

NOTICE TO NEW JERSEY NATURAL GAS CUSTOMERS
Petition for Approval of Existing and New Energy-Efficiency Programs and a Class I Renewable Energy Program and the Associated Cost Recovery Mechanism
Docket No. G018030355

NOTICE OF FILING AND PUBLIC HEARING

TO OUR CUSTOMERS:

PLEASE TAKE NOTICE that on March 29, 2018, New Jersey Natural Gas (“NJNG” or the “Company”) filed a petition with the New Jersey Board of Public Utilities (“Board” or “BPU”) seeking approval to continue, with modifications, the existing energy-efficiency programs offered through NJNG’s The SAVEGREEN Project® (“SAVEGREEN”), approval of new energy efficiency programs, and continuation of the associated cost recovery mechanism. The existing programs include discounted energy saving measures, grants, financing opportunities, technical assistance and other resources to encourage energy saving measures and investments in energy-efficiency improvements by NJNG’s residential, commercial and industrial customers, including low-income to moderate-income customers. The proposed new energy-efficiency programs include rebates and discounts for smart thermostats and other energy-efficient products for residential customers; additional incentives, energy audits and other technical assistance for commercial customers; a grant program to fund development of emerging technologies; an educational program for schools; and a program to subsidize conversion of a selected all-electric cooperatively owned senior community to natural gas. In addition, the Company is proposing a program to install solar panels at Company facilities and assign the resulting electric bill credits and revenues from Solar Renewable Energy Certificates to a subset of its low-income customers. NJNG also requested that the Board allow the Company to continue the Board-approved Energy-Efficiency (“EE”) Rider, Rider F, that has been in effect since August 1, 2009 for collection of the costs associated with these programs. Those costs include funds for customer incentives and the associated incremental program investments and expenses. NJNG has requested that the carrying costs associated with these programs be allowed. The Company is requesting to offer these programs for a period of six years. If approved by the BPU, the SAVEGREEN Program will continue until December 31, 2024.

The total cost of the SAVEGREEN Program is \$352.84 million which is composed of \$158.37 million of direct investment, \$182.83 million of On-Bill Repayment Program and loans and \$11.64 million of operation and maintenance expenses over the proposed six year program. NJNG has requested that the Board allow the Company to recover the costs of the program, including a return on and return of the investments associated with the program. It is estimated that NJNG would recover a total of approximately \$302.28 million from ratepayers from 2019 through 2049. In this petition, NJNG has not requested a contemporaneous change to the EE rate. If these programs are approved as filed, customers will see no change in their bill before January 2019. The annual rate impact of the program for a typical residential heating customer using 1,000 therms of natural gas per year is expected to average \$14.74 per year or 1.4 percent over the 2019-2049 period, and is expected to peak at \$41.90 in 2024. The estimated rate impacts to customers for 2019 through 2024 are set forth in the following chart:

NEW JERSEY NATURAL GAS COMPANY
RATE IMPACT

NOTE: In this SAVEGREEN Filing, NJNG has not requested a change in its Rider F Rate.

	2019	2020	2021	2022	2023	2024
Typical Annual Bill Impacts						
<i>Residential Non-Heat (200 annual therms)</i>						
Cumulative Increase from Current Bill	\$1.64	\$3.36	\$4.68	\$5.88	\$7.16	\$8.38
Cumulative % Increase from Current Bill	0.6%	1.2%	1.7%	2.1%	2.5%	3.0%
<i>Residential Heat (1,000 annual therms)</i>						
Cumulative Increase from Current Bill	\$8.20	\$16.80	\$23.40	\$29.40	\$35.80	\$41.90
Cumulative % Increase from Current Bill	0.8%	1.6%	2.3%	2.9%	3.5%	4.1%
<i>General Service Small (1,200 annual therms)</i>						
Cumulative Increase from Current Bill	\$9.84	\$20.16	\$28.08	\$35.28	\$42.96	50.28
Cumulative % Increase from Current Bill	0.7%	1.5%	2.1%	2.6%	3.1%	3.7%
<i>General Service Large (15,000 annual therms)</i>						
Cumulative Increase from Current Bill	\$123.00	\$252.00	\$351.00	\$441.00	\$537.00	\$628.50
Cumulative % Increase from Current Bill	0.8%	1.7%	2.3%	2.9%	3.6%	4.2%

Pursuant to Board Orders dated July 17, 2009 (BPU Docket Nos. EO09010056 and EO09010057), September 24, 2010 (BPU Docket No. GO10030225), January 18, 2012 (BPU Docket No. GR11070425), June 21, 2013 (BPU Docket No. GO12070640), July 23, 2015 (BPU Docket No. GO14121412), and June 29, 2016 (BPU Docket No. GO14121412), NJNG is authorized to recover all costs associated with the SAVEGREEN Programs.

The EE recovery charge mechanism will operate and be applied in a manner consistent with existing components and processes of the EE Rider applicable to all jurisdictional throughput volumes. Individual customers participating in the SAVEGREEN programs are expected to achieve annual savings on their energy bills.

There is no immediate change to the EE rate or impact on customer bills from this filing. Pursuant to the EE Rider, NJNG shall submit annual filings for changes to the EE rate. Additionally, the Board has the statutory authority to establish the EE rate at a level it finds just and reasonable pursuant to N.J.S.A. 48:2-21. Therefore, the Board may establish the EE charge at a level other than that proposed by NJNG which would have an impact on a customer’s bill.

PLEASE TAKE NOTICE that a public hearing on the SAVEGREEN Programs and EE Rider has been scheduled at the following dates, times and places:

July 25, 2018 at 4:30 p.m. and 5:30 p.m.	July 26, 2018 at 4:30 p.m. and 5:30 p.m.
Freehold Township Municipal Building	Rockaway Township Municipal Building
One Municipal Plaza-Schanck Road	65 Mt. Hope Road
Freehold, NJ 07728-2195	Rockaway, NJ 07866

The public is invited to attend, and interested persons will be permitted to testify and/or make a statement of their views on the proposed SAVEGREEN program. 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 March 29, 2018, filing can be reviewed either at the NJNG Customer Service Centers listed on the Company’s website, www.njng.com/regulatory, or at the New Jersey Board of Public Utilities, 44 South Clinton Avenue, 7th Floor, Trenton, NJ 08625-0350.

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New Jersey Natural Gas