

# NOTICE TO NEW JERSEY NATURAL GAS CUSTOMERS

## IN THE MATTER OF THE PETITION OF NEW JERSEY NATURAL GAS COMPANY FOR THE ANNUAL REVIEW AND REVISION OF ITS BASIC GAS SUPPLY SERVICE (BGSS) AND ITS CONSERVATION INCENTIVE PROGRAM (CIP) RATES FOR F/Y 2023 DOCKET NO. GR22060373

### NOTICE OF FILING AND PUBLIC HEARINGS

#### TO OUR CUSTOMERS:

**PLEASE TAKE NOTICE** that on June 1, 2022, New Jersey Natural Gas (“NJNG” or “Company”) filed a petition (“Petition”) with the New Jersey Board of Public Utilities (“Board” or “BPU”) which constituted its 2022–2023 Basic Gas Supply Service (“BGSS”) and Conservation Incentive Program (“CIP”) rate filing pursuant to an Order issued by the Board on January 6, 2003, Docket No. GX01050304 (“Generic BGSS Order”), and Orders related to the CIP issued by the Board in Docket No. GR05121020 dated December 12, 2006 and January 21, 2010, and in Docket No. GR13030185 dated May 21, 2014. The BGSS charge includes actual and projected natural gas commodity, storage, and interstate transportation costs. The CIP charge provides for a rate adjustment related to changes in average use per customer when compared to a pre-established baseline value. In the Board’s November 17, 2021 Order in BPU Docket No. GR21030679, the Board authorized NJNG to adjust its Balancing Charge in the annual BGSS filing to reflect updated costs.

In the Petition, NJNG requested that the Board permit NJNG to increase its BGSS rate for residential and small commercial sales customers and adjust its CIP rates effective October 1, 2022. Additionally, NJNG requested to increase its Balancing Charge effective October 1, 2022. The impact of the rate changes for a residential heating customer using an average of 100 therms per month would be an increase of \$17.07 per month, or 12.5 percent as a result of the proposed BGSS rate, an increase of \$1.45 per month, or 1.1 percent as a result of the proposed Balancing Charge rate, and an increase of \$3.04 per month, or 2.2 percent as a result of the proposed CIP rate. The combined impact of these rate changes would result in an overall increase of approximately \$21.56 or 15.8 percent per month on a 100 therm residential bill. All Balancing Charge revenues from sales and transportation customers are credited to BGSS recoveries.

The effect of the Company’s request for the rate adjustments, to be effective October 1, 2022, on natural gas bills for the applicable customer classes is estimated to be as follows:

Customer Type	Therm Level	Total Monthly Bill		Monthly Bill Impact			% Impact				
		Bill as of May 1, 2022	Proposed Bill as of October 1, 2022	BGSS	Balancing Charge	CIP	Net Increase/ (Decrease)	BGSS	Balancing Charge	CIP	Net Increase/ (Decrease)
Residential Heat Sales	100	\$136.21	\$157.77	\$17.07	\$1.45	\$3.04	\$21.56	12.5%	1.1%	2.2%	15.8%
Residential Non-Heat Sales	25	\$39.81	\$46.67	\$4.26	\$0.36	\$2.24	\$6.86	10.7%	0.9%	5.6%	17.2%
General Service – Small	100	\$159.11	\$177.67	\$17.07	\$1.45	\$0.04	\$18.56	10.7%	0.9%	0.03%	11.7%
General Service – Large	1200	\$2,216.96	\$2,211.80	(\$17.40)	\$17.40	(\$5.16)	(\$5.16)	(0.8%)	0.8%	(0.2%)	(0.2%)

The General Service - Large (“GSL”) sales customers are not affected by the proposed BGSS request because they are subject to Monthly BGSS rates tied to monthly market pricing for their natural gas supply. GSL sales customers’ overall bills are also not affected by the proposed Balancing Charge because their Monthly BGSS rates are net of the Balancing Charge and the Balancing Charge is included in their Delivery Charge, offsetting each other. The GSL BGSS decrease and Balancing Charge increase shown above reflect the proposed Balancing Charge change in both rates resulting in no impact.

**PLEASE TAKE FURTHER NOTICE** that future changes in NJNG’s rate for BGSS service may occur if NJNG elects to adjust its BGSS rates upward by filing timely notice with the Board and the New Jersey Division of Rate Counsel (“Rate Counsel”) pursuant to the Generic BGSS Order. Any such self-implementing increase is limited to a maximum of five (5) percent of the total residential bill effective December 1, 2022, and to a maximum of five (5) percent of the total residential bill, effective February 1, 2023. Further, these self-implementing increases would be provisional and subject to true-up in connection with the next annual BGSS filing. Pursuant to the Generic BGSS Order, NJNG is permitted to decrease its BGSS rate at any time upon five (5) days’ notice and the filing of supporting documentation with the Board and Rate Counsel.

If both of the above-mentioned self-implementing increases were put into place as of the requested effective dates, the effect on typical Residential and General Service - Small natural gas bills are estimated to be as follows:

Customer Type	Monthly Therm Level	Total Monthly Bill		Increase	
		Bill as of October 1, 2022	Proposed Bill Including December and February BGSS 5 Percent Increases	Amount	Percent
Residential Heat Sales	100	\$157.77	\$173.94	\$16.17	10.2%
Residential Non-Heat Sales	25	\$46.67	\$50.71	\$4.04	8.7%
General Service - Small	100	\$177.67	\$193.84	\$16.17	9.1%

The Board has the statutory authority to establish the BGSS, CIP and Balancing Charge rates at levels it finds just and reasonable. Therefore, the Board may establish the BGSS, CIP and Balancing Charge rates at levels other than those proposed by NJNG. NJNG’s natural gas costs addressed in the Petition remain subject to audit by the Board, and Board approval shall not preclude or prohibit the Board from taking any such actions deemed appropriate as a result of any such audit.

**PLEASE TAKE ADDITIONAL NOTICE** that due to the COVID-19 Pandemic, virtual public hearings will be conducted on the following date and times so that members of the public may present their views on the Petition at the virtual public hearings as noted below:

#### VIRTUAL PUBLIC HEARINGS

Date: August 15, 2022

Public Hearing 1: 4:30 pm

Public Hearing 2: 5:30 pm

Location: Zoom Virtual Webinar

Join: <https://us06web.zoom.us/j/2458136397?pwd=VUJpK1V0aDYxZDIiZUlwIEIOWDFRZz09>

Meeting ID: 245 813 6397

Passcode: 819208

Dial-In Number: +1 646 876 9923

Copies of the Petition can be reviewed on the Company’s website, [www.njng.com/regulatory](http://www.njng.com/regulatory) in the “Filings & Updates” subsection of the “Regulatory Info”.

Representatives of the Company, Board Staff and Rate Counsel will participate in the virtual public hearings. Members of the public are invited to participate by utilizing the link or dial-in information set forth above and may express their views on the Petition. All 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 these opportunities for public comment, please submit any requests for needed accommodations, such as interpreters and/or listening assistance, 48 hours prior to the above hearings to the Board Secretary at [board.secretary@bpu.nj.gov](mailto:board.secretary@bpu.nj.gov).

The Board will also accept written and/or electronic comments. While all comments will be given equal consideration and will be made part of the final record of this proceeding, the preferred method of transmittal is via the Board’s Public Document Search tool <https://public-access.bpu.state.nj.us/>. Search for the docket number listed above, and post by utilizing the “Post Comments” button. Emailed comments may also be filed with the Secretary of the Board, in pdf or Word format, to [board.secretary@bpu.nj.gov](mailto:board.secretary@bpu.nj.gov).

Written comments may be submitted to the Acting Board Secretary, Carmen D. Diaz, at the Board of Public Utilities, 44 South Clinton Avenue, 1st Floor, P.O. Box 350, Trenton, New Jersey 08625-0350. All emailed or mailed comments should include the name of the Petition and the docket number.

All comments are considered “public documents” for purposes of the State’s Open Public Records Act. Commenters may identify information that they seek to keep confidential by submitting them in accordance with the confidentiality procedures set forth in N.J.A.C. 14:1-12.3.

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