



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 NEW JERSEY)
NATURAL GAS COMPANY FOR APPROVAL OF AN)
INCREASE IN GAS BASE RATES AND FOR)
CHANGES IN ITS TARIFF FOR GAS SERVICE)
PURSUANT TO N.J.S.A. 48:2-21 AND 48:2-21.1; AND)
FOR CHANGES TO DEPRECIATION RATES FOR GAS)
PROPERTY PURSUANT TO N.J.S.A. 48:2-18)

ORDER SUSPENDING
INCREASES, CHANGES OR
ALTERATIONS IN RATES FOR
SERVICE

BPU DOCKET NO. GR19030420

Parties of Record:

Gregory Eisenstark, Esq., Cozen O'Connor on behalf of New Jersey Natural Gas Company
Stefanie A. Brand, Esq., Director, Division of Rate Counsel

BY THE BOARD:

On March 29, 2019, pursuant to N.J.S.A. 48:2-18, N.J.S.A. 48:2-21, N.J.S.A. 48:2-21.1, and N.J.A.C. 14:1-5.12, New Jersey Natural Gas Company ("NJNG" or "Company"), 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 \$128.2 million, to be effective for gas service provided on or after April 29, 2019.¹ The Company also sought Board approval to implement new depreciation rates that included cost of removal rates that the Company submitted were more appropriate and would allow the Company to more fully recover its expected costs as it replaces aging infrastructure, as well as certain other tariff changes.

¹ On April 1, 2019, the Company submitted a letter to the Board Secretary advising that it will not implement rates on an interim basis prior to the effective date of the Board's Initial Suspension Order resulting from the May 8, 2019 public agenda meeting. The effective date of the Board's Initial Suspension Order is May 18, 2019.

NJNG also requested a return on equity of 10.875%. The Company provided that the current base rates and charges for natural gas service were not sufficient at their current level and, if left unchanged, would impair NJNG's ability to meet operating and maintenance expenses, tax and fixed charges, and earn a reasonable rate of return.

NJNG also sought approval to establish a Phase II of this proceeding to address the cost recovery for the Company's Southern Reliability Link intra-state gas transmission project, which commenced construction in November 2018 and is anticipated to be in-service during 2020.

By Order dated May 8, 2019, the Board suspended the proposed rate increase until August 29, 2019 pending further action on this matter. This matter was subsequently transmitted to the Office of Administrative Law ("OAL") as a contested case, and was assigned to Administrative Law Judge ("ALJ") Jacob S. Gertsman for consideration and hearing.

On July 2, 2019, NJNG updated its petition to include nine (9) months of actual data and three (3) months of estimated data. As a result, the requested rate increase was modified to \$129.5 million.

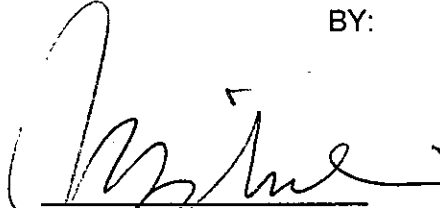
In light of the fact that this matter will not be completed by August 29, 2019, and to allow the ALJ sufficient time to conduct the case, it is **HEREBY ORDERED** that:

- (1) Pursuant to N.J.S.A. 48:2-21(d), the proposed revisions are suspended until December 29, 2019, 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 OAL, file with this Board and with the OAL, 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 New Jersey 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 August 17, 2019.


DATED: 8/7/19

BOARD OF PUBLIC UTILITIES
BY:


JOSEPH E. FIORDALISO
PRESIDENT

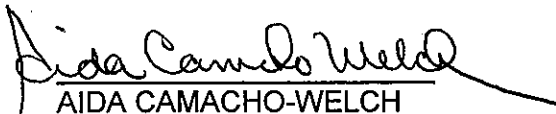

MARY-ANNA HOLDEN
COMMISSIONER


DIANNE SOLOMON
COMMISSIONER


UPENDRA J. CHIVUKULA
COMMISSIONER


ROBERT M. GORDON
COMMISSIONER

ATTEST:


AIDA CAMACHO-WELCH
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 NEW JERSEY NATURAL GAS COMPANY FOR APPROVAL OF AN INCREASE IN GAS BASE RATES AND FOR CHANGES IN ITS TARIFF FOR GAS SERVICE, PURSUANT TO N.J.S.A. 48:2-21 AND 48:2-21.1; AND FOR CHANGES TO DEPRECIATION RATES FOR GAS PROPERTY PURSUANT TO N.J.S.A. 48:2-18
BPU DOCKET NO. GR19030420

SERVICE LIST

New Jersey Natural Gas Company

1415 Wyckoff Road
Post Office Box 1464
Wall, NJ 07719

Mark G. Kahrer
mkahrer@njng.com

Andrew K. Dembia, Esq.
adembia@njng.com

Tina Trebino
ttrebino@njng.com

James Corcoran
jcorcoran@njng.com

Angela Cahill
acahill@njresources.com

Marianne Harrell
mharrell@njng.com

Judy DeSalvatore
jdesalvatore@njng.com

Craig Lynch
calynch@njng.com

Frederick W. Peters, Esq.
1101 14th Street, NW, Suite 350
Washington, DC 20005
fwpeters1@verizon.net

Gregory Eisenstark, Esq.
Cozen O'Connor
One Gateway Center Suite 2600
Newark, NJ 07102
geisenstark@cozen.com

Board of Public Utilities

Post Office Box 350
Trenton, NJ 08625-0350

Aida Camacho-Welch, Secretary
Board.secretary@bpu.nj.gov

Paul Flanagan, Esq.
Executive Director
paul.flanagan@bpu.nj.gov

Division of Energy

Stacy Peterson, Director
stacy.peterson@bpu.nj.gov

Paul Lupo, Bureau Chief
paul.lupo@bpu.nj.gov

Scott Sumliner
scott.sumliner@bpu.nj.gov

Ryan Moran
ryan.moran@bpu.nj.gov

Jacqueline Galka
jacqueline.galka@bpu.nj.gov

Bart Kilar
bart.kilar@bpu.nj.gov

Oneil Hamilton
oneil.hamilton@bpu.nj.gov

Beverly Tyndell
beverly.tyndell@bpu.nj.gov

Stephan Luma
stephan.luma@bpu.nj.gov

John Hoffman, Esq.
Wilentz, Goldman & Spitzer
90 Woodbridge Center Drive
Suite 900, Box 10
Woodbridge, NJ 07095-0958
jhoffman@wilentz.com

Daniel P. Yardley
Yardley & Associates
3 Apollo Circle
Lexington, MA 02421
dan@yardleyassociates.com

Ronald E. White
Foster Associates, Inc.
17595 S. Tamiami Trail, Suite 212
Fort Myers, FL 33908
r.white@fosterfm.com

Paul R. Moul
P. Moul & Associates
251 Hopkins Road
Haddonfield, NJ 08033-2062
prmoul@verizon.net

Division of Rate Counsel
140 East Front Street, 4th Floor
Post Office Box 003
Trenton, NJ 08625-0003

Stefanie A. Brand, Esq., Director
sbrand@rpa.nj.gov
Brian Lipman, Litigation Manager
blipman@rpa.nj.gov

Felicia Thomas-Friel, Esq.
ftthomas@rpa.nj.gov

Sarah Steindel, Esq.
ssteinde@rpa.nj.gov

Henry Ogden, Esq.
hogden@rpa.nj.gov

Kurt Lewandowski, Esq.
klewando@rpa.nj.gov

Maura Caroselli, Esq.
mcaroselli@rpa.nj.gov

Christopher Oprysk
christopher.oprysk@bpu.nj.gov

Sri Medicherla
sri.medicherla@bpu.nj.gov

Counsel's Office

Abe Silverman, General Counsel
abe.silverman@bpu.nj.gov

Heather Weisband, Esq.
Heather.Weisband@bpu.nj.gov

Economist Office

Ben Witherell, Chief Economist
benjamin.witherell@bpu.nj.gov

Dr. Son Lin Lai
son-lin.lai@bpu.nj.gov

Jackie O'Grady
jackie.ogrady@bpu.nj.gov

Reliability and Security

Michael Stonack
michael.stonack@bpu.nj.gov

Joseph Costa
joseph.costa@bpu.nj.gov

Brian Weeks
bweeks@rpa.nj.gov

Shelly Massey, Paralegal
smassey@rpa.nj.gov

Deputy Attorneys General
Department of Law & Public Safety
Division of Law
Post Office Box 45029
Newark, NJ 07101-45029

Geoffrey Gersten, DAG
geoffrey.gersten@law.njoag.gov

Renee Greenberg, DAG
renee.greenberg@law.njoag.gov

Caroline Vachier, DAG
caroline.vachier@law.njoag.gov

Jenique Jones, Paralegal
jenique.jones@law.njoag.gov