

DIVISION OF ENERGY

## 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/

		BIVIOION OF ENERGY
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
	)	DOCKET NO. GX01050304

#### Parties of Record:

Brian O. Lipman, Esq., Director, New Jersey Division of Rate Counsel Deborah M. Franco, Esq., on behalf of Elizabethtown Gas Company and South Jersey Gas Company **Andrew Dembia, Esq.**, on behalf of New Jersey Natural Gas Company Katherine E. Smith, Esq., on behalf of Public Service Electric and Gas Company

#### BY THE BOARD:

In accordance with the New Jersey Board of Public Utilities ("Board") January 6, 2003 BGSS Order in this docket<sup>1</sup>, Elizabethtown Gas Company ("ETG"), New Jersey Natural Gas Company ("NJNG"), Public Service Electric and Gas Company ("PSE&G"), and South Jersey Gas Company ("SJG") (collectively, "GDCs") each filed annual petitions in June of this year to reset their Basic Gas Supply Service ("BGSS") charges, along with supporting testimony.<sup>2</sup>

In an effort to ensure that residential customer rates stay in line with gas costs experienced by the GDCs, and to aid in preventing significant BGSS over- and under-recoveries, in its January

<sup>&</sup>lt;sup>1</sup> 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. – BGSS Pricing, BPU Docket No. GX01050304, Order dated January 6, 2003 ("January 6, 2003 BGSS Order").

<sup>&</sup>lt;sup>2</sup> In re the Petition of Elizabethtown Gas Company to Review Its Basic Gas Supply Service Rate, BPU Docket No. GR21060876: In re the Petition of New Jersey Natural Gas Company's Annual Review and Revision of its Basic Gas Supply Service (BGSS) and Conservation Incentive Program (CIP) Rates for Fiscal Year 2022, BPU Docket No. GR21050860; In re the Petition of Public Service Electric and Gas Company's 2021/2022 Annual BGSS Commodity Charge Filing for its Residential Gas Customers Under its Periodic Mechanism and for Changes in its Balancing Charge, BPU Docket No. GR21060878; and In re the Petition of South Jersey Gas Company to Revise the Level of its Basic Gas Supply Service (BGSS) Charge and Conservation Incentive Program (CIP) Charge for the Year Ending September 30, 2022, BPU Docket No. GR21060881.

6, 2003 BGSS Order, the Board authorized the GDCs to, if necessary, self-implement up to a 5% increase effective December 1<sup>st</sup> of each BGSS year and, if necessary, self-implement a second increase of up to 5% effective February 1<sup>st</sup> of each BGSS year. Such self-implementing increases are subject to refund with interest, upon subsequent review by the Board. The Board's January 6, 2003 BGSS Order requires each of the GDCs to give written notice to Board Staff ("Staff") and the New Jersey Division of Rate Counsel ("Rate Counsel") 30 days prior to the self-implementing rate increases. Self-implementing decreases, if appropriate, may be implemented by the GDCs at any time upon five (5) days' notice to Staff and Rate Counsel.

The most recent projections of gas costs strongly suggest that even with the potential implementation of self-implementing rate increases, the GDCs will likely be significantly under-recovered as of September 30, 2022, the end of the BGSS annual period. Due to the extreme volatility of the natural gas market this year, on November 1, 2021, the GDCs filed an Emergent Motion of New Jersey's Gas Distribution Companies for Waivers Necessary to Permit Self-Implementing BGSS Increases Effective December 1, 2021 ("Motion"). The Motion requests that the Board, for this year only, waive the 30-day notice requirement for the December 1st self-implementing rate increase. The GDCs contend that this will enable them to closely monitor projected market conditions and to determine, with the maximum possible precision, whether: (a) a self-implementing rate increase is necessary; and (b) if so, how much of such an increase is necessary. In the Motion, ETG also requested a waiver of the language in its tariff, BGSS Rider A, which incorporates the BGSS Pricing Structure provided in the January 6, 2003 BGSS Order. The GDCs requested that the Motion be considered on an emergent basis at the next Board agenda meeting, November 17, 2021.

On November 9, 2021, Rate Counsel submitted comments indicating that it does not object to the GDCs' request, and the relief should only apply to the December 1, 2021 self-implemented rate increases.

# **DISCUSSION AND FINDINGS**

The Board carefully reviewed the Motion filed by the GDCs to shorten the notice requirement for the December 1, 2021 self-implementing rate increases and finds the requests to be reasonable in light of the current volatile gas market conditions. Accordingly, the Board <u>HEREBY GRANTS</u> the Motion filed by the GDCs to permit a one-time waiver for this BGSS year only, of the requirement that notice of a December 1<sup>st</sup> self-implementing rate increase be filed no later than November 1<sup>st</sup> as may be indicated in each GDCs' relevant tariff and as provided in the January 6, 2003 BGSS Order. As such, the Board <u>HEREBY ORDERS</u> that any notice of a December 1, 2021 self-implementing rate increase be filed with Staff and Rate Counsel by no later than November 19, 2021. The Board concurs with the GDCs that this action will permit the Board, Rate Counsel, and the GDCs additional time to observe market conditions and perhaps allow for market stabilization to the ultimate benefit of the ratepayer. The Board emphasizes that any self-implementing increase would be provisional and subject to true-up in the annual BGSS filings.

Any requests for additional increases beyond the self-implementing increases will require additional public hearings, upon appropriate notice as required by law.

The effective date of this Order is November 17, 2021.

DATED: November 17, 2021

BOARD OF PUBLIC UTILITIES

BY:

OSEPH L. FIORDALISC

PRESIDENT

MARY-ANNA HOLDEN

**COMMISSIONER** 

DIANNE SOLOMON COMMISSIONER

UPENDRA J. CHIVUKULA

COMMISSIONER

ROBERT W. GORDON

COMMISSIONER

ATTEST:

AIDA CAMACHO-WELCH

**SECRETARY** 

# 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. DOCKET NO. GX01050304

#### SERVICE LIST

**Board of Public Utilities** 

44 South Clinton Avenue, 1st Floor Post Office Box 350 Trenton, NJ 08625-0350

Aida Camacho-Welch, Secretary board.secretary@bpu.nj.gov

Stacy Peterson, Deputy Executive Director <a href="mailto:stacy.peterson@bpu.nj.gov">stacy.peterson@bpu.nj.gov</a>

Office of General Counsel

Abe Silverman, Esq., General Counsel <a href="mailto:abe.silverman@bpu.nj.gov">abe.silverman@bpu.nj.gov</a>

Carol Artale, Esq., Deputy General Counsel carol.artale@bpu.nj.gov

Heather Weisband, Esq., Senior Counsel <a href="heather.weisband@bpu.nj.gov">heather.weisband@bpu.nj.gov</a>

Division of Energy

Paul Lupo, Acting Director paul.lupo@bpu.nj.gov

Ryan Moran ryan.moran@bpu.nj.gov

Scott Sumliner

scott.sumliner@bpu.nj.gov

Oneil Hamilton

oneil.hamilton@bpu.ni.gov

Beverly Tyndell

beverly.tyndell@bpu.nj.gov

SJI Utilities, Inc.

1 South Jersey Place Atlantic City, NJ 08401

Cindy Capozzoli

ccapozzoli@siindustries.com

**New Jersey Division of Rate Counsel** 

140 East Front Street, 4<sup>th</sup> Floor Post Office Box 003 Trenton, NJ 08625

Brian O. Lipman, Esq., Director blipman@rpa.ni.gov

Maura Caroselli, Esq. mcaroselli@rpa.nj.gov

Sarah Steindel ssteindel@rpa.nj.gov

Kurt Lewandowski klewando@rpa.nj.gov

Robert Henkes Henkes Consulting 7 Sunset Road Old Greenwich, CT 06870 rhenkes@optonline.net

Division of Law

Deputy Attorney General NJ Department of Law and Public Safety Richard J. Hughes Justice Complex Public Utilities Section 25 Market Street, P.O. Box 112 Trenton, NJ 08625

Pamela Owen, ASC, DAG pamela.owen@law.njoag.gov

Michael Beck, DAG

michael.beck@law.njoag.gov

Matko Ilic, DAG

matko.ilic@law.njoag.gov

Terel Klein

terel.klein@law.njoag.gov

Daren Eppley, DAG

daren.eppley@law.njoag.gov

Carolyn A. Jacobs cjacobs@sjindustries.com

# **South Jersey Gas Company**

1 South Jersey Place Atlantic City, NJ 08401

Karen Crispin kcrispin@sjindustries.com

W. Peter Drunkenmiller wdrunkenmiller@sjindustries.com

James G. Fredericks <u>jfredericks@sjindustries.com</u>

Timothy Rundall trundall@sjindustries.com

Daniel Yardley, Yardley & Associates 2409 Providence Hills Drive Matthews, NC 28105 dan@yardleyassociates.com

#### **New Jersey Natural Gas Company**

1415 Wycoff Road Post Office Box 1464 Wall, NJ, 07719

Mark Kahrer mkahrer@njng.com

Andrew K. Dembia, Esq. adembia@njng.com

Jayana Shah jshah@njresources.com

Tina Trebino ttrebino@njng.com

Anne-Marie Peracchio aperacchio@njng.com

## **Public Service Electric and Gas Company**

80 Park Plaza, Newark, New Jersey 07102

Katherine E. Smith, Esq. katherine.smith@pseg.com

Matthew Weissman, Esq. matthew.weissman@pseg.com

Terrance Moran terrance.moran@pseg.com

Stephen Irons <a href="mailto:stephen.irons@pseg.com">stephen.irons@pseg.com</a>

## **Elizabethtown Gas Company**

520 Green Lane Union, NJ 07083

Deborah M. Franco, Esq. SJI Utilities, Inc. dfranco@siindustries.com

Thomas Kaufmann <a href="mailto:tkaufmann@sjindustries.com">tkaufmann@sjindustries.com</a>

Susan Potanovich <a href="mailto:spotanovich@sjindustries.com">spotanovich@sjindustries.com</a>

Leonard J. Willey <a href="mailto:lwilley@sjiindustries.com">lwilley@sjiindustries.com</a>

Sheree Kelly skelly@sjindustries.com