



June 1, 2023

*VIA EMAIL*

Sherri L. Golden, Secretary  
New Jersey Board of Public Utilities  
44 South Clinton Avenue, 1st Floor  
P.O. Box 350  
Trenton, NJ 08625-0350

Re: IN THE MATTER OF THE PETITION OF NEW JERSEY NATURAL GAS  
COMPANY FOR THE ANNUAL REVIEW AND REVISION OF ITS BASIC  
GAS SUPPLY SERVICE (BGSS) AND CONSERVATION INCENTIVE  
PROGRAM (CIP) RATES FOR F/Y 2024  
BPU DOCKET NO. GR23060348

Dear Secretary Golden:

Enclosed herewith for filing please find the petition of New Jersey Natural Gas Company (NJNG) for the Annual Review and Revision of its Basic Gas Supply Service (BGSS) and Conservation Incentive Program (CIP) Rates for F/Y 2024. Included in this filing are the pre-filed Direct Testimonies of Jayana S. Shah, Christopher S. Micak, and Anne-Marie Peracchio in support of this petition.

The petition, including the supporting exhibits and testimony, are also being emailed to the New Jersey Division of Rate Counsel.

In accordance with the Order issued by the Board in connection with I/M/O 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, this document is being electronically filed. No paper copies will follow.

Kindly acknowledge receipt of this filing by return email acknowledgment.

Respectfully submitted,

A handwritten signature in blue ink that reads 'Andrew K. Dembia'. The signature is fluid and cursive, with the first letters of the first and last names being capitalized and prominent.

Andrew K. Dembia, Esq.  
Regulatory Affairs Counsel

Enclosures  
C: Service List

**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 2024  
DOCKET NO. GR23060348**

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

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IN THE MATTER OF THE PETITION OF )  
NEW JERSEY NATURAL GAS COMPANY )  
FOR THE ANNUAL REVIEW AND )  
REVISION OF ITS BASIC GAS SUPPLY )  
SERVICE (BGSS) AND CONSERVATION )  
INCENTIVE PROGRAM (CIP) RATES )  
FOR F/Y 2024 )  
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BPU DOCKET NO. GR23060348  
OAL DOCKET NO. \_\_\_\_\_ )

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Jayana S. Shah  
Managing Director - Gas Supply  
  
Christopher S. Micak  
State Rate and Regulatory Analyst  
  
Anne-Marie Peracchio  
Managing Director – Marketing and Energy Efficiency

<sup>1</sup> For ease of presentation, the filing contains BGSS schedules for the NJNG fiscal years (FY) 2023 and 2024 (October 1-September 30). Actual BGSS schedules for FY2022 and projected BGSS schedules for FY2025 will be included in Workpapers to be filed under separate cover.

**New Jersey Natural Gas Company  
BGSS Minimum Filing Requirements (MFR)<sup>1</sup> Index**

<u>Minimum Filing Requirement</u>	<u>Schedule(s)</u>	<u>Workpaper #s</u>
1. Motion, Supporting Testimony & Tariff Modifications	Petition, Exhibit F, Testimony of Jayana S. Shah (JSS) and Christopher S. Micak (CSM)	
2. Computation of Proposed BGSS Rate	Exhibit E	
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<sup>1</sup> MFR references throughout this filing and workpapers to be filed under separate cover correspond by number to those set forth as the Annual BGSS Minimum Filing Requirements, pursuant to a BPU Order approving a settlement dated April 24, 2003 in BPU Docket No. GR02100760.

## C A S E S U M M A R Y

## CASE SUMMARY

**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 2024  
BPU DOCKET NO. GR23060348**

FILING DATE: June 1, 2023  
EFFECTIVE DATE: October 1, 2023

### BASIS FOR REQUEST:

#### BASIC GAS SUPPLY SERVICE (“BGSS”)

1. New Jersey Natural Gas Company (the “Company”) proposes to decrease its periodic BGSS rate for sales customers from its current after-tax level of \$0.5065 per therm (\$0.4750 per therm pre-tax) to \$0.4290 per therm (\$0.4023 per therm pre-tax) effective October 1, 2023. This rate results in an effective after-tax decrease of \$0.0775 per therm (a pre-tax decrease of \$0.0727 per therm), representing a 5.1 percent decrease to the total bill for a residential heating customer using 100 therms per month. The projected change in after-tax gas cost recoveries is as follows:

BGSS Decrease (\$41.15) Million

2. Pursuant to the Order in the New Jersey Board of Public Utilities (the “BPU” or “Board”) Docket No. GX01050304 (“Generic BGSS Order”), the Company may increase the BGSS rate up to a maximum of 5 percent of the total residential bill on December 1, 2023 and/or February 1, 2024. As is required by the Generic BGSS Order, if such an increase is necessary, the Company will provide thirty (30) days’ notice to the Board and the Division of Rate Counsel (“Rate Counsel”) of its election to adjust its BGSS rates upward. Additionally, pursuant to the Generic BGSS Order, the Company may decrease its BGSS rate, provide refunds or bill credits at any time upon five days’ notice to the Board and to Rate Counsel.

3. The Company proposes to decrease its Balancing Charge from its current after-tax level of \$0.1380 per therm (\$0.1294 per therm pre-tax) to \$0.1266 per therm (\$0.1187 per therm pre-tax). This rate results in an after-tax decrease of \$0.0114 per therm effective October 1, 2023 (a pre-tax decrease of \$0.0107 per therm), representing a 0.8 percent decrease for a residential heating customer using 100 therms per month. The Balancing Charge is included in the Delivery Charge for certain sales and transportation customers and its revenues are credited to BGSS.

Balancing Charge Decrease (\$7.90) Million



CONSERVATION INCENTIVE PROGRAM (“CIP”)

With this filing, and pursuant to the December 12, 2006 and January 21, 2010 Orders in BPU Docket No. GR05121020 and the May 21, 2014 Order in BPU Docket No. GR13030185, the Company proposes to adjust its after-tax CIP recovery rates as a component of delivery charges effective October 1, 2023. The existing rates, proposed rates, and projected change in after-tax CIP recoveries for each CIP Group are:

<u>Group</u>	<u>Group Description</u>	<u>Existing Charge/(Credit) per therm</u>	<u>Proposed Charge per therm</u>	<u>Change in Recovery \$ million</u>
Group I	Residential Non-Heat	\$0.0088	\$0.0389	\$0.09
Group II	Residential Heat	\$0.0442	\$0.0915	\$24.09
Group III	General Service – Small (“GSS”)	\$0.0180	\$0.0605	\$1.71
Group IV	General Service – Large (“GSL”)	\$0.0142	\$0.0388	<u>\$3.43</u>
Total				\$29.32

The proposed October 1, 2023 CIP rate changes result in a 3.1 percent increase to the total bill of an average residential heating customer (Group II), a 1.7 percent increase for an average residential non-heat customer (Group I), a 2.5 percent increase for an average customer in Group III, and a 1.8 percent increase for an average Group IV customer.

IMPACT TO CUSTOMERS

The combination of the proposed October 1, 2023 BGSS, Balancing Charge, and CIP rate changes result in a decrease of \$4.16, or 2.8 percent to the total 100 therm monthly bill of an average residential heating sales customer (Group II), a 3.2 percent decrease to an average residential non-heat sales customer (Group I), and a 2.7 percent decrease for an average sales customer in Group III. The CIP rate change results in a 1.8 percent increase for an average Group IV sales customer. Group IV sales customers’ total bills are not affected by the proposed Balancing Charge change because the Balancing Charge is included in the GSL delivery charge and the Monthly BGSS rates are net of the Balancing Charge. Group IV sales customers’ total bills are not affected by the BGSS request because they are subject to monthly market pricing for their natural gas supply.

**PETITION OF**

**NEW JERSEY NATURAL GAS COMPANY FOR THE  
ANNUAL REVIEW AND REVISION OF ITS  
BASIC GAS SUPPLY SERVICE (BGSS) AND  
CONSERVATION INCENTIVE PROGRAM (CIP) RATES  
FOR F/Y 2024**

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

<b>IN THE MATTER OF THE PETITION OF</b>	)	
<b>NEW JERSEY NATURAL GAS COMPANY</b>	)	<b>BPU DOCKET NO. GR23060348</b>
<b>FOR THE ANNUAL REVIEW AND</b>	)	
<b>REVISION OF ITS BASIC GAS SUPPLY</b>	)	<b>PETITION</b>
<b>SERVICE (BGSS) AND CONSERVATION</b>	)	
<b>INCENTIVE PROGRAM (CIP) RATES FOR</b>	)	
<b>F/Y 2024</b>	)	

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

Pursuant to the “Order Approving BGSS Price Structure” (“Generic BGSS Order”) issued on January 17, 2002 by the New Jersey Board of Public Utilities (the “BPU” or “Board”) in BPU Docket No. GX01050304<sup>1</sup>, and the applicable provisions of N.J.S.A. 48:2-21, New Jersey Natural Gas Company (“NJNG” or the “Company”) hereby requests the Board to accept the Company’s annual filing for its Basic Gas Supply Service (“BGSS”) and approve the Company’s related request to decrease the BGSS rate applicable to residential and certain small commercial sales customers (“Periodic BGSS”) effective October 1, 2023. NJNG also hereby requests that the Board approve, pursuant to N.J.S.A. 48:2-21 and the authority granted to the Company in a BPU Order in Docket No. GR21030679 dated November 17, 2021 (“Rate Case Order”), a decrease to its Balancing Charge effective October 1, 2023 to reflect updated costs. Additionally, pursuant to

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<sup>1</sup> The referenced BGSS Order contemplates that annual BGSS filings are made by natural gas companies by June 1 of each year, with proposed BGSS price adjustments to be effective October 1 of each year and authorizes two additional self-implementing rate adjustments (subject to limits) upon notice to the Board on November 1 and January 1 each year to take effect on December 1 and February 1, respectively. Pursuant to the same order, BGSS is priced on a monthly basis for large commercial and industrial customers.

N.J.S.A. 48:2-21 and the authority granted to the Company in BPU Orders in Docket No. GR05121020 dated December 12, 2006 and January 21, 2010 and in Docket No. GR13030185 dated May 21, 2014 (“CIP Orders”), NJNG hereby requests that the Board accept the Company’s filing related to the operation of the Conservation Incentive Program (“CIP”) for the period from October 1, 2022 through September 30, 2023 and approve the Company’s related request to increase its CIP recovery rates for Group I Residential Non-Heat customers, Group II Residential Heat customers, Group III General Service – Small customers, and Group IV General Service – Large customers effective October 1, 2023.

1. NJNG is a corporation duly organized under the laws of the State of New Jersey and is a public utility engaged in the sale, 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.

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

Mark G. Kahrer, Senior Vice President, Regulatory Affairs  
Andrew K. Dembia, Esq., Regulatory Affairs Counsel  
New Jersey Natural Gas Company  
1415 Wyckoff Road, P.O. Box 1464  
Wall, NJ 07719  
[mkahrer@njng.com](mailto:mkahrer@njng.com)  
[adembia@njng.com](mailto:adembia@njng.com)

3. The instant filing includes actual and projected natural gas commodity, storage, and interstate transportation costs, including the costs and results of natural gas supplies set by hedges; deferred balances and the timeframe over which such balances and related rates are to be collected or returned; projected rates supported by projected volumes, revenues, and costs; and a written explanation of any significant activities or trends which may affect costs for the prospective period. This filing also includes pre-filed testimony, schedules, and data that are responsive to and consistent with the recommended minimum filing requirements (“MFRs”) for annual BGSS

filings. Additional information related to the MFRs will be provided within Workpapers to be filed shortly.

4. On February 22, 2023, NJNG filed a notice with the Board indicating it would implement a BGSS bill credit and lower its BGSS rate from \$0.5681 to \$0.5065 per therm effective March 1, 2023. As a result of the changes, a typical residential heating customer using 100 therms per month would see a combined annual bill decrease of \$129.48, or approximately 8.1%. On April 19, 2023, the Board issued an Order in Docket No. GR22060373, the Company's prior BGSS proceeding, which provided that the self-implementing decrease shall be final and remain in effect until further Board Order or further action by the Company in accordance with the January 2003 BGSS Order and will be reviewed in the Company's 2024 annual BGSS filing to be submitted by June 1, 2023.<sup>2</sup>

5. Based on the information provided herein, the Company proposes to decrease its after-tax Periodic BGSS rate applicable to residential and small commercial sales customers of \$0.5065 per therm to \$0.4290 per therm which would reflect a decrease on their total bill of approximately 5.1 percent for a residential heating customer using 100 therms per month.

6. The costs and recoveries associated with the BGSS rate have no net impact on NJNG's base revenues or return on investment and will not change NJNG's income or rate of return.

7. NJNG is providing nineteen (19) months of actual BGSS data for the period October 1, 2021 through April 30, 2023, and projected data for the twenty-nine (29) month period May 1, 2023 through September 30, 2025.<sup>3</sup>

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<sup>2</sup> In re the Matter of the Petition of New Jersey Natural Gas Company for the Annual Review and Revision of its Basic Gas Supply Service ("BGSS") and its Conservation Incentive Program ("CIP") Rates for F/Y 2023, BPU Docket No. GR22060373, (April 19, 2023).

<sup>3</sup> The instant filing contains BGSS schedules for the NJNG fiscal years ("FY") 2023 and 2024 (October 1 – September 30). Actual BGSS schedules for FY2022 and projected BGSS schedules for FY2025 will be included in workpapers to be filed shortly.

8. As approved by the Board in the Rate Case Order, NJNG is authorized to adjust its Balancing Charge in the annual BGSS filing to reflect updated costs. The Company is proposing to decrease its after-tax Balancing Charge of \$0.1380 per therm by \$0.0114 per therm to \$0.1266 per therm, which would reflect a decrease of approximately 0.8 percent for a residential heating customer using 100 therms per month. All Balancing Charge revenues from sales and transportation customers are credited to BGSS.

9. Pursuant to the CIP Orders, the CIP provides for a rate adjustment related to changes in average use per customer when compared to a pre-established baseline value. Additionally, recovery of current year margin deficiency sought by the Company must meet the Earnings Test and recovery of current year margin deficiency associated with non-weather related changes in customer usage must meet the Basic Gas Supply Service Savings Test and the Variable Margin Revenue Test. The Earnings, Basic Gas Supply Service, and Variable Margin Revenue Tests are collectively referred to as “the Tests.”

10. Based on actual data for the period October 1, 2022 through April 30, 2023, and projected data for the period May 1, 2023 through September 30, 2023, the CIP calculations for fiscal year (FY) 2023 result in a current year margin deficiency of approximately \$48.57 million which includes \$44.73 million related to weather and a non-weather related margin deficiency of approximately \$3.85 million.

11. When the current year CIP results are combined with the projected over or under-recovery balances, the total CIP recovery amount is a deficiency of approximately \$51.03 million which is comprised of the following recovery amounts: 1) a margin deficiency of approximately \$0.11 million for Group I Residential Non-Heat customers; 2) a margin deficiency of approximately \$43.59 million for Group II Residential Heat customers; 3) a margin deficiency of

approximately \$2.27 million for Group III General Service – Small customers; and, 4) a margin deficiency of approximately \$5.06 million for Group IV General Service – Large customers.<sup>4</sup>

12. The pre-filed Direct Testimony of Christopher S. Micak and Exhibit C within this filing demonstrate that NJNG is entitled to full recovery of such balances based on the Tests approved in the CIP Orders. Pursuant to the terms of the CIP Orders, the Company is proposing an effective date of October 1, 2023 for the following after-tax CIP rates which, as compared to existing charges, result in the following changes per therm:

<u>Group</u>	<u>Group Description</u>	<u>Existing Charge/(Credit) per therm</u>	<u>Proposed Charge per therm</u>	<u>Increase/(Decrease) per therm</u>
Group I	Residential Non-Heat	\$0.0088	\$0.0389	\$0.0301
Group II	Residential Heat	\$0.0442	\$0.0915	\$0.0473
Group III	General Service - Small	\$0.0180	\$0.0605	\$0.0425
Group IV	General Service - Large	\$0.0142	\$0.0388	\$0.0246

13. The proposed October 1, 2023 CIP rate changes result in a 1.7 percent increase for an average residential non-heat sales customer (Group I), a \$4.73, or 3.1 percent, increase to the total bill of a residential heating sales customer (Group II) using 100 therms per month, a 2.5 percent increase for an average sales customer in Group III, and a 1.8 percent increase for an average Group IV sales customer.

14. The combination of the proposed October 1, 2023 BGSS, Balancing Charge, and CIP rate changes results in a 2.8 percent decrease to the total annual bill of a residential heating sales customer, a 3.2 percent decrease for an average residential non-heat sales customer, and a 2.7 percent decrease for an average sales customer in Group III. The proposed CIP rate change results in a 1.8 percent increase for an average Group IV customer. Group IV sales customers’

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<sup>4</sup> The CIP recovery amounts are included in Exhibit C, Schedules 1 through 4.

total bills are not affected by the proposed Balancing Charge change because the Balancing Charge is included in the GSL delivery charge and the Monthly BGSS rates are net of the Balancing Charge. Group IV sales customers are also not affected by this BGSS request because they are subject to monthly market pricing for their natural gas supply (Monthly BGSS).

15. This filing is supported by and includes the pre-filed Direct Testimonies of Jayana S. Shah - Managing Director, Gas Supply; Christopher S. Micak – State Rate and Regulatory Analyst; and Anne-Marie Peracchio - Managing Director, Marketing and Energy Efficiency. Additionally, annexed hereto and made a part of this Petition are the following exhibits and schedules:

**Exhibit A** BGSS schedules for the twelve (12) month period ending September 30, 2023, using actual data for the period from October 1, 2022 through April 30, 2023 and projected data for the period from May 1, 2023 through September 30, 2023.<sup>5</sup> Actual BGSS schedules for FY2022 will be included in MFRs and Workpapers to be filed shortly under separate cover.

**Exhibit B** BGSS schedules for the twelve (12) month period from October 1, 2023 through September 30, 2024, using projected data for the entire period.<sup>6</sup> Projected BGSS schedules for FY2025 will be included in Workpapers to be filed shortly under separate cover.

**Exhibit C** CIP Schedules.

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<sup>5</sup> The projected data includes the May 10, 2023 NYMEX settlement prices as requested by BPU Staff.

<sup>6</sup> Id.



- Exhibit D** Calculation of Balancing Charge.
- Exhibit E** Impact of Proposed Rate Changes along with a summary of all the adjustments and appropriate balances contained in Exhibits A and B as necessary to compute the proposed BGSS rate.
- Exhibit F** Proposed tariff pages for Petitioner's Tariff Gas Service, BPU No. 11-Gas.
- Exhibit G** Proposed Form of Notice of Public Hearing.

16. NJNG has electronically served notice and a copy of this filing, together with a copy of the annexed exhibits, schedules, and NJNG's supporting testimonies being filed herewith, upon the New Jersey Division of Rate Counsel and the Department of Law and Public Safety. Copies of this Petition and supporting testimony will also be sent electronically to the persons identified on the service list provided with this filing. Moreover, copies of the Company's filing will be available on the Company's website at: [www.njng.com](http://www.njng.com).

WHEREFORE, NJNG requests that the Board issue an Order:

1. Accepting for filing the Company's annual BGSS filing;
2. Approving the Company's request to decrease the Periodic BGSS rate applicable to residential and small commercial sales customers effective October 1, 2023;
3. Approving the Company's request to decrease its Balancing Charge effective October 1, 2023;
4. Approving the requested CIP rates effective October 1, 2023; and
5. Granting such other relief as the Board deems just, reasonable, and necessary.

Respectfully submitted,

NEW JERSEY NATURAL GAS COMPANY



By:

Andrew K. Dembia, Esq.

Dated: June 1, 2023

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 Senior 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 and belief.



Mark G. Kahrer

Sworn and subscribed to  
before me this 1<sup>st</sup> day  
of June, 2023.



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**EXHIBIT A**  
**Seven Months Actual through April 2023 and**  
**Five Months Projected through September 2023<sup>1</sup>**

**INDEX OF SCHEDULES:**

1. Under/(Over) Recovered Gas Costs
  - 2a. Gas Costs
  - 2b. Gas Cost Recoveries
  - 2c. Total Gas Costs
3. Therm Sales
  - 4a. N/A
  - 4b. Sales at Sayreville
  - 4c. Sales at Forked River
  - 4d. N/A
  - 4e. Off-System Sales
  - 4f. Capacity Release
  - 4g. Balancing Credits and Penalty Charges
  - 4h. N/A
  - 4j. Storage Incentive
  - 4k. Environmental Attributes
5. Supplier Refunds and Miscellaneous Adjustments
6. Computation of Interest

<sup>1</sup> For ease of presentation, the filing contains BGSS schedules for fiscal years (FY) 2023 and 2024. Actual BGSS schedules for FY2022 and projected BGSS schedules for FY2025 will be included in Workpapers to be filed under separate cover.

**NEW JERSEY NATURAL GAS COMPANY**  
**UNDER/(OVER) RECOVERED GAS COSTS**  
**BGSS YEAR 2023**  
**\$(000)**

**SCHEDULE 1**

	<b>Actual    Estimate</b>												
	Oct-22	Nov-22	Dec-22	Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	TOTAL
1. Under/(Over) Recovered Gas Costs Beg. of Period	(17,808)	(17,834)	(23,684)	(42,246)	(47,021)	(48,892)	(12,787)	(24,705)	(25,489)	(26,202)	(26,477)	(26,121)	(17,808)
2. Net Cost Appl. To BGSS Sales (Sch 2a)	17,844	34,498	71,793	61,408	63,335	55,535	18,639	12,514	8,204	8,741	8,988	8,731	370,231
3. BGSS Recoveries (Sch 2b)	(14,948)	(27,626)	(54,114)	(43,773)	(40,817)	(3,436)	(14,818)	(10,429)	(6,731)	(6,685)	(6,355)	(6,403)	(236,136)
4. Under/(Over) Rec. Gas Costs - Current Period (L.2 - L.3)	2,896	6,871	17,679	17,635	22,518	52,099	3,821	2,085	1,474	2,056	2,633	2,328	134,094
Adjustments													
5. Storage Incentive (Sch.4j)	2,524	943	131	576	469	212	588	772	164	19	0	243	6,640
6. Off-System Sales (Sch.4e)	(972)	(5,419)	(20,731)	(10,315)	(8,666)	(4,333)	(417)	(45)	0	0	(16)	(38)	(50,953)
7. Capacity Rel. (Sch.4f)	(256)	(412)	(1,042)	(426)	(1,203)	(677)	(182)	(167)	(111)	(115)	(115)	(111)	(4,816)
8. Supplier Ref. and Misc. Adj.(Sch.5)	0	0	0	0	(3,401)	0	(10,756)	0	0	0	0	0	(14,157)
9. Balancing Credits and Penalty Charges (Sch.4g)	(4,216)	(7,834)	(14,600)	(12,245)	(11,588)	(11,196)	(4,972)	(3,428)	(2,229)	(2,224)	(2,134)	(2,151)	(78,817)
10. Environmental Attributes (Sch. 4k)	0	0	0	0	0	0	0	0	(11)	(11)	(11)	(11)	(43)
11. Total Debits and Credits (L.5 through L.9)	(2,921)	(12,722)	(36,241)	(22,410)	(24,389)	(15,993)	(15,739)	(2,868)	(2,187)	(2,331)	(2,277)	(2,069)	(142,148)
12. Under/(Over) Recov. Gas Costs. End of Period (L's.1,4,&10)	(17,834)	(23,684)	(42,246)	(47,021)	(48,892)	(12,787)	(24,705)	(25,489)	(26,202)	(26,477)	(26,121)	(25,862)	(25,862)

**NEW JERSEY NATURAL GAS COMPANY  
GAS COSTS AND RECOVERIES  
BGSS YEAR 2023  
\$(000) & (000)THERMS**

	Actual Estimate												
	Oct-22	Nov-22	Dec-22	Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	TOTAL
<b>COST OF GAS-CURRENT PERIOD</b>													
<b>SCHEDULE 2a</b>													
Total Gas Costs <sup>1</sup>	21,927	46,409	96,523	73,011	64,497	59,454	21,994	16,120	11,336	12,550	12,842	11,625	448,287
<b>REDUCTIONS TO COST OF GAS</b>													
Sayreville (Sch. 4b)	0	0	0	0	0	0	0	0	5	3	13	0	21
Forked Rv. (Sch. 4c)	0	10	39	1	4	0	7	4	10	45	66	0	187
Off System Sales (Sch.4e)	4,310	12,318	25,843	12,016	2,499	4,634	3,505	3,798	3,247	3,896	3,910	3,024	83,000
Capacity Release (Sch. 4f)	(301)	(485)	(1,226)	(501)	(1,415)	(796)	(214)	(196)	(131)	(135)	(135)	(131)	(5,666)
Storage Incentive Sales	0	0	0	0	0	0	0	0	0	0	0	0	0
Company Use Gas	74	69	73	87	73	81	58	0	0	0	0	0	514
Total Reductions	4,083	11,911	24,730	11,603	1,161	3,919	3,355	3,606	3,131	3,810	3,854	2,893	78,056
Net Cost Appl.To BGSS Sales (Sch.1.,L.2)	17,844	34,498	71,793	61,408	63,335	55,535	18,639	12,514	8,204	8,741	8,988	8,731	370,231
<b>GAS COST RECOVERIES</b>													
<b>SCHEDULE 2b</b>													
BGSS Sales	27,174	51,003	96,623	80,881	77,159	74,274	31,786	22,453	14,553	14,424	13,727	13,950	518,008
Monthly BGSS Sales (GSL, DGC)	3,043	5,417	8,647	7,821	7,514	7,588	3,616	2,684	1,850	1,908	1,906	1,848	53,842
Monthly BGSS Sales (IS, CNG, NGV)	85	80	73	66	67	60	74	69	73	82	85	85	898
Periodic BGSS Sales	24,046	45,506	87,903	72,994	69,578	66,626	28,096	19,701	12,631	12,434	11,737	12,017	463,269
Recovery Rate \$ per Therm:													
Periodic BGSS Rate	0.5328	0.5328	0.5328	0.5328	0.5328	0.0010	0.4750	0.4750	0.4750	0.4750	0.4750	0.4750	
Monthly BGSS Sales (GSL, DGC)	0.6796	0.6131	0.8337	0.6179	0.4930	0.4396	0.3963	0.3860	0.3754	0.3860	0.3865	0.3539	
Monthly BGSS Sales (IS, CNG, NGV)	0.8090	0.7425	0.9631	0.7473	0.6224	0.5690	0.5257	0.5154	0.5048	0.5154	0.5159	0.4833	
Recoveries:													
Periodic BGSS	12,812	24,246	46,835	38,891	37,071	67	13,346	9,358	6,000	5,906	5,575	5,708	205,814
Monthly BGSS(GSL, DGC)	2,068	3,321	7,209	4,833	3,705	3,336	1,433	1,036	694	737	737	654	29,761
Monthly BGSS (IS, CNG, NGV)	69	60	70	49	41	34	39	36	37	42	44	41	561
Total BGSS Recovery (Sch. 1, L. 3)	14,948	27,626	54,114	43,773	40,817	3,436	14,818	10,429	6,731	6,685	6,355	6,403	236,136

<sup>1</sup> Total Gas Costs equals the sum of Total Allocated Costs on Schedule 2c and the non-production Company Use Gas. The non-production Company Use Gas is included in Total Gas Costs and removed in the Reduction to Gas Costs on Schedule 2a for no impact to the BGSS.

NEW JERSEY NATURAL GAS COMPANY  
TOTAL GAS COSTS  
BGSS YEAR 2023

SCHEDULE 2c

		Actual Estimate												
		Oct-22	Nov-22	Dec-22	Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	
<b>MDth</b>														
	Beginning of Month Storage Balance	28,985	34,069	30,435	21,962	15,400	9,189	6,292	10,754	16,672	21,415	22,538	23,662	
	Commodity Purchases	9,170	4,831	5,501	7,022	4,640	8,205	9,816	10,561	8,529	4,988	4,933	8,949	
A	Sub-total of Available Supplies	38,155	38,900	35,937	28,984	20,040	17,393	16,108	21,314	25,201	26,402	27,471	32,611	
Less volumes with assigned cost allocations														
	Off System Sales, Electric Gen, Other	1,104	3,248	4,716	5,449	3,150	4,056	2,199	2,390	2,321	2,417	2,435	2,310	
	Monthly BGSS Sales (GSL, DGC)	304	542	865	782	751	759	362	268	185	191	191	185	
	Monthly BGSS Sales (IS, CNG, NGV)	8	8	7	7	7	6	7	7	7	8	8	8	
	Company Use Non Prod Sales	2	2	4	6	4	3	2	0	0	0	0	0	
B	Sub-total of Assigned Cost Allocations	1,419	3,800	5,591	6,243	3,913	4,825	2,570	2,665	2,513	2,616	2,634	2,504	
	Allocation WACOG Volume	C = A - B	36,735	35,100	30,345	22,741	16,128	12,569	13,539	18,649	22,689	23,787	24,837	30,107
	<i>volume available for allocation</i>													
<b>\$000</b>														
	Beginning of Month Storage Balance	96,447	106,153	95,203	68,813	49,148	29,995	16,678	35,587	55,435	71,829	76,374	80,858	
	Beginning of Month WACOG Inventory	94,728	107,691	105,170	83,196	66,557	45,014	27,630	26,502	36,450	48,159	60,540	76,407	
	Commodity Purchases	28,748	16,341	32,184	20,527	8,915	13,708	25,382	30,608	24,291	14,201	17,916	23,050	
	Demand Charges	15,774	16,529	15,902	16,092	14,812	14,965	14,635	15,308	15,147	15,276	15,276	15,147	
D	Sub-total of Available Supplies	235,697	246,713	248,459	188,629	139,432	103,682	84,326	108,006	131,324	149,465	170,106	195,462	
Less volumes with assigned cost allocations														
	Off System Sales, Electric Gen, Other	4,310	12,327	25,882	12,017	2,503	4,634	3,512	3,802	3,262	3,945	3,989	3,024	
	Monthly BGSS Sales (GSL, DGC)	2,068	3,321	7,209	4,833	3,705	3,336	1,433	1,036	694	737	737	654	
	Monthly BGSS Sales (IS, CNG, NGV)	69	60	70	49	41	34	39	36	37	42	44	41	
	GSL, DGC Sales Balancing	394	701	1,119	1,012	972	982	468	355	247	256	257	249	
		0	0	0	0	0	0	0	0	0	0	0	0	
E	Sub-total of Assigned cost allocations	6,841	16,409	34,281	17,911	7,222	8,986	5,452	5,229	4,240	4,979	5,026	3,968	
	Allocation WACOG Costs	F = D - E	228,856	230,304	214,178	170,718	132,210	94,696	78,874	102,777	127,083	144,486	165,081	191,493
	<i>\$ available for allocation</i>													
	\$/Dth WACOG	G = F / C	6.2298	6.5614	7.0580	7.5070	8.1977	7.5342	5.8258	5.5110	5.6012	6.0742	6.6467	6.3604
<b>MDth</b>														
	Periodic BGSS Sales	2,405	4,551	8,790	7,299	6,958	6,663	2,810	1,970	1,263	1,243	1,174	1,202	
	CoUse & UFG	5	11	18	29	20	25	20	6	4	3	2	2	
H	Periodic BGSS Sales & CoUse & UFG	2,410	4,562	8,808	7,328	6,978	6,688	2,830	1,976	1,267	1,246	1,176	1,204	
	<i>volume to be allocated</i>													
<b>\$000</b>														
	Periodic BGSS (\$/Therm WACOG * Periodic BGSS volume) = G * H	15,012	29,931	62,169	55,013	57,202	50,388	16,485	10,891	7,095	7,571	7,816	7,656	
	<i>allocated cost</i>													
Plus assigned cost allocations														
	Off System Sales, Electric Gen, Other	4,310	12,327	25,882	12,017	2,503	4,634	3,512	3,802	3,262	3,945	3,989	3,024	
	Monthly BGSS Sales (GSL, DGC)	2,068	3,321	7,209	4,833	3,705	3,336	1,433	1,036	694	737	737	654	
	Monthly BGSS Sales (IS, CNG, NGV)	69	60	70	49	41	34	39	36	37	42	44	41	
	GSL, DGC Sales Balancing	394	701	1,119	1,012	972	982	468	355	247	256	257	249	
J	Sub-total of Assigned cost allocations	6,841	16,409	34,281	17,911	7,222	8,986	5,452	5,229	4,240	4,979	5,026	3,968	
	<b>Total Allocated Costs (Sch 2a Total Gas Costs)</b>	<b>K = I + J</b>	<b>21,853</b>	<b>46,340</b>	<b>96,449</b>	<b>72,924</b>	<b>64,423</b>	<b>59,373</b>	<b>21,937</b>	<b>16,120</b>	<b>11,336</b>	<b>12,550</b>	<b>12,842</b>	<b>11,625</b>
End of Month Storage Balance		L	106,153	95,203	68,813	49,148	29,995	16,678	35,887	55,435	71,829	76,374	80,858	97,044
Total Allocated Costs & Storage Balances		M = K+L	128,007	141,544	165,263	122,072	94,418	76,051	57,824	71,555	83,165	88,925	93,700	108,669
Current Month WACOG Inventory Balance		N = D - M	107,691	105,170	83,196	66,557	45,014	27,630	26,502	36,450	48,159	60,540	76,407	86,793

**NEW JERSEY NATURAL GAS COMPANY**  
**THERM SALES**  
**BGSS YEAR 2023**  
**(000)THERMS**

**SCHEDULE 3**

	Actual											Estimate	
	Oct-22	Nov-22	Dec-22	Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	TOTAL
Residential BGSS Sales	22,748	42,719	82,014	67,847	64,723	61,964	26,409	18,697	12,073	11,861	11,164	11,462	433,679
<b>Total Residential Sales</b>	<b>22,748</b>	<b>42,719</b>	<b>82,014</b>	<b>67,847</b>	<b>64,723</b>	<b>61,964</b>	<b>26,409</b>	<b>18,697</b>	<b>12,073</b>	<b>11,861</b>	<b>11,164</b>	<b>11,462</b>	<b>433,679</b>
C&I Monthly BGSS Sales (GSL, DGC)	3,043	5,417	8,647	7,821	7,514	7,588	3,616	2,684	1,850	1,908	1,906	1,848	53,842
C&I Monthly BGSS Sales (CNG, NGV, IS)	85	80	73	66	67	60	74	69	73	82	85	85	898
C&I Periodic BGSS Sales	1,298	2,787	5,888	5,147	4,855	4,662	1,687	1,004	558	574	573	556	29,590
<b>Total Commercial &amp; Industrial Sales</b>	<b>4,426</b>	<b>8,284</b>	<b>14,608</b>	<b>13,034</b>	<b>12,436</b>	<b>12,310</b>	<b>5,377</b>	<b>3,756</b>	<b>2,481</b>	<b>2,563</b>	<b>2,563</b>	<b>2,489</b>	<b>84,329</b>
<b>Total Firm Sales</b>	<b>27,174</b>	<b>51,003</b>	<b>96,623</b>	<b>80,881</b>	<b>77,159</b>	<b>74,274</b>	<b>31,786</b>	<b>22,453</b>	<b>14,553</b>	<b>14,424</b>	<b>13,727</b>	<b>13,950</b>	<b>518,008</b>
Interruptible IGS (Sch. 4a)	0	0	0	0	0	0	0	0	0	0	0	0	0
Sayreville (Sch. 4b)	0	0	0	0	0	0	0	1	35	19	80	0	135
Forked River (Sch. 4c)	0	20	38	2	7	0	31	28	71	277	404	4	882
Off System Sales (Sch. 4e)	11,043	32,460	47,119	54,486	31,496	40,564	21,959	23,870	23,100	23,870	23,870	23,100	356,938
Storage Incentive Sales	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Total Non-Firm Sales</b>	<b>11,043</b>	<b>32,480</b>	<b>47,157</b>	<b>54,489</b>	<b>31,503</b>	<b>40,564</b>	<b>21,990</b>	<b>23,899</b>	<b>23,206</b>	<b>24,167</b>	<b>24,354</b>	<b>23,104</b>	<b>357,955</b>
<b>Total Sales</b>	<b>38,217</b>	<b>83,483</b>	<b>143,779</b>	<b>135,370</b>	<b>108,662</b>	<b>114,839</b>	<b>53,776</b>	<b>46,352</b>	<b>37,759</b>	<b>38,590</b>	<b>38,081</b>	<b>37,054</b>	<b>875,963</b>
Firm Transportation	2,112	2,277	2,433	2,603	2,282	2,447	2,071	1,795	1,678	1,542	1,600	1,640	24,479
GSS Transportation	201	647	1,248	959	928	880	405	200	116	120	120	116	5,941
GSL Transportation	4,484	7,474	12,300	9,617	9,389	9,190	5,252	3,197	2,173	2,245	2,245	2,173	69,738
NGV Transport	67	67	84	52	52	50	40	49	52	62	58	57	690
DGC Balancing	90	84	85	81	77	81	68	75	72	75	75	71	932
DGC Firm Transportation	343	327	437	433	330	324	277	356	351	348	348	346	4,220
Residential Transportation	717	1,381	2,643	2,149	2,058	1,952	952	553	310	320	320	310	13,664
Interruptible Transportation	1,451	1,442	1,384	1,136	1,027	1,098	1,164	1,315	1,269	1,159	1,167	1,113	14,725
Lakewood Cogen	2,177	249	194	12	0	0	0	955	2,700	7,200	7,543	1,848	22,880
Ocean Peaking Power	698	62	329	108	103	63	2,283	566	3,069	7,588	7,023	1,382	23,275
Red Oak	13,953	9,950	4,017	7,457	3,024	16,075	35,860	17,011	22,055	37,082	36,963	19,653	223,100
<b>Total Transportation</b>	<b>26,294</b>	<b>23,961</b>	<b>25,154</b>	<b>24,606</b>	<b>19,270</b>	<b>32,158</b>	<b>48,371</b>	<b>26,071</b>	<b>33,845</b>	<b>57,741</b>	<b>57,463</b>	<b>28,709</b>	<b>403,644</b>
<b>Total Mtherms</b>	<b>64,511</b>	<b>107,444</b>	<b>168,934</b>	<b>159,976</b>	<b>127,933</b>	<b>146,997</b>	<b>102,148</b>	<b>72,423</b>	<b>71,604</b>	<b>96,331</b>	<b>95,544</b>	<b>65,763</b>	<b>1,279,607</b>



**NEW JERSEY NATURAL GAS COMPANY  
MARGIN SHARING FROM STORAGE INCENTIVE  
AND SAYREVILLE / FORKED RIVER GAS COST SUMMARY  
BGSS YEAR 2023  
\$(000) & (000)THERMS**

	<b>Actual    Estimate</b>												
	Oct-22	Nov-22	Dec-22	Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	TOTAL
<b>SAYREVILLE</b>	<b>SCHEDULE 4b</b>												
Therm Sales (Sch. 3)	0	0	0	0	0	0	0	1	35	19	80	0	135
Rate per therm	0.45448	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.15910	0.14056	0.16323	0.16378	0.00000	n/a
Cost of Gas (Sch. 2a)	0	0	0	0	0	0	0	0	5	3	13	0	21
<b>FORKED RIVER</b>	<b>SCHEDULE 4c</b>												
Therm Sales (Sch. 3)	0	20	38	2	7	0	31	28	71	277	404	4	882
Rate per therm	0.00000	0.47313	1.04087	0.40000	0.57500	0.00000	0.21353	0.15910	0.14056	0.16323	0.16378	0.13089	n/a
Cost of Gas (Sch.2a)	0	10	39	1	4	0	7	4	10	45	66	0	187
<b>Storage Incentive</b>	<b>SCHEDULE 4j</b>												
Storage Gain (Loss)	12,620	4,715	656	2,882	2,344	1,059	2,940	3,858	820	93	0	1,213	33,199
NJNG Sharing @ 20% (Sch.1, L 5)	2,524	943	131	576	469	212	588	772	164	19	0	243	6,640

**NEW JERSEY NATURAL GAS COMPANY**  
**MARGIN SHARING FROM OFF-SYSTEM SALES AND CAPACITY RELEASE**  
**AND CREDITS FROM BALANCING CHARGES AND ENVIRONMENTAL**  
**ATTRIBUTES**  
**BGSS YEAR 2023**  
**\$(000) & (000)THERMS**

	<b>Actual    Estimate</b>												
	Oct-22	Nov-22	Dec-22	Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	TOTAL
<b>OFF-SYSTEM SALES</b>													
	<b>SCHEDULE 4e</b>												
Revenues	5,454	18,693	50,232	24,152	12,694	9,731	3,996	3,851	3,247	3,896	3,929	3,069	142,945
Net Revenue	5,454	18,693	50,232	24,152	12,694	9,731	3,996	3,851	3,247	3,896	3,929	3,069	142,945
Therm sales	11,043	32,460	47,119	54,486	31,496	40,564	21,959	23,870	23,100	23,870	23,870	23,100	356,938
Rate per therm COG	0.390	0.379	0.548	0.221	0.079	0.114	0.160	0.159	0.141	0.163	0.164	0.131	
Cost of Gas (Sch. 2a)	4,310	12,318	25,843	12,016	2,499	4,634	3,505	3,798	3,247	3,896	3,910	3,024	83,000
Net Margin	1,144	6,375	24,389	12,136	10,195	5,098	491	53	0	0	19	45	59,945
Customer sharing @ 85% (Sch.1.,L 6)	972	5,419	20,731	10,315	8,666	4,333	417	45	0	0	16	38	50,953
NJNG Sharing @ 15%	172	956	3,658	1,820	1,529	765	74	8	0	0	3	7	8,992
Total Credit = Cost of Gas plus sharings	5,283	17,736	46,574	22,331	11,165	8,967	3,922	3,843	3,247	3,896	3,926	3,062	133,953
<b>CAPACITY RELEASE</b>													
	<b>SCHEDULE 4f</b>												
Revenue	301	485	1,226	501	1,415	796	214	196	131	135	135	131	5,666
Customer Sharing @ 85% (Sch.1.,L 7)	256	412	1,042	426	1,203	677	182	167	111	115	115	111	4,816
<b>BALANCING CREDITS &amp; PENALTY CHARGES</b>													
	<b>SCHEDULE 4g</b>												
Current Month TPS Penalty Charges	0	0	0	131	1	26	0	0	0	0	0	0	158
Current Month Balancing Charges	4,216	7,834	14,600	12,115	11,587	11,169	4,972	3,428	2,229	2,224	2,134	2,151	78,660
Total Credit (Sch.1.,L 9)	4,216	7,834	14,600	12,245	11,588	11,196	4,972	3,428	2,229	2,224	2,134	2,151	78,817
<b>ENVIRONMENTAL ATTRIBUTES</b>													
	<b>SCHEDULE 4k</b>												
Therms	0	0	0	0	0	0	0	0	80	82	82	80	323
Rate per therm									0.13369	0.13369	0.13369	0.13369	n/a
Net Credit	0	0	0	0	0	0	0	0	11	11	11	11	43

**NEW JERSEY NATURAL GAS COMPANY  
SUPPLIER REFUNDS AND  
MISCELLANEOUS ADJUSTMENTS  
BGSS YEAR 2023  
\$(000)**

**SCHEDULE 5**

(Sch 1. LINE 8)

Opening balance BGSS Interest Sch 6		(1,324)	(1,324)
Adjustments to BGSS opening balance are captured on Schedule 1			
OCT 2022		0	0
NOV 2022		0	0
DEC 2022		0	0
JAN 2023		0	0
FEB 2023	EGTS rate case refund	3,401	3,401
MAR 2023		0	0
APR 2023	Tetco rate case refund	10,756	10,756
MAY 2023		0	0
JUN 2023		0	0
JUL 2023		0	0
AUG 2023		0	0
SEP 2023		0	0
			<hr/>
TOTALS			<u>12,833</u>

**NEW JERSEY NATURAL GAS COMPANY**  
**BGSS YEAR 2023**  
**COMPUTATION OF INTEREST ON UNDER/(OVER) RECOVERED BALANCES**

DATE	COMBINED BALANCE	\$(000) AVERAGE BALANCE	ANNUAL RATE	SCHEDULE 6 ANNUAL RATE
				6.84%
SEP 2022	(17,808)			
OCT 2022	(17,834)	(17,821)	0.5700%	(102)
NOV 2022	(23,684)	(20,759)	0.5700%	(118)
DEC 2022	(42,246)	(32,965)	0.5700%	(188)
JAN 2023	(47,021)	(44,634)	0.5700%	(254)
FEB 2023	(48,892)	(47,957)	0.5700%	(273)
MAR 2023	(12,787)	(30,840)	0.5700%	(176)
APR 2023	(24,705)	(18,746)	0.5700%	(107)
MAY 2023	(25,489)	(25,097)	0.5700%	(143)
JUN 2023	(26,202)	(25,845)	0.5700%	(147)
JUL 2023	(26,477)	(26,340)	0.5700%	(150)
AUG 2023	(26,121)	(26,299)	0.5700%	(150)
SEP 2023	(25,862)	(25,991)	0.5700%	(148)
				<u>(1,956)</u>
TOTAL	INTEREST TO BE CREDITED TO CUSTOMER			<u><u>(1,956)</u></u>

**EXHIBIT B**  
**Projected October 2023 - September 2024<sup>1</sup>**

**INDEX OF SCHEDULES:**

1. Under/(Over) Recovered Gas Costs
  - 2a. Gas Costs
  - 2b. Gas Cost Recoveries
  - 2c. Total Gas Costs
3. Therm Sales
  - 4a. N/A
  - 4b. Sales at Sayreville
  - 4c. Sales at Forked River
  - 4d. N/A
  - 4e. Off-System Sales
  - 4f. Capacity Release
  - 4g. Balancing Credits and Penalty Charges
  - 4h. N/A
  - 4j. Storage Incentive
  - 4k. Environmental Attributes
5. Supplier Refunds and Miscellaneous Adjustments
6. Computation of Interest

<sup>1</sup> For ease of presentation, the filing contains BGSS schedules for fiscal years (FY) 2023 and 2024. Actual BGSS schedules for FY2022 and projected BGSS schedules for FY2025 will be included in Workpapers to be filed under separate cover.

**NEW JERSEY NATURAL GAS COMPANY**  
**UNDER/(OVER) RECOVERED GAS COSTS**  
**BGSS YEAR 2024**  
**\$(000)**

**SCHEDULE 1**

Estimate	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24	Jul-24	Aug-24	Sep-24	TOTAL
1. Under/(Over) Recovered Gas Costs Beg. of Period	(27,818)	(26,203)	(24,848)	(25,924)	(28,965)	(21,049)	1,269	(2,972)	(4,436)	(5,723)	(7,035)	(8,046)	(27,818)
2. Net Cost Appl. To BGSS Sales (Sch 2a)	16,180	34,974	60,498	80,004	78,699	67,778	19,558	10,562	7,151	7,257	7,158	7,112	396,931
3. BGSS Recoveries (Sch 2b)	(10,938)	(23,515)	(38,846)	(47,961)	(41,444)	(32,532)	(17,366)	(9,203)	(6,051)	(6,032)	(5,740)	(5,754)	(245,380)
4. Under/(Over) Rec. Gas Costs - Current Period (L.2 - L.3)	5,242	11,459	21,652	32,043	37,255	35,247	2,192	1,359	1,100	1,225	1,418	1,358	151,551
Adjustments													
5. Storage Incentive (Sch.4j)	542	0	0	0	0	0	320	320	320	320	320	320	2,462
6. Off-System Sales (Sch.4e)	(138)	(1,512)	(9,226)	(18,733)	(15,177)	(1,557)	(863)	0	(636)	(792)	(766)	(486)	(49,888)
7. Capacity Rel. (Sch.4f)	(115)	(516)	(533)	(533)	(499)	(533)	0	0	0	0	0	0	(2,729)
8. Supplier Ref. and Misc. Adj.(Sch.5)	0	0	0	0	0	0	0	0	0	0	0	0	0
9. Balancing Credits and Penalty Charges (Sch.4g)	(3,905)	(8,064)	(12,957)	(15,806)	(13,650)	(10,826)	(5,877)	(3,130)	(2,058)	(2,053)	(1,969)	(1,985)	(82,280)
10. Environmental Attributes (Sch. 4k)	(12)	(11)	(12)	(13)	(12)	(13)	(13)	(13)	(13)	(13)	(13)	(13)	(150)
11. Total Debits and Credits (L.5 through L.9)	(3,627)	(10,103)	(22,728)	(35,085)	(29,339)	(12,929)	(6,433)	(2,823)	(2,386)	(2,538)	(2,429)	(2,164)	(132,584)
12. Under/(Over) Recov. Gas Costs. End of Period (L's.1,4,&10)	(26,203)	(24,848)	(25,924)	(28,965)	(21,049)	1,269	(2,972)	(4,436)	(5,723)	(7,035)	(8,046)	(8,851)	(8,851)

**NEW JERSEY NATURAL GAS COMPANY**  
**GAS COSTS AND RECOVERIES**  
**BGSS YEAR 2024**  
**\$(000) & (000)THERMS**

<b>Estimate</b>													
	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24	Jul-24	Aug-24	Sep-24	TOTAL
<b>COST OF GAS-CURRENT PERIOD</b>													
<b>SCHEDULE 2a</b>													
Total Gas Costs <sup>1</sup>	20,335	45,304	75,776	97,334	95,227	84,196	37,247	28,162	24,285	25,710	25,759	22,796	582,132
<b>REDUCTIONS TO COST OF GAS</b>													
Sayreville (Sch. 4b)	1	2	2	0	0	0	0	0	8	5	20	0	38
Forked Rv. (Sch. 4c)	11	14	6	0	0	3	21	7	17	68	100	1	248
Off System Sales (Sch.4e)	4,279	10,921	15,898	17,958	17,115	17,042	17,667	17,593	17,109	18,380	18,481	15,684	188,127
Capacity Release (Sch. 4f)	(135)	(607)	(627)	(627)	(587)	(627)	0	0	0	0	0	0	(3,211)
Storage Incentive Sales	0	0	0	0	0	0	0	0	0	0	0	0	0
Company Use Gas	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Reductions	4,155	10,330	15,278	17,330	16,528	16,418	17,688	17,600	17,134	18,453	18,601	15,685	185,202
Net Cost Appl.To BGSS Sales (Sch.1.,L.2)	16,180	34,974	60,498	80,004	78,699	67,778	19,558	10,562	7,151	7,257	7,158	7,112	396,931
<b>GAS COST RECOVERIES</b>													
<b>SCHEDULE 2b</b>													
BGSS Sales	27,724	58,230	94,303	115,298	99,539	78,629	42,335	22,444	14,726	14,599	13,900	14,124	595,852
Monthly BGSS Sales (GSL, DGC)	3,476	6,277	9,546	11,443	9,938	8,201	4,783	2,720	1,891	1,950	1,948	1,889	64,061
Monthly BGSS Sales (IS, CNG, NGV)	74	66	62	69	65	62	79	69	73	82	85	85	871
Periodic BGSS Sales	24,174	51,887	84,695	103,787	89,536	70,366	37,473	19,656	12,763	12,568	11,867	12,150	530,920
Recovery Rate \$ per Therm:													
Periodic BGSS Rate	0.4023	0.4023	0.4023	0.4023	0.4023	0.4023	0.4023	0.4023	0.4023	0.4023	0.4023	0.4023	
Monthly BGSS Sales (GSL, DGC)	0.3391	0.4151	0.4960	0.5385	0.5414	0.5102	0.4692	0.4618	0.4625	0.4754	0.4702	0.4334	
Monthly BGSS Sales (IS, CNG, NGV)	0.4578	0.5338	0.6147	0.6572	0.6601	0.6289	0.5879	0.5805	0.5812	0.5941	0.5889	0.5521	
Recoveries:													
Periodic BGSS	9,725	20,874	34,073	41,753	36,020	28,308	15,075	7,907	5,134	5,056	4,774	4,888	213,589
Monthly BGSS(GSL, DGC)	1,179	2,605	4,735	6,162	5,381	4,184	2,244	1,256	874	927	916	819	31,282
Monthly BGSS (IS, CNG, NGV)	34	35	38	45	43	39	47	40	42	49	50	47	509
Total BGSS Recovery (Sch. 1, L. 3)	10,938	23,515	38,846	47,961	41,444	32,532	17,366	9,203	6,051	6,032	5,740	5,754	245,380

<sup>1</sup> Total Gas Costs equals the sum of Total Allocated Costs on Schedule 2c and the non-production Company Use Gas. The non-production Company Use Gas is included in Total Gas Costs and removed in the Reduction to Gas Costs on Schedule 2a for no impact to the BGSS.

NEW JERSEY NATURAL GAS COMPANY  
TOTAL GAS COSTS  
BGSS YEAR 2024

SCHEDULE 2c

		Estimate											
		Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24	Jul-24	Aug-24	Sep-24
<b>MDth</b>													
	Beginning of Month Storage Balance	28,904	34,288	32,604	24,664	14,879	5,871	483	5,372	10,424	15,312	20,365	25,679
	Commodity Purchases	11,696	9,693	7,271	7,538	6,365	8,248	16,330	14,747	13,582	13,987	14,194	13,782
A	Sub-total of Available Supplies	40,600	43,981	39,875	32,202	21,245	14,119	16,813	20,119	24,006	29,299	34,558	39,461
Less volumes with assigned cost allocations													
	Off System Sales, Electric Gen, Other	3,544	5,558	5,738	5,735	5,365	5,736	7,209	7,443	7,211	7,470	7,488	7,200
	Monthly BGSS Sales (GSL, DGC)	348	628	955	1,144	994	820	478	272	189	195	195	189
	Monthly BGSS Sales (IS, CNG, NGV)	7	7	6	7	7	6	8	7	7	8	8	8
	Company Use Non Prod Sales	0	0	0	0	0	0	0	0	0	0	0	0
B	Sub-total of Assigned Cost Allocations	3,899	6,193	6,698	6,886	6,365	6,562	7,695	7,722	7,407	7,673	7,692	7,398
C = A - B	Allocation WACOG Volume	36,701	37,788	33,177	25,316	14,879	7,557	9,118	12,397	16,599	21,626	26,867	32,063
<i>volume available for allocation</i>													
<b>\$000</b>													
	Beginning of Month Storage Balance	97,044	111,475	106,060	80,531	48,747	19,797	2,548	14,935	27,259	39,322	52,417	66,619
	Beginning of Month WACOG Inventory	86,793	92,824	88,404	76,723	54,437	27,381	1,917	8,916	20,030	32,614	45,388	62,108
	Commodity Purchases	25,522	18,499	21,439	26,140	22,406	24,358	40,177	34,970	32,478	34,948	40,050	30,240
	Demand Charges	15,276	16,970	17,126	17,126	16,814	17,126	16,454	16,631	16,454	16,631	16,631	16,454
D	Sub-total of Available Supplies	224,634	239,769	233,029	200,519	142,405	88,662	61,097	75,452	96,222	123,515	154,486	175,422
Less volumes with assigned cost allocations													
	Off System Sales, Electric Gen, Other	4,290	10,937	15,905	17,958	17,115	17,045	17,688	17,600	17,134	18,453	18,601	15,685
	Monthly BGSS Sales (GSL, DGC)	1,179	2,605	4,735	6,162	5,381	4,184	2,244	1,256	874	927	916	819
	Monthly BGSS Sales (IS, CNG, NGV)	34	35	38	45	43	39	47	40	42	49	50	47
	GSL, DGC Sales Balancing	413	745	1,133	1,358	1,180	973	568	323	224	231	231	224
		0	0	0	0	0	0	0	0	0	0	0	0
E	Sub-total of Assigned cost allocations	5,916	14,323	21,812	25,523	23,719	22,242	20,547	19,219	18,275	19,660	19,798	16,774
F = D - E	Allocation WACOG Costs	218,719	225,445	211,218	174,996	118,687	66,420	40,551	56,233	77,947	103,855	134,688	158,647
<i>\$ available for allocation</i>													
G = F / C	\$/Dth WACOG	5.9595	5.9660	6.3665	6.9125	7.9767	8.7894	4.4473	4.5360	4.6957	4.8022	5.0132	4.9480
<b>MDth</b>													
	Periodic BGSS Sales	2,417	5,189	8,469	10,379	8,954	7,037	3,747	1,966	1,276	1,257	1,187	1,215
	CoUse & UFG	2	4	7	10	11	12	8	6	4	3	2	2
H	Periodic BGSS Sales & CoUse & UFG	2,420	5,193	8,476	10,389	8,965	7,049	3,755	1,972	1,280	1,260	1,189	1,217
<i>volume to be allocated</i>													
I = G * H	Periodic BGSS (\$/Therm WACOG * Periodic BGSS volume)	14,419	30,981	53,964	71,811	71,509	61,954	16,700	8,943	6,010	6,050	5,961	6,022
<i>allocated cost</i>													
Plus assigned cost allocations													
	Off System Sales, Electric Gen, Other	4,290	10,937	15,905	17,958	17,115	17,045	17,688	17,600	17,134	18,453	18,601	15,685
	Monthly BGSS Sales (GSL, DGC)	1,179	2,605	4,735	6,162	5,381	4,184	2,244	1,256	874	927	916	819
	Monthly BGSS Sales (IS, CNG, NGV)	34	35	38	45	43	39	47	40	42	49	50	47
	GSL, DGC Sales Balancing	413	745	1,133	1,358	1,180	973	568	323	224	231	231	224
J	Sub-total of Assigned cost allocations	5,916	14,323	21,812	25,523	23,719	22,242	20,547	19,219	18,275	19,660	19,798	16,774
K = I + J	<b>Total Allocated Costs (Sch 2a Total Gas Costs)</b>	<b>20,335</b>	<b>45,304</b>	<b>75,776</b>	<b>97,334</b>	<b>95,227</b>	<b>84,196</b>	<b>37,247</b>	<b>28,162</b>	<b>24,285</b>	<b>25,710</b>	<b>25,759</b>	<b>22,796</b>
L	End of Month Storage Balance	111,475	106,060	80,531	48,747	19,797	2,548	14,935	27,259	39,322	52,417	66,619	78,498
M = K+L	Total Allocated Costs & Storage Balances	131,810	151,365	156,307	146,082	115,025	86,744	52,182	55,421	63,607	78,127	92,378	101,294
N = D - M	Current Month WACOG Inventory Balance	92,824	88,404	76,723	54,437	27,381	1,917	8,916	20,030	32,614	45,388	62,108	74,127



**NEW JERSEY NATURAL GAS COMPANY  
THERM SALES  
BGSS YEAR 2024  
(000)THERMS**

**SCHEDULE 3**

	<b>Estimate</b>												
	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24	Jul-24	Aug-24	Sep-24	TOTAL
Residential BGSS Sales	22,912	48,716	78,874	96,392	83,289	65,710	35,294	18,680	12,216	12,006	11,306	11,606	497,001
<b>Total Residential Sales</b>	<b>22,912</b>	<b>48,716</b>	<b>78,874</b>	<b>96,392</b>	<b>83,289</b>	<b>65,710</b>	<b>35,294</b>	<b>18,680</b>	<b>12,216</b>	<b>12,006</b>	<b>11,306</b>	<b>11,606</b>	<b>497,001</b>
C&I Monthly BGSS Sales (GSL, DGC)	3,476	6,277	9,546	11,443	9,938	8,201	4,783	2,720	1,891	1,950	1,948	1,889	64,061
C&I Monthly BGSS Sales (CNG, NGV, IS)	74	66	62	69	65	62	79	69	73	82	85	85	871
C&I Periodic BGSS Sales	1,262	3,170	5,821	7,394	6,246	4,656	2,179	976	547	562	561	544	33,919
<b>Total Commercial &amp; Industrial Sales</b>	<b>4,812</b>	<b>9,513</b>	<b>15,430</b>	<b>18,906</b>	<b>16,250</b>	<b>12,919</b>	<b>7,041</b>	<b>3,764</b>	<b>2,510</b>	<b>2,594</b>	<b>2,594</b>	<b>2,518</b>	<b>98,851</b>
<b>Total Firm Sales</b>	<b>27,724</b>	<b>58,230</b>	<b>94,303</b>	<b>115,298</b>	<b>99,539</b>	<b>78,629</b>	<b>42,335</b>	<b>22,444</b>	<b>14,726</b>	<b>14,599</b>	<b>13,900</b>	<b>14,124</b>	<b>595,852</b>
Interruptible IGS (Sch. 4a)	0	0	0	0	0	0	0	0	0	0	0	0	0
Sayreville (Sch. 4b)	4	10	6	0	0	0	1	1	35	19	80	0	157
Forked River (Sch. 4c)	93	73	20	0	0	10	84	28	71	277	404	4	1,064
Off System Sales (Sch. 4e)	35,340	55,500	57,350	57,350	53,650	57,350	72,000	74,400	72,000	74,400	74,400	72,000	755,740
Storage Incentive Sales	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Total Non-Firm Sales</b>	<b>35,437</b>	<b>55,583</b>	<b>57,376</b>	<b>57,350</b>	<b>53,650</b>	<b>57,360</b>	<b>72,085</b>	<b>74,429</b>	<b>72,106</b>	<b>74,697</b>	<b>74,884</b>	<b>72,004</b>	<b>756,960</b>
<b>Total Sales</b>	<b>63,161</b>	<b>113,813</b>	<b>151,679</b>	<b>172,648</b>	<b>153,189</b>	<b>135,989</b>	<b>114,420</b>	<b>96,873</b>	<b>86,831</b>	<b>89,296</b>	<b>88,784</b>	<b>86,128</b>	<b>1,352,812</b>
Firm Transportation	1,953	2,380	2,587	2,892	2,595	2,583	2,094	1,795	1,678	1,542	1,600	1,640	25,338
GSS Transportation	248	597	1,063	1,347	1,138	853	405	186	107	111	111	107	6,272
GSL Transportation	4,161	7,507	11,237	13,426	11,661	9,592	5,610	3,173	2,182	2,255	2,255	2,182	75,241
NGV Transport	60	70	67	66	46	43	46	49	52	62	58	57	675
DGC Balancing	75	74	76	76	73	76	73	75	72	75	75	71	891
DGC Firm Transportation	360	373	397	403	387	381	367	356	351	348	348	346	4,415
Residential Transportation	741	1,561	2,499	3,026	2,614	2,077	1,141	544	310	320	320	310	15,463
Interruptible Transportation	1,334	1,410	1,364	1,165	1,103	1,126	1,255	1,315	1,269	1,159	1,167	1,113	14,781
Lakewood Cogen	3,097	888	160	296	142	291	516	955	2,700	7,200	7,543	1,848	25,638
Ocean Peaking Power	1,069	846	59	122	99	155	262	566	3,069	7,588	7,023	1,382	22,241
Red Oak	18,959	23,437	12,198	6,883	3,362	7,894	16,076	17,011	22,055	37,082	36,963	19,653	221,573
<b>Total Transportation</b>	<b>32,058</b>	<b>39,143</b>	<b>31,707</b>	<b>29,704</b>	<b>23,218</b>	<b>25,071</b>	<b>27,846</b>	<b>26,024</b>	<b>33,845</b>	<b>57,741</b>	<b>57,463</b>	<b>28,709</b>	<b>412,529</b>
<b>Total Mtherms</b>	<b>95,220</b>	<b>152,956</b>	<b>183,386</b>	<b>202,352</b>	<b>176,407</b>	<b>161,060</b>	<b>142,266</b>	<b>122,897</b>	<b>120,677</b>	<b>147,036</b>	<b>146,247</b>	<b>114,837</b>	<b>1,765,342</b>





**NEW JERSEY NATURAL GAS COMPANY  
SUPPLIER REFUNDS AND  
MISCELLANEOUS ADJUSTMENTS  
BGSS YEAR 2024  
\$(000)**

**SCHEDULE 5**

(Sch 1. LINE 8)

Opening balance BGSS Interest Sch 6	(1,956)	(1,956)
Adjustments to BGSS opening balance are captured on Schedule 1		
OCT 2023	0	0
NOV 2023	0	0
DEC 2023	0	0
JAN 2024	0	0
FEB 2024	0	0
MAR 2024	0	0
APR 2024	0	0
MAY 2024	0	0
JUN 2024	0	0
JUL 2024	0	0
AUG 2024	0	0
SEP 2024	0	0
		<hr/>
TOTALS		<u><u>(1,956)</u></u>

**NEW JERSEY NATURAL GAS COMPANY**  
**BGSS YEAR 2024**  
**COMPUTATION OF INTEREST ON UNDER/(OVER) RECOVERED BALANCES**

DATE	COMBINED BALANCE	\$(000) AVERAGE BALANCE	ANNUAL RATE	SCHEDULE 6 ANNUAL RATE
				6.84%
SEP 2023	(27,818)			
OCT 2023	(26,203)	(27,011)	0.5700%	(154)
NOV 2023	(24,848)	(25,525)	0.5700%	(145)
DEC 2023	(25,924)	(25,386)	0.5700%	(145)
JAN 2024	(28,965)	(27,445)	0.5700%	(156)
FEB 2024	(21,049)	(25,007)	0.5700%	(143)
MAR 2024	1,269	(9,890)	0.5700%	(56)
APR 2024	(2,972)	(852)	0.5700%	(5)
MAY 2024	(4,436)	(3,704)	0.5700%	(21)
JUN 2024	(5,723)	(5,079)	0.5700%	(29)
JUL 2024	(7,035)	(6,379)	0.5700%	(36)
AUG 2024	(8,046)	(7,541)	0.5700%	(43)
SEP 2024	(8,851)	(8,449)	0.5700%	(48)
				<u>(981)</u>
TOTAL	INTEREST TO BE CREDITED TO CUSTOMER			<u><u>(981)</u></u>

**EXHIBIT C**  
**CONSERVATION INCENTIVE PROGRAM (CIP) SCHEDULES**

**INDEX OF SCHEDULES:**

1. Results and Calculation of Rate for Group I Residential Non-Heat
2. Results and Calculation of Rate for Group II Residential Heat
3. Results and Calculation of Rate for Group III General Service - Small
4. Results and Calculation of Rate for Group IV General Service - Large
5. Weather Related Margin Deficiency
6. Recovery Tests

New Jersey Natural Gas Company  
Conservation Incentive Program  
Group I: Residential Non-Heat  
FY2023

Customer Class (a)	Actual/ Estimate	Actual per Books <sup>1</sup>		Actual Avg. Use / Cust. (d) = (b) / (c)	Baseline Use / Cust. <sup>2</sup> (e)	Difference (f) = (d) - (e)	Aggregate Therm Impact (g) = (f) * (c)	Margin Factor	Margin Variance
		Total Class Therms (b)	Number of Customers (c)						
<b>Residential Non-Heating</b>									
October	a	231,032	14,546	15.9	17.5	(1.6)	(23,273)	\$0.5746	(\$13,373)
November	a	195,208	14,383	13.6	13.9	(0.3)	(4,315)	\$0.5746	(\$2,479)
December	a	286,327	14,369	19.9	17.4	2.5	35,923	\$0.5746	\$20,641
January	a	275,563	14,359	19.2	20.4	(1.2)	(17,230)	\$0.5746	(\$9,900)
February	a	249,920	14,353	17.4	18.7	(1.3)	(18,659)	\$0.5746	(\$10,722)
March	a	228,960	14,372	15.9	19.8	(3.9)	(56,050)	\$0.5746	(\$32,206)
April	a	159,040	14,442	11.0	10.9	0.1	1,444	\$0.5746	\$830
May	e	158,437	15,060	10.5	11.0	(0.5)	(7,530)	\$0.5746	(\$4,327)
June	e	274,154	15,748	17.4	18.0	(0.6)	(9,449)	\$0.5746	(\$5,429)
July	e	277,855	15,859	17.5	17.4	0.1	1,586	\$0.5746	\$911
August	e	227,727	15,884	14.3	16.3	(2.0)	(31,767)	\$0.5746	(\$18,254)
September	e	261,238	15,844	16.5	17.9	(1.4)	(22,181)	\$0.5746	(\$12,745)
Total		<u>2,825,460</u>		<u>189.1</u>	<u>199.2</u>		<u>(151,501)</u>		<u>(\$87,053)</u>

Margin Deficiency/ (Credit)	\$ 87,053
Prior Period (Over) / Under Recovery <sup>3</sup>	\$ 23,203
Total Deficiency/(Credit)	\$ 110,256
Projected Residential Non-Heating Throughput for Recovery Period	3,031,878
Pre-tax CIP Charge/(Credit)	\$ 0.0364
BPU/RC Assessment Factor	<u>1.002633</u>
CIP Charge/(Credit) including assessments	\$ 0.0365
6.625% Sales Tax	\$ 0.0024
<b>Proposed After-tax CIP Charge/(Credit) per Therm</b>	<b>\$ 0.0389</b>
Current After-tax CIP Charge/(Credit) per Therm	\$ 0.0088
Increase/ (Decrease) in After-tax CIP Charge/(Credit) per Therm	\$ 0.0301

<sup>1</sup> Per Exhibit C, Schedule 1, Page 2

<sup>2</sup> Per Tariff Sheet No. 180

<sup>3</sup> Per Exhibit C, Schedule 1, Page 3

New Jersey Natural Gas Company  
Customers and Therms

**Group I: RS non-heat**

	Actual <u>Oct-22</u>	Actual <u>Nov-22</u>	Actual <u>Dec-22</u>	Actual <u>Jan-23</u>	Actual <u>Feb-23</u>	Actual <u>Mar-23</u>	Actual <u>Apr-23</u>	Estimate <u>May-23</u>	Estimate <u>Jun-23</u>	Estimate <u>Jul-23</u>	Estimate <u>Aug-23</u>	Estimate <u>Sep-23</u>	
<b><u>Customers</u></b>													
RS non-heat sales	13,822	13,650	13,626	13,606	13,597	13,608	13,688	14,296	14,984	15,095	15,120	15,080	
RS non-heat transport	724	733	743	753	756	764	754	764	764	764	764	764	
<b>Total Customers</b>	<b>14,546</b>	<b>14,383</b>	<b>14,369</b>	<b>14,359</b>	<b>14,353</b>	<b>14,372</b>	<b>14,442</b>	<b>15,060</b>	<b>15,748</b>	<b>15,859</b>	<b>15,884</b>	<b>15,844</b>	
<b><u>Volumes</u></b>													
RS non-heat sales	224,365	186,397	272,705	263,899	238,040	218,179	150,797	152,511	269,084	272,616	222,489	256,169	
RS non-heat transport	6,667	8,811	13,622	11,664	11,879	10,781	8,243	5,926	5,070	5,239	5,239	5,070	
<b>Total Volumes</b>	<b>231,032</b>	<b>195,208</b>	<b>286,327</b>	<b>275,563</b>	<b>249,920</b>	<b>228,960</b>	<b>159,040</b>	<b>158,437</b>	<b>274,154</b>	<b>277,855</b>	<b>227,727</b>	<b>261,238</b>	<b>2,825,460</b>



**NEW JERSEY NATURAL GAS COMPANY**  
**STATEMENT OF ESTIMATED UNDER/(OVER) RECOVERED CIP BALANCE**  
**GROUP 1 - RS NON-HEAT**  
**FY2023**

	Actual <u>Oct-22</u>	Actual <u>Nov-22</u>	Actual <u>Dec-22</u>	Actual <u>Jan-23</u>	Actual <u>Feb-23</u>	Actual <u>Mar-23</u>	Actual <u>Apr-23</u>	Estimate <u>May-23</u>	Estimate <u>Jun-23</u>	Estimate <u>Jul-23</u>	Estimate <u>Aug-23</u>	Estimate <u>Sep-23</u>	TOTAL
Beginning Under/(Over) Recovery \$	46,654	44,737	43,116	40,740	38,453	36,378	34,478	33,158	31,843	29,567	27,261	25,371	46,654
Therm Sales	231,032	195,208	286,327	275,563	249,920	228,960	159,040	158,437	274,154	277,855	227,727	261,238	2,825,460
Pre-tax Recovery Rate per Therm <sup>1</sup>	0.0083	0.0083	0.0083	0.0083	0.0083	0.0083	0.0083	0.0083	0.0083	0.0083	0.0083	0.0083	
Recovery \$	1,918	1,620	2,377	2,287	2,074	1,900	1,320	1,315	2,275	2,306	1,890	2,168	23,451
Ending Under/(Over) Recovery \$	44,737	43,116	40,740	38,453	36,378	34,478	33,158	31,843	29,567	27,261	25,371	23,203	23,203

<sup>1</sup> Pre-tax Recovery Rate per therm excluding BPU and RC assessments.

New Jersey Natural Gas Company  
Conservation Incentive Program  
Group II: Residential Heat  
FY2023

Customer Class	Actual/ Estimate	Actual per Books <sup>1</sup>		Actual Avg. Use / Cust.	Baseline Use / Cust. <sup>2</sup>	Difference (f) = (d) - (e)	Aggregate Therm Impact (g) = (f) * (c)	Margin Factor	Margin Variance
		Total Class Therms	Number of Customers						
(a)		(b)	(c)	(d) = (b) / (c)	(e)		(g) = (f) * (c)		
<b>Residential Heating</b>									
October	a	23,234,392	515,655	45.1	43.4	1.7	876,614	\$0.5746	\$503,702
November	a	43,904,848	516,410	85.0	100.4	(15.4)	(7,952,716)	\$0.5746	(\$4,569,631)
December	a	84,371,352	517,468	163.0	160.8	2.2	1,138,430	\$0.5746	\$654,142
January	a	69,719,942	518,252	134.5	191.2	(56.7)	(29,384,898)	\$0.5746	(\$16,884,562)
February	a	66,530,981	518,833	128.2	163.3	(35.1)	(18,211,023)	\$0.5746	(\$10,464,054)
March	a	63,686,893	519,255	122.7	133.7	(11.0)	(5,711,803)	\$0.5746	(\$3,282,002)
April	a	27,201,578	519,452	52.4	70.6	(18.2)	(9,454,023)	\$0.5746	(\$5,432,282)
May	e	19,091,042	519,392	36.8	37.0	(0.2)	(103,878)	\$0.5746	(\$59,689)
June	e	12,108,245	519,642	23.3	27.2	(3.9)	(2,026,603)	\$0.5746	(\$1,164,486)
July	e	11,902,825	519,989	22.9	23.8	(0.9)	(467,990)	\$0.5746	(\$268,907)
August	e	11,256,142	520,395	21.6	21.3	0.3	156,118	\$0.5746	\$89,706
September	e	11,510,078	521,213	22.1	23.0	(0.9)	(469,092)	\$0.5746	(\$269,540)
<b>Total</b>		<b>444,518,319</b>		<b>857.6</b>	<b>995.7</b>		<b>(71,610,863)</b>		<b>(\$41,147,602)</b>

Margin Deficiency/ (Credit)	\$ 41,147,602
Prior Period (Over) / Under Recovery <sup>3</sup>	\$ 2,438,867
<b>Total Deficiency/(Credit)</b>	<b>\$ 43,586,469</b>
Projected Residential Heating Throughput for Recovery Period	509,431,818
Pre-tax CIP Charge/(Credit)	\$ 0.0856
BPU/RC Assessment Factor	<u>1.002633</u>
CIP Charge/(Credit) including assessments	\$ 0.0858
6.625% Sales Tax	<u>\$ 0.0057</u>
<b>Proposed After-tax CIP Charge/(Credit) per Therm</b>	<b>\$ 0.0915</b>
Current After-tax CIP Charge/(Credit) per Therm	<u>\$ 0.0442</u>
Increase/ (Decrease) in After-tax CIP Charge/(Credit) per Therm	<u>\$ 0.0473</u>

<sup>1</sup> Per Exhibit C, Schedule 2, Page 2

<sup>2</sup> Per Tariff Sheet No. 180

<sup>3</sup> Per Exhibit C, Schedule 2, Page 3

New Jersey Natural Gas Company  
Customers and Therms

**Group II: RS heat**

	Actual <u>Oct-22</u>	Actual <u>Nov-22</u>	Actual <u>Dec-22</u>	Actual <u>Jan-23</u>	Actual <u>Feb-23</u>	Actual <u>Mar-23</u>	Actual <u>Apr-23</u>	Estimate <u>May-23</u>	Estimate <u>Jun-23</u>	Estimate <u>Jul-23</u>	Estimate <u>Aug-23</u>	Estimate <u>Sep-23</u>	
<b>Customers</b>													
RS heat sales	499,005	499,818	500,826	501,665	502,186	502,846	503,470	502,983	503,233	503,580	503,986	504,804	
RS heat transport	16,650	16,592	16,642	16,588	16,647	16,409	15,982	16,409	16,409	16,409	16,409	16,409	
<b>Total Customers</b>	<b>515,655</b>	<b>516,410</b>	<b>517,468</b>	<b>518,252</b>	<b>518,833</b>	<b>519,255</b>	<b>519,452</b>	<b>519,392</b>	<b>519,642</b>	<b>519,989</b>	<b>520,395</b>	<b>521,213</b>	
<b>Volumes</b>													
RS heat sales	22,523,591	42,532,869	81,741,785	67,583,032	64,484,721	61,745,546	26,258,191	18,544,370	11,803,502	11,587,924	10,941,242	11,205,336	430,952,110
RS heat transport	710,801	1,371,979	2,629,567	2,136,909	2,046,260	1,941,346	943,388	546,672	304,742	314,900	314,900	304,742	13,566,208
<b>Total Volumes</b>	<b>23,234,392</b>	<b>43,904,848</b>	<b>84,371,352</b>	<b>69,719,942</b>	<b>66,530,981</b>	<b>63,686,893</b>	<b>27,201,578</b>	<b>19,091,042</b>	<b>12,108,245</b>	<b>11,902,825</b>	<b>11,256,142</b>	<b>11,510,078</b>	<b>444,518,319</b>

**NEW JERSEY NATURAL GAS COMPANY**  
**STATEMENT OF ESTIMATED UNDER/(OVER) RECOVERED CIP BALANCE**  
**GROUP II - RS HEAT**  
**FY2023**

	<u>Actual</u> <u>Oct-22</u>	<u>Actual</u> <u>Nov-22</u>	<u>Actual</u> <u>Dec-22</u>	<u>Actual</u> <u>Jan-23</u>	<u>Actual</u> <u>Feb-23</u>	<u>Actual</u> <u>Mar-23</u>	<u>Actual</u> <u>Apr-23</u>	<u>Estimate</u> <u>May-23</u>	<u>Estimate</u> <u>Jun-23</u>	<u>Estimate</u> <u>Jul-23</u>	<u>Estimate</u> <u>Aug-23</u>	<u>Estimate</u> <u>Sep-23</u>	<u>TOTAL</u>
Beginning Under/(Over) Recovery \$	20,841,926	19,880,022	18,062,361	14,569,387	11,682,982	8,928,599	6,291,962	5,165,816	4,375,447	3,874,166	3,381,389	2,915,385	20,841,926
Therm Sales	23,234,392	43,904,848	84,371,352	69,719,942	66,530,981	63,686,893	27,201,578	19,091,042	12,108,245	11,902,825	11,256,142	11,510,078	444,518,319
Pre-tax Recovery Rate per Therm <sup>1</sup>	0.0414	0.0414	0.0414	0.0414	0.0414	0.0414	0.0414	0.0414	0.0414	0.0414	0.0414	0.0414	0.0414
Recovery \$	961,904	1,817,661	3,492,974	2,886,406	2,754,383	2,636,637	1,126,145	790,369	501,281	492,777	466,004	476,517	18,403,058
Ending Under/(Over) Recovery \$	19,880,022	18,062,361	14,569,387	11,682,982	8,928,599	6,291,962	5,165,816	4,375,447	3,874,166	3,381,389	2,915,385	2,438,867	2,438,867

<sup>1</sup> Pre-tax Recovery Rate per therm excluding BPU and RC assessments.

New Jersey Natural Gas Company  
Conservation Incentive Program  
Group III: General Service Small  
FY2023

Customer Class	Actual/ Estimate	Actual per Books <sup>1</sup>		Actual Avg. Use / Cust. (d) = (b) / (c)	Baseline Use / Cust. <sup>2</sup> (e)	Difference (f) = (d) - (e)	Aggregate Therm Impact (g) = (f) * (c)	Margin Factor	Margin Variance
		Total Class Therms (b)	Number of Customers (c)						
<u>General Service Small</u>									
October	a	1,498,857	31,676	47.3	44.8	2.5	79,189	\$0.5001	\$39,602
November	a	3,434,096	31,988	107.4	119.2	(11.8)	(377,464)	\$0.5001	(\$188,770)
December	a	7,135,865	32,353	220.6	201.9	18.7	605,004	\$0.5001	\$302,562
January	a	6,106,194	32,525	187.7	264.1	(76.4)	(2,484,890)	\$0.5001	(\$1,242,694)
February	a	5,782,977	32,545	177.7	227.8	(50.1)	(1,630,492)	\$0.5001	(\$815,409)
March	a	5,541,931	32,562	170.2	180.9	(10.7)	(348,411)	\$0.5001	(\$174,240)
April	a	2,091,540	32,476	64.4	82.3	(17.9)	(581,325)	\$0.5001	(\$290,721)
May	e	1,196,009	32,303	37.0	33.1	3.9	125,981	\$0.5001	\$63,003
June	e	666,964	31,764	21.0	19.4	1.6	50,822	\$0.5001	\$25,416
July	e	686,086	31,298	21.9	24.4	(2.5)	(78,244)	\$0.5001	(\$39,130)
August	e	685,301	31,143	22.0	20.6	1.4	43,600	\$0.5001	\$21,804
September	e	664,833	31,222	21.3	19.1	2.2	68,688	\$0.5001	\$34,351
Total		<u>35,490,653</u>		<u>1,098.5</u>	<u>1,237.6</u>		<u>(4,527,544)</u>		<u>(\$2,264,225)</u>

Margin Deficiency/ (Credit)	\$ 2,264,225
Prior Period (Over) / Under Recovery <sup>3</sup>	\$ 11,134
Total Deficiency/(Credit)	\$ 2,275,358
Projected Commercial Throughput for Recovery Period	40,171,860
Pre-tax CIP Charge/(Credit)	\$ 0.0566
BPU/RC Assessment Factor	<u>1.002633</u>
CIP Charge/(Credit) including assessments	\$ 0.0567
6.625% Sales Tax	\$ <u>0.0038</u>
<b>Proposed After-tax CIP Charge/(Credit) per Therm</b>	<b>\$ 0.0605</b>
Current After-tax CIP Charge/(Credit) per Therm	\$ <u>0.0180</u>
Increase/ (Decrease) in After-tax CIP Charge/(Credit) per Therm:	\$ <u><u>0.0425</u></u>

<sup>1</sup> Per Exhibit C, Schedule 3, Page 2

<sup>2</sup> Per Tariff Sheet No. 180

<sup>3</sup> Per Exhibit C, Schedule 3, Page 3

New Jersey Natural Gas Company  
Customers and Therms

**Group III: GSS**

	Actual <u>Oct-22</u>	Actual <u>Nov-22</u>	Actual <u>Dec-22</u>	Actual <u>Jan-23</u>	Actual <u>Feb-23</u>	Actual <u>Mar-23</u>	Actual <u>Apr-23</u>	Estimate <u>May-23</u>	Estimate <u>Jun-23</u>	Estimate <u>Jul-23</u>	Estimate <u>Aug-23</u>	Estimate <u>Sep-23</u>	
<b>Customers</b>													
GSS Sales	26,984	27,330	27,725	28,231	28,293	28,387	28,007	28,177	27,638	27,172	27,017	27,096	
GSS A/C Sales	48	45	42	43	43	43	45						
GSS Transport	4,636	4,607	4,579	4,245	4,203	4,126	4,418	4,126	4,126	4,126	4,126	4,126	
GSS A/C Transport	7	7	7	6	6	6	7						
<b>Total Customers</b>	<b>31,676</b>	<b>31,988</b>	<b>32,353</b>	<b>32,525</b>	<b>32,545</b>	<b>32,562</b>	<b>32,476</b>	<b>32,303</b>	<b>31,764</b>	<b>31,298</b>	<b>31,143</b>	<b>31,222</b>	
<b>Volumes</b>													
GSS Sales	1,286,665	2,783,569	5,884,581	5,141,132	4,851,593	4,656,912	1,687,483	995,975	550,533	565,774	564,988	548,401	29,517,609
GSS A/C Sales	11,488	3,031	3,578	5,770	3,384	5,258	(453)						32,057
GSS Transport	202,635	645,616	1,246,560	959,313	927,499	879,029	404,053	200,033	116,431	120,312	120,312	116,431	5,938,225
GSS A/C Transport	(1,931)	1,879	1,146	(22)	500	733	457						2,762
<b>Total Volumes</b>	<b>1,498,857</b>	<b>3,434,096</b>	<b>7,135,865</b>	<b>6,106,194</b>	<b>5,782,977</b>	<b>5,541,931</b>	<b>2,091,540</b>	<b>1,196,009</b>	<b>666,964</b>	<b>686,086</b>	<b>685,301</b>	<b>664,833</b>	<b>35,490,653</b>

**NEW JERSEY NATURAL GAS COMPANY**  
**STATEMENT OF ESTIMATED UNDER/(OVER) RECOVERED CIP BALANCE**  
**GROUP III - GENERAL SERVICE SMALL**  
**FY2023**

	<u>Actual Oct-22</u>	<u>Actual Nov-22</u>	<u>Actual Dec-22</u>	<u>Actual Jan-23</u>	<u>Actual Feb-23</u>	<u>Actual Mar-23</u>	<u>Actual Apr-23</u>	<u>Estimate May-23</u>	<u>Estimate Jun-23</u>	<u>Estimate Jul-23</u>	<u>Estimate Aug-23</u>	<u>Estimate Sep-23</u>	TOTAL
Beginning Under/(Over) Recovery \$	607,377	582,196	524,503	404,620	302,036	204,882	111,778	76,640	56,547	45,342	33,816	22,303	607,377
Therm Sales	1,498,857	3,434,096	7,135,865	6,106,194	5,782,977	5,541,931	2,091,540	1,196,009	666,964	686,086	685,301	664,833	35,490,653
Pre-tax Recovery Rate per Therm <sup>1</sup>	0.0168	0.0168	0.0168	0.0168	0.0168	0.0168	0.0168	0.0168	0.0168	0.0168	0.0168	0.0168	
Recovery \$	25,181	57,693	119,883	102,584	97,154	93,104	35,138	20,093	11,205	11,526	11,513	11,169	596,243
Ending Under/(Over) Recovery \$	582,196	524,503	404,620	302,036	204,882	111,778	76,640	56,547	45,342	33,816	22,303	11,134	11,134

<sup>1</sup> Pre-tax Recovery Rate per therm excluding BPU and RC assessments.

New Jersey Natural Gas Company  
Conservation Incentive Program  
Group IV: General Service Large  
FY2023

Customer Class	Actual/ Estimate	Actual per Books <sup>1</sup>		Large Customer Adjustment	Adjusted Number of Customers	Actual Avg. Use / Cust. <sup>2</sup>	Baseline Use / Cust. (e)	Difference (f) = (d) - (e)	Aggregate Therm Impact (g) = (f) * (c)	Margin Factor	Margin Variance
		Total Class Therms (b)	Number of Customers (c1)								
<b>General Service Large</b>											
October	a	7,486,499	8,003	37	8,040	931.2	883.1	48.1	386,708	\$0.3174	\$122,741
November	a	12,869,242	8,047	37	8,084	1,592.0	1,743.4	(151.4)	(1,223,899)	\$0.3174	(\$388,466)
December	a	20,940,804	8,074	40	8,114	2,580.7	2,598.8	(18.1)	(146,872)	\$0.3174	(\$46,617)
January	a	17,464,903	8,079	40	8,119	2,151.1	3,041.8	(890.7)	(7,231,567)	\$0.3174	(\$2,295,299)
February	a	16,889,109	8,089	42	8,131	2,077.2	2,534.1	(456.9)	(3,714,853)	\$0.3174	(\$1,179,094)
March	a	16,760,882	8,097	42	8,139	2,059.4	2,113.0	(53.6)	(436,233)	\$0.3174	(\$138,460)
April	a	8,888,118	8,087	44	8,131	1,093.1	1,311.5	(218.4)	(1,775,806)	\$0.3174	(\$563,641)
May	e	5,862,101	7,974	44	8,018	731.1	836.9	(105.8)	(848,271)	\$0.3174	(\$269,241)
June	e	4,004,991	7,951	46	7,997	500.8	576.8	(76.0)	(607,748)	\$0.3174	(\$192,899)
July	e	4,135,360	7,939	48	7,987	517.8	556.1	(38.3)	(305,890)	\$0.3174	(\$97,089)
August	e	4,136,326	7,944	51	7,995	517.4	536.9	(19.5)	(155,896)	\$0.3174	(\$49,481)
September	e	4,006,275	7,955	61	8,016	499.8	490.3	9.5	76,149	\$0.3174	\$24,170
Total		<u>123,444,611</u>				<u>15,251.6</u>	<u>17,222.7</u>		<u>(15,984,178)</u>		<u>(\$5,073,378)</u>

Margin Deficiency/ (Credit)	\$ 5,073,378
Prior Period (Over) / Under Recovery <sup>3</sup>	\$ (15,036)
Total Deficiency/(Credit)	\$ 5,058,342
Projected Commercial Throughput for Recovery Period	139,401,807
Pre-tax CIP Charge/(Credit)	\$ 0.0363
BPU/RC Assessment Factor	<u>1.002633</u>
CIP Charge/(Credit) including assessments	\$ 0.0364
6.625% Sales Tax	<u>\$ 0.0024</u>
<b>Proposed After-tax CIP Charge/(Credit) per Therm</b>	<b>\$ 0.0388</b>
Current After-tax CIP Charge/(Credit) per Therm	<u>\$ 0.0142</u>
Increase/ (Decrease) in After-tax CIP Charge/(Credit) per Therm	<u>\$ 0.0246</u>

<sup>1</sup> Per Exhibit C, Schedule 4, Page 2

<sup>2</sup> Per Tariff Sheet No. 180

<sup>3</sup> Per Exhibit C, Schedule 4, Page 3



New Jersey Natural Gas Company  
Customers and Therms

**Group IV: GSL**

	Actual Oct-22	Actual Nov-22	Actual Dec-22	Actual Jan-23	Actual Feb-23	Actual Mar-23	Actual Apr-23	Estimate May-23	Estimate Jun-23	Estimate Jul-23	Estimate Aug-23	Estimate Sep-23	
<b>Customers</b>													
GSL Sales	4,469	4,539	4,572	4,731	4,768	4,791	4,649	4,698	4,675	4,663	4,668	4,679	
GSL A/C Sales	17	17	17	17	17	17	17	17					
GSL Transport	3,504	3,478	3,473	3,318	3,290	3,275	3,408	3,275	3,275	3,275	3,275	3,275	
GSL A/C Transport	13	13	13	13	13	13	13						
<b>Total Customers</b>	<b>8,003</b>	<b>8,047</b>	<b>8,074</b>	<b>8,079</b>	<b>8,089</b>	<b>8,097</b>	<b>8,087</b>	<b>7,974</b>	<b>7,951</b>	<b>7,939</b>	<b>7,944</b>	<b>7,955</b>	
<b>Volumes</b>													
GSL Sales	2,986,558	5,370,029	8,598,130	7,812,623	7,468,589	7,534,806	3,621,094	2,665,009	1,832,299	1,890,246	1,891,211	1,833,584	53,504,178
GSL A/C Sales	16,054	24,914	42,394	35,491	31,831	36,355	14,911						201,949
GSL Transport	4,453,921	7,442,037	12,250,079	9,580,374	9,351,180	9,153,125	5,237,958	3,197,092	2,172,691	2,245,114	2,245,114	2,172,691	69,501,379
GSL A/C Transport	29,966	32,263	50,201	36,416	37,508	36,595	14,155						237,105
<b>Total Volumes</b>	<b>7,486,499</b>	<b>12,869,242</b>	<b>20,940,804</b>	<b>17,464,903</b>	<b>16,889,109</b>	<b>16,760,882</b>	<b>8,888,118</b>	<b>5,862,101</b>	<b>4,004,991</b>	<b>4,135,360</b>	<b>4,136,326</b>	<b>4,006,275</b>	<b>123,444,611</b>

**NEW JERSEY NATURAL GAS COMPANY**  
**STATEMENT OF ESTIMATED UNDER/(OVER) RECOVERED CIP BALANCE**  
**GROUP IV - GENERAL SERVICE LARGE**  
**FY2023**

	Actual <u>Oct-22</u>	Actual <u>Nov-22</u>	Actual <u>Dec-22</u>	Actual <u>Jan-23</u>	Actual <u>Feb-23</u>	Actual <u>Mar-23</u>	Actual <u>Apr-23</u>	Estimate <u>May-23</u>	Estimate <u>Jun-23</u>	Estimate <u>Jul-23</u>	Estimate <u>Aug-23</u>	Estimate <u>Sep-23</u>	TOTAL
Beginning Under/(Over) Recovery \$	1,626,778	1,527,207	1,356,046	1,077,534	845,250	620,625	397,706	279,494	201,528	148,261	93,261	38,248	1,626,778
Therm Sales	7,486,499	12,869,242	20,940,804	17,464,903	16,889,109	16,760,882	8,888,118	5,862,101	4,004,991	4,135,360	4,136,326	4,006,275	123,444,611
Pre-tax Recovery Rate per Therm <sup>1</sup>	0.0133	0.0133	0.0133	0.0133	0.0133	0.0133	0.0133	0.0133	0.0133	0.0133	0.0133	0.0133	
Recovery \$	99,570	171,161	278,513	232,283	224,625	222,920	118,212	77,966	53,266	55,000	55,013	53,283	1,641,813
Ending Under/(Over) Recovery \$	1,527,207	1,356,046	1,077,534	845,250	620,625	397,706	279,494	201,528	148,261	93,261	38,248	(15,036)	(15,036)

<sup>1</sup> Pre-tax Recovery Rate per therm excluding BPU and RC assessments.

**New Jersey Natural Gas Company  
Conservation Incentive Program  
Weather Normalization Calculation for the 2022-23 Winter Period**

**Group II  
RS Heat**

		DEGREE DAYS WNC <sup>1</sup>	DEGREE DAYS ACTUAL	VARIANCE	CONSUMPTION FACTOR USE PER CUST <sup>1</sup>	CUSTOMERS ACTUAL	CONSUMPTION FACTOR	TOTAL THERMS	MARGIN FACTOR <sup>2</sup>	MARGIN IMPACT
Oct-22	a	238	258	20	0.1260	515,655	64,973	1,299,451	\$0.5746	\$746,665
Nov-22	a	524	460	(64)	0.1677	516,410	86,602	(5,542,527)	\$0.5746	(\$3,184,736)
Dec-22	a	813	825	12	0.1919	517,468	99,302	1,191,626	\$0.5746	\$684,708
Jan-23	a	968	678	(290)	0.2020	518,252	104,687	(30,359,212)	\$0.5746	(\$17,444,403)
Feb-23	a	814	642	(172)	0.1998	518,833	103,663	(17,829,992)	\$0.5746	(\$10,245,114)
Mar-23	a	674	617	(57)	0.1934	519,255	100,424	(5,724,161)	\$0.5746	(\$3,289,103)
Apr-23	a	346	250	(96)	0.1776	519,452	92,255	(8,856,446)	\$0.5746	(\$5,088,914)
May-23	c	122	125	3	0.1458	519,392	75,727	227,182	\$0.5746	\$130,539
<b>TOTAL</b>		<b>4,499</b>	<b>3,855</b>	<b>(644)</b>				<b>(65,594,079)</b>		<b>(\$37,690,358)</b>

**Group III  
GSS**

		DEGREE DAYS WNC <sup>1</sup>	DEGREE DAYS ACTUAL	VARIANCE	CONSUMPTION FACTOR USE PER CUST	CUSTOMERS ACTUAL	CONSUMPTION FACTOR	TOTAL THERMS	MARGIN FACTOR <sup>2</sup>	MARGIN IMPACT
Oct-22	a	238	258	20	0.1771	31,676	5,610	112,195	\$0.5001	\$56,109
Nov-22	a	524	460	(64)	0.2195	31,988	7,021	(449,374)	\$0.5001	(\$224,732)
Dec-22	a	813	825	12	0.2603	32,353	8,422	101,058	\$0.5001	\$50,539
Jan-23	a	968	678	(290)	0.2744	32,525	8,925	(2,588,189)	\$0.5001	(\$1,294,353)
Feb-23	a	814	642	(172)	0.2684	32,545	8,735	(1,502,422)	\$0.5001	(\$751,361)
Mar-23	a	674	617	(57)	0.2513	32,562	8,183	(466,418)	\$0.5001	(\$233,256)
Apr-23	a	346	250	(96)	0.1841	32,476	5,979	(573,972)	\$0.5001	(\$287,044)
May-23	c	122	125	3	0.1643	32,303	5,307	15,922	\$0.5001	\$7,963
<b>TOTAL</b>		<b>4,499</b>	<b>3,855</b>	<b>(644)</b>				<b>(5,351,200)</b>		<b>(\$2,676,135)</b>

**Group IV  
GSL**

		DEGREE DAYS WNC <sup>1</sup>	DEGREE DAYS ACTUAL	VARIANCE	CONSUMPTION FACTOR USE PER CUST	CUSTOMERS ACTUAL	CONSUMPTION FACTOR	TOTAL THERMS	MARGIN FACTOR <sup>2</sup>	MARGIN IMPACT
Oct-22	a	238	258	20	1.7974	8,040	14,450	289,010	\$0.3174	\$91,732
Nov-22	a	524	460	(64)	2.3319	8,084	18,851	(1,206,451)	\$0.3174	(\$382,928)
Dec-22	a	813	825	12	2.6794	8,114	21,742	260,903	\$0.3174	\$82,810
Jan-23	a	968	678	(290)	2.8174	8,119	22,874	(6,633,572)	\$0.3174	(\$2,105,496)
Feb-23	a	814	642	(172)	2.7416	8,131	22,291	(3,834,008)	\$0.3174	(\$1,216,914)
Mar-23	a	674	617	(57)	2.4923	8,139	20,284	(1,156,190)	\$0.3174	(\$366,975)
Apr-23	a	346	250	(96)	1.9127	8,131	15,552	(1,493,004)	\$0.3174	(\$473,879)
May-23	c	122	125	3	1.6686	8,018	13,378	40,135	\$0.3174	\$12,739
<b>TOTAL</b>		<b>4,499</b>	<b>3,855</b>	<b>(644)</b>				<b>(13,733,178)</b>		<b>(\$4,358,911)</b>

**Total  
All Groups**

							TOTAL THERMS	MARGIN IMPACT
Oct-22	a						1,700,656	\$894,505
Nov-22	a						(7,198,352)	(\$3,792,396)
Dec-22	a						1,553,587	\$818,058
Jan-23	a						(39,580,973)	(\$20,844,252)
Feb-23	a						(23,166,422)	(\$12,213,389)
Mar-23	a						(7,346,769)	(\$3,889,333)
Apr-23	a						(10,923,422)	(\$5,849,837)
May-23	c						283,239	\$151,240
<b>TOTAL</b>							<b>(84,678,456)</b>	<b>(\$44,725,403)</b>

<sup>1</sup> Degree Days and Consumption factors are per Tariff Sheet No. 181 approved in BPU Docket No. GR21030679 effective December 1, 2021.

<sup>2</sup> Margin factors are per Tariff Sheet No. 181 approved in BPU Docket No. GR21030679 effective December 1, 2021.

NOTE: This schedule is only provided for the purpose of calculating the weather related component of the usage variance of the CIP clause.

New Jersey Natural Gas Company  
Conservation Incentive Program Filing  
Year ended September 30, 2023  
CIP Recovery Tests  
Summary

**Determine Weather and Non-Weather CIP Impacts**

	<u>Weather</u>	<u>Non-Weather</u>	<u>Total</u>
CIP Group 1	\$ -	\$ 87,053	\$ 87,053
CIP Group 2	\$ 37,690,358	\$ 3,457,244	\$ 41,147,602
CIP Group 3	\$ 2,676,135	\$ (411,911)	\$ 2,264,225
CIP Group 4	\$ 4,358,911	\$ 714,467	\$ 5,073,378
Total Deficiency/(Credit)	\$ 44,725,403	\$ 3,846,854	\$ 48,572,257

**Step 2: Apply Modified BGSS Savings Test**

**A. Non-weather Impact Subject to Modified BGSS Savings Test**

Non-Weather Impact	\$ 3,846,854
75% Factor	<u>75%</u>
Subtotal	\$ 2,885,140
Prior Year Carry-Forward (Modified BGSS Savings Test)	\$ -
75% Factor	<u>75%</u>
Subtotal	\$ -
Non-weather Impact Subject to Test	<b>\$ 2,885,140</b>

**B. BGSS Savings**

Permanent Capacity Savings (Exhibit C, Schedule 6, Page 3)	\$ 12,043,561
Additional Capacity BGSS Savings (Exhibit C, Schedule 6, Page 3)	\$ -
Avoided Cost BGSS Savings (Exhibit C, Schedule 6, Page 4)	\$ 3,050,260
Total BGSS Savings	<b>\$ 15,093,821</b>

**C. Results**

Non-Weather Impacts Passing Test (current accrual)	<b>\$ 3,846,854</b>
Non-Weather Impacts Passing Test (prior year carry-forward)	\$ -
Non-Weather Impacts Exceeding Test	\$ -

**New Jersey Natural Gas Company  
Conservation Incentive Program Filing  
Year ended September 30, 2023  
CIP Recovery Tests  
Summary**

**Step 3: Apply Variable Margin Revenue Test**

<u>A. Non-weather Impact Subject to Variable Margin Revenue Test</u>	
Non-Weather Impact	\$ 3,846,854
Prior Year Carry-Forward (Variable Margin Revenue Test)	\$ -
Non-weather Impact Subject to Test	<b>\$ 3,846,854</b>
<u>B. Variable Margin Revenues</u>	
Variable Margin Revenues (Exhibit C, Schedule 6, Page 5)	\$ 362,556,027
6.5% Factor	6.5%
Total Fixed Recovery Cap	<b>\$ 23,566,142</b>

C. Results

Non-Weather Impacts Passing Test (current accrual)	<b>\$ 3,846,854</b>
Non-Weather Impacts Passing Test (prior year carry-forward)	\$ -
Non-Weather Impacts Exceeding Test	\$ -

**Step 4: Determine Recoverable Non-Weather CIP Impacts**

<u>A. Current Year Accrual Recoverable Non-Weather Impacts</u>	
Amount Passing Modified BGSS Savings Test	\$ 3,846,854
Amount Passing Variable Margin Revenue Test	\$ 3,846,854
Recoverable Amount	<b>\$ 3,846,854</b>
<u>B. Previous Carry-Forward Recoverable Amounts</u>	
Amount Passing Modified BGSS Savings Test	\$ -
Amount Passing Variable Margin Revenue Test	\$ -
	\$ -
<b>Total Non-Weather Recoverable CIP Amount</b>	<b><u>\$ 3,846,854</u></b>

New Jersey Natural Gas  
CIP Recovery Tests  
CIP BGSS Savings

The following contract restructurings are consistent with the accompanying explanation of BGSS Savings in Paragraph 13 of the May 15, 2014 Stipulation in BPU Docket No. GR13030185 approved by the BPU on May 21, 2014.

**I. Permanent BGSS Savings**

<u>Pipeline</u>	<u>Contract No.</u>	<u>Type of Transaction</u>	<u>Quantity Dth</u>	<u>Annual \$</u>
Iroquois	570.01	Permanent release	15,000	\$ 1,996,185
Tennessee	64306	Contract termination	11,000	803,614
TETCO	897960	Contract termination	30,000	7,993,500
Dominion <sup>1</sup>	700045	Contract termination	10,000	217,305
Dominion	200447	Reduced contract volume	20,000	<u>1,032,957</u>
<b>Total Permanent Reductions</b>				<b>\$ 12,043,561</b>

**II. Additional Capacity BGSS Savings**

<u>CIP Recovery</u>	<u>Year</u>	<u>Annual \$</u>
	2023-2024	\$ -

**III. Avoided Capacity**

<u>CIP Recovery</u>	<u>Year</u>	<u>Annual \$</u>
	2023-2024	\$ 3,050,260

**VI. Total of all Savings**

<u>CIP Recovery</u>	<u>Permanent Capacity Savings</u>	<u>Additional Capacity BGSS Savings</u>	<u>Avoided Cost BGSS Savings</u>	<u>Annual \$</u>
Year				
2023-2024	\$ 12,043,561	\$ -	\$ 3,050,260	\$ <b>15,093,821</b>

<sup>1</sup> Currently EGTS

New Jersey Natural Gas  
CIP Recovery Tests  
Avoided Capacity Cost BGSS Savings

Month (a)	Base Year Customer Count (b)	Current Year Customer Count (c)	Net Increase/ (Decrease) Customer Count (d) = (b) / (c)	Baseline Use / Cust. (e)	Avoided Capacity (f) = (d) * (e)
<b>Group 1: RSG Non-Heating</b>					
October	14,185	14,546	361	17.5	6,322
November	14,008	14,383	374	13.9	5,200
December	13,965	14,369	404	17.4	7,037
January	13,988	14,359	370	20.4	7,555
February	13,971	14,353	383	18.7	7,157
March	13,945	14,372	426	19.8	8,440
April	14,037	14,442	405	10.9	4,411
May	14,377	15,060	683	11.0	7,511
June	14,668	15,748	1,080	18.0	19,433
July	14,700	15,859	1,159	17.4	20,170
August	14,717	15,884	1,167	16.3	19,017
September	14,464	15,844	1,379	17.9	24,689
Subtotal				199.2	136,944
				Average Per Unit BGSS Capacity Cost	<u>\$0.2522</u>
Total Group 1 Avoided Capacity Cost BGSS Savings					\$34,537
<b>Group 2: RSG Heating</b>					
October	504,060	515,655	11,596	43.4	503,252
November	504,789	516,410	11,621	100.4	1,166,792
December	505,531	517,468	11,937	160.8	1,919,508
January	506,256	518,252	11,996	191.2	2,293,647
February	506,776	518,833	12,057	163.3	1,968,853
March	507,211	519,255	12,044	133.7	1,610,293
April	507,520	519,452	11,931	70.6	842,359
May	507,812	519,392	11,580	37.0	428,449
June	508,284	519,642	11,358	27.2	308,925
July	508,806	519,989	11,182	23.8	266,140
August	509,365	520,395	11,029	21.3	234,925
September	503,190	521,213	18,023	23.0	414,521
Subtotal				995.7	11,957,664
				Average Per Unit BGSS Capacity Cost	<u>\$0.2522</u>
Total Group 2 Avoided Capacity Cost BGSS Savings					\$3,015,723
Total Avoided Capacity Cost BGSS Savings					<u>\$3,050,260</u>

Notes:

- (1) Base Year Customer Count is equal to the test year customer count used to set base rates in a base rate case
- (2) Current Year Customer Count is equal to the customer count in the CIP accrual year
- (3) The average per unit BGSS Capacity Cost represents the average of all capacity costs in the BGSS portfolio included in the annual BGSS filing for the prospective BGSS year. This value is used as a proxy for the avoided cost of incremental capacity.

New Jersey Natural Gas  
CIP Recovery Tests  
Variable Margin

	Total
Group I	\$1,709,640
Group II	\$296,578,950
Group III	\$20,012,936
Group IV	<u>\$44,254,501</u>
Total Variable Margin	\$362,556,027
%	<u>6.5%</u>
Total Fixed Recovery Cap	<u>\$23,566,142</u>

Customer Class	Actual/ Estimate	Number of Customers	Baseline Use / Cust.	Margin Factor	Variable Revenue
<u>Residential Non-Heating</u>					
October	a	14,546	17.5	\$0.5746	\$146,265
November	a	14,383	13.9	\$0.5746	\$114,872
December	a	14,369	17.4	\$0.5746	\$143,664
January	a	14,359	20.4	\$0.5746	\$168,308
February	a	14,353	18.7	\$0.5746	\$154,227
March	a	14,372	19.8	\$0.5746	\$163,508
April	a	14,442	10.9	\$0.5746	\$90,452
May	e	15,060	11.0	\$0.5746	\$95,186
June	e	15,748	18.0	\$0.5746	\$162,876
July	e	15,859	17.4	\$0.5746	\$158,556
August	e	15,884	16.3	\$0.5746	\$148,767
September	e	15,844	17.9	\$0.5746	<u>\$162,958</u>
Total			199.2		\$1,709,640
<u>Residential Heating</u>					
October	a	515,655	43.4	\$0.5746	\$12,859,225
November	a	516,410	100.4	\$0.5746	\$29,791,619
December	a	517,468	160.8	\$0.5746	\$47,811,833
January	a	518,252	191.2	\$0.5746	\$56,937,008
February	a	518,833	163.3	\$0.5746	\$48,683,190
March	a	519,255	133.7	\$0.5746	\$39,891,240
April	a	519,452	70.6	\$0.5746	\$21,072,477
May	e	519,392	37.0	\$0.5746	\$11,042,373
June	e	519,642	27.2	\$0.5746	\$8,121,544
July	e	519,989	23.8	\$0.5746	\$7,111,096
August	e	520,395	21.3	\$0.5746	\$6,369,101
September	e	521,213	23.0	\$0.5746	<u>\$6,888,244</u>
Total			995.7		\$296,578,950
<u>GSS</u>					
October	a	31,676	44.8	\$0.5001	\$709,676
November	a	31,988	119.2	\$0.5001	\$1,906,895
December	a	32,353	201.9	\$0.5001	\$3,266,703
January	a	32,525	264.1	\$0.5001	\$4,295,751
February	a	32,545	227.8	\$0.5001	\$3,707,588
March	a	32,562	180.9	\$0.5001	\$2,945,801
April	a	32,476	82.3	\$0.5001	\$1,336,665
May	e	32,303	33.1	\$0.5001	\$534,717
June	e	31,764	19.4	\$0.5001	\$308,170
July	e	31,298	24.4	\$0.5001	\$381,908
August	e	31,143	20.6	\$0.5001	\$320,834
September	e	31,222	19.1	\$0.5001	<u>\$298,227</u>
Total			1,237.6		\$20,012,936
<u>GSL</u>					
October	a	8,040	883.1	\$0.3174	\$2,253,484
November	a	8,084	1,743.4	\$0.3174	\$4,473,257
December	a	8,114	2,598.8	\$0.3174	\$6,693,286
January	a	8,119	3,041.8	\$0.3174	\$7,838,600
February	a	8,131	2,534.1	\$0.3174	\$6,539,599
March	a	8,139	2,113.0	\$0.3174	\$5,458,338
April	a	8,131	1,311.5	\$0.3174	\$3,384,684
May	e	8,018	836.9	\$0.3174	\$2,129,753
June	e	7,997	576.8	\$0.3174	\$1,464,003
July	e	7,987	556.1	\$0.3174	\$1,409,698
August	e	7,995	536.9	\$0.3174	\$1,362,390
September	e	8,016	490.3	\$0.3174	<u>\$1,247,410</u>
Total			17,222.7		\$44,254,501



**NEW JERSEY NATURAL GAS COMPANY  
CONSERVATION INCENTIVE PROGRAM  
EARNINGS TEST  
OCTOBER 1, 2022 THROUGH SEPTEMBER 30, 2023  
SIX MONTHS ACTUAL, SIX MONTHS FORECASTED**

	(000's)
Net Income	\$125,841
Less:	
Earnings from BGSS Incentive margin, net of tax	6,343
Earnings from Energy Efficiency margin, net of tax	11,008
Other income, net of tax	<u>5,693</u>
 Net Income - Earnings Test	 \$102,797
 Average Thirteen Month Common Equity	 1,730,861
 <b>Rate of Return on Common Equity</b>	 <b>5.94%</b>

**EXHIBIT D**

**CALCULATION OF REVISED BALANCING CHARGE**

**FOR F/Y 2024**

**New Jersey Natural Gas Company  
Calculation of October 1, 2023 Balancing Charge**

	\$000
<b><u>Balancing Charge related to Inventory<sup>1</sup></u></b>	
12 month Average inventory balance (TETCO storages and LNG)	\$11,783
Rate of Return	<u>8.87%</u>
Storage Carrying Costs	\$1,045
% of Peak Related to Balancing	<u>53.7%</u>
Balancing	\$561
Annual Firm Therms (excluding FT) (000)	<u>658,097</u>
Pre-tax Balancing Charge	\$0.0009
<b><u>Balancing Charge related to Demand Charges<sup>2</sup></u></b>	
Pipeline Demand Charges	202,905
Adjustments (BGSS Incentive Credits)	<u>(\$52,617)</u>
Total	\$150,288
% of Peak Related to Balancing	<u>54.3%</u>
Balancing	\$81,668
Annual Firm Therms (000)	<u>693,173</u>
Pre-tax Balancing Charge	\$0.1178
<b><u>Total Balancing Charge</u></b>	
Pre-tax Balancing Charge related to Inventory	\$0.0009
Pre-tax Balancing Charge related to Demand Charges	<u>\$0.1178</u>
Total Pre-tax Balancing Charge	\$0.1187
<b>Total After-tax Balancing Charge</b>	<b>\$0.1266</b>
Current After-tax Balancing Charge	<u>\$0.1380</u>
Increase/(Decrease) to After-tax Balancing Charge	(\$0.0114)
<b><u>Calculation of % of Peak Related to Balancing</u></b>	
	000 therms
Peak Day Therms	9,650
Average Therms on a January Day	<u>4,406</u>
Balancing Therms	5,244
% of Peak	54.3%

<sup>1</sup> In accordance with the Board's November 17, 2021 Order in BPU Docket No. GR21030679 ("Rate Case Order"), the Balancing Charge related to Inventory is updated in a base rate case. The pre-tax Balancing Charge component of \$0.0009 per therm was approved in the Rate Case Order.

<sup>2</sup> In accordance with the Rate Case Order, the Balancing Charge related to Demand Charges has been updated to reflect costs included in this filing.

**EXHIBIT E**

**IMPACT OF RATE CHANGES ON TYPICAL CUSTOMERS  
AND COMPUTATION OF BGSS RATE**

**FOR F/Y 2024**

**New Jersey Natural Gas Company  
Net Impact of Proposed Rate Changes  
BPU Docket No. GR23060348  
F/Y 2024**

(\$/therm)

**Rate Impact for Group I - Residential Non-Heating Customers**

	Component of	5/1/23 Rates		Proposed 10/1/23 Rates		Change		Total Bill % impact
		Pre-tax	Post-tax	Pre-tax	Post-tax	Pre-tax	Post-tax	
BGSS	BGSS	\$0.4750	\$0.5065	\$0.4023	\$0.4290	(\$0.0727)	(\$0.0775)	(4.3%)
Balancing Charge	Delivery Rate	0.1294	0.1380	0.1187	0.1266	(0.0107)	(0.0114)	(0.6%)
CIP	Delivery Rate	<u>0.0083</u>	<u>0.0088</u>	<u>0.0365</u>	<u>0.0389</u>	<u>0.0282</u>	<u>0.0301</u>	<u>1.7%</u>
<b>NET IMPACT</b>		<u>\$0.6127</u>	<u>\$0.6533</u>	<u>\$0.5575</u>	<u>\$0.5945</u>	<u>(\$0.0552)</u>	<u>(\$0.0588)</u>	<u>(3.2%)</u>

**Rate Impact for Group II - Residential Heating Customers**

	Component of	5/1/23 Rates		Proposed 10/1/23 Rates		Change		Total Bill % impact
		Pre-tax	Post-tax	Pre-tax	Post-tax	Pre-tax	Post-tax	
BGSS	BGSS	\$0.4750	\$0.5065	\$0.4023	\$0.4290	(\$0.0727)	(\$0.0775)	(5.1%)
Balancing Charge	Delivery Rate	0.1294	0.1380	0.1187	0.1266	(0.0107)	(0.0114)	(0.8%)
CIP	Delivery Rate	<u>0.0415</u>	<u>0.0442</u>	<u>0.0858</u>	<u>0.0915</u>	<u>0.0443</u>	<u>0.0473</u>	<u>3.1%</u>
<b>NET IMPACT</b>		<u>\$0.6459</u>	<u>\$0.6887</u>	<u>\$0.6068</u>	<u>\$0.6471</u>	<u>(\$0.0391)</u>	<u>(\$0.0416)</u>	<u>(2.8%)</u>

**Rate Impact for Group III - General Service Small Customers**

	Component of	5/1/23 Rates		Proposed 10/1/23 Rates		Change		Total Bill % impact
		Pre-tax	Post-tax	Pre-tax	Post-tax	Pre-tax	Post-tax	
BGSS	BGSS	\$0.4750	\$0.5065	\$0.4023	\$0.4290	(\$0.0727)	(\$0.0775)	(4.5%)
Balancing Charge	Delivery Rate	0.1294	0.1380	0.1187	0.1266	(0.0107)	(0.0114)	(0.7%)
CIP	Delivery Rate	<u>0.0169</u>	<u>0.0180</u>	<u>0.0567</u>	<u>0.0605</u>	<u>0.0398</u>	<u>0.0425</u>	<u>2.5%</u>
<b>NET IMPACT</b>		<u>\$0.6213</u>	<u>\$0.6625</u>	<u>\$0.5777</u>	<u>\$0.6161</u>	<u>(\$0.0436)</u>	<u>(\$0.0464)</u>	<u>(2.7%)</u>

**Rate Impact for Group IV - General Service Large Customers**

	Component of	5/1/23 Rates		Proposed 10/1/23 Rates		Change		Total Bill % impact
		Pre-tax	Post-tax	Pre-tax	Post-tax	Pre-tax	Post-tax	
BGSS	BGSS (May 2023)	\$0.3873	\$0.4130	\$0.3980	\$0.4244	\$0.0107	\$0.0114	0.8%
Balancing Charge	Delivery Rate	0.1294	0.1380	0.1187	0.1266	(0.0107)	(0.0114)	(0.8%)
CIP	Delivery Rate	<u>0.0133</u>	<u>0.0142</u>	<u>0.0364</u>	<u>0.0388</u>	<u>0.0231</u>	<u>0.0246</u>	<u>1.8%</u>
<b>NET IMPACT</b>		<u>\$0.5300</u>	<u>\$0.5652</u>	<u>\$0.5531</u>	<u>\$0.5898</u>	<u>\$0.0231</u>	<u>\$0.0246</u>	<u>1.8%</u>

For General Service – Large (“GSL”) sales customers, there is no impact from the proposed BGSS rate because they are subject to monthly market pricing for their natural gas supply. The GSL BGSS decrease shown above reflects the proposed Balancing Charge change since the Balancing Charge is deducted from the BGSS charge and included as a component of the delivery charge for no impact to the total bill of GSL sales customers.

**Projected Annual Post-tax BGSS, CIP, and WNC revenue**

**Projected Annual Therms:**

Periodic BGSS	530,920 (000s)
Balancing Charge	693,173 (000s)
CIP Group I	3,032 (000s)
CIP Group II	509,432 (000s)
CIP Group III	40,172 (000s)
CIP Group IV	139,402 (000s)

	Projected Revenue at Current Rates \$million	Projected Revenue at Proposed Rates \$million	Change \$million
BGSS	\$268.91	\$227.76	(\$41.15)
Balancing Charge	\$95.66	\$87.76	(\$7.90)
CIP Group I	\$0.03	\$0.12	\$0.09
CIP Group II	\$22.52	\$46.61	\$24.09
CIP Group III	\$0.72	\$2.43	\$1.71
CIP Group IV	<u>\$1.98</u>	<u>\$5.41</u>	<u>\$3.43</u>
<b>IMPACT</b>	<u>\$389.82</u>	<u>\$370.09</u>	<u>(\$19.73)</u>

New Jersey Natural Gas Company  
Net impact of Proposed Rate Changes  
BPU Docket No. GR23060348  
F/Y 2024

<b>Impact on Residential Non-Heating Customers</b>				
			25 therm bill	
<b>5/1/23 Rates</b>				
Customer Charge	\$11.00	\$11.00		
Delivery	\$0.8599	\$21.50		
BGSS	\$0.5065	\$12.66		
Total	\$1.3664	\$45.16		
<b>Proposed Rates- effective 10/1/23</b>				
Customer Charge	\$11.00	\$11.00		
Delivery	\$0.8786	\$21.97		
BGSS	\$0.4290	\$10.73		
Total	\$1.3076	\$43.70		
<b>Decrease</b>		(\$1.46)		
<b>Decrease as a percent</b>		(3.2%)		
<b>Impact on Residential Heating Customers</b>				
			100 therm bill	1,000 therm annual bill
<b>5/1/23 Rates</b>				
Customer Charge	\$11.00	\$11.00	\$132.00	
Delivery	\$0.8953	\$89.53	\$895.30	
BGSS	\$0.5065	\$50.65	\$506.50	
Total	\$1.4018	\$151.18	\$1,533.80	
<b>Proposed Rates- effective 10/1/23</b>				
Customer Charge	\$11.00	\$11.00	\$132.00	
Delivery	\$0.9312	\$93.12	\$931.20	
BGSS	\$0.4290	\$42.90	\$429.00	
Total	\$1.3602	\$147.02	\$1,492.20	
<b>Decrease</b>		(\$4.16)	(\$41.60)	
<b>Decrease as a percent</b>		(2.8%)	(2.7%)	
<b>Impact on Commercial GSS Customers</b>				
				100 therm bill
<b>5/1/23 Rates</b>				
Customer Charge	\$42.00	\$42.00		
Delivery	\$0.7896	\$78.96		
BGSS	\$0.5065	\$50.65		
Total	\$1.2961	\$171.61		
<b>Proposed Rates- effective 10/1/23</b>				
Customer Charge	\$42.00	\$42.00		
Delivery	\$0.8207	\$82.07		
BGSS	\$0.4290	\$42.90		
Total	\$1.2497	\$166.97		
<b>Decrease</b>		(\$4.64)		
<b>Decrease as a percent</b>		(2.7%)		
<b>Impact on Commercial GSL Customers</b>				
				1200 therm bill
<b>5/1/23 Rates</b>				
Customer Charge	\$104.00	\$104.00		
Demand Charge	\$3.41	\$327.36		
Delivery	\$0.5910	\$709.20		
BGSS (May 2023)	\$0.4130	\$495.60		
Total	\$1.0040	\$1,636.16		
<b>Proposed Rates- effective 10/1/23</b>				
Customer Charge	\$104.00	\$104.00		
Demand Charge	\$3.41	\$327.36		
Delivery	\$0.6042	\$725.04		
BGSS (May 2023)	\$0.4244	\$509.28		
Total	\$1.0286	\$1,665.68		
<b>Increase</b>		\$29.52		
<b>Increase as a percent</b>		1.8%		

**NEW JERSEY NATURAL GAS COMPANY  
SUMMARY OF PERIODIC BGSS COMPONENTS  
BPU Docket No. GR23060348**

	October 1, 2023 through September 30, 2024 \$000
<b>ESTIMATED UNDER/(OVER) RECOVERED GAS COSTS AT 10/1/23</b> (Exhibit B, Schedule 1)	<u><u>(\$27,818)</u></u> A
<b>ESTIMATED NET COSTS APPLICABLE TO BGSS</b> (Exhibit B, Schedule 2a)	<u><u>\$396,931</u></u> B
<b>ESTIMATED ADJUSTMENTS</b>	
Storage Incentive (Sch. 4j)	\$2,462
Off-System Sales (Sch.4e)	(\$49,888)
Capacity Rel. (Sch.4f )	(\$2,729)
Supplier Ref. and Miscellaneous Adj. (Sch.5 )	\$0
Balancing Credits and Penalty Charges (Sch.4g)	(\$82,280)
Environmental Attributes (Sch. 4k)	(\$150)
<b>TOTAL ADJUSTMENTS</b>	<u><u>(\$132,584)</u></u> C
<b>ESTIMATED UNDER/(OVER) RECOVERY AT 9/30/2024</b> (Exhibit B Schedule 1)	<u><u>(\$8,851)</u></u> D
Monthly BGSS (GSL, DGC) Recovery	\$31,282
Monthly BGSS (IS, CNG, NGV) Recovery	\$509
<b>ESTIMATED OTHER RECOVERY</b> (Exhibit B Schedule 2b)	<u><u>\$31,791</u></u> E
<b>ESTIMATED TOTAL COSTS TO BE RECOVERED</b> (Exhibit B Schedule 2b)	<u><u>\$213,589</u></u> A+B+C-D-E=F
BGSS Sales	595,852
Monthly BGSS Sales (GSL, DGC)	64,061
Monthly BGSS Sales (IS, CNG, NGV)	871
<b>ESTIMATED PERIODIC BGSS THERM SALES</b> (Exhibit B Schedule 2b)	<u><u>530,920</u></u> G
<b>PRE-TAX PERIODIC BGSS RATE PER THERM</b>	<u><u>\$0.4023</u></u> F/G=H

**EXHIBIT F**

**PROPOSED TARIFF SHEETS**



**NEW JERSEY NATURAL GAS COMPANY**

**BPU No. 11 - Gas**

**~~Fifth~~Fourth Revised Sheet No. 51**  
**Superseding ~~Fourth~~Third Revised Sheet No. 51**

**SERVICE CLASSIFICATION - RS**

**RESIDENTIAL SERVICE**

**AVAILABILITY**

This service is available to any residential Customer in the territory served by the Company using gas for any domestic purpose. This rate is applicable to individually-metered apartments and to rooming and boarding houses where the number of rental bedrooms is not more than twice the number of bedrooms used by the Customer.

Gas delivered under this schedule may not be used for other than domestic purposes except when such use is incidental to domestic use.

**CHARACTER OF SERVICE**

Firm gas service where Customer may either purchase gas supply from the Company's Rider "A" for Basic Gas Supply Service ("BGSS") or from a Third Party Supplier.

**MONTHLY RATES**

**Customer Charge:**

Customer Charge per meter per month \$11.00

**Delivery Charge:**

**Residential Heating**

Delivery Charge per therm \$0.~~8953~~9312

**Residential Non-Heating**

Delivery Charge per therm \$0.~~8599~~8786

**BGSS Charge:**

BGSS Charge per therm for Sales Customers See "Rate Summaries" at the end of this Tariff

These rates are inclusive of all applicable taxes and riders and are subject to adjustment for all other applicable riders, taxes, assessments or similar charges lawfully imposed by the Company. See Rate Summaries at the end of this Tariff for a summary of components incorporated in these rates.

**Date of Issue:** ~~April 19~~, 2023  
**Issued by:** Mark G. Kahrer, Senior Vice President  
Wall, NJ 07719

**Effective for service rendered on  
and after ~~October~~May 1, 2023**

**Filed pursuant to Order of the Board of Public Utilities entered in  
Docket No. ~~GR22090574~~**

**NEW JERSEY NATURAL GAS COMPANY**

**BPU No. 11 - Gas**

**~~Fifth~~Fourth Revised Sheet No. 53**  
**Superseding ~~Fourth~~Third Revised Sheet No. 53**

**SERVICE CLASSIFICATION – DGR**

**DISTRIBUTED GENERATION SERVICE - RESIDENTIAL**

**AVAILABILITY**

This service is available to any residential customer using distributed generation technologies including, but not limited to, microturbines and fuel cells to generate electricity for domestic purposes.

**CHARACTER OF SERVICE**

Firm gas service where Customer may either purchase gas supply from the Company's Rider "A" for Basic Gas Supply Service ("BGSS") or from a Third Party Supplier.

**MONTHLY RATES**

**Customer Charge:**

Customer Charge per meter per month \$11.00

**Delivery Charge:**

November - April \$0.~~4181~~4067

May - October \$0.~~3648~~3534

**BGSS Charge:**

BGSS Charge per therm for Sales Customers See "Rate Summaries" at the end of this Tariff

These rates are inclusive of all applicable taxes and riders and are subject to adjustment for all other applicable riders, taxes, assessments or similar charges lawfully imposed by the Company. See Rate Summaries at the end of this Tariff for a summary of components incorporated in these rates.

**MINIMUM MONTHLY CHARGE**

The minimum monthly charge shall be the Customer Charge. Where service is taken for less than one month, the minimum charge will be prorated.

**BALANCING CHARGE ADJUSTMENTS**

The Balancing Charge is included in the Delivery Charge and is subject to adjustment in the Company's annual BGSS proceeding. All revenues derived from this Charge will be credited to the BGSS. See Rider "A" for the current Balancing Charge.

**Date of Issue:** April 19, 2023  
**Issued by:** Mark G. Kahrer, Senior Vice President  
Wall, NJ 07719

**Effective for service rendered on**  
**and after October~~May~~ 1, 2023**

**NEW JERSEY NATURAL GAS COMPANY**

**BPU No. 11 - Gas**

**~~Fifth~~Fourth Revised Sheet No. 55**  
**Superseding ~~Fourth~~Third Revised Sheet No. 55**

**SERVICE CLASSIFICATION – GSS**

**GENERAL SERVICE - SMALL**

**AVAILABILITY**

This service is available to any Customer in the entire territory served by the Company who uses less than 5,000 therms annually and uses gas for all purposes other than residential service and interruptible service. Where the Customer uses the Cooling, Air Conditioning and Pool Heating service (“CAC”) under Special Provision I.2, the Company may, upon application by the Customer, meter the space heating and CAC use separately. Street Lighting Service also will be supplied under this schedule (Special Provision II.1).

**CHARACTER OF SERVICE**

Firm gas service where Customer may either purchase gas supply from the Company’s Rider “A” for Basic Gas Supply Service (“BGSS”) or from a Third Party Supplier.

**MONTHLY RATES**

**Customer Charge:**

Customer Charge per meter per month \$42.00

**Delivery Charge:**

Delivery Charge per therm \$0.~~789~~68207

**BGSS Charge:**

BGSS Charge per therm for Sales Customers See “Rate Summaries” at the end of this Tariff

These rates are inclusive of all applicable taxes and riders and are subject to adjustment for all other applicable riders, taxes, assessments or similar charges lawfully imposed by the Company. See Rate Summaries at the end of this Tariff for a summary of components incorporated in these rates.

**MINIMUM MONTHLY CHARGE**

The minimum monthly charge shall be the Customer Charge.

Where service is taken for less than one month, the minimum charge will be prorated.

**BALANCING CHARGE ADJUSTMENTS**

The Balancing Charge is included in the Delivery Charge and is subject to adjustment in the Company's annual BGSS proceeding. All revenues derived from this Charge will be credited to the BGSS. See Rider “A” for the current Balancing Charge.

**Date of Issue:** ~~April~~19, 2023  
**Issued by:** Mark G. Kahrer, Senior Vice President  
Wall, NJ 07719

**Effective for service rendered on**  
**and after ~~October~~May 1, 2023**

**NEW JERSEY NATURAL GAS COMPANY**

**BPU No. 11 - Gas**

**~~Fifth~~Fourth Revised Sheet No. 56**  
**Superseding ~~Fourth~~Third Revised Sheet No. 56**

**SERVICE CLASSIFICATION - GSS**

**GENERAL SERVICE - SMALL (continued)**

**SPECIAL PROVISIONS**

***I. Applicable to All Customers Under This Service Classification***

***1. Annual Review***

The Company shall review, at least once a year, each GSS Customer's annual usage based on the most recent twelve (12) months of billing information to determine if the General Service – Large ("GSL") Service Classification is applicable to the Customer. If the Customer's normalized annual usage is greater than or equal to 5,500 therms, the customer will be switched to GSL prospectively.

***2. Air Conditioning and Pool Heating***

Upon separate application, GSS Customers who have installed and are using gas air conditioning and/or pool heating equipment will be billed on the above Monthly Rates and will be billed a credit of (\$0.~~43424768~~) per therm for all monthly consumption of gas for services rendered between May 1 and September 30 of each year. This credit is the difference between the delivery charge for service rendered between May 1 and September 30 of each year under this Special Provision of \$0.~~35543439~~ per therm, which includes \$0.1088 per therm margin, all appropriate riders, taxes, assessments and surcharges, and the delivery charge for Service Classification GSS.

Commercial Air Conditioning and Pool Heating ("CAC") customers will be separately metered, except, at the Company's sole discretion, existing Customers may use the same meter for their cooling, air conditioning or pool heating load and their space heating load as long as there is minimal base load during the period air conditioning rates are in effect.

Where a CAC Customer uses gas under this service classification in a direct-fired chiller/heater and the heating load is metered through the same meter as the cooling, air conditioning or pool heating load, and further, where the gas used for heating is billed separately, the GSS Customer Charge shall be waived, provided the Customer pays the Customer Charge under its heating service in all twelve (12) months of the year.

***3. Veterans' Organization Service***

Pursuant to N.J.S.A 48:2-21.41, when natural gas service is delivered to a customer that is a Veterans' Organization, serving the needs of veterans of the armed forces, the customer may apply and be eligible for billing under this Special Provision.

*a.* Each customer shall be eligible for billing under this Special Provision upon submitting an Application for Veterans' Organization Service under this Service Classification and by qualifying as a "Veterans' Organization" as defined by N.J.S.A. 48:2-21.41 as "an organization dedicated to serving the needs of veterans of the armed forces that: is chartered under federal law, qualifies as a tax exempt organization under paragraph (19) of subsection (c) of section 501 of the federal Internal Revenue Code of 1986, 26 U.S.C. s.501 (c)(19), or that is organized as a corporation under the 'New Jersey Nonprofit Corporation Act,' N.J.S.15A:1-1 et seq." Under N.J.S.A. 48: 2-21.41, a qualified Veterans' Organization shall be charged the residential rate for service delivered to the property where the Veterans' Organization primarily operates, if the residential rate is lower than the commercial rate for service at that property.

**Date of Issue:** ~~April~~19, 2023  
**Issued by:** ~~Mark G. Kahrer, Senior Vice President~~  
~~Wall, NJ 07719~~

**Effective for service rendered on**  
**and after ~~October~~May 1, 2023**

**Filed pursuant to Order of the Board of Public Utilities entered in**  
**Docket No. ~~GR22090574~~**

**NEW JERSEY NATURAL GAS COMPANY**

**BPU No. 11 - Gas**

**~~Fifth~~Fourth Revised Sheet No. 57  
Superseding ~~Fourth~~Third Revised Sheet No. 57**

**SERVICE CLASSIFICATION - GSS**

**GENERAL SERVICE - SMALL (continued)**

The Customer shall furnish satisfactory proof of eligibility of service under this Special Provision to the Company. Once proof of eligibility is determined by the Company, service under this Special Provision shall begin with the next billing cycle following receipt of the Application.

- b. The Customer will continue to be billed on this Service Classification. At least once annually, the Company shall review eligible customers' Customer Charges and Delivery Charges under this Special Provision for all relevant periods. If the comparable Customer Charges and Delivery Charges under Service Classification Residential Service (RS) are lower than the charges under their current Service Classification, a credit in the amount of the difference will be applied to the Customer's next bill.

4. **Metering**

An Automated Meter Reading (AMR) device will not be required for this service. However, the Company reserves the right to install an AMR device at its own expense. Should the Company decide to install an AMR, the Customer shall furnish the necessary infrastructure to support the AMR, including, but not limited to, an electrical supply and phone line, or data plan, for the operation of the device, in an area acceptable to the Company.

When a remote meter reading device is requested by the Customer, it shall be installed at the Customer's expense if the installation is deemed feasible by the Company.

Should the Company decide to install an AMR or a Customer request an AMR, the installation shall be in accordance with Paragraph 6.10 of the Standard Terms and Conditions.

II. *Applicable to All Customers Purchasing Gas Supply Under Rider "A" BGSS*

1. **Street Lighting Service**

Street Lighting Service is not subject to Rider "I" of this Tariff. The delivery charge per therm for Street Lighting Service is \$0.~~7716~~7602 per therm.

III. *Applicable to All Customers Purchasing Gas Supply from a Third Party Supplier*

1. **Additional Requirements**

Service is subject to the terms and conditions of the Third Party Supplier Requirements section of this Tariff (Service Classification – TPS) and Section 10 of the Company's Standard Terms and Conditions.

**TERMS AND CONDITIONS**

Service is subject to the Company's Standard Terms and Conditions of this Tariff.

**Date of Issue:** ~~April~~19, 2023  
**Issued by:** Mark G. Kahrer, Senior Vice President  
Wall, NJ 07719

**Effective for service rendered on  
and after ~~October~~May 1, 2023**

**Filed pursuant to Order of the Board of Public Utilities entered in  
Docket No. GR22090574**

**NEW JERSEY NATURAL GAS COMPANY**

**BPU No. 11 - Gas**

**~~Fifth~~Fourth Revised Sheet No. 58**  
**Superseding ~~Fourth~~Third Revised Sheet No. 58**

**SERVICE CLASSIFICATION - GSL**

**GENERAL SERVICE - LARGE**

**AVAILABILITY**

This service is available to any Customer in the entire territory served by the Company who uses greater than or equal to 5,000 therms annually and uses gas for all purposes other than residential service and interruptible service. Where the Customer uses the Cooling, Air Conditioning and Pool Heating service (“CAC”) under Special Provision I.4, the Company may, upon application by the Customer, meter the space heating and CAC use separately.

**CHARACTER OF SERVICE**

Firm gas service where Customer may either purchase gas supply from the Company’s Rider “A” for Basic Gas Supply Service (“BGSS”) or from a Third Party Supplier.

**MONTHLY RATES**

**Customer Charge:**

Customer Charge per meter per month \$104.00

**Demand Charge:**

Demand Charge per therm applied to HMAD \$3.41

**Delivery Charge:**

Delivery Charge per therm \$0.~~59106042~~

**BGSS Charge:**

BGSS Charge per therm for Sales Customers See “Rate Summaries” at the end of this Tariff

These rates are inclusive of all applicable taxes and riders and are subject to adjustment for all other applicable riders, taxes, assessments or similar charges lawfully imposed by the Company. See Rate Summaries at the end of this Tariff for a summary of components incorporated in these rates.

**MINIMUM MONTHLY CHARGE**

The minimum monthly charge shall be the Customer Charge and the Demand Charge.

Where service is taken for less than one month, the minimum charge will be prorated.

**BALANCING CHARGE ADJUSTMENTS**

The Balancing Charge is included in the Delivery Charge and is subject to adjustment in the Company's annual BGSS proceeding. All revenues derived from this Charge will be credited to the BGSS. See Rider “A” for the current Balancing Charge.

**Date of Issue:** ~~April~~19, 2023  
**Issued by:** Mark G. Kahrer, Senior Vice President  
Wall, NJ 07719

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**NEW JERSEY NATURAL GAS COMPANY**

**BPU No. 11 - Gas**

**~~Fifth~~Fourth Revised Sheet No. 59**  
**Superseding ~~Fourth~~Third Revised Sheet No. 59**

**SERVICE CLASSIFICATION - GSL**

**GENERAL SERVICE - LARGE (continued)**

**SPECIAL PROVISIONS**

**I. *Applicable to All Customers in this Service Classification***

**1. Determination of Demand**

The highest monthly average daily usage (HMAD) that occurs in any billing period will be used to calculate the Demand Charge. The HMAD shall be determined based upon the Customer's highest normalized average daily usage for a month in the most recent twenty-four (24) month period. Estimated data may be used when actual data is not available. At least once a year, the Company shall review and modify, if necessary, each GSL customer's HMAD based upon the most recent twenty-four (24) months of billing information. Any modification will be on a prospective basis. The Company reserves the right to determine the HMAD for any Customer by actually metering daily usage.

**2. Metering**

An Automated Meter Reading (AMR) device with daily meter reads will not be required for this service. However, the Company reserves the right to install an AMR if it believes such a device will provide a more accurate HMAD than the Determination of Demand set forth above. Should the Company decide to install an AMR, the Customer shall furnish the necessary infrastructure to support the AMR, including, but not limited to, an electrical supply and phone line, or data plan, for the operation of the device, in an area acceptable to the Company.

When a remote meter reading device is requested by the Customer, it shall be installed at the Customer's expense if the installation is deemed feasible by the Company.

Should the Company decide to install an AMR or a Customer request an AMR, the installation shall be in accordance with Paragraph 6.10 of the Standard Terms and Conditions.

**3. Annual Review**

The Company shall review, at least once a year, each GSL customer's annual usage based on the most recent twelve (12) months of billing information to determine if the General Service - Small ("GSS") Service Classification is applicable to the Customer. If the Customer's normalized annual usage is less than or equal to 4,500 therms, the Customer will be switched to GSS prospectively.

**4. Air Conditioning and Pool Heating**

Upon separate application, GSL Customers who have installed and are using gas air conditioning and/or pool heating equipment will be billed on the above Monthly Rates and will be billed a credit of (\$0.~~23562603~~) per therm for all monthly consumption of gas for services rendered between May 1 and September 30 of each year. This credit is the difference between the delivery charge for service rendered between May 1 and September 30 of each year under this Special Provision of \$0.~~35543439~~ per therm which includes \$0.1088 per therm margin, all appropriate riders, taxes, assessments and surcharges, and the delivery charge for Service Classification GSL.

Commercial Air Conditioning and Pool Heating ("CAC") Customers will be separately metered, except, at the Company's sole discretion, existing Customers may use the same meter for their cooling, air conditioning or pool heating load and their space heating load as long as there is minimal base load during the period air conditioning rates are in effect.

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**NEW JERSEY NATURAL GAS COMPANY**

**BPU No. 11 - Gas**

**~~Fifth Fourth~~ Revised Sheet No. 64  
~~Superseding Fourth Third~~ Revised Sheet No. 64**

**SERVICE CLASSIFICATION - DGC**

**DISTRIBUTED GENERATION SERVICE - COMMERCIAL**

**AVAILABILITY**

This service is available to any commercial customer using distributed generation technologies including, but not limited to, microturbines and fuel cells.

**CONDITIONS PRECEDENT**

If the Customer is served by a Third Party Supplier, the Third Party Supplier assumes the responsibility for all delivery requirements. The Company may require the Customer to provide, to the Company's satisfaction, proof of a firm gas supply having marketable title of gas with firm transportation capacity to the Company's distribution systems. The Customer is responsible for payment of any costs if additional facilities, exclusive of metering facilities, are necessary to provide service. The Company reserves the right to limit new customers served under this service, if it determines that service expansion is detrimental to existing firm customers. The Customer must demonstrate that qualifying electric generation equipment has been installed at its location.

**MONTHLY RATES**

	<u>DGC-Balancing</u>	<u>DGC-FT</u>
<b><u>Customer Charge:</u></b>		
Customer Charge per meter per month	\$104.00	\$104.00
<b><u>Demand Charge:</u></b>		
Demand Charge per therm applied to PBQ	\$2.35	\$2.35
<b><u>Delivery Charge per therm:</u></b>		
November - April	\$0. <del>3144</del> <u>3030</u>	\$0.1764
May - October	\$0. <del>2818</del> <u>2704</u>	\$0.1438
<b><u>BGSS Charge:</u></b>		
BGSS Charge per therm for Sales Customers	See "Rate Summaries" at the end of this Tariff	N/A

The Delivery Charges for DGC-Balancing above include the Balancing Charge as reflected in Rider "A" of this Tariff for customers whose Third Party Supplier delivers gas on their behalf pursuant to paragraph (3) under Deliveries to Company's Designated Delivery Meters section of Service Classification TPS. For DGC-FT customers whose Third Party Supplier delivers gas on their behalf pursuant to paragraph (1) under Deliveries to Company's Designated Delivery Meters section of Service Classification TPS, the DGC-FT Delivery Charges above exclude the Balancing Charge reflected in Rider "A" of this Tariff.

These rates are inclusive of all applicable taxes and riders and are subject to adjustment for all other applicable riders, taxes, assessments or similar charges lawfully imposed by the Company. See Rate Summaries at the end of this Tariff for a summary of components incorporated in these rates.

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**NEW JERSEY NATURAL GAS COMPANY**

***BPU No. 11 - Gas***

***~~Fourth~~ Revised Sheet No. 155  
~~Third~~ Revised Sheet No. 155***

**RIDER "A"**

**BASIC GAS SUPPLY SERVICE - BGSS(continued)**

**PERIODIC BASIC GAS SUPPLY SERVICE (BGSS) CHARGE**

**SERVICE CLASSIFICATION**

**APPLICATION**

**CHARGE**

RS and GSS sales customers, and ED sales customers eligible for service under Service Classification GSS

Included in the Basic Gas Supply Charge

\$0.~~5065~~4290 per therm

**BALANCING CHARGE**

**SERVICE CLASSIFICATION**

**APPLICATION**

**CHARGE**

RS, GSS, GSL, DGR, DGC-Balancing, and ED customers eligible for service under Service Classifications GSS and GSL

Included in the Delivery Charge

\$0.~~1380~~1266 per therm

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NEW JERSEY NATURAL GAS COMPANY

BPU No. 11 - Gas

~~Third~~~~Second~~ Revised Sheet No. 157  
Superseding ~~Second~~~~First~~ Revised Sheet No. 157

RIDER "A"

BASIC GAS SUPPLY SERVICE - BGSS(continued)

BGSS SAVINGS COMPONENT RELATED TO THE CONSERVATION INCENTIVE PROGRAM (CIP)  
IN RIDER "I"

<u>SERVICE CLASSIFICATION</u>	<u>APPLICATION</u>	<u>CREDIT</u>
RS, GSS, GSL, and ED sales customers	Embedded within the Periodic Basic Gas Supply Charge and the Monthly Basic Gas Supply Charge	(\$0. <del>0268</del> <u>0270</u> ) per therm

TEMPORARY BGSS RATE CREDIT ADJUSTMENT

*Applicable to RS and GSS sales customers and ED customers eligible for service under Service Classification GSS*

<u>EFFECTIVE DATES</u>	<u>CREDIT PER THERM</u>
November 1, 2015 through February 29, 2016	(\$0.2640)
November 1, 2016 through December 31, 2016	(\$0.1666)
January 1, 2017 through February 28, 2017	(\$0.1664)
December 1, 2020 through January 31, 2021	(\$0.1220)
March 1, 2023 through March 31, 2023	(\$0.5054)

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2023  
Wall, NJ 07719

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**RIDER "I"****CONSERVATION INCENTIVE PROGRAM – CIP (continued)**

The annual filing for the adjustment to the CIP rate shall be concurrent with the annual filing for BGSS. The CIP factor shall be credited/collected on a basis within the Delivery Charge for all service classifications stated above.

The currently effective CIP factor by Customer Class Group are as follows:

Group I (RS non-heating):	\$0. <del>0088</del> <u>0389</u>
Group II (RS heating):	\$0. <del>0442</del> <u>0915</u>
Group III (GSS, ED using less than 5,000 therms annually):	\$0. <del>0180</del> <u>0605</u>
Group IV (GSL, ED using 5,000 therms or greater annually):	\$0. <del>0142</del> <u>0388</u>

For the recovery of the October 202~~21~~ through September 202~~32~~ CIP margin deficiency, the recovery of the margin deficiency associated with non-weather related change in customer usage included in the above factors are offset by the BGSS savings component, as set forth in Rider A. The BGSS savings component is embedded within the Periodic BGSS Charge and the Monthly BGSS Charge.

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**NEW JERSEY NATURAL GAS COMPANY**

~~Seventh~~<sup>Sixth</sup> Revised Sheet No. 252  
~~Sixth~~<sup>Fifth</sup> Revised Sheet No. 252

**BPU No. 11 - Gas**

**SUMMARY OF RESIDENTIAL RATE COMPONENTS**

**Residential Heating Customers**

<u>Customer Charge</u>		<u>Bundled</u> <u>Sales</u>	<u>Transport</u>	<u>Reference</u>
Customer Charge per meter per month		11.00	11.00	
 <b><u>Delivery Charge ("DEL") per therm</u></b>				
Pre-tax Base Rate		0.5701	0.5701	
Pre-tax IIP Base Rate		<u>0.0045</u>	<u>0.0045</u>	Rider D
Total Pre-tax Base Rate (Margin Revenue Factor)		0.5746	0.5746	
SUT		<u>0.0381</u>	<u>0.0381</u>	Rider B
After-tax Base Rate		0.6127	0.6127	
CIP				Rider I
		<del>0.044209</del>	<del>0.0442091</del>	
		<u>15</u>	<u>5</u>	
EE		<u>0.0365</u>	<u>0.0365</u>	Rider F
<i>Subtotal</i>	a	<del>0.693474</del> <u>07</u>	<del>0.6934740</del> <u>7</u>	
<i>Balancing Charge</i>	b	<del>0.138012</del> <u>66</u>	<del>0.1380126</del> <u>6</u>	Rider A
 <i>Societal Benefits Charge ("SBC"):</i>				
NJ's Clean Energy		0.0245	0.0245	Rider E
RA		0.0228	0.0228	Rider C
USF		<u>0.0166</u>	<u>0.0166</u>	Rider H
<i>Total SBC</i>	c	<u>0.0639</u>	<u>0.0639</u>	
<b>Delivery Charge (DEL)</b>	a+b+c=d	<del>0.895393</del> <u>12</u>	<del>0.8953931</del> <u>2</u>	
 <b><u>Basic Gas Supply Charge ("BGS")</u></b>				
BGS	e	<del>0.506542</del> <u>90</u>	x	Rider A

With the exception of the Customer Charge, these rates are on a per-therm basis.

Total Customer Charge, DEL rate and BGS rate are presented on customer bills.

**Date of Issue:** ~~April~~<sup>19</sup>, 2023  
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BPU No. 11 - Gas

~~Seventh~~<sup>Sixth</sup> Revised Sheet No. 253  
Superseding ~~Sixth~~<sup>Fifth</sup> Revised Sheet No. 253**SUMMARY OF RESIDENTIAL RATE COMPONENTS****Residential Non-Heating Customers**

<u>Customer Charge</u>		<u>Bundled Sales</u>	<u>Transport</u>	<u>Reference</u>
Customer Charge per meter per month		11.00	11.00	
<b><u>Delivery Charge ("DEL") per therm</u></b>				
Pre-tax Base Rate		0.5701	0.5701	
Pre-tax IIP Base Rate		<u>0.0045</u>	<u>0.0045</u>	Rider D
Total Pre-tax Base Rate (Margin Revenue Factor)		0.5746	0.5746	
SUT		<u>0.0381</u>	<u>0.0381</u>	Rider B
After-tax Base Rate		0.6127	0.6127	
CIP		<del>0.008803</del> <u>89</u>	<del>0.00880389</del>	Rider I
EE		<u>0.0365</u>	<u>0.0365</u>	Rider F
<i>Subtotal</i>	a	<del>0.658068</del> <u>81</u>	<del>0.65806881</del>	
<i>Balancing Charge</i>	b	<del>0.138012</del> <u>66</u>	<del>0.13801266</del>	Rider A
<i>Societal Benefits Charge ("SBC"):</i>				
NJ's Clean Energy		0.0245	0.0245	Rider E
RA		0.0228	0.0228	Rider C
USF		<u>0.0166</u>	<u>0.0166</u>	Rider H
<i>Total SBC</i>	c	<u>0.0639</u>	<u>0.0639</u>	
<b>Delivery Charge (DEL)</b>	a+b+c=d	<del>0.859987</del> <u>86</u>	<del>0.85998786</del>	
<b><u>Basic Gas Supply Charge ("BGS")</u></b>				
BGS	e	<del>0.506542</del> <u>90</u>	x	Rider A

With the exception of the Customer Charge, these rates are on a per-therm basis.

Total Customer Charge, DEL rate and BGS rate are presented on customer bills.

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**SUMMARY OF RESIDENTIAL RATE COMPONENTS****Residential Distributed Generation Service**

		<u>Nov - Apr</u>	<u>May - Oct</u>	<u>Reference</u>
<b><u>Customer Charge</u></b>				
Customer Charge per meter per month		11.00	11.00	
<b><u>Delivery Charge ("DEL") per therm</u></b>				
Pre-tax Base Rate		0.1685	0.1185	
Pre-tax IIP Base Rate		<u>0.0000</u>	<u>0.0000</u>	Rider D
Total Pre-tax Base Rate		0.1685	0.1185	
SUT		<u>0.0112</u>	<u>0.0079</u>	Rider B
After-tax Base Rate		0.1797	0.1264	
EE		<u>0.0365</u>	<u>0.0365</u>	Rider F
<i>Subtotal</i>	a	0.2162	0.1629	
<i>Balancing Charge</i>	b	<del>0.1380</del> <u>0.1266</u>	<del>0.1380</del> <u>0.1266</u>	Rider A
<i>Societal Benefits Charge ("SBC"):</i>				
NJ's Clean Energy		0.0245	0.0245	Rider E
RA		0.0228	0.0228	Rider C
USF		<u>0.0166</u>	<u>0.0166</u>	Rider H
<i>Total SBC</i>	c	<u>0.0639</u>	<u>0.0639</u>	
<b>Delivery Charge (DEL)</b>	a+b+c=d	<u><del>0.4181</del>0.4067</u>	<u><del>0.3648</del>0.3534</u>	
<b><u>Basic Gas Supply Charge ("BGS")</u></b>				
BGS	e	<u><del>0.5065</del>0.4290</u>	<u><del>0.5065</del>0.4290</u>	Rider A

With the exception of the Customer Charge, these rates are on a per-therm basis.

Total Customer Charge, DEL rate and BGS rate are presented on customer bills.

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**NEW JERSEY NATURAL GAS COMPANY**

**~~Seventh~~Sixth Revised Sheet No. 255  
Superseding ~~Sixth~~Fifth Revised Sheet No. 255**

**BPU No. 11 - Gas**

**SUMMARY OF FIRM COMMERCIAL RATE COMPONENTS**

**General Service - Small (GSS)**

		<u>Bundled</u> <u>Sales</u>	<u>Transport</u>	<u>Reference</u>
<b><u>Customer Charge</u></b>				
Customer Charge per meter per month		42.00	42.00	
<b><u>Delivery Charge ("DEL") per therm</u></b>				
Pre-tax Base Rate		0.4944	0.4944	
Pre-tax IIP Base Rate		<u>0.0057</u>	<u>0.0057</u>	Rider D
Total Pre-tax Base Rate (Margin Revenue Factor)		0.5001	0.5001	
SUT		<u>0.0331</u>	<u>0.0331</u>	Rider B
After-tax Base Rate		0.5332	0.5332	
CIP		<del>0.0180</del> <u>0.05</u>	<del>0.0180</del> <u>0.0605</u>	Rider I
EE		<u>0.0365</u>	<u>0.0365</u>	Rider F
<i>Subtotal</i>	a	<del>0.5877</del> <u>0.6302</u>	<del>0.5877</del> <u>0.6302</u>	
<i>Balancing Charge</i>	b	<del>0.1380</del> <u>0.1266</u>	<del>0.1380</del> <u>0.1266</u>	Rider A
<i>Societal Benefits Charge ("SBC"):</i>				
NJ's Clean Energy		0.0245	0.0245	Rider E
RA		0.0228	0.0228	Rider C
USF		<u>0.0166</u>	<u>0.0166</u>	Rider H
<i>Total SBC</i>	c	<u>0.0639</u>	<u>0.0639</u>	
<b>Delivery Charge (DEL)</b>	a+b+c=d	<del>0.7896</del> <u>0.8207</u>	<del>0.7896</del> <u>0.8207</u>	
<b><u>Basic Gas Supply Charge ("BGS")</u></b>				
BGS	e	<del>0.5065</del> <u>0.4290</u>	x	Rider A

With the exception of the Customer Charge, these rates are on a per-therm basis.

Total Customer Charge, DEL rate and BGS rate are presented on customer bills.

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**NEW JERSEY NATURAL GAS COMPANY**

**BPU No. 11 - Gas**

~~Twenty-Third~~~~Twenty-Second~~ Revised Sheet No. 256  
Superseding ~~Twenty-Second~~~~Twenty-First~~ Revised Sheet No. 256

**SUMMARY OF FIRM COMMERCIAL RATE COMPONENTS**

**General Service - Large (GSL)**

		<u>Bundled</u>		<u>Transport</u>	<u>Reference</u>
		<u>Sales</u>			
<b><u>Customer Charge</u></b>					
Customer Charge per meter per month		104.00		104.00	
<b><u>Demand Charge</u></b>					
Demand Charge per month applied to HMAD		3.41		3.41	
<b><u>Delivery Charge ("DEL") per therm</u></b>					
Pre-tax Base Rate		0.3133		0.3133	
Pre-tax IIP Base Rate		<u>0.0041</u>		<u>0.0041</u>	Rider D
Total Pre-tax Base Rate (Margin Revenue Factor)		0.3174		0.3174	
SUT		<u>0.0210</u>		<u>0.0210</u>	Rider B
After-tax Base Rate		0.3384		0.3384	
CIP		<del>0.0142</del> <u>0.038</u>		<del>0.0142</del> <u>0.038</u>	Rider I
EE		<u>0.0365</u>		<u>0.0365</u>	Rider F
<i>Subtotal</i>	a	<del>0.3891</del> <u>0.413</u>		<del>0.3891</del> <u>0.413</u>	
<i>Balancing Charge</i>	b	<del>0.1380</del> <u>0.126</u>		<del>0.1380</del> <u>0.126</u>	Rider A
<i>Societal Benefits Charge ("SBC"):</i>					
NJ's Clean Energy		0.0245		0.0245	Rider E
RA		0.0228		0.0228	Rider C
USF		<u>0.0166</u>		<u>0.0166</u>	Rider H
<i>Total SBC</i>	c	<u>0.0639</u>		<u>0.0639</u>	
<b>Delivery Charge (DEL)</b>	a+b+c=d	<del>0.5910</del> <u>0.604</u>		<del>0.5910</del> <u>0.604</u>	
<b><u>Basic Gas Supply Charge ("BGS")</u></b>					
BGS	e	<u>\$0.4130</u>		X	Rider A

With the exception of the Customer Charge and Demand charges, these rates are on a per-therm basis.

Total Customer, Total Demand, DEL, and BGS charges are presented on customer bills.

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**NEW JERSEY NATURAL GAS COMPANY**

~~Twenty-Second~~~~Twenty-First~~ Revised Sheet No. 258  
Superseding ~~Twenty-First~~~~Twentieth~~ Revised Sheet No. 258

**BPU No. 11 - Gas**

**SUMMARY OF FIRM COMMERCIAL RATE COMPONENTS**

**Commercial Distributed Generation Service – DGC-Balancing**

		<u>Nov - Apr</u>	<u>May - Oct</u>	<u>Reference</u>
<b><u>Customer Charge</u></b>				
Customer Charge per meter per month		104.00	104.00	
<b><u>Demand Charge</u></b>				
Demand Charge per therm per month applied to PBQ		2.35	2.35	
<b><u>Delivery Charge (“DEL”) per therm</u></b>				
Pre-tax Base Rate		0.0701	0.0395	
Pre-tax IIP Base Rate		<u>0.0012</u>	<u>0.0012</u>	Rider D
Total Pre-tax Base Rate		0.0713	0.0407	
SUT		<u>0.0047</u>	<u>0.0027</u>	Rider B
After-tax Base Rate		0.0760	0.0434	
EE		<u>0.0365</u>	<u>0.0365</u>	Rider F
<i>Subtotal</i>	a	0.1125	0.0799	
<i>Societal Benefits Charge (“SBC”):</i>				
NJ’s Clean Energy		0.0245	0.0245	Rider E
RA		0.0228	0.0228	Rider C
USF		<u>0.0166</u>	<u>0.0166</u>	Rider H
<i>Total SBC</i>	b	<u>0.0639</u>	<u>0.0639</u>	
Balancing Charge	c	<del>0.13801266</del>	<del>0.1380126</del> <u>6</u>	
<b>DGC-Balancing Delivery Charge (DEL)</b>	a+b+c=d	<del>0.31443030</del>	<del>0.2818270</del> <u>4</u>	
<b><u>Basic Gas Supply Charge (“BGS”)</u></b>				
BGS	e	<u>\$0.4130</u>	<u>\$0.4130</u>	Rider A

The Delivery Charges for DGC-Balancing above include the Balancing Charge as reflected in Rider “A” of this Tariff for customers whose Third Party Supplier delivers gas on their behalf pursuant to paragraph (3) under Deliveries to Company’s Designated Delivery Meters section of Service Classification TPS.

With the exception of the Customer Charge and Demand Charge, these rates are on a per-therm basis.

Total Customer Charge, Total Demand Charge, DEL, and BGS charges are presented on customer bills.

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**EXHIBIT G**

**NEW JERSEY NATURAL GAS COMPANY  
NOTICE OF PROPOSED CHANGE IN RATES  
AND PUBLIC HEARING**

## NOTICE TO NEW JERSEY NATURAL GAS CUSTOMERS

### IN THE MATTER OF THE PETITION OF NEW JERSEY NATURAL GAS COMPANY FOR THE ANNUAL REVIEW AND REVISION OF ITS BASIC GAS SUPPLY SERVICE (BGSS) AND ITS CONSERVATION INCENTIVE PROGRAM (CIP) RATES FOR F/Y 2024 Docket No. GR23060348

#### NOTICE OF FILING AND PUBLIC HEARING

#### TO OUR CUSTOMERS:

**PLEASE TAKE NOTICE** that on June 1, 2023, New Jersey Natural Gas (“NJNG” or “Company”) filed a petition with the New Jersey Board of Public Utilities (“Board” or “BPU”) which constituted its 2023–2024 Basic Gas Supply Service (“BGSS”) and Conservation Incentive Program (“CIP”) rate filing pursuant to an Order issued by the Board on January 6, 2003, Docket No. GX01050304 (“Generic BGSS Order”), and Orders related to CIP issued by the Board in Docket No. GR05121020 dated December 12, 2006 and January 21, 2010, and in Docket No. GR13030185 dated May 21, 2014 (“Petition”). The BGSS charge includes actual and projected natural gas commodity, storage, and interstate transportation costs. The CIP charge provides for a rate adjustment related to changes in average use per customer when compared to a pre-established baseline value. In the Board’s November 17, 2021 Order in BPU Docket No. GR21030679, the Board authorized NJNG to adjust its Balancing Charge in the annual BGSS filing to reflect updated costs.

In the Petition, NJNG requested that the Board permit NJNG to decrease its BGSS rate for residential and small commercial sales customers and adjust its CIP rates effective October 1, 2023. Additionally, NJNG requested to decrease its Balancing Charge effective October 1, 2023. The impact of the rate changes for a residential heating customer using an average of 100 therms per month would be a decrease of \$7.75 per month, or 5.1 percent as a result of the proposed BGSS rate, a decrease of \$1.14 per month, or 0.8 percent as a result of the proposed Balancing Charge rate, and an increase of \$4.73 per month, or 3.1 percent as a result of the proposed CIP rate. The combined impact of these rate changes would result in an overall decrease of approximately \$4.16 or 2.8 percent per month on a 100 therm residential bill. All Balancing Charge revenues from sales and transportation customers are credited to BGSS recoveries.

The effect of the Company’s request for the rate adjustments, to be effective October 1, 2023, on natural gas bills for the applicable customer classes is estimated to be as follows:

		Total Monthly Bill		Monthly Bill Impact				% Impact			
Customer Type	Therm Level	Bill as of May 1, 2023	Proposed Bill as of October 1, 2023	BGSS	Balancing Charge	CIP	Net Increase/ (Decrease)	BGSS	Balancing Charge	CIP	Net Increase/ (Decrease)
<b>Residential Heat Sales</b>	100	\$151.18	\$147.02	(\$7.75)	(\$1.14)	\$4.73	(\$4.16)	(5.1%)	(0.8%)	3.1%	(2.8%)
<b>Residential Non-Heat Sales</b>	25	\$45.16	\$43.70	(\$1.93)	(\$0.28)	\$0.75	(\$1.46)	(4.3%)	(0.6%)	1.7%	(3.2%)
<b>General Service – Small</b>	100	\$171.61	\$166.97	(\$7.75)	(\$1.14)	\$4.25	(\$4.64)	(4.5%)	(0.7%)	2.5%	(2.7%)
<b>General Service - Large</b>	1200	\$1,636.16	\$1,665.68	\$13.68	(\$13.68)	\$29.52	\$29.52	0.8%	(0.8%)	1.8%	1.8%

The General Service - Large (“GSL”) sales customers are not affected by the proposed BGSS request because they are subject to Monthly BGSS rates tied to monthly market pricing for their natural gas supply. GSL sales customers’ overall bills are also not affected by the proposed Balancing Charge because their Monthly BGSS rates are net of the Balancing Charge and the Balancing Charge is included in their Delivery Charge, offsetting each other. The GSL BGSS increase and Balancing Charge decrease shown above reflect the proposed Balancing Charge change in both rates resulting in no impact.

PLEASE TAKE FURTHER NOTICE that future changes in NJNG’s rate for BGSS service may occur if NJNG elects to adjust its BGSS rates upward by filing timely notice with the Board and the New Jersey Division of Rate Counsel (“Rate Counsel”) pursuant to the Generic BGSS Order. Any such self-implementing increase is limited to a maximum of five (5) percent of the total residential bill effective December 1, 2023, and to a maximum of five (5) percent of the total residential bill, effective February 1, 2024. Further, these self-implementing increases would be provisional and subject to true-up in connection with the next annual BGSS filing. Pursuant to the Generic BGSS Order, NJNG is permitted to decrease its BGSS rate at any time upon five (5) days’ notice and the filing of supporting documentation with the Board and Rate Counsel.

If both of the above mentioned self-implementing increases were put into place as of the requested effective dates, the effect on typical Residential and General Service - Small natural gas bills are estimated to be as follows:

Customer Type	Monthly Therm Level	Total Monthly Bill		Increase	
		Bill as of October 1, 2023	Proposed Bill Including December and February BGSS 5 Percent Increases	Amount	Percent
<b>Residential Heat Sales</b>	100	\$147.02	\$162.09	\$15.07	10.3%
<b>Residential Non-Heat Sales</b>	25	\$43.70	\$47.46	\$3.76	8.6%
<b>General Service – Small</b>	100	\$166.97	\$182.04	\$15.07	9.0%

The Board has the statutory authority to establish the BGSS, CIP and Balancing Charge rates at levels it finds just and reasonable. Therefore, the Board may establish the BGSS, CIP and Balancing Charge rates at levels other than those proposed by NJNG. NJNG’s natural gas costs addressed in the Petition remain subject to audit by the Board, and Board approval shall not preclude or prohibit the Board from taking any such actions deemed appropriate as a result of any such audit.

PLEASE TAKE ADDITIONAL NOTICE that virtual public hearings will be conducted on the following date and times so that Members of the public may present their views on the Company’s filing.

**VIRTUAL PUBLIC HEARING**

Date: August ,2023

Public Hearing 1: 4:30 pm

Public Hearing 2: 5:30 pm

Location: Zoom Virtual Webinar

Join:<https://us06web.zoom.us/j/2458136397?pwd=VUJpK1V0aDYxZDIlZUIwaElOWDFRZz09>

Meeting ID: 245 813 6397

Passcode: 819208

Dial-In Number: +1 646 876 9923

Members of the public may present their views on the petition during the virtual public hearings by dialing the toll-free telephone number, followed by entering the listed passcode when prompted, or by joining the Zoom Virtual Webinar.

Representatives of the Board’s Staff and the New Jersey Division of Rate Counsel will participate in the virtual public hearings. All comments will be made part of the final record of the proceeding to be considered by the Board. In order to encourage full participation in this opportunity for public comment, please submit any requests for needed

accommodations, such as interpreters and/or listening assistance, 48 hours prior to the above hearings to the Acting Board Secretary at [board.secretary@bpu.nj.gov](mailto:board.secretary@bpu.nj.gov).

Copies of NJNG's June 1, 2023 filing can be reviewed on the Company's website, [www.njng.com/regulatory](http://www.njng.com/regulatory) in the "Filings & Updates" subsection of the "Regulatory Info."

The Board is also accepting written and/or electronic comments. While all comments will be given equal consideration and will be made part of the final record of this proceeding, the preferred method of transmittal is via the Board's Public Document Search tool. Search for the docket number listed above, and post by utilizing the "Post Comments" button. Emailed comments may also be filed with the Acting Secretary of the Board, in pdf or Word format, to [board.secretary@bpu.nj.gov](mailto:board.secretary@bpu.nj.gov).

Written comments may be submitted to the Acting Board Secretary, Sherri Golden, at the Board of Public Utilities, 44 South Clinton Avenue, 1st Floor, P.O. Box 350, Trenton, New Jersey 08625-0350. All emailed or mailed comments should include the name of the Petition and the docket number.

All comments are considered "public documents" for purposes of the State's Open Public Records Act. Commenters may identify information that they seek to keep confidential by submitting them in accordance with the confidentiality procedures set forth in N.J.A.C. 14:1-12.3.

**New Jersey Natural Gas Company**  
Andrew K. Dembia, Esq.

**NEW JERSEY NATURAL GAS COMPANY**

**PRE-FILED DIRECT TESTIMONY AND EXHIBITS OF**

**JAYANA S. SHAH**

**MANAGING DIRECTOR - GAS SUPPLY**

**IN THE MATTER OF THE PETITION OF  
NEW JERSEY NATURAL GAS COMPANY  
FOR THE ANNUAL REVIEW AND REVISION OF ITS  
BASIC GAS SUPPLY SERVICE (BGSS) AND CONSERVATION INCENTIVE  
PROGRAM (CIP) RATES FOR F/Y 2024  
BPU DOCKET NO. GR23060348  
Pre-filed Direct Testimony of Jayana S. Shah**

**I. Background and Purpose**

1  
2 **Q. PLEASE STATE YOUR NAME, AFFILIATION AND BUSINESS ADDRESS.**

3 A. My name is Jayana S. Shah. I am the Managing Director, Gas Supply for New Jersey  
4 Natural Gas Company (the “Company” or “NJNG”). My business address is 1415  
5 Wyckoff Road, Wall, New Jersey 07719.

6 **Q. PLEASE DESCRIBE YOUR EDUCATION, YOUR BUSINESS EXPERIENCE  
7 AND YOUR RESPONSIBILITIES WITH RESPECT TO THIS PROCEEDING.**

8 A. I received a Bachelor of Science degree in Biology with a Chemistry Minor from the  
9 University of Houston in 1999. Upon graduation, I was employed by Engage Energy in  
10 Houston, Texas as a Gas Settlements Specialist and within a year moved into a Risk  
11 Analyst position. My responsibilities as a Risk Analyst included reviewing all transactions  
12 and reporting profit and loss. When Engage Energy subsequently merged with El Paso  
13 Merchant Energy (“El Paso”), I was employed by El Paso as a Risk Analyst with additional  
14 responsibilities, including confirming financial transactions with brokers and validating  
15 trader’s marks with third party sources. My position at El Paso also provided me with the  
16 opportunity to learn about other commodities, including natural gas liquids, crude oil,  
17 emission credits, weather derivatives and currency. I moved to New Jersey in 2003 and  
18 was employed by Morgan Stanley in New York for two years as an Associate Controller  
19 responsible for financial reporting for their capital structure arbitrage book and securitized  
20 products book.

21 I joined New Jersey Resources (“NJR”) in June 2005 as a Trading Analyst for NJR  
22 Energy Services (“NJRES”), an unregulated affiliate of the Company. My responsibilities  
23 there included supporting the trading group with trade and price analysis, working with the  
24 Vice President to manage the NJRES portfolio and creating efficiencies by working with  
25 the software programmers and accounting/risk management group.

1 I was promoted to the position of Manager, Gas Supply for NJNG in May 2009, to  
2 Director, Gas Supply in January 2012 and to Managing Director, Gas Supply in January  
3 2015. In that capacity, I oversee the NJNG Gas Supply staff for daily, monthly and seasonal  
4 optimization of NJNG's supply portfolio in order to provide reliable, cost-effective supply  
5 to the Company's Basic Gas Supply Service ("BGSS") customers. I am responsible for  
6 the BGSS supply portfolio to ensure reliable supply is secured to meet customers' design  
7 day requirements. I also oversee the Company's BGSS hedging and incentive programs  
8 that provide price stability and cost savings for BGSS customers.

9 **Q. HAVE YOU PREVIOUSLY SUBMITTED TESTIMONY IN REGULATORY**  
10 **PROCEEDINGS?**

11 A. Yes. I have submitted testimony on behalf of NJNG in numerous BGSS annual, BGSS  
12 incentive program, and gas supply proceedings before the New Jersey Board of Public  
13 Utilities (the "BPU" or "Board").

14 **Q. WHAT IS THE PURPOSE OF THIS TESTIMONY?**

15 A. Consistent with the Board Order dated January 17, 2002 in Docket No. GX01050304  
16 ("Generic BGSS Order"), the purpose of my testimony is to:

- 17 • discuss current conditions in natural gas markets that may affect the Company's BGSS  
18 pricing and BGSS incentive programs;
- 19 • describe and detail how the Company actively manages and optimizes its gas supply  
20 and capacity portfolio on a daily, monthly and seasonal basis throughout the year to  
21 provide reliable service to customers at a reasonable cost, including steps it has taken  
22 to hedge its projected BGSS winter period sales requirements; and
- 23 • provide the basis for and a narrative explanation of the significant drivers of the BGSS  
24 rate, which the Company is proposing through this proceeding to be approved and  
25 effective October 1, 2023. I am also sponsoring a number of exhibits that provide the  
26 requisite detail and support for the projected gas costs and forecasted sales in this case  
27 consistent with the annual Minimum Filing Requirements ("MFRs") that were  
28 established in the Generic BGSS Order.



1 **Q. HOW IS THE BALANCE OF YOUR TESTIMONY ORGANIZED?**

- 2 A. The balance of my testimony is organized as follows:  
3 Section II: Current Market Conditions and Portfolio Planning  
4 Section III: Renewable Natural Gas  
5 Section IV: Optimization Strategy  
6 Section V: Periodic BGSS Pricing effective October 1, 2023  
7 Section VI: Minimum Filing Requirements (“MFR”) Supporting Data and Information  
8 Section VII: Conclusion  
9

10 **II. Current Market Conditions and Portfolio Planning**

11 **Q. PLEASE DESCRIBE ANY CHANGES TO AVAILABLE NATURAL GAS**  
12 **SUPPLIES.**

- 13 A. United States (“U.S.”) dry natural gas production is currently averaging 100.9 Bcf per day,  
14 up 5.9 Bcf/d from 95.0 Bcf/d last year<sup>1</sup>. LNG exports increased 8.6%, from 9.8 Bcf/d in  
15 2021 to 10.6 Bcf/d in 2022<sup>2</sup>. LNG exports have reached higher levels in 2023 as additional  
16 export capacity has come online along with the return to service of Freeport LNG.

17 **Q. HAVE THERE BEEN ANY RECENT APPROVALS FOR DEVELOPMENT OF**  
18 **NEW PIPELINE CAPACITY TO SERVE THE NORTHEAST U.S.?**

- 19 A. Yes. The Transcontinental Gas Pipeline (“Transco”) Regional Energy Access (“REA”)   
20 received its final approval from the Federal Energy Regulatory Commission (“FERC”) to  
21 build the pipeline on March 23, 2023.

22 **Q. HOW HAVE MARKET PRICES CHANGED OVER THE PAST YEAR?**

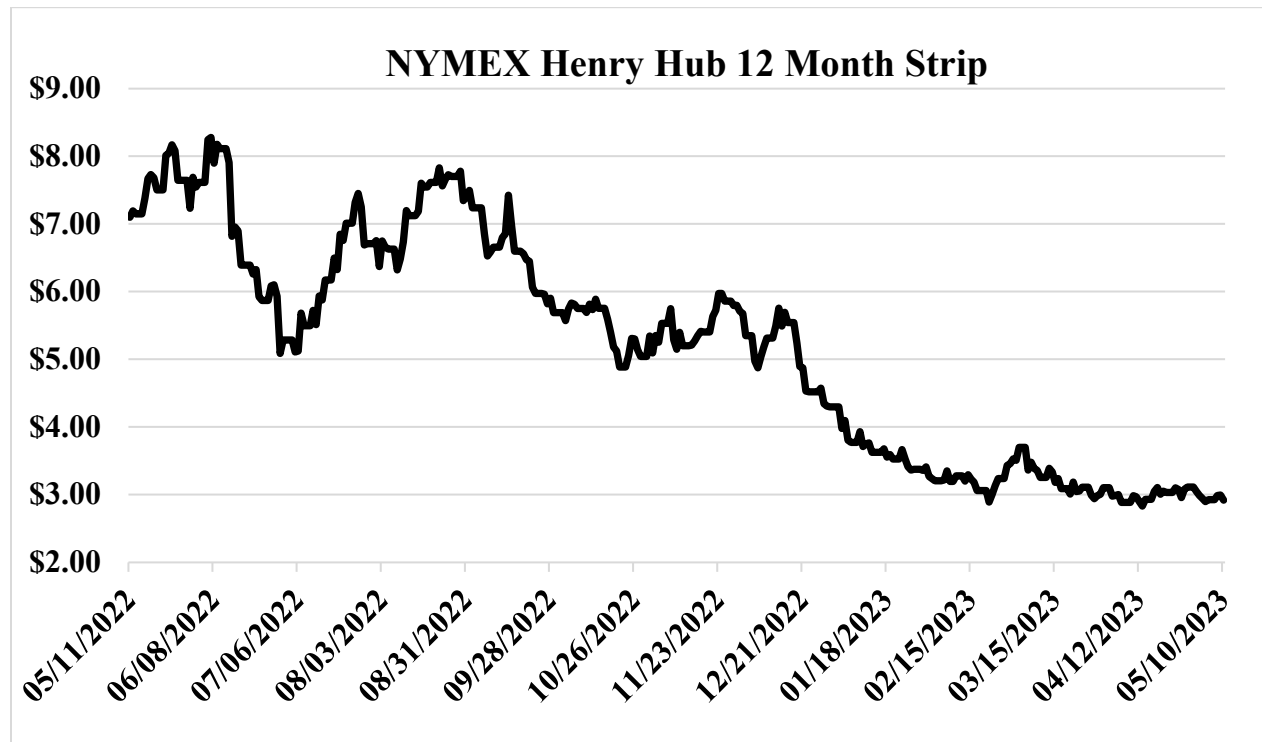
- 23 A. New York Mercantile Exchange (“NYMEX”) Henry Hub natural gas futures prices  
24 averaged \$4.13 per dekatherm (“dth”) this winter, down 7% from \$4.54 per dth in the  
25 winter of 2022-23. The NYMEX 12- month strip price (the average of the monthly futures  
26 prices for a 12-month period) for the period ending May 10, 2023 reflects the nature of the  
27 current natural gas market. As shown in the chart below, since NJNG’s BGSS filing last  
28 year, the NYMEX 12-month strip has averaged approximately \$5.19 per dth with a high  
29 of \$8.28 on June 7, 2022, and a low of \$2.83 per dth on April 13, 2023, including daily

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<sup>1</sup> EIA natural gas weekly update release date March 23, 2023

<sup>2</sup> EIA natural gas monthly February 2023

1 settlement price swings as high as \$1.09 per dth. The 12-month NYMEX strip settled at  
2 \$2.917 per dth on May 10, 2023, which is the date requested by BPU Staff to be used for  
3 the underlying gas cost assumption, where applicable, for this year's BGSS filing.



4  
5 **Q. DID DECREASING COMMODITY PRICES CONTRIBUTE TO A DECREASE**  
6 **IN THE BGSS PRICE OVER THE COURSE OF THE PREVIOUS YEAR?**

7 A. Yes. On February 22, 2023, the Company notified the BPU and Rate Counsel of its  
8 intent to implement a bill credit effective March 1, 2023 through March 31, 2023, and a  
9 BGSS price decrease effective March 1, 2023 due to the Company's natural gas supply  
10 management strategies, decrease in commodity prices and anticipated interstate pipeline  
11 rate case refunds. The volatility of commodity prices also impacted monthly BGSS  
12 prices for commercial customers who use at least 5,000 therms annually and purchase  
13 supply from NJNG. The monthly BGSS price, inclusive of sales tax, for May 2022 to  
14 May 2023 ranged from a high of \$1.0677 in June 2022 to a low of \$0.4130 per therm in  
15 May 2023.

1 **Q. ARE ANY INTERSTATE PIPELINE RATE CASE SETTLEMENTS IMPACTING**  
2 **BGSS SUPPLY PORTFOLIO COSTS?**

3 A. Yes. Texas Eastern Transmission (“Tetco”) filed a rate case settlement agreement at FERC  
4 on September 8, 2022. Tetco rate case filed impact was approximately a 25% increase to  
5 the Company’s Tetco recourse rate contracts, which was reduced to a 10% increase in  
6 settlement, or \$7.3 million annual impact. The settlement agreement was approved by  
7 FERC on November 30, 2022. Settlement rates went into effect on March 1, 2023.

8 Eastern Gas Transmission and Storage (“EGTS”) filed a rate case settlement  
9 agreement at FERC on September 30, 2022. EGTS rate case filed impact was  
10 approximately an 88% increase to the Company’s EGTS recourse rate contracts, which  
11 was reduced to a 54% increase in settlement, or \$8.0 million annual impact. The settlement  
12 agreement was approved by FERC on November 30, 2022. Settlement rates went into  
13 effect on January 1, 2023.

14 Tennessee Gas Pipeline (“Tennessee”) reduced rates for service by 1.0 percent  
15 effective November 1, 2022, as a result of a previously negotiated settlement.

16 **Q. DID THE COMPANY RECEIVE REFUNDS FROM INTERSTATE PIPELINE**  
17 **RATE CASE SETTLEMENTS OVER THE PAST YEAR?**

18 A. Yes. On February 28, 2023, the Company received a refund of \$3.4 million for the EGTS  
19 rate case for refund period April 1, 2022 to December 31, 2022. On April 25, 2023, the  
20 Company received a refund of \$10.8 million for the Tetco rate case for refund period  
21 February 1, 2022 to February 1, 2023. The refunds are included in Exhibit A to the Petition,  
22 Schedule 5.

23 **Q. HOW WOULD YOU DESCRIBE THE COMPANY’S APPROACH TO**  
24 **MANAGING ITS GAS SUPPLY AND CAPACITY RESOURCES TO MEET THE**  
25 **NEEDS OF ITS CUSTOMERS?**

26 A. NJNG has consistently held a “Portfolio Approach” to maintaining capacity, constantly  
27 seeking to hold the most reliable and cost-efficient supply mix. In addition to reliability  
28 and cost, NJNG seeks to achieve portfolio price stability, flexibility and diversity across

1 resources. NJNG actively manages its resource portfolio to benefit customers through both  
2 short and long-term planning and actions.

3 **Q. CURRENTLY, WHAT ARE THE PRIMARY AREAS OF FOCUS RELATED TO**  
4 **THE COMPANY'S PORTFOLIO PLANNING?**

5 A. NJNG remains focused on the ability to directly access nearby low-cost Marcellus supply  
6 in lieu of higher cost Transco Zone 6 non-New York priced supply. In addition to this  
7 priority, the Company continually seeks opportunities to manage its portfolio to maintain  
8 reliability and achieve cost efficiency.

9 **Q. DOES THE COMPANY RELY UPON DEMAND PROJECTIONS TO GUIDE ITS**  
10 **PORTFOLIO DECISIONS?**

11 A. Yes. NJNG considers ten-year design day demand projections of firm loads to plan for  
12 needed capacity resources to meet requirements. The Company also considers the need for  
13 a reserve margin in order to protect against loss of citygate supply as an element of total  
14 requirements for planning purposes. These elements of NJNG's planning process reflect  
15 the market environment for capacity in the Northeast. Total requirements are compared to  
16 resources under contract to identify shortfalls over the planning period. The Company will  
17 file workpapers with additional information for MFRs under separate cover shortly.  
18 Workpaper 7 will include the design day forecast and associated supplies through January  
19 2033.

20 **Q. WHAT RECENT PIPELINE OPERATIONAL ISSUES HAVE AFFECTED NJNG?**

21 A. In recent years, there have been a number of pipeline events that have led to the restriction  
22 of firm capacity. NJNG has experienced several reductions in available capacity on the  
23 Tetco and Tennessee systems. The Company was able to manage these limitations that  
24 occurred during warmer-than-design day temperatures using primary firm capacity, no-  
25 notice services and on system peaking capability as needed.

1 This past winter Tetco had the following force majeure events impacting the region:

<b>Location of Force Majeure</b>	<b>Start Gas Day</b>	<b>Duration</b>
Five Points Compressor Station in Five Points, Ohio	December 23, 2022	4 days
Lebanon Compressor Station in Lebanon, Ohio	December 23, 2022	5 days
Armagh Compressor Station in Armagh, Pennsylvania	December 24, 2022	2 days

2 This past winter Tennessee had the following events impacting the region:

<b>Event</b>	<b>Location</b>	<b>Start Gas Day</b>	<b>Duration</b>
Force Majeure	Between STA 325 to MLV 329 on Line 1 near Libertyville, NJ	December 6, 2022	17 days
Emergent Repair	at Station 325 near Liberty, NJ	February 16, 2023	2 days
Emergent Repair	at Station 325 near Liberty, NJ	February 20, 2023	1 day
Emergent Repair	at Station 323 in Pike County, PA	March 12, 2023	3 days

3 Winter Storm Elliot in December 2022 caused issues related to lost supply from  
 4 production freeze-offs and force majeure declarations on multiple interstate pipelines.  
 5 PJM, the regional transmission organization that coordinates the movement of electricity  
 6 in the region, requested the utilities send electric conservation notices to their customers  
 7 due to a risk for rolling-blackouts.

8 The interstate pipelines have increased the frequency and duration of Operational  
 9 Flow Orders (“OFOs”). OFOs are issued when the pipelines have to restrict flows and  
 10 have limited flexibility for imbalances. NJNG must maintain supply flexibility to stay

1 within the tolerance limits to avoid incurring a penalty on the interstate pipeline during  
2 OFOs.

3 **Q. HAS THE COMPANY EXTENDED OR ADDED NEW PIPELINE CONTRACTS**  
4 **DURING THE PAST 12 MONTHS?**

5 A. Yes. Based on historic utilization, peak day requirements, the need to maintain reliable  
6 city gate supply and the goal of providing stable prices for customers, NJNG extended  
7 various transportation and storage capacity contracts. The contract extensions and new  
8 contracts are listed in Exhibit JSS-5. The new contracts are discussed further in this section.

9 **Q. HAS THE COMPANY ENTERED INTO ANY NEW PRECEDENT**  
10 **AGREEMENTS FOR PIPELINE EXPANSION PROJECTS?**

11 A. No.

12 **Q. PLEASE PROVIDE AN UPDATE ON THE ADELPHIA GATEWAY, LLC**  
13 **(“ADELPHIA”) AND TRANSCO REGIONAL ENERGY ACCESS (“REA”)**  
14 **PROJECTS.**

15 A. Adelphia completed the South Zone Conversion and Expansion Project which entailed  
16 conversion of an existing oil pipeline to natural gas and addition of compression facilities.  
17 Adelphia placed into service 130,000 Dth/day firm transportation service for NJNG on  
18 August 9, 2022 on Mainline South with receipt capability upstream of Tetco Lambertville  
19 and delivery to the Transco Marcus Hook Lateral.

20 Adelphia also completed the Lower Mud Run Road project entailing construction  
21 of a supply lateral connecting Adelphia’s North Zone A mainline with Adelphia’s Transco  
22 Lower Mud Run Road meter station and flow control equipment. Effective November 1,  
23 2023, NJNG’s Adelphia agreement for Lower Mud Run Road will provide 130,000  
24 Dth/day of transportation capacity from the North Zone mainline for delivery to South  
25 Zone.

26 Transco expects to place a portion of the REA Project in-service by November 1,  
27 2023. NJNG’s portion of the early in-service for REA project is 130,000 Dth/day and will  
28 directly access Marcellus production for delivery to Adelphia at Lower Mud Run Road.

1 The remainder of the REA project providing for deliveries to NJNG's citygates is expected  
2 to be placed in service during the fourth quarter of 2024.

3 The addition of the three capacity contracts described here provides NJNG with a  
4 complete path to access supply from Transco's Leidy area Marcellus Production for  
5 NJNG's Southern Reliability Link citygate. The capacity supports NJNG's portfolio goal  
6 to focus on the ability to directly access nearby low-cost Marcellus supply and diversify  
7 supply for reliability.

8 **Q. HAS THE COMPANY ENTERED INTO ANY NEW SHORT-TERM PIPELINE**  
9 **CONTRACTS?**

10 A. Yes. NJNG acquired capacity releases for firm transportation capacity on EGTS to  
11 maximize storage injection capabilities. The details for the contracts are in Exhibit JSS-5.  
12 Without the additional capacity, NJNG would have to pay interruptible transportation  
13 charges plus fuel to inject volumes into ETGS storage.

14  
15 **III. Renewable Natural Gas**

16 **Q. WHAT IS RENEWABLE NATURAL GAS ("RNG")?**

17 A. RNG entails converting a feedstock gas derived from organic materials into pipeline-  
18 quality gas that is fully interchangeable with natural gas. The feedstock can be animal or  
19 food waste, landfill gas, or wastewater sludge. Once purified, RNG is interchangeable with  
20 natural gas.

21 **Q. WHAT ARE THE BENEFITS OF RNG?**

22 A. RNG provides important environmental benefits by capturing methane emissions that  
23 would have been released to the atmosphere. Additionally, RNG provides a reliable gas  
24 supply that utilizes existing pipeline infrastructure for transportation and delivery.

25 **Q. HOW IS THE MARKET DEVELOPING FOR RNG?**

26 A. The RNG market is a rapidly expanding area of the natural gas industry and currently offers  
27 pricing for various transactions; unbundled RNG gas molecules (also known as brown gas),  
28 unbundled environmental attributes or credits related to the carbon offset of RNG, and a  
29 bundled product that includes both gas molecules and environmental attributes (also known

1 as green gas). The environmental attributes associated with RNG are a distinguishing  
2 characteristic from fossil natural gas and can function as a stand-alone commodity that can  
3 be severed from the gas molecules to be sold, retired or allowed to expire by the purchaser.

4 **Q. HAS THE COMPANY ENTERED INTO ANY RNG TRANSACTIONS?**

5 **A.** Yes, the Company entered into a transaction that allows for RNG to be delivered to NJNG's  
6 CNG Fueling Stations to generate Renewable Identification Numbers ("RINs") under the  
7 Environmental Protection Agency ("EPA") Renewable Fuel Standard ("RFS") Program.  
8 When the transaction goes into service, NJNG will receive a percentage share of the RIN  
9 value each month for the volumes of RNG used for CNG Vehicle Fueling at NJNG stations.  
10 The percentage share value of the RINS will be used to reduce costs to Periodic BGSS  
11 customers.

12  
13 **IV. Optimization Strategy**

14 **Q. HOW DOES NJNG'S GAS SUPPLY TEAM MANAGE THE CAPACITY**  
15 **PORTFOLIO TO RELIABLY SERVE BGSS CUSTOMERS?**

16 **A.** NJNG's Gas Supply team holds monthly supply operations setup meetings, daily morning  
17 planning meetings and afternoon recap meetings with NJNG Gas Control personnel to  
18 discuss the operational strategies that will best serve customer needs. NJNG's Gas Supply  
19 team also routinely meets with NJNG's Engineering and Operations personnel throughout  
20 the year to coordinate system operations for winter and summer supply operations.

21 A fundamental part of the Company's strategy is to maintain sufficient flexibility  
22 to be prepared to react to changes in customer requirements and changes in market  
23 conditions. That approach provides the most reliable and economic gas supply for our  
24 customers. Weather conditions, system limitations and requirements, market prices,  
25 storage status, pipeline constraints, market opportunities and other demand/supply issues  
26 are reviewed and analyzed daily by the Gas Supply team in order to ensure the optimal use  
27 of NJNG's portfolio of assets.



1 **Q. PLEASE DESCRIBE THE APPROACH THE COMPANY HAS TAKEN IN THE**  
2 **PAST YEAR TO IMPLEMENT ITS OPTIMIZATION STRATEGY.**

3 A. As previously noted, NJNG's Gas Supply team meets with operations to review the  
4 projected gas needs at each city gate for customer load. Gas Supply then reviews the  
5 opportunities available for either off-system sales or capacity releases to optimize the value  
6 of the assets and generate credits for our customers.

7 The interstate pipelines that serve New Jersey are almost fully subscribed, with very  
8 limited operationally available capacity to the region. The restrictions for deliveries  
9 within New Jersey can limit the ability to reliably deliver off-system sales within the  
10 market area when the transportation capacity has the most value.

11 **Q. WHAT ADDITIONAL STEPS IS THE COMPANY TAKING TO HELP**  
12 **MAINTAIN PRICE STABILITY FOR THE UPCOMING 2023-2024 WINTER**  
13 **HEATING SEASON?**

14 A. In the normal course of the gas procurement function, NJNG's Gas Supply team has hedged  
15 approximately 79 percent of the projected winter period sendout for Periodic BGSS  
16 customers of approximately 40 Bcf, with 31.61 Bcf of fixed price positions as part of the  
17 Storage Incentive ("SI") program for the upcoming summer's injections. Another  
18 approximately 8.5 percent of the normal weather winter heating season requirements will  
19 be hedged by the end of the 2023 summer using the fixed priced storage inventory that is  
20 not part of the SI program. The inventory in NJNG's LNG facilities provides additional  
21 price stability for the upcoming winter season.

22

23 **V. Periodic BGSS Pricing effective October 1, 2023**

24 **Q. WHAT PERIODIC BGSS PRICING CHANGE DOES THE COMPANY PROPOSE**  
25 **TO IMPLEMENT EFFECTIVE OCTOBER 1, 2023?**

26 A. Through this filing, NJNG is proposing to decrease its pre-tax Periodic BGSS recovery  
27 price, effective October 1, 2023, from \$0.4750 per therm to \$0.4023 per therm, an  
28 approximate 5.1 percent decrease to an average residential heating customer's bill.

1 **Q. HOW ARE BGSS INCENTIVES AND MARGIN CREDITS INCLUDED IN THE**  
2 **CALCULATION OF THE BGSS PRICE?**

3 A. Over the years, through the efforts of Board Staff, Rate Counsel and NJNG, BGSS  
4 incentive programs have been established that mitigate both the impacts of commodity  
5 prices and the volatility in the natural gas market for natural gas customers. The BGSS  
6 forecast in this filing includes the NJNG BGSS incentives in Exhibits A and B projected  
7 through the 2024 BGSS period based on the Board-approved sharing formulas. The  
8 Company's BGSS incentive programs include Off-System Sales, Capacity Release and SI.  
9 These programs were approved by the Board pursuant to an October 15, 2015 Order in  
10 Docket No. GR15030392 ("BGSS Incentives Order").

11 **Q. WHAT ARE THE IMPLICATIONS OF MARKET VOLATILITY IN RELATION**  
12 **TO BGSS PRICING?**

13 A. The Generic BGSS pricing mechanism permits the Company to: (a) self-implement two  
14 additional rate increases of up to five percent each, effective December 1 and February 1  
15 each year, if necessary, after 30 days prior notice to the BPU Staff and Rate Counsel; and  
16 (b) implement a decrease to its BGSS rate, a refund or bill credit at any time during the  
17 year upon five days' notice to BPU Staff and Rate Counsel. This pricing flexibility provides  
18 a valuable opportunity to mitigate potential rate spikes to customers and helps ensure that  
19 the Company's gas cost under-recoveries do not become excessive during periods of  
20 market price increases. Similarly, the flexibility for decreases allows the Company to  
21 adjust prices quickly and target reductions to the winter months when customer bills are at  
22 their highest.

23 As market conditions change, NJNG will continue to manage the hedged positions  
24 and storage dispatch to minimize BGSS costs. The Company will consider the utilization  
25 of bill credits, refunds and the self-implementing BGSS price adjustments to manage its  
26 gas costs and recoveries.

1 **IV. Minimum Filing Requirements (“MFR”) Supporting Data and Information**

2 **Q. ARE YOU SPONSORING ANY EXHIBITS THAT ADDRESS THE MFRs FOR**  
3 **ANNUAL BGSS FILINGS?**

4 A. Yes. I am sponsoring Exhibits JSS-1 through JSS-5 that provide MFR supporting data and  
5 information as required in the Generic BGSS Order.

6 **Q. DOES NJNG HAVE ANY INTERSTATE PIPELINE CONTRACTS OR GAS**  
7 **SUPPLY TRANSACTIONS WITH AN AFFILIATE?**

8 A. Yes. NJNG has a firm transportation service agreement and precedent agreement with  
9 Adelphia.

10 NJNG has continued pre-arranged releases under Asset Management Agreement  
11 with NJRES and under the agreement can purchase commodity from NJRES. The  
12 agreement is for various amounts of firm capacity on Tennessee, EGTS, Stagecoach  
13 Storage, and Tetco effective April 1, 2023 to March 31, 2024. The releases are included  
14 in Schedule 4f, Capacity Release, of Exhibit A and B to the Petition.

15 **Q. WILL THE COMPANY BE PROVIDING ADDITIONAL INFORMATION FOR**  
16 **THE MFRs?**

17 A. Yes. The Company will file workpapers with additional information for the MFRs under  
18 separate cover shortly. Additionally, pursuant to an MFR agreed to and approved in the  
19 Company’s BGSS/CIP filing in BPU Docket No. GR13050425, NJNG will provide  
20 documentation for the evaluation of capacity portfolio changes, extensions of terms of  
21 existing contracts, releases of capacity to an affiliate and the decisions associated with  
22 those evaluations. NJNG will provide this information under separate cover pursuant to a  
23 confidentiality agreement, once executed by the parties to this proceeding.  
24

25 **VII. Conclusion**

26 **Q. PLEASE SUMMARIZE YOUR BGSS TESTIMONY.**

27 A. NJNG’s Gas Supply team was able to optimize the value of the Company’s gas supply,  
28 transportation and storage portfolio, hedge its gas costs and provide its BGSS customers  
29 with reliable natural gas supply services this past year. The Company also secured

1 important upstream capacity resources to achieve portfolio goals. The Company will  
2 continue gas cost management activities, including the successful optimization of storage  
3 injections, by hedging gas costs and by engaging in off-system sales and capacity release  
4 transactions during periods when that capacity is not required to serve core customers.  
5 NJNG constantly monitors changing market conditions and focuses on lowering costs to  
6 provide reliable supply in the most cost-effective manner.

7 NJNG is requesting approval to decrease its pre-tax Periodic BGSS rate from  
8 \$0.4750 per therm to \$0.4023 per therm.

9 **Q. DOES THIS CONCLUDE YOUR TESTIMONY?**

10 A. Yes.

## JSS Exhibits

Exhibit JSS-1:	Projected cost of gas for the forecast period
Exhibit JSS-2:	Historical service interruptions
Exhibit JSS-3:	The five highest demand days for each of the last three years
Exhibit JSS-4:	Summary of the major FERC proceedings in which NJNG has participated
Exhibit JSS-5:	Summary of transportation and storage contract changes

NEW JERSEY NATURAL GAS COMPANY  
GAS SUPPLY AND COST SUMMARY

Exhibit JSS-1  
Page 1 of 3

	Algonquin Mdth	Columbia Mdth	Tennessee Mdth	Transco Mdth	Tetco Mdth	Storage AMA Mdth	EGTS Mdth	Hedged Mdth	PSEG Mdth	Other Mdth	Demand Mdth	Injections Mdth	Withdrawals Mdth	LNG Mdth	Total Mdth
Oct-23	0	155	780	1,824	4,271	0	990	0	0	3,544	0	5,271	0	18	16,853
Nov-23	0	150	0	663	3,000	322	0	0	0	5,558	0	0	1,652	16	11,360
Dec-23	155	155	0	891	0	333	0	0	0	5,738	0	0	7,783	78	15,132
Jan-24	155	155	0	1,160	0	333	0	0	0	5,735	0	0	9,440	250	17,227
Feb-24	145	102	0	442	0	311	0	0	0	5,365	0	0	8,840	80	15,285
Mar-24	0	155	0	577	1,448	333	0	0	0	5,736	0	0	5,317	17	13,582
Apr-24	0	150	1,077	2,803	4,134	0	958	0	0	7,209	0	4,906	0	17	21,253
May-24	0	78	1,113	852	4,271	0	990	0	0	7,443	0	5,069	0	17	19,833
Jun-24	0	75	1,077	128	4,134	0	958	0	0	7,211	0	4,906	0	18	18,506
Jul-24	0	78	1,113	66	4,271	0	990	0	0	7,470	0	5,069	0	17	19,073
Aug-24	0	78	1,113	65	4,198	0	990	0	0	7,488	0	5,069	0	17	19,018
Sep-24	0	75	1,077	58	4,134	0	958	0	0	7,200	0	4,906	0	18	18,426

NEW JERSEY NATURAL GAS COMPANY  
GAS SUPPLY AND COST SUMMARY

Exhibit JSS-1  
Page 2 of 3

	Algonquin \$000	Columbia \$000	Tennessee \$000	Transco \$000	Tetco \$000	Storage AMA \$000	EGTS \$000	Hedged \$000	PSEG \$000	Other \$000	Demand \$000	Injections \$000	Withdrawals \$000	LNG \$000	Total
Oct-23	0	179	886	2,218	4,534	0	1,121	11,397	0	4,705	15,276	13,635	0	100	54,052
Nov-23	0	309	0	1,305	5,489	1,570	0	(1,251)	0	10,937	16,970	0	5,470	84	40,884
Dec-23	416	442	0	2,473	0	1,622	0	(115)	0	15,905	17,126	0	25,813	411	64,095
Jan-24	482	487	0	3,638	0	1,622	0	1,109	0	17,958	17,126	0	31,308	1,318	75,049
Feb-24	455	325	0	1,413	0	1,518	0	791	0	17,115	16,814	0	29,319	421	68,170
Mar-24	0	464	0	1,713	4,022	1,622	0	(983)	0	17,045	17,126	0	17,634	90	58,733
Apr-24	0	364	2,566	6,893	9,770	0	2,274	240	0	18,069	16,454	12,096	0	90	68,817
May-24	0	184	2,597	2,017	9,779	0	2,208	226	0	17,957	16,631	12,056	0	90	63,747
Jun-24	0	181	2,553	304	9,491	0	2,270	201	0	17,477	16,454	11,814	0	95	60,841
Jul-24	0	198	2,793	162	10,361	0	2,443	182	0	18,808	16,631	12,830	0	90	64,498
Aug-24	0	195	2,750	162	9,964	0	2,410	4,270	0	18,957	16,631	12,593	0	90	68,021
Sep-24	0	157	2,221	126	8,287	0	1,931	155	0	16,030	16,454	10,294	0	94	55,748

NEW JERSEY NATURAL GAS COMPANY  
GAS SUPPLY AND COST SUMMARY

Exhibit JSS-1  
Page 3 of 3

	Algonquin	Columbia	Tennessee	Transco	Tetco	Storage AMA	EGTS	Hedged	PSEG	Other	Demand	Injections	Withdrawals	LNG	Total
	\$/dth	\$/dth	\$/dth	\$/dth	\$/dth	\$/dth	\$/dth	\$/dth	\$/dth	\$/dth	\$/dth	\$/dth	\$/dth	\$/dth	
Oct-23		1.1539	1.1362	1.2157	1.0615		1.1325			1.3277		2.5871		5.5385	3.2072
Nov-23		2.0596		1.9689	1.8297	4.8779				1.9678			3.3120	5.2736	3.5988
Dec-23	2.6829	2.8531		2.7747		4.8779				2.7721			3.3167	5.2736	4.2357
Jan-24	3.1106	3.1444		3.1349		4.8779				3.1312			3.3167	5.2736	4.3564
Feb-24	3.1395	3.1993		3.1934		4.8779				3.1902			3.3167	5.2736	4.4601
Mar-24		2.9921		2.9716	2.7768	4.8779				2.9716			3.3167	5.2736	4.3243
Apr-24		2.4249	2.3831	2.4597	2.3636		2.3740			2.5066		2.4656		5.2736	3.2381
May-24		2.3752	2.3343	2.3670	2.2895		2.2305			2.4127		2.3782		5.2736	3.2141
Jun-24		2.4126	2.3711	2.3762	2.2960		2.3695			2.4239		2.4082		5.2736	3.2877
Jul-24		2.5547	2.5105	2.4704	2.4256		2.4680			2.5179		2.5309		5.2736	3.3816
Aug-24		2.5147	2.4712	2.4840	2.3735		2.4340			2.5316		2.4841		5.2736	3.5766
Sep-24		2.0982	2.0626	2.1783	2.0047		2.0155			2.2262		2.0982		5.2141	3.0256



**New Jersey Natural Gas Company  
Historical Service Interruptions  
for BGSS Year 2023  
(MFR#10)**

<b>Tariff Condition</b>	<b>Period</b>	<b>Applicable Service Classes</b>	<b># of cust</b>	<b>Reason(s)</b>
<b>Daily Balancing<sup>1</sup></b>	12/23/22-12/27/22	Interruptible Transportation & Interruptible Sales	25	Operational
	2/3/23-2/4/23	Interruptible Transportation & Interruptible Sales	25	Operational

<sup>1</sup> Daily Balancing is a tariff provision that allows interruptible transportation customers to continue to use gas service provided that their third party supplier delivers the amount they are burning. Any usage beyond the delivery level is billed at penalty rates.

Five Highest Demand Days for each of the Past Three Years

NORTHERN DIVISION						CENTRAL DIVISION								NORTH	CENTRAL		
Month	Day	Texas Eastern	Algonquin	Tennessee	Columbia	NORTH	Texas Eastern	Transco	NJNG LNG	CENTRAL	TOTAL SENDOUT	Interruptible	Electric Generation	FIRM SENDOUT	NOAA DEGREE DAYS	INTERR.	INTERR.
Dec'22	24	30,462	20,010	41,122	21,545	113,139	259,054	218,647	138,605	616,306	729,445	4,437	50,674	674,333	49	1,109	3,328
Feb'23	3	42,341	18,667	40,129	14,953	116,090	253,377	267,633	100,297	621,307	737,397	4,554	86,441	646,402	46	1,138	3,416
Dec'22	23	23,966	18,054	41,098	19,368	102,486	280,743	219,770	73,683	574,196	676,682	4,406	65,958	606,318	46	1,101	3,305
Dec'22	25	15,863	19,988	41,115	19,677	96,643	291,001	163,210	20,805	475,016	571,659	4,046	39	567,574	42	1,011	3,035
Feb'23	4	38,970	15,000	32,074	11,891	97,935	303,266	216,542	1,017	520,825	618,760	4,098	70,058	544,604	39	1,024	3,074
Jan'22	29	31,231	18,808	41,587	17,653	109,279	379,190	68,378	93,959	541,527	650,806	398	0	650,408	49	96	302
Jan'22	15	35,870	17,840	39,593	15,057	108,360	410,982	77,421	55,329	543,732	652,092	202	19,570	632,320	49	49	153
Jan'22	11	31,542	17,829	39,533	14,988	103,892	425,797	100,859	23,357	550,013	653,905	107	49,602	604,196	44	26	81
Jan'22	21	31,548	15,884	39,574	17,608	104,614	363,824	55,589	69,853	489,266	593,880	85	2,459	591,336	45	20	65
Feb'22	14	42,020	13,888	31,763	12,134	99,805	379,272	57,567	52,062	488,901	588,706	5,004	1	583,701	43	1,251	3,753
Jan'21	29	23,170	17,942	41,656	20,085	102,853	385,710	47,927	76,581	510,218	613,072	4,871	33	608,168	43	978	3,893
Jan'21	28	24,994	16,931	39,784	13,548	95,257	400,726	43,345	20,838	464,909	560,165	4,793	791	554,582	39	963	3,830
Jan'21	31	22,628	14,711	37,517	15,659	90,515	386,153	47,914	868	434,935	525,450	4,212	6,779	514,459	36	846	3,366
Jan'21	30	14,350	16,692	41,813	14,804	87,659	376,042	47,952	604	424,598	512,257	4,256	53	507,948	38	855	3,401
Jan'21	23	19,169	14,813	37,215	16,017	87,214	384,491	34,911	253	419,655	506,870	4,298	0	502,572	38	863	3,435

Company	Filing Date	Docket	Description of Filing	Type of Intervention	Final Order
Texas Eastern	4/22/2022	CP22-201	Texas Eastern Transmission, LP proposes to install a total of approximately 2,660 feet of 24-inch diameter pipeline at a crossing of the Conemaugh River. The replacement project includes approximately 2,260 feet of new pipeline that will be installed via horizontal direction drill, most of which will be placed adjacent to the existing Line 12 pipeline river crossing, and approximately 398 feet of pipeline to be installed via open-cut-trench method. The replacement project also includes the discontinued use of approximately 1,674 feet of the existing 24-inch Line 12 pipeline facilities, approximately 1,280 feet of which will be capped, grouted, and remain in place and an additional 394 feet on the west side of the river that will be removed, all as more fully set forth in the application which is on file with the Commission and open for public inspection.	Plain Vanilla Intervention	Approved February 16, 2023 Order
Texas Eastern	4/29/2022	RP22-881	OFO April 2022 Penalty Disbursement Report	Plain Vanilla Intervention	Accepted May 18, 2022 Order
Columbia Gas Transmission	5/6/2022	CP22-452	Abandonment by Sale to KO Transmission	Plain Vanilla Intervention	November 18, 2022 Order Issuing Certificate & Approving Abandonment
Columbia Gas Transmission - KO Transmission	5/6/2022	CP22-453	Abandonment by Sale to KO Transmission	Plain Vanilla Intervention	November 18, 2022 Order Issuing Certificate & Approving Abandonment
Tennessee Gas Pipeline	5/11/2022	RP22-921-000/001	TGP PCG Pooling Rate Filing	Plain Vanilla Intervention	6/30/2022 - Sep 1, 2022 Notice of Denial of Rehearing - October 25, 2022 Order Addressing Arguments Raised on Rehearing
Transcontinental Gas Pipe Line	5/23/2022	CP22-461	Southside Reliability Enhancement Project	Plain Vanilla Intervention	
Tennessee Gas Pipeline	5/31/2022	RP22-949	PCB Adjustment Period Filing	Plain Vanilla Intervention	6/24/2022
Texas Eastern	6/2/2022	CP22-470	Texas Eastern Transmission, LP is requesting approval to abandon in place an approximate 2.8-mile segment of 24-inch diameter auxiliary pipeline	Plain Vanilla Intervention	7/28/2022
Transcontinental Gas Pipe Line	6/10/2022	CP22-469	Transco requests that the Commission authorize to abandon its existing Point Au Fer Lateral that consists of approximately 7.4 miles of 10-inch diameter pipeline and its Smythe Point Au Fer Lateral that consists of approximately 1.8 miles of 4-inch-diameter pipeline, and appurtenant metering facilities, all located in Terrebonne Parish, Louisiana.	Plain Vanilla Intervention	
Eastern Gas Transmission and Storage	6/30/2022	RP22-1001	Operational Gas Sales Report	Plain Vanilla Intervention	
Texas Eastern	6/30/2022	RP22-1016	Semi-Annual EPC Adjustment Filing.	Plain Vanilla Intervention	7/22/2022
Eastern Gas Transmission and Storage	7/1/2022	RP22-1026	2022 Overrun and Penalty Revenue Distribution Filing.	Plain Vanilla Intervention	

Company	Filing Date	Docket	Description of Filing	Type of Intervention	Final Order
Texas Eastern	7/1/2022	CP22-483	Submits for filing a Prior Notice of Blanket Certificate Activity ("Notice") notifying the Commission of Texas Eastern Transmission, LP's intent to: (i) reconfigure and replace a segment of 30-inch diameter pipeline, and discontinue use, as further described herein, of a total of approximately 2,723 feet of existing 30-inch diameter pipeline and related facilities.	Plain Vanilla Intervention	9/23/2022
National Fuel Gas Supply	7/5/2022	CP22-482	Nat Fuel CP22-482-000 to abandon their Corry Storage Field, including base gas.	Plain Vanilla Intervention	
Transcontinental Gas Pipe Line	7/5/2022	CP22-485	Request for a waiver of the blanket certificate cost limits as set forth in section 157.208(g) of the Commission's regulations. Transco's request concerns its Leidy Line pipe replacement in Lycoming County, Pennsylvania.	Plain Vanilla Intervention	
Texas Eastern	7/7/2022	CP22-486	Requesting authorization to abandon certain facilities and to construct, install, own, operate, and maintain the proposed Appalachia to Market II Project.	Plain Vanilla Intervention	
Adelphia Gateway	8/5/2022	RP22-1111	Negotiated rate between Adelphia Gateway and New Jersey Natural Gas for 130,000 dts/day	Plain Vanilla Intervention	Accepted August 29, 2022 Order
Transcontinental Gas Pipe Line	8/9/2022	CP22-495	Transcontinental Gas Pipe Line Company Application for a Certificate of Public Convenience and Necessity for the Texas to Louisiana Energy Pathway Project	Plain Vanilla Intervention	
Columbia Gas Transmission	8/15/2022	CP22-498	Abandonment of section Line SM-116 in WV	Plain Vanilla Intervention	
Transcontinental Gas Pipe Line	8/22/2022	CP22-501-000	Construct 1.9 miles of 42in pipeline loop in AL, remove pig traps on Mainline E, install additional compressor units at station 105 in AL.	Plain Vanilla Intervention	
Texas Eastern	8/24/2022	RP22-1144	TETLP August 2022 Penalty Disbursement Report.	Plain Vanilla Intervention	Accepted September 19, 2022 Order
Transcontinental Gas Pipe Line	8/24/2022	CP22-502-000	Commonwealth Energy Connector Project (CEC) located in various counties in Virginia - additional 105,000 dts/day of FT for Virginia Natural Gas (VNG) - from Transco's existing Station 165 Zone 5 Pooling Point in Pittsylvania County, Virginia to the existing interconnection between Transco and Columbia Gas in Greensville County, Virginia (Emporia I/C), where VNG has contracted with Columbia for further firm transportation service.	Plain Vanilla Intervention	
Columbia Gas Transmission	8/24/2022	CP22-503-000	Virginia Reliability Project (VR Project) located in various counties in Virginia. The VR Project is designed to provide an additional 100,000 dts/day of FT for VNG, from Emporia I/C to VNG's existing delivery point in Chesapeake County, Virginia. Columbia will receive 105,000 Dth/d from Transco as proposed in Docket CP22-502-000 for re-delivery to VNG for VNG's markets.	Plain Vanilla Intervention	
Transcontinental Gas Pipe Line	8/25/2022	RP22-1147	Gas 2022 ACA Tracker Filing - GSS, LSS, SS-2, S-2 Filing	Plain Vanilla Intervention	Accepted September 19, 2022 Order
Texas Eastern	8/29/2022	RP22-1156	2022 Operational Entitlements Filing	Plain Vanilla Intervention	Accepted September 22, 2022 Order

Company	Filing Date	Docket	Description of Filing	Type of Intervention	Final Order
Transcontinental Gas Pipe Line	8/30/2022	CP22-505-000	Abandon Compressor Station 61 in East Feliciana Parish, Louisiana.	Plain Vanilla Intervention	
Algonquin	9/23/2022	RP22-1241-000	OFO Penalty Disbursement Report	Plain Vanilla Intervention	
Tennessee Gas Pipeline	9/27/2022	RP22-1245-000	Pipeline Safety & Greenhouse Gas Adjustment Mechanism Filing	Plain Vanilla Intervention	Accepted October 20, 2022 Order
Transcontinental Gas Pipe Line	9/29/2022	RP22-1267-000	Annual Cashout Report - Annual Billing Period Aug 1, 2021 thru July 31, 2022	Plain Vanilla Intervention	Accepted October 19, 2022 Order
National Fuel Gas Supply	9/30/2022	RP22-1268-000	GTC Sec 42 PS/GHG Tracker Filing	Plain Vanilla Intervention	Accepted October 20, 2022 Order
Transcontinental Gas Pipe Line	9/30/2022	RP22-1275-000	Annual Cashout OUB Surcharge Filing	Plain Vanilla Intervention	Accepted October 26, 2022 Order
Eastern Gas Transmission and Storage	9/30/2022	RP22-1282-000	Annual EPCA Filing	Plain Vanilla Intervention	Accepted October 19, 2022 Order
Eastern Gas Transmission and Storage	9/30/2022	RP22-1283-000	Annual TCRA Filing	Plain Vanilla Intervention	Accepted October 19, 2022 Order
Texas Eastern	10/14/2022	RP23-25-000	October 2022 Penalty Disbursement Report	Plain Vanilla Intervention	Accepted October 28, 2022 Order
Transcontinental Gas Pipe Line	10/27/2022	RP23-79-000	Annual Penalty Revenue Sharing Report - for the annual period ending July 31, 2022	Plain Vanilla Intervention	
Transcontinental Gas Pipe Line	10/28/2022	RP23-87-000	GSS, LSS & SS-2 Tracker Filing	Plain Vanilla Intervention	Accepted November 16, 2022 Order
Texas Eastern	10/28/2022	RP23-100-000	Annual PCB Filing	Plain Vanilla Intervention	Accepted November 18, 2022 Order
Algonquin	10/31/2022	RP23-104-000	Annual FRQ (Fuel) Filing	Plain Vanilla Intervention	Accepted November 21, 2022 Order
Texas Eastern	10/31/2022	RP23-119-000	Annual ASA Filing	Plain Vanilla Intervention	November 30, 2022 Order Accepting Tariff Records
Texas Eastern	10/31/2022	RP23-121-000	Tetco & NJNG Amended Negotiated Rate Agreement Filing for Contract 910185 for MLS-1 Freehold Lateral effective Nov. 1, 2022.	Plain Vanilla Intervention	Accepted November 16, 2022 Order
Columbia Gas Transmission	10/31/2022	CP23-8-000	Application seeking authorization to replace a segment of its existing Line 1360 and related facilities in Beaver County, Pennsylvania. Necessary as part of their ongoing Pipeline Integrity Program and to ensure compliance with PHMSA requirements.	Plain Vanilla Intervention	
Texas Eastern	11/1/2022	RP23-125-000	Tetco & NJNG Amended Negotiated Rate Agreement Filing for Contract 8978810 MLS-1 Freehold Lateral effective Nov. 1, 2022	Plain Vanilla Intervention	Accepted November 16, 2022 Order
Columbia Gas Transmission	11/1/2022	RP23-126-000	2022 Winter OTRA Filing	Plain Vanilla Intervention	Accepted November 16, 2022 Order
Columbia Gas Transmission	11/3/2022	CP23-10-000	Prior Notice Request Under Blanket Authorization for modifications to Columbia Gas's existing Pavonia Storage Field in Ashland County, Ohio to improve deliverability.	Plain Vanilla Intervention	

Company	Filing Date	Docket	Description of Filing	Type of Intervention	Final Order
Columbia Gas Transmission	11/7/2022	CP23-13-000	Notice of Request - Replacing Line R300 with new pipeline to ensure compliance with the Pipeline and Hazardous Materials Safety Administration and enable Columbia to continue to provide reliable, safe, and efficient service.	Plain Vanilla Intervention	
National Fuel Gas Supply	11/17/2022	RP23-194-000	Annual TSCA Adjustment Filing (Transportation & Storage Cost Adjustment) - The Surcharge is \$0.00 and this filing is for Informational Purposes only.	Plain Vanilla Intervention	Accepted December 1, 2022 Order
Columbia Gas Transmission	11/18/2022	CP23-16-000	Notice of Request - Col Gas requesting authorization to perform installations and modifications to enable the in-line inspection or pigging, of its 20-inch-diameter Line D100 (D100 ILI Make Piggable Project), at various locations in Seneca, Sandusky, and Wood Counties, Ohio.	Plain Vanilla Intervention	
Columbia Gas Transmission	11/21/2022	CP23-18-000	Col Gas' Prior Notice Request to perform various modifications of the existing 18-inch and 20-inch Line D420 Pipeline in Ohio to enable the in-line inspection or pigging of Line D420.	Plain Vanilla Intervention	
Tennessee Gas Pipeline	11/29/2022	RP23-210-000	2022 Annual Cashout Report	Plain Vanilla Intervention	
Columbia Gas Transmission	12/1/2022	CP-23-21-000	Authorization to replace 2.7 miles of 18-inch-diameter pipeline Line D420 in three separate segments located in Lucas, Wood, and Ottawa Counties, Ohio.	Plain Vanilla Intervention	
Tennessee Gas Pipeline	12/6/2022	RP23-270-000	MBR Informational Filing	Plain Vanilla Intervention	Accepted January 13, 2023 Order
Texas Eastern	12/13/2022	CP23-26-000	authorization to abandon in place certain pipeline facilities, and abandon related meter and regulating (M&R) stations and ancillary facilities (Port 6 Laterals Pipeline Abandonment Project). The proposed abandonment and removal activities are located in DeWitt, Goliad, and Victoria Counties, Texas.	Plain Vanilla Intervention	
Transcontinental Gas Pipe Line	12/29/2022	RP23-315-000	Cash Out Surcharge True Up	Plain Vanilla Intervention	Accepted January 17, 2023 Order
Columbia Gas Transmission	12/30/2022	RP23-318-000	Penalty Revenue Credit Report	Plain Vanilla Intervention	
Texas Eastern	12/30/2022	RP23-330-000	Revised Current Unit EPC Changes and updated EPC Surcharges to be effective 2/01/23	Plain Vanilla Intervention	Accepted January 18, 2023
Natural Gas Intelligence	1/3/2023	PL03-3-010	Re-approval as a price index developer	Plain Vanilla Intervention	
Texas Eastern	1/9/2023	RP23-353-000	Texas Eastern Transmission, LP and Venture Global have executed a precedent agreement related to the Project and the Service Agreement to be effective January 1, 2023, for transportation service utilizing existing capacity in connection with the Project.	Plain Vanilla Intervention	Accepted January 24, 2023 Order
Eastern Gas Transmission and Storage	2/8/2023	CP23-56-000	Abandon compressor station Helvetia CS along with pipeline LN-1423 in Clearfield County, PA	Plain Vanilla Intervention	
S&P Global AKA Platts	2/9/2023	PL03-3-011	Re-approval as a price index developer	Plain Vanilla Intervention	
Texas Eastern	2/10/2023	CP23-57-000	Abandon by removal compressor unit at Grand Chenier Compressor Station	Plain Vanilla Intervention	
National Fuel Gas Supply	2/15/2023	RP23-441-000	Fuel Tracker Filing GT&C	Plain Vanilla Intervention	Accepted March 1, 2023 Order

Company	Filing Date	Docket	Description of Filing	Type of Intervention	Final Order
Texas Eastern	2/16/2023	RP23-444-000	Negotiated rates with NJNG	Plain Vanilla Intervention	Accepted March 3, 2023 Order
Texas Eastern	2/21/2023	RP23-451-000	Penalty Disbursement Report	Plain Vanilla Intervention	Accepted March 7, 2023 Order
Columbia Gas Transmission	2/23/2023	RP23-456-000	Compliance Filing: Annual Report on Operational Transactions 2023	Plain Vanilla Intervention	
Eastern Gas Transmission and Storage	2/28/2023	RP23-473-000	Rate Filing	Plain Vanilla Intervention	Accepted March 20, 2023 Order
Transcontinental Gas Pipe Line	2/28/2023	RP23-488-000	Fuel Tracker effective 4/01/23	Plain Vanilla Intervention	Accepted March 22, 2023 Order
Columbia Gas Transmission, LLC	2/28/2023	RP23-501-000	EPCA 2023 effective 4/01/23	Plain Vanilla Intervention	
Columbia Gas Transmission, LLC	2/28/2023	RP23-502-000	TCRA 2023 effective 4/01/23	Plain Vanilla Intervention	Accepted March 31, 2023 Order
Columbia Gas Transmission, LLC	2/28/2023	RP23-503-000	RAM 2023 effective 4/01/23	Plain Vanilla Intervention	Accepted March 23, 2023 Order
Tennessee Gas Pipeline	3/1/2023	RP23-522-000	Fuel Tracker Filing effective 4/01/2023	Plain Vanilla Intervention	Accepted March 30, 2023 Order
Transcontinental Gas Pipe Line	3/1/2023	RP23-523-000	Electric Power Tracker effective 4/01/23	Plain Vanilla Intervention	Accepted March 24, 2023 Order
Columbia Gas Transmission, LLC	3/1/2023	RP23-524-000	CCRM 2023 effective 4/01/23	Plain Vanilla Intervention	Accepted March 31, 2023 Order
Adelphia Gateway	3/1/2023	RP23-548-000	Penalty Revenue Crediting Report	Plain Vanilla Intervention	
Adelphia Gateway	3/1/2023	RP23-552-000	Annual TUP SBA filing effective 4/01/23	Plain Vanilla Intervention	Accepted March 22, 2023 Order
Columbia Gas Transmission, LLC	3/2/2023	CP23-82-000	Authorization to abandon 37 injection/withdrawal wells, associated pipelines and appurtenances located in Ashland and Richland Counties, Ohio	Plain Vanilla Intervention	
Columbia Gas Transmission, LLC	3/3/2023	CP23-84-000	Authorization to abandon one injection/withdrawal well, connecting pipe, and appurtenant facilities located at Lanham Storage Field in Kanawha County, WV.	Plain Vanilla Intervention	
Transcontinental Gas Pipe Line	3/16/2023	RP23-575-000	SS-2 & Firm/IT Transportation Fuel Percentages	Plain Vanilla Intervention	Accepted March 31, 2023 Order
Eastern Gas Transmission and Storage	3/31/2023	RP23-627-000	Fuel Retention Percentages	Plain Vanilla Intervention	Accepted April 19, 2023 Order
Columbia Gas Transmission, LLC	3/31/2023	RP23-662-000	OTRA Summer 2023 effective 5/01/23	Plain Vanilla Intervention	Accepted April 14, 2023 Order
Texas Eastern	3/31/2023	RP23-664-000	Penalty Disbursement Report	Plain Vanilla Intervention	Accepted April 18, 2023 Order
Algonquin Gas Transmission, LLC	3/31/2023	RP23-665-000	Penalty Disbursement Report	Plain Vanilla Intervention	Accepted April 18, 2023 Order
Transcontinental Gas Pipe Line	4/5/2023	CP23-141-000	Abandon existing 20" offshore gathering supply laterals with appurtenant metering facilities extending from the Quarter North-owned Brazos Area 133A Platform, Offshore Texas to the Transco-owned Brazos Area 538 Platform, Offshore Texas.	Plain Vanilla Intervention	
Steckman Ridge	4/13/2023	RP23-684-000	Notification of acquisition of an interest in another storage field by an affiliate of Steckman. Tres Palacios Storage Acquisition by affiliate Enbridge (U.S.) Inc.	Plain Vanilla Intervention	Accepted May 15, 2023 Order
Texas Eastern	4/18/2023	CP23-163-000	(1) Abandon in-place approximately 5.3 miles of its 12-inch-diameter Line 14-K, (2) Abandon by removal the related meter and regulating station 72258, and (3) Abandon by removal related ancillary facilities, all located in Pointe Coupee Parish, Louisiana.	Plain Vanilla Intervention	

Company	Filing Date	Docket	Description of Filing	Type of Intervention	Final Order
Transcontinental Gas Pipe Line	4/19/2023	CP23-194-000	1) Re-wheel two existing compressor units at its Compressor station (CS) 90 in Marengo County, Alabama; (2) add 3,865 Horsepower (hp) by upgrading two existing compressor units at its CS 110 in Randolph County, Alabama; (3) re-wheel three existing compressor units at its Compressor station 115 in Coweta County, Georgia; (4) add 5,000 hp by replacing one compressor unit at its Compressor station 120 in Henry County, Georgia; (5) increase the certificated horsepower from 49,800 hp to 55,800 hp by increasing the currently certificated hp of an existing compressor unit, and an associated re-wheel at its CS 125 in Walton County, Georgia; and (6) various modifications to ancillary equipment and station piping at the previously listed compressor stations.	Plain Vanilla Intervention	
Transcontinental Gas Pipe Line	4/20/2023	CP23-200-000	Abandon six pipeline segments with different ownership interest that account for approximately 32.1 miles of natural gas pipelines located in Louisiana state waters offshore of Terrebonne Parish and within the Pelto and Ship Shoal Blocks of federal offshore waters.	Plain Vanilla Intervention	
Columbia Gas	4/21/2023	CP23-214-000	Authorization for its Greenwood and North Greenwood Storage Fields Abandonment Project	Plain Vanilla Intervention	



**Contract Changes**

**Transportation capacity contracts extended:**

<b>Pipeline</b>	<b>Contract</b>	<b>Maximum Daily Quantity (DTH)</b>	<b>Extended Start Date</b>	<b>Extended End Date</b>
Algonquin	510478	12,000	Jul-2024	Jun-2025
EGTS	100034	21,935	Apr-2023	Mar-2026
EGTS	200583	10,000	Apr-2023	Mar-2026
EGTS	700053	5,000	Apr-2023	Mar-2026
EGTS	700098	25,000	Apr-2023	Mar-2026
EGTS	700113	15,500	Apr-2023	Mar-2026
Tetco	008696	27,000	Jun-2024	May-2025
Tetco	008697	9,498	Nov-2023	Oct-2024
Tetco	330789	10,789	Apr-2024	Mar-2025
Tetco	331500	35,000	Apr-2024	Mar-2025
Tetco	331724	35,487	Apr-2024	Mar-2025
Tetco	331821	9,555	Apr-2024	Mar-2025
Tetco	800506	12,000	Nov-2023	Oct-2024
Tetco	910060	40,000	Nov-2023	Oct-2024
Tetco	910064	1,060	Nov-2023	Oct-2024
Tetco	910185	591,855	Nov-2022	Oct-2025
Tetco	910240	19,790	Nov-2023	Oct-2024
Tetco	910508	20,000	Nov-2023	Oct-2024
Tetco	910593	10,559	Nov-2023	Oct-2024
Tetco	910610	100,000	Nov-2023	Oct -2024
Transco	1000628	5,000	Jan-2024	Dec-2024
Transco	1000674	3,250	Jan-2024	Dec-2024
Transco	1003834	10,350	Jan-2024	Dec-2024
Transco	1010444	3,931	Jan-2023	Dec-2023

**Storage capacity contracts extended:**

<b>Storage</b>	<b>Contract</b>	<b>Maximum Storage Quantity (DTH)</b>	<b>Extended Start Date</b>	<b>Extended End Date</b>
EGTS	300069	1,545,251	Apr-2023	Mar-2026
EGTS	300119	500,000	Apr-2023	Mar-2026
EGTS	300120	3,000,000	Apr-2023	Mar-2026
EGTS	300219	941,176	Apr-2023	Mar-2026
EGTS	600031	4,353,382	Apr-2025	Mar-2026
Tetco	400188	3,973,146	May-2024	Apr-2025
Tetco	412004	2,180,010	May-2024	Apr-2025

**New Transportation capacity contracts:**

<b>Pipeline</b>	<b>Contract</b>	<b>Maximum Daily Quantity (DTH)</b>	<b>Start Date</b>	<b>End Date</b>
Adelphia	FTS-NJN-0027	130,000	8/9/2022	8/8/2027
EGTS	5I5586	16,300	Sep-2022	Oct-2022
EGTS	5I5587	5,000	Sep-2022	Oct-2022
EGTS	5I8155	4,000	Apr-2023	Apr-2023
EGTS	5I8156	10,000	Apr-2023	Apr-2023
EGTS	5I8157	9,500	Apr-2023	Apr-2023
EGTS	5I8158	5,500	Apr-2023	Apr-2023
EGTS	5I8100	3,151	Apr-2023	Oct-2023
EGTS	5I8101	11,901	Apr-2023	Oct-2023
EGTS	5I8102	14,948	Apr-2023	Oct-2023
EGTS	5I8627	4,000	May-2023	May-2023
EGTS	5I8628	25,000	May-2023	May-2023

**NEW JERSEY NATURAL GAS COMPANY**

**PRE-FILED DIRECT TESTIMONY AND EXHIBITS OF  
CHRISTOPHER S. MICA**

**STATE RATE AND REGULATORY ANALYST**

**IN THE MATTER OF THE PETITION OF  
NEW JERSEY NATURAL GAS COMPANY  
FOR THE ANNUAL REVIEW AND REVISION OF ITS  
BASIC GAS SUPPLY SERVICE (BGSS) AND CONSERVATION INCENTIVE  
PROGRAM (CIP) RATES FOR F/Y 2024  
BPU DOCKET NO. GR23060348  
Pre-Filed Direct Testimony of Christopher S. Micak**

**I. Introduction**

1  
2 **Q. PLEASE STATE YOUR NAME, AFFILIATION AND BUSINESS ADDRESS.**

3 A. My name is Christopher S. Micak and I am a State Rate and Regulatory Analyst for New  
4 Jersey Natural Gas Company (the “Company” or “NJNG”). My business address is 1415  
5 Wyckoff Road, Wall, New Jersey 07719.

6 **Q. PLEASE DESCRIBE YOUR EDUCATION AND BUSINESS EXPERIENCE.**

7 A. I received a Bachelor of Science degree in Business Management in 2018 and a Master of  
8 Business Administration with a concentration in Finance in 2020 from Saint Peter’s  
9 University in Jersey City, New Jersey.

10 I have been employed with the Company since 2018, initially as an Energy Analyst  
11 in support of the Regulatory Affairs Group. In October 2021, I then accepted the position  
12 of State Rate and Regulatory Analyst in the Regulatory Affairs Department of NJNG.

13 **Q. WHAT ARE YOUR RESPONSIBILITIES AS STATE RATE AND REGULATORY  
14 ANALYST?**

15 A. I am responsible for supporting the preparation of Company rate and tariff matters  
16 submitted to the New Jersey Board of Public Utilities (the “Board” or “BPU”), including  
17 the Basic Gas Supply Service (“BGSS”) and Conservation Incentive Program (“CIP”)  
18 filing. I am also involved in the daily operations of the Regulatory Affairs Department  
19 including rates, tariffs, and BPU reporting, as well as the core analytical requirements of  
20 the Office of Sustainability for NJNG. More specifically, aiding in the collection and  
21 calculation of Scope 1, 2, and 3 emissions, in addition to being involved in the reporting of  
22 Environmental, Social, and Governance (“ESG”) metrics for NJNG.

1 **Q. HAVE YOU PREVIOUSLY TESTIFIED IN REGULATORY PROCEEDINGS?**

2 A. No, I have not previously filed testimony on behalf of NJNG.

3 **Q. WHAT IS THE PURPOSE OF THIS TESTIMONY?**

4 A. The purpose of this testimony is to provide background of previous BGSS and CIP  
5 proceedings, propose the BGSS, Balancing Charge, and CIP rates to be effective October  
6 1, 2023, and provide the impact to customers of the proposed rate changes.

7 **Q. HOW IS THE BALANCE OF YOUR TESTIMONY ORGANIZED?**

8 A. The balance of my testimony is organized as follows:

9 Section II: Background from Prior Filings

10 Section III: BGSS Projections and Proposed Rate

11 Section IV: Balancing Charge

12 Section V: Conservation Incentive Program

13 Section VI: Impact on Customers

14

15

## II. Background from Prior Filings

16 **Q. PLEASE BRIEFLY SUMMARIZE THE FINAL DECISION FROM THE**  
17 **GENERIC BGSS PROCEEDING.**

18 A. As a result of the BPU Order issued January 17, 2002 following the Gas Policy Group  
19 discussions in Docket No. GX01050304, new BGSS pricing mechanisms were approved  
20 by the Board (“Generic BGSS Order”).<sup>1</sup> Pursuant to the Generic BGSS Order, the Board  
21 authorized the implementation of a Periodic BGSS pricing mechanism for all New Jersey  
22 natural gas utilities that permits up to three rate increases each year as described below and  
23 rate decreases, bill credits, or refunds at any time during the year with five days written  
24 notice to the BPU Staff and the New Jersey Division of Rate Counsel (“Rate Counsel”).  
25 Through this mechanism, any initial price change requested, after notice and hearing, is  
26 based on an annual BGSS filing submitted in June of each year with rates to be effective  
27 October 1 of the year filed. If needed, two additional provisional and self-implementing  
28 rate increases are permitted on the subsequent December 1 and February 1, after thirty days  
29 prior notice to the BPU Staff and Rate Counsel. Each self-implementing increase cannot

<sup>1</sup> In re the Provision of Basic Gas Supply Service Pursuant to the Electric Discount and Energy Act N.J.S.A. 48:3-49 et seq. – BGSS Pricing, BPU Docket No. GX01050304, Order dated January 6, 2003 (“January 2003 BGSS Order”).

1 exceed a maximum of five percent of the Company's total average residential heat  
2 customer's bill.

3 **Q. PLEASE SUMMARIZE THE COMPANY'S LAST BGSS AND CIP**  
4 **PROCEEDING.**

5 A. On June 1, 2022, NJNG filed a petition requesting that the BPU approve NJNG's annual  
6 filing for the BGSS year of October 1, 2022 through September 30, 2023 in BPU Docket  
7 No. GR22060373 ("2023 BGSS/CIP Filing"). That petition requested that the BPU  
8 approve an increase to the after-tax per therm periodic BGSS rate from \$0.3974 (\$0.3727  
9 per therm pre-tax) to \$0.5681 (\$0.5328 per therm pre-tax) and an increase to the after-tax  
10 per therm Balancing Charge from \$0.1235 (\$0.1158 per therm pre-tax) to \$0.1380 (\$0.1294  
11 per therm pre-tax). The Company also requested to adjust its CIP rates for CIP year of  
12 October 1, 2022 through September 30, 2023. Specifically, the petition requested that the  
13 BPU approve the implementation of after-tax per therm CIP rates of \$0.0088 for Group I  
14 Residential Non-Heat customers, \$0.0497 for Group II Residential Heat customers,  
15 \$0.0194 for Group III General Service – Small ("GSS) commercial customers, and \$0.0221  
16 for Group IV General Service – Large ("GSL") commercial customers, effective as of  
17 October 1, 2022. On July 15, 2022, the Company submitted responses to Discovery  
18 Request RCR-A-0008 updating the CIP schedules ("Update"). The CIP rates for Groups  
19 II, III, and IV in the Update were lower than originally filed, and resulted in: 1) a per-therm  
20 charge of \$0.0442 for Group II, 2) a per-therm charge of \$0.0180 for Group III, and 3) a  
21 per-therm charge of \$0.0142 for Group IV. ("updated CIP rates").

22 On September 7, 2022, the BPU issued an Order<sup>2</sup> authorizing the Company to: 1)  
23 increase the Company's existing periodic BGSS rate to \$0.5681 per therm after-tax; 2)  
24 increase the Company's balancing charge to \$0.1380 per therm after tax; 3) and adjust the  
25 following CIP rates all on a per therm, after tax basis: \$0.0088 for Group I Residential  
26 Non-Heat customers, \$0.0442 for Group II Residential Heat customers, \$0.0180 for Group  
27 III GSS Commercial customers, and \$0.0142 for Group IV GSL Commercial customers  
28 effective October 1, 2022, on a provisional basis.

<sup>2</sup> In the Matter of the Petition of New Jersey Natural Gas Company for the Annual Review and Revision of its Basic Gas Supply Service (BGSS) and Conservation Incentive Program (CIP) Rates for F/Y 2023, BPU Docket No. GR22060373, Order dated September 7, 2022 ("September 2022 Order").

1           On February 22, 2023, the Company notified the Board and Rate Counsel of its  
2 intent to implement a bill credit of \$0.5054 per therm effective March 1, 2023 through  
3 March 31, 2023. The after-tax bill credit of \$0.5054 per therm was applicable to each  
4 Periodic BGSS customer's usage during March 2023 and the average residential heating  
5 customer could receive a total credit of approximately \$68, or a 4.3 percent total bill  
6 reduction on an annual basis. The Company also notified the Board and Rate Counsel that  
7 it would decrease its Periodic BGSS rate from the provisionally approved \$0.5681 per  
8 therm inclusive of sales tax to \$0.5065 per therm, effective March 1, 2023, resulting in a  
9 rate reduction of \$0.0616 per therm. The Periodic BGSS price decrease resulted in a  
10 decrease of \$6.16 or 3.9 percent for a residential heating customer using 100 therms per  
11 month.

12           The December 1, 2021 BGSS rate of \$0.3974 per therm, the October 1, 2022 BGSS  
13 rate of \$0.5681 per therm, the March 1, 2023 BGSS rate of \$0.5065, the Balancing Charge  
14 of \$0.1380 per therm, and the updated CIP rates were approved by the Board on a final  
15 basis on April 7, 2023.<sup>3</sup> The March 1, 2023 self-implementing BGSS rate of \$0.5065 per  
16 therm is in effect and will be reviewed in this proceeding.

### 17           **III. BGSS Projections and Proposed Rate**

18 **Q.   WHAT IS THE COMPANY'S CURRENT PROJECTION FOR THE BGSS**  
19 **BALANCE AS OF SEPTEMBER 30, 2023?**

20 A.   At current market conditions, the estimated BGSS ending balance will be approximately  
21 \$25.862 million over-recovered as of September 30, 2023.

22 **Q.   PLEASE DESCRIBE THE TREATMENT OF BGSS INTEREST WITHIN THE**  
23 **BGSS SCHEDULES?**

24 A.   In Schedule 6 of Exhibit A, NJNG estimates that it will owe \$1.956 million in BGSS  
25 interest to customers. Schedule 5 of Exhibit B includes the BGSS interest credit being  
26 transferred into the opening Periodic BGSS balance as of October 1, 2023.

<sup>3</sup> In the Matter of the Petition of New Jersey Natural Gas Company for the Annual Review and Revision of its Basic Gas Supply Service (BGSS) and Conservation Incentive Program (CIP) Rates for F/Y 2023, BPU Docket No. GR22060373, Order dated April 7, 2023 ("April 2023 Order").

1 **Q. WHAT IS THE PROPOSED PERIODIC BGSS RATE FOR THIS FILING?**

2 A. The Company proposes to decrease the current pre-tax periodic BGSS rate of \$0.4750 per  
3 therm to \$0.4023 per therm effective October 1, 2023. If approved, the current after-tax  
4 rate of \$0.5065 per therm will decrease by \$0.0775 to \$0.4290.

5 **Q. WHAT IS THE COMPANY'S CURRENT PROJECTION FOR THE BGSS**  
6 **BALANCE AS OF SEPTEMBER 30, 2024?**

7 A. Exhibit B to the Petition provides the details of the Company's projections for the period  
8 October 1, 2023 through September 30, 2024 based upon May 10, 2023 NYMEX pricing,  
9 as requested by BPU Staff, includes the impact of the proposed Balancing Charge  
10 described in Section IV of this testimony, and shows that the estimated BGSS ending  
11 balance will be an over-recovery of approximately \$8.851 million as of September 30,  
12 2024. Should market conditions change, the Company will consider utilization of the self-  
13 implementing BGSS price increases or decreases, credits or refunds.

14

15

#### **IV. Balancing Charge**

16 **Q. DOES THE COMPANY PROPOSE A CHANGE TO ITS BALANCING CHARGE?**

17 A. Yes. The Balancing Charge includes the cost of providing storage and peaking services to  
18 certain sales and transportation customers and has two components: (1) carrying charges  
19 on inventory costs and (2) demand charges. Pursuant to the Board's November 17, 2021  
20 Order in Docket No. GR21030679<sup>4</sup>, the demand charges component of the Balancing  
21 Charge is to be adjusted in the Company's annual BGSS filing and is subject to review as  
22 part of such filing. The calculation of the Balancing Charge is presented in Exhibit D to  
23 the Petition and reflects updated pipeline demand charges, credit adjustments, and  
24 percentage of peak day volume related to balancing associated with the pipeline demand  
25 portion of the Balancing Charge. The Company proposes to decrease its current after-tax  
26 per therm Balancing Charge \$0.1380 (\$0.1294 pre-tax) to \$0.1266 (\$0.1187 pre-tax)  
27 effective October 1, 2023.

<sup>4</sup> In the Matter of the Petition of New Jersey Natural Gas Company for Approval of an Increase in Gas Base Rate and for Changes in its Tariff for Gas Service Pursuant to N.J.S.A. 48:2-21 and N.J.S.A. 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, Order dated November 17, 2021("Rate Case Order").



1 **Q. HAS THE COMPANY REFLECTED THE PROPOSED BALANCING CHARGE**  
2 **CHANGE IN THIS FILING?**

3 A. Yes. Balancing Charge credits in Exhibit B to the Petition reflect the pre-tax Balancing  
4 Charge per therm proposed in this proceeding of \$0.1187 effective October 1, 2023. All  
5 balancing revenues from sales and transportation customers are credited to the BGSS as  
6 shown in Schedule 4g of Exhibits A and B.

7  
8 **V. Conservation Incentive Program (“CIP”)**

9 **Q. PLEASE DESCRIBE THE RATE STRUCTURE OF THE CIP.**

10 A. The CIP rate mechanism was initially approved by the Board in Docket No. GR05121020  
11 in a December 12, 2006 Order, extended in its January 21, 2010 Order, and approved to  
12 continue in a May 21, 2014 Order in Docket No. GR13030185 (“CIP Orders”). The CIP  
13 rate mechanism provides a rate adjustment related to changes in the average use per  
14 customer when compared to a pre-established baseline value, allowing NJNG to encourage  
15 customers to conserve energy. The pre-filed Direct Testimony of Anne-Marie Peracchio  
16 within this filing describes the programs NJNG has implemented to encourage customers  
17 to conserve energy. Pursuant to the Company’s Tariff, the CIP is applicable to each of the  
18 following customer groups:

- 19
- Group I – Residential Non-Heat
  - 20 • Group II – Residential Heat
  - 21 • Group III – General Service - Small
  - 22 • Group IV – General Service - Large

23 Pursuant to the CIP Orders, the margin deficiency or excess for each group is  
24 calculated each month by subtracting the baseline usage per customer, according to the  
25 Company’s Tariff, from the actual usage per customer and multiplying the resulting therms  
26 by the actual number of customers and the margin recovery per therm. The baseline use  
27 per customer for each group was updated in the Company’s Tariff effective December 1,  
28 2021 pursuant to the Rate Case Order. The margin recovery per therm for each group was  
29 updated effective October 1, 2022 to reflect the base rate changes related to the Company’s  
30 Infrastructure Investment Program approved by the Board in BPU Docket No.

1 GR22040247.<sup>5</sup> The October 2022 through September 2023 CIP margin deficiency/excess  
2 calculations for each group, with actual data through April 2023 and projected data for the  
3 remaining five months, are included as Exhibit C, Schedules 1 through 4 to the Petition.

4 **Q. PLEASE DESCRIBE THE WEATHER EXPERIENCED THIS YEAR AND ITS**  
5 **IMPACT ON CIP.**

6 A. For the period October 2022 through April 2023, NJNG experienced weather that was 14.2  
7 percent warmer than normal with January through February 2023 being 26.5% warmer  
8 than normal. Due to the significantly warmer than normal weather, customer usage was  
9 less than the CIP baseline values resulting in an overall CIP margin deficiency.

10 **Q. PLEASE DESCRIBE THE CIP RECOVERY TESTS.**

11 A. Pursuant to the May 21, 2014 CIP Order, recovery of the margin deficiency associated with  
12 non-weather related changes in customer usage is subject to a BGSS Savings Test and a  
13 Variable Margin Revenue Test. In order to recover the CIP non-weather related margin  
14 deficiency, the Company must: (1) have BGSS savings of at least 75 percent of the non-  
15 weather related margin deficiency; and (2) the non-weather related margin deficiency must  
16 be less than or equal to 6.5 percent of aggregate variable margins. Any amount that exceeds  
17 these limitations may be deferred for future recovery and will be subject to the recovery  
18 tests in that future period.

19 **Q. PLEASE DESCRIBE THE CALCULATION OF THE NON-WEATHER**  
20 **RELATED CIP MARGIN.**

21 A. To determine the non-weather related CIP margin, the Company has calculated the weather  
22 related margin deficiency on Exhibit C, Schedule 5 to the Petition. The monthly  
23 consumption factors per customer per degree day for each group and the normal degree  
24 days are included in Rider I of the Company's Tariff ("CIP Tariff") and were updated in  
25 the Company's Tariff effective December 1, 2021 pursuant to the Rate Case Order. The  
26 consumption factors are multiplied by the actual number of customers to determine the  
27 associated consumption factors per degree day. The consumption factors associated with  
28 actual customers are multiplied by the variance of the actual degree days from the degree  
29 days included in the CIP Tariff and the margin factors to determine the weather margin  
30 deficiency. The total CIP margin deficiency for the 2022-2023 CIP year is approximately

<sup>5</sup> In the Matter of the Petition of New Jersey Natural Gas Company for Approval of a Base Rate Adjustment Pursuant to the Infrastructure Investment Program, BPU Docket No. GR22040247, Order dated September 7, 2022.

1           \$48.57 million of which \$44.73 million is related to weather. Exhibit C, Schedule 6 to the  
2           Petition demonstrates that the estimated margin deficiency related to the non-weather  
3           change in customer usage is approximately \$3.85 million.

4           **Q. PLEASE FURTHER DESCRIBE THE BGSS SAVINGS TEST.**

5           A.     The amount of the BGSS Savings required to meet the BGSS Savings test is 75 percent of  
6           the non-weather change in customer usage or \$2.89 million. There are three categories of  
7           BGSS savings: (1) permanent savings realized from permanent capacity releases or  
8           contract terminations; (2) additional BGSS gas cost savings from reductions of capacity on  
9           a long-term basis; and (3) avoided capacity costs to meet residential customer growth. As  
10          shown in Exhibit C, Schedule 6, the Company has approximately \$12.04 million of  
11          permanent savings approved in the May 21, 2014 CIP Order and approximately \$3.05  
12          million of avoided capacity cost savings for a total BGSS savings of approximately \$15.09  
13          million. Avoided capacity costs savings are calculated based on following the  
14          methodology approved in the May 21, 2014 CIP Order: the monthly net change in  
15          residential customers for Group I and Group II are multiplied by their respective CIP  
16          benchmark use per customer and by the average fixed capacity cost reflected in this filing.

17          **Q. PLEASE FURTHER DESCRIBE THE VARIABLE MARGIN REVENUE TEST.**

18          A.     To pass the Variable Margin Revenue Test approved in the May 21, 2014 CIP Order and  
19          modified in the 2020 EE Order, NJNG's non-weather related aggregate CIP margins must  
20          be less than or equal to 6.5 percent of aggregate variable margins for the CIP accrual year  
21          for all CIP Groups. The variable margins for each group are calculated on a monthly basis  
22          by multiplying the actual number of customers by the baseline use per customer and the  
23          group's margin per therm. As shown in Exhibit C, Schedule 6, the recovery limitation is  
24          approximately \$23.57 million.

25          **Q. HAS THE COMPANY MET OR EXCEEDED THE CIP RECOVERY TEST  
26          CRITERIA AS PROVIDED FOR IN THE CIP ORDER?**

27          A.     Yes. Since the total BGSS savings of \$15.09 million for the October 2023 through  
28          September 2024 CIP recovery period are greater than the required amount to meet the test  
29          of \$2.89 million, the Company has exceeded the BGSS Savings test for the October 2023  
30          through September 2024 CIP recovery period. Additionally, the Company has met the  
31          Variable Margin Revenue Test since the non-weather portion of \$3.85 million is less than  
32          the recovery limitation of approximately \$23.57 million.

1 **Q. PLEASE DESCRIBE THE CIP EARNINGS TEST.**

2 A. The CIP Earnings Test is based on the Tariff approved in the Rate Case Order and provides  
3 that NJNG cannot recover any portion of its margin deficiency that will cause the Company  
4 to earn in excess of a 9.60 percent return on common equity for the annual period of the  
5 CIP year. Additionally, any portion of the margin deficiency which is not recoverable shall  
6 not be deferred for future recovery. Exhibit C, Schedule 7 to the Petition, includes the  
7 calculation of the Earnings Test with actual data for the six months ended March 2023 and  
8 estimated data for the six months ended September 2023. The test shows that the estimated  
9 Return on Equity (“ROE”) for the 2022-2023 CIP year is 5.94 percent. Therefore, since  
10 the estimated ROE of 5.94 percent is less than 9.60 percent, NJNG may fully recover its  
11 CIP deficiencies.

12 **Q. PLEASE DESCRIBE HOW CIP RATES ARE DETERMINED AND WHAT CIP  
13 RATES THE COMPANY IS PROPOSING.**

14 A. The CIP surcharge or credit for each group is determined by dividing the eligible aggregate  
15 margin deficiency or excess, adjusted for any under or over recovery of prior period CIP  
16 collection, by the forecasted annual usage of each group for October 2023 to September  
17 2024. The following table shows the existing after-tax rates, proposed after-tax rates and  
18 resulting change for each CIP Group:

19

		Existing	Proposed	Increase/ Charge/(Credit)	Increase/ Charge/(Credit)	Increase/ Charge/(Credit)
		Charge/(Credit)	Charge/(Credit)	(Decrease)		
<u>Group</u>	<u>Group Description</u>	<u>per therm</u>	<u>per therm</u>	<u>per therm</u>		
Group I	Residential Non-Heat	\$0.0088	\$0.0389	\$0.0301		
Group II	Residential Heat	\$0.0442	\$0.0915	\$0.0473		
Group III	General Service - Small	\$0.0180	\$0.0605	\$0.0425		
Group IV	General Service - Large	\$0.0142	\$0.0388	\$0.0246		

20  
21 The Company is requesting an effective date of October 1, 2023 for the above proposed  
22 rates.

**VI. Impact on Customers**

1  
2 **Q. WHAT IS THE IMPACT TO RESIDENTIAL HEAT CUSTOMERS AS A RESULT**  
3 **OF THE PROPOSED CHANGES TO THE BGSS, BALANCING CHARGE, AND**  
4 **CIP RATES?**

5 A. The periodic BGSS decrease proposed in this filing results in an overall \$7.75 or 5.1  
6 percent decrease to the total monthly 100 therm bill for residential heat sales customers.  
7 The proposed Balancing Charge decrease results in an overall \$1.14 or 0.8 percent decrease  
8 to the total monthly 100 therm bill for residential heat sales and transportation customers.  
9 The proposed CIP rate for Group II Residential Heat sales and transportation customers  
10 results in an overall \$4.73 or 3.1 percent increase to the total monthly 100 therm bill for a  
11 residential heat customer. The net impact of the BGSS, Balancing Charge, and CIP rate  
12 changes for a residential heat sales customer is a \$4.16, or 2.8 percent, decrease to the total  
13 monthly 100 therm bill. The proposed changes result in a \$41.60 decrease to the annual  
14 1,000 therm bill. Exhibit E to the Petition provides the supporting bill impact calculations.  
15 Residential heat transportation customers will have a 2.3 percent increase due to the  
16 changes in the Balancing Charge and CIP rates.<sup>6</sup>

17 **Q. WHAT IS THE IMPACT TO RESIDENTIAL NON-HEAT CUSTOMERS AS A**  
18 **RESULT OF THE PROPOSED CHANGES TO THE BGSS, BALANCING**  
19 **CHARGE, AND CIP RATES?**

20 A. The proposed periodic BGSS decrease results in an overall 4.3 percent decrease to the total  
21 monthly 25 therm bill for a residential non-heat sales customer. The proposed Balancing  
22 Charge decrease results in an overall 0.6 percent decrease to the total monthly 25 therm  
23 bill for residential non-heat sales and transportation customers. The proposed CIP rate for  
24 Group I Residential Non-Heat customers results in an overall increase of 1.7 percent. The  
25 net impact of the BGSS, Balancing Charge, and CIP rate changes for a residential non-heat  
26 sales customer is a 3.2 percent decrease. Residential non-heat transportation customers  
27 will have a 1.1 percent increase due to the changes in the Balancing Charge and CIP rates.<sup>7</sup>

<sup>6</sup> Percentage change assumes transportation customers are receiving gas supply at NJNG's BGSS Price to Compare.

<sup>7</sup> Id.

1 **Q. WHAT IS THE IMPACT TO CIP GROUP III GSS CUSTOMERS A RESULT OF**  
2 **THE PROPOSED CHANGES TO THE BGSS, BALANCING CHARGE, AND CIP**  
3 **RATES?**

4 A. The proposed periodic BGSS decrease results in an overall 4.5 percent decrease to the  
5 monthly 100 therm bill for a GSS sales customer. The proposed Balancing Charge  
6 decrease results in an overall 0.7 percent decrease to the total monthly 100 therm bill for  
7 GSS sales and transportation customers. The proposed CIP rate for Group III GSS  
8 customers results in an overall 2.5 percent increase. The net impact of the BGSS, Balancing  
9 Charge, and CIP rate changes for a GSS sales customer is a 2.7 percent decrease. GSS  
10 transportation customers will have a 1.8 percent increase due to the changes in the  
11 Balancing Charge and CIP rates.<sup>8</sup>

12 **Q. WHAT IS THE IMPACT TO CIP GROUP IV GSL CUSTOMERS AS A RESULT**  
13 **OF THE PROPOSED CHANGES TO THE CIP AND BALANCING CHARGE**  
14 **RATES?**

15 A. The proposed CIP rate for Group IV GSL customers results in a 1.8 percent increase for  
16 GSL customers using 1,200 therms per month. The Balancing Charge is included in the  
17 GSL Delivery Charge and the Monthly BGSS rates for GSL sales customers are net of the  
18 Balancing Charge. Therefore, the Balancing Charge does not impact the overall bill of a  
19 GSL sales customer and the total impact to their bill is a 1.8 percent increase. However,  
20 the proposed Balancing Charge increase results in an overall 0.8 percent decrease to the  
21 total monthly 1,200 therm bill for GSL transportation customers. GSL transportation  
22 customers will have a 1.0 percent increase due to the changes in the CIP and Balancing  
23 Charge rates.<sup>9</sup> GSL customers are not impacted by the BGSS rate change because they  
24 pay the Monthly BGSS rates which are tied to market prices.

25 **Q. DOES THIS CONCLUDE YOUR TESTIMONY?**

26 A. Yes.

<sup>8</sup> Id.

<sup>9</sup> Id.

**NEW JERSEY NATURAL GAS COMPANY**

**PRE-FILED DIRECT TESTIMONY AND EXHIBITS OF**

**ANNE-MARIE PERACCHIO**

**MANAGING DIRECTOR – MARKETING AND ENERGY EFFICIENCY**

**IN THE MATTER OF THE PETITION OF  
NEW JERSEY NATURAL GAS COMPANY  
FOR THE ANNUAL REVIEW AND REVISION OF ITS  
BASIC GAS SUPPLY SERVICE (BGSS) AND  
CONSERVATION INCENTIVE PROGRAM (CIP) RATES  
FOR F/Y 2024  
BPU DOCKET NO. GR23060348  
Pre-Filed Direct Testimony of Anne-Marie Peracchio**

**I. Introduction**

1  
2 **Q. PLEASE STATE YOUR NAME, AFFILIATION AND BUSINESS ADDRESS.**

3 A. My name is Anne-Marie Peracchio and I am the Managing Director, Marketing and Energy  
4 Efficiency for New Jersey Natural Gas Company (the “Company” or “NJNG”). My  
5 business address is 1415 Wyckoff Road, Wall, New Jersey 07719.

6 **Q. PLEASE DESCRIBE YOUR EDUCATION AND BUSINESS EXPERIENCE.**

7 A. In 1990, I received a Bachelor of Science degree in Accounting with a double major in  
8 Philosophy from the University of Scranton, and in 1997 a Masters of Business  
9 Administration from Monmouth University. I previously worked as a Certified Public  
10 Accountant in the State of New York. From September 1990 to June 1993, I was employed  
11 by KPMG Peat Marwick in various positions within the Audit Department.

12 In June 1993, I accepted a position with New Jersey Resources Corporation, the  
13 parent of NJNG, in the Internal Audit Department and held that position until February  
14 1995 when I accepted a position as a Senior Rate Analyst in the Regulatory Affairs  
15 Department of the Company. In July 1997, I was promoted to Manager, Regulatory Affairs  
16 and in January 1999, I was promoted to Director, Regulatory Affairs. In December 2006,  
17 I was appointed as the Director, Conservation and Affordability until December 2009,  
18 when my responsibilities shifted to serve as the Director, Conservation and Clean Energy  
19 Policy. In November 2015, my responsibilities were broadened to include both policy and  
20 operations for energy-efficiency programs as the Director, Conservation and Clean Energy.  
21 I was promoted to the Managing Director, Marketing and Energy Efficiency in September  
22 2021.

23 **Q. WHAT ARE YOUR RESPONSIBILITIES AS THE MANAGING DIRECTOR,  
24 MARKETING AND ENERGY EFFICIENCY?**

25 A. I report directly to the Senior Vice President - Regulatory Affairs, Marketing and Energy  
26 Efficiency. I am responsible for the development and implementation of the Company’s  
27 customer conservation programs, pursuant to the Board’s approval of the Conservation  
28 Incentive Program (“CIP”), and I manage the efforts of the team who implements the



1 NJNG energy-efficiency program - The SAVEGREEN Project® (“SAVEGREEN”). I also  
2 identify opportunities to help drive cultural changes within the organization to support the  
3 Company’s concerted focus on conservation. Most of those programs fall under the  
4 Company’s Conserve to Preserve® (“CTP”) initiative that will be discussed in more detail  
5 below. I also oversee the Marketing department, which assists builders and customers who  
6 are connecting to our system and the team that is implementing our Marketing Cloud.

7 Additionally, I have been and continue to be involved in the development of  
8 NJNG’s policy positions on a number of energy-related issues, including the State and  
9 Local Energy Efficiency Action Network. I serve as a Company representative on several  
10 committees, working groups, and task forces for New Jersey’s Clean Energy Program™  
11 (“NJCEP”), Sustainable Jersey™, the Consortium for Energy Efficiency (“CEE”) and the  
12 American Gas Association (“AGA”), as well as many joint utility efforts for coordination  
13 of the energy efficiency programs in New Jersey. I currently serve as a Board Member for  
14 Lead New Jersey and previously served as Chair of the Board of Trustees for Sustainable  
15 Jersey.

16 **Q. HAVE YOU PREVIOUSLY TESTIFIED IN REGULATORY PROCEEDINGS?**

17 A. Yes. I have testified on behalf of NJNG in numerous Levelized Gas Adjustment  
18 proceedings, the precursor to Basic Gas Supply Service (“BGSS”), BGSS cases and other  
19 rate related filings before the New Jersey Board of Public Utilities (the “BPU” or “Board”).  
20 Additionally, I testified on behalf of NJNG in the Company’s filing for approval of energy-  
21 efficiency programs and the associated cost recovery mechanism in BPU Docket No.  
22 GO20090622.

23 **Q. WHAT IS THE PURPOSE OF THIS TESTIMONY?**

24 A. The purpose of this testimony is to explain and provide support for the background of the  
25 CIP, an overview of NJNG’s CIP program activity over the past year, an update on CIP  
26 expenditures to date, and plans for future CIP activities.

27 **Q. HOW IS THE BALANCE OF YOUR TESTIMONY ORGANIZED?**

28 A. The balance of my testimony is organized as follows:

29 Section II: CIP Background

30 Section III: Program Activity

31 Section IV: CIP Expenditure Update

32 Section V: Prospective CIP Activities and Changes

## II. CIP Background

1  
2 **Q. PLEASE BRIEFLY SUMMARIZE THE CIP.**

3 A. On December 12, 2006, the BPU approved a three year CIP in Docket No. GR05121020  
4 (“CIP Order”). The CIP is designed to decouple the link between customer usage and  
5 NJNG’s gross margin to allow NJNG to encourage its customers to conserve energy. As  
6 such, the CIP contains a tariff mechanism that addresses gross margin variations along with  
7 a commitment from NJNG to actively promote customer conservation. To meet the  
8 conservation goals, NJNG agreed to promote energy-efficiency and conservation activities  
9 and to modify the Company’s internal culture to focus on energy efficiency. To fulfill that  
10 commitment, NJNG initiated programs to further customer conservation efforts over the  
11 first three-year term, providing a funding amount of \$2 million for such programs. In an  
12 Order dated January 21, 2010, the Board approved the extension of the CIP program (“CIP  
13 Extension Order”) and NJNG agreed to contribute \$575,000 annually for CIP programs.  
14 Any unspent balance of the annual amount is carried over into the next CIP year. On May  
15 21, 2014, the Board issued an Order in Docket No. GR13030185 in which, among other  
16 things, continued the CIP program and NJNG agreed to contribute \$700,000 annually  
17 beginning October 1, 2014. The funding levels approved by the Board as part of the CIP  
18 are not included in customer rates.

## III. Program Activity

19  
20  
21 **Q. PLEASE PROVIDE A BRIEF OVERVIEW OF ON-GOING PROGRAMS THAT**  
22 **CIP FUNDING SUPPORTS.**

23 A. NJNG continues to use CIP funding to support recurring services and initiatives designed  
24 to engage and educate customers on energy-efficiency or energy conservation programs.  
25 Current customer programs include:

- 26 • **E-tips:** The expenses in this category cover costs associated with the external  
27 service used to distribute E-tips, NJNG’s opt-in conservation e-mail newsletter,  
28 and other minor promotional expenses. Currently, more than 277,000 customers  
29 are registered to receive our monthly E-Tip service. This is the most effective  
30 vehicle for promoting special offers and limited time promotions.

- 1           • **Community outreach:** The CIP funds for these activities are used in the  
2           production of materials promoting NJNG’s conservation programs, the  
3           payment of certain exhibit fees, and minor related promotional items. The  
4           Company directly reaches thousands of customers each year through our  
5           traditional Speakers Bureau presentations, game show formats, lunch and learn  
6           series, as well as outreach tables at expos, trade shows, business conferences  
7           and green fairs. Larger scale outreach events scheduled on our calendar include  
8           several Jersey Shore Blue Claws games, Ocean Fun Days, New Jersey  
9           Sustainability in Motion Conference, the Sustainable Jersey Summit, the  
10          League of Municipalities Annual Conference, and several community green  
11          fairs.
- 12          • **Employees/contractors/realtors and other stakeholders as champions:**  
13          NJNG’s experience with SAVEGREEN has significantly expanded awareness  
14          and knowledge of energy-efficiency contractor activity in the Company’s  
15          service territory and the marketplace. This category of expenses relates to  
16          activities through which NJNG contacts and directly interacts with these  
17          contractors. During the pandemic the provision of training classes and related  
18          energy-efficiency and conservation materials was more limited but we plan to  
19          resume classes this year. NJNG is an active participant in the New Jersey Air  
20          Conditioning and Contractors Association (NJACCA) to help engage  
21          contractors. NJNG also offers direct outreach to realtors who are reached  
22          through office visits and virtual presentations.
- 23          • **Customer participation activities:** NJNG has worked to engage more  
24          customers in energy-efficiency programs and provide conservation education  
25          by offering prizes for participation in online contests or through social media.  
26          NJNG has used different approaches including quizzes, matching games, and  
27          creative posts.
- 28          • **School Programs:** Through this funding category, NJNG sponsors the Alliance  
29          to Save Energy’s (“ASE”) “Energy Hog” program which provides both  
30          classroom and take-home resources for elementary school students as well as a  
31          free school assembly program. This category also includes expenses for annual  
32          conservation themed poster and video contests. It also includes support for the

1 Sustainable Jersey for Schools program. This initiative provides comprehensive  
2 resources and engagement tools across many areas and ensures that the school  
3 administration is supportive. It also includes implementation of ASE's  
4 Empowered Schools Program (previously called the PowerSave School  
5 Program). ASE has successfully implemented this program to capture  
6 behavioral energy savings in schools for 25 years. Forty schools are currently  
7 participating in the program.

- 8 • **Municipal Programs and EDF Climate Corp:** Through this category, NJNG  
9 conducts direct outreach to municipalities to encourage conservation to their  
10 residents and businesses. Outreach is conducted through efforts with the League  
11 of Municipalities and Sustainable Jersey. In prior years, NJNG has funded  
12 Environmental Defense Fund ("EDF") Climate Corp Fellows to work at the  
13 municipal and school district level to help reduce their energy usage. This year,  
14 the Company shifted the nature of this special technical assistance by providing  
15 the funding to Sustainable Jersey to hire a full time resource to provide similar  
16 technical support on a year round basis instead of just a limited summer  
17 engagement.
- 18 • **Direct Purchase of Energy Saving Products:** This category covers expenses  
19 related to purchasing smaller energy saving measures that may be used at  
20 outreach events (e.g., gaskets, nightlights). NJNG did not have any spending  
21 in this category because the pandemic left little opportunity to engage with  
22 customers at events where these are normally distributed. The Company  
23 expects spending to resume in future years after supplies on hand are  
24 exhausted.
- 25 • **Low-income/senior focused outreach:** NJNG continues to develop events  
26 and work with organizations that help the Company reach low-income  
27 customers and our senior population. NJNG participated in the Consortium for  
28 Energy Efficiency's ("CEE") special project that evaluated strategies for Hard  
29 to Reach Customers and is currently participating in CEE's new Center for  
30 Equity.
- 31 • **Other:** Funds are also expended for work with organizations that actively  
32 support energy conservation and energy efficiency, including breakthrough

1 technologies that have the potential to provide significant savings for our  
2 customers.

3 **Q. HAS NJNG CONTINUED TO SEE GROWTH IN WEB SITE TRAFFIC FOR THE**  
4 **CONSERVATION SECTIONS?**

5 A. Yes. As shown on Exhibit AMP-1, fiscal 2022 customer activity in the energy efficiency  
6 sections of our website was very strong, more than 63 times more than fiscal 2006, the last  
7 full year prior to the implementation of CIP. This includes the activity related to NJNG's  
8 SAVEGREEN Marketplace. To date, activity for fiscal 2023 has been strong as well.

9  
10 **IV. CIP Expenditure Update**

11 **Q. DID THE COMPANY HAVE ANY CARRY-OVER FUNDING TO ADD TO THE**  
12 **ANNUAL PROGRAM FUNDING COMMITMENT OF \$700,000 FOR FISCAL**  
13 **2023?**

14 A. Yes. The fiscal 2022 available budget was approximately \$815,000 because of prior year  
15 carryovers. Although NJNG spent nearly \$748,000 on CIP activities in fiscal 2022, the  
16 Company had a carryover balance of more than \$67,000. Accordingly, NJNG has  
17 approximately \$767,000 available for fiscal 2023 programs. See Attachment AMP-2, page  
18 2 of 2 for the final summary of expenses and carry-over calculation for fiscal 2023.

19 **Q. WHAT HAS THE COMPANY EXPENDED ON THE CIP PROGRAMS FOR THE**  
20 **CURRENT FISCAL YEAR?**

21 A. As of May 15, 2023, NJNG will record expenses of approximately \$612,000 for the 2023  
22 CIP year. A summary of 2023 expenses by category is included as Attachment AMP-2,  
23 page 1 of 2.

24 **Q. DOES THE COMPANY EXPECT TO EXPEND THE FULL \$767,000 ON THE CIP**  
25 **PROGRAM THIS FISCAL YEAR?**

26 A. No. It is difficult to project the overall response to programs. However, NJNG expects that  
27 there will be a modest carry-over of unspent funds into fiscal 2024 CIP programs. Projected  
28 expenses for the remainder of the year are reflected on Attachment AMP-2, page 1 of 2.

**V. Prospective CIP Activities and Changes**

- 1
- 2 **Q. DOES THE COMPANY HAVE PLANS FOR ADDITIONAL CIP PROGRAMS?**
- 3 A. Yes. NJNG continues to explore ideas for CIP programs, striving to identify new services
- 4 and offers that complement existing programs administered by both NJCEP and NJNG.
- 5 NJNG is currently brainstorming ideas to determine what is the most beneficial.
- 6 **Q. DOES THIS CONCLUDE YOUR TESTIMONY?**
- 7 A. Yes.

**New Jersey Natural Gas  
Comparison of Website Conservation Statistics**

Page Views	Fiscal 2006	Fiscal 2007	Fiscal 2008	Fiscal 2009	Fiscal 2010	Fiscal 2011	Fiscal 2012	Fiscal 2013	Fiscal 2014	Fiscal 2015	Fiscal 2016	Fiscal 2017	Fiscal 2018	Fiscal 2019	Fiscal 2020	Fiscal 2021	Fiscal 2022	Fiscal 2023 through April only
Conservation	6,288	2,636	1,957	4,586	4,543	5,044	4,624	4,134	4,339	4,693	4,567	4,169	4,333	6,229	9,544	8,042	8,124	5,487
Conserve to Preserve		2,199	3,090	3,552	3,560	2,158	1,584	1,447	1,880	1,545	1,147	1,207	1,072	1,458	2,353	2,161	1,667	897
Home Energy Saving Tips		2,482	3,726	4,783	3,858	4,709	3,180	2,936	5,617	6,352	2,409	1,838	1,789	2,413	3,838	3,161	3,133	2,175
Residential Programs		9,171	11,613	16,070	18,156	18,838	15,020	20,557	20,168	16,182	10,544	7,941	7,827	10,762	13,725	9,412	Pages were eliminated to allow for a more direct links to SAVEGREEN.com	
Special Offers & Rebates/New Programs		6,414	11,353	17,817	15,183	18,088	15,666	22,827	22,288	18,927	16,572	17,287	16,500	28,808	50,981	30,415		
Energy Saving Tips for Business		413	855	1,073	740	891	668	562	540	430	341	307	243	283	279	345		
Commercial Programs		541	728	1,187	1,052	1,102	907	906	895	794	596	615	617	841	845	754		
Distributed Generation		430	500	631	587	996	871	1,240	653	399	329	262	290	341	460	438	383	257
Renewable Energy		834	928	1,038	1,258	1,978	1,755	1,633	1,453	1,222	1,174	1,230	1,222	1,952	1,692	1,447	989	460
Energy Hog	843	912	937															
Kids and Conservation			897	1,541	1,139	1,506	633	1,767	1,591	1,330	967	685	719	618	568	547	789	838
SAVEGREEN, incl. marketplace					51,154	66,108	66,955	89,391	150,793	182,325	190,774	169,708	171,249	672,961	1,546,345	629,207	545,358	442,020
Total	7,131	26,032	36,584	52,278	101,230	121,418	111,863	147,400	210,217	234,199	229,420	205,249	205,861	726,666	1,630,630	685,929	560,443	452,134

**Note:** Fiscal 2022 ended the year more than 63 times the level of activity pre-CIP, inclusive of activity for the SAVEGREEN marketplace. Fiscal 2023 is performing well. As noted above, in Fiscal 2022 NJNG eliminated some pages to allow for more communications to directly promote savegreen.com. NJNG's promotion within our communication channels, including NJNG's E-tip service, frequent posts on social media, and content within NJNG's customer newsletter have helped keep the interest strong.

**New Jersey Natural Gas  
CIP Expense through May 15, 2023  
BPU Docket No. GR23060348**

	Quarter Ending 12/31/22	Quarter Ending 3/31/23	Estimated Expenses 4/1 -	Estimated expenses 5/16-9/30/23*	Estimated Total Fiscal Year
1 School/Children's Programs	\$52,492	\$85,713		\$75,000	<b>\$213,205</b>
2 Municipal Programs, including technical assistance	\$96,500		\$3,300		<b>\$99,800</b>
3 Employees, HVAC Contractors, Realtors and other stakeholders as Champions	\$2,000	\$10,375	\$3,250	\$10,000	<b>\$25,625</b>
4 Online services and E-tips	\$9,999	\$9,477			<b>\$19,476</b>
5 Conservation/energy efficiency online promotion/sweepstakes	\$8,643	\$9,000	\$1,000		<b>\$18,643</b>
6 Direct purchase of energy saving products					<b>\$0</b>
7 Advertising, events and general outreach costs	\$54,155	\$33,200	\$5,500	\$25,000	<b>\$117,855</b>
8 Other low income/senior focused outreach and initiatives	\$11,612	\$10,000	\$2,500	\$15,000	<b>\$39,112</b>
9 Development work (e.g. customer feedback, EE org., memberships)	\$58,306	\$134,762	\$10,000	\$30,000	<b>\$233,067</b>
<hr/>					
Total Spent to Date	<b><u>\$293,707</u></b>	<b><u>\$292,527</u></b>	<b><u>\$25,550</u></b>		<b>\$611,783</b>
Remaining Estimated Expenses				<b><u>\$155,000</u></b>	<b><u>\$155,000</u></b>
				Total spent \$	766,783
				Budget Available for Fiscal 2023 (see page 2 of 2) \$	767,309
				Estimated carryover to next year	<b><u><u>\$525</u></u></b>

\*Many of these expenses are difficult to predict because of the unknown customer participation rates for new offers and new opportunities that may arise. However, any unspent funds toward the commitment will automatically be carried forward into the next program year.



**CIP Expense through September 30, 2022**  
**BPU Docket No. GR23060348**

	<b>Quarter Ending 12/31/21</b>	<b>Quarter Ending 3/31/22</b>	<b>Quarter Ending 6/30/22</b>	<b>Quarter Ending 9/30/22</b>	<b>Final Fiscal 2022</b>
1 School/Children's Programs	\$51,046	\$94,362		\$88,110	<b>\$233,518</b>
2 Municipal Programs and EDF Climate Corp Program	\$50,000	\$36,134	\$4,090		<b>\$90,224</b>
3 Employees, HVAC Contractors, Realtors and other stakeholders as Champions	\$1,500	\$10,000			<b>\$11,500</b>
4 Online services and E-tips	\$6,933		\$31,920		<b>\$38,853</b>
5 Conservation/energy efficiency online promotion/sweepstakes	\$10,000	\$4,750		\$1,500	<b>\$16,250</b>
6 Direct purchase of energy saving products					<b>\$0</b>
7 Advertising, events and general outreach costs	\$9,500	\$28,531	\$37,050	\$17,503	<b>\$92,584</b>
8 Other low income/senior focused outreach and initiatives	\$21,865	\$75,000	\$16,476	\$13,864	<b>\$127,205</b>
9 Development work (e.g. customer feedback, EE organization memberships)	\$54,500	\$83,162			<b>\$137,662</b>

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<b>Total</b>	<b><u>\$205,344</u></b>	<b><u>\$331,938</u></b>	<b><u>\$89,536</u></b>	<b><u>\$120,977</u></b>	<b>\$747,795</b>
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Funding Commitment for Fiscal 2022	\$	700,000
Carryover from Fiscal 2021	\$	115,104

Final carry over to Fiscal 2023	<b>\$</b>	<b>67,309</b>
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Funding Commitment for Fiscal 2023	<b>\$700,000</b>
Budget Available for Fiscal 2023	<b><u>\$767,309</u></b>