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May 24, 2023

VIA ELECTRONIC MAIL ONLY

Sherri Golden, Secretary
New Jersey Board of Public Utilities
44 South Clinton Ave.
Trenton, NJ 08625
Board.secretary@bpu.nj.gov

**Re: Comments of Jersey Central Power & Light Company on Stakeholder Notice
In the Matter of the New Jersey Board of Public Utilities' Response to the Covid-19 Pandemic,
Universal Service Fund & Fresh Start Programs: REQUEST FOR INFORMATION
Docket No. AO20060471**

Dear Secretary Golden:

On behalf of Jersey Central Power & Light Company ("JCP&L" or the "Company"), please accept this letter as JCP&L's comments on the Straw Proposal issued on May 3, 2023 concerning proposed permanent changes to the Universal Service Fund ("USF") and Fresh Start programs. JCP&L appreciates the opportunity to provide further input to the Board of Public Utilities ("Board" or "BPU") and its Staff as it determines the future of these programs. In addition, JCP&L appreciates that Board Staff have clearly taken into account the comments submitted by the Company on March 3, 2023 in its construction of the Straw Proposal.

As JCP&L noted in its prior comments on this matter, the USF and Fresh Start Programs have served as a vital lifeline for our customers during the difficult pandemic and post-pandemic periods. The Board acted prudently and with compassion when it took steps to temporarily increase the eligibility and benefit provided to customers under its June 2021 Order.¹ Along with the Low Income Home Energy Assistance Program ("LIHEAP"), these programs direct assistance where it is needed most - to our customers who face the greatest financial challenges in times of difficulty. Please find below our responses to the components and criteria proposed for the revised programs, as included in the Straw Proposal.

A. USF

- 1) Align the USF income ceiling with the federal Low Income Home Energy Assistance Program ("LIHEAP") beginning October 1, 2023.**
- 2) Maintain the USF affordability threshold at two percent (2%) of annual income for gas and non-heating electric costs, and at four percent (4%) of annual income for electric heating costs. USF covers any electric and gas costs over the affordability threshold up to the benefit cap.**
- 3) Maintain the USF monthly benefit cap at \$180 per month for gas and electric combined.**

Comment: JCP&L supports the matching of the income eligibility criteria for USF with the LIHEAP program. The Company recommended use of this eligibility threshold in its March 3, 2023 comments, and we appreciate Board Staff recommending this approach. We agree with the points made by Staff in the Straw Proposal concerning the benefits of consistent eligibility.

¹ In the Matter of the Board of Public Utilities' Response to the COVID-19 Pandemic, BPU Docket No. AO20060471, Order Dated June 24, 2021. ("June 2021 Order")

As noted in our prior comments, while customer arrearage balances continue to slowly improve, those balances do remain above pre-pandemic levels. For example, JCP&L data for April 2023 reflects total customer arrearages more than 30 days overdue of approximately \$52 million. While below the approximately \$77 million in arrears seen one year earlier, this amount remains above the \$45 million recorded for April 2019, pre-pandemic. Certainly, this argues for a continuance of the lower affordability threshold and higher monthly benefit caps adopted by the Board in its June 2021 Order.

4) Maintain the minimum \$5.00 USF monthly benefit so that those income eligible for the program but with energy costs not exceeding the affordability threshold continue to access monthly benefits and Fresh Start. Prior to October 1, 2021 these customers were denied USF.

Comment: JCP&L supported this change when it was made pursuant to the June 2021 Order and advocated for the temporary minimum \$5.00 USF monthly benefit becoming permanent in its prior comments on this matter. The minimum monthly benefit is an important means of qualifying customers for the Fresh Start program, which is a critical tool in assisting our remaining customers who are working their way out of arrears.

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.

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.

Comment: JCP&L supports reestablishing a limit on the frequency of customer reenrollment in Fresh Start, though reversion to the pre-June 2021 Order limits would be overly restrictive given the continued impact of the pandemic on customer arrears. However, under the paradigm adopted in the June 2021 Order, customers have been able to re-enroll in Fresh Start despite having previously not complied 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 needs to be limited. JCP&L believes the establishment of "once in a five (5) year period" as the new program reenrollment limitation is a fair "middle ground" between unlimited reenrollment and no allowed reenrollment.

2) Forgiveness: The \$100 cap on monthly Fresh Start forgiveness will be permanently removed so that each month a customer pays their current bill in full, 1/12 of their overdue balance will be forgiven by the utility company. For customers with quarterly Fresh Start forgiveness, the \$300 cap on quarterly forgiveness will be permanently removed so that up to ¼ of the overdue balance will be forgiven each quarter for the months the customer paid their bill in full.

Comment: JCP&L supports the permanent removal of the caps on bill forgiveness under the Fresh Start program. We agree with Staff that this will incentivize high arrearage customers to stay current on their bill and continue to earn forgiveness. In order to ensure the efficacy of the approach and the interest of all customers are being balanced, the Company encourages the Board to assess in a few years the extent to which the removal of these caps has an impact on the amount that Fresh Start customers pay on their overdue balances themselves.

3) Utility companies will cease application of federal funds to Fresh Start balances before current balances beginning October 1, 2023.

Comment: JCP&L thanks Board Staff for making this modification effective October 1, 2023. As noted in JCP&L's prior comments, 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, this temporary process should be allowed to expire. This will allow LIHEAP received by affected customers to go towards maintenance of their service and eliminate the need for manual, administrative labor by the Company.

JCP&L again thanks Board Staff for the opportunity to comment on this Straw Proposal. If you have any questions, please do not hesitate to contact me.

Sincerely,



Andrew Hendry, Senior Advisor