



STATE OF NEW JERSEY
Board of Public Utilities
44 South Clinton Avenue, 9th Floor
Post Office Box 350
Trenton, New Jersey 08625-0350
www.nj.gov/bpu/

ENERGY

IN THE MATTER OF THE PETITION OF SOUTH)	ORDER SUSPENDING
JERSEY GAS COMPANY FOR APPROVAL OF)	INCREASES, CHANGES OR
INCREASED BASE TARIFF RATES AND CHARGES)	ALTERATIONS IN RATES FOR
FOR GAS SERVICE, CHANGES TO DEPRECIATION)	SERVICE
RATES AND OTHER TARIFF REVISIONS)	
)	BPU DOCKET NO. GR20030243

Parties of Record:

Deborah Franco, Esq., SJI Utilities, on behalf of South Jersey Gas Company, Petitioner
Stefanie A. Brand, Esq., Director, Division of Rate Counsel

BY THE BOARD:

On March 13, 2020, 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 seeking approval of an increase in its operating revenues of approximately \$75.3 million, or 12.2%, to be effective for gas service provided on or after April 13, 2020. The Company also sought Board approval to implement new depreciation rates and to make revisions to certain terms and conditions of its existing tariff. The Company’s petition requested a 10.4% return on equity.

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 2017, and 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.

The Company also sought authority to establish regulatory assets related to the following: 1) incremental costs associated with a pipeline integrity management program incurred in between rate cases; 2) increased costs for the Company’s Transmission Integrity Management Program, costs incurred in connection with the development of a cancelled pipeline project; and the Company’s Early Retirement Incentive Program offered to employees in 2018-2019.

By Order dated April 6, 2020, the Board suspended the proposed rate increase until August 13, 2020 pending further action on this matter. This matter was subsequently transmitted to the Office of Administrative Law (“OAL”) as a contested case and was assigned to Administrative Law Judge (“ALJ”) Tricia M. Caliguire for consideration and hearing.

On May 15, 2020, SJG updated its petition to include nine (9) months of actual data and three (3) months of estimated data. As a result, the requested rate increase was modified to approximately \$75.74 million.

In light of the fact that this matter will not be completed by August 13, 2020, and to allow the ALJ sufficient time to conduct the case, it is **HEREBY ORDERED** that:

- (1) Pursuant to N.J.S.A. 48:2-21(d), the proposed revisions are suspended until December 13, 2020, 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 10 days prior to the date set for hearing on the petition by the Office of Administrative Law, file with this Board and with the Office of Administrative Law, 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 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 Office of Administrative Law, 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.

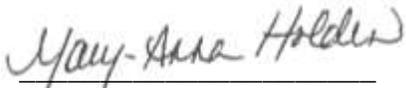
This Order shall be effective on July 25, 2020.

DATED: July 15, 2020

BOARD OF PUBLIC UTILITIES
BY:



JOSEPH L. FIORDALISO
PRESIDENT



MARY-ANNA HOLDEN
COMMISSIONER



DIANNE SOLOMON
COMMISSIONER

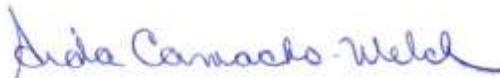


UPENDRA J. CHIVUKULA
COMMISSIONER



ROBERT M. GORDON
COMMISSIONER

ATTEST:



AIDA CAMACHO-WELCH
SECRETARY

IN THE MATTER OF THE PETITION OF SOUTH JERSEY GAS COMPANY FOR APPROVAL
OF INCREASED BASE TARIFF RATES AND CHARGES FOR GAS SERVICE, CHANGES TO
DEPRECIATION RATES AND OTHER TARIFF REVISIONS
BPU DOCKET NO. GR20030243

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