



Agenda Date: 6/30/26
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/

REVENUE AND RATES

IN THE MATTER OF THE PETITION OF NEW JERSEY) ORDER SUSPENDING INCREASES,
NATURAL GAS COMPANY FOR APPROVAL OF AN) CHANGES, OR ALTERATIONS IN
INCREASE IN GAS BASE RATES, FOR CHANGES IN) RATES FOR SERVICE AND
ITS TARIFF FOR GAS SERVICE PURSUANT TO) TRANSMITTING THE MATTER TO
N.J.S.A. 48:2-21 AND N.J.S.A. 48:2-21.1, FOR) THE OFFICE OF ADMINISTRATIVE
CHANGES TO DEPRECIATION RATES FOR GAS) LAW
PROPERTY PURSUANT TO N.J.S.A. 48:2-18 AND)
OTHER REQUESTED RELIEF) BPU DOCKET NO. GR26060278

Parties of Record:

Brian O. Lipman, Esq., Director, New Jersey Division of Rate Counsel
Andrew K. Dembia, Esq., New Jersey Natural Gas Company

BY THE BOARD:

BACKGROUND AND PROCEDURAL HISTORY

On June 1, 2026, New Jersey Natural Gas Company (“NJNG” or “Company”) filed a petition with the New Jersey Board of Public Utilities (“Board”) seeking approval of an increase in its current base rates for gas service of approximately \$157.56 million, excluding Sales and Use Tax (“SUT”), to be effective for gas service provided on and after July 1, 2026 (“Petition”). The Company also seeks Board approval, pursuant to N.J.S.A. 48:2-18, to implement new depreciation rates.

In the Petition, the Company argued that current natural gas distribution rates 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.

In the Petition, NJNG sought Board authority to:

- Implement a return on equity of 10.10%;
- Increase rates and charges for natural gas service that would result from the proposed amendments to the Company’s tariff;
- Update the underlying inventory related costs of its Balancing Charge rate;

- Incorporate the results of its cost-of-service study supporting the implementation of new base rates;
- Revise its existing depreciation rates;
- Update its tariff for certain modifications and revisions;
- Recover regulatory assets recorded on the Company's balance sheet, including amortization of these assets;
- Approval of the Company's request for deferred accounting treatment for the Monmouth County Reclamation Center Renewable Natural Gas project and authorize it to create a regulatory asset for the costs related to this project.

Additionally, NJNG requested that the Board retain this matter and designate a Commissioner as Presiding Officer to set a procedural schedule, rule on motions, and conduct any evidentiary hearings, if necessary, as expeditiously as possible.

DISCUSSION AND FINDINGS

Having reviewed NJNG's request for the Board to retain this matter, the Board **HEREBY DENIES** this request. The Board **FURTHER DIRECTS** Board Staff to transmit this matter to the Office of Administrative Law ("OAL") for hearing as a contested matter.


Because the proposed revisions, if approved, will likely increase existing rates and change or alter existing classifications in the NJNG's tariff, 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 are suspended until November 1, 2026, unless, prior to that date, the Board makes a determination disposing of the Petition or enters an Order further suspending the proposed revisions;
- (2) NJNG shall, at least ten (10) days prior to the date set for hearing on the Petition by the OAL, file with this Board, and with the OAL, proof of compliance with the notice provisions of N.J.S.A. 48:2-32.2 and N.J.A.C. 14:1-5.12(b) and (c), which notice 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.

This Order shall be effective on June 30, 2026.

DATED: June 30, 2026

BOARD OF PUBLIC UTILITIES
BY:


CHRISTINE GUHL-SADOVY
PRESIDENT

ABSTAINED

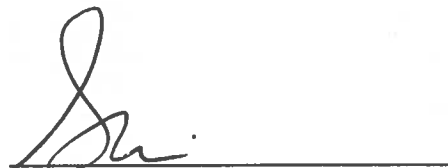
DR. ZENON CHRISTODOULOU
COMMISSIONER


MICHAEL BANGE
COMMISSIONER


EMMA REBHORN
COMMISSIONER


JOSEPH COVIELLO
COMMISSIONER

ATTEST:


SHERRI L. LEWIS
BOARD 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, FOR CHANGES TO DEPRECIATION RATES FOR GAS PROPERTY PURSUANT TO N.J.S.A. 48:2-18 AND OTHER REQUESTED RELIEF

BPU DOCKET NO. GR26060278

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