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November 1, 2021

VIA ELECTRONIC DELIVERY

Aida Camacho-Welch, Secretary
New Jersey Board of Public Utilities
44 South Clinton Avenue
P.O. Box 350
Trenton, New Jersey 08625-0350

**RE: I/M/O The Provision Of Basic Gas Supply Service Pursuant To The Electric Competition Act, N.J.S.A. 48:3-49 et. seq.
BPU Docket No. GX01050304**

**I/M/O The Petition of Elizabethtown Gas Company To Review Its Periodic Basic Gas Supply Service Rate
BPU Docket No. GR21060876**

**I/M/O New Jersey Natural gas Company Annual Review and Revision Of its Basic Gas Supply Service (BGSS) And Conservation Incentive Program (CIP) Rates for Fiscal Year 2022
Docket No. GR21050860**

**I/M/O Public Service Electric and Gas Company's 2021/2022 Annual BGSS Commodity Charge Filing for its Residential Gas Customers Under its Periodic Pricing Mechanism and for Changes in its Balancing Charge
BPU Docket No. GR21060878**

**I/M/O The Petition Of South Jersey Gas Company To Revise The Level Of Its Basic Gas Supply Service (BGSS) Charge And Conservation Incentive Program (CIP) Charge For The Year Ending September 30, 2022
BPU Docket No. GR21060881**

Dear Secretary Camacho-Welch:

In accordance with *N.J.A.C. 1:1-12.1*, on behalf of Elizabethtown Gas Company, New Jersey Natural Gas Company, Public Service Electric and Gas Company and South Jersey Gas Company (collectively, the "Gas Distribution Companies" or "GDCs"), enclosed for filing with the

New Jersey Board of Public Utilities (“Board”) is an “Emergent Motion of New Jersey’s Gas Distribution Companies for Waivers Necessary to Permit Self-Implementing BGSS Increases Effective December 1, 2021.” The GDCs request that this motion be considered on an emergent basis at the next scheduled Board agenda meeting on November 17, 2021.

Consistent with the Order issued by the Board *In the Matter of the New Jersey Board of Public Utilities’ Response to the COVID-19 Pandemic for a Temporary Waiver of Requirements for Certain Non-Essential Obligations*, BPU Docket No. EO20030254, Order dated March 19, 2020, the motion and supporting affidavits are being filed electronically with the Secretary of the Board and Rate Counsel. No paper copies will follow.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Deborah M. Franco".

Deborah M. Franco

cc: Attached Service Lists in BPU Docket Nos. GR21060876,
GR21050860, GR21060878 and GR21060881

**IN THE MATTER OF THE PETITION OF ELIZABETHTOWN GAS COMPANY
TO REVIEW ITS PERIODIC BASIC GAS SUPPLY SERVICE RATE
BPU DOCKET NO. GR21060876**

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**IN THE MATTER OF THE PETITION OF
SOUTH JERSEY GAS COMPANY TO
REVISE THE LEVEL OF ITS BASIC GAS
SUPPLY SERVICE (“BGSS”) CHARGE
AND CONSERVATION INCENTIVE
PROGRAM (“CIP”) CHARGE FOR THE
YEAR ENDING SEPTEMBER 30, 2022**

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: BPU DOCKET NO. GR21060881**

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**NEW JERSEY NATURAL GAS COMPANY ANNUAL REVIEW AND REVISION OF ITS BASIC GAS
SUPPLY SERVICE (BGSS) AND CONSERVATION INCENTIVE PROGRAM (CIP) RATES FOR F/Y 2022
DOCKET NO. GR21050860**

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**NEW JERSEY NATURAL GAS COMPANY ANNUAL REVIEW AND REVISION OF ITS BASIC GAS
SUPPLY SERVICE (BGSS) AND CONSERVATION INCENTIVE PROGRAM (CIP) RATES FOR F/Y 2022
DOCKET NO. GR21050860**

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**STATE OF NEW JERSEY
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I/M/O The Provision Of Basic Gas Supply Service Pursuant To The Electric Competition Act, <u>N.J.S.A. 48:3-49 et. seq.</u>	: BPU Docket No. GX01050304
-----X	
I/M/O The Petition Of Elizabethtown Gas Company To Review Its Periodic Basic Gas Supply Service Rate	: BPU Docket No. GR21060876
-----X	
I/M/O New Jersey Natural Gas Company : Annual Review And Revision Of Its Basic Gas Supply Service (BGSS) And Conservation Incentive Program (CIP) Rates For Fiscal Year 2022	: BPU Docket No. GR21050860
-----X	
I/M/O Public Service Electric and Gas Company’s 2021/2022 Annual BGSS Commodity Charge Filing for its Residential Gas Customers Under its Periodic Pricing Mechanism and for Changes in its Balancing Charge	: BPU Docket No. GR21060878
-----X	
I/M/O The Petition Of South Jersey Gas Company To Revise The Level Of Its Basic Gas Supply Service (BGSS) Charge And Conservation Incentive Program (CIP) Charge For The Year Ending September 30, 2022	: BPU Docket No. GR21060881
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**EMERGENT MOTION OF
NEW JERSEY’S GAS DISTRIBUTION COMPANIES
FOR WAIVERS NECESSARY TO PERMIT SELF-IMPLEMENTING BGSS
INCREASES EFFECTIVE DECEMBER 1, 2021**

Pursuant to *N.J.A.C. 1:12.1*, Elizabethtown Gas Company (“ETG”), New Jersey Natural Gas Company (“NJNG”), Public Service Electric and Gas Company (“PSE&G”) and South Jersey Gas Company (“SJG”) (collectively, the “Gas Distribution Companies” or “GDCs”) hereby submit

this emergent motion by which they seek such waivers of the New Jersey Board of Public Utilities’ (“Board” or “BPU”) previous orders and authorizations as may be necessary to permit the GDCs to self-implement Periodic Basic Gas Supply Service (“BGSS”) increases based on a 5% increase of the monthly bill of a typical residential customers using 100 therms to be effective December 1, 2021. The specific waivers sought by this Motion are set forth herein, with all factual statements supported by the accompanying affidavits of Deborah M. Franco on behalf of ETG and SJG, Mark G. Kahrer, Senior Vice President on behalf of NJNG and David F. Caffery, Vice President, Gas Supply, for Public Service Energy Resources and Trade LLC, on behalf of PSE&G (collectively “GDC Affidavits”). In support of the requested relief, the GDCs state as follows:

1. By Order dated January 6, 2003 in BPU Docket No. GX01050304,¹ the Board approved a BGSS Pricing Structure that required each of the GDCs to submit an annual BGSS filing no later than June 1 of each year (“June 1 Filing”) seeking a new Periodic BGSS rate² to be effective October 1 of the same year.³ Each Periodic BGSS rate is expected to be designed to achieve a zero or near zero BGSS deferral balance by the following September 30.⁴ Under the BGSS Pricing Structure, typically Periodic BGSS rates are put into effect on a provisional basis by the following October 1.⁵ In addition, each GDC is provided the discretion to increase its Periodic BGSS rate effective December 1 of the same year on a self-implementing basis subject to a cap equal to 5% of the GDC’s average rate based on a typical 100 therm per month residential

¹ *I/M/O The Provision of Basic Gas Supply Service Pursuant To The Electric Discount And Energy Competition Act, N.J.S.A. 48:3-49 et seq.*, “Order Approving BGSS Price Structure”, BPU Docket No. GX01050304 (January 6, 2003). The BGSS Pricing Proposal attached to this order outlined the BGSS Pricing Structure.

² Except for PSE&G, Periodic BGSS Rates are assessed by the GDCs to residential and small commercial customers and such rates are subject to reconciliation. Large commercial and industrial customers that purchase BGSS are subject to monthly BGSS rates that are not reconciled. For PSE&G, only residential customers are subject to Periodic BGSS rates.

³ BGSS Pricing Structure at para. 3.

⁴ *Id.* at para. 4.

⁵ *Id.* at para. 3.

total bill.⁶ In order to implement a self-implementing rate increase on December 1, each GDC is required to provide a written notice to Staff and the Ratepayer Advocate (now the Division of Rate Counsel) no later than November 1 as well as information concerning the appropriate amount of the increase based on current market rates.⁷ Any self-implementing increase, subject to the 5% cap, should be designed to achieve a zero or near zero deferral balance by the following September 30.⁸

2. In compliance with the BGSS Pricing Structure, ETG made its annual BGSS filing on June 1, 2021 and supplemented that filing on August 10, 2021 in BPU Docket No. GR21060876. ETG proposed to increase its Periodic BGSS-P rate from \$0.3783 per therm to \$0.4367 per therm inclusive of Sales and Use Tax. On October 29, 2021 ETG filed with the Board a “Stipulation Regarding Provisional BGSS Rate” (“ETG Stipulation”) that was executed by ETG, Board Staff and the Division of Rate Counsel (“Rate Counsel”) and proposed that ETG be permitted to implement a provisional Periodic BGSS rate of \$0.4254 per effective December 1, 2021 or on such other date as the Board deems appropriate. The Board has not yet acted on the ETG Stipulation.

3. NJNG made its annual BGSS filing on May 28, 2021 in BPU Docket No. GR21050860. NJNG proposed to increase its Periodic BGSS rate from \$0.3320 per therm to \$0.3381 per therm inclusive of Sales and Use Tax. On October 26, 2021, NJNG filed with the Board a “Stipulation For Provisional Rates” (“NJNG Stipulation”) that was executed by NJNG, Board Staff and Rate Counsel and proposed that NJNG be permitted to implement a provisional

⁶ *Id.* at para. 5. Each GDC also has the ability to implement a second provisional increase of up to 5% to be effective the following February 1.

⁷ *Id.*

⁸ *Id.* at para. 8.

Periodic BGSS rate of \$0.3381 per therm effective December 1, 2021 or on such other date as the Board deems appropriate. The Board has not yet acted on the NJNG Stipulation.

4. PSE&G made its annual BGSS filing on June 1, 2021 in BPU Docket No. GR21060878. PSE&G proposed to maintain its current BGSS default commodity charge of \$0.319937 cents per therm, and to increase its Balancing Charge from \$0.085723 to \$0.093477 per balancing use therm.⁹ On October 27, 2021, PSE&G filed with the Board a “Stipulation For Provisional Rates” (“PSE&G Stipulation”) that was executed by PSE&G, Board Staff and Rate Counsel and proposed that PSE&G be permitted to implement a provisional Periodic BGSS rate of \$0.319937 per therm, and a Balancing Charge of \$0.093447 per balancing use therm, effective December 1, 2021 or on such other date as the Board deems appropriate. The Board has not yet acted on the PSE&G Stipulation.

5. SJG made its annual BGSS filing on June 1, 2021 in BPU Docket No. GR21060881. SJG proposed to increase its Periodic BGSS rate from \$0.275910 per therm to \$0.505572 per therm inclusive of Sales and Use Tax. On October 29, 2021, SJG filed with the Board a “Stipulation For Provisional BGSS/CIP Rates” (“SJG Stipulation”) that was executed by SJG, BPU Staff and Rate Counsel and proposed that SJG be permitted to implement a Periodic BGSS rate of \$0.423086 per therm effective December 1, 2021 or on such other date as the Board deems appropriate. The Board has not yet acted on the SJG Stipulation.

6. The price of natural gas has increased significantly since the GDCs made their annual BGSS-P filings in June. Specifically, the average monthly Henry Hub Natural Gas Spot Price as reported by the U.S. Energy Information Administration has increased from \$2.91 per MMBtu in May 2021 to \$5.16 per MMBtu in September 2021.¹⁰ Even if the provisional BGSS

⁹ All rates include New Jersey SUT.

¹⁰ See USEIA Data issued October 20, 2021 for Natural Gas Prices.

rates proposed in the provisional stipulations pending before the Board are made effective December 1, 2021, the GDCs are likely to be significantly underrecovered at September 30, 2022 if gas prices continue at present levels unless further increases are implemented. To mitigate the impacts to customers of the sudden increase in natural gas prices, the GDCs each intend to self-implement a 5% increase to the monthly bill of a typical residential customers using 100 therms (“5% increase”) as is contemplated by the BGSS Pricing Structure.

7. While, as noted above, it is typically the case that BGSS rates proposed by a GDC June 1 Filing are put into effect on a provisional basis by the following October 1, this year, the BGSS rates proposed by the GDCs and addressed in their individual provisional stipulations are still pending consideration by the Board. Given these circumstances, it was necessary for the GDCs to submit this motion. In light of the delay in approving provisional BGSS rates, the GDCs seek waivers of the Board’s BGSS Pricing Structure as are necessary to permit the GDCs to self-implement the 5% increase to be effective December 1, 2021. Specifically, the GDCs seek waivers of (i) the provisions of Sections 3 and 5 of the BGSS Pricing Structure which provide that the GDCs may only self-implement a provisional Periodic BGSS increase to a provisional Periodic BGSS rate that has previously been approved by the Board, and (ii) the provision of Section 5 of the BGSS Pricing Structure that requires written notice of the intention to implement self-implementing rate increases to be provided to Board Staff and Rate Counsel no later than November 1 (“30-days Advance Notice”) for a December 1 increase. In addition, ETG requests a waiver of the BGSS Rider to its tariff¹¹ which incorporates the BGSS Pricing Structure.

8. Granting the waivers sought by this motion will permit the GDCs to submit individual notices of an intention to self-implement the 5% increase effective December 1, 2021

¹¹ See Elizabethtown’s BPU Tariff – B.P.U. No. 17 – Gas at Original Sheet No. 109.

on less than the required 30-days Advance Notice and to implement such increase on the basis of whatever rate is in effect as of December 1, 2021, whether or not the BGSS provisional rates contained in the GDC stipulations are considered by the Board on or before December 1, 2021.¹² For example, to the extent the Board approves the BGSS provisional rates contained in the GDC stipulations with a rate effective date of December 1, 2021, it is the intent of the GDCs to calculate the 5% increase based on the rates reflected in such stipulations. If the GDC provisional rates are not approved with an effective date of December 1, 2021, the 5% increase will be calculated based on each GDC's currently effective rate as of October 1, 2021. The impacts associated with such increases are reflected in the accompanying GDC Affidavits.

9. The GDCs submit that good cause exists for the Board to grant the requested waivers because the self-implementing 5% increases: (1) are permitted by the Order Approving BGSS Price Structure to enable the GDCs to reduce forecast underrecoveries of gas costs are fully consistent with the Board's longstanding BGSS Pricing Structure, (ii) could be implemented by the GDCs but for the delay in timing this year in the approval of provisional BGSS rates; and (iii) will assist the GDCs in reducing their BGSS deferred balances closer to zero by next September 1, thus minimizing gas cost underrecovery balances that the GDCs will otherwise be required to finance. In addition, the waivers will enable the GDCs to send proper BGSS price signals to their customers in the upcoming winter and encourage energy efficiency. Accordingly, granting the requested waivers is in the public interest.

¹² The GDGs' individual notices would be filed following Board approval of the waiver, and before December 1, 2021.

CONCLUSION

For the foregoing reasons, ETG, NJNG, PSE&G and SJG respectfully request that the Board grant (1) such waivers of its BGSS Pricing Structure as are necessary to permit the GDCs to self-implement Periodic BGSS increases based on a 5% increase of the monthly bill of a typical residential customers using 100 therms to be effective December 1, 2021 as described herein; and (2) such other relief as the Board may deem just and proper.

Respectfully submitted,

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Dated: November 1, 2021

1. I am Vice President, Rates, Regulatory and Sustainability of SJI Utilities, Inc., the parent of South Jersey Gas Company (“SJG”) and Elizabethtown Gas Company (“ETG”) (collectively the “Companies”), and as such, I have oversight of the calculation of the Companies’ Periodic Basic Gas Supply Service (“BGSS”) rate and various BGSS rate related matters, as well as the preparation of the annual June 1 BGSS Petitions, including the June 1 BGSS Petition pending before the New Jersey Board of Public Utilities (“Board”) in the above-referenced ETG and SJG captions.

2. I make this affidavit in support of the “Emergent Motion of New Jersey’s Gas Distribution Companies for Waivers Necessary to Permit Self-Implementing BGSS Increases Effective December 1, 2021.” That Motion seeks such waivers of prior Board orders and authorizations as may be necessary to permit the GDCs to self-implement Periodic BGSS increases based on a 5% increase of the monthly bill of a typical residential customers using 100 therms to be effective December 1, 2021. I have knowledge concerning SJG’s and ETG’s need and plan to implement a self-implementing BGSS increase effective December 1, 2021 subject to receiving the waivers sought in the accompanying Motion. I am also familiar with the impacts associated with the implementation of such increases.

3. I am aware of the Order dated January 6, 2003 in BPU Docket No. GX01050304¹ and the requirements contained in that Order, including the BGSS Pricing Structure.

4. In compliance with the BGSS Pricing Structure, ETG made its annual BGSS filing on June 1, 2021 and supplemented that filing on August 10, 2021 in BPU Docket No. GR21060876. ETG proposed to increase its Periodic BGSS-P rate from \$0.3783 per therm to

¹ *I/M/O The Provision of Basic Gas Supply Service Pursuant To The Electric Discount And Energy Competition Act, N.J.S.A. 48:3-49 et seq.*, “Order Approving BGSS Price Structure” (January 6, 2003). The BGSS Pricing Proposal attached to this order outlined the BGSS Pricing Structure.

\$0.4367 per therm inclusive of Sales and Use Tax. On October 29, 2021 ETG filed with the Board a “Stipulation Regarding Provisional BGSS Rate” (“ETG Stipulation”) that was executed by ETG, Board Staff and the Division of Rate Counsel (“Rate Counsel”) and proposed that ETG be permitted to implement a provisional Periodic BGSS rate of \$0.4254 per effective December 1, 2021 or on such other date as the Board deems appropriate. The Board has not yet acted on the ETG Stipulation.

5. SJG made its annual BGSS filing on June 1, 2021 in BPU Docket No. GR21060881. SJG proposed to increase its Periodic BGSS rate from \$0.275910 per therm to \$0.505572 per therm inclusive of Sales and Use Tax. On October 29, 2021, SJG filed with the Board a “Stipulation For Provisional BGSS/CIP Rates” (“SJG Stipulation”) that was executed by SJG, BPU Staff and Rate Counsel and proposed that SJG be permitted to implement a Periodic BGSS rate of \$0.423086 per therm effective December 1, 2021 or on such other date as the Board deems appropriate. The Board has not yet acted on the SJG Stipulation.

6. The price of natural gas has increased significantly since ETG and SJG made their annual BGSS-P filings. Specifically, the average monthly Henry Hub Natural Gas Spot Price as reported by the U.S. Energy Information Administration has increased from \$2.91 per MMBtu in May 2021 to \$5.16 per MMBtu in September 2021.² Even if the provisional BGSS rates proposed in the ETG and SJG stipulations pending before the Board are made effective December 1, 2021, the Companies are likely to be significantly underrecovered at September 30, 2022 if gas prices continue at present levels unless further increases are implemented.

7. To the extent the Board approves the BGSS provisional rates contained in the ETG and SJG stipulations with a rate effective date of December 1, 2021, it is the intent of the

² See USEIA Data issued October 20, 2021 for Natural Gas Prices.

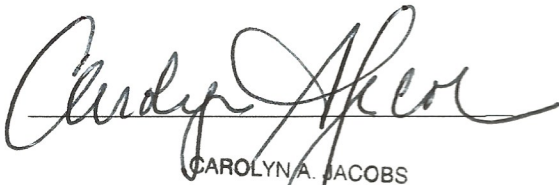
Companies to calculate the 5% increase based on the rates reflected in these stipulations. If the provisional rates are not approved with an effective date of December 1, 2021, the 5% increase will be calculated based on the ETG and SJG currently effective rate. The impacts associated with each of these increases are reflected in Attachments A and B. The BGSS rates reflected in the ETG and SJG Stipulations reflect certain adjustments to the BGSS rates proposed in the ETG and SJG June 1 Petitions. Attachments A and B also include the impacts associated with a 5% increase calculated on the rates proposed in the ETG and SJG June 1 Petitions.

8. I swear that the foregoing statements are true to the best of my knowledge.



By: _____
Deborah M. Franco

Sworn and subscribed before me
this 1ST day of November, 2021



CAROLYN A. JACOBS

NOTARY PUBLIC OF NEW JERSEY

My Commission Expires October 28, 2023



ELIZABETHTOWN GAS COMPANY**2021-2022 BGSS-P
Residential 100 Therm Bill**

	Current Rates as of 10/1/21	5% Increase on Current Rates	Filed rate	5% Increase on Filed Rates	Proposed Provisional Rate Effective 12/1/21	5% Increase on Proposed Provisional Rates
BGSS-P per therm, incl. tax	\$0.3783	\$0.4304	\$0.4367	\$0.4917	\$0.4254	\$0.4798
Total Bill	\$104.15	\$109.36	\$109.99	\$115.49	\$108.86	\$114.30
Monthly Dollar (Decrease)/Increase		\$5.21		\$5.50	\$4.71	\$5.44
Monthly Percentage (Decrease)/Increase		5.0%		5.0%	4.5%	5.0%

Note: Provisional rate based on adjustment for Columbia Gas Transmission rate case.

SOUTH JERSEY GAS COMPANY

2021-2022 BGSS-Periodic Residential 100 Therm Bill

	Current Rates as of 10/1/21	5% Increase on Current Rates	Filed Rate	5% Increase on Filed Rate	Proposed Provisional Rate Effective 12/1/21	5% Increase on Proposed Provisional Rates
BGSS-Periodic per therm, incl. tax	\$0.275910	\$0.424197	\$0.505572	\$0.589044	\$0.423086	\$0.502550
Total Bill	\$151.41	\$158.98	\$167.12	\$175.47	\$158.87	\$166.82
Monthly Dollar (Decrease)/Increase		\$7.57	\$15.71	\$8.35	\$7.46	\$7.95
Monthly Percentage (Decrease)/Increase		5.0%	10.4%	5.0%	4.9%	5.0%

Note: Provisional rate based on adjustment for Columbia Gas Transmission rate case, extended Antero recovery amortization, and additional OSS adjustments.

1. I am Senior Vice President, Regulatory Affairs of New Jersey Natural Gas Company (“NJNG”), and as such, I have oversight of the calculation of the Companies’ Periodic Basic Gas Supply Service (“BGSS”) rate and various BGSS rate related matters, as well as the preparation of the annual June 1 BGSS Petitions, including the June 1 BGSS Petition pending before the New Jersey Board of Public Utilities (“Board”) in the above-referenced NJNG caption.

2. I make this affidavit in support of the “Emergent Motion of New Jersey’s Gas Distribution Companies for Waivers Necessary to Permit Self-Implementing BGSS Increases Effective December 1, 2021.” That Motion seeks such waivers of prior Board orders and authorizations as may be necessary to permit the GDCs to self-implement Periodic BGSS increases based on a 5% increase of the monthly bill of a typical residential customers using 100 therms to be effective December 1, 2021. I have knowledge concerning NJNG’s need and plan to implement a self-implementing BGSS increase effective December 1, 2021 subject to receiving the waivers sought in the accompanying Motion. I am also familiar with the impacts associated with the implementation of such increases.

3. I am aware of the Order dated January 6, 2003 in BPU Docket No. GX01050304¹ and the requirements contained in that Order, including the BGSS Pricing Structure.

4. In compliance with the BGSS Pricing Structure, NJNG made its annual BGSS filing on May 28, 2021. NJNG proposed to increase its Periodic BGSS rate from \$0.3320 that is applicable to residential and small commercial customers, subject to the Periodic BGSS Pricing Mechanism, be increased to \$0.3381 per therm. On October 26, 2021, NJNG filed with the Board a “Stipulation Regarding Provisional BGSS Rate” (“NJNG Stipulation”) that was executed by

¹ *I/M/O The Provision of Basic Gas Supply Service Pursuant To The Electric Discount And Energy Competition Act, N.J.S.A. 48:3-49 et seq.*, “Order Approving BGSS Price Structure” (January 6, 2003). The BGSS Pricing Proposal attached to this order outlined the BGSS Pricing Structure.

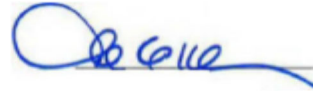
NJNG, Board Staff and the Division of Rate Counsel (“Rate Counsel”) and proposed that NJNG be permitted to implement a provisional Periodic BGSS rate of \$0.3381 per therm effective December 1, 2021 or on such other date as the Board deems appropriate. The Board has not yet acted on the NJNG Stipulation.

5. The price of natural gas has increased significantly since NJNG made its annual BGSS filing. Specifically, the average monthly Henry Hub Natural Gas Spot Price as reported by the U.S. Energy Information Administration has increased from \$2.91 per MMBtu in May 2021 to \$5.16 per MMBtu in September 2021.² Even if the provisional BGSS rates proposed in the NJNG stipulation pending before the Board are made effective December 1, 2021, the Company is likely to be significantly underrecovered at September 30, 2022 if gas prices continue at present levels unless further increases are implemented.

6. To the extent the Board approves the BGSS provisional rates contained in the NJNG stipulation with a rate effective date of December 1, 2021, it is the intent of the Company to calculate the 5% increase based on the rates reflected in this stipulation. If the provisional rates are not approved with an effective date of December 1, 2021, the 5% increase will be calculated based on the NJNG currently effective rates. The impacts associated with each of these increases are reflected in Attachment A.

² See USEIA Data issued October 20, 2021 for Natural Gas Prices.

7. I swear that the foregoing statements are true to the best of my knowledge.



By: _____
Mark G. Kahrer

Sworn and subscribed before me
this 26th day of October 2021



ANDREW K. DEMBIA, ESQ.

NEW JERSEY NATURAL GAS COMPANY

**2021-2022 BGSS-Periodic
Residential 100 Therm Bill**

	Current Rates as of 10/1/21	5% Increase on Current Rates	Proposed Provisional Rate Effective 12/1/21	5% Increase on Proposed Provisional Rates
BGSS-Periodic per therm, incl. tax	\$0.3320	\$0.3662	\$0.3381	\$0.3974
Total Bill	\$117.05	\$122.90	\$118.66	\$124.59
Monthly Dollar (Decrease)/Increase		\$5.85	\$1.61	\$5.93
Monthly Percentage (Decrease)/Increase		5.0%	1.4%	5.0%

Note: Provisional Total Bill includes changes to Balancing Charge and Conservation Incentive Program.

1. I am Vice President – Gas Supply for PSEG Energy Resources and Trade LLC, and as such, I have oversight of the calculation of Public Service Electric and Gas Company’s (“PSE&G” or “Company”) Periodic Basic Gas Supply Service (“BGSS”) rate and various BGSS rate related matters, as well as the preparation of the annual June 1 BGSS Petitions, including the June 1 BGSS Petition pending before the New Jersey Board of Public Utilities (“Board”) in the above-referenced PSE&G caption.

2. I make this affidavit in support of the “Emergent Motion of New Jersey’s Gas Distribution Companies for Waivers Necessary to Permit Self-Implementing BGSS Increases Effective December 1, 2021.” That Motion seeks such waivers of prior Board orders and authorizations as may be necessary to permit the GDCs to self-implement Periodic BGSS increases based on a 5% increase of the monthly bill of a typical residential customers using 100 therms to be effective December 1, 2021. I have knowledge concerning PSE&G’s need and plan to implement a self-implementing BGSS increase effective December 1, 2021 subject to receiving the waivers sought in the accompanying Motion. I am also familiar with the impacts associated with the implementation of such increases.

3. I am aware of the Order dated January 6, 2003 in BPU Docket No. GX01050304¹ and the requirements contained in that Order, including the BGSS Pricing Structure.

4. In compliance with the BGSS Pricing Structure, PSE&G made its annual BGSS filing on June 1, 2021 in BPU Docket No. GR21060878. PSE&G proposed to maintain its current Board approved BGSS rate of \$0.319937 cents per therm inclusive of losses and Sales and Use Tax (“SUT”) and to increase its Balancing Charge from \$0.085723 per balancing therm to

¹ *I/M/O The Provision of Basic Gas Supply Service Pursuant To The Electric Discount And Energy Competition Act, N.J.S.A. 48:3-49 et seq.*, “Order Approving BGSS Price Structure” (January 6, 2003). The BGSS Pricing Proposal attached to this order outlined the BGSS Pricing Structure.


\$0.093477 per balancing therm, inclusive of losses and SUT. On October 27, 2021 PSE&G filed with the Board a “Stipulation For Provisional BGSS Rates” (“PSE&G Stipulation”) that was executed by PSE&G, Board Staff and the Division of Rate Counsel (“Rate Counsel”) and proposed that PSE&G be permitted to provisionally implement a Periodic BGSS rate of \$0.319937 per therm and a Balancing Charge of \$0.093477 per balancing therm effective December 1, 2021 or on such other date as the Board deems appropriate. The Board has not yet acted on the PSE&G Stipulation.

5. The price of natural gas has increased significantly since PSE&G made its annual BGSS filing. Specifically, the average monthly Henry Hub Natural Gas Spot Price as reported by the U.S. Energy Information Administration has increased from \$2.91 per MMBtu in May 2021 to \$5.16 per MMBtu in September 2021.² Even if the provisional BGSS rates proposed in the PSE&G stipulation pending before the Board are made effective December 1, 2021, the Company is likely to be significantly underrecovered at September 30, 2022 if gas prices continue at present levels unless further increases are implemented.

6. To the extent the Board approves the BGSS provisional rate and Balancing Charge contained in the PSE&G stipulation with a rate effective date of December 1, 2021, it is the intent of the Company to calculate the 5% increase based on the rates reflected in the stipulation. If the provisional rate and Balancing Charge are not approved with an effective date of December 1, 2021, the 5% increase will be calculated based on the PSE&G currently effective rate. The impact associated with each of these increases are reflected in Attachment A.

² See USEIA Data issued October 20, 2021 for Natural Gas Prices.

7. I swear that the foregoing statements are true to the best of my knowledge.

By: 
David F. Caffery

Sworn and subscribed before me
this 1st day of November, 2021



DEBORAH S. MARKS
Notary Public
State of New Jersey
My Commission Expires June 3, 2023
ID # 2374254

PUBLIC SERVICE ELECTRIC & GAS COMPANY

**2021-2022 BGSS-Periodic
Residential 100 Therm Bill**

	Current Rates as of 10/1/21	5% Increase on Current Rates	Proposed Provisional Rate Effective 12/1/21	5% Increase on Proposed Provisional Rates
BGSS-Periodic per therm, incl. tax	\$0.319937	\$0.363377	\$0.319937	\$0.363636
Total Bill	\$86.88	\$91.22	\$87.40	\$91.77
Monthly Dollar (Decrease)/Increase		\$4.34	\$0.52	\$4.37
Monthly Percentage (Decrease)/Increase		5.0%	0.6%	5.0%

Note: Provisional Total Bill includes changes to Balancing Charge.