

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 2024

Docket No. GR23060348

NOTICE OF FILING AND PUBLIC HEARINGS

TO OUR CUSTOMERS:

PLEASE TAKE NOTICE that on June 1, 2023, New Jersey Natural Gas (“NJNG” or “Company”) filed a petition with the New Jersey Board of Public Utilities (“Board” or “BPU”) which constituted its 2023–2024 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 (“Petition”). 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. In the Board’s November 17, 2021 Order in BPU Docket No. GR21030679, the Board authorized NJNG to adjust its Balancing Charge, which is based on winter gas usage, in the annual BGSS filing to reflect updated costs.

In the petition, NJNG requested to decrease its BGSS rate for residential and small commercial sales customers and adjust its CIP rates effective October 1, 2023. Additionally, NJNG requested to decrease its Balancing Charge effective October 1, 2023. The impact of the rate changes for a residential heating customer using an average of 100 therms per month would be a decrease of \$7.75 per month, or 5.1 percent as a result of the proposed BGSS rate, a decrease of \$1.14 per month, or 0.8 percent as a result of the proposed Balancing Charge rate, and an increase of \$4.73 per month, or 3.1 percent as a result of the proposed CIP rate. The combined impact of these rate changes would result in an overall decrease of approximately \$4.16 or 2.8 percent per month on a 100 therm residential bill. All Balancing Charge revenues from sales and transportation customers are credited to BGSS recoveries.

The effect of the Company’s request for the rate adjustments, to be effective October 1, 2023, on natural gas bills for the applicable customer classes is estimated to be as follows:

		Total Monthly Bill		Monthly Bill Impact				% Impact			
Customer Type	Therm Level	Bill as of May 2023	Proposed Bill as of October 1, 2023	BGSS	Balancing Charge	CIP	Net Increase/(Decrease)	BGSS	Balancing Charge	CIP	Net Increase/(Decrease)
Residential Heat Sales	100	\$151.18	\$147.02	(\$7.75)	(\$1.14)	\$4.73	(\$4.16)	(5.1%)	(0.8%)	3.1%	(2.8%)
Residential Non-Heat Sales	25	\$45.16	\$43.70	(\$1.93)	(\$0.28)	\$0.75	(\$1.46)	(4.3%)	(0.6%)	1.7%	(3.2%)
General Service – Small	100	\$171.61	\$166.97	(\$7.75)	(\$1.14)	\$4.25	(\$4.64)	(4.5%)	(0.7%)	2.5%	(2.7%)
General Service - Large	1200	\$1,636.16	\$1,665.68	\$13.68	(\$13.68)	\$29.52	\$29.52	0.8%	(0.8%)	1.8%	1.8%

The General Service - Large (“GSL”) sales customers are not affected by the proposed BGSS request because they are subject to Monthly BGSS rates tied to monthly market pricing for their natural gas supply. GSL sales customers’ overall bills are also not affected by the proposed Balancing Charge because their Monthly BGSS rates are net of the Balancing Charge and the Balancing Charge is included in their Delivery Charge, offsetting each other. The GSL BGSS increase and Balancing Charge decrease shown above reflect the proposed Balancing Charge change in both rates resulting in no impact.

Further changes in NJNG’s rate for BGSS service may occur if NJNG elects to adjust its BGSS rates upward by filing timely notice with the Board and the New Jersey Division of Rate Counsel (“Rate Counsel”) pursuant to the Generic BGSS Order. Any such self-implementing increase is limited to a maximum of five (5) percent of the total residential bill effective December 1, 2023, and to a maximum of five (5) percent of the total residential bill, effective February 1, 2024. Further, these self-implementing increases would 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 (5) days’ notice and the filing of supporting documentation with the Board and the New Jersey Division of Rate Counsel (“Rate Counsel”).

If both of the above mentioned self-implementing increases were put into place as of the requested effective dates, the effect on typical Residential and General Service - Small natural gas bills are estimated to be as follows:

Customer Type	Monthly Therm Level	Total Monthly Bill		Increase	
		Bill as of October 1, 2023	Proposed Bill Including December and February BGSS 5 Percent Increases	Amount	Percent
Residential Heat Sales	100	\$147.02	\$162.09	\$15.07	10.3%
Residential Non-Heat Sales	25	\$43.70	\$47.46	\$3.76	8.6%
General Service – Small	100	\$166.97	\$182.04	\$15.07	9.0%

The Board has the statutory authority pursuant to N.J.S.A. 48:2-21 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. As a result, the described charges may increase or decrease based upon the Board’s decision. NJNG’s natural gas costs addressed in the petition 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 FURTHER NOTICE that due to the COVID-19 Pandemic, virtual public hearings will be conducted on the following date and times so that members of the public may present their views on the Company’s filing.

VIRTUAL PUBLIC HEARINGS

Date: August 23, 2023
Hearing Times 4:30 pm and 5:30 pm

LOCATION

Zoom Virtual Webinar
Join: <https://us06web.zoom.us/j/2458136397?pwd=VUJpK1V0aDYxZDIlZUlwIwaEIOWDFRZz09>
Meeting ID: 245 813 6397
Passcode: 819208
Dial-In Number: +1 646 876 9923

Representatives of the Company, Board’s Staff and Rate Counsel will participate in the virtual public hearings.

Members of the public are invited to participate by utilizing Meeting ID or the Dial-In Number set forth above and may express their views on this Petition. All comments will be made part of the final record of the proceeding to be considered by the Board. In order to encourage full participation in this opportunity for public comment, please submit any requests for needed accommodations, such as interpreters, or listening assistance, 48 hours prior to the above hearing to the Board Secretary at board.secretary@bpu.nj.gov.

The Board is also accepting written and electronic comments. Comments may be submitted directly to the specific docket listed above using the “Post Comments” button on the Board’s Public Document Search tool. Comments are considered public documents for purposes of the State’s Open Public Records Act. Only public documents should be submitted using the “Post Comments” button on the Board’s Public Document Search tool. Any confidential information should be submitted in accordance with the procedures set forth in N.J.A.C. 14:1-12.3. In addition to hard copy submissions, confidential information may also be filed electronically via the Board’s e-filing system or by email to the Secretary of the Board. Please include “Confidential Information” in the subject line of any email. Instructions for confidential e-filing are found on the Board’s webpage. <https://www.nj.gov/bpu/agenda/efiling/>.

Emailed and/or written comments may also be submitted to:

Sherri L. Golden, Secretary of the Board
44 South Clinton Ave., 1st Floor
PO Box 350
Trenton, NJ 08625-0350
Phone: 609-913-6241
board.secretary@bpu.nj.gov

New Jersey Natural Gas Company
Andrew K. Dembia, Esq.