

NOTICE TO PUBLIC SERVICE ELECTRIC AND GAS COMPANY ELECTRIC AND GAS CUSTOMERS
IN THE MATTER OF THE 2021/2022 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 | BPU Docket No. ER21060939

TAKE NOTICE that, on June 25, 2021, Public Service Electric and Gas Company (“Public Service” or “Company”) made an Annual Compliance Filing with the New Jersey 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”) to become effective on October 1, 2021 (“Filing”). 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 SBC also includes funding for the Lifeline program, which provides assistance with heating costs to qualifying elderly and disabled persons.

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.

Based upon the results and available estimates known to date for the 2020/2021 USF Program year, and the available estimates for the 2021/2022 USF Program year, it is anticipated that the USF rates will be set to collect \$215.5 million, of which approximately \$159.1 million would be recovered through electric rates with the remaining \$56.4 million recovered through gas rates on a statewide basis. The Lifeline rates are anticipated to collect \$74.6 million, of which \$50.7 million would be recovered through electric rates with the remaining \$23.9 million recovered through gas rates on a statewide basis. The current after-tax USF/Lifeline program charge for electric customers is \$0.002252 per kilowatt-hour (“kWh”). As proposed, the USF component would increase by \$0.000975 per kWh and the Lifeline component would increase by \$0.000028 per kWh. The proposed after-tax USF/ Lifeline program charge will increase to \$0.003255 per kWh to recover approximately \$159.1 million for the statewide electric USF Program and \$50.7 million for the Lifeline program. The proposed increase includes the projected costs of an expansion of the USF Program ordered by the Board in an Order dated June 24, 2021, under BPU docket number AO20060471.

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 no later than July 1, 2022.

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.

Based upon the Company’s Filing, a typical residential electric customer using 740 kilowatt-hours per summer month, and 6,920

kilowatt-hours (“kWhs”) on an annual basis, would see an increase in their annual bill from \$1,324.60 to \$1,331.60, or \$7.00 or approximately 0.53%. The Statewide average residential electric customers using 7,800 kWhs on an annual basis would see an increase in their annual bill from \$1,487.32 to \$1,495.16, or \$7.84 or approximately 0.53%. The percentage change applicable to specific customers will vary according to the applicable rate schedule and the level of the customer’s usage.

Based upon the Company’s Filing, a residential gas heating customer using 100 therms per month during the winter months, and 610 therms on an annual basis, would see an increase in the annual bill from \$568.00 to \$572.58, or \$4.58 or approximately 0.81%. 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 an increase in the annual bill from \$895.42 to \$903.22, or \$7.80 or approximately 0.87%. The Statewide average residential gas customer using 1,000 therms on an annual basis would see an increase in the annual bill from \$869.99 to \$877.45, or \$7.46 or approximately 0.86%.

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. The Company’s filing is available for review at the PSEG website at <https://www.pseg.com/pseandgfilings>.

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. Information provided at the public hearings will become part of the record and considered by the Board in making its decision.

Date: Wednesday, September 1, 2021
Time 1: 4:30 pm **Time 2:** 5:30 pm
Dial In: (888) 475-4499 **Access Code:** 136856
Meeting ID: 992 8061 5281

Representatives from the Company, the Board’s Staff, and the New Jersey Division of Rate Counsel will participate in the telephonic public hearings. Members of the public are invited to participate by utilizing the Dial-In number and Access Code set forth above and may express their views on this Filing. The Board is also accepting written and emailed comments, with the preferred method of transmittal being email while Board Staff continues to work remotely due to the COVID-19 Pandemic. Email comments may be submitted to board.secretary@bpu.nj.gov, or through the Board’s External Access Portal after obtaining a MyNewJersey Portal ID. Once an account is established, you will need an authorization code, which can be obtained upon request by emailing the Board’s IT Helpdesk at ITHELPDESK@bpu.nj.gov. Detailed instructions for e-Filing can be found on the Board’s home page at <https://www.nj.gov/bpu/agenda/efiling>. 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. 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.

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

| | Present | Present (Incl. SUT) | Proposed | Proposed (Incl. SUT) |
|---------------------------|------------|---------------------|------------|----------------------|
| USF-Electric per kWh | \$0.001400 | \$0.001493 | \$0.002315 | \$0.002468 |
| USF-Gas per therm | 0.005500 | 0.005900 | 0.012500 | 0.013300 |
| Lifeline-Electric per kWh | 0.000712 | 0.000759 | 0.000738 | 0.000787 |
| Lifeline-Gas per therm | 0.005300 | 0.005700 | 0.005300 | 0.005700 |

Table #2 – Residential Electric Service

| If Your Annual kWh Use Is: | And Your Monthly Summer kWh 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 | \$39.03 | \$39.21 | \$0.18 | 0.46% |
| 3,464 | 370 | 73.14 | 73.51 | 0.37 | 0.51 |
| 6,920 | 740 | 143.23 | 143.98 | 0.75 | 0.52 |
| 7,800 | 803 | 155.70 | 156.51 | 0.81 | 0.52 |
| 12,500 | 1,337 | 261.44 | 262.79 | 1.35 | 0.52 |

- (1) Based upon current Delivery Rates and Basic Generation Service Residential Small Commercial Pricing (BGS-RSCP) charges in effect June 1, 2021 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.

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 | \$27.77 | \$27.96 | \$0.19 | 0.68% |
| 340 | 50 | 46.95 | 47.32 | 0.37 | 0.79 |
| 610 | 100 | 86.18 | 86.93 | 0.75 | 0.87 |
| 1,040 | 172 | 142.06 | 143.35 | 1.29 | 0.91 |
| 1,210 | 200 | 163.76 | 165.25 | 1.49 | 0.91 |
| 1,816 | 300 | 241.32 | 243.56 | 2.24 | 0.93 |

- (1) Based upon current Delivery Rates and Basic Gas Supply Service (BGSS-RSG) charges in effect June 1, 2021 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.