



Agenda Date: 3/27/20
Agenda Item: 2A

STATE OF NEW JERSEY
Board of Public Utilities
44 South Clinton Avenue, 9th Floor
Post Office Box 350
Trenton, New Jersey 08625-0350
www.nj.gov/bpu/

ENERGY

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 2020)	DECISION AND ORDER APPROVING INITIAL DECISION AND STIPULATION FOR FINAL BGSS AND CIP RATES
)	DOCKET NO. GR19050675
)	OAL DOCKET NO. PUC 13827-19

Parties of Record:

Andrew K. Dembia, Esq., for New Jersey Natural Gas Company
Stefanie A. Brand, Esq., Director, New Jersey Division of Rate Counsel

BY THE BOARD:

By this Order, the New Jersey Board of Public Utilities ("Board" or "BPU") considers an Initial Decision executed by Administrative Law Judge ("ALJ") Jacob S. Gertsman, and a Stipulation for Final Rates ("Stipulation") executed by New Jersey Natural Gas Company ("NJNG" or "Company"), the New Jersey Division of Rate Counsel ("Rate Counsel"), and Board Staff ("Staff") (collectively, "Parties"), intended to resolve the Company's requests related to the above docketed matter.

BACKGROUND

By Order dated January 6, 2003, in Docket No. GX01050304, the Board directed each of New Jersey's four (4) gas distribution companies ("GDCs") to submit to the Board, by June 1, their annual Basic Gas Supply Service ("BGSS") cost filing for the BGSS year beginning October 1.¹ In addition, the January 2003 BGSS Order authorized each GDC to self-implement up to a five (5) percent BGSS increase effective December 1 of the current year, and February 1 of the following year, with one (1) month's advance notice to the Board and Rate Counsel, and

¹In 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. – Order Approving BGSS Price Structure, BPU Docket No. GX01050304, Order dated January 6, 2003 ("January 2003 BGSS Order").

implement a decrease in their BGSS rate at any time during the year upon five (5) days' notice to Board Staff and Rate Counsel.

2019 BGSS/CIP Petition

In accordance with the January 2003 BGSS Order, on May 31, 2019, NJNG filed its 2019 BGSS/CIP Petition with the Board seeking to decrease its per therm Periodic BGSS rate from \$0.4129 to \$0.3984 effective October 1, 2019 ("2019 BGSS/CIP Petition").² The Company also proposed to increase its per therm Balancing Charge rate by \$0.0250, from \$0.0848 to \$0.1098 to reflect updated costs. Supply imbalances occur when transportation customers use more or less gas than the amount they agreed to take from a third party supplier. The balancing charge represents the cost to NJNG's transportation customers for NJNG providing gas from its BGSS portfolio to adjust for transportation customers' over/under consumption. All balancing charge revenues from transportation customers are credited to the BGSS. For sales customers, the balancing charge is included as a component of the delivery charge and deducted from the BGSS charge to provide a BGSS "Price-to-Compare." There is no balancing charge related impact on sales customers' bills, as the balancing charge is deducted from the BGSS price and added to the delivery price.

The 2019 BGSS/CIP Petition also sought approval of the following per therm CIP rates to be effective October 1, 2019: Residential Non-Heating – a charge of \$0.0690, Residential Heating – a charge of \$0.0112, Small General Service – a credit of \$0.0181, and Large General Service – a charge of \$0.0007.³

Pursuant to the CIP Order, any non-weather related CIP surcharges must be offset by reductions in BGSS related costs. According to the 2019 BGSS/CIP Petition, the non-weather related aggregate CIP margins subject to the CIP recovery test are \$1.7 million which is less than the recovery limitation of \$14.9 million. Further, the Company-identified BGSS related reductions of \$18.2 million are greater than the minimum savings of \$1.3 million. Finally, the Company's estimated return on equity for the 2018-2019 CIP year of 6.48% is less than the 9.75% ceiling. Therefore, the Company maintains that it has met the CIP recovery test criteria.

On June 18, 2019, Martin C. Rothfelder, Esq., filed a Motion to Intervene in these proceedings on behalf of the Environmental Defense Fund ("EDF"). On June 25, 2019, EDF filed a revised motion ("EDF's Motion").⁴ On July 3, 2019, NJNG filed a Response in Opposition to the Motion to Intervene ("NJNG's Opposition") submitted by EDF. On July 2, 2019, Rate Counsel submitted a letter in support of granting Intervenor status to EDF. On July 3, 2019, Rate Counsel submitted a revised letter in support of granting Intervenor status to EDF.⁵ On July 16, 2019, EDF submitted a reply to NJNG's Opposition. On July 17, 2019, Rate Counsel filed a reply to NJNG's Opposition.

² All rates quoted include Sales and Use Tax ("SUT").

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.

⁴ The only revisions included corrections to the docket numbers which were inaccurate in the initial motion.

⁵ The revisions included an errata and the addition of counsel for EDF, Martin C. Rothfelder, Esq., to the service list.

On August 13, 2019, NJNG submitted discovery responses updating its BGSS, Balancing Charge, and CIP schedules. The Company's updated calculations produced a BGSS rate and CIP rates for Groups II, III, and IV that were lower than originally filed. Therefore, the Company proposed that these lower rates be approved on a provisional basis effective October 1, 2019.

After publication of notice in newspapers in general circulation in the Company's service territory, on August 21 and 22, 2019, public hearings regarding this docket were held in Freehold and Rockaway, respectively. No members of the public appeared at any of the hearings or filed written comments with the Board.

By Order dated September 11, 2019, the Board approved a stipulation for provisional rates executed by the Parties.⁶ The September 2019 Provisional Order authorized NJNG to: 1) decrease the Company's existing per therm periodic BGSS rate to \$0.3753; 2) increase the Company's per therm Balancing Charge to \$0.1098; 3) increase the per therm CIP rates to: \$0.0690 for Group I Residential Non-Heat customers; \$0.0079 for Group II Residential Heat customers; and, a credit of \$0.0208 for Group III Small Commercial customers; and 4) decrease the CIP rate to a credit rate of \$0.0043 for Group IV Large Commercial customers. These rates, effective October 1, 2019, were subject to refund with interest. As a result of the September 2019 Provisional Order, a typical residential heating customer using 100 therms per month would experience an overall increase in their bill of approximately \$0.94 or 0.9%. In addition, the September 2019 Provisional Order denied EDF's motion to intervene based upon the Board's findings that: 1) the inclusion of EDF in this proceeding would not aid constructively to the case and could confuse or delay the matter, and 2) EDF's interest with respect to the BGSS costs that are under review in this proceeding is not sufficiently different from that of other parties.

On September 27, 2019, this matter was transferred to the Office of Administrative Law as a contested case and was assigned to ALJ Gertsman. A telephonic pre-hearing conference was held on October 21, 2019 and ALJ Gertsman issued a Prehearing Order dated October 30, 2019, establishing the procedural schedule for this matter.

On November 13, 2019, the Board issued an Order approving a decrease to the inventory portion of the Balancing Charge resulting in a Balancing Charge of \$0.1088 per therm, effective November 15, 2019.⁷ This Balancing Charge remains in effect.

On December 28, 2018, NJNG submitted a notice to the Board, Board Staff, and Rate Counsel of its intent to self-implement a five (5) percent increase on February 1, 2019 pursuant to January 2003 BGSS Order. This increase resulted in a BGSS rate of \$0.4129, which was provisional and subject to refund with interest. On April 18, 2019, the Board issued an Order in Docket No.

⁶ In re 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 2020, BPU Docket No. GR19050675, Order dated September 11, 2019, ("September 2019 Provisional Order").

⁷ In re the Matter of the Petition of New Jersey Natural Gas Company for Approval of an Increase in Gas Base Rates and for Changes in its Tariff for Gas Service; Pursuant to N.J.S.A. 48:2-21 and 48:2-21.1 and for Changes to Depreciation Rates for Gas Property Pursuant to N.J.S.A. 48:2-18 and In re the Petition of New Jersey Natural Gas Company's Request for Deferred Accounting Authority for Costs Related to New Information Technology Systems, BPU Docket Nos. GR19030420 and GR18101086, Order dated November 13, 2019.

GR18050586, the Company's prior BGSS proceeding⁸. The Board ordered that this self-implemented increase would be reviewed in the instant proceeding.

STIPULATION

Following a review of the 2019 BGSS/CIP Petition and conducting discovery, the Parties executed the Stipulation, which provides for the following⁹:

16. The Parties agree that the Company's Periodic BGSS rate of \$0.4129 that was self-implemented on February 1, 2019 and which remained in effect until October 1, 2019 should be deemed by the Board to be final. In addition, the previously approved provisional rates, as described in Paragraph 10 of the Stipulation, should be deemed by the Board to be final rates. Those rates, effective October 1, 2019 are: 1) the Company's periodic BGSS rate of \$0.3753 per therm after-tax; and 2) the following CIP rates all on an after-tax basis: a charge of \$0.0690 per therm for Group I Residential Non-Heat customers; a charge of \$0.0079 per therm for Group II Residential Heat customers; a credit of \$0.0208 per therm for Group III Small Commercial customers; and a credit of \$0.0043 per therm for Group IV Large Commercial customers. Additionally, the Balancing Charge of \$0.1098 that was provisionally implemented on October 1, 2019 and remained in effect until November 15, 2019 and the Balancing Charge rate of \$0.1088 that became effective on November 15, 2019 and which is currently in effect should be deemed by the Board to be final rates. As a result of the Stipulation, the provisional rates included in Paragraph 16 of the Stipulation will be final and the October 1, 2019 BGSS and CIP rates and the November 15, 2019 Balancing Charge rate shall remain in effect until further Board Order or further action by the Company in accordance with the January 2003 BGSS Order.
17. 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 in Docket No. GR02100760 et al. and include an MFR index detailing the page number or exhibit where each MFR is addressed in the filing. A copy of the 17 MFRs are attached to the Stipulation as Attachment B.

On February 25, 2020, ALJ Gertsman issued his Initial Decision in this matter finding that the Parties voluntarily agreed to the terms of the Stipulation and that the Stipulation disposed of all matters and is consistent with the law.

DISCUSSION AND FINDING

Having reviewed the record in this matter, including ALJ Gertsman's Initial Decision and the Stipulation, the Board **FINDS** that the Parties have voluntarily agreed to the Stipulation, and that the Stipulation fully disposes of all issues in this proceeding and is consistent with the law. The Board **FINDS** the Initial Decision, which adopts the Stipulation, to be reasonable, in the public

⁸ In re 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, BPU Docket No. GR18050586, Order dated April 18, 2019.

⁹ Although summarized in this Order, the detailed terms of the stipulation are controlling, subject to the findings and conclusions of this Order. Each paragraph is numbered to coincide with the paragraphs in the Stipulation.

interest, and in accordance with the law. Therefore, the Board **HEREBY ADOPTS** the Initial Decision and the Stipulation, attached hereto as its own, incorporating by reference the terms and conditions of the Stipulation, as if they were fully set forth at length herein.

The Board **HEREBY APPROVES** as final the Company's Periodic BGSS rate of \$0.4129 that was self-implemented on February 1, 2019 and remained in effect until October 1, 2019. Further, the Board **HEREBY APPROVES** as final the Company's previously approved per therm rates as described in Paragraph 16 of the Stipulation. Additionally, the Board **HEREBY APPROVES** as final the Company's Balancing Charge rate of \$0.1098 that was provisionally implemented on October 1, 2019 and remained in effect until November 15, 2019 and the Balancing Charge rate of \$0.1088 that became effective on November 15, 2019 and which is currently in effect. Any net over-recovery on the BGSS, Balancing Charge and CIP at the end of the BGSS period is subject to refund with interest.

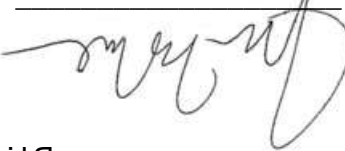
The Company is **HEREBY DIRECTED** to file revised tariff sheets conforming to the terms and conditions of this Order by April 15, 2020.

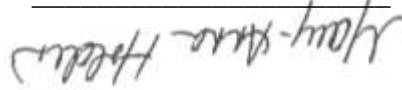
The Company's costs, including those related to BGSS and CIP, remain subject to audit by the Board. This Decision and Order shall not preclude nor prohibit the Board from taking any actions determined to be appropriate as a result of any such audit.


This Order shall be effective on April 6, 2020.


DATED: March 27, 2020

BOARD OF PUBLIC UTILITIES
BY:

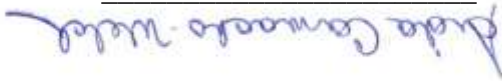

JOSEPH L. FIORDALISO
PRESIDENT


MARY-ANNA HOLDEN
COMMISSIONER


DIANNE SOLOMON
COMMISSIONER


ROBERT M. GORDON
COMMISSIONER


UPENDRA J. CHIVUKULA
COMMISSIONER

ATTEST:

AIDA CAMACHO-WELCH
SECRETARY

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 2020
BPU DOCKET NO. GR19050675
OAL DOCKET NO. PUC 13827-19

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State of New Jersey
OFFICE OF ADMINISTRATIVE LAW

RECEIVED
CASE MANAGEMENT

FEB 27 2020

BOARD OF PUBLIC UTILITIES
TRENTON, NJ

INITIAL DECISION SETTLEMENT

OAL DKT. NO. PUC 13827-19

AGENCY DKT. NO. GR19050675

**IN THE MATTER OF
THE PETITION OF NEW JERSEY
NATURAL GAS COMPANY FOR
THE ANNUAL REVIEW AND REVISIONS
OF ITS BASIC GAS SUPPLY SERVICE
(BGSS) AND ITS CONSERVATION
INCENTIVE PROGRAM (CIP) RATES
FOR FISCAL YEAR 2020.**

Mark G. Kahrer, Vice President, Regulatory Affairs, and **Andrew K. Dembia**, Regulatory Affairs Counsel, for petitioner

Renee Greenberg and **Geoffrey Gersten**, Deputy Attorneys General, for Staff of the Board of Public Utilities (Gurbir S. Grewal, Attorney General of New Jersey, attorney)

Felicia Thomas-Friel and **Maura Caroselli**, Assistant Deputies Rate Counsel, for Division of Rate Counsel (Stefanie A. Brand, Director)

Record Closed: February 21, 2020

Decided: February 25, 2020

BEFORE **JACOB S. GERTSMAN**, ALJ t/a:

This proceeding involves a petition filed on May 25, 2018, by New Jersey Natural Gas Company (Company), for its annual filing for Basic Gas Supply Service (BGSS) and the Company's related requests to modify the BGSS and Conservation Incentive Program (CIP) rates, and to modify the Balancing Charge rate, pursuant to N.J.S.A. 48-2-21.

The petition was transmitted to the Office of Administrative Law (OAL) on October 1, 2019, for determination as a contested case, and assigned to the undersigned, who conducted the initial case management conference on October 21, 2019. Duly-noticed public hearings were held prior to the transmittal to the OAL, on August 21, 2019 in Freehold Township, New Jersey and on August 22, 2019 in Rockaway Township, New Jersey. No members of the public appeared at either hearing and no written comments were received.

Evidentiary hearings were scheduled for April 27, 2020. Prior to the commencement of the hearings, the parties filed on February 20, 2020, a Stipulation of Final Rates (J-1), resolving all issues in this proceeding. Said Stipulation has been signed by petitioner, Staff of the Board of Public Utilities, and Division of Rate Counsel. It indicates the terms of settlement, and is attached and fully incorporated herein.

I have reviewed the terms of settlement and I **FIND:**

1. The parties have voluntarily agreed to the settlement as evidenced by their signatures or their representatives' signatures on the attached document.
2. The settlement 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.

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.

February 25, 2020 _____

DATE



JACOB S. GERTSMAN, ALJ t/a

Date Received at Agency:

2/26/2020

Date Mailed to Parties:

2/26/2020

JSG/nd

APPENDIX

EXHIBITS

Jointly Submitted

J-1 Stipulation for Final Rates

J-1

RECEIVED

2020 FEB 21 P 2:10

STATE OF NEW JERSEY
OFFICE OF ADMIN. LAW

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. GR19050675
REVISION OF ITS BASIC GAS SUPPLY)	PUC 13827-2019S
SERVICE (BGSS) AND ITS)	
CONSERVATION INCENTIVE PROGRAM)	
(CIP) RATES FOR F/Y 2020)	

STIPULATION FOR FINAL RATES

APPEARANCES:

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

Felicia Thomas-Friel, Deputy Rate Counsel, Maura Caroselli, Esq., Assistant Deputy Rate Counsels, New Jersey Division of Rate Counsel (Stefanie Brand, Esq., Director)

Renee Greenberg, Deputy Attorney General, for the Staff of the New Jersey Board of Public Utilities (Gurbir S. Grewal, Attorney General of New Jersey)

**TO: THE HONORABLE JACOB S. GERSTMAN, ADMINISTRATIVE LAW
JUDGE AND
THE NEW JERSEY BOARD OF PUBLIC UTILITIES**

BACKGROUND

1. New Jersey Natural Gas Company ("NJNG" or "Company") filed a petition in Docket No. GR19050675 on May 31, 2019 ("2020 Annual Filing"), requesting that the New Jersey Board of Public Utilities ("BPU" or "Board") approve NJNG's 2020 Annual Filing to: 1) decrease the Company's Periodic Basic Gas Supply Service ("BGSS") effective October 1, 2019; 2) increase the Company's Balancing Charge effective October 1, 2019; and 3) increase the Company's Conservation Incentive Program ("CIP") recovery rates for Group I Residential Non



February 21, 2020

Honorable Aida Camacho-Welch, Secretary
N.J. Board of Public Utilities
44 South Clinton Avenue, 9th Floor
Trenton, NJ 08625-0350

Re: 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 2020
BPU Docket No. GR19050675
PUC Docket No. PUC 13827-2019S

Dear Secretary Camacho-Welch:

Enclosed with this letter is a fully executed Stipulation for Final Rates in the above captioned matter.

Please do not hesitate to contact me at 732-938-1073 if you need any additional information.

Very truly yours,

A handwritten signature in blue ink that reads 'Andrew K. Dembia'. The signature is fluid and cursive, with the first letters of the first and last names being capitalized and prominent.

Andrew K. Dembia
Regulatory Affairs Counsel

AKD:sf

**NEW JERSEY NATURAL GAS COMPANY ANNUAL REVIEW AND REVISION
OF ITS BASIC GAS SUPPLY SERVICE (BGSS) AND CONSERVATION
INCENTIVE PROGRAM (CIP) RATES FOR F/Y 2020
DOCKET NO. GR19050675**

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**NEW JERSEY NATURAL GAS COMPANY ANNUAL REVIEW AND REVISION
OF ITS BASIC GAS SUPPLY SERVICE (BGSS) AND CONSERVATION
INCENTIVE PROGRAM (CIP) RATES FOR F/Y 2020
DOCKET NO. GR19050675**

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**NEW JERSEY NATURAL GAS COMPANY ANNUAL REVIEW AND REVISION
OF ITS BASIC GAS SUPPLY SERVICE (BGSS) AND CONSERVATION
INCENTIVE PROGRAM (CIP) RATES FOR F/Y 2020
DOCKET NO. GR19050675**

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**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. GR19050675
REVISION OF ITS BASIC GAS SUPPLY) PUC 13827-2019S
SERVICE (BGSS) AND ITS)
CONSERVATION INCENTIVE PROGRAM)
(CIP) RATES FOR F/Y 2020)**

STIPULATION FOR FINAL RATES

APPEARANCES:

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

Felicia Thomas-Friel, Deputy Rate Counsel, Maura Caroselli, Esq., Assistant Deputy Rate Counsels, New Jersey Division of Rate Counsel (Stefanie Brand, Esq., Director)

Renee Greenberg, Deputy Attorney General, for the Staff of the New Jersey Board of Public Utilities (Gurbir S. Grewal, Attorney General of New Jersey)

**TO: THE HONORABLE JACOB S. GERSTMAN, ADMINISTRATIVE LAW
JUDGE AND
THE NEW JERSEY BOARD OF PUBLIC UTILITIES**

BACKGROUND

1. New Jersey Natural Gas Company (“NJNG” or “Company”) filed a petition in Docket No. GR19050675 on May 31, 2019 (“2020 Annual Filing”), requesting that the New Jersey Board of Public Utilities (“BPU” or “Board”) approve NJNG’s 2020 Annual Filing to: 1) decrease the Company’s Periodic Basic Gas Supply Service (“BGSS”) effective October 1, 2019; 2) increase the Company’s Balancing Charge effective October 1, 2019; and 3) increase the Company’s Conservation Incentive Program (“CIP”) recovery rates for Group I Residential Non

Heat customers, Group II Residential Heat customers, Group III General Service – Small customers, and Group IV General Service – Large customers effective October 1, 2019.

2. Specifically, the 2020 Annual Filing requested that the BPU decrease the existing per therm after-tax Periodic BGSS rate of \$0.4129 that is applicable to residential and small commercial customers subject to the Periodic BGSS Pricing Mechanism to \$0.3984 per therm. As requested by Board Staff, NJNG’s filing reflected market conditions as of May 9, 2019 and was based upon a one-year BGSS recovery period. If approved, the requested change would result in an overall decrease of after-tax revenue of approximately \$7.2 million to the current estimated annual BGSS revenue of \$205.6 million.

3. The 2020 Annual Filing also requested a \$0.0250 per therm increase to the NJNG after-tax balancing charge of \$0.0848 to \$0.1098. As approved by the Board on September 23, 2016 in BPU Docket No. GR15111304 (“Base Case Order”), NJNG is to 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. The Base Case Order also provides 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 results in an overall increase of after-tax revenue of approximately \$16.6 million to the current estimated annual Balancing Charge revenue of \$56.3 million.

4. Within the 2020 Annual Filing, as authorized by the Board in Docket Nos. GR05121020 and GR13030185, the Company also submitted its annual CIP rate filing for CIP year 2020, October 1, 2019 through September 30, 2020, requesting that the BPU approve the

implementation of updated CIP factors effective October 1, 2019. The requested changes result in an overall increase of after-tax revenue of approximately \$13.8 million to the current estimated annual CIP revenue of (\$8.7) million. Specifically, the Company is seeking approval for the following changes to its after-tax per therm CIP factors: 1) a \$0.0370 increase to the current rate of \$0.0320 for Group I Residential Non-Heat customers, resulting in the proposed rate of \$0.0690; 2) a \$0.0253 increase to the current credit rate of \$0.0141, resulting in the proposed rate of \$0.0112 for Group II Residential Heat customers; 3) an increase of \$0.0173 to the current credit rate of \$0.0354 for Group III Small Commercial customers, resulting in the proposed credit rate of \$0.0181; and 4) a \$0.0041 increase to the current credit rate of \$0.0034, resulting in the proposed rate of \$0.0007 for Group IV Large Commercial customers all effective as of October 1, 2019.

5. Pursuant to the Board's May 21, 2014 Order in Docket No. GR13030185, recovery of any non-weather related CIP surcharges are subject to a BGSS Savings Test under which the Company must have BGSS savings of at least 75 percent 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 of aggregate variable margins. 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 2019, specifically October 1, 2018 through September 30, 2019, of approximately \$3.8 million, with \$2.1 million margin deficiency related to weather, and \$1.7 million margin deficiency related to non-weather factors. The amount of the BGSS Savings required to meet the BGSS Savings test is 75 percent of the non-weather change, or \$1.3 million. The Company identified approximately \$18.2 million in BGSS savings available to offset non-weather related CIP margin deficiency and charges for the October 2019 through September 2020 recovery period. Under the Variable Margin Test, the recovery limitation is \$14.9

million based upon the aggregate variable margins reported by the Company. Since the non-weather related CIP margin deficiency is less than the BGSS Savings and the Variable Margin Test recovery limitation, the Company satisfied both tests based upon the information and representations contained in the Company's filing. The Company also provided testimony that the margin deficiency will not result in a return on equity in excess of 9.75 percent.

6. Modifying the BGSS, Balancing Charge, and CIP rates as requested would result in an overall increase of approximately \$3.58 per month, or 3.5 percent, 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 the requested rate changes is an increase of \$1.19, or 3.6 percent. The impact to the average small commercial customer (Group III) using 100 therms a month is an increase of \$2.78, or 2.4 percent. The impact to the average large commercial customer (Group IV) using 1200 therms a month is an increase of \$4.92, or 0.4 percent. The above BGSS, Balancing Charge and CIP rate changes would result in an increase in annual after-tax revenues to NJNG of approximately \$23.1 million.

7. On August 13, 2019, the Company submitted discovery responses updating its BGSS, Balancing Charge, and CIP schedules. The Company's updated calculations produced a BGSS rate and CIP rates for Groups II, III, and IV that were lower than originally filed. Therefore, the Company indicated that it proposed that these lower updated rates be approved on a provisional basis effective October 1, 2019. Approval of the updated after-tax Periodic BGSS rate of \$0.3753 per therm would result in an overall decrease of after-tax revenue of approximately \$18.7 million to the current estimated annual BGSS revenue of \$205.6 million. Approval of the updated after-tax CIP rates for Groups II, III, and IV of \$0.0079, a credit rate of \$0.0208, and a credit rate of \$0.0043 per therm, respectively, and the requested after-tax CIP rate for Group I of \$0.0690 per

term would result in an overall increase of after-tax revenue of approximately \$11.4 million to the current estimated annual CIP revenue of (\$8.7) million. Implementation of these revised after-tax BGSS and CIP rates combined with the requested after-tax Balancing Charge of \$0.1098, would result in an overall increase of after-tax revenue of approximately \$9.2 million.

8. After publication of notice in newspapers of general circulation in NJNG's service territory, public hearings were scheduled and conducted on August 21, 2019 in Freehold Township and on August 22, 2019 in Rockaway Township. No members of the public appeared at either hearing nor were any written comments received by the BPU, NJNG or the New Jersey Division of Rate Counsel ("Rate Counsel").

9. NJNG, Board Staff, and Rate Counsel (collectively, "Parties"), the only Parties to this proceeding, discussed certain matters at issue in this proceeding and determined that additional time was needed to complete the 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 updated BGSS rate, the requested CIP rate for Group I, the updated CIP rates for Group II, III, and IV, and the requested Balancing Charge rate, on a provisional basis subject to the terms below, would be reasonable, and accordingly executed a stipulation for provisional rates.

10. On September 11, 2019, the Board issued an Order ("September 2019 Order") in this proceeding approving the stipulation and authorizing the Company to: 1) decrease the Company's existing periodic BGSS rate to \$0.3753 per therm after-tax; 2) increase the Company's balancing charge to \$0.1098 per therm after tax; 3) increase the following CIP rates all on an after-tax basis to: \$0.0690 per therm for Group I Residential Non-Heat customers; \$0.0079 per therm for Group II Residential Heat customers; and, a credit of \$0.0208 per therm for Group III Small

Commercial customers; and 4) decrease the CIP rate on an after tax basis to a credit rate of \$0.0043 per therm for Group IV Large Commercial customers. Those rates, effective October 1, 2019, were subject to refund with interest, with an opportunity for a full review at the Office of Administrative Law (“OAL”), if necessary, and final approval by the Board. A full schedule of applicable bill impacts by rate class is attached hereto as Attachment A.

11. On September 27, 2019, this matter was transmitted to the OAL as a contested case and assigned to the Honorable Jacob S. Gertsman, Administrative Law Judge (“ALJ”). A telephonic pre-hearing conference was held on October 21, 2019. ALJ Gertsman issued a Prehearing Order dated October 30, 2019 establishing the procedural schedule.

12. On November 13, 2019, the Board issued an Order in Docket No. GR19030420, the Company’s base rate case proceeding, approving a decrease to the inventory portion of the Balancing Charge resulting in a Balancing Charge of \$0.1088 per therm effective November 15, 2019. This Balancing Charge remains in effect.

13. On December 28, 2018, NJNG notified the BPU and Rate Counsel of its intent to self-implement a 5 percent increase on February 1, 2019 pursuant to the BPU’s January 6, 2003 Order in Docket No. GX01050304. This increase resulted in an after-tax BGSS rate of \$0.4129, was provisional and subject to true-up in this proceeding. On April 18, 2019, the Board issued an Order in Docket No. GR18050586, the Company’s prior BGSS proceeding, which provided that this self-implemented increase would be reviewed in the instant proceeding.¹

¹ In re 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, BPU Docket No. GR18050586, (April 18, 2019).

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

15. The Parties discussed this matter and hereby **STIPULATE AND AGREE** as follows:

STIPULATED ISSUES

16. The Parties agree that the Company's Periodic BGSS rate of \$0.4129 that was self-implemented on February 1, 2019 and remained in effect until October 1, 2019 should be deemed by the Board to be final. In addition, the previously approved provisional rates, as described above in Paragraph 10, should be deemed by the Board to be final rates. Those rates, effective October 1, 2019 are: 1) the Company's periodic BGSS rate of \$0.3753 per therm after-tax; and 2) the following CIP rates all on an after-tax basis: a charge of \$0.0690 per therm for Group I Residential Non-Heat customers; a charge of \$0.0079 per therm for Group II Residential Heat customers; a credit of \$0.0208 per therm for Group III Small Commercial customers; and a credit of \$0.0043 per therm for Group IV Large Commercial customers. Additionally, the Balancing Charge of \$0.1098 that was provisionally implemented on October 1, 2019 and remained in effect until November 15, 2019 and the Balancing Charge rate of \$0.1088 that became effective on November 15, 2019 and which is currently in effect should be deemed by the Board to be final rates. As a result of this Stipulation, the provisional rates included in this paragraph will be final and the October 1, 2019 BGSS and CIP rates and the November 15, 2019 Balancing Charge rate shall

remain in effect until further Board Order or further action by the Company in accordance with the Generic Order.

17. 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 in Docket No. GR02100760 *et al.* and include an MFR index detailing the page number or exhibit where each MFR is addressed in the filing. A copy of the seventeen MFRs are attached hereto as Attachment B.

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

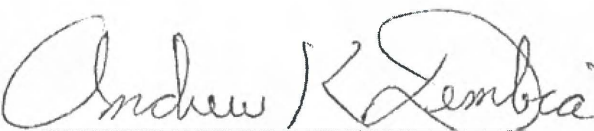
19. The Parties agree that they consider the Stipulation to be binding on them for all purposes herein.

20. 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

recommend that the Board transmit this proceeding to the OAL for an opportunity for a full review of all issues in this matter. 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 the Your Honor issue an Initial Decision and that the Board issue an Order approving it in its entirety, in accordance with the terms hereof.

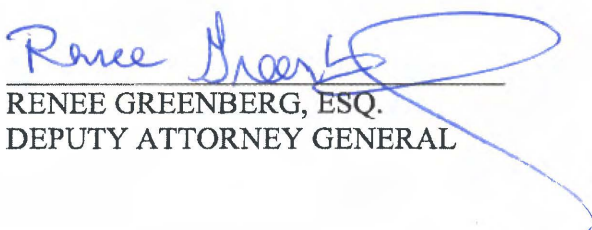
**NEW JERSEY NATURAL GAS
PETITIONER**

By: 
ANDREW K. DEMBIA, ESQ.
New Jersey Natural Gas

**STEFANIE BRAND, ESQ., DIRECTOR
NEW JERSEY DIVISION OF RATE COUNSEL**

By: _____
MAURA CAROSELLI, ESQ.
ASSISTANT DEPUTY RATE COUNSEL

**GURBIR S. GREWAL
ATTORNEY GENERAL OF NEW JERSEY
Attorney for the Staff of the Board of Public Utilities**

By: 
RENEE GREENBERG, ESQ.
DEPUTY ATTORNEY GENERAL

Date: February 20, 2020

WHEREFORE, the Parties hereto do respectfully submit this Stipulation and request that the 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

**STEFANIE BRAND, ESQ., DIRECTOR
NEW JERSEY DIVISION OF RATE COUNSEL**

By:  _____
MAURA CAROSELLI, ESQ.
ASSISTANT DEPUTY RATE COUNSEL

**GURBIR S. GREWAL
ATTORNEY GENERAL OF NEW JERSEY**
Attorney for the Staff of the Board of Public Utilities

By: _____
RENEE GREENBERG, ESQ.
DEPUTY ATTORNEY GENERAL

Date: February 20, 2020

GR 19050675

New Jersey Natural Gas Company
Net impact of Proposed Rate Changes
BPU Docket No. GR19050675
F/Y 2020

(\$/therm)

Rate Impact for Group I - Residential Non-Heating Customers

	Component of	5/1/19 Rates		Proposed 10/1/19 Rates		Change		Total Bill % impact
		Pre-tax	Post-tax	Pre-tax	Post-tax	Pre-tax	Post-tax	
BGSS	BGSS	\$0.3872	\$0.4129	\$0.3520	\$0.3753	(\$0.0352)	(\$0.0376)	(2.8%)
Balancing Charge	Delivery Rate	0.0795	0.0848	0.1030	0.1098	0.0235	0.0250	1.9%
CIP	Delivery Rate	0.0300	0.0320	0.0647	0.0690	0.0347	0.0370	2.8%
NET IMPACT		<u>\$0.4967</u>	<u>\$0.5297</u>	<u>\$0.5197</u>	<u>\$0.5541</u>	<u>\$0.0230</u>	<u>\$0.0244</u>	<u>1.8%</u>

Rate Impact for Group II - Residential Heating Customers

	Component of	5/1/19 Rates		Proposed 10/1/19 Rates		Change		Total Bill % impact
		Pre-tax	Post-tax	Pre-tax	Post-tax	Pre-tax	Post-tax	
BGSS	BGSS	\$0.3872	\$0.4129	\$0.3520	\$0.3753	(\$0.0352)	(\$0.0376)	(3.7%)
Balancing Charge	Delivery Rate	0.0795	0.0848	0.1030	0.1098	0.0235	0.0250	2.4%
CIP	Delivery Rate	(0.0132)	(0.0141)	0.0074	0.0079	0.0206	0.0220	2.2%
NET IMPACT		<u>\$0.4535</u>	<u>\$0.4836</u>	<u>\$0.4624</u>	<u>\$0.4930</u>	<u>\$0.0089</u>	<u>\$0.0094</u>	<u>0.9%</u>

Rate Impact for Group III - General Service Small Customers

	Component of	5/1/19 Rates		Proposed 10/1/19 Rates		Change		Total Bill % impact
		Pre-tax	Post-tax	Pre-tax	Post-tax	Pre-tax	Post-tax	
BGSS	BGSS	\$0.3872	\$0.4129	\$0.3520	\$0.3753	(\$0.0352)	(\$0.0376)	(3.3%)
Balancing Charge	Delivery Rate	0.0795	0.0848	0.1030	0.1098	0.0235	0.0250	2.2%
CIP	Delivery Rate	(0.0332)	(0.0354)	(0.0195)	(0.0208)	0.0137	0.0146	1.3%
NET IMPACT		<u>\$0.4335</u>	<u>\$0.4623</u>	<u>\$0.4355</u>	<u>\$0.4643</u>	<u>\$0.0020</u>	<u>\$0.0020</u>	<u>0.2%</u>

Rate Impact for Group IV - General Service Large Customers

	Component of	5/1/19 Rates		Proposed 10/1/19 Rates		Change		Total Bill % impact
		Pre-tax	Post-tax	Pre-tax	Post-tax	Pre-tax	Post-tax	
BGSS	BGSS (May 2019)	\$0.3807	\$0.4059	\$0.3572	\$0.3809	(\$0.0235)	(\$0.0250)	(2.5%)
Balancing Charge	Delivery Rate	0.0795	0.0848	0.1030	0.1098	0.0235	0.0250	2.5%
CIP	Delivery Rate	(0.0032)	(0.0034)	(0.0040)	(0.0043)	(0.0008)	(0.0009)	(0.1%)
NET IMPACT		<u>\$0.4570</u>	<u>\$0.4873</u>	<u>\$0.4562</u>	<u>\$0.4864</u>	<u>(\$0.0008)</u>	<u>(\$0.0009)</u>	<u>(0.1%)</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 Annual Therms:

Periodic BGSS	497,947 (000s)
Balancing Charge	664,373 (000s)
CIP Group I	2,533 (000s)
CIP Group II	489,639 (000s)
CIP Group III	38,280 (000s)
CIP Group IV	132,939 (000s)

	Projected Revenue at Current Rates \$million	Projected Revenue at Proposed Rates \$million	Change \$million
BGSS	\$205.6	\$186.9	(\$18.7)
Balancing Charge	\$56.3	\$72.9	\$16.6
CIP Group I	\$0.1	\$0.2	\$0.1
CIP Group II	(\$6.9)	\$3.9	\$10.8
CIP Group III	(\$1.4)	(\$0.8)	\$0.6
CIP Group IV	(\$0.5)	(\$0.6)	(\$0.1)
IMPACT	<u>\$253.3</u>	<u>\$262.5</u>	<u>\$9.2</u>

New Jersey Natural Gas Company
Net impact of Proposed Rate Changes
BPU Docket No. GR19050675
F/Y 2020

Impact on Residential Non-Heating Customers				25 therm bill	
5/1/19 Rates					
	Customer Charge	\$8.70		\$8.70	
	Delivery	\$0.5651		\$14.13	
	BGSS	\$0.4129		\$10.32	
	Total	<u>\$0.9780</u>		<u>\$33.15</u>	
Proposed Rates- effective 10/1/19					
	Customer Charge	\$8.70		\$8.70	
	Delivery	\$0.6271		\$15.68	
	BGSS	\$0.3753		\$9.38	
	Total	<u>\$1.0024</u>		<u>\$33.76</u>	
	Increase			\$0.61	
	Increase as a percent			1.8%	

Impact on Residential Heating Customers				100 therm bill	1,000 therm annual bill
5/1/19 Rates					
	Customer Charge	\$8.70	\$8.70	\$104.40	
	Delivery	\$0.5190	\$51.90	\$519.00	
	BGSS	\$0.4129	\$41.29	\$412.90	
	Total	<u>\$0.9319</u>	<u>\$101.89</u>	<u>\$1,036.30</u>	
Proposed Rates- effective 10/1/19					
	Customer Charge	\$8.70	\$8.70	\$104.40	
	Delivery	\$0.5660	\$56.60	\$566.00	
	BGSS	\$0.3753	\$37.53	\$375.30	
	Total	<u>\$0.9413</u>	<u>\$102.83</u>	<u>\$1,045.70</u>	
	Increase		\$0.94	\$9.40	
	Increase as a percent		0.9%	0.9%	

Impact on Commercial GSS Customers				100 therm bill	
5/1/19 Rates					
	Customer Charge	\$26.37		\$26.37	
	Delivery	\$0.4680		\$46.80	
	BGSS	\$0.4129		\$41.29	
	Total	<u>\$0.8809</u>		<u>\$114.46</u>	
Proposed Rates- effective 10/1/19					
	Customer Charge	\$26.37		\$26.37	
	Delivery	\$0.5076		\$50.76	
	BGSS	\$0.3753		\$37.53	
	Total	<u>\$0.8829</u>		<u>\$114.66</u>	
	Increase			\$0.20	
	Increase as a percent			0.2%	

Impact on Commercial GSL Customers				1200 therm bill	
5/1/19 Rates					
	Customer Charge	\$52.17		\$52.17	
	Demand Charge	\$1.84		\$176.64	
	Delivery	\$0.4196		\$503.52	
	BGSS (May 2019)	\$0.4059		\$487.08	
	Total	<u>\$0.8255</u>		<u>\$1,219.41</u>	
Proposed Rates- effective 10/1/19					
	Customer Charge	\$52.17		\$52.17	
	Demand Charge	\$1.84		\$176.64	
	Delivery	\$0.4437		\$532.44	
	BGSS (May 2019)	\$0.3809		\$457.08	
	Total	<u>\$0.8246</u>		<u>\$1,218.33</u>	
	Decrease			(\$1.08)	
	Decrease as a percent			(0.1%)	

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.