

SOUTH JERSEY GAS COMPANY
NOTICE OF PUBLIC HEARINGS

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
BPU DOCKET NO. EX00020091

IN THE MATTER OF THE 2023/2024 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
BPU DOCKET NO. ER23060409

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” or “BPU”), to provide funds to assist qualifying low-income individuals in paying their energy bills. Pursuant to Board Orders in BPU Docket No. EX00020091 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 provides assistance with heating costs to qualifying elderly and disabled persons and incorporates funds for the Work First New Jersey 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.

South Jersey Gas Company (“South Jersey” or “Company”) made a compliance filing with the Board on June 28, 2023, requesting authority to implement an increase related to the statewide USF/Lifeline program charge, as described below, to be effective on October 1, 2023 (“Filing”). Based upon the actual results and available estimates for the 2022/2023 USF program year, and the available estimates for the 2023/2024 USF program year, it is anticipated that the USF rates will be set to collect \$132.2 million, of which, \$82.7 million would be recovered through electric rates with the remaining \$49.5 million recovered through gas rates on a statewide basis. The Lifeline rates are anticipated to collect \$74.5 million, of which, \$47.7 million would be recovered through electric rates with the remaining \$26.8 million recovered through gas rates on a statewide basis.

The current after-tax USF/Lifeline program charge for natural gas customers is \$0.0166 per therm. The changes in rates, inclusive of taxes, are as follows: (i) the USF program charge will increase from \$0.0111 to \$0.0115 per therm or \$0.0004 per therm and (ii) the Lifeline charge will increase from \$0.0055 to \$0.0062 per therm or \$0.0007 per therm. The proposed after-tax USF/Lifeline program charge will increase to \$0.0177 per therm. The above request will not result in any profit to the Company. The revenues received under the proposed USF/Lifeline charge are designed to permit the Company to recover only its costs for these programs. Actual program costs will be reconciled with the revenues received through the USF/Lifeline program charge in the next annual filing scheduled to be made no later than July 1, 2024. Copies of the Petition are available online at South Jersey’s website: www.southjerseygas.com, under regulatory information.

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	\$0.0111	\$0.0115
Lifeline	\$0.0055	\$0.0062
Total	\$0.0166	\$0.0177

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

Rate Impacts

<u>Consumption in Therms</u>	<u>Present Bill June 1, 2023</u>	<u>Proposed Bill October 1, 2023</u>	<u>Proposed Change</u>	<u>Percent Change</u>
10	\$28.61	\$28.62	\$0.01	0.03%
50	\$101.04	\$101.09	\$0.05	0.05%
100	\$191.58	\$191.69	\$0.11	0.06%
250	\$463.19	\$463.46	\$0.27	0.06%

Based upon this Filing, the monthly bill of a typical residential heating gas customer using 100 therms per month would see an increase in their monthly bill from \$191.58 to \$191.69, or \$0.11 or approximately 0.06%.

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 South Jersey.

A copy of the Filing can be viewed on the Company’s website at, www.southjerseygas.com/About-South-Jersey-Gas/Regulatory-Compliance-Tariff-Information.aspx, under regulatory information.

PLEASE TAKE FURTHER NOTICE that due to the COVID-19 Pandemic, virtual public hearings will be held on following date and times so that members of the public may present their views on the Filing:

VIRTUAL PUBLIC HEARING
 DATE: August 30, 2023

HEARING TIMES: 4:30 p.m. and 5:30 p.m.

LOCATION: Microsoft Teams Meeting
 ID: 231 763 986
 PASSCODE: bhUNbv

(Access the Microsoft Teams App or Microsoft Teams on the web. On the left side of the screen, click the “Teams” icon. Select “Join or ‘create a team”. Press “Join” and enter the Meeting ID and Passcode when prompted.)

-or-

Dial-In: 866-984-3164

Conference ID: 592 380 363 followed by the # sign

Representatives of the Company, Board Staff and the New Jersey Division of Rate Counsel will participate in the virtual public hearings. Members of the public may use the Microsoft Teams Meeting link or the Dial-In Number and Conference ID to express their views on this matter. All comments will be part of the final record of the proceeding and will be considered by the Board. To encourage full participation in this opportunity for public comment, please submit any requests for needed accommodations, such as interpreters or listening assistance, 48 hours prior to the above hearings to the Board Secretary at board.secretary@bpu.nj.gov.

The Board is also accepting written and electronic comments. Comments may be submitted directly to the specific docket listed above using the “Post Comments” button on the Board’s Public Document Search tool. Comments are considered public documents for purposes of the State’s Open Public Records Act. Only public documents should be submitted using the “Post Comments” button on the Board’s Public Document Search tool. Any confidential information should be submitted in accordance with the procedures set forth in N.J.A.C. 14:1-12.3. In addition to hard copy submissions, confidential information may also be filed electronically via the Board’s e-filing system or by email to the Secretary of the Board. Please include “Confidential Information” in the subject line of any email. Instructions for confidential e-filing are found on the Board’s webpage. <https://www.nj.gov/bpu/agenda/efiling/>.

Emailed and/or written comments may also be submitted to:

Secretary of the Board
44 South Clinton Ave., 1st Floor
PO Box 350
Trenton, NJ 08625-0350
Phone: 609-913-6241
Email: board.secretary@bpu.nj.gov

South Jersey Gas Company
Brent Schomber – President and Chief Operating Officer