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Deborah M. Franco, Esq
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June 25, 2021

Via Electronic Mail

Aida Camacho-Welch, Secretary
Board of Public Utilities
44 South Clinton Avenue
P.O. Box 350
Trenton, NJ 08625-0350

Re: In the Matter of the 2021/2022 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 Submitted by Elizabethtown Gas Company

BPU Docket No. ER21060939

Dear Secretary Camacho-Welch:

Enclosed for filing is the Elizabethtown Gas Company ("Elizabethtown" or "Company") 2021/2022 filing for the Company's Universal Service Fund ("USF") and Lifeline components of its Societal Benefits Charge ("SBC") rate, which has also been filed electronically utilizing the New Jersey Board of Public Utilities' ("Board" or "BPU") e-Filing Program. Due to the pandemic, and in accordance with the Board's March 19, 2020 and May 20, 2020 Orders issued in BPU Docket No. EO20030254, hard copies are not being provided at this time, but can be provided at a later time, as needed. This filing is made in compliance with the Board's Orders in Docket No. EX00020091 dated April 30, 2003, July 16, 2003, June 30, 2004 and June 22, 2005. The change in rates inclusive of taxes are as follows: (i) the USF gas rate is proposed to increase from \$0.0059 to \$0.0133 per therm, and (ii) the Lifeline gas rate is proposed to remain unchanged at \$0.0057 per therm, resulting in a combined total net increase of \$0.0074 per therm. The current rates, effective October 1, 2020, were approved by the Board in its Order dated September 23, 2020 in Docket No. ER20060392.

Based upon the actual results and available estimates known to date for the 2020/2021 program year and the available estimates for the 2021/2022 program year, the proposed USF gas rate is designed to recover approximately \$56.4 million statewide. The proposed Lifeline gas rate is designed to recover approximately \$23.9 million statewide. The proposed rates are based on available gas jurisdictional usage estimates for the 2021/2022 program year. Attachment A of the PSE&G Compliance Filing, in this proceeding, presents the combined data of each of the State's utilities used to develop the proposed USF and Lifeline gas rates. Note that Elizabethtown's therms used to compute statewide rates exclude therms for wholesale sales used to generate electricity per the Senate Bill 2381, P.L. 2011 c.9 ("LCAPP Legislation") signed into law on January 28, 2011.

The Company has appended proposed tariff sheets to reflect the proposed gas USF and Lifeline rates noted above as Attachment A. The proposed rates are designed to recover Elizabethtown's portion of the above-referenced 2021/2022 statewide total USF and Lifeline programs. Also enclosed is a proposed form of Notice of Public Hearings as Attachment B.

The proposed statewide rate changes inclusive of taxes are as follows:

| | Present | Proposed |
|----------|----------|----------|
| USF | \$0.0059 | \$0.0133 |
| Lifeline | \$0.0057 | \$0.0057 |

The impact of the proposed rate changes on typical monthly residential gas bills for customers taking gas service under the Residential Delivery Service tariff are as follows:

| Consumption in Therms | Present Bill* | Proposed Bill | Change in Bill | Percent Change |
|-----------------------|---------------|---------------|----------------|----------------|
| 10 | \$18.91 | \$18.98 | \$0.07 | 0.4% |
| 50 | \$54.53 | \$54.90 | \$0.37 | 0.7% |
| 100 | \$99.06 | \$99.80 | \$0.74 | 0.7% |
| 250 | \$232.65 | \$234.50 | \$1.85 | 0.8% |

*For rates in effect on June 1, 2021 inclusive of taxes.

Accordingly, the Company respectfully requests that the Board issue an Order approving the proposed statewide USF and Lifeline gas rates as shown in the proposed tariff sheets appended hereto as Attachment A effective for gas service rendered on and after October 1, 2021.

If you have any questions concerning the above, please contact me at 908-662-8448.

Thank you.

Sincerely,



Deborah M. Franco

cc: Service List (*electronically*)

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RIDER "D"

SOCIETAL BENEFITS CHARGE ("SBC")

Applicable to all tariff Service Classifications except those Customers under special contracts that explicitly do not permit the Company to apply increased charges as filed and approved by the BPU and those customers exempted pursuant to the Long-Term Capacity Agreement Pilot Program ("LCAPP"), P.L. 2011, c.9, codified as N.J.S.A. 48:3-60.1. See the LCAPP Exemption Procedures at the end of this Rider.

The SBC is designed to recover the components listed below and any other new programs which the Board determines should be recovered through the Societal Benefits Charge.

| <u>SBC Rate Components:</u> | | <u>Per Therm</u> |
|-----------------------------|---|------------------|
| I. | New Jersey Clean Energy Program ("CEP") | \$0.0280 |
| II. | Remediation Adjustment Charge ("RAC") | \$0.0082 |
| III. | <u>Universal Service Fund and Lifeline:</u> | |
| | 1. Universal Service Fund ("USF") | \$0.0133 |
| | 2. Lifeline | <u>\$0.0057</u> |
| | TOTAL | <u>\$0.0552</u> |

The charges applicable under this Rider include provision for the New Jersey Sales and Use Tax, and when billed to customers exempt from this tax shall be reduced by the amount of such tax included therein.

I. New Jersey Clean Energy Program Component ("CEP")

The Comprehensive Resource Analysis ("CRA") name was changed to the Clean Energy Program - CEP per Board Order dated January 22, 2003 in Docket No. EX99050347 *et.al*. The CEP is a mechanism that will (1) establish a rate to recover the costs of the Core and Standard Offer Programs in the Company's CEP Plan which was approved by the BPU" in Docket No. GE92020104, and (2) compensate the Company for the revenue erosion resulting from conservation savings created by the Standard Offer Program. The annual recovery period for the CEP is from October 1 through September 30. The CEP recovers program costs and revenue erosion incurred during the previous CEP year ended June 30.

1. CEP program costs include the costs of core programs, standard offer payments and any administrative costs not recovered directly from standard offer providers.

Date of Issue:

Effective: Service Rendered
on and after

Issued by: Christie McMullen, President
520 Green Lane
Union, New Jersey 07083

Filed Pursuant to Order of the Board of Public Utilities
Dated in Docket No.

RIDER "D"

SOCIETAL BENEFITS CHARGE ("SBC")

Applicable to all tariff Service Classifications except those Customers under special contracts that explicitly do not permit the Company to apply increased charges as filed and approved by the BPU and those customers exempted pursuant to the Long-Term Capacity Agreement Pilot Program ("LCAPP"), P.L. 2011, c.9, codified as N.J.S.A. 48:3-60.1. See the LCAPP Exemption Procedures at the end of this Rider.

The SBC is designed to recover the components listed below and any other new programs which the Board determines should be recovered through the Societal Benefits Charge.

| <u>SBC Rate Components:</u> | <u>Per Therm</u> |
|--|----------------------------------|
| I. New Jersey Clean Energy Program ("CEP") | \$0.0280 |
| II. Remediation Adjustment Charge ("RAC") | \$0.0082 |
| III. <u>Universal Service Fund and Lifeline:</u> | |
| 1. Universal Service Fund ("USF") | \$0. 0059 <u>0133</u> |
| 2. Lifeline | <u>\$0.0057</u> |
| TOTAL | \$0. 0478 <u>0552</u> |

The charges applicable under this Rider include provision for the New Jersey Sales and Use Tax, and when billed to customers exempt from this tax shall be reduced by the amount of such tax included therein.

I. New Jersey Clean Energy Program Component ("CEP")

The Comprehensive Resource Analysis ("CRA") name was changed to the Clean Energy Program - CEP per Board Order dated January 22, 2003 in Docket No. EX99050347 *et.al*. The CEP is a mechanism that will (1) establish a rate to recover the costs of the Core and Standard Offer Programs in the Company's CEP Plan which was approved by the BPU" in Docket No. GE92020104, and (2) compensate the Company for the revenue erosion resulting from conservation savings created by the Standard Offer Program. The annual recovery period for the CEP is from October 1 through September 30. The CEP recovers program costs and revenue erosion incurred during the previous CEP year ended June 30.

1. CEP program costs include the costs of core programs, standard offer payments and any administrative costs not recovered directly from standard offer providers.

Date of Issue: ~~March 29, 2021~~

Effective: Service Rendered
on and after ~~April 1, 2021~~

Issued by: Christie McMullen, President
520 Green Lane
Union, New Jersey 07083

Filed Pursuant to Order of the Board of Public Utilities
Dated ~~March 24, 2021~~ in Docket No. ~~GR20070502~~

NOTICE OF PUBLIC HEARINGS

**In the Matter of the 2021/2022 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 Submitted by Elizabethtown Gas Company
BPU Docket No. ER21060939**

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 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, 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.

Elizabethtown Gas Company (“Elizabethtown” or “Company”) made a compliance filing with the Board on June 25, 2021, requesting authority to implement an increase related to the statewide USF/Lifeline program charge, as described below, to be effective on October 1, 2021 (“Filing”). 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, \$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 natural gas customers is \$0.0116 per therm. The changes in rates inclusive of taxes are as follows: (i) the USF program charge will increase from \$0.0059 to \$0.0133 per therm or \$0.0074 per therm and (ii) the Lifeline charge will remain unchanged at \$0.0057 per therm. The proposed after-tax USF/Lifeline program charge will increase to \$0.0190 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, 2022.

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 | \$0.0059 | \$0.0133 |
| Lifeline | \$0.0057 | \$0.0057 |
| Total | \$0.0116 | \$0.0190 |

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

Rate Impacts

| <u>Consumption in Therms</u> | <u>Present Bill June 1, 2021</u> | <u>Proposed Bill October 1, 2021</u> | <u>Proposed Change</u> | <u>Percent Change</u> |
|----------------------------------|--------------------------------------|--|----------------------------|---------------------------|
| 10 | \$18.91 | \$18.98 | \$0.07 | 0.4% |
| 50 | \$54.53 | \$54.90 | \$0.37 | 0.7% |
| 100 | \$99.06 | \$99.80 | \$0.74 | 0.7% |
| 250 | \$232.65 | \$234.50 | \$1.85 | 0.8% |

Based upon this filing, the bill of a typical residential gas customer using 100 therms per month would see an increase in their monthly bill from \$99.06 to \$99.80, or \$0.74 or approximately 0.7%.

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 Elizabethtown.

Copies of the Filing are available online at Elizabethtown's website: www.elizabethtowngas.com/rates-and-tariff, under regulatory information.

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:

Hearing Times: 4:30 pm and 5:30 pm

Dial In:

Conference ID: followed by #

To attend or participate in the telephonic public hearing, please dial the "Dial In" number above. When prompted, enter the "Conference ID" number listed above.

Representatives from the Company, Board Staff, and Rate Counsel will participate in the telephonic public hearing. Members of the public are invited to participate by utilizing the Dial-In and Conference ID 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. In order to encourage full participation in this opportunity for public comment, please submit any requests for needed accommodations, such as interpreters, listening devices, or mobility assistance, 48 hours prior to the above hearings to the Board's Secretary at board.secretary@bpu.nj.gov.

The Board will also accept email/written comments. Members of the public may file comments with the Secretary of the Board, whether via email in PDF or Word format, 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 also be submitted to the Board Secretary, Aida Camacho-Welch, at the Board of Public Utilities, 44 South Clinton Avenue, P.O. Box 350, Trenton, NJ 08625-0350. All comments should include the name of the petition and the docket number. While all comments are given equal consideration and will be made part of the final record of the proceeding, the recommended method for the submission of comments is via email or the portal to ensure timely receipt while the Board continues to work remotely due to the COVID-19 pandemic.

Hearings will continue, if necessary, on such additional dates and times as the Board may designate, to ensure that all interested persons are heard.

Elizabethtown Gas Company
Christie McMullen –President and Chief Operating Officer