

Universal Service Fund (USF)

Frequently Asked Questions

What is the Universal Service Fund (USF)?

The New Jersey Board of Public Utilities (BPU) has created the Universal Service Fund (USF) program to help make electric and natural gas bills more affordable by providing a monthly credit on qualifying residential utility bills. The New Jersey Department of Community Affairs (DCA) administers the USF program for the BPU. USF shares its application with DCA's Low Income Home Energy Assistance Program ([LIHEAP](#)) so customers can apply for both programs at the same time. USF and LIHEAP have the same income limits.

Who is eligible for USF?

To be eligible for USF you must meet two qualifications:

1. Your total gross annual household income must be less than or equal to 60% of the State Median Income (view [here](#)); and
2. You must also spend more than 2% of your income for electric service or more than 2% of your income for natural gas service. If you heat your home with electricity, you must spend more than 4% of your income on electricity.

If you do not meet the second eligibility requirement, you will default to the minimum \$5 per month USF benefit. USF recipients must reside at the address provided on their utility account, and USF benefits will only be offered to the person/head of household or spouse listed on the utility account.

Please Note: Municipal utilities and the services they provide are not covered by USF.

How much money will I receive from USF?

If you are found eligible to participate in the USF program, you will receive a credit on your electric and/or natural gas bill to help reduce the cost. The size of monthly USF credit is based on total household income and the amount of money you typically pay for gas and electric service. Therefore, the amount of the USF credit is determined individually for each eligible customer and may change during the course of the benefit year. Benefits range from \$5 per month to \$180 per month for gas and electric combined.

How is the USF benefit calculated?

The USF benefit is calculated based on a number of factors, including your annual household income, benefits that your household receives from the [Lifeline Utility Assistance Program](#) and [LIHEAP](#), and your

annual energy burden, which is based on the electric and natural gas bills for your household. Here is an example of how a USF benefit would be calculated for a sample natural gas bill:

Annual Income, Household of Four -	\$24,000
Annual Natural Gas Bill -	\$ 1,500
Annual LIHEAP Benefits -	\$400

Step #1 – Determine the customer’s current natural gas burden:

Annual Natural Gas Bill	\$1,500	
Minus LIHEAP Benefit –	-\$400	
Actual Natural Gas Burden =	<u>\$1,100</u>	(more than 2% of income)

Step #2 – Determine what the customer should be paying for natural gas under USF:

Annual Household Income	\$24,000	
Maximum Natural Gas Bill Burden under USF	x 2% of income	
Customer’s Maximum Natural Gas Burden =	<u>\$480</u>	

Step #3 – USF will pay the difference

Actual Natural Gas Burden	\$1,100	
Customer’s Maximum USF Natural Gas Burden	– \$480	
Annual USF Benefit =	<u>\$620</u>	÷ 12 - \$51.67/month

Please Note: A similar calculation would be made using a customer’s electricity costs. However, the LIHEAP credit is not counted a second time. It is applied only once to the utility providing energy for heating purposes. If you also receive a Lifeline benefit, that benefit is applied to the natural gas and/or electric utility bill based on the information you provided the state.

How do I apply for USF?

You can apply online at: www.nj.gov/dca/dcaid. You can print the [USF/LIHEAP application](#) and mail to a USF/LIHEAP [application agency](#), or set an appointment at an agency. You can call 800-510-3102, the

New Jersey utility assistance hotline to request that an application be mailed to you, or to request a home visit if you are homebound or need assistance completing the application. Additionally, you can email the New Jersey utility assistance hotline at: utilityhelp@nj211.org.

Please note: If you apply for Food Stamps, the Pharmaceutical Assistance to the Aged and Disabled (PAAD) Program, or the Lifeline Utility Assistance Program, the data on your Food Stamps and PAAD applications will also be checked for eligibility for the USF and LIHEAP programs. This does not guarantee enrollment in either program because you will still have to meet each program's eligibility criteria. In addition, you may be asked to provide additional information to assist in determining your eligibility for USF and or LIHEAP.

How will I know if I am going to get a benefit?

You will be notified by the Department of Community Affairs ([DCA](#)) regarding your USF eligibility status. All applicants will receive two notices, one concerning their eligibility for a natural gas benefit, the other for the electric benefit.

If I heat with oil or propane, will I be eligible for USF benefits?

USF benefits are only credited to residential natural gas and electric bills. However, even if you heat with oil or propane, any expenses you have for electric and/or natural gas service will be reviewed for a USF benefit.

If I rent, will I be covered under USF?

Renters and homeowners can apply for USF. Even if your heat is included in your rent, you may be eligible for USF for your electricity if you have an electric account in your name.

Does everyone who receive Lifeline or LIHEAP qualify for a USF benefit?

No, USF, Lifeline and LIHEAP have differing eligibility criteria.

I live in subsidized housing, am I eligible for USF?

If you receive a Section 8 subsidy and have an electric or gas account in your name, you may be eligible for USF.

Why is my USF credit different than my friend/neighbor?

The USF credit is individually calculated based on each household's income and energy burden. Since the income and energy burden of each USF recipient is different, the benefit that each USF recipient receives will be different.

Will receiving USF affect or make me lose any other assistance I get?

No. Your participation in USF will not affect the benefits you are now receiving from other benefit programs. Please make sure you continue to maintain your current benefit program enrollments.

How will I receive my USF credit? Will I get a check?

The USF benefit will appear on your electric or natural gas bill in the form of a credit. For many customers, it will be listed as either "USF Credit" or "Universal Service Fund Credit." This credit will be subtracted from what you owe your utility company. You will only be responsible for paying the balance that remains after the USF credit is subtracted. No actual cash benefit will be given to customers to ensure that the benefit is used only for electric and gas expenses.

Will I get a USF benefit for both my natural gas bill and my electric bill?

If you get separate natural gas and electric bills you may get a USF credit on your natural gas bill and another on your electric bill. The actual calculation of a benefit will depend on how much electricity and natural gas you use in comparison to your household income.

How long will my USF benefit last?

In most cases, you will receive benefits for the maximum 12 months per benefit year. However, certain factors including when you submit your USF/LIHEAP application, if you move during your benefit year and other possible circumstances, may result in your USF benefit lasting less than 12 months. You will receive a notice to remind you to reapply for USF and you will need to recertify for USF every year unless you are enrolled through your participation in the Supplemental Nutritional Assistance Program or the Lifeline Utility Assistance Program. Please note that it can take up to 90 days for your USF application to be processed, so please recertify at least three months before your USF benefit expires.

Will my USF benefit be different from year to year?

Your USF benefit may change because it is based upon your current reported household income and your energy usage. The amount of USF benefit you receive may change during the program year.

If I move during the year, can I still continue to receive my USF benefit?

If you move during your USF benefit year to one of the seven regulated natural gas or energy company in New Jersey and are responsible for the energy bills at your new location, please inform your new energy company that you were receiving USF at your former residence and how your new home is heated so that your eligibility for USF at the new premise can be determined.

* The seven regulated natural gas and electric (energy) companies in New Jersey are: New Jersey Natural Gas Company, Elizabethtown Gas Company, South Jersey Gas Company, PSE&G, Rockland Electric Company, Jersey Central Power & Light and Atlantic City Electric Company.

If my income changes during the year, can my USF benefit be updated?

No. USF benefits are not recalculated for changes in income during a program year.

How is the USF program funded?

All electric and natural gas customers contribute funding for the USF program through a surcharge to their electric and gas rates.

USF-Fresh Start

What is the USF-Fresh Start Program?

If you have an overdue balance of \$60 or more on your energy bill when you are enrolled in the USF program, you may be eligible for additional benefits under the New Jersey Fresh Start Program. Fresh Start gives USF customers an opportunity to earn forgiveness on past due balances owed at the time of USF enrollment. Beginning October 1, 2024, USF customers will have an opportunity to participate in Fresh Start once every five years.

How do I earn forgiveness on past due balances?

To earn forgiveness, simply pay only your current monthly charges on time and in full each month. Each month you pay your current monthly charges in full, 1/12 of your Fresh Start balance will be forgiven. (Some utilities provide forgiveness monthly, others quarterly). After 12 months of full on-time payments, your pre-USF program overdue balance will be erased.

How do I apply for Fresh Start?

You cannot apply for Fresh Start; if you are eligible for Fresh Start, you will be automatically enrolled by your energy company and will be sent additional information in the mail about how the Fresh Start program works. Fresh Start is administered by your electric and/or gas company with oversight by the [New Jersey Board of Public Utilities](#).

Please note:

- If you are on Fresh Start but are not making current monthly bill payments, the utility company can take collection action against you for the new overdue balances you accrue.

- You cannot be shut off for your Fresh Start overdue balance amount, which is set aside by the utility company for the duration of your Fresh Start participation.
- Any Fresh Start amount you have not earned forgiveness on will be restored to your account as due at the end of the program, so please make every effort to stay current on your bills and earn 100% forgiveness. Apply for [additional assistance](#) if you need it.
 - If you are a LIHEAP recipient and receive a shut off notice from your gas or electric company, you can apply for a *LIHEAP Emergency* grant from March 16th - June 30th to help with any heating bills that accumulated during the winter. Call (800) 510-3102 for more information.

Questions about Fresh Start?

If you are enrolled in Fresh Start but are unsure of how much you need to pay each month to earn forgiveness on your overdue utility balance, please call your utility company at the number on your bill and ask to speak to a Customer Service Representative who is familiar with the Fresh Start program. If you have an issue regarding Fresh Start and cannot resolve it with your utility company, please file a complaint on line with the NJ Board of Public Utilities at: www.nj.gov/bpu/assistance/complaints/ or call 800-624-0241.

Can my utility service be shut-off even if I receive USF?

Your natural gas or electric service can be interrupted if you do not pay your portion of your utility bill each month, unless you are eligible for and have contacted your energy company to request protection through the Winter Termination Program. (See “Winter Termination Program” below). If you are in danger of shut off or have a complaint about your utility company please file a complaint on line with the NJ Board of Public Utilities at: www.nj.gov/bpu/assistance/complaints/ or call 800-624-0241.

What is the Winter Termination Program?

The Winter Termination Program (WTP) is in effect from November 15 through March 15. The program prevents service disconnection for residential water, wastewater, gas and electric customers who participate in:

- USF
- LIHEAP
- Work First New Jersey/Temporary Assistance to Needy Families (WFNJ/TANF)
- Lifeline Utility Assistance
- Federal Supplemental Security Income (SSI)
- Pharmaceutical Assistance to the Aged and Disabled (PAAD); and

- *Persons unable to pay their utility bills because of circumstances beyond their control.*

You must call your utility and request protection under the Winter Termination Program and explain why you need this protection. Customers should make every effort to pay as much of their bill as possible during the WTP period to avoid a large overdue balance at the end of the WTP. The WTP Program is administered by the Board of Public Utilities (BPU). Also, please review the Utility Customer Bill of Rights at: www.nj.gov/bpu/assistance/rights. If you have any questions about WTP or your rights as a utility customer please call BPU at: 800-624-0241.

What should I do if I am still having trouble paying my bill?

Ask your energy company about other assistance programs that are available to help you pay your bills, such as:

- [LIHEAP](#) 800-510-3102 (heating grants for electric, gas and all deliverable fuels and cooling grants)
- [PAGE](#): 732-982-8710 (electric and gas grants for low and moderate income households)
- [NJ SHARES](#) 866-657-4273 (electric, gas, water, telephone and broadband (internet) assistance)
- [Lifeline](#) 800-792-9745 (\$225 electric or gas grant for seniors and the disabled)
- [Gift of Warmth](#) 800-221-0051 (Available to New Jersey Natural Gas Company customers only)
- [New Jersey Comfort Partners](#) 800-915-8309 (free energy audit and energy efficiency upgrades for income eligible households with gas or electric heat)

Please call your utility company if:

1. You have routine questions about your utility bill;
2. You need information about a Deferred Payment Arrangement for overdue balances;
3. You need information about an Equal Payment Plan for your utility bill; or
4. You need information about the Fresh Start Program (see above description).

Please contact the New Jersey Board of Public Utilities (BPU), Division of Customer Assistance if:

1. Your utility has discontinued, or threatened to discontinue, your energy service and you need assistance;
2. You want to dispute a service shutoff; or,
3. Your utility has refused to negotiate a reasonable payment plan for your past due balances.

You may reach the BPU Division of Customer Assistance at: www.nj.gov/bpu/assistance/complaints/ or 800-624-0241