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**VIA ELECTRONIC MAIL**  
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Sherri L. Golden  
Secretary of the Board  
New Jersey Board of Public Utilities  
44 South Clinton Avenue, 1<sup>st</sup> Floor  
P.O. Box 350  
Trenton, New Jersey 08625-0350

**RE:** In the Matter of the New Jersey Board of Public Utilities' Response to the Covid-19 Pandemic, USF and Fresh Start  
BPU Docket No. AO20060471

**Comments of Atlantic City Electric Company to Request for Information**

Dear Secretary Golden:

The undersigned serves as Assistant General Counsel on behalf of Atlantic City Electric Company ("ACE"). Enclosed please find ACE's Comments in response to the New Jersey Board of Public Utilities' ("BPU" or "Board") Request for Information ("RFI") issued on May 3, 2023 in the above-referenced docket. ACE's comments address certain proposals for permanent changes to the USF and Fresh Start programs as outlined in the RFI.

Pursuant to the Board's directive, ACE's comments will be uploaded via the Post Comments button on the Board's Public Documents Search tool.

Thank you for your consideration. Feel free to contact me with any questions.

Respectfully submitted,

A handwritten signature in blue ink that reads "Solomon David".

Solomon David

Enclosure

**In the Matter of the New Jersey Board of Public Utilities’  
Response to the Covid-19 Pandemic  
Universal Service Fund and Fresh Start Programs  
BPU Docket No. AO20060471**

**Comments of Atlantic City Electric Company**

Atlantic City Electric Company (“ACE” or the “Company”) appreciates the opportunity to comment on the New Jersey Board of Public Utilities’ (“BPU” or the “Board”) Request for Information (“RFI”) dated May 3, 2023 regarding a Straw Proposal concerning proposed changes to the Board’s permanent Universal Service Fund (“USF”) and Fresh Start programs. ACE is committed to maintaining reasonable and affordable service for customers. The Company strives to provide resources and programs to support qualifying customers who are struggling with their bills. In 2022 alone, ACE helped more than 35,000 eligible customers secure over \$88 million in energy assistance, which provides bill payment assistance without a repayment obligation.

On January 23, 2023, Board Staff issued a Public Notice (the “Notice”) requesting comment regarding the future of the BPU’s USF and Fresh Start programs. In accordance with the Notice, a Stakeholder Meeting was held on February 15, 2023, during which Board Staff provided a presentation that laid out the program parameters. The Notice gave the public an opportunity to provide comments regarding if and how these programs should be modified when the USF and Fresh Start program expansion period ends on September 30, 2023.

On March 3, 2023, ACE submitted written comments responding to the Notice. The New Jersey Utilities Association also submitted written comments with input from ACE and other utilities on March 3, 2023. BPU Staff reviewed the various comments and issued a Straw Proposal. On May 3, 2023, Staff requested further public input regarding permanent changes to the USF and Fresh Start programs through an RFI.

ACE continues to maintain the positions set forth in its prior comments on the USF and Fresh Start programs, and provides the following comments in response to some of the Board’s proposals in the May 3, 2023 RFI:

**A. USF**

- 1) Align the USF income ceiling with the federal Low Income Home Energy Assistance Program (“LIHEAP”) beginning October 1, 2023.
  - The USF program is linked to and subsidized by the federal LIHEAP program to take advantage of economies of scale and provide one stop shopping for applicants seeking utility assistance. Aligning the two programs’ income limits will reduce the burden on ratepayers.
  - Using the same income ceiling for both programs will provide a consistent income eligibility criterion for applicants so the same Low-and Moderate Income (“LMI”) utility customers qualify for both federal and state programs’ benefits.

- While the USF income ceiling was set at 185 percent (185%) (“FPG”) before the Covid-19 Pandemic, using the LIHEAP income ceiling at its current level will enable more households still recovering from the effects of the pandemic and inflation to access USF monthly assistance and Fresh Start forgiveness.

Sample Income Limits:

Household Size	1	2	3	4	5
100% Federal Poverty Level (2022)	\$13,590	\$18,310	\$23,030	\$27,750	\$32,470
<b>185% FPL (Pre-pandemic USF Income Limit)</b>					
Annual Income Limit	\$25,142	\$33,874	\$42,606	\$51,338	\$60,070
Monthly Income Limit	\$2,095	\$2,823	\$3,550	\$4,278	\$5,006
<b>200% FPL *</b>					
Annual Income Limit	\$27,180	\$36,620	\$46,060	\$55,500	\$64,940
Monthly Income Limit	\$2,265	\$3,052	\$3,838	\$4,625	\$5,412
<b>LIHEAP (60% State Median Income)</b>					
Annual Income Limit	\$41,569	\$54,360	\$67,151	\$79,942	\$92,732
Monthly Income Limit	\$3,464	\$4,530	\$5,596	\$6,662	\$7,728
<b>400% FPL (Current USF Income Limit)</b>					
Annual Income Limit	\$54,360	\$73,240	\$92,120	\$111,000	\$129,880
Monthly Income Limit	\$4,530	\$6,103	\$7,677	\$9,250	\$10,823

(Language above quoted from page 3 of the RFI, footnote omitted.)

**ACE Comment:**

The Company reiterates its support for continuing the USF income ceiling at 400% FPG. New Jersey families remain subject to increased inflationary pressures with rising costs for necessities like food and shelter. Allowing customers who are beyond the previous 185% FPG income limit and federal LIHEAP income limit to participate in the program will continue to relieve some cost burden and allow qualifying families to reduce or eliminate their arrearages by way of the Fresh Start program.

**B. Fresh Start**

1) Enrollment:

The gas and electric utility companies which administer the Fresh Start program with oversight by the Board, 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 or Fresh Start program at the time of the customer’s enrollment or re-enrollment in USF from October 1, 2023, through September 30, 2024. Prior to October 1, 2021, only the first time USF enrollees with \$60 or more in overdue balances were eligible for Fresh Start enrollment.

Starting October 1, 2024, USF customers will be able to participate in Fresh Start once in a five (5) year period. Therefore, beginning October 1, 2024, the utility companies will screen USF enrollees upon entry into the USF program to determine if the **account** has

received Fresh Start during the **prior five (5) years**. If the account: 1) has not received Fresh Start during the prior five years; and 2) has an overdue balance of \$60 or more, the utility company will automatically enroll the customer into the Fresh Start program.

- This Fresh Start enrollment policy will give customers one final opportunity to earn forgiveness on any remaining Covid-related arrearages.
- Providing Fresh Start once every five years 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.

(Language above quoted from pages 4 and 5 of the RFI, emphasis added, footnotes omitted.)

**ACE Comment:**

The Company respectfully requests that the reference to “account” emphasized above be revised to “customer.” A customer could have multiple active accounts between utilities, and it is the customer, not the account, that is eligible for Fresh Start once every five years.

With respect to the reference to “prior five (5) years” emphasized above, the Company respectfully requests specific language defining this date from which the period runs – for example, from the customer’s enrollment date, last payment or from the end of the 12- or 15-month period. ACE supports language referencing the “prior five (5) year” period to be determined by using the customer’s program enrollment date because it is the simplest and clearest option for customers.

ACE suggests that the New Jersey Department of Community Affairs – the agency that is provided all necessary information during the USF enrollment process – determine Fresh Start customer eligibility and notify the utilities via the indicator included in the USF enrollment files.

Finally, the Company does not support auto-enrollment in Fresh Start. Customers should be given the opportunity to enroll in the program when opportune under their respective circumstances. With the arrearage threshold being \$60 or greater, many customers could be forced to use their only Fresh Start enrollment opportunity (within five years) for an amount they could pay without this assistance. Auto-enrollment could foreclose a customer’s eligibility to participate in Fresh Start in subsequent years if more substantial arrearages develop.

**Additional ACE Comments:**

The changes to the USF and Fresh Start programs became effective on October 1, 2021 and are scheduled to expire on September 30, 2023. Given the relatively short time period involved, the Company did not automate the monthly review process, given the likelihood of reversals in two years upon expiration. The current forgiveness review process is being performed manually, which is tedious and time consuming. The number of accounts needing manual review in the 2022 program year was significantly reduced by payments made under the American Rescue Plan (“ARP”). ARP and similar COVID programs will not be available to customers in 2023, thus the number of accounts requiring review may be expected to rise.

Many commenters at Staff's February 15, 2023, stakeholder meeting recommended extending the program expansion until the end of the legislative reporting period. If this proposed extension is adopted, ACE would need to automate the process to accommodate the increase in accounts requiring review. At the end of the legislative reporting period – and dependent upon the specific changes required by the Board's final order – additional systematic, implementational, and administrative changes might be necessary, and with costs incurred.

Depending on the complexity of the changes to the programs that might be approved by the Board, ACE respectfully requests that the BPU provide an implementation period of at least six to eighteen months from the effective date of any order memorializing the Board's action before substantial USF and Fresh Start program changes take full effect. This will afford the Company adequate time for system programming, testing, and process implementation.

ACE assumes there would be full cost recovery to implement Board-approved changes and enhancements to the USF and Fresh Start programs.