



*Via Electronic Mail*

May 23, 2023

Sherri Golden  
Secretary of the NJ Board of Public Utilities  
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**Re: In the Matter of the New Jersey Board of Public Utilities’ Response to the Covid-19 Pandemic Universal Service Fund & Fresh Start Programs. Docket No. AO20060471**

Dear Secretary Golden,

**Introduction**

On behalf of AARP NJ’s 1.1 million members and all older adults, please accept these comments in response to the request for information issued by the Staff of the New Jersey Board of Public Utilities (“Board”) on May 3, 2023, regarding a “Straw Proposal” to change the Board’s permanent Universal Service Fund (“USF”) and Fresh Start programs.<sup>1</sup> AARP commends the Board for recognizing the continuing importance of New Jersey’s USF and Fresh Start programs to assist those ratepayers with limited means pay their electric and gas bills.

Those AARP members with limited incomes benefit from these two programs, and, therefore, have an interest in ensuring that these two programs successfully help them pay rising utility bills and avoid disconnection. Also, because all electric and gas ratepayers subsidize defaulted bills, AARP members have an interest in ensuring that the USF and Fresh Start help prevent defaults.<sup>2</sup> AARP has commented previously on the USF.<sup>3</sup> AARP reiterates that the Board’s

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[https://nj.gov/bpu/pdf/publicnotice/Notice%20USF%20Straw%20Proposal%20Request%20for%20Information\\_Final.pdf](https://nj.gov/bpu/pdf/publicnotice/Notice%20USF%20Straw%20Proposal%20Request%20for%20Information_Final.pdf) (“Straw Proposal RFI”).

<sup>2</sup> Defaults lead to expenses that all utility customers must pay through the utilities’ rates. Gas customer defaults are included in gas distribution base rates, while electric customer defaults are included in the Social Benefit Charge. See N.J.S.A. 48:3-60.

<sup>3</sup> In 2019, AARP submitted comments in the Board’s proceeding (Docket No. EO19030308) in which the Board conducted a periodic review of the Universal Service Fund Program.



deliberations regarding the USF (and in this proceeding, also Fresh Start) directly affect the well-being of older ratepayers.

## Comments

As the Board explains: “In order to respond to the high level of utility arrearages caused by the economic situation customers faced during the COVID-19 pandemic, the Board took action in June 2021 (“June 2021 Order”) to temporarily expand the USF and Fresh Start programs to help customers pay down their arrearages and reestablish payment compliance with their utility companies.”<sup>4</sup> These expansions are in effect through September 30, 2023. Based on stakeholder participation and comment, the Board developed a Straw Proposal, which is the subject of this most recent Board request for information. AARP participated in the Board’s stakeholder process and submitted written comment dated March 2, 2023.

AARP fully supports the Board’s proposal to make permanent some initially temporary changes to the USF and Fresh Start Programs to assist low- and middle-income households struggling to pay their utility bills. The COVID-related expansions successfully increased participation in these programs, which, in turn, has helped (and is continuing to help) to prevent disconnections for non-payment (which, in turn, helps all ratepayers). Although the COVID pandemic has officially expired, consumers’ need for financial assistance to pay their bills has not. With the winter moratorium on disconnections for non-payment recently ending, the full extent of this need is still emerging.

AARP fully supports goals that the Board sets forth, and concurs that the Straw Proposal would contribute to their achievement, including, among others:

- Enabling more households still recovering from the effects of the pandemic and inflation to access USF monthly assistance and Fresh Start forgiveness.<sup>5</sup>
- Maintaining the increase in USF monthly benefits, which will help customers stay current on their monthly bills and earn Fresh Start arrearage forgiveness.<sup>6</sup>

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<sup>4</sup> *Straw Proposal RFI*, at 1, citing In re the New Jersey Board of Public Utilities’ Response to the COVID-19 Pandemic, Docket No. AO20060471 (June 24, 2021).

<sup>5</sup> *Straw Proposal RFI*, at 3.

<sup>6</sup> *Straw Proposal RFI*, at 4.



- Providing Fresh Start once every five years, which will allow customers who fall on hard times an opportunity to earn forgiveness on their arrearages, reestablish payment compliance with their utility companies and maintain service.<sup>7</sup>
- Recognizing that because beginning October 1, 2023, utilities will cease application of federal funds to Fresh Start balances before current balances, another approach to preventing disconnections is essential. (Under the Straw Proposal, the utility companies will apply federal LIHEAP benefits to current balances, which will help customers comply with the requirement to pay current monthly charges in order to earn forgiveness on Fresh Start balances. The utilities will recognize any LIHEAP benefit received as a “payment” toward the customer’s current monthly bill in regard to earning forgiveness of Fresh Start balances.)<sup>8</sup>

AARP fully supports data-driven analyses because they lead to well-informed decision-making. Toward that end, AARP urges the Board to collect, analyze, and report comprehensively the data that the new utility data collection law now requires.<sup>9</sup> This analysis should occur and be shared with all stakeholders as the Board considers making any changes to the currently expanded USF and Fresh Start Programs.

AARP also urges the Board to clarify and explore the ways in which the USF and Fresh Start expansions will be financed. In its explanation of the Board’s original decision regarding the funding of USF, the Board states that it “ordered that the program be operated on a statewide basis and funded through uniform charges on customers’ electric and natural gas bills (“USF rate”) through the Societal Benefits Charge collected pursuant to N.J.S.A. 48:3-60(a).”<sup>10</sup> As ratepayers, AARP members subsidize the USF Program<sup>11</sup> and, therefore, have an interest in ensuring that USF is administered effectively, prudently, and does not unduly burden non-participants.

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<sup>7</sup> *Straw Proposal RFI*, at 5.

<sup>8</sup> *Straw Proposal RFI*, at 5.

<sup>9</sup> §§1-3 C.48:2-29.57 to 48:2-29.59 P.L. 2022, CHAPTER 107, approved September 15, 2022 Assembly, No. 3329 (Second Reprint).

<sup>10</sup> *Straw Proposal RFI*, at 1.

<sup>11</sup> <https://www.nj.gov/dca/divisions/dhct/faq/usf.html>



## Conclusion

AARP fully supports making permanent the now temporary expansion of the USF and Fresh Start programs, consistent with the parameters described in the Straw Proposal. This would help customers pay down their arrearages and re-establish payment compliance with their utility companies and prevent disconnection for non-payment. AARP commends the Board for its timely and comprehensive analysis of the best way forward to ensure that after the COVID-related funding expires, expanded USF and Fresh Start benefits continue.

In conclusion, AARP fully supports the continuation of the expanded form of the USF and Fresh Start programs and is fully prepared to assist the Board with the analysis of data gathered that will inform any future modifications to these two programs.

Sincerely,

A handwritten signature in black ink, appearing to read "Evelyn Liebman", with a long horizontal flourish extending to the right.

Evelyn Liebman  
Director of Advocacy  
AARP New Jersey