



STATE OF NEW JERSEY
Board of Public Utilities
44 South Clinton Avenue, 1st Floor
Post Office Box 350
Trenton, New Jersey 08625-0350
www.nj.gov/bpu/

ENERGY

IN THE MATTER OF THE PETITION OF NEW)	DECISION AND ORDER
JERSEY NATURAL GAS COMPANY FOR THE)	APPROVING INITIAL DECISION
ANNUAL REVIEW AND REVISION OF ITS BASIC)	STIPULATION FOR FINAL RATES
GAS SUPPLY SERVICE (BGSS) AND)	
CONSERVATION INCENTIVE PROGRAM (CIP))	BPU DOCKET NO. GR22060373
RATES FOR F/Y 2023)	OAL DOCKET NO. PUC 08285-22

Parties of Record:

Brian O. Lipman, Esq., Director, New Jersey Division of Rate Counsel
Andrew K. Dembia, Esq., on behalf of New Jersey Natural Gas Company

BY THE BOARD:

On June 1, 2022, New Jersey Natural Gas Company ("NJNG" or "Company") filed a petition with the New Jersey Board of Public Utilities ("Board") requesting authority to modify its current periodic Basic Gas Supply Service ("BGSS") rate, its Balancing Charge, and its Conservation Incentive Program ("CIP") rates ("Petition"). By this Order, the Board considers an Initial Decision executed by Administrative Law Judge ("ALJ") Tricia Caliguire and a stipulation of settlement ("Stipulation") executed by NJNG, Board Staff ("Staff"), and the New Jersey Division of Rate Counsel ("Rate Counsel") (collectively, "Parties") requesting that the Board approve changes in the BGSS, CIP, and Balancing Charge rates on a final basis.

BACKGROUND/PROCEDURAL HISTORY

By Order dated January 6, 2003, the Board directed each of New Jersey's four (4) gas distribution companies ("GDCs") to submit to the Board, by June 1 of each year, their respective annual BGSS cost filings for the BGSS year beginning October 1 of that year.¹ The January 2003 BGSS Order further authorized each GDC to self-implement up to a five percent (5%) BGSS increase, effective December 1 of the current year with one (1) month advance notice to the Board and Rate Counsel. The January 2003 BGSS Order further authorized each GDC to implement a second five percent (5%) increase, effective February 1 of the following year, with one (1) month of advance notice to

¹ In re the Provision of Basic Gas Supply Service Pursuant to the Electric Discount and Energy Act, N.J.S.A. 48:3-49 et seq., BPU Docket No. GX01050304, Order dated January 6, 2003 ("January 2003 BGSS Order").

the Board and Rate Counsel. Finally, the 2003 BGSS Order authorized each GDC to decrease its BGSS rate at any time upon five (5) days' notice to the Board and Rate Counsel.

PETITION

On June 1, 2022, pursuant to the January 2003 BGSS Order, NJNG filed the Petition requesting authority to increase the Company's current per-therm periodic BGSS rate from \$0.3974 to \$0.5681, effective October 1, 2022.² The Company projected that its recoverable gas costs would be approximately \$87.31 million higher than gas costs recovered in current rates. With the rates in effect at the time, the Company expected the residential customer class to be over-recovered by approximately \$14.68 million by September 30, 2022. Under the proposed rate, NJNG expected the residential customer class to be under-recovered by approximately \$0.006 million as of September 30, 2023.

The Company's calculated increase in the BGSS rate was due primarily to significant changes in the natural gas market resulting in higher commodity gas costs related to market pricing compared to last year. Additionally, the Company noted that it required the proposed rate increase due, in part, to rate increases at two (2) of its pipeline suppliers: Texas Eastern Transmission ("TETCo") and Eastern Gas Transmission and Storage ("EGTS"). TETCo's most recent rate case increased NJNG's demand charges by approximately 25%, or \$17.0 million per year, effective April 1, 2022. EGTS's most recent rate case increased the Company's demand charges by approximately 74%, or \$9 million, effective April 1, 2022.

By the Petition, the Company also sought authority to increase its per therm Balancing Charge rate from \$0.1235 to \$0.1380. The Balancing Charge is included in the delivery charge for certain sales and transportation customers and its revenues are credited to the BGSS. It consists of two (2) components: 1) carrying charges on inventory costs; and 2) demand charges. The proposed balancing charge results in an additional \$9.64 million increase to NJNG's BGSS revenues.

The Petition also sought approval of the following per-therm revised CIP rates to be effective October 1, 2022: Group I Residential Non-Heating – a charge of \$0.0088; Group II Residential Heating – a charge of \$0.0497; Group III General Service – Small – a charge of \$0.0194, and Group IV General Service – Large – a charge of \$0.0221.³ The CIP calculations result in a current-year margin deficiency of approximately \$27.23 million which includes \$20.53 million related to warmer-than-usual weather and a non-weather-related margin deficiency of \$6.7 million. The result is a \$14.63 million increase in CIP recoveries compared to last year's rates.

On July 15, 2022, the Company updated its CIP schedules and, as a result, the CIP rates for Groups II, III and IV were lower than originally filed ("July Update").

² All rates quoted herein include losses and Sales and Use Tax ("SUT") unless otherwise stated.

³ The CIP was approved by the Board in Docket No. GR05120120 in Board Orders dated October 12 and December 12, 2006 ("CIP Order"). The CIP was further extended by Orders dated January 21, 2010 in Docket No. GR05120120 and May 21, 2014 in Docket No. GR13030185. The CIP encourages the Company to foster customer conservation by allowing it to share in energy related savings due to conservation. The non-weather related CIP surcharges are limited to corresponding decreases in specific supply related costs incorporated in the Company's BGSS rates and subject to return on equity limits.

Following publication of notice in newspapers of general circulation in the Company's service territory, virtual public hearings were conducted on August 15, 2022 at 4:30 p.m. and 5:30 p.m.⁴ No members of the public attended or filed written comments related to the Company's Petition.

By Order dated September 7, 2022, the Board approved a stipulation for provisional rates executed by the Parties. By the September 2022 Order, the Board authorized NJNG to implement BGSS, Balancing Charge, and the July Update CIP rates effective for services rendered on and after October 1, 2022 on a provisional basis, subject to refund.⁵ As a result of the September 2022 Order, a typical residential heating customer using 100 therms per month saw a monthly bill increase of \$21.01, or approximately 15.4%.

On September 21, 2022, this matter was transmitted by the Board to the Office of Administrative Law as a contested case where it was assigned to ALJ Caliguire.

On February 22, 2023, NJNG filed a notice with the Board indicating it would implement a BGSS bill credit and lower its BGSS rate from \$0.5681 to \$0.5065 per therm effective March 1, 2023 ("Notice"). As a result of the changes, a typical residential heating customer using 100 therms per month would see a combined annual bill decrease of \$129.48, or approximately 8.1%.

STIPULATION

Following a review of the Petition, the July Update and discovery, the Parties executed the Stipulation, which provides, in part, as follows:⁶

16. The Company's previously approved provisional rates, as described in Paragraphs 11 and 2 of the Stipulation, should be deemed by the Board to be final rates. Those rates, effective October 1, 2022 are: 1) the Company's periodic BGSS rate of \$0.5681 per therm, after tax; 2) the Balancing Charge rate of \$0.1380 per therm, after tax; and 3) the following CIP rates, all on an after-tax basis: \$0.0088 per therm for Group I Residential Non-Heat customers; \$0.0442 per therm for Group II Residential Heat customers; \$0.0180 per therm for Group III General Service Small Commercial customers; and \$0.0142 per therm for Group IV General Service Large Commercial customers. As a result of the Stipulation, and subject to Board approval of the Stipulation, the provisional rates included in this paragraph of the Stipulation will be final, and the October 1, 2022 BGSS, CIP, and Balancing Charge rates shall remain in effect until further Board Order or further action by the Company in accordance with the January 2003 BGSS Order.
17. There will be no further impact on a typical residential heating customer's bill as a result of finalizing the 2022 provisional rates.

⁴ Due to the COVID-19 pandemic, public hearings were held virtually.

⁵ In re New Jersey Natural Gas Company for the Annual Review and Revision of its Basic Gas Supply Service (BGSS) and Conservation Incentive Program (CIP) Rates for F/Y 2023, BPU Docket No. GR22060373, Order Dated September 7, 2022 ("September 2022 Order").

⁶ Although described at some length in this Order, should there be any conflict between this summary and the Stipulation, the terms of the Stipulation control, subject to the findings and conclusion in this Order. Paragraphs are numbered to coincide with the Stipulation.

18. The Company's future annual BGSS gas cost filing shall continue to comply with the "Annual BGSS Minimum Filing Requirements" ("MFRs") adopted by the Board by Order dated June 20, 2003 and include an MFR index detailing the page number or exhibit where each MFR is addressed in the filing. Copies of the MFRs are attached to the Stipulation as Attachment B.
19. The Parties also note that, based on the March 1, 2023 self-implementing decrease described in Paragraph 14 of the Stipulation, the March 1, 2023 BGSS rate is \$0.5065 per therm on an after-tax basis. The March 1, 2023 self-implementing decrease shall be final and remain in effect until further Board Order or further action by the Company in accordance with the January 2003 BGSS Order and will be reviewed in the Company's 2024 annual BGSS filing to be submitted by June 1, 2023.

ALJ Caliguire issued an Initial Decision approving the Stipulation on March 16, 2023, finding that the Parties voluntarily agreed to the terms of the Stipulation and that the Stipulation fully disposes of all matters and is consistent with the law.

DISCUSSION AND FINDINGS

The Board carefully reviewed the record in this proceeding, including the Petition, the July Update, the Notice, ALJ Caliguire's Initial Decision, and the Stipulation, and **HEREBY FINDS** that the Parties voluntarily agreed to the Stipulation, and that the Stipulation fully disposes of all issues in this proceeding and is consistent with the law. Accordingly, the Board **HEREBY FINDS** the Initial Decision, which adopts the Stipulation, to be reasonable, in the public interest and in accordance with the law. Accordingly, the Board **HEREBY ADOPTS** the Initial Decision and Stipulation, attached hereto, as its own, as though fully set forth herein, subject to any terms and conditions set forth in this Order.

The Board **HEREBY APPROVES** on a final basis:

1. A per-therm BGSS rate to \$0.5065;
2. A per-therm Balancing Charge rate to \$0.1380; and
3. The following per-therm CIP rates:
 - A charge of \$0.0088 for Group I Residential Non-Heat customers;
 - A charge of \$0.0442 for Group II Residential Heat customers;
 - A charge of \$0.0180 for Group III Small Commercial customers; and
 - A charge of \$0.0142 for Group IV General Service Large customers.

Any net over-recovered BGSS, Balancing Charge, and CIP balance at the end of the BGSS period shall be subject to refund with interest. The above changes shall be made effective for services rendered on and after May 1, 2023.

Based upon the Stipulation, a typical residential heating customer using 100 therms per month will see no further impact on their monthly bill.

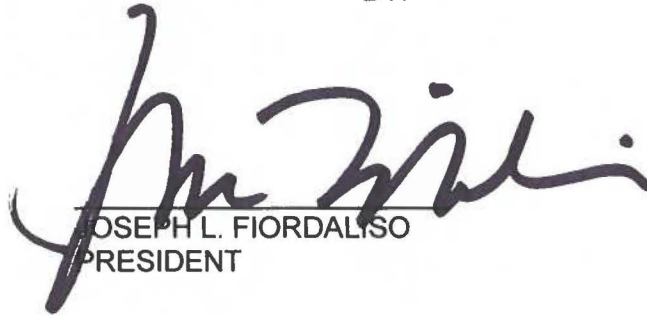
The Board **HEREBY DIRECTS** NJNG to file revised tariff sheets conforming to the terms of the Stipulation prior to April 30, 2023.

The Company's costs, including those related to the BGSS, Balancing Charge, and CIP, will remain subject to audit by the Board. This Decision and Order shall not preclude, nor prohibit, the Board from taking any actions determined to be appropriate as a result of any such audit.

The effective date of this Order is April 19, 2023.

DATED: April 12, 2023

BOARD OF PUBLIC UTILITIES
BY:



JOSEPH L. FIORDALISO
PRESIDENT



MARY-ANNA HOLDEN
COMMISSIONER



DIANNE SOLOMON
COMMISSIONER



DR. ZENON CHRISTODOULOU
COMMISSIONER

ATTEST:



SHERRIL L. GOLDEN
SECRETARY

I HEREBY CERTIFY that the within document is a true copy of the original in the files of the Board of Public Utilities.

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 CONSERVATION INCENTIVE PROGRAM (CIP) RATES FOR F/Y 2023

BPU DOCKET NO. GR22060373
 OAL DOCKET NO. PUC 08285-22

SERVICE LIST

<p><u>Board of Public Utilities</u> 44 South Clinton Avenue, 1st Floor Post Office Box 350 Trenton, NJ 08625-0350</p> <p>Sherri L. Golden, Board Secretary board.secretary@bpu.nj.gov</p> <p>Stacy Peterson, Deputy Executive Director stacy.peterson@bpu.nj.gov</p> <p><u>Office of the General Counsel</u></p> <p>Michael Beck, General Counsel michael.beck@bpu.nj.gov</p> <p>Carol Artale, Deputy General Counsel carol.artale@bpu.nj.gov</p> <p>Heather Weisband, Senior Counsel heather.weisband@bpu.nj.gov</p> <p>Michael Hunter, Regulatory Officer michael.hunter@bpu.nj.gov</p> <p><u>Division of Water and Energy</u></p> <p>Mike Kammer, Director mike.kammer@bpu.nj.gov</p> <p>Malike Cummings malike.cummings@bpu.nj.gov</p> <p>Ryan Moran ryan.moran@bpu.nj.gov</p> <p><u>New Jersey Division of Law</u> 25 Market Street Post Office Box 112 Trenton, NJ 08625</p> <p>Pamela Owen, ASC, DAG pamela.owen@law.njoag.gov</p> <p>Matko Ilic, DAG matko.ilic@law.njoag.gov</p> <p>Terel Klein, DAG terel.klein@law.njoag.gov</p> <p>Daren Eppley, DAG daren.eppley@law.njoag.gov</p>	<p><u>New Jersey Natural Gas Company</u> 1415 Wycoff Road P.O Box 1464 Wall, NJ 07719</p> <p>Mark Kahrer mkahrer@njng.com</p> <p>Andrew Dembia, Esq. adembia@njng.com</p> <p>Tina Trebino ttrebino@njng.com</p> <p>Jayana Shah jshah@njresources.com</p> <p>Anne-Marie Peracchio aperacchio@njng.com</p> <p><u>New Jersey Division of Rate Counsel</u> 140 East Front Street, 4th Floor Post Office Box 003 Trenton, NJ 08625</p> <p>Brian Lipman, Esq., Director blipman@rpa.nj.gov</p> <p>Maura Caroselli, Esq., Managing Attorney mcaroselli@rpa.nj.gov</p> <p>Sarah H. Steindel, Esq. ssteinde@rpa.nj.gov</p> <p>Carlana Morrison cmorrison@rpa.nj.gov</p> <p><u>Rate Counsel Consultants</u></p> <p>Dr. Karl Pavlovic PCMG and Associates 22 Brooks Avenue Gaithersburg, MD 20877 kpavlovic@pcmgregcon.com</p> <p>Dante Mugrace PCMG and Associates 90 Moonlight Court Toms River, New Jersey 08753 dmugrace@pcmgregcon.com</p>
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State of New Jersey
OFFICE OF ADMINISTRATIVE LAW

INITIAL DECISION

SETTLEMENT

OAL DKT. NO. PUC 08285-22

AGENCY DKT. NO. GR22060373

**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 CONSERVATION
INCENTIVE PROGRAM (CIP) RATES
FOR FISCAL YEAR 2023.**

Andrew K. Dembia, Esq., Regulatory Affairs Counsel, for petitioner, New Jersey
Natural Gas Company

Terel Klein and Matko Ilic, Deputy Attorneys General, for Staff of the Board of
Public Utilities (Matthew J. Platkin, Attorney General of New Jersey,
attorney)

Maura Caroselli, Managing Attorney, **Sarah H. Steindel**, Assistant Deputy Rate
Counsel, and **Megan Lupo**, Assistant Deputy Ratepayer Advocate, for
Division of Rate Counsel (Brian O. Lipman, Director)

Record Closed: March 10, 2023

Decided: March 16, 2023

BEFORE TRICIA M. CALIGUIRE, ALJ:

This proceeding involves the June 1, 2022, petition of New Jersey Natural Gas Company (NJNG, Company) filed with the New Jersey Board of Public Utilities (Board) seeking approval to:

- 1) increase the Company's existing per-therm, after-tax periodic BGSS rate of \$0.3974, applicable to residential and small commercial customers subject to the periodic BGSS pricing mechanism, to \$0.5681;
- 2) increase the after-tax Balancing Charge from \$0.1235 to \$0.1380; and
- 3) implement updated CIP factors, effective October 1, 2022, to change the Company's overall after-tax CIP revenue by \$14.63 million, to \$28.05 million annually as follows:
 - a) Group I Residential Non-Heat customers – increased rate to \$0.0088;
 - b) Group II Residential Heat customers – increased rate to \$0.0497;
 - c) Group III Small Commercial customers – increased rate to \$0.0194; and
 - d) Group IV Large Commercial customers – decreased rate to \$0.0221.

The petition was transmitted to the Office of Administrative Law (OAL) on September 21, 2022, for determination as a contested case. Telephone prehearing conferences were held on October 13, 2022, and January 25, 2023.

During the October 13, 2022, telephone prehearing conference, the parties stated that on August 15, 2022, two duly-noticed public hearings were scheduled and conducted virtually, at 4:30 p.m. and 5:30 p.m.¹ The parties stated that no members of the public

¹ The public hearings were held by Zoom due to ongoing restrictions on public gatherings initiated during the COVID-19 emergency. Proof of service and publication of the public notice of the hearings was sent to the Secretary of the Board on August 9, 2022, and is included with the file.

appeared at either hearing and that the comments made by petitioner, staff of the Board, and the representative of the Division of Rate Counsel at the public hearings were transcribed and made a part of the record.² No members of the public submitted written comments to the OAL regarding the Company's petition.

On March 10, 2023, the parties filed a Stipulation for Final Rates which resolves all issues in this proceeding. (J-1.) Said Stipulation has been signed by petitioner, staff of the Board, and the New Jersey Division of Rate Counsel.

The Stipulation for Final Rates indicates the terms by which the parties agreed to resolve all issues raised in this proceeding and is attached and fully incorporated herein.

I have reviewed the Stipulation for Final Rates and I **FIND**:

1. The parties have voluntarily agreed to the terms therein as evidenced by their signatures or their representatives' signatures on the attached document.
2. The Stipulation for Final Rates fully disposes of all issues in controversy between the parties and is consistent with the law.

I hereby **FILE** my initial decision with the **BOARD OF PUBLIC UTILITIES** for consideration.

² Transcripts of the public hearings were not provided to the OAL.

This recommended decision may be adopted, modified or rejected by the **BOARD OF PUBLIC UTILITIES**, which by law is authorized to make a final decision in this matter. If the Board of Public Utilities does not adopt, modify or reject this decision within forty-five days and unless such time limit is otherwise extended, this recommended decision shall become a final decision in accordance with N.J.S.A. 52:14B-10.

March 16, 2023 _____

DATE



TRICIA M. CALIGUIRE, ALJ

Date Received at Agency:

3/17/2023

Date Mailed to Parties:

3/17/2023

TMC/nn

APPENDIX

EXHIBITS

Jointly submitted:

J-1 Stipulation of Final Rates

**STATE OF NEW JERSEY
BOARD OF PUBLIC UTILITIES**

IN THE MATTER OF THE PETITION OF)
NEW JERSEY NATURAL GAS COMPANY)
FOR THE ANNUAL REVIEW AND) BPU DOCKET NO. GR22060373
REVISION OF ITS BASIC GAS SUPPLY) OAL DOCKET NO. PUC 08285-2022S
SERVICE (BGSS) AND ITS CONSERVATION)
INCENTIVE PROGRAM (CIP) RATES FOR F/Y)
2023)

STIPULATION FOR FINAL RATES

APPEARANCES:

Andrew Dembia, Esq., New Jersey Natural Gas Company for the Petitioner, New Jersey Natural Gas Company

Maura Caroselli, Esq., Deputy Rate Counsel; **Sarah H. Steindel, Esq.**, Assistant Deputy Rate Counsel, and **Megan Lupo, Esq.**, Assistant Deputy Rate Counsel, New Jersey Division of Rate Counsel (Brian O. Lipman, Esq., Director)

Terel Klein, Deputy Attorney General, for the Staff of the New Jersey Board of Public Utilities (Matthew J. Platkin, Attorney General of New Jersey)

TO THE HONORABLE TRICIA CALIGUIRE, ADMINISTRATIVE LAW JUDGE

BACKGROUND

1. On June 1, 2022, New Jersey Natural Gas Company (“NJNG” or “Company”) filed a petition requesting that the New Jersey Board of Public Utilities (“BPU” or “Board”) authorize NJNG to: 1) deem final the existing per-therm, after-tax Periodic BGSS rate of \$0.3974 in effect since December 1, 2021; 2) increase the Company’s Periodic Basic Gas Supply Service (“BGSS”) rate effective October 1, 2022; 3) increase the Company’s Balancing Charge effective October 1, 2022; and 4) increase the Company’s Conservation Incentive Program (“CIP”) recovery rates for Group I Residential Non-Heat customers, Group II Residential Heat customers, and Group III General Service – Small customers, and decrease the CIP recovery rate for Group IV General Service – Large customers effective October 1, 2022

("2023 BGSS/CIP Filing"). The Company filed the petition pursuant to Board Order dated January 6, 2003.¹

2. On November 1, 2021, NJNG filed a joint Motion with all other New Jersey gas utilities² requesting a waiver of the 30-day notice requirement to Board Staff and Rate Counsel to self-implement a rate increase up to five percent (5.0%) effective December 1, 2021. On November 17, 2021, the Board issued an Order granting the waiver of the 30-day Notice requirement.³ On November 19, 2021, NJNG notified the BPU and Rate Counsel of its intent to self-implement a five percent (5.0%) increase on December 1, 2021 pursuant to the Generic BGSS Order. This increase resulted in an after-tax BGSS rate of \$0.3974, which was in effect beginning December 1, 2021 and was provisional and subject to true-up in this proceeding. The Company also requested the Periodic BGSS rate of \$0.3974 per therm in effect since December 1, 2021 be deemed final.

3. Additionally, NJNG proposed to increase the Company's existing per-therm, after-tax Periodic BGSS rate of \$0.3974, applicable to residential and small commercial customers, subject to the Periodic BGSS Pricing Mechanism, to \$0.5681. The 2023 BGSS/CIP Filing reflected market conditions as of May 10, 2022 and NJNG based the 2023 BGSS/CIP Filing upon a one -year BGSS recovery period. The requested change would increase the Company's current estimated annual after-tax BGSS revenue of \$203.28 million by approximately \$87.31 million, resulting in an estimated total after-tax annual BGSS revenue of \$290.59 million.

4. In the 2023 BGSS/CIP Filing, the Company also requested to increase the after-tax Balancing Charge from \$0.1235 to \$0.1380. As approved by Board Order dated November 17, 2021,

¹ In the Matter of the Provision of Basic Gas Supply Service Pursuant to the Electric Discount and Energy Competition Act, N.J.S.A. 48:3-49 et. seq., BPU Docket No. GX01050304, Order dated January 6, 2003 ("Generic BGSS Order").

² The gas utilities were NJNG, Elizabethtown Gas Company, Public Service Electric and Gas Company and South Jersey Gas Company.

³ In The Matter Of The Provision Of Basic Gas Supply Service Pursuant To The Electric Discount And Energy Competition Act, N.J.S.A. 48:3-49 et seq., Order On Emergent Motion For Further Provisional Rates, BPU Docket No. GX01050304, Order dated November 17, 2021.

NJNG will adjust its Balancing Charge in the annual BGSS filing to reflect updated pipeline demand charges, credit adjustments, and the percentage of peak day volume related to balancing associated with the pipeline demand portion of the Balancing Charge.⁴ The Rate Case Order also provided for the inventory portion of the Balancing Charge to be updated in a base rate case. The Balancing Charge is a component of the delivery charge for certain sales and transportation customers, and all Balancing Charge revenues are credited to BGSS. The requested change would increase the Company's current estimated annual after-tax Balancing Charge revenue of \$82.14 million by approximately \$9.64 million, resulting in a total after-tax annual Balancing Charge revenue of \$91.78 million.

5. Through the 2023 BGSS/CIP Filing, pursuant to Board Orders dated January 21, 2010⁵ and May 21, 2014⁶, the Company submitted its annual CIP rate filing for CIP year 2023 (October 1, 2022 through September 30, 2023), requesting that the BPU approve the implementation of updated CIP factors effective October 1, 2022. The requested changes would increase the Company's overall after-tax revenue from the current estimated annual CIP revenue of \$13.42 million by approximately \$14.63 million, resulting in a total after-tax estimated annual CIP revenue of \$28.05 million. Specifically, the Company seeks approval for the following changes to its after-tax, per therm CIP factors: 1) a \$0.0895 increase to the current credit rate of \$0.0807 for Group I Residential Non-Heat customers resulting in the proposed charge of \$0.0088; 2) a \$0.0304 increase to the current rate of \$0.0193 resulting in the proposed rate of \$0.0497 for Group II Residential Heat customers; 3) an increase of \$0.0004 to the current rate of \$0.0190 for Group III Small Commercial customers, resulting in the proposed rate of \$0.0194; and 4) a

⁴ In the Matter of the Petition of New Jersey Natural Gas Company for Approval of an Increase in Gas Base Rate and for Changes in its Tariff for Gas Service Pursuant to N.J.S.A. 48:2-21 and N.J.S.A. 48:2-21.1; and for Changes to Depreciation Rates for Gas Property Pursuant to N.J.S.A. 48:2-18, BPU Docket No. GR21030679, Order dated November 17, 2021 ("Rate Case Order").

⁵ In the Matter of the Petition of New Jersey Natural Gas Company for Authority to Implement Conservation and Usage Adjustment, BPU Docket No. GR05121020, Order dated January 21, 2010.

⁶ In the Matter of the Petition of New Jersey Natural Gas Company and South Jersey Gas Company for Authority to Continue the Conservation Incentive Program, BPU Docket No. GR13030185, Order dated May 21, 2014 ("May 2014 Order").

\$0.0043 decrease to the current rate of \$0.0264 resulting in the proposed rate of \$0.0221 for Group IV Large Commercial customers, all effective as of October 1, 2022.

6. Pursuant to the May 2014 Order, recovery of any non-weather-related CIP surcharge is subject to a BGSS Savings Test under which the Company must receive BGSS savings of at least 75 percent (75%) of the non-weather-related margin deficiency, and a Variable Margin Test under which the non-weather related margin deficiency must be less than or equal to 6.5 percent (6.5%) of aggregate variable margins. By Order dated March 3, 2021, the Board approved NJNG's Energy Efficiency programs, to be effective July 1, 2021, modifying the Variable Margin Revenue Test and requiring that the recoverable non-weather CIP amounts shall not exceed 4.0 percent (4.0%) of the aggregate variable margin revenues during the deferral period commencing July 1, 2021 and ending June 30, 2022.⁷ Additionally, recovery of the current year margin deficiency must meet an earnings test. The Company reported a total estimated CIP-related margin deficiency for CIP year 2022 (October 1, 2021 through September 30, 2022) of approximately \$27.23 million with a \$20.53 million margin deficiency related to weather, and \$6.7 million margin deficiency related to non-weather factors. To meet the required BGSS Savings test amount of 75 percent (75%) of the non-weather-related charge, the Company's BGSS Savings must total \$5.03 million. The Company identified approximately \$14.44 million in BGSS savings available to offset non-weather related CIP margin deficiency and charges for the October 2022 through September 2023 recovery period. Under the Variable Margin Test, the recovery limitation is \$14.45 million based upon the aggregate variable margins reported by the Company. Because the non-weather-related CIP margin deficiency is less than the BGSS Savings and the Variable Margin Test recovery limitation, the Company has met both tests based upon the information and representations

⁷ In the Matter of the Implementation of L. 2018, C. 17 Regarding the Establishment of Energy Efficiency and Peak Demand Reduction Programs and In re the Petition of New Jersey Natural Gas Company for Approval of Energy Efficiency Program and the Associated Cost Recovery Mechanism Pursuant to the Clean Energy Act, N.J.S.A. 48:3- 87.8 et seq. and 48:3-9 O20090622, Order dated March 3, 2021 ("March 2021 Order").

contained in the 2023 BGSS/CIP Filing. The Company also provided testimony that the margin deficiency will not result in a return on equity in excess of 9.60 percent (9.6%).

7. Modifying the BGSS, Balancing Charge, and CIP rates as requested in the 2023 BGSS/CIP Filing would result in a requested overall increase of approximately \$21.56 per month, or 15.8 percent (15.8%), to the average residential heating customer (Group II) using 100 therms per month. The impact to the average residential non-heat customer (Group I) using 25 therms per month from these requested rate changes will be an increase of \$6.86, or 17.2 percent (17.2%), to the average small commercial customer (Group III) using 100 therms a month will be an increase of \$18.56, or 11.7 percent (11.7%), and to the average large commercial customer (Group IV) using 1200 therms a month will be a decrease of \$5.16, or 0.2 percent (0.2%). The above BGSS, Balancing Charge, and CIP rate changes would result in an increase in NJNG's annual after-tax revenues of approximately \$111.58 million.

8. On July 15, 2022, the Company submitted responses to Discovery Request RCR-A-0008 updating the CIP schedules ("Update"). The CIP rates for Groups II, III, and IV in the Update were lower than originally filed, and resulted in: 1) a per-therm charge of \$0.0442 for Group II, 2) a per-therm charge of \$0.0180 for Group III, and 3) a per-therm charge of \$0.0142 for Group IV. Additionally, the updated CIP rates for Groups II, III, and IV and the filed after-tax CIP rate for Group I of \$0.0088 per therm resulted in an approximately \$10.87 million overall increase of after-tax revenue, in addition to the current estimated annual CIP revenue of \$13.42 million. When combining the CIP rates with the requested BGSS rate of \$0.5681 and Balancing Charge of \$0.1380, the result is an overall increase in NJNG's after-tax revenue of approximately \$107.82 million.

9. After publication of notice in newspapers of general circulation in NJNG's service territory and served upon the appropriate county officials and clerks of all municipalities within the Company's service territory, public hearings were scheduled and conducted virtually on August 15,

2022.⁸ No members of the public participated at either hearing nor were any written comments received by the BPU, NJNG or the New Jersey Division of Rate Counsel (“Rate Counsel”).

10. NJNG, Board Staff, and Rate Counsel (collectively, “Parties”), the only Parties to this proceeding, discussed the matters at issue herein. As a result of those discussions, the Parties determined that additional time was needed to complete a comprehensive review of NJNG’s proposed BGSS, Balancing Charge, and CIP rates. Additionally, during the discussions, the Company proposed, and the Parties agreed, that implementation of the requested BGSS rate, the requested CIP rate for Group I, the updated CIP rates for Groups II, III and IV, and the requested Balancing Charge rate, on a provisional basis and subject to the terms below, would be reasonable, and accordingly executed a stipulation for provisional rates.

11. On September 7, 2022, the Board issued an Order approving the Parties’ Provisional Stipulation of Settlement executed to resolve the matters at issue herein.⁹ The September 2022 Order authorized the Company to: 1) increase the Company’s existing periodic BGSS rate to \$0.5681 per therm after-tax; 2) increase the Company’s Balancing Charge to \$0.1380 per therm after tax; and 3) and adjust the following CIP rates all on a per-therm, after tax basis: \$0.0088 for Group I Residential Non-Heat customers, \$0.0442 for Group II Residential Heat customers, \$0.0180 for Group III General Service Small Commercial customers, and \$0.0142 for Group IV General Service Large Commercial customers. The aforementioned rates became effective October 1, 2022 and were subject to refund with interest, with an opportunity for a full review at the Office of Administrative Law (“OAL”), if necessary, and subject to final approval by the Board. A full schedule of applicable bill impacts by rate class is attached hereto as Attachment A.

⁸ Public hearings were held virtually due to the COVID-19 pandemic.

⁹ 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 Conservation Incentive Program (CIP) Rates for F/Y 2023, BPU Docket No. GR22060373, Order dated September 7, 2022 (“September 2022 Order”).

12. On September 21, 2022, this matter was transmitted to the OAL as a contested case and was subsequently assigned to the Honorable Tricia Caliguire, Administrative Law Judge (“ALJ”). A telephonic pre-hearing conference was held on October 13, 2022. ALJ Caliguire issued a Notice of Status Conference dated October 14, 2022 setting January 25, 2023 as the date for a status conference with the Parties.

13. NJNG received and responded to all discovery requests that have been propounded in this proceeding by Board Staff and Rate Counsel.

14. On February 22, 2023, the Company notified the Board and Rate Counsel of its intent to implement a bill credit of \$0.5054 per therm effective March 1, 2023 through March 31, 2023. The after-tax bill credit of \$0.5054 per therm will apply to each Periodic BGSS customer’s usage during March 2023 and the average residential heating customer could receive a total credit of approximately \$68, or a 4.3 percent total bill reduction on an annual basis. The Company also notified the Board and Rate Counsel that it would decrease its Periodic BGSS rate from the provisionally approved \$0.5681 per therm inclusive of sales tax to \$0.5065 per therm, effective March 1, 2023, resulting in a rate reduction of \$0.0616 per therm. The Periodic BGSS price decrease results in a decrease of \$6.16 or 3.9 percent for a residential heating customer using 100 therms per month. The after-tax March 1, 2023 Periodic BGSS rate of \$0.5065 per therm is provisional.

STIPULATION

15. The Parties hereby **STIPULATE AND AGREE** as follows:

16. The Company’s previously approved provisional rates, as described in Paragraphs 11 and 2 above, should be deemed by the Board to be final rates. Those rates, effective October 1, 2022 are: 1) the Company’s periodic BGSS rate of \$0.5681 per therm, after tax; 2) the Balancing Charge rate of \$0.1380 per therm, after tax; and 3) the following CIP rates, all on an after-tax basis: \$0.0088 per therm for Group I Residential Non-Heat customers; \$0.0442 per therm for Group II Residential Heat customers; \$0.0180 per therm for Group III General Service Small Commercial customers; and \$0.0142 per therm

for Group IV General Service Large Commercial customers. As a result of this Stipulation of Settlement (“Stipulation”), and subject to Board approval of the Stipulation, the provisional rates included in this paragraph will be final, and the October 1, 2022 BGSS, CIP, and Balancing Charge rates shall remain in effect until further Board Order or further action by the Company in accordance with the Generic BGSS Order.

17. There will be no further impact on a typical residential heating customer's bill as a result of finalizing the 2022 provisional rates.

18. The Company's future annual BGSS gas cost filing shall continue to comply with the “Annual BGSS Minimum Filing Requirements” (“MFRs”) adopted by the Board by Order dated June 20, 2003 and include an MFR index detailing the page number or exhibit where each MFR is addressed in the filing.¹⁰ Copies of the MFRs are attached to the Stipulation as Attachment B.

19. The Parties also note that, based on the March 1, 2023 self-implementing decrease described in Paragraph 14 above, the March 1, 2023 BGSS rate is \$0.5065 per therm on an after-tax basis. The March 1, 2023 self-implementing decrease shall be final and remain in effect until further Board Order or further action by the Company in accordance with the Generic BGSS Order and will be reviewed in the Company's 2024 annual BGSS filing to be submitted by June 1, 2023.

20. This Stipulation represents a mutual balancing of interests, contains interdependent provisions, and therefore, is intended to be accepted and approved in its entirety. In the event any particular aspect of this Stipulation is not accepted and approved in its entirety by the Board, any Party aggrieved thereby shall not be bound to proceed with this Stipulation and shall have the right to litigate all issues addressed herein to a conclusion. More particularly, in the event this Stipulation is not adopted in its entirety by the Board, in any applicable Order, then any Party hereto is free to pursue its then-available

¹⁰ 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), Gas Cost Recovery (GCR) Factor for C/Y 2003, BPU Docket No. GR02100760, Order dated June 20, 2003.

legal remedies with respect to all issues addressed in this Stipulation as though this Stipulation had not been signed.

21. The Parties agree that they consider the Stipulation to be binding on them for all purposes herein.

22. It is specifically understood and agreed that this Stipulation represents a negotiated agreement and has been made exclusively for the purpose of these proceedings. Except as expressly provided herein, NJNG, Board Staff, and Rate Counsel shall not be deemed to have approved, agreed to, or consented to any principle or methodology underlying or supposed to underlie any agreement provided herein. All rates are subject to audit by the Board. The Parties further acknowledge that a Board Order approving this Stipulation will become effective upon the service of said Board Order, or upon such date after the service thereof as the Board may specify, in accordance with N.J.S.A. 48:2-40.

WHEREFORE, the Parties hereto do respectfully submit this Stipulation and request that Your Honor issue an Initial Decision and that the Board issue an Order approving it in its entirety, in accordance with the terms hereof.

**NEW JERSEY NATURAL GAS
PETITIONER**



By:

ANDREW K. DEMBIA, ESQ.
New Jersey Natural Gas

**BRIAN O. LIPMAN, DIRECTOR
NEW JERSEY DIVISION OF RATE COUNSEL**

By: 1/s/ Sarah H. Steindel
SARAH H. STEINDEL, ESQ.
ASSISTANT DEPUTY RATE COUNSEL

**MATTHEW J. PLATKIN
ATTORNEY GENERAL OF NEW JERSEY
Attorney for the Staff of the Board of Public Utilities**

By: 
TEREL KLEIN, ESQ.
DEPUTY ATTORNEY GENERAL

Date: March 10, 2023

WHEREFORE, the Parties hereto do respectfully submit this Stipulation and request that Your Honor issue an Initial Decision and that the Board issue an Order approving it in its entirety, in accordance with the terms hereof.

**NEW JERSEY NATURAL GAS
PETITIONER**



By:

ANDREW K. DEMBIA, ESQ.
New Jersey Natural Gas

**BRIAN O. LIPMAN, DIRECTOR
NEW JERSEY DIVISION OF RATE COUNSEL**

By:

1/s/ Sarah H. Steindel

SARAH H. STEINDEL, ESQ.
ASSISTANT DEPUTY RATE COUNSEL

**MATTHEW J. PLATKIN
ATTORNEY GENERAL OF NEW JERSEY**
Attorney for the Staff of the Board of Public Utilities

By:

TEREL KLEIN, ESQ.
DEPUTY ATTORNEY GENERAL

Date: March 10, 2023

New Jersey Natural Gas Company
Net Impact of Proposed Rate Changes
BPU Docket No. GR22060373
F/Y 2023

(\$/therm)

Rate Impact for Group I - Residential Non-Heating Customers

	Component of	5/1/22 Rates		Proposed 10/1/22 Rates		Change		Total Bill % impact
		Pre-tax	Post-tax	Pre-tax	Post-tax	Pre-tax	Post-tax	
BGSS	BGSS	\$0.3727	\$0.3974	\$0.5328	\$0.5681	\$0.1601	\$0.1707	10.7%
Balancing Charge	Delivery Rate	0.1158	0.1235	0.1294	0.1380	0.0136	0.0145	0.9%
CIP	Delivery Rate	(0.0757)	(0.0807)	0.0083	0.0088	0.0840	0.0895	5.6%
NET IMPACT		<u>\$0.4128</u>	<u>\$0.4402</u>	<u>\$0.6705</u>	<u>\$0.7149</u>	<u>\$0.2577</u>	<u>\$0.2747</u>	<u>17.2%</u>

Rate Impact for Group II - Residential Heating Customers

	Component of	5/1/22 Rates		Proposed 10/1/22 Rates		Change		Total Bill % impact
		Pre-tax	Post-tax	Pre-tax	Post-tax	Pre-tax	Post-tax	
BGSS	BGSS	\$0.3727	\$0.3974	\$0.5328	\$0.5681	\$0.1601	\$0.1707	12.5%
Balancing Charge	Delivery Rate	0.1158	0.1235	0.1294	0.1380	0.0136	0.0145	1.1%
CIP	Delivery Rate	0.0181	0.0193	0.0415	0.0442	0.0234	0.0249	1.8%
NET IMPACT		<u>\$0.5066</u>	<u>\$0.5402</u>	<u>\$0.7037</u>	<u>\$0.7503</u>	<u>\$0.1971</u>	<u>\$0.2101</u>	<u>15.4%</u>

Rate Impact for Group III - General Service Small Customers

	Component of	5/1/22 Rates		Proposed 10/1/22 Rates		Change		Total Bill % impact
		Pre-tax	Post-tax	Pre-tax	Post-tax	Pre-tax	Post-tax	
BGSS	BGSS	\$0.3727	\$0.3974	\$0.5328	\$0.5681	\$0.1601	\$0.1707	10.7%
Balancing Charge	Delivery Rate	0.1158	0.1235	0.1294	0.1380	0.0136	0.0145	0.9%
CIP	Delivery Rate	0.0178	0.0190	0.0169	0.0180	(0.0009)	(0.0010)	(0.06%)
NET IMPACT		<u>\$0.5063</u>	<u>\$0.5399</u>	<u>\$0.6791</u>	<u>\$0.7241</u>	<u>\$0.1728</u>	<u>\$0.1842</u>	<u>11.6%</u>

Rate Impact for Group IV - General Service Large Customers

	Component of	5/1/22 Rates		Proposed 10/1/22 Rates		Change		Total Bill % impact
		Pre-tax	Post-tax	Pre-tax	Post-tax	Pre-tax	Post-tax	
BGSS	BGSS (May 2022)	\$0.8441	\$0.9000	\$0.8305	\$0.8855	(\$0.0136)	(\$0.0145)	(0.8%)
Balancing Charge	Delivery Rate	0.1158	0.1235	0.1294	0.1380	0.0136	0.0145	0.8%
CIP	Delivery Rate	0.0248	0.0264	0.0133	0.0142	(0.0115)	(0.0122)	(0.7%)
NET IMPACT		<u>\$0.9847</u>	<u>\$1.0499</u>	<u>\$0.9732</u>	<u>\$1.0377</u>	<u>(\$0.0115)</u>	<u>(\$0.0122)</u>	<u>(0.7%)</u>

For General Service – Large (“GSL”) sales customers, there is no impact from the proposed BGSS rate because they are subject to monthly market pricing for their natural gas supply. The 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.

Projected Annual Post-tax BGSS, CIP, and WNC revenue

	Projected Revenue at Current Rates \$million	Projected Revenue at Proposed Rates \$million	Change \$million
Projected Annual Therms:			
Periodic BGSS			511,512 (000s)
Balancing Charge			665,091 (000s)
CIP Group I			2,616 (000s)
CIP Group II			491,514 (000s)
CIP Group III			41,413 (000s)
CIP Group IV			126,906 (000s)
BGSS	\$203.28	\$290.59	\$87.31
Balancing Charge	\$82.14	\$91.78	\$9.64
CIP Group I	(\$0.21)	\$0.02	\$0.23
CIP Group II	\$9.49	\$21.72	\$12.23
CIP Group III	\$0.79	\$0.75	(\$0.04)
CIP Group IV	\$3.35	\$1.80	(\$1.55)
IMPACT	<u>\$298.84</u>	<u>\$406.66</u>	<u>\$107.82</u>

New Jersey Natural Gas Company
Net Impact of Proposed Rate Changes
BPU Docket No. GR22060373
F/Y 2023

<u>Impact on Residential Non-Heating Customers</u>			
		25 therm bill	
5/1/22 Rates			
Customer Charge		\$11.00	\$11.00
Delivery		\$0.7547	\$18.87
BGSS		\$0.3974	\$9.94
	Total	<u>\$1.1521</u>	<u>\$39.81</u>
Proposed Rates- effective 10/1/22			
Customer Charge		\$11.00	\$11.00
Delivery		\$0.8587	\$21.47
BGSS		\$0.5681	\$14.20
	Total	<u>\$1.4268</u>	<u>\$46.67</u>
	Increase		\$6.86
	Increase as a percent		17.2%
<u>Impact on Residential Heating Customers</u>			
		100 therm bill	1,000 therm annual bill
5/1/22 Rates			
Customer Charge		\$11.00	\$132.00
Delivery		\$0.8547	\$854.70
BGSS		\$0.3974	\$397.40
	Total	<u>\$1.2521</u>	<u>\$1,384.10</u>
Proposed Rates- effective 10/1/22			
Customer Charge		\$11.00	\$132.00
Delivery		\$0.8941	\$894.10
BGSS		\$0.5681	\$568.10
	Total	<u>\$1.4622</u>	<u>\$1,594.20</u>
	Increase		\$21.01
	Increase as a percent		15.4%
			\$210.10
			15.2%
<u>Impact on Commercial GSS Customers</u>			
		100 therm bill	
5/1/22 Rates			
Customer Charge		\$42.00	\$42.00
Delivery		\$0.7737	\$77.37
BGSS		\$0.3974	\$39.74
	Total	<u>\$1.1711</u>	<u>\$159.11</u>
Proposed Rates- effective 10/1/22			
Customer Charge		\$42.00	\$42.00
Delivery		\$0.7872	\$78.72
BGSS		\$0.5681	\$56.81
	Total	<u>\$1.3553</u>	<u>\$177.53</u>
	Increase		\$18.42
	Increase as a percent		11.6%
<u>Impact on Commercial GSL Customers</u>			
		1200 therm bill	
5/1/22 Rates			
Customer Charge		\$104.00	\$104.00
Demand Charge		\$3.41	\$327.36
Delivery		\$0.5880	\$705.60
BGSS (May 2022)		\$0.9000	\$1,080.00
	Total	<u>\$1.4880</u>	<u>\$2,216.96</u>
Proposed Rates- effective 10/1/22			
Customer Charge		\$104.00	\$104.00
Demand Charge		\$3.41	\$327.36
Delivery		\$0.5903	\$708.36
BGSS (May 2022)		\$0.8855	\$1,062.60
	Total	<u>\$1.4758</u>	<u>\$2,202.32</u>
	Decrease		(\$14.64)
	Decrease as a percent		(0.7%)

New Jersey Natural Gas Company
BGSS Minimum Filing Requirements (MFR) Index

Minimum Filing Requirement

1. Motion, Supporting Testimony & Tariff Modifications
2. Computation of Proposed BGSS Rate
3. Public Notice with Proposed Impact on Bills
4. Actual and Forecasted Refund Amounts
5. Cost of Gas Sendout by Component
6. BGSS Contribution and Credit Offsets
7. Over/Under Recovery Comparisons
8. Wholesale Gas Pricing Assumptions
9. GCUA Recoveries and Balances
10. Historical Service Interruptions
11. Gas Price Hedging Activities
12. Storage Gas Volumes, Prices and Utilization
13. Affiliate Gas Supply Transactions
14. Supply and Demand Data
15. Actual Peak Day Supply and Demand
16. Capacity Contract Changes
17. FERC Pipeline Activities

Annual BGSS Minimum Filing Requirements

1. **Motion, Supporting Testimony & Tariff Modifications**

In support of its filing, a GCD should provide supporting testimony which addresses any material events or major factors affecting either the prior period's deferred gas balance or its forecasted BGSS rate. In addition to the associated motion, redlined tariff sheets should be provided for all proposed tariff changes.

2. **Computation of Proposed BGSS Rates**

A summary schedule should show all of the forecasted BGSS cost components and applicable credits which comprise the basis for the proposed BGSS rates that are to become effective October 1st. The cost components and applicable credits should be provided with all material amounts broken out separately.

3. **Public Notice with Proposed Impact on Bills**

A copy of the Company's Public Notice should be provided with details concerning the impact of the proposed BGSS rates on typical gas bills at various winter therm utilization levels.

4. **Actual and Forecasted Refund Amounts**

Schedules should be provided which show actual and estimated refund amounts for the reconciliation period as well as the estimated refunds for the projected period beginning October 1. The schedule should identify the refunds by month and should provide associated information on the applicable FERC docket involved.

5. Cost of Gas Sendout by Component

Monthly data showing the derivation of all cost components shown on the BGSS Computation Schedule should be provided for the reconciliation and projected periods. The monthly data should also provide detail on applicable volumes by customer classification.

6. BGSS Contribution and Credit Offsets

Monthly data showing the derivation of all BGSS cost offsets, including interruptible margins, capacity transactions, pipeline refunds and other credits should be provided for the reconciliation and projected periods.

7. Over/Under Recovery Comparisons

Schedules should be provided which show the derivation of the monthly over or under recoveries plus cumulative balances for the reconciliation and projected period. For the reconciliation period, a schedule should also show the calculation of the monthly actual or estimated accrued interest. These schedules should include prospective data shown for projected period based on the prevailing BGSS rate and, alternatively, based on the requested BGSS rate.

8. Wholesale Gas Pricing Assumptions

The GDC should provide schedules which detail the monthly gas prices for the reconciliation and projected periods. The schedules should show the prices utilized in developing the existing BGSS rate and those utilized for projecting the proposed BGSS rate. To the degree third party price indexes or forecasts are the basis for such gas prices, associated documentation should also be provided.

9. GCUA Recoveries and Balances

Schedules should be provided that show monthly data for the GCUA since its inception. The data should provide the unamortized balances, recoveries, and accrued interest by month with any associated workpapers.

10. Historical Service Interruptions

A schedule should be provided which details any service interruptions during the past 12 months. The schedule should show the dates of the interruptions, the service categories affected, and whether each interruption was operational or economic in nature.

11. Gas Price Hedging Activities

The GDC should provide copies of its last four quarterly hedging reports as filed with the Board. It should also provide a schedule covering both the reconciliation and projected period which shows monthly gas purchase volume requirements and price hedged volumes broken down into discretionary and non-discretionary components which allow evaluation of compliance with the GDC's established hedging objectives.

12. Storage Gas Volumes, Prices and Utilization

Schedules should be provided which show the GDC's monthly data for LNG, LPG, and pipeline storage volumes. The schedules should show volumes and dollars for balances, injections, and withdrawals with all data shown on a Dth basis.

13. Affiliate Gas Supply Transactions

The GDC's filing should have disclosure of all gas supply and capacity transactions with any affiliates during the reconciliation or forecasted periods. The disclosure should provide the nature, terms, and conditions of any such transactions, the date

of the transactions, and evidence that the gas supply or capacity resources transactions were at market rates.

14. Supply and Demand Data

Schedules should be provided that show the GDC's firm requirements and gas supplies by component on an annual, heating season and non-heating season basis. The data should be provided for the reconciliation period and the two prior and two prospective annual periods.

15. Actual Peak Day Supply and Demand

The GDC should provide data for the five highest demand days, for each of the last three years, showing date, temperature or HDD, firm and interruptible volumes and the sources of supply used to meet the associated volume requirement.

16. Capacity Contract Changes

The GDC filing should provide details concerning any changes to its interstate pipeline contracts (entitlements, storage capacities, daily deliverability, transportation, or associated costs) which have been made or occurred during the past 24 months or are planned for the next 12 months. To the degree any significant changes have been made or are planned, a narrative should discuss operational and cost consequences as well as the rationale for the changes.

17. FERC Pipeline Activities

The GDC's filing should provide details on any pending FERC dockets which would affect the cost or services received from the GDC's supplying pipelines. The GDC should also provide details concerning its participation in such dockets and a listing of any filings or testimony made by the GDC or on its behalf.