

NOTICE TO NEW JERSEY NATURAL GAS CUSTOMERS
I/M/O the Petition of New Jersey Natural Gas Company for Approval of New Jersey
Energy Efficiency, Building Decarbonization Start Up and Demand Response
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.
Second Triennium
Docket No. QO23120868

NOTICE OF FILING AND PUBLIC HEARING

TO OUR CUSTOMERS:

PLEASE TAKE NOTICE that on December 1, 2023, 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 Orders, In re 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) and In re the Implementation of P.L. 2018, c. 17, the New Jersey Clean Energy Act of 2018, Regarding the Establishment of Energy Efficiency and Peak Demand Reduction Programs; In re the Implementation of P.L. 2018, c. 17, The New Jersey Clean Energy Act of 2018, Regarding the Second Triennium of Energy Efficiency and Peak Demand Reduction Programs; In re: Electric Public Utilities and Gas Public Utilities Offering Energy Efficiency and Conservation Programs, Investing in Class I Renewable Energy Resources and Offering Class I Renewable Energy Programs in Their Respective Service Territories on a Regulated Basis, Pursuant to N.J.S.A. 48:3-98.1 and N.J.S.A. 48:3-87.9 - Minimum Filing Requirements, BPU Docket Nos. QO19010040, QO23030150, and QO17091004, Orders dated May 24, 2023, July 26, 2023, and October 25, 2023 (“Petition”). In the Petition, NJNG sought approval to continue and expand its energy-efficiency (“EE”) programs offered through NJNG’s SAVEGREEN® (“SAVEGREEN”) Program to comply with the Clean Energy Act, and to continue cost recovery of the programs. Additionally, NJNG also sought approval to implement Building Decarbonization Start Up and Demand Response programs. The proposed programs include rebates for energy saving measures, grants, on-bill repayment opportunities, technical assistance, and other resources to encourage energy saving measures and investments in EE 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 Company be allowed to continue the Board-approved 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 also requested that the carrying costs associated with these programs be allowed. The Company proposed to offer these programs for a period of two and a half years from January 1, 2025, to June 30, 2027, at a total cost of \$482.4 million. NJNG also requested that the Company be allowed to recover the costs of the SAVEGREEN program, including a return on and of the investments associated with the program. It is estimated that NJNG would recover a total of approximately \$414.2 million from ratepayers from 2025 through 2037.

In the Petition, NJNG requested a contemporaneous change to the EE Rider F rate. The Company requested that the Board approve the implementation of an increase to the per therm after tax rate of \$0.0273, which will change the total EE Rider F rate from \$0.0494 to \$0.0767, effective January 1, 2025. The Company’s proposal would result in an initial overall increase of \$27.30 or 1.8 percent on a 1,000-therm annual residential bill. The annual rate impact of the SAVEGREEN program for a typical residential heating customer using 1,000 therms of natural gas per year is expected to average \$44.83 per year or 3.0 percent over the 2025–2037 period and is expected to peak at \$77.80 in October 2026. The estimated rate impacts to customers for 2025 through 2028 are set forth in the following chart:

NEW JERSEY NATURAL GAS COMPANY

RATE IMPACT

| | Jan 25- Sep25 | Oct 2025 | Oct 2026 | Oct 2027 | Oct 2028 |
|--|--------------------------|-----------------|-----------------|-----------------|-----------------|
| <u>Typical Annual Bill Impacts</u> | | | | | |
| <i><u>Residential Non-Heat (200 annual therms)</u></i> | | | | | |
| Cumulative Increase from Current Bill | \$5.46 | \$10.44 | \$15.56 | \$14.02 | \$12.82 |
| Cumulative % Increase from Current Bill | 1.4% | 2.6% | 3.9% | 3.5% | 3.2% |
| <i><u>Residential Heat (1,000 annual therms)</u></i> | | | | | |
| Cumulative Increase from Current Bill | \$27.30 | \$52.20 | \$77.80 | \$70.10 | \$64.10 |
| Cumulative % Increase from Current Bill | 1.8% | 3.4% | 5.1% | 4.6% | 4.2% |
| <i><u>General Service Small (1,200 annual therms)</u></i> | | | | | |
| Cumulative Increase from Current Bill | \$32.76 | \$62.64 | \$93.36 | \$84.12 | \$76.92 |
| Cumulative % Increase from Current Bill | 1.6% | 3.1% | 4.6% | 4.1% | 3.8% |
| <i><u>General Service Large (15,000 annual therms)</u></i> | | | | | |
| Cumulative Increase from Current Bill | \$409.50 | \$783.00 | \$1,167.00 | \$1,051.50 | \$961.50 |
| Cumulative % Increase from Current Bill | 2.1% | 4.0% | 6.0% | 5.4% | 4.9% |

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 FURTHER NOTICE that due to the COVID-19 Pandemic, virtual public hearings will be conducted on the following date and times so that members of the public may present their views on the Company's filing.

VIRTUAL PUBLIC HEARINGS

Date: May 16, 2024

Hearing Times: 4:30 pm and 5:30 pm

LOCATION

Zoom Virtual Webinar

Join: <https://us06web.zoom.us/j/2458136397?pwd=VUJpK1V0aDYxZDIIZUlwIOWDFRZz09>

Meeting ID: 245 813 6397

Passcode: 819208

Dial-In Number: +1 646 876 9923

Members of the public may present their views on the petition during the virtual public hearings by dialing the toll-free telephone number, followed by entering the listed passcode when prompted, or by joining the Zoom Virtual Webinar.

Representatives of the Company, Board Staff, and the New Jersey Division of Rate Counsel will participate in the virtual public hearings.

Members of the public are invited to participate and express their views on the Petition by utilizing the Zoom Virtual Webinar link or the Dial-In Number set forth above. All comments will become part of the final record in this proceeding to be considered by the Board. In order to encourage full participation in this opportunity for public comment, please submit any requests for accommodations, such as interpreters or listening assistance, 48 hours prior to the above hearing to the Board Secretary at board.secretary@bpu.nj.gov.

The Board is also accepting written and electronic comments. Comments may be submitted directly to the specific docket number listed above using the “Post Comments” button on the Board’s Public Document Search tool at <https://publicaccess.bpu.state.nj.us/>. Comments are considered public documents for purposes of the State’s Open Public Records Act. Only documents that are intended to be public should be submitted using the “Post Comments” button on the Board’s Public Document Search tool. Any confidential information should be submitted in accordance with the procedures set forth in N.J.A.C. 14:1-12.3. In addition to hard copy submissions, confidential information may also be filed electronically via the Board’s e-filing system or by email to the Secretary of the Board, Sherri L. Golden. Please include “Confidential Information” in the subject line of any email. Instructions for confidential e-filing are found on the Board’s webpage at <https://www.nj.gov/bpu/agenda/efiling/>.

Emailed and/or written comments may also be submitted to:

Sherri L. Golden, Secretary of the Board
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PO Box 350
Trenton, NJ 08625-0350
Phone: 609-913-6241
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