



Agenda Date: 5/31/17
Agenda Item: IIA

STATE OF NEW JERSEY
Board of Public Utilities
44 South Clinton Avenue, 3rd Floor, Suite 314
Post Office Box 350
Trenton, New Jersey 08625-0350
www.nj.gov/bpu/

ENERGY

IN THE MATTER OF THE PETITION OF SOUTH)	ORDER FURTHER SUSPENDING
JERSEY GAS COMPANY FOR APPROVAL OF)	INCREASES, CHANGES OR
INCREASED BASE TARIFF RATES AND CHARGES)	ALTERATIONS IN RATES FOR
FOR GAS SERVICE AND OTHER TARIFF REVISIONS)	SERVICE
)	
)	BPU DOCKET NO. GR17010071

Parties of Record:

Ira G. Megdal, Esq., Cozen O'Connor, P.C., on behalf of South Jersey Gas Company, Petitioner
Stefanie A. Brand, Esq., Director, Division of Rate Counsel

BY THE BOARD:

On January 27, 2017, pursuant to N.J.S.A. 48:2-21 and N.J.A.C. 14:1-5.12, South Jersey Gas Company ("Company" or "SJG"), a public utility of the State of New Jersey subject to the jurisdiction of the New Jersey Board of Public Utilities ("Board"), filed a petition for approval of an increase in its operating revenues of approximately \$74.9 million or 15.3% to be effective for gas service provided on or after February 28, 2017, as well as for certain other tariff changes and proposals.¹ The Company also seeks Board approval to maintain its existing composite depreciation rate pursuant to N.J.S.A. 48:2-18. In addition, the Company seeks authorization to defer, until the Company's next base rate case, certain incremental expenses related to pension and post-retirement healthcare expenses.

¹ The referenced increase is after giving effect to: (1) the roll-in of the Company's Conservation Incentive Program revenues, adjusted for Sales and Use Tax; and (2) the roll-ins to base rates for the Company's Storm Hardening and Reliability Program ("SHARP") and Accelerated Infrastructure Replacement Program ("AIRP") to take place October 1, 2017, outside of this base rate proceeding.

According to the petition, the primary reasons for the requested increase is the need to earn a fair return on capital investments and projects made since the filing of the Company's last base rate case in 2013 in order to ensure that the Company can continue to attract capital at reasonable rates and invest in the infrastructure necessary to provide safe and reliable service.

On February 22, 2017, the Board issued an Order suspending the proposed rates until June 28, 2017, and the matter was transmitted to the Office of Administrative Law ("OAL") on March 7, 2017.

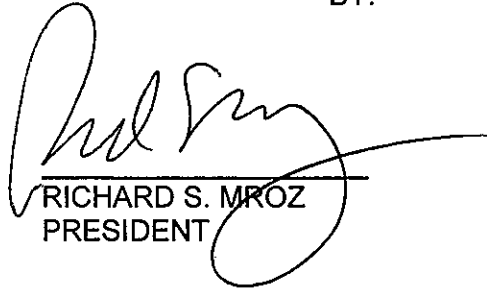
In light of the fact that this matter will not be completed by June 28, 2017, and it appearing that the proposed revisions will increase existing rates and change or alter existing classifications in the Company's tariff, it is **HEREBY ORDERED** as follows:

- (1) Pursuant to N.J.S.A. 48:2-21(d), the proposed revisions are further suspended until October 28, 2017, unless prior to that date the Board makes a determination disposing of the petition or enters an Order further suspending the proposed revisions;
- (2) SJG shall, at least ten (10) days prior to the date set for hearing on the petition, file with this Board 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) SJG shall, at the same time it files with the Board, also file proof of service of copies of this Order upon the Division of Rate Counsel, the clerks of each affected municipality, the clerks of the Boards of Chosen Freeholders of each affected County, and where appropriate, the executive officer of each affected County within its service area. Service of the petition, notice of hearings and this Suspension Order may be made simultaneously.

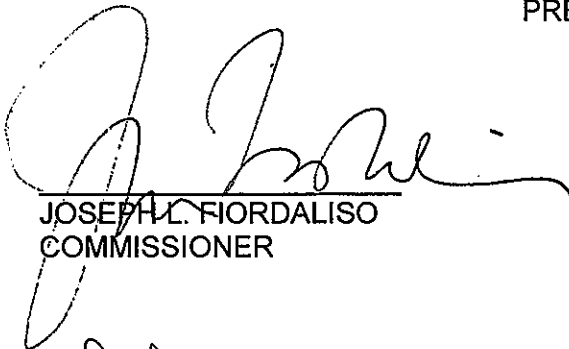
This Order shall be effective on June 10, 2017.

DATED: 5/31/17

BOARD OF PUBLIC UTILITIES
BY:



RICHARD S. MROZ
PRESIDENT



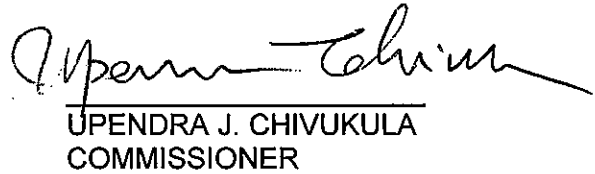
JOSEPH L. FIORDALISO
COMMISSIONER




MARY-ANNA HOLDEN
COMMISSIONER



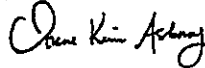
DIANNE SOLOMON
COMMISSIONER



UPENDRA J. CHIVUKULA
COMMISSIONER

ATTEST: 
IRENE KIM ASBURY
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 SOUTH JERSEY GAS COMPANY FOR APPROVAL
OF INCREASED BASE TARIFF RATES AND CHARGES FOR GAS SERVICE AND OTHER
TARIFF REVISIONS - BPU DOCKET NO. GR17010071

SERVICE LIST

South Jersey Gas Company:

Ira G. Megdal, Esq.
Cozen O'Connor P.C.
Liberty View Building, Suite 300
457 Haddonfield Road
Cherry Hill, NJ 08002
imegdal@cozen.com

Stacy A. Mitchell, Esq.
Regulatory Affairs Counsel
South Jersey Gas Company
One South Jersey Plaza
Route 54
Folsom, NJ 08037
smitchell@sjindustries.com

Steven R. Cocchi, Esq.
Director, Rates and Revenue Requirements
South Jersey Gas Company
One South Jersey Plaza
Route 54
Folsom, NJ 08037
scocchi@sjindustries.com

Kenneth J. Barcia, Manager
Rates & Revenue Requirements
South Jersey Gas Company
One South Jersey Plaza
Route 54
Folsom, NJ 08037
kbarcia@sjindustries.com

Thomas Kavanaugh, V.P. & Comptroller
South Jersey Gas Company
One South Jersey Plaza
Route 54
Folsom, NJ 08037
tkavanaugh@sjindustries.com

Deputies Attorney General:

Department of Law & Public Safety
Division of Law
124 Halsey Street
Post Office Box 45029
Newark, NJ 07101-45029

Alex Moreau, DAG
alex.moreau@dol.lps.state.nj.us

Geoffrey Gersten, DAG
geoffrey.gersten@lps.state.nj.us

Veronica Beke, DAG
veronica.beke@dol.lps.state.nj.us

Board of Public Utilities

44 South Clinton Avenue, 3rd Floor, Suite 314
Post Office Box 350
Trenton, NJ 08625-0350

Division of Energy

Thomas Walker, Director
thomas.walker@bpu.nj.gov

Stacy Peterson, Deputy Director
stacy.peterson@bpu.nj.gov

Robert Schultheis, Chief
robert.schultheis@bpu.nj.gov

Henry Rich
henry.rich@bpu.nj.gov

Scott Sumliner
scott.sumliner@bpu.nj.gov

Robert F. Fatzinger, Senior V.P.
Engineering Services & System Integrity
One South Jersey Plaza
Route 54
Folsom, NJ 08037
rfatzinger@sjindustries.com

Daniel P. Yardley, Principal
Yardley & Associates
2409 Providence Hills Drive
Matthews, NC 28105
dan@yardleyassociates.com

Paul R. Moul, Managing Consultant
P. Moul & Associates, Inc.
251 Hopkins Road
Haddonfield, NJ 08033
prmoul@verizon.net

Kenneth Novak
Executive Director
Ernst & Young, LLP
300 First Stamford Place
Stamford, CT 06902
kenneth.novak@ey.com

Michael J. Reno, Executive Director
Ernst & Young, LLP
1101 New York Avenue, N.W.
Washington, D.C. 20005
michael.reno@ey.com

New Jersey Natural Gas Company
Andrew K. Dembia, Esq.
Regulatory Affairs Counsel
New Jersey Natural Gas Company
1415 Wyckoff Road
Post Office Box 1464
Wall, New Jersey 07719
adembia@njng.com

Robert Henkes
Henkes Consulting
7 Sunset Road
Old Greenwich, CT 06870
rhenkes@optonline.net

Jacqueline Galka
Jacqueline.galka@bpu.nj.gov

Andrea Reid
Andrea.reid@bpu.nj.gov

Bart Kilar
Bart.kilar@bpu.nj.gov

Oneil Hamilton
Oneil.hamilton@bpu.nj.gov

Beverly Tyndell
Beverly.tyndell@bpu.nj.gov

Executive Director
Paul Flanagan, Esq.
paul.flanagan@bpu.nj.gov

Counsel's Office
Andrew McNally, Chief Counsel
andrew.mcnally@bpu.nj.gov

Megan Lupo, Esq.
megan.lupo@bpu.nj.gov

Economist Office
Mark Beyer, Chief Economist
mark.beyer@bpu.nj.gov

Christine Lin
christine.lin@bpu.nj.gov

Dr. Son Lin Lai
son-lin.lai@bpu.nj.gov

Jackie O'Grady
jackie.ogrady@bpu.nj.gov

Division of Rate Counsel
140 East Front Street, 4th Floor
Post Office Box 003
Trenton, NJ 08625-0003

Stefanie A. Brand, Esq., Director
sbrand@rpa.state.nj.us

Brian Lipman, Litigation Manager
blipman@rpa.state.nj.us

Felicia Thomas-Friel, Esq.
fthomas@rpa.state.nj.us

Henry Ogden, Esq.
hogden@rpa.state.nj.us

Shelly Massey
smassey@rpa.state.nj.us