

**NEW JERSEY NATURAL GAS COMPANY
NOTICE TO NEW JERSEY NATURAL GAS CUSTOMERS**

**IN THE MATTER OF THE ESTABLISHMENT OF
A UNIVERSAL SERVICE FUND PURSUANT TO
SECTION 12 OF THE ELECTRIC DISCOUNT AND
ENERGY COMPETITION ACT OF 1999**

**IN THE MATTER OF THE PETITION OF
NEW JERSEY NATURAL GAS COMPANY
2020/2021 ANNUAL COMPLIANCE FILING FOR
THE UNIVERSAL SERVICE FUND PROGRAM FACTOR
WITHIN THE SOCIETAL BENEFITS CHARGE RATE
BPU DOCKET NO. ER20060392**

TO OUR CUSTOMERS:

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 Charge ("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. The New Jersey Department of Human Services is the Administrator of the Lifeline programs and authorizes the disbursement of benefits to eligible customers in the respective programs.

New Jersey Natural Gas Company ("NJNG" 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 USF component is decreasing by \$0.0007 per therm and the Lifeline component is increasing by \$0.0002 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 program. 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 charges for natural gas customers are as follows:

Universal Service/Lifeline Fund Components of Societal Benefits Charge				
	Present	Present (Incl. Sales and Use Tax)	Proposed	Proposed (Incl. Sales and Use Tax)
USF- per therm	\$0.0062	\$0.0066	\$0.0055	\$0.0059
Lifeline- per therm	\$0.0052	\$0.0055	\$0.0053	\$0.0057
Total USF/Lifeline	\$0.0114	\$0.0121	\$0.0108	\$0.0116

If approved by the Board, the impact of the proposed changes in the USF/Lifeline Charge on typical natural gas bills is illustrated below:

Customer Type	Therm Level	Total Bill		Increase	
		Bill as of June 1, 2020	Proposed Monthly Bill as of October 1, 2020	Amount	Percent
Residential Heat Sales	100	\$114.65	\$114.60	(\$0.05)	(0.4%)
Residential Non-Heat Sales	25	\$37.69	\$37.68	(\$0.01)	(0.03%)
General Service - Small	100	\$130.00	\$129.95	(\$0.05)	(0.04%)
General Service - Large	1,200	\$1,257.13	\$1,256.53	(\$0.60)	(0.05%)

Based upon this filing, a typical residential natural gas customer using 100 therms per month would see a decrease in their monthly bill from \$114.65 to \$114.60, or \$0.05 or approximately 0.04 percent.

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 NJNG.

Copies of the Filing can be reviewed on the Company's website, www.njng.com/regulatory in the "Filings & Updates" subsection of the "Regulatory Info" section listed.

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 17, 2020
Public Hearing 1: 4:30pm
Public Hearing 2: 5:30pm
Dial In: 1-888-619-1583
Access Code: 819208

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 comments, 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 petitioner and the docket number when submitting comments. 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.

New Jersey Natural Gas Company
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