

NOTICE TO NEW JERSEY NATURAL GAS COMPANY CUSTOMERS

NOTICE OF PUBLIC HEARINGS

In The Matter of the Petition of New Jersey Natural Gas Company For Approval of a Base Rate Adjustment Pursuant to the IIP Programs

Docket No. GR24040207

PLEASE TAKE NOTICE that on March 28, 2024, New Jersey Natural Gas Company ("NJNG," or the "Company") filed a petition and supporting documentation ("Petition") with the New Jersey Board of Public Utilities ("Board," or the "BPU") seeking Board approval for base rate changes to provide for cost recovery associated with the Company's Infrastructure Investment Program ("IIP").

By Order dated October 28, 2020, the BPU approved the Company's IIP, and acknowledged that replacement of aging infrastructure should mitigate damage to the system as well as enhance public safety'. The October 2020 Order approved NJNG's request to invest up to \$150 million, excluding Allowance for Funds Used During Construction ("AFUDC"), to be recovered through base rate adjustments. The IIP was to undertake 22 infrastructure projects and install excess flow valves and regulator protectors aimed at making the Company's distribution system more resilient.

The IIP is a series of capital investment projects that promote enhanced reliability and safety through facility enhancements. The IIP, as approved, consists of 15 reliability and resilience projects, four (4) replacement and reinforcement projects, one (1) regulator station reconstruction project, two (2) trunk line replacement projects, 8,000 excess flow valves, and 47,500 regulator protector vents.

The October 2020 Order also authorized the Company to make annual filings with the Board to recover the actual costs associated with the IIP projects through June 30, 2024, and to earn an return on and a return of those investments through annual adjustments to rates.

At this time, the Company requests BPU approval to adjust base rates, effective October 1, 2024, to recover approximately \$41.9 million in IIP investment costs made through June 30, 2024, resulting in a base rate increase of approximately \$5.65 million. If the proposed rates are approved by the Board, the impact on the monthly bill of a typical residential heating customer using 100 therms per month is an increase of \$0.86, or 0.6 percent.

The Petition's monthly impact, as of the date of a Final Board Order in this proceeding, on a typical residential customer (both heat and non-heat), a typical general service small customer, and a typical general service large customer is estimated based on the usage levels shown in Table 1, included as Attachment A below.

The Board has the statutory authority to approve the requested changes to base rates at levels it finds just and reasonable. Therefore, the Board may establish the new rates at levels other than those proposed by NJNG.

Copies of the Petition can be reviewed on the Company's website, www.njng.com/regulatory in the "Filings & Updates" subsection of the "Regulatory Info" section.

PLEASE TAKE FURTHER NOTICE that virtual public hearings are scheduled for the following date and times so that members of the public may present their views on the Petition:

VIRTUAL PUBLIC HEARINGS

Date: August 19, 2024

Hearing Times: 4:30 pm and 5:30 pm

Location: Zoom Virtual Webinar

Join: <https://us06web.zoom.us/j/2458136397?pwd=VUJpK1V0aDYxZDZlUWUwEi0WDFRZz09>

Meeting ID: 245 813 6397

Passcode: 819208

Dial-In Number: +1 646 876 9923

Representatives of the Company, Board's Staff and the New Jersey Division of Rate Counsel will participate in the virtual public hearings.

Members of the public are invited to participate and express their views on the Petition by utilizing the Zoom Virtual Webinar link or the Dial-In Number set forth above. All comments will become part of the final record in this proceeding to be considered by the Board. In order to encourage full participation in this opportunity for public comment, please submit any requests for accommodations, such as interpreters, or listening assistance, 48 hours prior to the above hearing to the Board Secretary at board.secretary@bpu.nj.gov.

The Board is also accepting written and electronic comments. Comments may be submitted directly to the specific docket number listed above using the "Post Comments" button on the Board's Public Document Search tool at <https://publicaccess.bpu.state.nj.us/>. Comments are considered public documents for purposes of the State's Open Public Records Act. Only documents that are intended to be public should be submitted using the "Post Comments" button on the Board's Public Document Search tool. Any confidential information should be submitted in accordance with the procedures set forth in N.J.A.C. 14:1-12.3. In addition to hard copy submissions, confidential information may also be filed electronically via the Board's e-filing system or by email to the Secretary of the Board, Sherri L. Golden. Please include "Confidential Information" in the subject line of any email. Instructions for confidential e-filing are found on the Board's webpage at <https://www.nj.gov/bpu/agenda/efiling/>.

Emailed and/or written comments may also be submitted to:

Sherri L. Golden, Secretary of the Board

44 South Clinton Ave., 1st Floor

PO Box 350

Trenton, NJ 08625-0350

Phone: 609-292-1599

Email: board.secretary@bpu.nj.gov

ATTACHMENT A

Table 1: The Petition's Projected Impact on Certain Customer Classes

| Customer Type | Monthly Therm Level | Total Monthly Bill | | Increase | |
|-----------------------------------|---------------------|----------------------------|--|----------|---------|
| | | Bill as of October 1, 2024 | Proposed Bill Including December and February BGSS 5 Percent Increases | Amount | Percent |
| Residential Heat Sales | 100 | \$150.04 | \$150.90 | \$0.86 | 0.6% |
| Residential Non-Heat Sales | 25 | \$44.43 | \$44.65 | \$0.22 | 0.5% |
| General Service – Small | 100 | \$170.13 | \$171.22 | \$1.09 | 0.6% |
| General Service – Large | 1200 | \$1,675.16 | \$1,684.76 | \$9.60 | 0.6% |

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

¹ In the Petition of New Jersey Natural Gas Company for Approval to Implement an Infrastructure Investment Program ("IIP") and Associated Cost Recovery Mechanism Pursuant to N.J.S.A. 48:2-21 and N.J.A.C. 14:3-2A, BPU Docket No. GR19020278, Order dated October 28, 2020 ("October 2020 Order").