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BOARD OF PUBLIC UTILITIES
TRENTON, NJ

January 3, 2019

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CASE MANAGEMENT

JAN 04 2019

BOARD OF PUBLIC UTILITIES
TRENTON, NJ

VIA FEDERAL EXPRESS OVERNIGHT DELIVERY

The Honorable Aida Camacho-Welch, Secretary
New Jersey Board of Public Utilities
44 South Clinton Avenue, 3rd Floor, Suite 314
P.O. Box 350
Trenton, NJ 08625-0350

Re: In the Matter of New Jersey Natural Gas Company's Request for Deferred Accounting Authority for Costs and Lost Revenue Related to Veterans' Organizations Pursuant to N.J.S.A 48:2-21.41 and Associated Tariff Changes
BPU Docket No. GR1901 0016

Dear Secretary Camacho-Welch:

Enclosed herewith for filing please find an original and ten (10) copies of the petition of New Jersey Natural Gas Company (NJNG) for Deferred Accounting Authority for Costs and Lost Revenue Related to Veterans' Organizations Pursuant to N.J.S.A 48:2-21.41 and Associated Tariff Changes.

Copies of the petition are also being served upon the New Jersey Division of Rate Counsel and the Division of Law.

Kindly acknowledge receipt of this filing by date stamping the enclosed copy of this letter and returning same in the self-addressed, stamped envelope.

Respectfully submitted,

Andrew K Dembia, Esq.
Regulatory Affairs Counsel

C: Service List

Cms
Legal
DAB
RPA
S. Peterson
B. Roque-Romero
M. Lupo
O. Hamilton
Energy

**STATE OF NEW JERSEY
BOARD OF PUBLIC UTILITIES**

RECEIVED
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BOARD OF PUBLIC UTILITIES
TRENTON, NJ

**IN THE MATTER OF NEW JERSEY NATURAL)
GAS COMPANY'S REQUEST FOR DEFERRED)
ACCOUNTING AUTHORITY FOR COSTS AND)
LOST REVENUE RELATED TO VETERANS')
ORGANIZATIONS PURSUANT TO)
N.J.S.A 48:2-21.41 AND ASSOCIATED TARIFF)
CHANGES)**

**PETITION
BPU DOCKET NO. GT1901 _____**

**TO: THE HONORABLE COMMISSIONERS OF THE NEW JERSEY
BOARD OF PUBLIC UTILITIES:**

New Jersey Natural Gas Company (the "Company" or "NJNG"), a corporation of the State of New Jersey, having its principal offices at 1415 Wyckoff Road, New Jersey 07719, respectfully petitions the New Jersey Board of Public Utilities (the "Board" or "BPU") pursuant to *N.J.S.A.* 48:2-21, 48:2-21.1 and 48:2-23 *et seq.* and *N.J.A.C.* 14:1-5.11, for deferred accounting authority as follows:

1. NJNG is a corporation duly organized under the laws of the State of New Jersey and is a public utility engaged in the distribution and transportation of natural gas subject to the jurisdiction of the Board. The Company's principal business office is located at 1415 Wyckoff Road, Wall Township, New Jersey 07719. NJNG is a local natural gas distribution company providing regulated natural gas service to

over 530,000 customers within Monmouth and Ocean counties, as well as portions of Burlington, Middlesex and Morris counties.

2. Communications and correspondence relating to this filing should be sent to:

Mark G. Kahrer, Vice President, Regulatory Affairs
Andrew K. Dembia, Esq., Regulatory Affairs Counsel
New Jersey Natural Gas Company
1415 Wyckoff Road, P.O. Box 1464
Wall, N.J. 07719
(732) 938-1214 (Kahrer)
(732) 938-1073 (Dembia)
(732) 938-2620 (fax)

3. NJNG is subject to regulation by the Board for the purposes of setting retail distribution rates in New Jersey and to assure safe, adequate and proper natural gas distribution service pursuant to *N.J.S.A. 48:2-21, 48:2-21.1 and 48:2-23*.

4. The Company is seeking to modify its tariff to reflect changes to the requirements for Veterans' Organizations in accordance with *N.J.S.A. 48:2-21.41* (also referred to as *P.L.2018, c.77*). NJNG hereby files revised tariff sheets (attached hereto as Attachment A) referencing *N.J.S.A. 48:2-21.41* for Veteran's Organizations. Also being submitted for approval is a proposed application form for Veteran's Organizations to complete in order to have the request processed (attached hereto as Attachment B).

5. Initially, NJNG does not anticipate administrative costs associated with processing customer applications and providing credits, if applicable. NJNG plans for existing personnel to manually process applications of Veterans' Organizations, perform the annual review of the accounts, and apply credits to accounts, if applicable. If the manual process becomes cumbersome, NJNG will explore automation, programming modifications, and required additional resources.

Therefore, NJNG respectfully requests authority from the BPU to defer on its books actual incurred costs associated with the implementation of the requirements for Veterans' Organizations and not otherwise recovered through its approved base rates. The appropriate amortization period for such deferred expenses will be addressed in the Company's subsequent base rate case pursuant to *N.J.S.A. 48:2-21* and *N.J.S.A. 48:2-21.1*.

6. NJNG also requests recovery of the carrying charges, calculated based upon NJNG's weighted average cost of capital that was determined by the BPU in the Company's most recent gas distribution rate case,¹ associated with the Veteran's Organization.

7. NJNG's annual review will include a manual comparison of each eligible customer's billed Customer Charge, Delivery Charge, and Demand Charge, if applicable, for the customer's period of eligibility to the Residential Service ("RS") Customer Charge for the same period and the RS Delivery Charge for the customer's usage for the period. If the total RS charges are less than the customer's total billed charges, a credit for the difference will be applied to the customer's next bill.

8. NJNG also seeks recovery from any loss of revenue as a result of providing credits to eligible customers for the difference between the RS distribution service charges and the billed distribution charges. NJNG proposes to recover these lost revenues in its next gas distribution rate case or in another appropriate rate recovery proceeding pursuant to *N.J.S.A. 48:2-21* and *N.J.S.A. 48:2-21.1*.

¹ *I/M/O the Petition of New Jersey Natural Gas Company For Approval of an Increase in Gas Base Rates and for Changes in its Tariff for Gas Service, Approval of the SAFE Program Extension, and Approval of SAFE Extension and NJ RISE Rate Recovery Mechanisms Pursuant to N.J.S.A. 48:2-21, 48:2-21.1 and for Changes to Depreciation Rates for Gas Property Pursuant to N.J.S.A. 48:2-18; BPU Docket No. GR15111304 and OAL PUC 00738-16 (September 23, 2016).*

9. NJNG respectfully requests that the Board approve this request in an expedited manner and issue a Decision and Order authorizing such deferred accounting treatment and recovery of lost revenues.

10. NJNG has served notice and a copy of this filing upon the New Jersey Division of Rate Counsel and the Office of the Attorney General, Division of Law.

WHEREFORE, Petitioner respectfully requests that the Board review and expeditiously issue an Order:

1. Approving NJNG's request for authority to defer on its books actual incurred costs associated with the implementation of the Veteran's Organizations tariff as set forth herein and not otherwise recovered through its currently approved base rates, including carrying charges, calculated based upon NJNG's weighted average cost of capital that was determined by the Board in NJNG's most recent gas distribution rate case, associated with the deferred costs.
2. Approving NJNG's request to recover any and all lost revenue associated with the implementation of the Veteran's Organizations tariff as set forth herein.
3. Approving as just and reasonable, the modified tariff and the proposed application form attached hereto and incorporated herein.
4. Such other relief that the Board deems just, reasonable and necessary.

Respectfully submitted,

NEW JERSEY NATURAL GAS COMPANY

By: 
Andrew K. Dembia, Esq.
Regulatory Affairs Counsel


DATE 1-3-19

STATE OF NEW JERSEY)
:
COUNTY OF MONMOUTH)

VERIFICATION

MARK G. Kahrer of full age, being duly sworn according to law, on his oath deposes and says:

1. I am Vice President, Regulatory Affairs for New Jersey Natural Gas Company, the Petitioner in the foregoing Petition.
2. I have read the annexed Petition, along with the Exhibits attached thereto, and the matters and things contained therein are true to the best of my knowledge, information and belief.


Mark G. Kahrer

Sworn and subscribed to
before me this 3rd day
of January, 2019

Lisa Hamilton



