

NOTICE TO NEW JERSEY NATURAL GAS CUSTOMERS
IN THE MATTER OF THE PETITION OF NEW JERSEY NATURAL GAS
COMPANY FOR THE ANNUAL REVIEW AND REVISION OF ITS BASIC GAS
SUPPLY SERVICE (BGSS) AND ITS CONSERVATION
INCENTIVE PROGRAM (CIP) RATES FOR F/Y 2021
Docket No. GR20060378

NOTICE OF FILING AND PUBLIC HEARING

TO OUR CUSTOMERS:

PLEASE TAKE NOTICE that on May 29, 2020, New Jersey Natural Gas (“NJNG” or “Company”) filed a petition with the New Jersey Board of Public Utilities (“Board” or “BPU”) which constituted its 2020–2021 Basic Gas Supply Service (“BGSS”) and Conservation Incentive Program (“CIP”) rate filing pursuant to an Order issued by the Board on January 6, 2003, Docket No. GX01050304 (“Generic BGSS Order”), and Orders related to CIP issued by the Board in Docket No. GR05121020 dated December 12, 2006 and January 21, 2010, and in Docket No. GR13030185 dated May 21, 2014. The BGSS charge includes actual and projected natural gas commodity, storage and interstate transportation costs. The CIP charge provides for a rate adjustment related to changes in average use per customer when compared to a pre-established baseline value. The Board authorizes NJNG to adjust its Balancing Charge in the annual BGSS filing to reflect updated costs. In the filing, NJNG requested that the Board permit NJNG to decrease its BGSS rate for residential and small commercial sales customers and adjust its CIP rates effective October 1, 2020. Additionally, pursuant to the Board’s November 13, 2019 Order in BPU Docket No. GR19030420, NJNG requested to decrease its Balancing Charge effective October 1, 2020. The impact of the rate changes for a residential heating customer using an average of 100 therms per month would be a decrease of \$4.33 per month, or (3.8) percent as a result of the proposed BGSS rate, a decrease of \$0.62 per month, or (0.5) percent as a result of the proposed Balancing Charge rate, and an increase of \$3.48 per month, or 3.0 percent as a result of the proposed CIP rate. The combined impact of these rate changes would result in an overall decrease of approximately \$1.47 or (1.3) percent per month on a 100 therm residential bill. All Balancing Charge revenues from sales and transportation customers are credited to BGSS recoveries. A copy of the filing is available at www.njng.com/regulatory.

The effect of the Company’s request for the rate adjustments, to be effective October 1, 2020, on natural gas bills for the applicable customer classes is estimated to be as follows:

		Total Bill		Bill Impact				% Impact			
Customer Type	Therm Level	Bill as of May 1, 2020	Proposed Bill as of October 1, 2020	BGSS	Balancing Charge	CIP	Net Increase/ (Decrease)	BGSS	Balancing Charge	CIP	Net Increase/ (Decrease)
Residential Heat Sales	100	\$114.65	\$113.18	(\$4.33)	(\$0.62)	\$3.48	(\$1.47)	(3.8%)	(0.5%)	3.0%	(1.3%)
Residential Non-Heat Sales	25	\$37.69	\$35.16	(\$1.08)	(\$0.16)	(\$1.29)	(\$2.53)	(2.9%)	(0.4%)	(3.4%)	(6.7%)
General Service – Small	100	\$130.00	\$131.13	(\$4.33)	(\$0.62)	\$6.08	\$1.13	(3.3%)	(0.5%)	4.7%	0.9%
General Service – Large	1200	\$1,280.53	\$1,322.05	\$7.44	(\$7.44)	\$41.52	\$41.52	0.6%	(0.6%)	3.2%	3.2%

The General Service - Large (“GSL”) BGSS decrease shown above reflects the proposed Balancing Charge change since the Balancing Charge is deducted from the BGSS charge and included as a component of the delivery charge for no impact to the total bill of GSL sales customers.

PLEASE TAKE FURTHER NOTICE that future changes in NJNG’s rate for BGSS service may occur if NJNG elects to adjust its BGSS rates upward by filing timely notice with Board Staff and the New Jersey Division of Rate Counsel (“Rate Counsel”) pursuant to the Generic BGSS Order. Any such self-implementing increase will be limited to a maximum of five (5) percent of the total residential bill effective December 1, 2020, and to a maximum of five (5) percent of the total residential bill, effective February 1, 2021. Further, these self-implementing increases will be provisional and subject to true-up in connection with the next annual BGSS filing. Pursuant to the Generic BGSS Order, NJNG is permitted to decrease its BGSS rate at any time upon five days’ notice and the filing of supporting documentation with the Board and Rate Counsel.

If both of the above mentioned self-implementing increases were to be put into place as of the requested effective dates, the effect on typical residential and general service - small natural gas bills is estimated to be as follows:

Customer Type	Therm Level	Total Bill Increase		Proposed Bill	
		Bill as of October 1, 2020	Including December and February BGSS 5 Percent Increases	Amount	Percent
Residential Heat Sales	100	\$113.18	\$124.78	\$11.60	10.2%
Residential Non-Heat Sales	25	\$35.16	\$38.06	\$2.90	8.2%
General Service – Small	100	\$131.13	\$142.73	\$11.60	8.8%

The Board has the statutory authority to establish the BGSS, CIP and Balancing Charge rates at levels it finds just and reasonable. Therefore, the Board may establish the BGSS, CIP and Balancing Charge rates at levels other than those proposed by NJNG. NJNG’s natural gas costs addressed in this petition will remain subject to audit by the Board, and Board approval shall not preclude or prohibit the Board from taking any such actions deemed appropriate as a result of any such audit.

PLEASE TAKE ADDITIONAL NOTICE that due to the COVID-19 state of emergency, a telephonic public hearing will be conducted on the following date and times so that members of the public may present their views on the Company’s filing. Information provided at the public hearings will become part of the record of this case and will be considered by the Board in making its decision.

Date: August 17, 2020
Public Hearing 1: 4:30pm
Public Hearing 2: 5:30pm
Dial In: 1-888-619-1583
Access Code: 819208

Copies of NJNG’s May 29, 2020 filing can be reviewed on the Company’s website, www.njng.com/regulatory in the “Filings & Updates” subsection of the “Regulatory Info” section listed.

Representatives of the Board’s Staff and Rate Counsel will participate in the telephonic public hearing. Members of the public are invited to participate by utilizing the Virtual Access Code information set forth above, and may express their views on this filing. Such comments will be made part of the final record of the proceeding to be considered by the Board. The Board is also accepting written and emailed comments. Although both will be given equal consideration, the preferred method of transmittal is via email to ensure timely receipt while the Board continues to work remotely due to the COVID-19 pandemic. Written comments may be submitted to the Board Secretary, Aida Camacho, at the Board of Public Utilities, 44 South Clinton Avenue, 9th Floor, P.O. Box 350, Trenton, NJ 08625-0350. Email comments should be submitted to: board.secretary@bpu.nj.gov Please include the name of the petition and the docket number when submitting comments. Written and emailed comments will be provided the same weight as statements made at the hearings.

Hearings will continue, if necessary, on such additional dates and at such locations as the Board may designate, to ensure that all interested persons are heard.

New Jersey Natural Gas Company
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