



State of New Jersey
DIVISION OF RATE COUNSEL
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P.O. Box 003
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PHIL MURPHY
Governor

SHEILA OLIVER
Lt. Governor

STEFANIE A. BRAND
Director

Via Regular Mail and Email

January 9, 2020

Pat Miller, Founder
Steve Miller, Founder
Middletown for Clean Energy
151 Borden Road
Middletown, NJ 07748
patmiller@comcast.net
stevemiller@comcast.net

Re: NJ Natural Gas ratepayers should NOT subsidize new private residential gas network

Dear Pat and Steve Miller:

The New Jersey Division of Rate Counsel ("Rate Counsel") is responding to your letter dated January 4, seeking action to block New Jersey Natural Gas ("NJNG") gas installation on private property from being subsidized by all ratepayers.

Rate Counsel is statutorily mandated to represent and protect the interests of utility consumers, as a class, with regard to regulated electricity, natural gas, water, wastewater, cable, and telephone services. Our Division's mission is to ensure that consumers receive safe, adequate and proper utility service at affordable rates. Although we do not represent individual customers, provide individual legal advice, or process consumers' complaints, we respond to all inquiries by providing useful information and/or directing consumers to the appropriate agency.

Thank you for your letter providing website links to the information regarding NJNG's proposed gas service distribution plans in Shadow Lake Village and throughout other New Jersey townships. Under NJNG's current tariff, which is a regulatory instrument that governs the Company's actions, NJNG can provide a main extension of its gas service lines free of cost to customers where it determines that the "Extension Cost does not exceed ten (10) times the annual distribution revenue at the baseline usage per customer volume" NJNG Tariff Sheet 16. The Company's current tariff can be found at <https://www.njng.com/regulatory/>.

Gas company tariffs are approved by the Board of Public Utilities. The applicable statute governing main extension is N.J.S.A. 48:2-27 and the applicable regulations can be found at N.J.A.C. 14:3-8. In most situations, NJNG will not file a separate petition with the BPU before beginning a main extension project unless there is a dispute between the Company and the potential customers about the upfront deposit the Company is requiring.

The costs associated with completed construction projects will be reviewed for reasonableness and prudence in the Company's next base rate case. Pursuant to its statutory mandate, Rate Counsel and its experts and the Board will review the project if it is completed at that time. As noted above, Rate Counsel does not represent individuals in any matters, including main extension applications. If in the course of a base rate case the BPU finds the costs associated with the construction project were necessary and reasonable, then the cost of the project will likely be included in the new rates set after the conclusion of NJNG's base rate case. The public has an opportunity to comment at public hearings and in writing after a utility base rate case is filed.

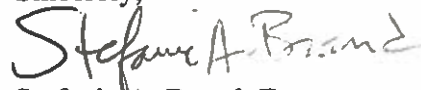
Should you wish to comment to the Board at this time, you may do that as well. The Board has regulatory authority over New Jersey natural gas and other public utilities in New Jersey and has the jurisdiction to consider such issues.

You may file an inquiry online at: <http://www.state.nj.us/bpu/home/complaintForm.shtml>.

You may also file by mail at: Division of Customer Assistance
New Jersey Board of Public Utilities
44 South Clinton Street, 9th Floor
P.O. Box 350
Trenton, NJ 08625-0350

You may also call Toll Free: 1(800)624-0241

We hope that the information provided will be useful. Please do not hesitate to contact us in the future if we can be of assistance.

Sincerely,

Stefanie A. Brand, Esq.
DIRECTOR
DIVISION OF RATE COUNSEL

cc: Felicia Thomas-Friel, Esq., Managing Attorney, Gas Division