

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 2019 Docket No. GR18050586

NOTICE OF FILING AND PUBLIC HEARING

TO OUR CUSTOMERS:

PLEASE TAKE NOTICE that on May 29, 2018, New Jersey Natural Gas (“NJNG” or the “Company”) filed a petition which includes its 2018–2019 Basic Gas Supply Service (“BGSS”) and Conservation Incentive Program (“CIP”) rate filing pursuant to the “Order Approving BGSS Price Structure” issued by the New Jersey Board of Public Utilities (“Board”) on January 6, 2003, in Docket No. GX01050304 (“Generic BGSS Order”) and the 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. Pursuant to this filing, NJNG requested that the Board permit NJNG to maintain its BGSS rate and adjust its CIP rates effective October 1, 2018. Additionally, pursuant to the Board’s September 23, 2016 Order in BPU Docket No. GR15111304, NJNG requested to adjust its Balancing Charge effective October 1, 2018. The impact of the rate changes for a residential heating customer using an average of 100 therms per month would be a decrease of (\$5.41) per month or (5.4) percent as a result of the proposed CIP rate and an increase of \$1.74 per month, or 1.7 percent as a result of the proposed Balancing Charge rate. The combined impact of these rate changes would result in an overall decrease of approximately (\$3.67) or (3.7) 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, 2018, on natural gas bills for the applicable customer classes is estimated to be as follows:

Customer Type	Therm Level	Total Bill		Bill Impact				% Impact			
		Bill as of June 1, 2018	Proposed Bill as of October 1, 2018	BGSS	Balancing Charge	CIP	Net Increase/ (Decrease)	BGSS	Balancing Charge	CIP	Net Increase/ (Decrease)
Residential Heat Sales	100	\$100.53	\$96.86	\$0.00	\$1.74	(\$5.41)	(\$3.67)	0.0%	1.7%	(5.4%)	(3.7%)
Residential Non-Heat Sales	25	\$30.79	\$31.84	\$0.00	\$0.44	\$0.61	\$1.05	0.0%	1.4%	2.0%	3.4%
General Service – Small	100	\$113.96	\$109.14	\$0.00	\$1.74	(\$6.56)	(\$4.82)	0.0%	1.5%	(5.7%)	(4.2%)
General Service - Large	1200	\$1,235.81	\$1,194.89	(\$20.88)	\$20.88	(\$40.92)	(\$40.92)	(1.7%)	1.7%	(3.3%)	(3.3%)

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.

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 the 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 5 percent of the total residential bill, effective December 1, 2018, and to a maximum of 5 percent of the total residential bill, effective February 1, 2019. 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 of Public Utilities 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	
		Bill as of October 1, 2018	Proposed Bill Including December and February BGSS 5 Percent Increases	Amount	Percent
Residential Heat Sales	100	\$96.86	\$106.79	\$9.93	10.3%
Residential Non-Heat Sales	25	\$31.84	\$34.32	\$2.48	7.8%
General Service - Small	100	\$109.14	\$119.07	\$9.93	9.1%

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 NOTICE that public hearings on the petition have been scheduled for the following dates, times and places:

August 22, 2018 at 4:30 and 5:30 pm.
Freehold Township Municipal Building
Conference Room
One Municipal Plaza, Schanck Road
Freehold, NJ 07728-3099

August 23, 2018 at 4:30 and 5:30 p.m.
Rockaway Township Municipal Building
Conference Room
65 Mt. Hope Road
Rockaway, NJ 07866

The public is invited to attend, and interested persons will be permitted to comment and/or make a statement of their views on the proposed rate changes. In order to encourage full participation in this opportunity for public comment, please submit any requests for needed accommodations, including interpreter, listening devices or mobility assistance, 48 hours prior to this hearing to the Board Secretary at the address below. Regardless of whether they attend the hearing, members of the public may submit written comments concerning the petition to the Board by addressing them to: Aida Camacho-Welch, Secretary, New Jersey Board of Public Utilities, 44 South Clinton Avenue, 3rd Floor, Suite 314, P.O. Box 350, Trenton, NJ 08625-0350. Copies of NJNG’s May 29, 2018 filing can be reviewed either at the NJNG Customer Service Centers listed on the Company Web site, www.njng.com, or at the New Jersey Board of Public Utilities, 44 South Clinton Avenue, 3rd Floor, Suite 314, Trenton, NJ 08625-0350 or online at www.njng.com/regulatory.

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New Jersey Natural Gas