



December 22, 2020

Via Electronic Mail

To: The Office of the County Clerk, Municipal Clerk and County Administrator

Re: IN THE MATTER OF THE PETITION OF NEW JERSEY NATURAL GAS COMPANY FOR APPROVAL OF EXISTING AND ENERGY-EFFICIENCY PROGRAMS AND THE ASSOCIATED COST RECOVERY MECHANISM PURSUANT TO THE CLEAN ENERGY ACT, N.J.S.A. 48:3-87.8 et seq. and 48:3-98.1 et seq.
BPU DOCKET NO. GO20090622

Pursuant to N.J.S.A. 48:2-32.6, New Jersey Natural Gas Company hereby serves upon you the attached Notice of Public Hearings in the above referenced matter. The subject telephonic hearings are scheduled for January 13, 2021, at 4:30 and 5:30 P.M. with the following Dial-In instructions.

Dial In: 1-888-619-1583
Access Code: 819208

Very truly yours,

A handwritten signature in blue ink that reads 'Andrew K. Dembia'. The signature is fluid and cursive, with the first letters of the first and last names being capitalized and prominent.

Andrew K. Dembia, Esq.
Regulatory Affairs Counsel

AKD: sf

Attachment

NOTICE TO NEW JERSEY NATURAL GAS CUSTOMERS
Petition for Approval of Existing and Energy-Efficiency Programs
and the Associated Cost Recovery Mechanism
Docket No. GO20090622

NOTICE OF FILING AND PUBLIC HEARING

TO OUR CUSTOMERS:

PLEASE TAKE NOTICE that on September 25, 2020, New Jersey Natural Gas Company (“NJNG” or “Company”) filed a petition with the New Jersey Board of Public Utilities (“Board” or “BPU”) pursuant to the Board’s Order, In the Matter of the Implementation of P.L. 2018, c. 17 Regarding the Establishment of Energy Efficiency and Peak Demand Reduction Programs, et al; Order Directing the Utilities to Establish Energy Efficiency and Peak Demand Reduction Programs (“CEA Order”), BPU Docket Nos. QO19010040, QO19060748, and QO17091004 (June 10, 2020). In the petition, NJNG sought approval to extend and expand the energy-efficiency programs offered through NJNG’s The SAVEGREEN Project® (“SAVEGREEN”) to meet the requirement of the Clean Energy Act, and continuation of the associated cost recovery mechanism. The existing programs include discounted energy saving measures, grants, financing opportunities, technical assistance, and other resources to encourage energy saving measures and investments in energy-efficiency improvements by NJNG’s residential, commercial, and industrial customers, including low-income to moderate-income customers and multi-family properties. NJNG also requested that the Board allow the Company to continue the Board-approved Energy-Efficiency (“EE”) Rider, Rider F, which has been in effect since August 1, 2009 for collection of the costs associated with these programs. Those costs include funds for customer incentives and the associated incremental program investments and expenses. NJNG requested that the carrying costs associated with these programs be allowed. The Company proposed to offer these programs for a period of three years from July 1, 2021 to June 30, 2024.

The total cost of the proposed SAVEGREEN Program is \$264.0 million, which is comprised of \$127.3 million of direct investment, \$113.3 million of On-Bill Repayment Program and loans, and \$23.4 million of operation and maintenance expenses over the proposed three-year program. NJNG requested that the Board allow the Company to recover the costs of the SAVEGREEN program, including a return on and return of the investments associated with the program. It is estimated that NJNG would recover a total of approximately \$228.2 million from ratepayers from 2021 through 2036. In this petition, NJNG has requested a contemporaneous change to the EE Rider F rate. The Company requested that the Board approve the implementation of an increase to the after-tax rate of \$0.0214 per therm effective July 1, 2021. As compared to the current EE Rider F after-tax rate of \$0.0171 per therm, the Company’s proposal would result in an overall increase of \$21.40 or 1.9 percent on a 1,000-therm annual residential bill. The annual rate impact of the program for a typical residential heating customer using 1,000 therms of natural gas per year is expected to average \$22.35 per year or 1.9 percent over the 2021–2036 period, and is expected to peak at \$41.60 in October 2023. The estimated rate impacts to customers for 2021 through 2025 are set forth in the following chart:

NEW JERSEY NATURAL GAS COMPANY

RATE IMPACT

	July 2021	Oct 2022	Oct 2023	Oct 2024	Oct 2025
<u>Typical Annual Bill Impacts</u>					
<i>Residential Non-Heat (200 annual therms)</i>					
Cumulative Increase from Current Bill	\$4.28	\$6.22	\$8.32	\$7.38	\$7.10
Cumulative % Increase from Current Bill	1.4%	2.0%	2.6%	2.3%	2.3%
<i>Residential Heat (1,000 annual therms)</i>					
Cumulative Increase from Current Bill	\$21.40	\$31.10	\$41.60	\$36.90	\$35.50
Cumulative % Increase from Current Bill	1.9%	2.7%	3.6%	3.2%	3.1%

General Service Small (1,200 annual therms)

Cumulative Increase from Current Bill	\$25.68	\$37.32	\$49.92	\$44.28	\$42.60
Cumulative % Increase from Current Bill	1.6%	2.3%	3.1%	2.8%	2.7%

General Service Large (15,000 annual therms)

Cumulative Increase from Current Bill	\$321.00	\$466.50	\$624.00	\$553.50	\$532.50
Cumulative % Increase from Current Bill	2.0%	3.0%	4.0%	3.5%	3.4%

The proposed EE recovery charge mechanism would operate and be applied in a manner consistent with existing components and processes of the EE Rider applicable to all jurisdictional throughput volumes. Individual customers participating in the SAVEGREEN programs are expected to achieve annual savings on their energy bills.

Pursuant to the EE Rider, NJNG shall submit annual filings for changes to the EE rate. Additionally, the Board has the statutory authority to establish the EE rate at a level it finds just and reasonable pursuant to N.J.S.A. 48:2-21. Therefore, the Board may establish the EE charge at a level other than that proposed by NJNG which would have an impact on a customer's bill.

PLEASE TAKE ADDITIONAL NOTICE that, due to the COVID-19 pandemic, a telephonic public hearing will be conducted on the following date and times so that members of the public may present their views on the Company's filing. Information provided at the public hearings will become part of the record of this case and will be considered by the Board in making its decision.

Date: January 13, 2021
Public Hearing 1: 4:30pm
Public Hearing 2: 5:30pm
Dial In: 1-888-619-1583
Access Code: 819208

If you elect to attend or participate in the telephonic public hearing, please dial the "Dial In" number above. When prompted, enter the "Access Code" listed above.

Copies of NJNG's September 25, 2020 filing can be reviewed on the Company's website, www.njng.com/regulatory in the "Filings & Updates" subsection of the "Regulatory Info" section listed.

Representatives of the Board's Staff and Rate Counsel will participate in the telephonic public hearing. Members of the public are invited to participate by utilizing the Virtual Access Code information set forth above and may express their views on this filing. Such comments will be made part of the final record of the proceeding to be considered by the Board. The Board will also accept email/written comments. Members of the public may file comments with the Secretary of the Board in pdf or Word format via email to board.secretary@bpu.nj.gov; or through the Board's External Access Portal after obtaining a MyNewJersey Portal ID. Once an account is established you will need an authorization code which can be obtained upon request by emailing the Board's IT Helpdesk at ITHELPDESK@bpu.nj.gov. Detailed instructions for e-Filing can be found on the Board's homepage at <https://www.nj.gov/bpu/agenda/efiling>. Written comments may also be submitted to the Board Secretary, Aida Camacho, at the Board of Public Utilities, 44 South Clinton Avenue, 9th Floor, P.O. Box 350, Trenton, NJ 08625-0350. All comments should include the name of the petition and the docket number. While all comments are given equal consideration and will be made part of the final record of the proceeding, the recommended methods for the submission of comments are via email or the portal to ensure timely receipt while the Board continues to work remotely due to the COVID-19 pandemic.

Hearings will continue, if necessary, on such additional dates and at such locations as the Board may designate, to ensure that all interested persons are heard.

New Jersey Natural Gas Company
Andrew K. Dembia, Esq.