



Agenda Date: 9/27/23
Agenda Item: 2B

STATE OF NEW JERSEY
Board of Public Utilities
44 South Clinton Avenue, 1st 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)
APPROVAL OF A BASE RATE ADJUSTMENT)
PURSUANT TO THE INFRASTRUCTURE)
INVESTMENT PROGRAM)

DECISION AND ORDER
APPROVING STIPULATION

DOCKET NO. GR23040207

Parties of Record:

Andrew K. Dembia, Esq., on behalf of New Jersey Natural Gas Company
Brian O. Lipman, Esq., Director, New Jersey Division of Rate Counsel

BY THE BOARD:

On March 30, 2023, New Jersey Natural Gas Company (“NJNG” or “Company”) filed a petition with the New Jersey Board of Public Utilities (“Board”) seeking to adjust its Rider “D”: Infrastructure Investment Program (“IIP”) tariff component of its base rates to recover the revenue requirements associated with the approved IIP as of June 30, 2023 (“March 2023 Petition”). By this Decision and Order, the Board considers a stipulation of settlement (“Stipulation”) executed by NJNG, Board Staff (“Staff”), and the New Jersey Division of Rate Counsel (“Rate Counsel”) (collectively, “Parties”), which resolves the Company’s requests related to the March 2023 Petition.

BACKGROUND AND PROCEDURAL HISTORY

On October 28, 2020, the Board authorized NJNG to implement the IIP.¹ The IIP was intended to improve the reliability and resiliency of its gas distribution system by investing in its transmission and distribution system. The October 2020 Order established the IIP investment level of \$150 million to be recovered through the stipulated cost recovery mechanism and authorized the Company to expend at least \$15.1 million, or an average of \$3.0 million per year over the five (5)-year term of the IIP, on similar projects and to maintain annual baseline capital spending levels of \$70 million for the duration of the IIP, which is based upon the Company’s historical five (5)-year average of baseline capital spending from 2014 to 2018. The March 2023 Petition was the second cost recovery filing under the IIP.

¹ In re the Petition of New Jersey Natural Gas Company for Approval to Implement an Infrastructure Investment Program (“IIP”) and Associated Cost Recovery Mechanism Pursuant to N.J.S.A. 48:2-21 and N.J.A.C. 14:3-2A, BPU Docket No. GR19020278, Order dated October 28, 2020 (“October 2020 Order”).

The breakdown of the approved IIP projects is as follows:

1. Reliability and Resiliency Projects (15):	\$58,250,000
2. Replacement and Reinforcement Projects (4):	\$10,750,000
3. Regulator Station Reconstruction Project (1):	\$5,000,000
4. Trunk Line Replacement Projects (2):	\$37,000,000
5. Excess Flow Valves (8,000):	\$20,000,000
6. Regulator Protectors (47,500):	<u>\$19,000,000</u>
Total Investment Amount:	\$150,000,000

March 2023 Petition

In the March 2023 Petition, the Company sought approval to recover the revenue requirements associated with certain gas investment costs of the IIP incurred through June 30, 2023. Specifically, the Company sought the authority to establish rates to recover an annualized increase in revenue requirement of \$3.52 million associated with the IIP's investment costs. The annualized increase in revenue requirement was based upon actual expenditures through February 28, 2023, and projected expenditures through June 30, 2023, and was the basis for the proposed increase in base rates.

On July 27, 2023, the Company provided updated schedules with actual data through June 30, 2023 ("July 2023 Update"). The updated annual increase in revenue requirement reflected in the July 2023 Update was lower than the increase in annual revenue requirement initially proposed. The proposed updated rates are designed to recover the revenue requirement increase of \$3.16 million.

Notice setting forth the requested rate change and the date of the public hearings were placed in newspapers having circulation within NJNG's service territory and served upon the appropriate county officials and clerks of all municipalities within the Company's service territory. The public hearings were held virtually at 4:30 p.m. and 5:30 p.m. on August 23, 2023. No members of the public attended the public hearings or submitted written comments.

STIPULATION

Following a review of the March 2023 Petition, the July 2023 Update and discovery responses, the Parties executed a stipulation which provides for the following:²

9. The Company shall implement the base rates associated with the July 2023 Update revenue requirement of \$3.16 million as shown in Attachment A of the Stipulation, and the associated rate design as detailed in Attachment B of the Stipulation. Upon Board approval, the Company shall implement the rates specified in Attachment B of the Stipulation and the rates shall be set forth in Rider D – Infrastructure Investment Program – IIP, of the Company's tariff, BPU No. 11- Gas, with the IIP Base Rate Charge as a component of the total Delivery Charge on a customer's bill.

² Should there be any contradiction between the terms of this summary and the terms of the Stipulation, the terms of the Stipulation control, subject to the finding and conclusion in this Order. Paragraphs are lettered and/or numbered to coincide with the Stipulation.

10. The impact of the increased rates, including sales and use tax at the current rate, to the typical residential heating customer using 100 therms in a month is \$0.48 or approximately 0.3 percent (0.3%) on a monthly bill. Calculations showing the rate impacts are summarized in Attachment C of the Stipulation.
11. The Parties agree that pursuant to the terms of the October 2020 Order, NJNG may implement these rates effective October 1, 2023, or upon a date determined by the Board. The rate adjustments established in the Stipulation shall be provisional and subject to refund as set forth in the October 2020 Order. Nothing in the Stipulation will preclude any party from raising any objection in the next base rate case relating to the prudence of the IIP projects and the related expenditures.

DISCUSSION AND FINDINGS

The Board carefully reviewed the record in this proceeding, including the March 2023 Petition, the July 2023 Update, and the attached Stipulation. The Board **HEREBY FINDS** the Stipulation to be reasonable, in the public interest, and in accordance with the law. Therefore, the Board **HEREBY ADOPTS** the attached Stipulation in its entirety and **HEREBY INCORPORATES** its terms and conditions as if fully stated in this Order.

The Board **HEREBY APPROVES** the rate adjustments to the Company's Rider "D" IIP tariff reflected in the Stipulation, on a provisional basis, subject to refund with interest and review for prudence in a future NJNG base rate case. As a result of the Stipulation, an average residential customer using approximately 100 therms per month will experience an increase in their monthly bill of \$0.48 or approximately (0.3%).

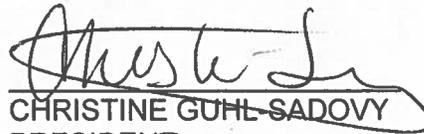
The Board **HEREBY DIRECTS** NJNG to file revised tariff sheets conforming to the terms of the Order by September 27, 2023 for rates effective October 1, 2023.

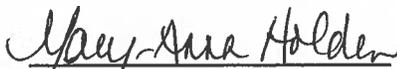
The Company's costs, including those related to the IIP, remain subject to audit by the Board. This Decision and Order shall not preclude, nor prohibit, the Board from taking any actions determined to be appropriate as a result of any such audit.

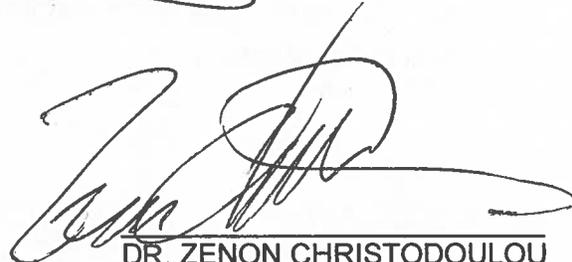
This Order shall be effective on September 27, 2023.

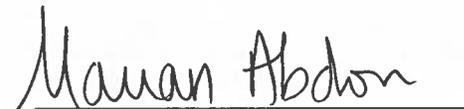
DATED: September 27, 2023

BOARD OF PUBLIC UTILITIES
BY:


CHRISTINE GUHL-SADOVY
PRESIDENT


MARYANNA HOLDEN
COMMISSIONER


DR. ZENON CHRISTODOULOU
COMMISSIONER


MARIAN ABDOU
COMMISSIONER

ATTEST:


SHERRI L. GOLDEN
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 A BASE RATE ADJUSTMENT PURSUANT TO THE INFRASTRUCTURE INVESTMENT PROGRAM

DOCKET NO. GR23040207

SERVICE LIST

<p><u>New Jersey Natural Gas Company</u></p> <p>Andrew Dembia, Esq. Regulatory Affairs Counsel New Jersey Natural Gas 1415 Wyckoff Road Wall, NJ 07719 adembia@njng.com</p> <p><u>New Jersey Division of Rate Counsel</u></p> <p>Post Office Box 003 Trenton, NJ 08625-0003</p> <p>Brian O. Lipman, Esq., Director blipman@rpa.nj.gov</p> <p>Maura Caroselli, Esq., Managing Attorney mcaroselli@rpa.nj.gov</p> <p><u>Board of Public Utilities</u></p> <p>44 South Clinton Avenue, 1st Floor Post Office Box 350 Trenton, NJ 08625-0350</p> <p>Sherri Golden, Secretary board.secretary@bpu.nj.gov</p> <p>Stacy Peterson, Deputy Executive Director stacy.peterson@bpu.nj.gov</p> <p><u>Division of Energy & Water</u></p> <p>Mike Kammer, Director mike.kammer@bpu.nj.gov</p> <p>Malike Cummings, Deputy Director malike.cummings@bpu.nj.gov</p> <p>Justin Cederberg, Administrative Analyst III justin.cederberg@bpu.nj.gov</p> <p><u>Counsel's Office</u></p> <p>Michael Beck, General Counsel michael.beck@bpu.nj.gov</p> <p>Carol Artale, Deputy General Counsel carol.artale@bpu.nj.gov</p> <p>Heather Weisband, Senior Counsel heather.weisband@bpu.nj.gov</p> <p>Michael Hunter, Regulatory Officer michael.hunter@bpu.nj.gov</p>	<p><u>NJ Department of Law and Public Safety</u></p> <p>Richard J. Hughes Justice Complex Public Utilities Section 25 Market Street, P.O. Box 112 Trenton, NJ 08625</p> <p>Pamela Owen, DAG Assistant Section Chief pamela.owen@law.njoag.gov</p> <p>Matko Ilic, DAG matko.ilic@law.njoag.gov</p> <p>Terel Klein, DAG terel.klein@law.njoag.gov</p>
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September 14, 2023

VIA ELECTRONIC TRANSMISSION

Secretary Sherri L. Golden
New Jersey Board of Public Utilities
44 South Clinton Avenue, 1st Floor
P.O. Box 350
Trenton, NJ 08625-0350

Re: In the Matter of the Petition of New Jersey Natural Gas Company
for Approval of a Base Rate Adjustment Pursuant to The
Infrastructure Investment Program ("IIP")
BPU Docket No. GR23040207

Dear Secretary Golden:

Enclosed please find, on behalf of New Jersey Natural Gas Company, a fully executed Stipulation of Settlement in the above captioned matter.

Should you have any questions, please do not hesitate to contact me.

Respectfully submitted,

A handwritten signature in blue ink that reads 'Andrew K Dembia'. The signature is fluid and cursive, with the first letters of the first and last names being capitalized and prominent.

Andrew K Dembia, Esq.
Regulatory Affairs Counsel

AKD/sf

Encl.

C: Service List

**IN THE MATTER OF THE PETITION OF
NEW JERSEY NATURAL GAS COMPANY
FOR APPROVAL OF A BASE RATE ADJUSTMENT PURSUANT TO THE
INFRASTRUCTURE INVESTMENT PROGRAM
DOCKET NO. GR23040207**

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**IN THE MATTER OF THE PETITION OF
NEW JERSEY NATURAL GAS COMPANY
FOR APPROVAL OF A BASE RATE ADJUSTMENT PURSUANT TO THE
INFRASTRUCTURE INVESTMENT PROGRAM
DOCKET NO. GR23040207**

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**STATE OF NEW JERSEY
BOARD OF PUBLIC UTILITIES**

IN THE MATTER OF THE PETITION OF)	
NEW JERSEY NATURAL GAS)	STIPULATION OF SETTLEMENT
COMPANY FOR APPROVAL OF A BASE)	
RATE ADJUSTMENT PURSUANT TO THE)	
INFRASTRUCTURE INVESTMENT)	BPU DOCKET NO. GR23040207
PROGRAM)	

APPEARANCES:

Andrew K. Dembia, Esq., Regulatory Affairs Counsel for the Petitioner, New Jersey Natural Gas Company

Maura Caroselli, Esq., Managing Attorney – Gas, **Mamie W. Purnell, Esq.**, Assistant Deputy Rate Counsel and **Megan Lupo, Esq.**, Assistant Deputy Rate Counsel, for the New Jersey Division of Rate Counsel (**Brian O. Lipman**, Director)

Terel Klein, Deputy Attorney General, for the Staff of the New Jersey Board of Public Utilities (**Matthew J. Platkin**, Attorney General of New Jersey)

TO: THE NEW JERSEY BOARD OF PUBLIC UTILITIES

On March 30, 2023, New Jersey Natural Gas Company (“NJNG” or “Company”) filed a petition with the New Jersey Board of Public Utilities (“Board” or “BPU”) seeking BPU approval to recover the revenue requirements associated with certain gas investment costs of the Infrastructure Investment Program (“IIP”) incurred through June 30, 2023 (“March 2023 Petition”).

BACKGROUND

1. On February 28, 2019, NJNG filed a petition with the Board requesting approval of its IIP (“February 2019 Petition”). The February 2019 Petition included a mechanism for the recovery of capital infrastructure costs invested through its IIP and was filed pursuant to the Board’s rules for utility “Infrastructure Investment and Recovery” to encourage utilities to implement IIPs. These rules are codified at N.J.A.C. 14:3-2A.1 et seq. and became effective

on January 16, 2018.

2. On October 28, 2020, the Board in Docket No. GR19020278 (“October 2020 Order”) approved the Company’s IIP Stipulation of Settlement (“IIP Stipulation”) setting forth the IIP investment level of \$150 million to be recovered through the stipulated cost recovery mechanism described below. The Company agreed to expend at least \$15.1 million, or an average of \$3.0 million per year over the five (5)-year term of the IIP, on similar projects and to maintain annual baseline capital spending levels of \$70 million for the duration of the IIP, which is based on the Company’s historical five (5)-year average of baseline capital spending from 2014 to 2018.
3. Pursuant to the October 2020 Order adopting the IIP Stipulation, the estimated IIP investment levels for specific projects, excluding Allowance for Funds Used During Construction (“AFUDC”), are as follows:

<u>PROJECTS</u>	<u>(000's)</u>
<u>RELIABILITY AND RESILIENCY PROJECTS (15):</u>	
Denville-Randolph Reinforcement	\$5,000
Southern Randolph Reinforcement	\$2,500
Flanders Route 206 Reinforcement Loop	\$4,000
Lincoln Park Reinforcement Loop	\$1,000
Mt. Arlington - Jefferson Reinforcement Loop	\$4,000
Netcong-Stanhope Reinforcement Loop	\$18,000
Northern Boonton Reinforcement Loop	\$1,250
Taylortown Reinforcement Loop	\$2,500
Western Randolph Reinforcement Loop	\$6,000
Western Freehold Reinforcement Loop	\$2,500
Bayville-Forked River Reinforcement Loop	\$2,500
Beachwood Reinforcement Loop	\$1,000
Hope Chapel Reinforcement Loop	\$2,500
Southern Jackson Ridgeway Reinforcement Loop	\$1,500
Western Jackson Bowman Reinforcement Loop	\$4,000
<u>REPLACEMENT AND REINFORCEMENT PROJECTS (4):</u>	
Brielle Pump Line Reinforcement	\$3,000

Toms River East Reinforcement	\$4,000
Joe Parker Reinforcement	\$1,750
Dover Chester Reinforcement	\$2,000

REGULATOR STATION RECONSTRUCTION PROJECT (1):

Cedar Bridge Regulator Station	\$5,000
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TRUNK LINE REPLACEMENT PROJECTS (2):

Denville Trunk Line Replacement	\$25,000
Roxbury Route 46 Trunk Extension	\$12,000

EXCESS FLOW VALVES (8,000):

Excess Flow Valves	\$20,000
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REGULATOR PROTECTORS (47,500):

Vents	\$19,000
	<u>\$150,000</u>

- As agreed to by the Parties, and set forth in the October 2020 Order, the Company will allocate the total revenue requirement to each firm customer class based upon the level of distribution revenues from the rate design approved in the Company’s most recent base rate case. A volumetric distribution charge will be determined for each class utilizing the billing determinants used to set rates in the Company’s most recent base rate case. The Margin Revenue Factor in NJNG’s current Conservation Incentive Program tariff will be revised in order to reflect the IIP annual rate adjustments authorized by this Stipulation of Settlement (“Stipulation”). To the extent a different rate design methodology is adopted in the future for establishing base rates, then that rate design shall be utilized for the IIP Cost Recovery Mechanism in IIP filings subsequent to the adoption of such methodology.
- NJNG’s March 2023 Petition sought the authority to establish rates to recover an annualized increase in revenue requirement of \$3.52 million. The proposed revenue requirement increase is associated with the IIPs’ investment costs. The annualized increase in revenue requirement was supported by Schedule NJNG-IIP-1 attached to the

March 2023 Petition, which was based upon actual expenditures through February 28, 2023 and projected expenditures through June 30, 2023, and was the basis for the proposed increase in base rates.

6. On July 27, 2023, the Company provided updated schedules with actual data through June 30, 2023 (“July 2023 Update”). The updated annual increase in revenue requirement reflected in the July 2023 Update is lower than the increase in annual revenue requirement initially proposed in this matter. The proposed updated rates, as described below, are designed to recover the revenue requirement increase of \$3.16 million.
7. Notice of the Company’s March 2023 Petition, including the original revenue requirement increase of \$3.52 million and the date, time and place of public hearings, was placed in newspapers having a circulation within the Company’s service territory, and was served upon the Clerks of the municipalities, the Clerks of the Board of County Commissioners, and the County Executives within the Company’s service territory. In accordance with that notice, two virtual public hearings were held on August 23, 2023. No members of the public provided comments on these matters at the hearings, nor were any written comments received by the BPU, NJNG or the New Jersey Division of Rate Counsel (“Rate Counsel”).
8. Upon review of the March 2023 Petition, the July 2023 Update, and responses to discovery, Staff of the New Jersey Board of Public Utilities (“Board Staff”), Rate Counsel, and NJNG, the only parties to this proceeding (collectively, “Parties”), stipulate and agree as follows:

STIPULATED ISSUES

9. The Company shall implement the base rates associated with the July 2023 Update revenue requirement of \$3.16 million as shown in Attachment A, and the associated rate design as detailed in Attachment B. Upon Board approval, the Company shall implement the rates specified in Attachment B and the rates shall be set forth in Rider D – Infrastructure Investment Program – IIP, of the Company’s tariff, BPU No. 11- Gas, with the IIP Base Rate Charge as a component of the total Delivery Charge on a customer’s bill.
10. The impact of the increased rates, including sales and use tax at the current rate, to the typical residential heating customer using 100 therms in a month is \$0.48 or approximately 0.3 percent (0.3%) on a monthly bill. Calculations showing the rate impacts are summarized in Attachment C.
11. The Parties agree that pursuant to the terms of the October 2020 Order, NJNG may implement these rates effective October 1, 2023, or upon a date determined by the Board. The rate adjustments established herein shall be provisional and subject to refund as set forth in the October 2020 Order. Nothing herein will preclude any party from raising any objection in the next base rate case relating to the prudence of the IIP projects and the related expenditures.
12. The Company will submit final tariff sheets within five (5) business days of the effective date of the Board’s Order in this docket conforming to the agreed-upon rates and terms set forth in the above paragraphs.
13. This Stipulation represents a mutual balancing of interests, contains interdependent provisions and, therefore, is intended to be accepted and approved in its entirety. In the event any aspect of this Stipulation is not accepted and approved in its entirety by the

Board, any Party aggrieved thereby shall not be bound to proceed with this Stipulation and shall have the right to litigate all issues addressed herein to a conclusion. More particularly, if this Stipulation is not adopted in its entirety by the Board in any applicable Order, then any Party hereto is free to pursue its then available legal remedies with respect to all issues addressed in this Stipulation as though this Stipulation had not been signed.

14. The Parties agree that they consider the Stipulation to be binding on them for all purposes herein.
15. It is specifically understood and agreed that this Stipulation represents a negotiated agreement and has been made exclusively for the purpose of these proceedings. Except as expressly provided herein, NJNG, Board Staff, and Rate Counsel shall not be deemed to have approved, agreed to, or consented to any principle or methodology underlying or supposed to underlie any agreement provided herein, in total or by specific item. The Parties further agree that this Stipulation is in no way binding upon them in any other proceeding, except to enforce the terms of this Stipulation.
16. The Parties further acknowledge that a Board Order approving this Stipulation will become effective upon the service of said Board Order, or upon such date after the service thereof as the Board may specify, in accordance with N.J.S.A. 48:2-40.

WHEREFORE, the Parties hereto respectfully request that the Board issue a Decision and Order approving this Stipulation in its entirety, in accordance with the terms hereof, as soon as reasonably possible in order to implement these rates as of the later of October 1, 2023, or the effective date of the Board Order approving this Stipulation.

**NEW JERSEY NATURAL GAS COMPANY
PETITIONER**



By:

ANDREW K. DEMBIA, ESQ.
New Jersey Natural Gas

**BRIAN O. LIPMAN, DIRECTOR
NEW JERSEY DIVISION OF RATE COUNSEL**



By:

MEGAN LUPO, ESQ.
ASSISTANT DEPUTY RATE COUNSEL

**MATTHEW J. PLATKIN
ACTING ATTORNEY GENERAL OF NEW JERSEY**
Attorney for the Staff of the Board of Public Utilities



By:

TEREL KLEIN
DEPUTY ATTORNEY GENERAL

Date: September 14, 2023

**IIP ENGINEERING PROGRAM
Roll-in Calculation**

Investment End Date **6/30/2023**

RATE BASE CALCULATION

	<u>Total</u>
Gross Plant	\$28,198,297
Accumulated Depreciation	(\$222,311)
Net Plant	\$27,975,986
Accumulated Deferred Taxes	(\$74,225)
Rate Base	\$27,901,761
Rate of Return - Net of Tax (SCHEDULE NJNG-IIP-2)	6.37%
Return Requirement	\$1,778,597
Depreciation Exp, net	\$535,312
O&M Credit	(\$71,890)
	<u>\$2,242,020</u>
Revenue Factor (SCHEDULE NJNG-IIP-3)	1.408
Total Revenue Requirement	<u>\$3,156,764</u>

SUPPORT

Gross Plant

Plant in-service	\$27,660,417
AFUDC - Debt	\$218,428
AFUDC - Equity	\$319,452
Total Gross Plant	<u>\$28,198,297</u>

Accumulated Depreciation

Accumulated Depreciation	(\$222,311)
Net Accumulated Depreciation	<u>(\$222,311)</u>

Depreciation Expense (Net of Tax)

Depreciable Plant (xAFUDC-E)	\$27,878,845
AFUDC-E	\$319,452
Depreciation Rate	<u>By Asset Class</u>
Depreciation Expense	\$747,479
Depreciation Expense Retirements	\$2,852
Tax @ 28.11%	209,315
Depreciation Expense (Net of Tax)	<u>\$535,312</u>

New Jersey Natural Gas Company
Base Rates and Revenues at Present and Proposed Rates

Component (a)	Amount ¹ (b)	Units (c)	Present Rates		Proposed Rates	
			Rate (d)	Revenue (e)	Rate (f)	Revenue (g)
<u>Residential Service</u>			<u>RS</u>		<u>RS</u>	
Customer Charge	6,250,626	Bills	\$ 10.32	\$ 64,506,460	\$ 10.32	\$ 64,506,460
Volumetric Charge	506,946,688	Therms	0.5746	291,291,567	0.5791	293,572,827
Total Base Revenues				\$ 355,798,026		\$ 358,079,287

<u>General Service Small (less than 5,000 Annual Therms)</u>			<u>GSS</u>		<u>GSS</u>	
Customer Charge	380,683	Bills	\$ 39.39	\$ 14,995,098	\$ 39.39	\$ 14,995,098
Volumetric Charge	39,584,913	Therms	0.5001	19,796,415	0.5059	20,026,008
Volumetric Charge - A/C	56,128	Therms	0.1088	6,107	0.1096	6,152
Total Base Revenues				\$ 34,797,620		\$ 35,027,257

<u>General Service Large (5,000 + Annual Therms)</u>			<u>GSL</u>		<u>GSL</u>	
Customer Charge	94,586	Bills	\$ 97.54	\$ 9,225,898	\$ 97.54	\$ 9,225,898
Demand Charge	10,678,878	Therms	3.2000	34,172,408	3.2000	34,172,408
Volumetric Charge	135,797,036	Therms	0.3174	43,101,979	0.3216	43,672,327
Volumetric Charge - A/C	133,220	Therms	0.1088	14,494	0.1096	14,601
Total Base Revenues				\$ 86,514,780		\$ 87,085,234

<u>Firm Transportation Service</u>			<u>FT</u>		<u>FT</u>	
Customer Charge	1,517	Bills	\$ 328.25	\$ 497,922	\$ 328.25	\$ 497,922
Demand Charge	2,435,047	Therms	2.3447	5,709,454	2.3447	5,709,454
Volumetric Charge	24,653,234	Therms	0.0796	1,962,397	0.0818	2,016,635
Total Base Revenues				\$ 8,169,774		\$ 8,224,011

¹ Billing determinants are from Attachment D, Pages 3-5, of the stipulation approved in the Board's November 17, 2021 Order in BPU Docket No. GR21030679.

New Jersey Natural Gas Company
Base Rates and Revenues at Present and Proposed Rates

Component (a)	Amount ¹ (b)	Units (c)	Present Rates		Proposed Rates		
			Rate (d)	Revenue (e)	Rate (f)	Revenue (g)	
<u>Distributed Generation - Commercial</u>			<u>DGC</u>		<u>DGC</u>		
Customer Charge	269	Bills	\$ 97.54	\$ 26,195	\$ 97.54	\$ 26,195	
Demand Charge	379,385	Therms	2.2040	836,165	2.2040	836,165	
Volumetric Charge - Winter	3,317,249	Therms	0.0713	236,520	0.0726	240,832	
Volumetric Charge - Summer	3,455,288	Therms	0.0407	140,630	0.0420	145,122	
Total Base Revenues				\$ 1,239,511		\$ 1,248,315	
<u>Natural Gas Vehicle / Compressed Natural Gas Service</u>			<u>NGV / CNG</u>		<u>NGV / CNG</u>		
Customer Charge	60	Bills	\$ 97.54	\$ 5,852	\$ 97.54	\$ 5,852	
Volumetric Charge	1,498,101	Therms	0.2708	405,686	0.2734	409,581	
CNG Charge	824,569	Therms	0.2000	164,914	0.2000	164,914	
Total Base Revenues				\$ 576,452		\$ 580,347	
TOTAL SYSTEM BASE DISTRIBUTION REVENUES				\$ 487,096,163		\$ 490,244,451	
						Increase	3,148,288
						TARGET Increase	<u>3,156,764</u>
						Difference	(\$8,475)

¹ Billing determinants are from Attachment D, Pages 3-5, of the stipulation approved in the Board's November 17, 2021 Order in BPU Docket No. GR21030679.

New Jersey Natural Gas Company
Net impact of proposed Rate Changes

Impact on Residential Non-Heating Customers			
		25 therm bill	
7/1/2023			
	Customer Charge	\$11.00	\$11.00
	Delivery	\$0.8599	\$21.50
	BGSS	\$0.5065	\$12.66
	Total	\$1.3664	\$45.16
Proposed Rates			
	Customer Charge	\$11.00	\$11.00
	Delivery	\$0.8647	\$21.62
	BGSS	\$0.5065	\$12.66
	Total	\$1.3712	\$45.28
	Increase		\$0.12
	Increase as a percent		0.3%

Impact on Residential Heating Customers				
		100 therm bill	1000 therm annual bill	
7/1/2023				
	Customer Charge	\$11.00	\$11.00	\$132.00
	Delivery	\$0.8953	\$89.53	\$895.30
	BGSS	\$0.5065	\$50.65	\$506.50
	Total	\$1.4018	\$151.18	\$1,533.80
Proposed Rates				
	Customer Charge	\$11.00	\$11.00	\$132.00
	Delivery	\$0.9001	\$90.01	\$900.10
	BGSS	\$0.5065	\$50.65	\$506.50
	Total	\$1.4066	\$151.66	\$1,538.60
	Increase		\$0.48	\$4.80
	Increase as a percent		0.3%	0.3%

Impact on Commercial GSS Customers			
		100 therm bill	
7/1/2023			
	Customer Charge	\$42.00	\$42.00
	Delivery	\$0.7896	\$78.96
	BGSS	\$0.5065	\$50.65
	Total	\$1.2961	\$171.61
Proposed Rates			
	Customer Charge	\$42.00	\$42.00
	Delivery	\$0.7958	\$79.58
	BGSS	\$0.5065	\$50.65
	Total	\$1.3023	\$172.23
	Increase		\$0.62
	Increase as a percent		0.4%

Impact on Commercial GSL Customers			
		1200 therm bill	
7/1/2023			
	Customer Charge	\$104.00	\$104.00
	Demand Charge	\$3.41	\$327.36
	Delivery	\$0.5910	\$709.20
	BGSS (July 2023)	\$0.3801	\$456.12
	Total	\$0.9711	\$1,596.68
Proposed Rates			
	Customer Charge	\$104.00	\$104.00
	Demand Charge	\$3.41	\$327.36
	Delivery	\$0.5955	\$714.60
	BGSS (July 2023)	\$0.3801	\$456.12
	Total	\$0.9756	\$1,602.08
	Increase		\$5.40
	Increase as a percent		0.3%