Agenda Date: 1/27/16 Agenda Item: IIA



STATE OF NEW JERSEY

Board of Public Utilities
44 South Clinton Avenue, 3rd Floor, Suite 314
Post Office Box 350
Trenton, New Jersey 08625-0350
www.nj.gov/bpu/

IN THE MATTER OF THE PETITION OF NEW JERSEY NATURAL GAS COMPANY FOR APPROVAL OF AN INCREASE IN GAS BASE RATES AND FOR CHANGES IN ITS TARIFF FOR GAS SERVICE, APPROVAL OF SAFE PROGRAM EXTENSION, AND APPROVAL OF SAFE EXTENSION AND NJ RISE RATE RECOVERY MECHANISMS PURSUANT TO N.J.S.A. 48:2-21, 48:2-21.1 AND FOR CHANGES TO DEPRECIATION RATES FOR GAS PROPERTY PURSUANT TO N.J.S.A. 48:2-18.)))))))	AMENDED ORDER SUSPENDING INCREASES, CHANGES OR ALTERATIONS IN RATES FOR SERVICE BPU DOCKET NO. GR15111304

ENERGY

Parties of Record:

Andrew K. Dembia, Esq., New Jersey Natural Gas Company, Petitioner Stefanie A. Brand, Esq., Director, Division of Rate Counsel

BY THE BOARD:

On November 13, 2015, pursuant to N.J.S.A. 48:2-21 and N.J.A.C. 14:1-5.12, New Jersey Natural Gas Company ("Company" or "NJNG"), a public utility of the State of New Jersey subject to the jurisdiction of the New Jersey Board of Public Utilities ("Board"), filed a petition for the authority to: (1) increase its base tariff rates and charges for gas service by \$147.6 million to be effective for gas service provided on or after December 17, 2015; (2) extend its Safety Acceleration and Facility Enhancement ("SAFE") Program; (3) implement its New Jersey Reinvestment in System Enhancements ("NJ RISE") and SAFE extension rate recovery mechanisms and; (4) implement certain other rate and tariff revisions.

According to the petition, the requested increase is necessary to ensure the Company's continued ability to construct, operate and maintain its natural gas system in a safe, adequate and proper manner as required by N.J.S.A. 48:2-23. The Company also states that the additional revenue is needed to provide it with the opportunity to recover operating revenues through base rates sufficient to meet operating expenses, taxes and fixed charges, and provide a reasonable rate of return on the fair value of the Company's property devoted to the provision of service to its customers, i.e. rate base investments.

On December 16, 2015, the Board issued an Order Suspending Increases, Changes or Alterations in Rates for Service ("December 16 Order"), which inadvertently suspended the proposed revisions to March 13, 2016, four (4) months from the filing date. According to the petition, the Company sought to implement the proposed changes for service rendered on and after December 17, 2015 or thirty (30) days after the filing. By correspondence dated December 30, 2015, the Company indicated that it consents to the commencement of the suspension on December 17, 2015. Accordingly, the Board hereby issues this Amended Order Suspending Increases, Changes or Alterations in Rates for Service ("Amended Order") to suspend the proposed rates for four (4) months from the date of implementation requested in the petition.

It appearing that the proposed revisions, if approved, will increase existing rates and change or alter existing classifications in NJNG's tariff, it is **HEREBY ORDERED** that:

- (1) Pursuant to N.J.S.A. 48:2-21(d), the proposed revisions are suspended until April 17, 2016, unless prior to that date the Board makes a determination disposing of the petition or enters an Order further suspending the proposed revisions;
- (2) NJNG shall, at least ten (10) days prior to the date set for hearing on the petition by the Office of Administrative Law, file with this Board and with the Office of Administrative Law, proof of compliance with the notice provisions of N.J.S.A. 48:2-32.2 and N.J.A.C. 14:1-5.12(b) and (c), which notice shall include a statement that any relief found by the Board to be just and reasonable may be allocated by the Board to any class or classes of customers on any rate or schedule as the Board may determine; and
- (3) NJNG shall, at the same time it files with the Board, also file proof of service of copies of this Order upon the Office of Administrative Law, the Division of Rate Counsel, the clerks of each affected municipality, the clerks of the Boards of Chosen Freeholders of each affected County, and where appropriate, the executive officer of each affected County within its service area. Service of the petition, notice of hearings and this Suspension Order may be made simultaneously.

This Order shall be effective on February 6, 2016.

DATED:

an 28,2016

BOARD OF PUBLIC UTILITIES

RICHARD S. MROZ **PRESIDENT**

JOSEPH L. FIORDALISO COMMISSIONER

COMMISSIONER

DIANNE SOLOMON COMMISSIONER

ATTEST:

RENE KIM ASBURY

SECRETARY

UPENDRA J. CHIVUKULA COMMISSIONER

HEREBY CERTIFY that the within document is a true copy of the cogine in the files of the Board of Public Utilises

This Order shall be effective on February 6, 2016.

an 28,2016

DATED:

BOARD OF PUBLIC UTILITIES BY:

RICHARD S. MROZ PRESIDENT

JOSÉPH L. FIORDALISO COMMISSIONER MARY-ANNA HOLDEN COMMISSIONER

UPENDRA J. CHIVUKUL

COMMISSIONER

DIANNE SOLOMON COMMISSIONER

ATTEST:

RENE KIM ASBURY SECRETARY

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BPU DOCKET NO. GR15111304

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