



STATE OF NEW JERSEY
Board of Public Utilities
44 South Clinton Avenue, 9th Floor
Post Office Box 350
Trenton, New Jersey 08625-0350
www.nj.gov/bpu/

ENERGY

IN THE MATTER OF THE 2012/2013 ANNUAL)
COMPLIANCE FILINGS FOR THE UNIVERSAL)
SERVICE FUND ("USF") PROGRAM FACTOR)
WITHIN THE SOCIETAL BENEFITS CHARGE)
RATE) DOCKET NO. ER12060565

Parties of Record:

Mally Becker, Esq., Public Service Electric & Gas Company,
Deborah M. Franco, Esq., Cullen and Dykman LLP, for Elizabethtown Gas Company
Philip J. Passanante, Esq., Atlantic City Electric
Michael J. Connolly, Esq., Morgan, Lewis & Bockius LLP, for Jersey Central Power & Light Company
Tracey Thayer, Esq., New Jersey Natural Gas Company
John L. Carley, Esq., Consolidated Edison Co.
Ira Megdal, Esq., Cozen O'Connor, Cherry Hill, New Jersey for South Jersey Gas
Stefanie A. Brand, Esq., Director, Division of Rate Counsel

BY THE BOARD:

BACKGROUND

The Electric Discount and Energy Competition Act, N.J.S.A. 48:3-49 et seq. provided that the New Jersey Board of Public Utilities ("Board") establish a non-lapsing Universal Service Fund ("USF") to assist low income consumers with the payment of electric and gas bills. This fund was to be established by the Board, pursuant to N.J.S.A. 48:3-60 (b), wherein the Board was to determine the level of funding, the appropriate administration, and the purposes of the programs to be funded with monies from the fund. In its July 16, 2003 Order in Docket No. EX00020091, the Board established a permanent statewide program through which funds for the USF program are collected from customers of electric and natural gas public utilities operating in the State ("Utilities") on a uniform basis. That Order established that Lifeline¹ funding was to be generated in the same fashion as USF.

¹Lifeline is an energy assistance program created by the Legislature at N.J.S.A. 48:2-29.15, administered by the Department of Health and Senior Services and funded through the Societal Benefits Charge.

On June 21, 2010, in Docket No. EO09090771, the Board approved seven separate Stipulations of Settlement resolving all issues pertaining to the past USF related administrative costs of the four Electric Distribution Companies (“EDCs”) and the four Gas Distribution Companies (“GDCs”).² In addition, each individual Stipulation of Settlement identified the future USF related costs each utility would be allowed to include in the annual USF Compliance Filing.

By Order dated September 13, 2012, the Board approved the proposed rates set forth in the 2012/2013 USF compliance filing in Docket No. ER12060565. The proposed rates were established to recover a \$230,359,284 million USF budget and a \$65.7 million Lifeline budget. Additionally, the USF budget included funds for the recovery of the Utilities actual administrative costs from August 1, 2011 through June 30, 2012. Accordingly, the current rates, including Sales and Use Tax (“SUT”), are:

	Electric	Gas
USF	\$0.002428/kWh	\$0.0136/therm
Lifeline	\$0.000638/kWh	\$0.0048/therm
Combined USF/Lifeline	\$0.003066/kWh	\$0.0184/therm

PROCEDURAL HISTORY

On June 21, 2012, PSE&G, on behalf of itself and the other Utilities, made a filing for the 2012/2013 program year with actual cost data from October 2011 to April 2012 and five months of estimated data. The parties in this filing included the Utilities, Staff of the Board of Public Utilities (“Staff”) and the New Jersey Division of the Rate Counsel. Pursuant to the Board’s June 21, 2010 Order, the Utilities included their actual USF-related administrative costs, from August 1, 2011 through April 2012 and estimated administrative costs through September 2012. In addition, the Utilities³ requested full recovery of these administrative costs in the month following Board approval of the new USF rate.

On July 31, 2012, the Utilities provided Staff and Rate Counsel with actual cost data for their administrative costs through June 30, 2012. On September 13, 2012, the Board approved rates to recover a USF budget of \$230,359,284 million. This budget included funds for the recovery of actual Utility administrative expenses from August 1, 2011 through June 30, 2012 totaling \$81,388, however the Board only directed Staff to disburse funds from the USF Trust Account for the recovery of Utility administrative expenses from October 1, 2011 through June 30, 2012, which totaled \$36,971.

² The four GDCs include Public Service Electric and Gas (“PSE&G”), Elizabethtown Gas Company (“ETG”), New Jersey Natural Gas Company (“NJNG”), and South Jersey Gas Company (“SJG”). The four EDCs include PSE&G, Atlantic City Electric Company (“ACE”), Jersey Central Power & Light Company (“JCP&L”) and Rockland Electric Company (“RECO”).

³ PSE&G and Etown did not request recovery of administrative expenses.

The Utilities actual administrative costs from August 1, 2011 through June 30, 2012 are as follows:

Electric Companies

Jersey Central Power & Light Company	\$49,686
Rockland Electric Company	\$ 894
Atlantic City Electric Company	\$ 8,488
Public Service Electric and Gas Company	\$ 0

Gas Companies

New Jersey Natural Gas	\$11,063
South Jersey Gas	\$11,257
Elizabethtown Gas	\$ 0
Public Service Electric and Gas	\$ 0
Total	\$81,388

DISCUSSION AND FINDINGS

The Board **HEREBY AMENDS** its September 13, 2012 Order, in Docket Number ER12060565, solely in regards to its directive to Staff to request disbursement of funds. The disbursement here replaces the disbursement contained in the prior order.

The Board **HEREBY DIRECTS** Staff to request disbursement of funds to reimburse the Utilities for their USF related administrative costs, listed below, from the USF Trust Account in the first month after the new USF rate becomes effective.

Actual Administrative Costs from August 1, 2011 through June 30, 2012

Electric Companies

Jersey Central Power & Light Company	\$49,686
Rockland Electric Company	\$ 894
Atlantic City Electric Company	\$ 8,488
Public Service Electric and Gas Company	\$ 0

Gas Companies

New Jersey Natural Gas	\$11,063
South Jersey Gas	\$11,257
Elizabethtown Gas	\$ 0
Public Service Electric and Gas	\$ 0
Total	\$81,388

CONCLUSION

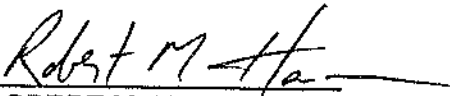
In summary, the Board **HEREBY APPROVES** the following:

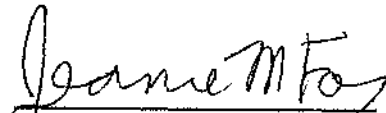
- * Staff shall request that the New Jersey Department of the Treasury disburse the Utilities' administrative costs, listed above, to them in the first month after the new USF rate becomes effective.

This Order will be effective on October 15, 2012.

DATED: 10/4/12

BOARD OF PUBLIC UTILITIES
BY:


ROBERT M. HANNA
PRESIDENT


JEANNE M. FOX
COMMISSIONER



JOSEPH L. FIORDALISO
COMMISSIONER


NICHOLAS ASSELTA
COMMISSIONER


MARY-ANNA HOLDEN
COMMISSIONER

ATTEST: 
KRISTI IZZO
SECRETARY

I HEREBY CERTIFY that the within document is a true copy of the original in the files of the Board of Public Utilities



In the Matter of the 2012/2013 Annual Compliance Filings for the Universal Service Fund (USF)
Program Factor within the Societal Benefits Charge (SBC) Rate – Interim USF Rates and
Lifeline Rates - Docket No. ER12060565

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