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**Statement of Karen D. Alexander  
President, New Jersey Utility Shareholders Association**

**In the Matter of 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,  
Pursuant to N.J.S.A. 48:2-21 and 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. GR21030679**

**OAL Docket No. PUC 04111-21**

**Virtual Public Hearing**

**September 13, 2021; 4:30 p.m.**

Good afternoon and thank you, Judge Gertsman. My name is Karen Alexander. I am president of the New Jersey Utility Shareholders Association (NJUSA). NJUSA has been granted participant status in this case and I am pleased to be able to share our members' views on the critical importance of granting approval of New Jersey Natural Gas Company's (the Company) petition for new rates.

NJUSA is a not-for-profit, volunteer association of New Jersey Residents who are individual investors in one or more of the parent companies of regulated utilities operating in New Jersey. However, our membership does not include institutional investors.

Founded in 2014, NJUSA has a dual mission: 1) to increase our members' understanding of public policy issues and processes that can affect the value of their utility stocks and 2) to help them have a voice in the public policy arena.

I am here today to ask that the process for granting New Jersey Natural Gas new rates be balanced and fair and that the interests of shareholders be considered to be as important as those of ratepayers. I make this request because, without the stable investments of its shareholders, the ability of the Company to offer consistently reliable service to which its ratepayers are accustomed would be lost. The BPU'S decision in this case—with respect both to cost recovery and return on equity--will send an important message to shareholders. Hopefully the message will be that their past and continued investment is highly valued. Decisions that relay this message will be especially important regarding the service and safety enhancements made possible through the construction of the Southern Reliability Link Pipeline (SRL).

There is often a mistaken impression of utility investors as among the wealthiest in society. To the contrary, NJUSA's most active members are average New Jerseyans, senior citizens, retirees. Some of NJUSA's members worked in the utility industry as administrative assistants, safety engineers, linemen and women, customer service representatives, meter readers or in various managerial capacities. Many of our members never worked for a utility but have retirement funds in a pension or 401(k) plan that contain utility stocks. Or, as often happens, may have heard from a family member or friend many years ago that utility stocks are a good, stable investment that offer the opportunity to earn a fair return on the dollars invested and the potential for the payment of dividends—a potential source of savings now or income in later years. Our members have a two-fold interest in this and other rate cases because they are not only shareholders, they also are ratepayers. In this unique capacity they well appreciate the importance of balancing shareholder and ratepayer interests.

Utility shareholders within NJUSA's membership are not the oft-maligned image of a "Wall Street" monolith. They are part of the rate base rate of return system that depends on shareholder investments to make utility service possible. NJUSA members' investments are made with the hope, but not guarantee, that they will earn a fair return within a reasonable period of time. They rely on BPU to achieve this outcome.

It is with recognition of the critical role utility shareholders play that NJUSA urges the Board to grant the Company's full requested return-on-equity (ROE) and the recovery of all prudently incurred costs. It is especially important to do so for the critically important SRL project, which the Company recently placed in service. This is especially so now given the ongoing economic drag on cash flow resulting from the pandemic. Furthermore, the regulatory lag inherent in the regulatory process diminishes shareholder value because of the lost value of money over time. Approval of the full requested ROE and cost recovery will help reassure investors that the Company is and will continue to be a sound financial investment. Approval of New Jersey Natural Gas' filing will better enable the Company to ensure that natural gas continues to be available and delivered safely and reliably to its customers now and in the future. It will also incentivize ongoing shareholder investments that will make future service delivery possible.

On behalf of our members, thank you for your consideration and interest in achieving the balance that is so necessary to ensuring safe, adequate and reliable natural gas service now and in the future. I appreciate your consideration of our members' views and request that this statement be included in the record.