

NOTICE TO SOUTH JERSEY GAS COMPANY CUSTOMERS

In the Matter of the Petition of South Jersey Gas Company for Approval of Triennium 2 Clean Energy Programs and Associated Cost Recovery Pursuant to the Clean Energy Act

NOTICE OF FILING AND PUBLIC HEARING

BPU DOCKET No. QO23120870

PLEASE TAKE NOTICE that on December 1, 2023, South Jersey Gas Company (“SJG” or “Company”) filed a Letter Petition with the New Jersey Board of Public Utilities (“Board” or “BPU”), 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) 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, SJG sought approval to continue and expand its energy-efficiency (“EE”) programs to comply with the Clean Energy Act, and to continue cost recovery of the programs. SJG also sought approval to implement Building Decarbonization Start Up and Demand Response programs. The 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 SJG’s residential, commercial, and industrial customers, including low-income to moderate-income customers and multi-family properties. The Company’s filing is available for review at the Company’s website at: [SJG-2023-EE-Filing-\(12-01-23\).pdf](https://www.southjerseygas.com/SJG-2023-EE-Filing-(12-01-23).pdf) ([southjerseygas.com](https://www.southjerseygas.com)).

SJG requested that the Company be allowed to continue the Board-approved Energy Efficiency Tracker (“EE Tracker”), Rider “N”, 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. SJG also requested that the carrying costs associated with these programs be allowed. In addition, the Company requested to continue using deferred accounting and recover lost revenues resulting from the EE programs through its Conservation Incentive Program, Rider “M” of the Company’s tariff. The Company proposed to offer the EE programs for a period of two and a half years from January 1, 2025, to June 30, 2027, at a total cost of \$425 million. SJG estimated that it would recover a total of approximately \$419.2 million from ratepayers from 2025 through 2037.

In the Petition, SJG requested a contemporaneous change to the Rider “N” rate. The Company requested that the Board approve the implementation of an increase to the per therm rate of \$0.012440, including taxes, which will change the rate from \$0.041086 to \$0.053526, effective January 1, 2025. The following chart reflects projections of the potential future rates and monthly bill impacts through 2027:

	<u>Current Program</u>	<u>Including New Program</u>	<u>Increase</u>	<u>100 Therm Bill Change</u>
January 1, 2025	\$0.041086	\$0.053526	\$0.012440	\$1.24
January 1, 2026	\$0.041086	\$0.096446	\$0.055360	\$5.53
January 1, 2027	\$0.041086	\$0.142849	\$0.101763	\$10.17

If the new program is approved, the effect of the Year 1 rate change of \$0.012440 per therm on the monthly bill of a typical residential heating customer using an average of 100 therms, as compared to the Company’s rates in effect as of April 1, 2024 is illustrated below:

<u>Consumption in Therms</u>	<u>Present Bill</u>	<u>Proposed Bill</u>	<u>Change in Bill</u>	<u>Percent Change</u>
100	\$182.72	\$183.96	\$1.24	0.7%
Year 2 (2026)	\$182.72	\$188.25	\$5.53	3.0%
Year 3 (2027)	\$182.72	\$192.89	\$10.17	5.6%

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

Pursuant to the EE Tracker, SJG 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 SJG which would have an impact on a customer’s bill.

PLEASE TAKE FURTHER NOTICE that 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 Letter Petition:

VIRTUAL PUBLIC HEARINGS
 Date: May 21, 2024
 Hearing Times: 4:30 pm and 5:30 pm

Location: Microsoft Teams Meeting
[Join a Microsoft Teams Meeting by ID | Microsoft Teams](#)
 Meeting ID: 248 740 231 496
 Passcode: BysB7y

(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: 866-984-3164

Conference ID: 748 818 466, followed by the # sign

A copy of this Notice 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 the New Jersey Division of Rate Counsel will participate in the virtual public hearings. Members of the public are invited to participate by utilizing the Meeting ID or Dial-In Number set forth above and may express their views on this Petition. All comments will become part of the final record to be considered by the Board. 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. 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. 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
44 South Clinton Ave., 1st Floor
PO Box 350
Trenton, NJ 08625-0350
Phone: 609-913-6241
Email: board.secretary@bpu.nj.gov

South Jersey Gas Company