



In accordance with the January 2003 BGSS Order, on June 1, 2017, NJNG filed its 2017 BGSS/CIP Petition with the Board seeking to increase the current per therm Periodic BGSS rate from \$0.3654<sup>2</sup> to \$0.4099 effective October 1, 2017. The Company also proposed to increase its balancing charge rate by \$0.0062 per therm, from \$0.0621 to \$0.0683 per therm, to reflect up-dated 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 2017 BGSS/CIP Petition also sought approval of the following changes to the Company's after-tax per therm CIP<sup>3</sup> rates to be effective October 1, 2017: Residential Non-Heating – a charge of \$0.0076, Residential Heating – a charge of \$0.0401, Small General Service – a charge of \$0.0302, and Large General Service – a charge of \$0.0308.

The proposed CIP rates would yield a net decrease of \$16.3 million (pre-tax) in NJNG's CIP revenues, comprised of the following elements:

(\$000)	CIP Deficiency/(Credit) - 2016-2017			Prior Period Under/ (Over) Recovery	Totals
	Non-Weather	Weather	Total		
Group I - Res. Non-Heat	-\$28	\$0	-\$28	\$48	\$20
Group II - Res. Heat	\$129	\$16,458	\$16,587	\$844	\$17,431
Group III - G.S. Small	-\$370	\$1,226	\$856	\$176	\$1,032
Group IV - G.S. Large	\$1,241	\$2,344	\$3,585	\$336	\$3,921
Total	\$972	\$20,028	\$21,000	\$1,404	\$22,404
CIP Revenues at existing rates (without SUT)					\$38,664
Difference					(\$16,260)

Pursuant to the CIP Order, any non-weather related CIP surcharges must be offset by reductions in BGSS related costs. According to the Company's filing, the non-weather related CIP value subject to the BGSS savings comparison is \$0.972 million. As this amount is less than the Company-identified BGSS related reductions of \$13.407 million, the Company maintains that it has met the BGSS savings test. In addition, as the Company's actual return on

<sup>2</sup> All rates quoted include Sales and Use Tax ("SUT").

<sup>3</sup> 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.

equity at September 30, 2017 of 8.58 percent is less than the 9.75 percent ceiling, the Company seeks to collect from customers the net weather and non-weather margin CIP shortfall of \$21.0 million.

After publication of notice in newspapers in general circulation in the Company's service territory, on September 5 and 7, 2017, public hearings regarding this docket were held in Freehold and Rockaway, respectively. No members of the public appeared at any of the hearings or submitted written comments on the petition.

### **STIPULATION**

Because additional time is needed to complete the review of the proposed rates to ensure that the costs are adequately explained, reconciled and addressed, and the resulting rates are reasonable, on September 8, 2017, the Parties executed the Stipulation. The Stipulation provides the following:<sup>4</sup>

8. The Parties to this proceeding, have discussed certain matters at issue. As a result of those discussions, the Parties have determined that additional time is needed to complete the final review of NJNG's proposed BGSS, Balancing Charge, and CIP rates. Additionally, during the discussions, the Company proposed and the Parties agreed that, in order to reflect the decrease in costs in the natural gas market since the original filing date in June 2017, the existing Periodic BGSS rate of \$0.3654 per therm after-tax be should be maintained and the original requested increase to the Periodic BGSS rate should not be implemented. However, the Parties have agreed that the implementation of the increase to the Company's Balancing Charge and the decreases to the CIP rates, on a provisional basis and subject to the terms below, would be reasonable at this time. The Balancing Charge and CIP rate changes result in a decrease in annual after-tax revenues to NJNG of approximately \$13.3 million.
9. Accordingly, the Parties agree that pending the conclusion of any further review and discussions among the Parties, it is both reasonable and in the public interest for the Board to authorize the following: 1) maintain the Company's periodic BGSS rate of \$0.3654 per therm after-tax; 2) increase the Company's Balancing Charge rate to \$0.0683 per therm after-tax; and 3) decrease the following CIP rates all on an after-tax basis to: \$0.0076 per therm for Group I Residential Non-Heat customers; \$0.0401 per therm for Group II Residential Heat customers; \$0.0302 per therm for Group III Small Commercial customers; and, \$0.0308 per therm for Group IV Large Commercial customers.
10. The Parties agree that these rates will be effective as of the later of October 1, 2017 or the effective date of the Board Order adopting the Stipulation. These changes are on a provisional basis, subject to refund with interest, an opportunity for a full review at the Office of Administrative Law ("OAL"), if necessary, and final approval by the Board.
11. The Stipulation results in an overall decrease of approximately 0.9 percent, or \$0.99 per month for a typical residential heat sales customer using 100 therms per month. The components of the agreed-upon rates are as follows: BGSS rate

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<sup>4</sup> Although summarized in this Order, the detailed terms of the stipulation are controlling, subject to the findings and conclusions of this Order.

reflects no impact, the Balancing Charge rate reflects an increase of 0.6 percent, and the CIP rate reflects a decrease of 1.5 percent. The overall impact to the average residential non-heat sales customer using 25 therms per month is a decrease of 0.7 percent or \$0.22 per month and to the average small commercial sales customer using 100 therms per month these changes represent a decrease of approximately 5.1 percent or \$6.35 per month. The total bill for large commercial sales customers are decreasing by approximately 4.5 percent or \$63.00 per month for a customer using 1200 therms a month. These rate changes represent a decrease in annual after-tax revenue to NJNG of approximately \$13.3 million. Exhibit A to the Stipulation provides the impacts of the above rate changes.

12. The Company will submit final tariff sheets within five (5) business days of the effective date of the Board's Order in this docket conforming to the agreed upon rates and terms set-forth in the Stipulation.

### **DISCUSSION AND FINDING**

The Board, having reviewed the record to-date in this proceeding and the attached Stipulation, **HEREBY FINDS** that, subject to the terms and conditions set forth below, the Stipulation is reasonable, in the public interest and in accordance with the law. Accordingly, the Board **HEREBY ADOPTS** the Stipulation as its own, as if fully set forth herein.

The Board **HEREBY APPROVES** on a provisional basis the following per therm rates:

- (1) maintenance of the Company's BGSS rate of \$0.3654;
- (2) an increase in the Company's per therm balancing charge rate to \$0.0683; and
- (3) the implementation of the following per therm CIP rates:
  - \$0.0076 for Residential Non-Heating customers,
  - \$0.0401 for Residential Heating customers,
  - \$0.0302 for Small General Service customers, and
  - \$0.0308 for Large General Service customers.

Any net over-recovery on the BGSS and CIP at the end of the BGSS period is subject to refund with interest. All rate changes shall be effective for service rendered on and after October 1, 2017.

Based on the Stipulation, a typical residential heat sales customer using 100 therms per month will see an overall decrease in their monthly bill of approximately \$0.99 or 0.9 percent.

The Company is **HEREBY DIRECTED** to file revised tariff sheets conforming to the terms and conditions of this Order by October 1, 2017.

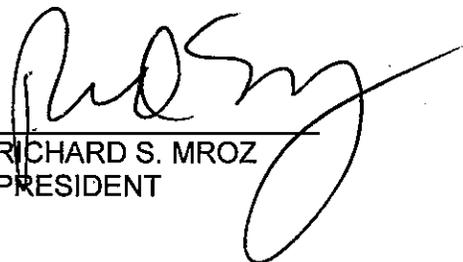
The Board **HEREBY ORDERS** that this matter be transmitted to the OAL for full review and an Initial Decision, and then returned to the Board.

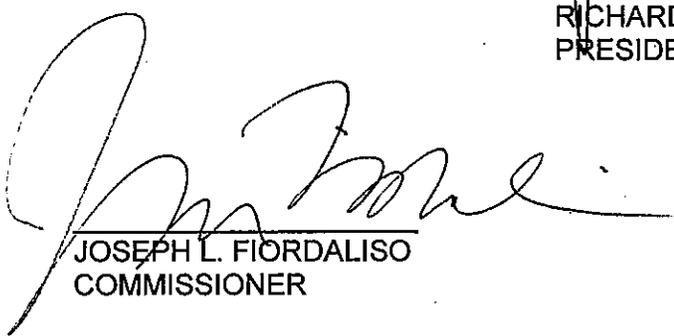
The Company's costs, including those related to BGSS and CIP, remain subject to audit by the Board. This Decision and Order shall not preclude nor prohibit the Board from taking any actions determined to be appropriate as a result of any such audit.

The effective date of this Order is September 29, 2017.

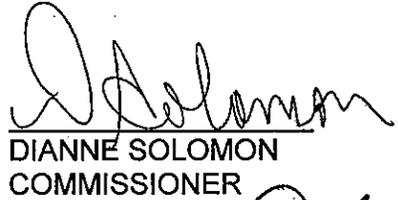
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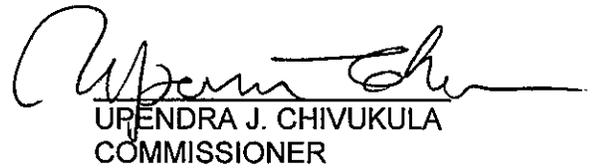
BOARD OF PUBLIC UTILITIES  
BY:

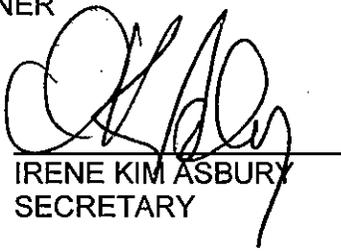
  
RICHARD S. MROZ  
PRESIDENT

  
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COMMISSIONER

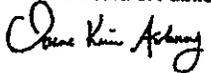
  
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ATTEST:   
IRENE KIM ASBURY  
SECRETARY

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 FISCAL YEAR 2018  
DOCKET NO. GR17060588

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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. GR17060588  
REVISION OF ITS BASIC GAS SUPPLY )  
SERVICE (BGSS) AND ITS )  
CONSERVATION INCENTIVE PROGRAM )  
(CIP) RATES FOR F/Y 2018 )**

**STIPULATION FOR PROVISIONAL 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. and Sarah Steindel, Esq., Assistant Deputy Rate Counsels, New Jersey Division of Rate Counsel (Stefanie Brand, Esq., Director)

Alex Moreau and Renee Greenberg, Deputy Attorneys General, for the Staff of the New Jersey Board of Public Utilities (Christopher S. Porrino, Attorney General of New Jersey)

**TO: THE NEW JERSEY BOARD OF PUBLIC UTILITIES**

**BACKGROUND**

1. New Jersey Natural Gas Company (“NJNG” or “Company”) filed a petition in Docket No. GR17060588 on June 1, 2017 (“2018 Annual Filing”), requesting that the New Jersey Board of Public Utilities (“BPU” or “Board”) approve NJNG’s 2018 Annual Filing to: 1) increase the Company’s Periodic Basic Gas Supply Service (“BGSS”) effective October 1, 2017; 2) approve an increase to the Company’s Balancing Charge effective October 1, 2017; and 3) approve decreases to 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, 2017.

2. Specifically, the 2018 Annual Filing requested that the BPU increase the existing per therm after-tax Periodic BGSS rate of \$0.3654 that is applicable to residential and small commercial customers subject to the Periodic BGSS Pricing Mechanism to \$0.4099 per therm. As requested by Board Staff, NJNG's filing reflected market conditions as of May 10, 2017 and was based on a one-year BGSS recovery period. The requested change results in an overall increase of after-tax revenue of approximately \$20.6 million to the current estimated annual BGSS revenue of \$169.0 million.

3. The 2018 Annual Filing also requested a \$0.0062 per therm increase to the NJNG after-tax balancing charge, thereby increasing it from \$0.0621 to \$0.0683. 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 \$4.0 million to the current estimated annual Balancing Charge revenue of \$40.0 million.

4. Within the 2018 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 2018, October 1, 2017 through September 30, 2018, requesting that the BPU approve the implementation of updated CIP factors effective October 1, 2017. The requested changes result in an overall decrease of after-tax revenue of approximately \$17.3 million to the current estimated

annual CIP revenue of \$41.4 million. Specifically, the Company is seeking approval for the following changes to its after-tax per therm CIP factors: 1) a \$0.0150 decrease to the current rate of \$0.0226 for Group I Residential Non-Heat customers resulting in the proposed rate of \$0.0076; 2) a \$0.0161 decrease to the current rate of \$0.0562 resulting in the proposed rate of \$0.0401 for Group II Residential Heat customers; 3) a decrease of \$0.0697 to the current rate of \$0.0999 for Group III Small Commercial customers resulting in the proposed rate of \$0.0302; and 4) a decrease of \$0.0525 to the current rate of \$0.0833 resulting in the proposed rate of \$0.0308 for Group IV Large Commercial customers, all effective as of October 1, 2017.

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. The Company reported total estimated CIP related margin credit for CIP year 2017, October 1, 2016 through September 30, 2017, of approximately \$21.0 million with \$20.027 million margin credit related to weather and \$0.972 million 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 \$0.729 million. Under the Variable Margin Test, the recovery limitation is \$15.0 million based on the aggregate variable margins reported by the Company. The Company has identified approximately \$13.4 million in BGSS savings available to offset non-weather related CIP margin deficiency and charges for the October 2017 through September 2018 recovery period. Since 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 on 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 will result in a requested overall increase of approximately \$3.46 per month, or 3.3 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 these requested rate changes will be an increase of 2.8 percent per month, and to the average small commercial customer (Group III) using 100 therms a month will be a decrease of 1.5 percent per month. Since the BGSS change does not impact larger commercial customers to whom the monthly BGSS is applicable, the impact of the Balancing Charge and CIP rate changes will result in a 4.5 percent decrease to the average large commercial customer (Group IV) using 1200 therms a month. The above BGSS, Balancing Charge and CIP rate changes result in an increase in annual after-tax revenues to NJNG of approximately \$7.3 million.

7. After publication of notice in newspapers of general circulation in NJNG's service territory, public hearings were scheduled and conducted on September 5, 2017 in Freehold Township and on September 7, 2017 in Rockaway Borough. 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").

#### **STIPULATED ISSUES**

8. NJNG, Board Staff, and Rate Counsel (collectively, the "Parties"), the only Parties to this proceeding, have discussed certain matters at issue herein. As a result of those discussions, the Parties have determined that additional time is needed to complete the final review of NJNG's proposed BGSS, Balancing Charge, and CIP rates. Additionally, during the discussions, the

Company proposed and the Parties agreed that, in order to reflect the decrease in costs in the natural gas market since the original filing date in June 2017, the existing Periodic BGSS rate of \$0.3654 per therm after-tax be should be maintained and the original requested increase to the Periodic BGSS rate should not be implemented. However, the Parties have agreed that the implementation of the increase to the Company's Balancing Charge and the decreases to the CIP rates, on a provisional basis and subject to the terms below, would be reasonable at this time. The Balancing Charge and CIP rate changes result in a decrease in annual after-tax revenues to NJNG of approximately \$13.3 million.

9. Accordingly, the Parties stipulate and agree that pending the conclusion of any further review and discussions among the Parties, it is both reasonable and in the public interest for the Board to authorize the following: 1) maintain the Company's periodic BGSS rate to \$0.3654 per therm after-tax; 2) increase the Company's Balancing Charge rate to \$0.0683 per therm after-tax; and 3) decrease the following CIP rates all on an after-tax basis to: \$0.0076 per therm for Group I Residential Non-Heat customers; \$0.0401 per therm for Group II Residential Heat customers; \$0.0302 per therm for Group III Small Commercial customers; and, \$0.0308 per therm for Group IV Large Commercial customers.

10. It is agreed by the Parties that these rates will be effective as of the later of October 1, 2017 or the effective date of the Board Order adopting this Stipulation. These changes are on a provisional basis, subject to refund with interest, an opportunity for a full review at the Office of Administrative Law ("OAL"), if necessary, and final approval by the Board.

11. This Stipulation results in an overall decrease of approximately 0.9 percent, or \$0.99 per month for a typical residential heat sales customer using 100 therms per month. The components of the agreed-upon rates are as follows: BGSS rate reflects no impact, the Balancing

Charge rate reflects an increase of 0.6 percent, and the CIP rate reflects a decrease of 1.5 percent. The overall impact to the average residential non-heat sales customer using 25 therms per month is a decrease of 0.7 percent or \$0.22 per month and to the average small commercial sales customer using 100 therms per month these changes represent a decrease of approximately 5.1 percent or \$6.35 per month. The total bill for large commercial sales customers are decreasing by approximately 4.5 percent or \$63.00 per month for a customer using 1200 therms a month. These rate changes represent a decrease in annual after-tax revenue to NJNG of approximately \$13.3 million. Exhibit A to this Stipulation provides the impacts of the above rate changes.

12. The Company will submit final tariff sheets within five (5) business days of the effective date of the Board's Order in this docket conforming to the agreed upon rates and terms set-forth in the above paragraphs.

13. 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.

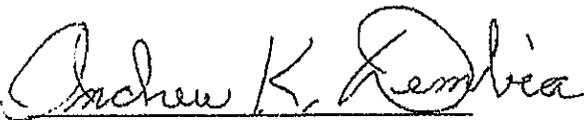
14. The Parties agree that they consider the Stipulation to be binding on them for all purposes herein.

15. 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 Board issue a Decision and Order approving it in its entirety, in accordance with the terms hereof, as soon as reasonably possible in order to implement these rates as of the later of October 1, 2017 or the effective date of the Board Order approving this Stipulation.

**NEW JERSEY NATURAL GAS  
PETITIONER**

By:   
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New Jersey Natural Gas

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By:   
ALEX MOREAU  
DEPUTY ATTORNEY GENERAL

Date: September 8, 2017

New Jersey Natural Gas Company  
Net Impact of Proposed Rate Changes  
BPU Docket No. GR17060588  
FY 2018

(\$/therm)

**Rate Impact for Group I - Residential Non-Heating Customers**

	Component of	Current		Proposed		Change		Total Bill % Impact
		Pre-tax	Post-tax	Pre-tax	Post-tax	Pre-tax	Post-tax	
BGSS	BGSS	\$0.3419	\$0.3654	\$0.3419	\$0.3654	\$0.0000	\$0.0000	0.0%
Balancing Charge	Delivery Rate	0.0581	0.0621	0.0639	0.0683	0.0058	0.0062	0.5%
CIP	Delivery Rate	<u>0.0211</u>	<u>0.0226</u>	<u>0.0071</u>	<u>0.0076</u>	<u>(0.0140)</u>	<u>(0.0150)</u>	<u>(1.2%)</u>
<b>NET IMPACT</b>		<u>\$0.4211</u>	<u>\$0.4501</u>	<u>\$0.4129</u>	<u>\$0.4413</u>	<u>(\$0.0082)</u>	<u>(\$0.0088)</u>	<u>(0.7%)</u>

**Rate Impact for Group II - Residential Heating Customers**

	Component of	Current		Proposed		Change		Total Bill % Impact
		Pre-tax	Post-tax	Pre-tax	Post-tax	Pre-tax	Post-tax	
BGSS	BGSS	\$0.3419	\$0.3654	\$0.3419	\$0.3654	\$0.0000	\$0.0000	0.0%
Balancing Charge	Delivery Rate	0.0581	0.0621	0.0639	0.0683	0.0058	0.0062	0.6%
CIP	Delivery Rate	<u>0.0526</u>	<u>0.0562</u>	<u>0.0375</u>	<u>0.0401</u>	<u>(0.0151)</u>	<u>(0.0161)</u>	<u>(1.5%)</u>
<b>NET IMPACT</b>		<u>\$0.4526</u>	<u>\$0.4837</u>	<u>\$0.4433</u>	<u>\$0.4738</u>	<u>(\$0.0093)</u>	<u>(\$0.0099)</u>	<u>(0.9%)</u>

**Rate Impact for Group III - General Service Small Customers**

	Component of	Current		Proposed		Change		Total Bill % Impact
		Pre-tax	Post-tax	Pre-tax	Post-tax	Pre-tax	Post-tax	
BGSS	BGSS	\$0.3419	\$0.3654	\$0.3419	\$0.3654	\$0.0000	\$0.0000	0.0%
Balancing Charge	Delivery Rate	0.0581	0.0621	0.0639	0.0683	0.0058	0.0062	0.5%
CIP	Delivery Rate	<u>0.0935</u>	<u>0.0999</u>	<u>0.0283</u>	<u>0.0302</u>	<u>(0.0652)</u>	<u>(0.0697)</u>	<u>(5.6%)</u>
<b>NET IMPACT</b>		<u>\$0.4935</u>	<u>\$0.5274</u>	<u>\$0.4341</u>	<u>\$0.4639</u>	<u>(\$0.0594)</u>	<u>(\$0.0635)</u>	<u>(5.1%)</u>

**Rate Impact for Group IV - General Service Large Customers**

	Component of	Current		Proposed		Change		Total Bill % Impact
		Pre-tax	Post-tax	Pre-tax	Post-tax	Pre-tax	Post-tax	
BGSS	BGSS (May 2017)	\$0.4244	\$0.4536	\$0.4186	\$0.4474	(\$0.0058)	(\$0.0062)	(0.5%)
Balancing Charge	Delivery Rate	0.0581	0.0621	0.0639	0.0683	0.0058	0.0062	0.5%
CIP	Delivery Rate	<u>0.0779</u>	<u>0.0833</u>	<u>0.0288</u>	<u>0.0308</u>	<u>(0.0491)</u>	<u>(0.0525)</u>	<u>(4.5%)</u>
<b>NET IMPACT</b>		<u>\$0.5604</u>	<u>\$0.5990</u>	<u>\$0.5113</u>	<u>\$0.5465</u>	<u>(\$0.0491)</u>	<u>(\$0.0525)</u>	<u>(4.5%)</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	462,488 (000s)
Balancing Charge	644,828 (000s)
CIP Group I	2,823 (000s)
CIP Group II	466,299 (000s)
CIP Group III	36,590 (000s)
CIP Group IV	136,813 (000s)

	Projected Revenue at Current Rates \$million	Projected Revenue at Proposed Rates \$million	Change \$million
BGSS	\$169.0	\$169.0	\$0.0
Balancing Charge	\$40.0	\$44.0	\$4.0
CIP Group I	\$0.1	\$0.0	(\$0.04)
CIP Group II	\$26.2	\$18.7	(\$7.5)
CIP Group III	\$3.7	\$1.1	(\$2.6)
CIP Group IV	<u>\$11.4</u>	<u>\$4.2</u>	<u>(\$7.2)</u>
<b>IMPACT</b>	<u>\$250.4</u>	<u>\$237.1</u>	<u>(\$13.3)</u>

New Jersey Natural Gas Company  
Net Impact of Proposed Rate Changes  
BPU Docket No. GR17060588  
F/Y 2018

<u>Impact on Residential Non-Heating Customers</u>				
			25 therm bill	
<b>Current Rates</b>				
Customer Charge	\$8.84		\$8.84	
Delivery	\$0.5651		\$14.13	
BGSS	\$0.3654		\$9.14	
Total	\$0.9305		\$32.11	
<b>Proposed Rates- effective 10/1/17</b>				
Customer Charge	\$8.84		\$8.84	
Delivery	\$0.5563		\$13.91	
BGSS	\$0.3654		\$9.14	
Total	\$0.9217		\$31.89	
Increase/(Decrease)			(\$0.22)	
Increase/(Decrease) as a percent			(0.7%)	
<u>Impact on Residential Heating Customers</u>				
			100 therm bill	1,000 therm annual bill
<b>Current Rates</b>				
Customer Charge	\$8.84		\$8.84	\$106.08
Delivery	\$0.5987		\$59.87	\$598.70
BGSS	\$0.3654		\$36.54	\$365.40
Total	\$0.9641		\$105.25	\$1,070.18
<b>Proposed Rates- effective 10/1/17</b>				
Customer Charge	\$8.84		\$8.84	\$106.08
Delivery	\$0.5888		\$58.88	\$588.80
BGSS	\$0.3654		\$36.54	\$365.40
Total	\$0.9542		\$104.26	\$1,060.28
Increase/(Decrease)			(\$0.99)	(\$9.90)
Increase/(Decrease) as a percent			(0.9%)	(0.9%)
<u>Impact on Commercial GSS Customers</u>				
				100 therm bill
<b>Current Rates</b>				
Customer Charge	\$26.78		\$26.78	
Delivery	\$0.6144		\$61.44	
BGSS	\$0.3654		\$36.54	
Total	\$0.9798		\$124.76	
<b>Proposed Rates- effective 10/1/17</b>				
Customer Charge	\$26.78		\$26.78	
Delivery	\$0.5509		\$55.09	
BGSS	\$0.3654		\$36.54	
Total	\$0.9163		\$118.41	
Increase/(Decrease)			(\$6.35)	
Increase/(Decrease) as a percent			(5.1%)	
<u>Impact on Commercial GSL Customers</u>				
				1200 therm bill
<b>Current Rates</b>				
Customer Charge	\$54.93		\$54.93	
Demand Charge	\$1.85		\$177.60	
Delivery	\$0.5137		\$616.44	
BGSS (May 2017)	\$0.4536		\$544.32	
Total	\$0.9673		\$1,393.29	
<b>Proposed Rates- effective 10/1/17</b>				
Customer Charge	\$54.93		\$54.93	
Demand Charge	\$1.85		\$177.60	
Delivery	\$0.4674		\$560.88	
BGSS (May 2017)	\$0.4474		\$536.88	
Total	\$0.9148		\$1,330.29	
Increase/(Decrease)			(\$63.00)	
Increase/(Decrease) as a percent			(4.5%)	