



Agenda Date: 2/22/17
Agenda Item: IIC

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/

ENERGY

IN THE MATTER OF THE PETITION OF SOUTH)	ORDER SUSPENDING
JERSEY GAS COMPANY FOR APPROVAL OF)	INCREASES, CHANGES OR
INCREASED BASE TARIFF RATES AND CHARGES)	ALTERATIONS IN RATES FOR
FOR GAS SERVICE AND OTHER TARIFF REVISIONS)	SERVICE
)	
)	BPU DOCKET NO. GR17010071

Parties of Record:

Ira G. Megdal, Esq., Cozen O'Connor, P.C., on behalf of South Jersey Gas Company, Petitioner
Stefanie A. Brand, Esq., Director, Division of Rate Counsel

BY THE BOARD:

On January 27, 2017, pursuant to N.J.S.A. 48:2-21 and N.J.A.C. 14:1-5.12, South Jersey Gas Company ("Company" or "SJG"), 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 approval of an increase in its operating revenues of approximately \$74.9 million or 15.3% to be effective for gas service provided on or after February 28, 2017, as well as for certain other tariff changes and proposals.¹ The Company also seeks Board approval to maintain its existing composite depreciation rate pursuant to N.J.S.A. 48:2-18. In addition, the Company seeks authorization to defer, until the Company's next base rate case, certain incremental expenses related to pension and post-retirement healthcare expenses.

According to the petition, the primary reasons for the requested increase is the need to earn a fair return on capital investments and projects made since the filing of the Company's last base rate case in 2013 in order to ensure that the Company can continue to attract capital at reasonable rates and invest in the infrastructure necessary to provide safe and reliable service.

¹ The referenced increase is after giving effect to: (1) the roll-in of the Company's Conservation Incentive Program revenues, adjusted for Sales and Use Tax; and (2) the roll-ins to base rates for the Company's Storm Hardening and Reliability Program ("SHARP") and Accelerated Infrastructure Replacement Program ("AIRP") to take place October 1, 2017, outside of this base rate proceeding.

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

- (1) Pursuant to N.J.S.A. 48:2-21(d), the proposed revisions are suspended until June 28, 2017, unless prior to that date the Board makes a determination disposing of the petition or enters an Order further suspending the proposed revisions;
- (2) SJG shall, at least ten (10) days prior to the date set for hearing on the petition, file with this Board 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) SJG shall, at the same time it files with the Board, also file proof of service of copies of this Order upon 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 22, 2017.

DATED: *2/22/17*

BOARD OF PUBLIC UTILITIES
BY:


RICHARD S. MROZ
PRESIDENT


JOSEPH L. FIORDALISO
COMMISSIONER


MARY-ANNA HOLDEN
COMMISSIONER

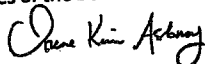

DIANNE SOLOMON
COMMISSIONER


UPENDRA J. CHIVUKULA
COMMISSIONER

ATTEST:


IRENE KIM ASBURY
SECRETARY

I HEREBY CERTIFY that the within document is a true copy of the original in the files of the Board of Public Utilities



IN THE MATTER OF THE PETITION OF SOUTH JERSEY GAS COMPANY FOR APPROVAL
OF INCREASED BASE TARIFF RATES AND CHARGES FOR GAS SERVICE AND OTHER
TARIFF REVISIONS - BPU DOCKET NO. GR17010071

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