

# NOTICE TO PUBLIC SERVICE ELECTRIC AND GAS COMPANY ELECTRIC AND GAS CUSTOMERS

## IN THE MATTER OF THE 2020/2021 ANNUAL COMPLIANCE FILINGS FOR THE UNIVERSAL SERVICE FUND (“USF”) PROGRAM FACTORS WITHIN THE SOCIETAL BENEFITS CHARGE RATES - ORDER APPROVING INTERIM USF RATES AND LIFELINE RATES

**Notice of a Filing and Notice of Public Hearings | Docket No. ER20060392**

**TAKE NOTICE** that, on June 26, 2020, Public Service Electric and Gas Company (“Public Service” or “Company”) made an Annual Compliance Filing with the Board of Public Utilities (“Board”) and provided supporting documentation for changes in the Universal Service Fund (“USF”) and Lifeline components of the electric and gas Societal Benefits Charges (“SBC”). The requested changes result in increases to the electric USF and Lifeline components, a decrease to the gas USF component, and an increase to the gas Lifeline component. The requested change in the USF and Lifeline components is made pursuant to Board orders and includes the recovery of funding for the USF Program through uniform statewide rates. The USF Program was established by the Board, pursuant to the Electric Discount and Energy Competition Act, N.J.S.A. 48:3-49, *et seq.*, to provide funds to assist qualifying low-income individuals in paying their energy bills. The State of New Jersey’s Department of Community Affairs (“DCA”) is the administrator of the USF Program, and the New Jersey Department of Human Services (“DHS”) is the administrator of the Lifeline programs. The DCA and DHS authorize the disbursement of benefits to eligible customers in the respective programs.

**Date:** August 31, 2020      **Dial In:** 877-692-8955  
**Time 1:** 4:30 pm      **Time 2:** 5:30 pm  
**Access Code:** 6857936      **Access Code:** 3899827

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.

Representatives of the Company, Board Staff, and the Division of Rate Counsel will participate via phone in the public hearing. Members of the public are invited to participate by utilizing the Dial In, Meeting Number, and Access Code information set forth above, and may express their views on this filing. Such comments will be made part of the final record of the proceeding to be considered by the Board. 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](mailto:board.secretary@bpu.nj.gov).

In its June 22, 2005 USF Order (“USF Order”), the Board directed that filing requirements for rate setting, including notice, public hearings, and tariffs should be made by July 1, 2006, and each year thereafter. In accordance with the USF Order, the Company made a filing with the Board in June 2020 requesting to change its current USF and Lifeline program charges, as described, to become effective on October 1, 2020.

Please include the name of the petition and the docket number when submitting comments. Written and emailed comments will be provided the same weight as statements made at the hearings. Hearings will continue, if necessary, on such additional dates and at such locations as the Board may designate, to ensure that all interested persons are heard.

The proposed statewide electric and gas charges for customers, if approved by the Board, are shown in Table #1. The requests will not result in any profit to Public Service. The revenues received under the proposed USF and Lifeline program factors are designed to permit Public Service to recover its costs associated with these programs. Actual program costs will be reconciled with the revenues received through the USF and Lifeline program charges in the next scheduled annual USF and Lifeline filing to be made on or before July 1, 2021.

**Table #1 – Universal Service and Lifeline Fund Components of Societal Benefits Charge**

	Present	Present (Incl. SUT)	Proposed	Proposed (Incl. SUT)
<b>USF-Electric per kWhr</b>	\$0.001249	\$0.001332	\$0.001428	\$0.001523
<b>USF-Gas per therm</b>	0.006200	0.006600	0.005500	0.005900
<b>Lifeline-Electric per kWhr</b>	0.000708	0.000755	0.000712	0.000759
<b>Lifeline-Gas per therm</b>	0.005200	0.005500	0.005300	0.005700

Tables #2 and #3 illustrate the effect of the proposed changes in the electric and gas USF and Lifeline program charges on typical electric and gas residential monthly bills, if approved by the Board.

**Table #2 – Residential Electric Service**

If Your Annual kWhr Use Is:	And Your Monthly Summer kWhr Use Is:	Then Your Present Monthly Summer Bill (1) Would Be:	And Your Proposed Monthly Summer Bill (2) Would Be:	Your Monthly Summer Bill Change Would Be:	And Your Percent Change Would Be:
1,732	185	\$38.58	\$38.62	\$0.04	0.10%
3,464	370	72.21	72.29	0.08	0.11
6,920	740	141.38	141.52	0.14	0.10
7,800	803	153.67	153.83	0.16	0.10
12,500	1,337	258.03	258.29	0.26	0.10

Based upon the filing, a typical residential electric customer using 740 kilowatt-hours per summer month, and 6,920 kilowatt-hours on an annual basis, would see an increase in their annual bill from \$1,312.16 to \$1,313.52, or \$1.36 or approximately 0.10%. The Statewide average residential electric customers using 7,800 kilowatt-hours on an annual basis would see an increase in their annual bill from \$1,473.43 to \$1,474.97, or \$1.54 or approximately 0.10%. The percentage change applicable to specific customers will vary according to the applicable rate schedule and the level of the customer’s usage.

- (1) Based upon current Delivery Rates and Basic Generation Service Residential Small Commercial Pricing (BGS-RSCP) charges in effect June 1, 2020 and assumes that the customer receives BGS-RSCP service from Public Service.
- (2) Same as (1) except includes the changes in USF and Lifeline components of the SBC.

Under the Company’s proposal, a residential gas heating customer using 100 therms per month during the winter months, and 610 therms on an annual basis, would see a decrease in the annual bill from \$554.26 to \$553.84, or \$0.42 or approximately 0.08%. Moreover, under the Company’s proposal, a typical residential gas heating customer using 172 therms per month during the winter months, and 1,040 therms on an annual basis, would see a decrease in the annual bill from \$871.88 to \$871.26, or \$0.62 or approximately 0.07%. The Statewide average residential gas customer using 1,000 therms on an annual basis would see a decrease in the annual bill from \$847.79 to \$847.13, or \$0.66 or approximately 0.08%.

**Table #3 – Residential Gas Service**

If Your Annual Therm Use Is:	And Your Monthly Winter Therm Use Is:	Then Your Present Monthly Winter Bill (1) Would Be:	And Your Proposed Monthly Winter Bill (2) Would Be:	Your Monthly Winter Bill Change Would Be:	And Your Percent Change Would Be:
170	25	\$27.23	\$27.22	\$(0.01)	(0.04)%
340	50	45.83	45.80	(0.03)	(0.07)
610	100	84.07	84.00	(0.07)	(0.08)
1,040	172	138.39	138.28	(0.11)	(0.08)
1,210	200	159.49	159.36	(0.13)	(0.08)
1,816	300	234.94	234.74	(0.20)	(0.09)

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 Public Service, and as a result, the described charges may increase or decrease based upon the Board’s decision.

- (1) Based upon current Delivery Rates and Basic Gas Supply Service (BGSS-RSG) charges in effect June 1, 2020 and assumes that the customer receives BGSS-RSG service from Public Service.
- (2) Same as (1) except includes the changes in USF and Lifeline components of the SBC.

A copy of the Company’s filing is available for review online at the PSEG website at <http://www.pseg.com/pseandgfilings>.

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:



PUBLIC SERVICE ELECTRIC AND GAS COMPANY

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