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NOTICE¹

**DOCKET NO. GO19070846 – IN THE MATTER OF THE EXPLORATION OF
GAS CAPACITY AND RELATED ISSUES**

Pursuant to the Open Public Meetings Act, N.J.S.A. 10:4-6 et. seq., the New Jersey Board of Public Utilities (“Board”) hereby gives notice of a meeting to be held on Tuesday, October 1, 2019 at 10:00 a.m. at the Board’s office at 44 South Clinton Avenue, 1st Floor Merit System Conference Room, Trenton, New Jersey. The Staff of the Board of Public Utilities (“Staff”) invites New Jersey’s natural gas distribution companies (“GDCs”), the New Jersey Division of Rate Counsel, third party suppliers of natural gas in New Jersey (“TPS”), and all other interested parties and members of the public to this public meeting to explore gas capacity and related issues.

Prior to the deregulation of the natural gas market, the GDCs were responsible for securing sufficient capacity to meet the needs of all of their firm customers. Once the market was deregulated, natural gas customers migrated to transportation service and the GDCs were incentivized to not just release, but permanently shed excess capacity. The New Jersey Utility Association represents that the GDCs have firm upstream capacity for BGSS sales obligations, but not sufficient capacity to serve the entire load for TPS firm transportation customers. By Order dated February 27, 2019 (“February 2019 Order”), the Board directed Staff to initiate this stakeholder process to explore the issue of whether there is sufficient gas capacity secured to meet New Jersey customer needs prospectively. In addition, the Board indicated in the February 2019 Order that an important measure of the effectiveness of energy competition is if, and to what extent, TPSs are saving residential customers money on their natural gas supply. Therefore, this stakeholder proceeding will also explore what savings have been provided to residential customers who have selected a TPS to provide their gas supply service.

¹Not a paid legal advertisement.

Specifically, the Board seeks comments on the following issues:

1. GDC Capacity Procurement:

- a. Does each GDC, (either independently or through a contract with an affiliated company) have sufficient firm capacity secured to meet their current design day forecasts for the next five years?
- b. What is the weighted average cost of the transportation and storage capacity that each of the GDCs has secured?
- c. What assumptions does each GDC make and reflect in its forecasts about the switching of customers to and from TPSs?
- d. How does the switching of customers to and from TPSs affect each GDC's capacity portfolio?

2. TPS Capacity Procurement:

- a. Do the TPSs have sufficient firm capacity secured to meet their design day forecasts for the customers that they serve in New Jersey for the next five years?
- b. If the TPSs do not secure firm capacity for a five-year period, how many years in advance do they secure firm capacity?
- c. What is the weighted average cost of the transportation and storage capacity that the TPSs have secured?
- d. What assumptions have the TPSs made and reflected in their forecasts about those customers?
- e. Have the TPSs been securing firm capacity for their firm transportation customers?
- f. Through what other means have the TPSs met their customers' requirements (e.g., delivered gas, capacity release, peak day supplies)?

3. Does sufficient pipeline capacity exist within the New Jersey market to satisfy the total customers' requirements currently served by both TPSs and GDCs? Can additional incremental pipeline capacity be obtained to meet the forecasted customer requirements over the next five years? Would this capacity be more expensive than the current capacity?

4. If the GDCs were made responsible for securing the incremental capacity for the transportation customers, what would be the costs involved and how should they be allocated? What would be the impact of those costs on BGSS customers?

5. If some of the TPSs have secured long term capacity for their customers, how would an allocation of capacity costs from the GDCs affect them? Would the GDCs be in a position where they would be buying capacity from the TPSs if the GDCs were required to secure capacity for transportation customers?

6. What rates have the TPSs charged residential customers over the past three years? How does this compare to what these residential customers would have paid for their natural gas supply if they had been served by their GDC? Did these residential customers save money? Should the TPSs be required to report pricing information to the Board and publically disclose their prices on a monthly basis?

Persons interested in attending the above meeting who require special accommodations because of a disability should contact the Office of the Secretary of the Board at (609) 292-1599 at least three days prior to the meeting date so that appropriate arrangements can be made.

Board Staff invites all interested parties to comment on the issues during the above meeting. Written comments are also invited and must be submitted to Aida Camacho-Welch, Secretary, New Jersey Board of Public Utilities, Post Office Box 350, Trenton, New Jersey 08625. Written comments may also be submitted electronically to energy.comments@bpu.nj.gov in Word or other easily converted format. All comments must be received on or before 5:00 p.m. on October 22, 2019. All written comments must reference Docket No. GO19070846. Any comments which do not reference this docket number may not be considered.



Aida Camacho-Welch
Secretary of the Board

Dated: September 10, 2019