

# South Jersey Gas Company

## Notice of Public Hearing

### In the Matter of the Petition of South Jersey Gas Company to Revise Its Basic Gas Supply Service Rate and Its Conservation Incentive Program Rates BPU Docket No. GR22060364

On June 1, 2022, South Jersey Gas Company (“South Jersey” or “Company”) filed a Petition with the New Jersey Board of Public Utilities (“Board”) in Docket No. GR22060364 for approval of a request of its combined 2022-23 Basic Gas Supply Service (“BGSS”) and Conservation Incentive Program (“CIP”) charges. The BGSS component of the Petition was filed pursuant to the “Order Approving BGSS Price Structure” issued by the Board on January 6, 2003 in Docket No. GX01050304 (“2003 BGSS Order”). BGSS rates are designed to recover South Jersey’s cost of gas applicable to customers who purchase gas from South Jersey. The Company earns no profit from the BGSS. The CIP component of the Petition sought a price adjustment for all applicable service customers. The CIP is an incentive-based program that requires South Jersey to reduce gas supply related costs, and limits recovery of non-weather-related revenue loss to the level of gas supply costs savings achieved. As part of the Petition, the Company also proposed to increase the Balancing Service Clause (“BSC”) charges under its current Tariff Riders “I” and “J.”

The impact of the Company's combined proposals on the overall bill for gas service for a residential heating customer using 100 therms in a winter month is an increase of \$31.49, or 18.6%, resulting from South Jersey’s proposed: 1) Periodic BGSS increase of \$28.36, or 16.7%; 2) Rider “J” Balancing Service Clause - General Service (“BSC-GS”) increase of \$1.14, or 0.7%; and 3) CIP increase of \$1.99, or 1.2%.

Related to the Company’s Rider “I” Balancing Service Clause - Large Volume (“BSC-LV”), the Company proposes to increase its current Opt-Out BSC-LV rate of \$0.002279 per therm to \$0.002718 per therm, after taxes, and to increase its current Non Opt-Out BSC-LV rate of \$0.074807 per therm to \$0.086180 per therm, after taxes. The proposed Non Opt-Out BSC-LV rate is equal to the Company’s proposed Rider “J” BSC-GS rate. All Balancing charge revenues from sales and transportation customers are credited to BGSS recoveries.

#### The Impact of the Proposed BGSS, CIP and BGS changes on the Monthly Bills of Typical Residential and General Service Customers:

<u>Customer Type</u>	<u>Consumption in Therms</u>	<u>Bill as of June 1, 2022</u>	<u>Proposed Bill as of October 1, 2022</u>	<u>Proposed Change</u>	<u>Percent Change</u>
<b>Residential Heat Sales</b>	100	\$169.39	\$200.88	\$31.49	18.6%
<b>Residential Non-Heat Sales</b>	15	\$34.09	\$39.39	\$5.30	15.5%
<b>General Service</b>	500	\$759.00	\$907.91	\$148.91	19.6%
<b>General Service - LV</b>	15,646	\$28,277.35	\$28,406.04	\$128.69	0.5%

The Board has the statutory authority to establish South Jersey's rates at levels it finds just and reasonable as well as to establish the effective date of such rates. Therefore, the Board may establish the rates at levels and/or an effective date other than those proposed by South Jersey. South Jersey’s natural gas costs addressed in the Petition will remain subject to audit by the Board, and Board approval shall not preclude or prohibit the Board from taking any such actions deemed appropriate as a result of any such audit.

Any assistance required by customers in ascertaining the impact of the proposed rate increase will be provided by the Company upon request.

**PLEASE TAKE NOTICE** that other changes in South Jersey’s price for BGSS service may also occur if South Jersey elects to adjust its BGSS rates upward upon thirty days’ notice to Board Staff and the New Jersey Division of Rate Counsel (“Rate Counsel”), pursuant to the 2003 BGSS Order. Any such self-implementing increases will be limited to a maximum of five percent (5%) of the total residential bill, effective December 1, 2022, and to a maximum of five percent (5%) of the total residential bill, effective February 1, 2023, as demonstrated below.

<u>Customer Type</u>	<u>Consumption in Therms</u>	<u>Proposed Bill as of October 1, 2022</u>	<u>Proposed Bill Including December and February 5 Percent Increases</u>	<u>Proposed Change</u>	<u>Percent Change</u>
<b>Residential Heat Sales</b>	100	\$200.88	\$221.48	\$20.60	10.3%
<b>Residential Non-Heat Sales</b>	15	\$39.39	\$42.48	\$3.09	7.8%
<b>General Service</b>	500	\$907.91	\$1,010.90	\$102.99	11.3%
<b>General Service - LV</b>	15,646	\$28,406.04	\$28,406.04	\$0	0%

Further, these self-implementing increases will be provisional and subject to true-up in connection with the subsequent annual BGSS filing. Pursuant to the 2003 BGSS Order, South Jersey is permitted to decrease its BGSS rate at any time upon five days’ notice and supporting documentation to the Board and Rate Counsel.

A copy of South Jersey’s Petition can be reviewed on the Company’s website at [www.southjerseygas.com](http://www.southjerseygas.com) under regulatory information. The Petition is also available to review online through the Board’s website, <https://publicaccess.bpu.state.nj.us> where you can search by the above-captioned docket number. The Petition and Board file may also be reviewed at the Board located at 44 South Clinton Avenue, 1<sup>st</sup> Floor, Trenton, NJ, with an appointment. To make an appointment, please call (609) 913-6298.

**PLEASE TAKE FURTHER NOTICE** that due to the COVID-19 Pandemic, a virtual 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 Petition:

Date: August 24, 2022

Hearing Times: 4:30 p.m. and 5:30 p.m.

Members of the public may present their views on the Petition during the public hearing by joining the virtual Microsoft Teams meeting listed below or by dialing the toll-free telephone number listed below:

Microsoft Teams Meeting ID: 293 073 560 891

Passcode: JKVU3X

(Access the Microsoft Teams App or Microsoft Teams on the web. On the left side of the screen, click the “Teams” icon. Select “Join or ‘create a team’”. Press “Join” and

enter the Meeting ID and Passcode when prompted.)

or

Dial In: 1-866-984-3164

Conference ID: 197 214 532 followed by #

A copy of this Notice of Filing and Public Hearing in this matter is being served upon the clerk, executive or administrator of each municipality and county within the Company's service territory.

Representatives of the Company, Board Staff and Rate Counsel will participate in the virtual public hearing. Members of the public are invited to participate by utilizing Meeting ID or the Dial-In Number set forth above and may express their views on this Petition. All comments will be made part of the final record of the proceeding to be considered by the Board. In order to encourage full participation in this opportunity for public comment, please submit any requests for needed accommodations, such as interpreters, or listening assistance, 48 hours prior to the above hearing to the Board Secretary at [board.secretary@bpu.nj.gov](mailto:board.secretary@bpu.nj.gov).

The Board will also accept written and/or electronic comments. While all comments will be given equal consideration and will be made part of the final record of this proceeding, the preferred method of transmittal is via the Board's Public Document Search tool, <https://publicaccess.bpu.state.nj.us/>. Search for the docket number listed above, and post by utilizing the "Post Comments" button. Emailed comments may also be filed with the Secretary of the Board, in pdf or Word format, to [board.secretary@bpu.nj.gov](mailto:board.secretary@bpu.nj.gov).

Written comments may be submitted to the Acting Secretary, Carmen Diaz, at the Board of Public Utilities, 44 South Clinton Avenue, 1st Floor, P.O. Box 350, Trenton, New Jersey 08625-0350. All emailed or mailed comments should include the name of the Petition and the docket number.

All comments are considered "public documents" for purposes of the State's Open Public Records Act. Commenters may identify information that they seek to keep confidential by submitting them in accordance with the confidentiality procedures set forth in N.J.A.C. 14:1-12.3.

**South Jersey Gas Company  
Brent Schomber  
President and Chief Operating Officer**