



Agenda Date: 6/27/24
Agenda Item: IIA

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

ENERGY

IN THE MATTER OF THE PETITION OF NEW)	ORDER SUSPENDING
JERSEY NATURAL GAS COMPANY FOR)	INCREASES, CHANGES OR
APPROVAL OF AN INCREASE IN GAS BASE)	ALTERATIONS IN RATES FOR
RATES, FOR CHANGES IN ITS TARIFF FOR GAS)	SERVICE
SERVICE, PURSUANT TO N.J.S.A. 48:2-21 AND)	
N.J.S.A. 48:2-21.1, AND FOR CHANGES TO)	
DEPRECIATION RATES FOR GAS PROPERTY)	BPU DOCKET NO. GR24010071
PURSUANT TO N.J.S.A. 48:2-18, AND OTHER)	OAL DOCKET NO. PUC 02298-24
REQUESTED RELIEF)	

Parties of Record:

Brian O. Lipman, Esq., Director, New Jersey Division of Rate Counsel
Colleen Foley, Esq., Saul Ewing, LLP on behalf of New Jersey Natural Gas Company
Murray E. Bevan, Esq. and Jennifer McCave, Esq., on behalf of NRG Energy, Inc., and its affiliates

BY THE BOARD:

On January 31, 2024, pursuant to N.J.S.A. 48:2-18, N.J.S.A. 48:2-21, N.J.S.A. 48:2-21.1, and N.J.A.C. 14:1-5.12, New Jersey Natural Gas Company (“NJNG” or “Company”), a public utility of the State of New Jersey subject to the jurisdiction of the New Jersey Board of Public Utilities (“Board”), filed a petition for approval of an increase in its current base rates for service of approximately \$222.60 million, excluding Sales and Use Tax (“SUT”), to be effective for service provided on and after March 1, 2024 (“Petition”). By this Order, the Board will consider a further suspension of NJNG’s proposed base rates until November 1, 2024.

BACKGROUND AND PROCEDURAL HISTORY

NJNG is engaged in the transmission and distribution of natural gas to approximately 576,000 residential and commercial customers within Monmouth and Ocean Counties, as well as portions of Burlington, Middlesex, and Morris counties.

According to the Petition, the Company’s current base rates and charges for natural gas service are not sufficient at their current level. The Company alleged that, if left unchanged, the current base rates will 1) impair NJNG’s ability to meet operating and maintenance expenses, taxes, and fixed charges, and 2) impair NJNG’s ability to earn a reasonable rate of return on the fair value of

the Company's property. As such, the Company sought Board approval to increase existing rates and change or alter existing classifications in the Company's tariff.

By Order dated February 21, 2024, the Board suspended the proposed rates until July 1, 2024.¹ This matter was subsequently transmitted to the Office of Administrative Law ("OAL") for hearings as a contested case and assigned to Administrative Law Judge ("ALJ") Jacob S. Gertsman. On May 8, 2024, ALJ Gertsman issued a Prehearing Order setting a procedural schedule. By separate order on May 8, 2024, ALJ Gertman ruled on motions to intervene and participate.

On May 15, 2024, NJNG updated the Petition to include nine (9) months of actual information and three (3) of estimated information ("9+3 Update"). Based upon the 9+3 Update, the proposed revenue requirement was modified to an increase of \$219.58 million.

DISCUSSION AND FINDINGS

After a thorough review of the documents pertaining to this matter including, but not limited to, the Petition, the February 2024 Order, the Orders issued by ALJ Gertsman, and the 9 + 3 Update, the Board **HEREBY FINDS** that a review of this matter will not be complete on or before July 1, 2024. The Board **FURTHER FINDS** that the proposed revisions will likely increase existing rates and change or alter existing classifications in the Petitioner's tariff. As such, the Board **HEREBY ORDERS** as follows:

- (1) Pursuant to N.J.S.A. 48:2-21(d), and consistent with N.J.A.C. 14:1-5.12, the proposed revisions shall be suspended until November 1, 2024, unless the Board makes a determination disposing of the Petition or enters an Order further suspending the proposed revisions prior to that date;
- (2) NJNG shall, at least 10 days prior to the date set for hearing on the Petition by the OAL, file with the Board and the OAL proof of compliance with the N.J.S.A. 48:2-32.2 and N.J.A.C. 14:1-5.12(b) and (c) notice provisions, which shall include a statement that any relief found by the Board to be just and reasonable may be allocated by the Board to any class or classes of customers on any rate or schedule as the Board may determine; and
- (3) NJNG shall serve copies of this Order upon the OAL, the New Jersey Division of Rate Counsel, the clerk of each affected municipality, the clerk of the Boards of County Commissioners of each affected county, and, where appropriate, the executive officer of the affected county within its service area. Proof of Service of this Order shall be filed with the Board.

¹ In re the Petition of New Jersey Natural Gas Company for Approval of an Increase in Gas Base Rates, for Changes in its Tariff for Gas Service, Pursuant to N.J.S.A. 48:2-21 and N.J.S.A. 48:2-21.1, and for Changes to Depreciation Rates for Gas Property Pursuant to N.J.S.A. 48:2-18, and Other Requested Relief, BPU Docket No. GR24010071, OAL Docket No. PUC 02298-24, Order dated February 21, 2024 ("February 2024 Order").

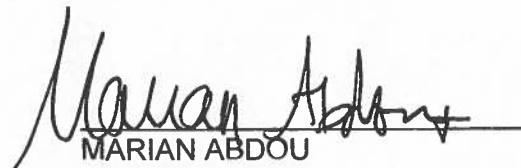
The Order shall be effective on June 27, 2024.

DATED: June 27, 2024

BOARD OF PUBLIC UTILITIES
BY:


CHRISTINE GUHL-SADOVY
PRESIDENT


DR. ZENON CHRISTODOULOU
COMMISSIONER


MARIAN ABDOU
COMMISSIONER


MICHAEL BANGE
COMMISSIONER

ATTEST: 
SHERRI L. GOLDEN
SECRETARY

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

IN THE MATTER OF THE PETITION OF NEW JERSEY NATURAL GAS COMPANY FOR APPROVAL OF AN INCREASE IN GAS BASE RATES, FOR CHANGES IN ITS TARIFF FOR GAS SERVICE, PURSUANT TO N.J.S.A. 48:2-21 AND N.J.S.A. 48:2-21.1, AND FOR CHANGES TO DEPRECIATION RATES FOR GAS PROPERTY PURSUANT TO N.J.S.A. 48:2-18, AND OTHER REQUESTED RELIEF

BPU DOCKET NO. GR24010071
OAL DOCKET NO. PUC 02298-24

SERVICE LIST

Board of Public Utilities

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

Sherri L. Golden, Secretary
board.secretary@bpu.nj.gov

Stacy Peterson, Deputy Executive Director
stacy.peterson@bpu.nj.gov

Office of the General Counsel

Michael Beck, General Counsel
michael.beck@bpu.nj.gov

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

Heather Weisband, Senior Counsel
heather.weisband@bpu.nj.gov

Economist's Office

Benjamin Witherell, Chief Economist
benjamin.witherell@bpu.nj.gov

Jackie O'Grady
jackie.ogrady@bpu.nj.gov

Division of Engineering

Dean Taklif
dean.taklif@bpu.nj.gov

Christopher Oprysk
christopher.oprysk@bpu.nj.gov

Nisa Rizvi
nisa.rizvi@bpu.nj.gov

Division of Reliability and Security

Phillip Galka
Phillip.galka@bpu.nj.gov

Ann Lang
ann.lang@bpu.nj.gov

BPU, cont'd

Division of Revenue and Rates

William Barkasy
william.barkasy@bpu.nj.gov

Jacqueline Galka
jacqueline.galka@bpu.nj.gov

Dari Urban
dari.urban@bpu.nj.gov

Cindy Bianco
cindy.bianco@bpu.nj.gov

New Jersey Division of Law

25 Market Street
Post Office Box 112
Trenton, NJ 08625

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

Daren Eppley, DAG
daren.eppley@law.njoag.gov

Matko Ilic, DAG
matko.ilic@law.njoag.gov

Steven Chaplar, DAG
steven.chaplar@law.njoag.gov

New Jersey Division of Rate Counsel

140 East Front Street, 4th Floor
Post Office Box 003
Trenton, NJ 08625

Brian Lipman, Esq., Director
blipman@rpa.nj.gov

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

Brian Weeks, Esq.
bweeks@bpu.nj.gov

Mamie W. Purnell, Esq.
mpurnell@rpa.nj.gov

Megan Lupo, Esq.
megan.lupo@rpa.nj.gov

Robert Glover, Esq.
rglover@rpa.nj.gov

Andrew Gold, Esq.
agold@rpa.nj.gov

Emily Lam, Esq.
elam@rpa.nj.gov

Carlena Morrison, Paralegal
cmorrison@rpa.nj.gov

Rate Counsel Consultants

GDS Associates, Inc.
1850 Parkway Place, Suite 800
Marietta, GA 30067

Jessica Rozier
jessica.rozier@gdsassociates.com

James Garren
james.garren@gdsassociates.com

Kate St. Clair
kate.stclair@gdsassociates.com

Christie Bockheim
christie.bockheim@gdsassociates.com

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

Susan M. Baldwin
SM Baldwin Consulting
45 Acorn Path
Groton, MA 01450
smbaldwinconsulting@gmail.com

Rate Counsel Consultants cont'd.

Karl Richard Pavlovic
PCMG and Associates, LLC
22 Brookes Avenue
Gaithersburg, MD 20877
kpavlovic@pmcgregcon.com

Acadian Consulting Group
5800 One Perkins Drive
Bldg. 5, Suite F
Baton Rouge, LA 70808

David E. Dismukes, PhD.
daviddismukes@acadianconsulting.com

Michael Deupree
michaeldeupree@acadianconsulting.com

Emily Mouch
emilymouch@acadianconsulting.com

Taylor Deshotels
taylordeshotels@acadianconsulting.com

Rod Walker and Associates
PO Box 965399
Marietta, GA 30066

Jeremy Walker
jwalker@rwalkerconsultancy.com

Jim Crowley
rcrowley@rwalkerconsultancy.com

Bill McAleb
bmcaleb@rwalkerconsultancy.com

Dr. J. Randall Woolridge
120 Haymaker Circle
State College, PA 16801
jrwoolridge@gmail.com

New Jersey Natural Gas Company

1415 Wyckoff Road
P.O. Box 1464
Wall, NJ 07719

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

Mark G Kahrer
mkahrer@njng.com

Tina Trebino
ttrebino@njng.com

James Corcoran
icorcoran@njng.com

New Jersey Natural Gas Company, cont.

Susan Sette
ssette@njng.com

Marianne Harrell
mharrell@njng.com

Judy DeSalvatore
jdesalvatore@njng.com

Ryan Moran
ryan.moran@njng.com

Christopher Micak
cmicak@njng.com

John Wyckoff
jwyckoff@njng.com

Gregory Eisenstark, Esq.
Cozen O'Connor
One Gateway Center, Suite 910
Newark, NJ 07102
geisenstark@cozen.com

Colleen A. Foley, Esq.
Saul Ewing LLP
One Riverfront Plaza, Suite 1520
Newark, NJ 07102
colleen.foley@saul.com

Courtney L. Schultz, Esq.
Saul Ewing LLP
1500 Market Street
Centre Square West, 38th Fl.
Philadelphia, PA 19102
Phone: (215) 972-7717
Fax: (215) 972-1839
courtney.schultz@saul.com

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

Ronald White, PhD
Foster Associates
17595 S. Tamiami Trail
Suite 260
Fort Myers, FL 33908
r.white@fosterfm.com

New Jersey Natural Gas Company, cont.

Dylan D'Ascendis
ScottMadden, Inc.
3000 Atrium Way
Suite 200
Mount Laurel, NJ 08054
ddascendis@scottmadden.com

Harold Walker, III
Gannett Fleming
1010 Adams Avenue, Audubon,
Pennsylvania, 19403
hwalker@gfnet.com

NRG Energy, Inc., and its affiliates

Bevan, Mosca & Giuditta P.C.
163 Madison Avenue
Suite # 220-8
Morristown, NJ 07960

Murray E. Bevan, Esq.
mbevan@bmg.law

Jennifer McCave, Esq.
jmccave@bmg.law

Angela Schorr, Director of Regulatory Affairs
NRG Energy, Inc.
804 Carnegie Center
Princeton, NJ 08540
angela.schorr@nrg.com

Public Service Electric and Gas Company

80 Park Plaza, T10
Newark, New Jersey 07102

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

Aaron I. Karp, Esq.
aaron.karp@pseg.com

Bernard Smalls
bernard.smalls@pseg.com

Caitlyn White
caitlyn.white@pseg.com

Maria Barling
maria.barling@pseg.com

South Jersey Gas Company and Elizabethtown Gas Company

1 South Jersey Place
Atlantic City, NJ 08401

Dominick DiRocco, Esq., Vice President
Rates and Regulatory Affairs
ddirocco@sjindustries.com

Carolyn A. Jacobs
Regulatory Compliance Specialist Senior
cjacobs@sjindustries.com

Cindy Capozzoli, Director, Rates
ccapozzoli@sjindustries.com

Sheree Kelly, Esq., Regulatory Affairs Counsel
520 Green Lane
Union, New Jersey 07083
skelly@sjindustries.com