

# NEW JERSEY NATURAL GAS COMPANY NOTICE OF FILING AND PUBLIC HEARING

## IN THE MATTER OF THE ESTABLISHMENT OF A UNIVERSAL SERVICE FUND PURSUANT TO SECTION 12 OF THE ELECTRIC DISCOUNT AND ENERGY COMPETITION ACT OF 1999 BPU DOCKET NO. EX00020091

## IN THE MATTER OF THE PETITION OF NEW JERSEY NATURAL GAS COMPANY 2018/2019 ANNUAL COMPLIANCE FILING FOR THE UNIVERSAL SERVICE FUND PROGRAM FACTOR WITHIN THE SOCIETAL BENEFITS CHARGE RATE BPU DOCKET NO. ER18060661

**TO OUR CUSTOMERS:**

**PLEASE TAKE NOTICE** that, pursuant to the Electric Discount and Energy Competition Act, N.J.S.A. 48:3-49, et seq., the Universal Service Fund (“USF”) program was established by the New Jersey Board of Public Utilities (the “Board”), to provide funds to assist qualifying low-income individuals in paying their energy bills. Pursuant to Orders of the Board dated April 30, 2003, July 16, 2003 and June 22, 2005, the State’s electric and gas public utilities’ Societal Benefits Charge includes recovery of funding for the USF program through uniform statewide rates. The Societal Benefits Charge also includes funding for the Lifeline Program which incorporates funds for the Work First NJ program.

The State of New Jersey’s Department of Community Affairs is the Administrator of the USF Program and the New Jersey Department of Human Services is the Administrator of the Lifeline programs and authorizes the disbursement of benefits to eligible customers in the respective programs.

New Jersey Natural Gas Company (“NJNG” or the “Company”) made a compliance filing with the Board on June 22, 2018, requesting authority to implement an increase related to the statewide USF/Lifeline program charge, as described below, to be effective on October 1, 2018. The current after-tax USF/Lifeline program charge for natural gas customers is \$0.00087 per therm. The USF component is increasing by \$0.0011 per therm and the Lifeline component is increasing by \$0.0005 per therm. The proposed after-tax USF/Lifeline program charge will increase to \$0.0103 to recover approximately \$21.7 million for the statewide natural gas USF program and \$23.9 million for the Lifeline program. The above request will not result in any profit to the Company. The revenues received under the proposed USF charge are designed to permit the Company to recover only its costs for the USF and Lifeline program. Actual program costs will be reconciled with the revenues received through the USF program charge in the next annual filing scheduled to be made no later than July 1, 2019.

The proposed statewide charges for natural gas customers are as follows:

Universal Service/Lifeline Fund Components of Societal Benefits Charge				
	Present	Present (Incl. Sales and Use Tax)	Proposed	Proposed (Incl. Sales and Use Tax)
USF- per therm	\$0.0036	\$0.0038	\$0.0046	\$0.0049
Lifeline- per therm	\$0.0046	\$0.0049	\$0.0051	\$0.0054
Total USF/ Lifeline	\$0.0082	\$0.0087	\$0.0097	\$0.0103

If approved by the Board, the impact of the proposed changes in the USF/Lifeline Charge on typical natural gas bills is illustrated below:

Customer Type	Therm Level	Rates		Increase	
		Bill as of June 1, 2018	Proposed Bill as of October 1, 2018	Amount	Percent
<b>Residential Heat Sales</b>	100	\$100.53	\$100.69	\$0.16	0.16%
<b>Residential Non-Heat Sales</b>	25	\$30.79	\$30.83	\$0.04	0.13%
<b>General Service Small</b>	100	\$113.96	\$114.12	\$0.16	0.14%
<b>General Service Large</b>	1,200	\$1,224.77	\$1,226.69	\$1.92	0.16%

Based on this filing, a typical residential natural gas customer using 100 therms per month would see an increase in their monthly bill from \$100.53 to \$100.69, or \$0.16 or approximately 0.16 percent.

The Board has the statutory authority to establish the USF and Lifeline charges at levels it finds just and reasonable. Therefore, the Board may establish the USF and Lifeline charges at levels other than those proposed by NJNG.

**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 p.m. 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
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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. 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 June 22, 2018 filing can be reviewed either at the NJNG Customer Service Centers listed on the Company web site, [www.njng.com/regulatory](http://www.njng.com/regulatory), or at the New Jersey Board of Public Utilities, 44 South Clinton Avenue, 3rd Floor, Trenton, NJ 08625-0350.

New Jersey Natural Gas Company  
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