



Agenda Date: 9/25/24

Agenda Item: 2I

**STATE OF NEW JERSEY**  
**Board of Public Utilities**  
**44 South Clinton Avenue, 1<sup>st</sup> Floor**  
**Post Office Box 350**  
**Trenton, New Jersey 08625-0350**  
[www.nj.gov/bpu/](http://www.nj.gov/bpu/)

ENERGY

IN THE MATTER OF THE 2024/2025 ANNUAL	)	DECISION AND ORDER
COMPLIANCE FILINGS FOR THE UNIVERSAL	)	APPROVING INTERIM USF
SERVICE FUND ("USF") PROGRAM FACTOR WITHIN	)	RATES AND LIFELINE RATES
THE SOCIETAL BENEFITS CHARGE RATE	)	
	)	DOCKET NO. ER24070486

**Parties of Record:**

**Stacey M. Mickles, Esq.**, Public Service Electric and Gas Company

**Philip J. Passanante, Esq.**, Atlantic City Electric Company

**Timothy K. McHugh, Esq.**, Jersey Central Power & Light Company

**Andrew Dembia, Esq.**, New Jersey Natural Gas Company

**Margaret Comes., Esq.**, Rockland Electric Company

**Dominick DiRocco, Esq.**, on behalf of South Jersey Gas Company and Elizabethtown Gas Company

**Brian O. Lipman, Esq., Director**, New Jersey Division of Rate Counsel

**BY THE BOARD:**

On June 28, 2024, Public Service Electric and Gas Company ("PSE&G"), on behalf of itself and the other gas and electric distribution utilities (collectively, "Utilities"), made a filing with the New Jersey Board of Public Utilities ("Board") for the 2024-2025 Universal Service Fund ("USF") and Lifeline program year ("June 2024 Filing").<sup>1</sup> The June 2024 Filing included actual cost data from October 2023 to April 2024 and estimated data for May 2024 through September 2024. Pursuant to Order dated June 21, 2010, the Utilities included their actual USF-related administrative costs as of April 2024 and estimated administrative costs through September 2024 and requested full recovery of their administrative costs in the month following Board approval of the new USF rate.<sup>2</sup>

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<sup>1</sup> The four (4) gas distribution companies ("GDCs") include PSE&G, Elizabethtown Gas Company ("ETG"), New Jersey Natural Gas Company ("NJNG"), and South Jersey Gas Company ("SJG"). The four (4) electric distribution companies ("EDCs") include PSE&G, Atlantic City Electric Company ("ACE"), Jersey Central Power & Light Company ("JCP&L") and Rockland Electric Company ("RECO").

<sup>2</sup> In re the Recovery of Administrative Costs Expended by Utilities Under Universal Services Funds Program, BPU Docket No. EO09090771, Order dated June 21, 2010 ("June 2010 Order").

In addition, the Utilities requested that the Board finalize the current USF interim rates, which were approved in the September 2023 Order.<sup>3</sup> The parties to the June 2024 Filing included the Utilities, Board Staff (“Staff”) and the New Jersey Division of the Rate Counsel (“Rate Counsel”) (collectively, “Parties”). By this Order, the Board considers the June 2024 Filing, updates thereto, and comments received.

## **BACKGROUND**

The Electric Discount and Energy Competition Act, N.J.S.A. 48:3-49 et seq. mandated that the Board establish a non-lapsing USF to assist low-income consumers with the payment of electric and natural gas bills. Pursuant to N.J.S.A. 48:3-60(b), the Board must determine the level of funding, the appropriate administration, and the purpose of the programs funded with USF monies. By Order dated April 30, 2003, the Board established a permanent statewide program through which USF funds are collected from customers of the State’s Utilities on a uniform basis through the Societal Benefits Charge (“SBC”).<sup>4</sup> By Order dated July 16, 2003, the Board further established that funding for Lifeline, an energy assistance program created by the Legislature at N.J.S.A. 48:2-29.15 and administered by the Department of Human Services and also funded through the SBC, would be collected in the same manner as USF.<sup>5</sup>

Administrative expenses for the first year of the USF program were in addition to the program budget and were capped at ten percent (10%) of the \$30 million program for the year. If the USF program exceeded the \$30 million cap, any administrative expenses above \$3 million [ten percent (10%) of the initial year’s budget] required advance approval by the Board. One-time start-up costs were not considered administrative expenses, and as such, were not to be subject to the ten percent (10%) cap. Pursuant to the July 2003 Order, USF and Lifeline rates were effective as of August 1, 2003.

The Board directed the Utilities to make annual compliance filings for the USF and Lifeline components of the SBC by April 1<sup>st</sup> each year, including notice and public hearings, with any new tariffs to be effective July 1<sup>st</sup> of each year. On June 22, 2005, the Board changed the annual USF compliance filing date from April 1, 2005 to July 1, 2005 and the effective date from July 1, 2005 to October 1, 2005.<sup>6</sup>

Pursuant to the June 2010 Order, the Board approved seven (7) separate stipulations of settlement resolving all issues pertaining to the Utilities’ past USF-related administrative costs. In addition, each individual stipulation of settlement identified the future USF-related costs that each utility must include in the annual USF compliance filing.

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<sup>3</sup> In re the 2023/2024 Annual Compliance Filings for the Universal Service Fund (“USF”) Program Factor 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, Order dated September 27, 2023 (“September 2023 Order”).

<sup>4</sup> In re the Establishment of a Universal Service Fund Pursuant to Section 12 of the Electric Discount and Energy Competition Act of 1999 Order, Docket No. EX00020091, Order dated April 30, 2003.

<sup>5</sup> In re the Establishment of a Universal Service Fund Pursuant to Section 12 of the Electric Discount and Energy Competition Act of 1999, Docket No. EX00020091, Order dated July 16, 2003 (“July 2003 Order”).

<sup>6</sup> In re the 2005/2006 Annual Compliance Filing Regarding Statewide Electric and Gas Universal Service Fund Factors within the Societal Benefits Charge (SBC) Rates Pursuant to N.J.S.A. 48:2-21 and N.J.S.A. 48:2-21.1, BPU Docket No. EX00020091, Order dated June 22, 2005 (“June 2005 Order”).

By the September 2023 Order, the Board approved the Utilities’ proposed rates set forth in the 2023/2024 USF compliance filing. The proposed rates were established to recover an approximate \$134.5 million USF budget and a \$74.6 million Lifeline budget.<sup>7</sup> Accordingly, the current rates, including Sales and Use Tax (“SUT”), are:

	Current Electric /kWh	Current Gas /therm
USF	\$0.001325	\$0.0115
Lifeline	\$0.000744	\$0.0062
<b>Combined USF/Lifeline</b>	<b>\$0.002069</b>	<b>\$0.0177</b>

## **JUNE 2024 FILING**

In the June 2024 Filing, the Utilities proposed that the statewide USF rates be set to recover approximately \$236.5 million, representing an overall increase of approximately \$102 million from the existing \$134.5 million being recovered under the current USF rates. According to the Utilities, the \$102 million increase is primarily due to the change in under/over recovered balances of the Utilities from September 30, 2023 to the projected position at September 30, 2024. The EDCs were \$64.7 million over-recovered on September 30, 2023, but are projected to be \$2.2 million over-recovered as of September 30, 2024. The GDCs’ projected 2024 balance is \$29.9 million more under-recovered than 2023. Additionally, USF and Fresh Start benefits are projected to be \$10.2 million more than was projected in 2023 due to using the more recent USF benefit experience which was higher than projected in 2023.

The \$236.5 million proposed budget includes an estimated decrease of \$30.7 million in Fresh Start costs related to an anticipated reduction in Fresh Start enrollment in the upcoming program year, when a change in the Fresh Start eligibility criteria goes into effect.<sup>8</sup> Further, the rates proposed in the June 2024 Filing include an estimated New Jersey Department of Community Affairs (“DCA”) USF administrative budget of \$11,444,369. DCA is the USF Program Administrator.

The Utilities asserted that the calculations of the Lifeline program costs supported the recovery of \$74,550,000, which is unchanged from the previous year’s budget.

The rates requested in the June 2024 Filing, including SUT, were as follows:<sup>9</sup>

	<u>Current</u> Electric /kWh	<u>Proposed</u> Electric /kWh	<u>Current</u> Gas /therm	<u>Proposed</u> Gas /therm
USF	\$0.001325	\$0.002212	\$0.0115	\$0.0216
Lifeline	\$0.000744	\$0.000757	\$0.0062	\$0.0060
<b>Combined USF/Lifeline</b>	\$0.002069	<b>\$0.002969</b>	\$0.0177	<b>\$0.0276</b>

<sup>7</sup> See September 2023 Order.

<sup>8</sup> In re the New Jersey Board of Public Utilities’ Response to the COVID-19 Pandemic, BPU Docket No. AO20060471, Order dated June 29, 2023.

<sup>9</sup> The Utilities noted that the calculations are subject to uncertainties due to a number of factors, such as program changes, participation rates and jurisdictional volumes.

The proposed rates in the June 2024 Filing were also predicated upon an estimated gas under recovery balance of \$29,418,578 and an estimated electric over recovery balance of approximately \$2,219,307 million as of September 30, 2024.

On July 31, 2024, the Utilities provided Staff and Rate Counsel with actual costs data and supporting documentation through June 30, 2024 ("July 2024 Update"). The July 2024 Update reflected a higher than initially proposed USF total budget of approximately \$248.2 million, a gas under recovery of \$32,432,161 and an electric under recovery of \$6,448,434. Subsequently, on August 15, 2024, the Utilities provided Staff and Rate Counsel with actual cost data and supporting documentation through July 31, 2024 ("August 2024 Update"). The August 2024 Update reflected a higher than initially proposed USF total budget of approximately \$251.7 million, a gas under-recovery balance of \$32,748,485, and an electric under-recovery balance of \$9,581,949.

The below tables provides the resultant USF/Lifeline rates based upon the June 2024 Filing, the July 2024 Update, and the August 2024 Update:

<b>Electric (per kWh)</b>	<b><u>Current</u></b>	<b><u>June 2024 Filing Proposed</u></b>	<b><u>July Update</u></b>	<b><u>August Update</u></b>
USF	\$0.001325	\$0.002212	\$0.002347	\$0.002395
Lifeline	\$0.000744	\$0.000757	\$0.000757	\$0.000757
Combined USF/Lifeline	\$0.002069	\$0.002969	\$0.003104	\$0.003152

<b>Gas (per therm)</b>	<b><u>Current</u></b>	<b><u>June 2024 Filing Proposed</u></b>	<b><u>July Update</u></b>	<b><u>August Update</u></b>
USF	\$0.0115	\$0.0216	\$0.0224	\$0.0225
Lifeline	\$0.0062	\$0.0060	\$0.0060	\$0.0060
<b>Combined USF/Lifeline</b>	\$0.0177	\$0.0276	\$0.00284	\$0.0285

In accordance with N.J.S.A. 48:2-32.4 to -32.6, two (2) public hearings were held virtually for each geographic region served by each of the Utilities.<sup>10</sup> The notice of public hearing for each utility noticed the rates proposed in the June 2024 Filing and thus are the only rates that can be implemented. Members of the public were afforded the opportunity to participate in the public hearings with respect to both the program policies and the rates, as well as submit written comments about these matters.

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<sup>10</sup> Public hearings were administered virtually with a telephonic option so that members of the public could have an opportunity to present their views on the June 2024 Filing.

The virtual/telephonic public hearing schedule was as follows:

Date	Utility	Time
Wednesday, August 21, 2024	ACE	4:30 p.m. and 5:30 p.m.
Thursday, August 22, 2024	RECO	4:30 p.m. and 5:30 p.m.
Tuesday, August 27, 2024	ETG	4:30 p.m. and 5:30 p.m.
Wednesday, August 28, 2024	SJG	4:30 p.m. and 5:30 p.m.
Tuesday, September 3, 2024	JCP&L	4:30 p.m. and 5:30 p.m.
Wednesday, September 4, 2024	PSE&G	4:30 p.m. and 5:30 p.m.
Tuesday, September 17, 2024	NJNG	4:30 p.m. and 5:30 p.m.

At the JCP&L hearing, three (3) members of the public attended, but only one (1) gave a statement. The constituent opposed rate increases, criticizing JCP&L for neglecting to keep rates low and claiming there is no effort to control rates. The constituent argued that JCP&L operates as a monopoly, provides inadequate service, and mishandles vegetation management. The constituent suggested there should be alternative options for ratepayers.

## **POSITIONS OF THE PARTIES**

### **Rate Counsel Comments**

On September 10, 2024, Rate Counsel submitted comments concerning the June 2024 Filing, as well as the July 2024 and August 2024 Updates. Rate Counsel's comments focused on seven (7) key areas, which are described below.

#### **1) Analysis of Under-/Over-Recovery Positions as of October 1, 2023**

Rate Counsel asserted that there was a discrepancy within the reported natural gas SBC carrying costs for NJNG for October 2022, which would change the under-recovered amount as of October 1, 2023 from \$4,871,338 to \$4,871,374.

#### **2) Analysis of Request to Recover Administrative Costs**

Rate Counsel did not object to the request to recover administrative costs in this proceeding, and indicated that the level and type of utility-incurred administrative costs appear reasonable.

#### **3) Analysis of Estimated USF and Fresh Start Benefit Expenditures for the 2024/2025 Program Year**

Rate Counsel indicated that its review revealed that the USF expenditures for the natural gas utilities significantly increased from \$31.37 million to \$41.28 million for the period October 2023 through July 2024. Rate Counsel asserted that this highlights an issue of relying solely on historical data for forecasting expenditures for natural gas utilities. Rate Counsel stated that, by contrast, the USF expenditures for electric utilities have remained relatively stable year over year, minimizing concerns about using historical data.

Rate Counsel recommended that, for next year's compliance filing, the Utilities incorporate not only historical data, but also forecasted or projected data to enhance the accuracy of

USF and Fresh Start expenditure forecasts. Specifically, Rate Counsel proposed that the Utilities use available data such as the number of eligible customers and amount of USF and Fresh Start benefits, in addition to relying exclusively on historical data.

4) Analysis of Projected Sales Volumes for the 2024/2025 Program Year

Rate Counsel did not object to the projected electric sales volumes detailed in Attachment A – July 2024 Actuals in this proceeding and considers the forecasts to be reasonable for setting the USF and Lifeline Rates. However, Rate Counsel asserted that the methods used to project natural gas sales have historically overestimated the projected sales. Rate Counsel maintained that this overestimation should be revised to mitigate the risk of future natural gas under-recovery of deferral balances. Rate Counsel expressed concern regarding projected natural gas sales forecasts and noted that there was a discrepancy in actual and forecasts for Fiscal Year (“FY”) 2022 and FY 2023 showing approximately ten percent (10%) differences in the projected therm sales compared to the actuals provided. Rate Counsel argued that, if sales forecasts are overestimated, this would lead to a lower USF Rate, and therefore a greater under-recovered position by September 30, 2025. Rate Counsel claimed that the overestimation of natural gas sales in last year’s filings is a key reason why, in the June 2024 Filing, the Utilities are forecasting a significant under-recovery position of \$32.7 million in USF SBC deferral balances by September 30, 2024.

Accordingly, Rate Counsel recommended applying a downward revision to the Utilities’ projected natural gas sales volumes, which would increase the natural gas USF Rate, helping to mitigate the risk of significant under-recovery deferral balances at the end of FY 2025.

Additionally, Rate Counsel recommended that the Utilities conduct a thorough review of their natural gas forecast to avoid any potential issues with next year’s filing.

5) Analysis of Projected USF SBC Deferral Balances for the 2024/2025 USF/Lifeline Filings

Rate Counsel found the Utilities’ revised balance projections were reasonable and the inclusion in the USF Rate calculation was necessary.

6) Issue Related to SJG’s Rebilling Adjustments from Utilities’ Discovery Responses

Rate Counsel recommended that SJG be required to provide backup data for the monthly cogeneration of natural gas volume that is considered exempt from the SBC rates. Additionally, Rate Counsel recommended that SJG provide additional explanations to support its reasoning for applying the cogeneration exemption differently from other gas companies.

7) Review of Current Interim USF Rates and Lifeline Rates

Rate Counsel did not object to the Board making the present interim USF Rates and Lifeline Rates permanent.

In its concluding remarks, Rate Counsel recommended that the Board:

- 1) Consider the most recent actual cost and revenue data, updated through July 2024, with adjustments proposed by Rate Counsel;

- 2) Order the Utilities to correct the error in natural gas Societal Benefits Charge ("SBC") carrying costs for NJNG for October 2022;
- 3) Order the Utilities to adjust the forecasted natural gas sales volumes from 4,556 million to 4,309 million therms;
- 4) Order the Utilities to incorporate forecasted and projected USF and Fresh Start data in next year's compliance filings; and
- 5) Order a more comprehensive audit of supporting amounts used to calculate the USF/Lifeline Rates for the next program year.

Additionally, Rate Counsel did not object to the (2) two utilities' (SJG and RECO) request for recovery of their actual administrative costs incurred in association with the USF program or the Board making the present interim USF and Lifeline rates permanent. Rate Counsel took no position regarding the reasonableness of the DCA's proposed USF administrative budget.

#### Utilities Reply Comments

On September 13, 2024, the Utilities submitted a response to Rate Counsel's comments concerning the June 2024 Filing, as well as the July 2024 and August 2024 Updates.

The Utilities, specifically ETG, took issue with Rate Counsel's claim that there were inaccuracies in reported expenditures for the USF and Lifeline programs for ETG in July 2024. ETG asserted that Rate Counsel's assertion that the July 2024 expenditure figures may be incorrect because they exactly match the June 2024 figure. The Utilities clarified that while the totals for both months are the same when rounded, the underlying numbers differ and no recalculations are necessary.

The Utilities, specifically NJNG, took issue with Rate Counsel's assertion that there was an issue with the \$2,521 amount reported by NJNG related to SBC carrying costs for October 2022. The Utilities explained that the beginning balance of SBC carrying costs of \$25,426 at October 1, 2022 was negative and a credit to customers. Accordingly, NJNG rolled the interest into the October 2022 beginning balance in order to return it to customers. Accordingly, the Utilities argued that no adjustment should be made to NJNG's October 2022 SBC balance.

The Utilities disagreed with Rate Counsel's proposed adjustment to the GDCs' forecasted sales arguing that forecasted natural gas sales are based on historical data that accounts for normalized weather patterns and that this is done in the same way for all rate proceedings. The Utilities pointed out that warmer-than-usual weather in FY2023 and FY2024 caused actual sales to fall short of forecasts. The Utilities stated that Rate Counsel's observed variance of ten percent (10%) is explained by the fact that the weather for October through May for each of these years was approximately ten percent (10%) warmer, which has a direct correlation to natural gas sales. Accordingly, the Utilities argued that there is no reasonable basis for the Utilities to utilize a different methodology for forecasting sales for the purpose of setting USF/Lifeline rates.

Regarding USF and Fresh Start expenditures, the Utilities asserted that the most current enrollees and benefit levels available at the time of filing are already used. The Utilities also emphasized that, while they include adjustments for significant program changes, the filings are based on available data, guided by Staff.

The Utilities requested that the Board approve the proposed USF and Lifeline rates, along with administrative expenses for the 2024/2025 USF Program Year, to be effective on October 1, 2024. The Utilities further urged the Board to finalize the current interim USF rates, which were approved through September 2024, making them permanent as of the new rate period.

## **DISCUSSION AND FINDINGS**

The Board has carefully reviewed the record in this matter, including the June 2024 Filing, the Utilities' specific compliance filings, updates thereto and the submitted comments.

Rate Counsel has recommended adjustments and proposed modifications to the forecasting methodologies. At this time, the Board **HEREBY REJECTS** Rate Counsel's recommended adjustments and proposed modifications to the forecasting methodologies. The Board believes the Utilities have provided adequate justification for the methodologies and adjustments made in the July 2024 Filing. However, the Board believes there is merit in further discussion among the Parties related to forecasting methodologies for sales and program participation. Accordingly, the Board **HEREBY DIRECTS** Staff to work with the Parties prior to the filing of the next annual USF/Lifeline petition to determine whether any adjustments to the methodologies are warranted.

Additionally, Rate Counsel has recommended a more comprehensive audit of supporting amounts used to calculate the USF/Lifeline Rates for the next program year. The Board believes this would be beneficial. Accordingly, the Board **HEREBY DIRECTS** Staff to initiate an audit of the supporting amounts used to calculate the USF/Lifeline rates. This audit should include a review of the historical and projected expenditures and the methodologies used to estimate projected costs and revenues related to USF/Lifeline.

The Board **HEREBY FINDS** that it is appropriate to adopt the rates including the USF gas and electric rates based upon the June 2024 Filing. The supporting calculations are illustrated in Exhibit A of this Board Order. Accordingly, the Board **HEREBY ORDERS** that the following rates, including SUT, be effective on an interim basis based on the June 2024 filing.

	Electric /kWh	Gas /therm
USF	<b>\$0.002212</b>	<b>\$0.0216</b>
Lifeline	<b>\$0.000757</b>	<b>\$0.0060</b>
<b>Combined USF/Lifeline</b>	<b>\$0.002969</b>	<b>\$0.0276</b>

Additionally, after examining the 2023-2024 interim rates and the September 2023 Order, the Board **HEREBY FINDS** the 2023-2024 interim rates and associated expenditures to be reasonable and in accordance with the law. Accordingly, the Board **HEREBY FINALIZES** the 2023-2024 interim rates approved through the September 2023 Order.

The Board **HEREBY DETERMINES** that in subsequent annual USF compliance filings, prior interim rates should be examined and finalized.

The Board **HEREBY FINDS** that the administrative expenses of RECO and SJG are reasonable and **HEREBY APPROVES** the reimbursement of actual administrative cost amounts for the period July 1, 2023 through June 30, 2024, as listed below:



Actual Administrative Costs July 1, 2023 through June 30, 2024:

<b>EDCs</b>	<b>Costs</b>
ACE	\$ -
JCP&L	\$ -
PSE&G	\$ -
RECO	\$857
<b>GDCs</b>	<b>Costs</b>
ETG	\$ -
NJNG	\$ -
PSE&G	\$ -
SJG	\$35,369
<b>EDC/GDC Total</b>	<b>\$36,226</b>

As such, the Board **HEREBY DIRECTS** Staff to request disbursement of funds to reimburse RECO and SJG for their USF-related administrative costs, provided above, from the USF Trust Account in the first month after the new USF rate becomes effective.

The Board **HEREBY ORDERS** the Utilities to file the appropriate tariff pages, in conformance with the requirements of this Order by September 30, 2024, for rates effective October 1, 2024.

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

- Adoption of USF/Lifeline interim rates and associated budgeted amounts based upon the June 2024 filing, to be effective on October 1, 2024;
- Finalization of the 2023/2024 interim rates and associated expenditures through September 30, 2023;
- Review of subsequent USF Compliance Filings and its associated interim rates be examined and finalized in subsequent proceedings;
- Approval of the Utilities' actual administrative cost amounts for the period of July 1, 2023 through June 30, 2024, whereby Staff shall request that the New Jersey Department of the Treasury disburse the Utilities' administrative costs to them in the first month after the new USF rate becomes effective;
- The Utilities shall file the appropriate tariff sheets by September 30, 2024.

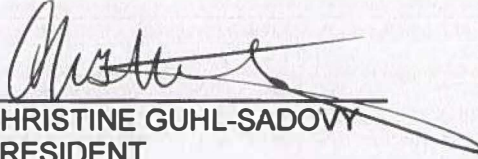
Approval of the combined USF/Lifeline rates based upon the June 2024 Filing would represent an overall increase of \$9.90 for an average residential gas customer utilizing 1,000 therms per year and an overall increase of \$7.02 for an average residential electric customer utilizing 7,800 kWh per year. The combined USF/Lifeline annual bill would see an increase of \$16.92 per year for an average residential customer who uses both gas and electricity.

The Utilities' costs remain subject to audit by the Board. This Decision and Order shall not preclude nor prohibit the Board from taking any actions determined to be appropriate as a result of any such audit.

This Order will be effective on September 25, 2024.

DATED: September 25, 2024

BOARD OF PUBLIC UTILITIES  
BY:

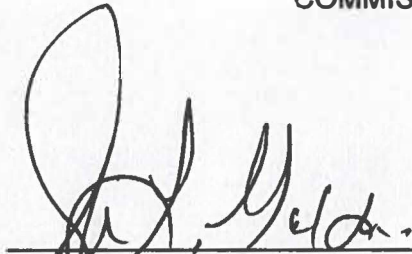
  
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ATTEST:

  
SHERRI L. GOLDEN  
SECRETARY

I HEREBY CERTIFY ~~that the within~~  
document is a true ~~copy of the original~~  
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IN THE MATTER OF THE 2024/2025 ANNUAL COMPLIANCE FILINGS FOR THE UNIVERSAL SERVICE FUND  
("USF") PROGRAM FACTOR WITHIN THE SOCIETAL BENEFITS CHARGE RATE

DOCKET NO. ER24070486

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**Exhibit A**

**2024/2025 Annual Compliance Filing For Changes in the Statewide  
Electric and Gas Permanent USF Fund Program Within SBC Rates  
Docket No. ER24070486**

<b>USF RATE CALCULATION (based on ACTUALS through April 2024)</b>			
	<b><u>TOTAL</u></b>	<b><u>GAS</u></b>	<b><u>ELECTRIC</u></b>
<b>PERMANENT PROGRAM PROJECTIONS FOR 2024/2025</b>			
Administrative Costs - DCA (allocated based on benefits percentage)	\$11,444,369	\$3,404,910	\$8,039,459
Admin. Costs - Utility Postage and Handling	\$37,170	\$36,901	\$269
Estimate of Benefits for Program Year 2024/2025	\$167,174,151	\$49,737,387	\$117,436,764
Fresh Start Program Cost Estimates	\$61,328,622	\$20,252,026	\$41,076,596
USF/Fresh Start Reduction	(\$30,664,311)	(\$10,126,013)	(\$20,538,298)
<b>TOTAL</b>	<b>\$209,320,001</b>	<b>\$63,305,211</b>	<b>\$146,014,790</b>
Est. of Under/(Over) Recovery at 9/30/24 (Actuals through April 2024)	\$27,199,271	\$29,418,578	(\$2,219,307)
<b>TOTAL PERMANENT PROGRAM PROJECTIONS</b>	<b>\$236,519,272</b>	<b>\$92,723,790</b>	<b>\$143,795,482</b>
<b>ESTIMATES OF BENEFITS PERCENTAGES</b>	100%		
<b>PROJECTED VOLUMES (normalized for 12 mos beg. 10/01/24)</b>		Therms 4,556,471,674	Kilowatt Hours 69,283,702,224
PROPOSED PRE-TAX RATE ***		\$0.0203	\$0.002075
CURRENT PRE-TAX RATE		\$0.0108	\$0.001243
PRE-TAX INCREASE(DECREASE)		\$0.0095	\$0.000832
<b>PROPOSED USF RATE INCLUDING TAX (@6.625%)</b>		\$0.0216	\$0.002212
<b>CURRENT USF RATE INCLUDING TAX (@6.625%)</b>		\$0.0115	\$0.001325
<b>USF RATE INCREASE/(DECREASE) INCLUDING TAX (@6.625%)</b>		<b>\$0.0101</b>	<b>\$0.000887</b>
<b><u>LIFELINE RATE CALCULATION</u></b>			
	<b><u>TOTAL</u></b>	<b><u>GAS</u></b>	<b><u>ELECTRIC</u></b>
JURISDICTIONAL REVENUE PERCENTAGES	100%	36%	64%
LIFELINE BUDGET	\$74,550,000	\$26,838,000	\$47,712,000
PROJECTED VOLUMES		<b>4,556,471,674</b>	<b>69,283,702,224</b>
PROPOSED PRE-TAX RATE		\$0.0056	\$0.000710
CURRENT PRE-TAX RATE		\$0.0058	\$0.000698
PRE-TAX INCREASE(DECREASE)		-\$0.0002	\$0.000012
<b>PROPOSED LIFELINE RATE INCLUDING TAX (@6.625%)</b>		<b>\$0.0060</b>	<b>\$0.000757</b>
<b>CURRENT LIFELINE RATE INCLUDING TAX (@6.625%)</b>		<b>\$0.0062</b>	<b>\$0.000744</b>
<b>LIFELINE RATE INCREASE/(DECREASE) INCLUDING TAX (@6.625%)</b>		<b>-\$0.0002</b>	<b>\$0.000013</b>
<b><u>COMBINED USF/LIFELINE RATES</u></b>			
		<b><u>GAS</u></b>	<b><u>ELECTRIC</u></b>
PROPOSED PRE-TAX USF/LIFELINE RATE		\$0.0259	\$0.002785
CURRENT PRE-TAX USF/LIFELINE RATE		\$0.0166	\$0.001941
PRE-TAX INCREASE(DECREASE)		\$0.0093	\$0.000844
<b>PROPOSED USF/LIFELINE RATE INCLUDING TAX (@6.625%)</b>		<b>\$0.0276</b>	<b>\$0.002069</b>
<b>CURRENT USF/ LIFELINE RATE INCLUDING TAX (@6.625%)</b>		<b>\$0.0177</b>	<b>\$0.002969</b>
<b>USF/LIFELINE RATE INCREASE/(DECREASE) INCLUDING TAX (@6.625%)</b>		<b>\$0.0099</b>	<b>(\$0.000900)</b>