, Universal Service Fund & Fresh Start Programs: Review & Proposed Changes  
Docket No. AO20060471**

Dear Acting Board Secretary Diaz:

Elizabethtown Gas Company ("ETG") and South Jersey Gas Company ("SJG") (collectively "the Companies") respectfully offer these comments in response to the New Jersey Board of Public Utilities' ("Board") request for comment on proposed changes to the Universal Service Fund ("USF") and Fresh Start Programs.

The USF and Fresh Start Programs have played a vital role for customers during the pandemic and post-pandemic periods. The Board acted prudently when it took steps to temporarily increase the eligibility and benefits provided to customers under its June 2021 Order.<sup>1</sup>

As a general matter, the Companies believe that the expanded eligibility criteria and benefits established, pursuant to the June 2021 Order, should be maintained. Rather than eliminating the expanded eligibility and benefits "cold turkey", the Board could take the opportunity over the next several years to monitor customer arrearage levels and adjust accordingly the benefits provided to customers. The Board could also consider a "phase out" approach to expanded program eligibility in which the eligibility criteria and benefits are gradually reduced.

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<sup>1</sup> In the Matter of the Board of Public Utilities' Response to the COVID-19 Pandemic, BPU Docket No. AO20060471, Order Dated June 24, 2021.

### **Questions Under Program Parameters, USF**

The Board has asked a series of questions about whether reversion to the USF eligibility criteria in place prior to the June 2021 Order is appropriate. As customer arrearages continue to remain elevated above “normal” levels, driven by the effects of the pandemic and the various moratoria on shutoffs for non-payment, the Companies believe that the expanded eligibility criteria and benefits established pursuant to the June 2021 Order should be maintained, with one exception:

The Companies suggest that the USF income ceiling should be reset to align with LIHEAP. The income ceiling was temporarily set to 400% FPG to provide relief to a broader set of customers impacted by the COVID crisis. Although the crisis is deemed over, some lingering effects remain. At a minimum, the Companies believe that eligibility for USF should not fall below the current eligibility threshold for LIHEAP, which requires a gross income that falls at or below 60 percent of the State median income level.

The Notice also poses the question: “[S]hould the temporary minimum \$5.00 USF monthly benefit be made permanent for any applicant who is income eligible for the program?” The Companies support maintaining the \$5.00 minimum monthly benefit to allow customers entry into the Fresh Start program. The Companies supported this change under the June 2021 Order and believe that the temporary minimum \$5.00 USF monthly benefit should either be made permanent or continue for some pre-determined period as a means of qualifying customers for the Fresh Start program.

### **Questions Under Program Parameters, Fresh Start**

The June 2021 Order provided that “[T]he utilities shall enroll any USF participant with \$60 or more in arrearages into the Fresh Start program regardless of the customer’s past participation in the USF program at the time of the customer’s enrollment or re-enrollment in USF...”<sup>2</sup> The Board has asked a series of questions about whether to maintain this enhanced level of eligibility, revert to the pre-June 2021 Order criteria, or essentially set re-enrollment eligibility somewhere in between these two options.

The Companies support reestablishing a limit on the frequency of customer reenrollment in the Fresh Start Program. Under the current paradigm, customers can re-enroll in Fresh Start despite previously not complying with the program’s payment requirements. Ultimately, allowing customers to take advantage of the ability to re-enroll in this manner without following program requirements results in higher costs for all customers and should be limited. As such, the Companies encourage the Board to allow reenrollment once every five years.

The Companies also encourage the Board not to reinstate the monthly and quarterly caps on Fresh Start forgiveness. The Companies support continued forgiveness of 1/12 of the overdue

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<sup>2</sup> In the Matter of the Board of Public Utilities’ Response to the COVID-19 Pandemic, BPU Docket No. AO20060471, Order Dated June 24, 2021.

balance each month the customer pays their monthly charges in full. The Companies believe that the impact of a temporary extension of the elimination of the forgiveness caps on program cost could be offset by restricting the ability to reenroll in the program.

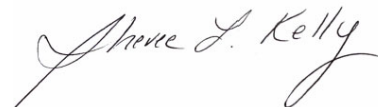
The Board also directed the utilities, in the June 2021 Order, to apply federal arrearage forgiveness to Fresh Start balances before current balances, in contrast to prior practice, where the utilities applied federal funds to current overdue balances. The Board has asked whether the utilities should revert to the former practice of applying federal LIHEAP funds to current overdue balances. The Companies believe that the Board should revert to the prior practice of applying federal LIHEAP funds to current overdue balances. The temporary process was established while additional American Rescue Plan (“ARP”) funds were being made available with a focus on reduction of arrears. As availability of ARP funding for utility customers is ending, utilities should revert to the former practice of applying federal LIHEAP funds to current overdue balances in order not to limit barriers to program completion.

### **Questions about Societal Benefits and Data**

Over 2800 ETG customers benefited from the Fresh Start Program and, therefore, were not at risk of severance. Over 16,000 ETG customers received USF. ETG customers received \$2.3 million USF and Fresh Start benefits in 2022. In 2022, 6,228 SJG customers benefited from the Fresh Start Program. SJG also had 23,130 customers receive USF benefits in 2022. Throughout 2022, SJG customers received \$7.9 million USF and Fresh Start benefits.

The Companies appreciate the opportunity to offer these comments and look forward to working with the Board on this initiative.

Respectfully submitted,



Sheree L. Kelly

SLK/bm