



Agenda Date: 4/27/21
Agenda Item: IIA

STATE OF NEW JERSEY
Board of Public Utilities
44 South Clinton Avenue, 9th Floor
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 THE 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 N.J.S.A. 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. GR21030679

Parties of Record:

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

BY THE BOARD:

On March 30, 2021, 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 pursuant to N.J.S.A. 48:2-21, N.J.S.A. 48:2-21.1, and N.J.S.A. 48:2-18 to: (i) increase its current base rates for natural gas service by approximately \$165.67 million (excluding Sales and Use Tax); (ii) implement certain rate and tariff revisions; and (iii) revise its existing depreciation rates, effective April 29, 2021, but no later than December 30, 2021 ("Petition").

The Company is also requesting a return on equity of 10.50%. According to the Petition, the Company's current base rates and charges for natural gas service are not sufficient at their current level and, if left unchanged, the current base rates will impair NJNG's ability to meet operating and maintenance expenses, taxes, fixed charges, and its ability to earn a reasonable rate of return on the fair value of the Company's property.

In the Petition, NJNG also seeks authority from the Board to do the following:

1. Increase rates and charges for natural gas service that would result from the proposed amendments to the Company's tariff;
2. Update the underlying inventory related costs of its Balancing Charge rate;

3. Incorporate the results of its cost of service study supporting the implementation of new base rates;
4. Update its tariff for certain modifications and revisions; and
5. Recover regulatory assets recorded on the Company's balance sheet, including amortization of these assets.

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

(1) Pursuant to N.J.S.A. 48:2-21(d), and consistent with N.J.A.C. 14:1-5.12, the proposed revisions are suspended until August 29, 2021, unless prior to that date, the Board makes a determination disposing of the petition or enters an Order further suspending the proposed revisions;

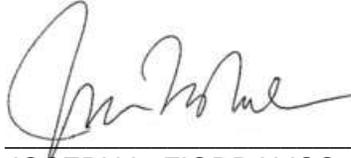
(2) NJNG shall, at least 10 days prior to the date set for hearing on the petition by the Office of Administrative Law ("OAL"), file with this Board and with the OAL, proof of compliance with the notice provisions of N.J.S.A. 48:2-32.2 and N.J.A.C. 14:1-5.12(b) and (c), which notice shall include a statement 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 serve copies of this Order upon the OAL, the New Jersey Division of Rate Counsel (140 East Front Street, 4th Floor, Post Office Box 003, Trenton, N.J. 08625), the clerk of each affected municipality, the clerk of the Board of County Commissioners of the affected county, and where appropriate, the executive officer of the affected county within its service area. Service of the petition, notice of hearings and this Order may be made simultaneously.

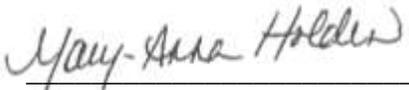
This Order shall be effective on April 28, 2021.

DATED: April 27, 2021

BOARD OF PUBLIC UTILITIES
BY:



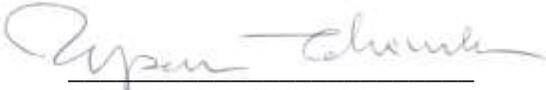
JOSEPH L. FIORDALISO
PRESIDENT



MARY-ANNA HOLDEN
COMMISSIONER



DIANNE SOLOMON
COMMISSIONER

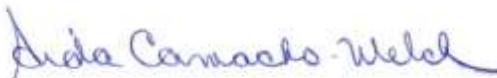


UPENDRA J. CHIVUKULA
COMMISSIONER



ROBERT M. GORDON
COMMISSIONER

ATTEST:



AIDA CAMACHO-WELCH
SECRETARY

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 N.J.S.A. 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. GR21030679

SERVICE LIST

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