

NOTICE OF PUBLIC HEARINGS

**In the Matter of the 2020/2021 Annual Compliance Filing for the
Universal Service Fund and Lifeline Program Components Within the Societal Benefits Charge Rate
Pursuant to N.J.S.A. 48:2-21 and N.J.S.A. 48:2-21.1 Submitted by Elizabethtown Gas Company
BPU Docket No. ER20060392**

PLEASE TAKE NOTICE that, pursuant to the Electric Discount and Energy Competition Act, N.J.S.A. 48:3-49, et seq., the Universal Service Fund (“USF”) program was established by the New Jersey Board of Public Utilities (“Board”), to provide funds to assist qualifying low-income individuals in paying their energy bills. Pursuant to Board Orders dated April 30, 2003, July 16, 2003, June 30, 2004 and June 22, 2005, the State’s electric and gas public utilities’ Societal Benefits Charges (“SBC”) includes recovery of funding for the USF program through uniform statewide rates. The SBC also includes funding for the Lifeline program which incorporates funds for the Work First NJ program.

The State of New Jersey’s Department of Community Affairs is the Administrator of the USF program, and the New Jersey Department of Human Services is the Administrator of the Lifeline program and authorizes the disbursement of benefits to eligible customers in the respective programs.

Elizabethtown Gas Company (“Elizabethtown” or “Company”) made a compliance filing with the Board on June 25, 2020, requesting authority to implement a decrease related to the statewide USF/Lifeline program charge, as described below, to be effective on October 1, 2020 (“Filing”). Based upon the results and available estimates known to date for the 2019/2020 USF program year, and the available estimates for the 2020/2021 USF program year, it is anticipated that the USF rates will be set to collect \$125.6 million, of which, \$100.2 million would be recovered through electric rates with the remaining \$25.4 million recovered through gas rates on a statewide basis. The Lifeline rates are anticipated to collect \$74.6 million, of which, \$50.0 million would be recovered through electric rates with the remaining \$24.6 million recovered through gas rates on a statewide basis.

The current after-tax USF/Lifeline program charge for natural gas customers is \$0.0121 per therm. The changes in rates inclusive of taxes are as follows: (i) the USF program charge will decrease from \$0.0066 to \$0.0059 per therm or (\$0.0007) per therm and (ii) the Lifeline charge will increase from \$0.0055 to \$0.0057 per therm or \$0.0002 per therm for a total net decrease of (\$0.0005) per therm. The proposed after-tax USF/Lifeline program charge will decrease to \$0.0116 per therm. The above request will not result in any profit to the Company. The revenues received under the proposed USF charge are designed to permit the Company to recover only its costs for the USF and Lifeline programs. Actual program costs will be reconciled with the revenues received through the USF program charge in the next annual filing scheduled to be made no later than July 1, 2021.

The proposed statewide natural gas rates inclusive of taxes for customers are as follows:

**Universal Service/Lifeline Fund Components of the
Societal Benefits Charge**

	Present	Proposed
USF	\$0.0066	\$0.0059
Lifeline	\$0.0055	\$0.0057
Total	\$0.0121	\$0.0116

If approved by the Board, the impact of the proposed rate changes in the USF/Lifeline Charge on typical monthly residential gas bills for customers taking gas service under the Residential Delivery Service tariff is illustrated below:

Rate Impacts

<u>Consumption in Therms</u>	<u>Present Bill June 1, 2020</u>	<u>Proposed Bill October 1, 2020</u>	<u>Proposed Change</u>	<u>Percent Change</u>
10	\$19.61	\$19.61	\$0.00	0.0%
50	\$58.07	\$58.05	(\$0.02)	0.0%
100	\$106.14	\$106.09	(\$0.05)	0.0%
250	\$250.35	\$250.23	(\$0.12)	0.0%

Based upon this filing, the bill of a typical residential gas customer using 100 therms per month would see a decrease in their monthly bill from \$106.14 to \$106.09, or (\$0.05) or approximately 0.04%.

The Board has the statutory authority to establish the USF and Lifeline charges at levels it finds just and reasonable. Therefore, the Board may establish the USF and Lifeline charges at levels other than those proposed by Elizabethtown.

Copies of the Filing are available online at Elizabethtown's website: www.elizabethtowngas.com/rates-and-tariff, under regulatory information.

PLEASE TAKE FURTHER NOTICE that due to the COVID-19 pandemic, a telephonic public hearing will be conducted on the following date and times so that members of the public may present their views on the Company's Filing:

Date: August 18, 2020

Public Hearing 1: 4:30 pm

Public Hearing 2: 5:30 pm

Dial In: 866-984-3163

Access Code: 434 367 562#

A hearing officer designated by the Board will preside over the telephonic public hearing. Representatives of the Company, Board's Staff, and the New Jersey Division of Rate Counsel will also participate via phone in the public hearing. Members of the public are invited to listen and participate, by phone via the above designated dial-in number and passcode, and may express their views on this Filing. Any comments made will be part of the final record of the proceeding to be considered by the Board. In order to encourage full participation in this opportunity for public comment, please submit any requests for needed accommodations, such as interpreters or listening devices, 48 hours prior to the above hearings to the Board's Secretary at board.secretary@bpu.nj.gov. The Board is also accepting written and/or emailed comments. Although both will be given equal consideration, the preferred method of transmittal is via email to ensure timely receipt while the Board continues to work remotely due to the COVID-19 pandemic. Written comments may be submitted to the Board Secretary, Aida Camacho, at the Board of Public Utilities, 44 South Clinton Avenue, 9th Floor, P.O. Box 350, Trenton, NJ 08625-0350. Email comments should be submitted to: board.secretary@bpu.nj.gov. Please include the name of the petition and the docket number when submitting comments.

Elizabethtown Gas Company
Christie McMullen –President and Chief Operating Officer