



May 30, 2025

VIA EMAIL

Sherri L. Lewis, 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 2026
BPU DOCKET NO. GR25050318

Dear Secretary Lewis:

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 2026. 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'.

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 2026
DOCKET NO. GR25050318**

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**NEW JERSEY NATURAL GAS COMPANY ANNUAL REVIEW AND REVISION OF ITS
BASIC GAS SUPPLY SERVICE (BGSS) AND
CONSERVATION INCENTIVE PROGRAM (CIP) RATES FOR F/Y 2026
DOCKET NO. GR25050318**

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

IN THE MATTER OF THE PETITION OF)
NEW JERSEY NATURAL GAS COMPANY)
FOR THE ANNUAL REVIEW AND) BPU DOCKET NO. GR25050318
REVISION OF ITS BASIC GAS SUPPLY) OAL DOCKET NO.
SERVICE (BGSS) AND CONSERVATION)
INCENTIVE PROGRAM (CIP) RATES)
FOR F/Y 2026	

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- Pre-Filed Direct Testimony:
Jayana S. Shah
Managing Director - Gas Supply

Christopher S. Micak
Senior Rate and Regulatory Analyst

Anne-Marie Peracchio
Managing Director – Marketing and Energy Efficiency

¹ For ease of presentation, the filing contains BGSS schedules for the NJNG fiscal years (FY) 2025 and 2026 (October 1-September 30). Actual BGSS schedules for FY2024 and projected BGSS schedules for FY2027 will be included in Workpapers to be filed under separate cover.

New Jersey Natural Gas Company
BGSS Minimum Filing Requirements (MFR)¹ 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)	
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9.	GCUA Recoveries and Balances	No longer applicable	
10.	Historical Service Interruptions	Exhibit JSS-2	
11.	Gas Price Hedging Activities	JSS, p. 10	6
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17.	FERC Pipeline Activities	Exhibit JSS-4	

¹ 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 2026
BPU DOCKET NO. GR25050318**

FILING DATE: May 30, 2025
EFFECTIVE DATE: October 1, 2025

BASIS FOR REQUEST:

BASIC GAS SUPPLY SERVICE (“BGSS”)

1. New Jersey Natural Gas Company (the “Company”) proposes to increase its periodic BGSS rate for sales customers from its current after-tax level of \$0.3672 per therm (\$0.3444 per therm pre-tax) to \$0.4944 per therm (\$0.4637 per therm pre-tax) effective October 1, 2025. This rate results in an effective after-tax increase of \$0.1272 per therm (a pre-tax increase of \$0.1193 per therm), representing a 7.1 percent increase 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 Increase	\$67.50 Million
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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, 2025 and/or February 1, 2026. 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 increase its Balancing Charge from its current after-tax level of \$0.1889 per therm (\$0.1772 per therm pre-tax) to \$0.1983 per therm (\$0.1860 per therm pre-tax). This rate results in an after-tax increase of \$0.0094 per therm effective October 1, 2025 (a pre-tax increase of \$0.0088 per therm), representing a 0.5 percent increase 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 Increase	\$6.46 Million
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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, 2025. 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 per therm</u>	<u>Proposed Charge/(Credit) per therm</u>	<u>Change in Recovery \$ million</u>
Group I	Residential Non-Heat	\$0.0409	(\$0.0022)	(\$0.13)
Group II	Residential Heat	\$0.0903	\$0.0435	(\$23.64)
Group III	General Service – Small (“GSS”)	\$0.0509	(\$0.0127)	(\$2.62)
Group IV	General Service – Large (“GSL”)	\$0.0367	\$0.0311	<u>(\$0.76)</u>
Total				(\$27.15)

The proposed October 1, 2025 CIP rate changes result in a 2.6 percent decrease to the total bill for a residential heating customer using 100 therms per month (Group II), a 2.1 percent decrease for a typical residential non-heat customer (Group I), a 3.1 percent decrease for a typical customer in Group III, and a 0.3 percent decrease for a typical Group IV customer.

IMPACT TO CUSTOMERS

The combination of the proposed October 1, 2025 BGSS, Balancing Charge, and CIP rate changes result in an increase of \$8.98, or 5.0 percent to the total 100 therm monthly bill of a residential heating sales customer (Group II), a 4.5 percent increase to a typical residential non-heat sales customer (Group I), and a 3.6 percent increase for a typical sales customer in Group III. The CIP rate change results in a 0.3 percent decrease 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 2026**

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

IN THE MATTER OF THE PETITION OF)	
NEW JERSEY NATURAL GAS COMPANY)	PETITION
FOR THE ANNUAL REVIEW AND)	
REVISION OF ITS BASIC GAS SUPPLY)	BPU DOCKET NO. GR25050318
SERVICE (BGSS) AND CONSERVATION)	
INCENTIVE PROGRAM (CIP) RATES FOR)	
F/Y 2026		

**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. GX01050304¹, 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 increase the BGSS rate effective October 1, 2025. 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. GR24010071 dated November 21, 2024 (“Rate Case Order”), an increase to its Balancing Charge effective October 1, 2025 to reflect updated costs. Additionally, pursuant to 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

¹ 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.

October 1, 2024 through September 30, 2025 and approve the Company's related request to decrease 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, 2025.

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
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. Based on the information provided herein, the Company proposes to increase its after-tax Periodic BGSS rate applicable to residential and small commercial sales customers of

\$0.3672 per therm to \$0.4944 per therm, which would reflect an increase of approximately 7.1 percent on the total bill of a residential heating customer using 100 therms per month.

5. 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.

6. NJNG is providing nineteen (19) months of actual BGSS data for the period October 1, 2023 through April 30, 2025, and projected data for the twenty-nine (29) month period May 1, 2025 through September 30, 2027.²

7. 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 increase its after-tax Balancing Charge of \$0.1889 per therm by \$0.0094 per therm to \$0.1983 per therm, which would reflect an increase of approximately 0.5 percent on the total bill for a residential heating customer using 100 therms per month. All Balancing Charge revenues from sales and transportation customers are credited to BGSS.

8. 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."

² The instant filing contains BGSS schedules for the NJNG fiscal years ("FY") 2024 and 2025 (October 1 – September 30). Actual BGSS schedules for FY2023 and projected BGSS schedules for FY2026 will be included in workpapers to be filed subsequently.

9. Based on actual data for the period October 1, 2024 through April 30, 2025, and projected data for the period May 1, 2025 through September 30, 2025, the CIP calculations for fiscal year (FY) 2025 result in a current year margin deficiency of approximately \$20.15 million which includes \$18.68 million related to weather and a non-weather related margin deficiency of approximately \$1.47 million.

10. 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 \$24.03 million which is comprised of the following recovery amounts: 1) a margin credit of approximately \$0.01 million for Group I Residential Non-Heat customers; 2) a margin deficiency of approximately \$20.55 million for Group II Residential Heat customers; 3) a margin credit of approximately \$0.49 million for Group III General Service – Small customers; and, 4) a margin deficiency of approximately \$3.98 million for Group IV General Service – Large customers.³

11. 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, 2025 for the following after-tax CIP rates which, as compared to existing charges, result in the following changes per therm:

³ The CIP recovery amounts are included in Exhibit C, Schedules 1 through 4.

		Existing	Proposed	
		Charge	Charge /	Increase/
			(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	\$0.0409	(\$0.0022)	(\$0.0431)
Group II	Residential Heat	\$0.0903	\$0.0435	(\$0.0468)
Group III	General Service - Small	\$0.0509	(\$0.0127)	(\$0.0636)
Group IV	General Service - Large	\$0.0367	\$0.0311	(\$0.0056)

12. The proposed October 1, 2025 CIP rate changes result in a 2.1 percent decrease for a typical residential non-heat sales customer (Group I), a \$4.68, or 2.6 percent, decrease to the total bill of a residential heating sales customer (Group II) using 100 therms per month, a 3.1 percent decrease for a typical sales customer in Group III, and a 0.3 percent decrease for a typical Group IV sales customer.

13. The combination of the proposed October 1, 2025 BGSS, Balancing Charge, and CIP rate changes results in a \$8.98 or 5.0 percent increase to the total monthly bill of a residential heating sales customer using 100 therms. An average residential sales heating customer using 80.1 therms of gas per month, and 961.4 therms annually, will see an increase in their monthly bill of \$7.19 or 4.9% and an increase in their annual bill of \$86.34 or 4.9%. The proposed rate changes also result in a 4.5 percent increase for a typical residential non-heat sales customer and a 3.6 percent increase for a typical sales customer in Group III. The proposed CIP rate change results in a 0.3 percent decrease for a typical Group IV 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 are also not affected by this BGSS request because they are subject to monthly market pricing for their natural gas supply (Monthly BGSS).

14. This filing is supported by and includes the pre-filed Direct Testimonies of Jayana S. Shah - Managing Director, Gas Supply; Christopher S. Micak – Senior 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, 2025, using actual data for the period from October 1, 2024 through April 30, 2025 and projected data for the period from May 1, 2025 through September 30, 2025.⁴ Actual BGSS schedules for FY2024 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, 2025 through September 30, 2026, using projected data for the entire period.⁵ Projected BGSS schedules for FY2027 will be included in Workpapers to be filed subsequently under separate cover.

Exhibit C CIP Schedules.

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

⁴ The projected data includes the May 8, 2025 NYMEX settlement prices as requested by BPU Staff.

⁵ Id.

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. 12-Gas.

Exhibit G Proposed Form of Notice of Public Hearing.

15. 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.

WHEREFORE, NJNG requests that the Board issue an Order:

1. Approving the Company's request to increase the Periodic BGSS rate applicable to residential and small commercial sales customers effective October 1, 2025;
2. Approving the Company's request to increase its Balancing Charge effective October 1, 2025;
3. Approving the requested CIP rates effective October 1, 2025; and
4. 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: May 30, 2025

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 30th day
of May, 2025.

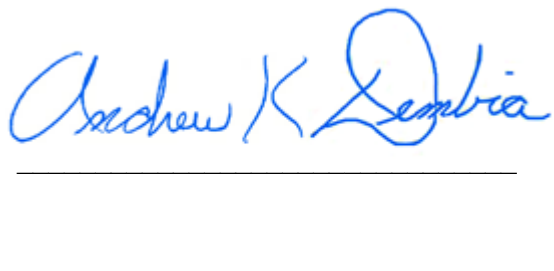


EXHIBIT A
Seven Months Actual through April 2025 and
Five Months Projected through September 2025¹

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

¹ For ease of presentation, the filing contains BGSS schedules for fiscal years (FY) 2025 and 2026. Actual BGSS schedules for FY2024 and projected BGSS schedules for FY2027 will be included in Workpapers to be filed under separate cover.

NEW JERSEY NATURAL GAS COMPANY
UNDER/(OVER) RECOVERED GAS COSTS
BGSS YEAR 2025
\$(000)

SCHEDULE 1

	SCHEDULE 1												
	Actual												Estimate
	Oct-24	Nov-24	Dec-24	Jan-25	Feb-25	Mar-25	Apr-25	May-25	Jun-25	Jul-25	Aug-25	Sep-25	TOTAL
1. Under/(Over) Recovered Gas Costs Beg. of Period	(32,457)	(31,348)	(29,753)	(26,736)	(36,916)	(25,115)	(16,613)	(13,002)	(12,011)	(11,488)	(10,109)	(8,803)	(32,457)
2. Net Cost Appl. To BGSS Sales (Sch 2a)	13,865	26,865	64,703	91,489	76,001	44,988	25,965	13,226	8,909	9,292	9,198	9,131	393,631
3. BGSS Recoveries (Sch 2b)	(8,574)	(15,862)	(35,686)	(45,846)	(34,871)	(23,122)	(13,964)	(7,977)	(5,445)	(5,503)	(5,213)	(5,288)	(207,353)
4. Under/(Over) Rec. Gas Costs - Current Period (L.2 - L.3)	5,291	11,003	29,017	45,643	41,129	21,866	12,001	5,249	3,463	3,789	3,985	3,842	186,278
Adjustments													
5. Storage Incentive (Sch.4j)	1,304	640	72	0	0	184	473	506	368	1,069	701	433	5,751
6. Off-System Sales (Sch.4e)	(319)	(619)	(6,038)	(27,867)	(9,795)	(533)	(893)	0	(76)	(225)	(246)	(135)	(46,746)
7. Capacity Rel. (Sch.4f)	0	0	0	(2,412)	(31)	(34)	(87)	(105)	(101)	(105)	(105)	(101)	(3,079)
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)	(5,147)	(9,413)	(20,015)	(25,529)	(19,491)	(12,982)	(7,885)	(4,641)	(3,115)	(3,133)	(3,013)	(3,011)	(117,375)
10. Environmental Attributes (Sch. 4k)	(20)	(17)	(18)	(14)	(12)	3	1	(17)	(17)	(17)	(17)	(17)	(161)
11. Total Debits and Credits (L.5 through L.10)	(4,181)	(9,409)	(26,000)	(55,822)	(29,329)	(13,361)	(8,391)	(4,257)	(2,941)	(2,410)	(2,679)	(2,831)	(161,611)
12. Under/(Over) Recov.Gas Costs. End of Period (L's 1,4,&11)	(31,348)	(29,753)	(26,736)	(36,916)	(25,115)	(16,610)	(13,002)	(12,011)	(11,488)	(10,109)	(8,803)	(7,792)	(7,789)

**NEW JERSEY NATURAL GAS COMPANY
GAS COSTS AND RECOVERIES
BGSS YEAR 2025
\$(000) & (000)THERMS**

	Actual Estimate												
	Oct-24	Nov-24	Dec-24	Jan-25	Feb-25	Mar-25	Apr-25	May-25	Jun-25	Jul-25	Aug-25	Sep-25	TOTAL
COST OF GAS-CURRENT PERIOD	SCHEDULE 2a												
Total Gas Costs ¹	16,467	35,677	88,189	130,948	105,575	58,056	44,846	30,587	29,535	33,221	32,802	28,920	634,823
REDUCTIONS TO COST OF GAS													
Sayreville (Sch. 4b)	0	0	0	0	0	0	0	0	8	2	16	0	27
Forked Rv. (Sch. 4c)	1	6	14	14	9	4	2	7	12	83	63	15	230
Off System Sales (Sch.4e)	2,557	8,755	23,430	42,225	29,551	13,057	18,938	17,476	20,726	23,966	23,648	19,894	244,222
Capacity Release (Sch. 4f)	0	0	0	(2,838)	(37)	(39)	(102)	(123)	(119)	(123)	(123)	(119)	(3,622)
Storage Incentive Sales	0	9	0	0	0	0	0	0	0	0	0	0	9
Company Use Gas	45	41	42	58	51	46	43	0	0	0	0	0	326
Total Reductions	2,602	8,812	23,486	39,459	29,575	13,068	18,881	17,360	20,627	23,929	23,604	19,790	241,192
Net Cost Appl.To BGSS Sales (Sch.1.,L.2)	13,865	26,865	64,703	91,489	76,001	44,988	25,965	13,226	8,909	9,292	9,198	9,131	393,631
GAS COST RECOVERIES	SCHEDULE 2b												
BGSS Sales	24,385	44,997	97,943	125,879	95,717	62,637	37,961	22,074	14,667	14,624	13,809	14,252	568,945
Monthly BGSS Sales (GSL, DGC)	2,830	4,687	8,971	11,184	8,413	6,085	4,072	2,731	1,956	2,017	2,015	1,952	56,914
Monthly BGSS Sales (IS, CNG, NGV)	57	60	54	95	67	30	51	68	75	76	79	80	792
Periodic BGSS Sales	21,498	40,249	88,918	114,600	87,237	56,521	33,838	19,276	12,636	12,531	11,715	12,220	511,239
Recovery Rate \$ per Therm:													
Periodic BGSS Rate	0.3444	0.3444	0.3444	0.3444	0.3444	0.3444	0.3444	0.3444	0.3444	0.3444	0.3444	0.3444	
Monthly BGSS Sales (GSL, DGC)	0.4019	0.4190	0.5599	0.5640	0.5678	0.5970	0.5581	0.4741	0.5318	0.5609	0.5559	0.5245	
Monthly BGSS Sales (IS, CNG, NGV)	0.5786	0.5959	0.7371	0.7412	0.7450	0.7742	0.7353	0.6513	0.7090	0.7381	0.7331	0.7017	
Recoveries:													
Periodic BGSS	7,404	13,862	30,623	39,468	30,044	19,466	11,654	6,639	4,352	4,316	4,035	4,209	176,071
Monthly BGSS(GSL, DGC)	1,137	1,964	5,023	6,308	4,777	3,633	2,273	1,295	1,040	1,131	1,120	1,024	30,725
Monthly BGSS (IS, CNG, NGV)	33	36	40	70	50	23	37	44	53	56	58	56	557
Total BGSS Recovery (Sch. 1, L. 3)	8,574	15,862	35,686	45,846	34,871	23,122	13,964	7,977	5,445	5,503	5,213	5,288	207,353

¹ 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 2025**

SCHEDULE 2c												
			Actual Estimate									
			Oct-24	Nov-24	Dec-24	Jan-25	Feb-25	Mar-25	Apr-25	May-25	Jun-25	Sep-25
MDth												
Beginning of Month Storage Balance			30,809	35,352	33,302	25,274	15,335	8,453	10,018	12,978	19,121	25,601
Commodity Purchases			8,556	7,150	9,732	11,303	10,939	11,641	13,023	15,800	10,205	13,991
Sub-total of Available Supplies	A		39,365	42,503	43,034	36,577	26,274	20,094	23,041	28,778	32,665	39,593
Less volumes with assigned cost allocations												
Off System Sales, Electric Gen, Other			1,636	4,399	8,418	8,658	8,275	3,818	6,656	7,443	7,207	7,205
Monthly BGSS Sales (GSL, DGC)			283	469	897	1,118	841	609	407	273	196	195
Monthly BGSS Sales (IS, CNG, NGV)			6	6	5	9	7	3	5	7	7	8
Company Use Non Prod Sales			2	2	2	4	4	2	2	0	0	0
Sub-total of Assigned Cost Allocations	B		1,927	4,876	9,322	9,790	9,128	4,432	7,070	7,723	7,410	7,409
Allocation WACOG Volume	C = A - B		37,439	37,627	33,712	26,786	17,146	15,662	15,971	21,056	25,255	32,184
<i>volume available for allocation</i>												
\$000												
Beginning of Month Storage Balance			68,845	78,243	67,296	50,281	29,781	16,260	27,953	36,422	51,699	65,498
Beginning of Month WACOG Inventory			108,810	121,158	132,096	111,331	76,979	50,534	42,742	47,739	59,812	98,928
Commodity Purchases			17,976	14,746	29,140	57,652	45,250	40,591	38,463	37,352	36,849	36,060
Demand Charges			20,193	20,880	21,228	18,387	20,309	21,319	19,727	20,585	20,288	20,288
Sub-total of Available Supplies	D		215,824	235,027	249,759	237,651	172,319	128,705	128,886	142,098	168,647	220,773
Less volumes with assigned cost allocations												
Off System Sales, Electric Gen, Other			2,558	8,771	23,444	42,239	29,561	13,061	18,940	17,483	20,746	19,909
Monthly BGSS Sales (GSL, DGC)			1,137	1,964	5,023	6,308	4,777	3,633	2,273	1,295	1,040	1,024
Monthly BGSS Sales (IS, CNG, NGV)			33	36	40	70	50	26	37	44	53	56
GSL, DGC Sales Balancing			500	829	1,590	1,982	1,491	1,078	722	488	347	347
			0	0	0	0	0	0	0	0	0	0
Sub-total of Assigned cost allocations	E		4,228	11,600	30,096	50,598	35,878	17,798	21,972	19,310	22,186	21,335
Allocation WACOG Costs	F = D - E		211,595	223,428	219,663	187,053	136,441	110,907	106,914	122,788	146,461	199,439
<i>\$ available for allocation</i>												
\$/Dth WACOG	G = F / C		5.6518	5.9379	6.5159	6.9831	7.9574	7.0814	6.6942	5.8316	5.7994	6.1968
MDth												
Periodic BGSS Sales			2,150	4,025	8,892	11,460	8,724	5,652	3,384	1,928	1,264	1,222
CoUse & UFG			8	23	17	38	29	26	27	6	4	2
Periodic BGSS Sales & CoUse & UFG	H		2,158	4,048	8,909	11,498	8,752	5,678	3,411	1,934	1,267	1,224
<i>volume to be allocated</i>												
\$000												
Periodic BGSS (\$/Therm WACOG * Periodic BGSS volume)I = G * H			12,194	24,036	58,050	80,292	69,646	40,211	22,832	11,277	7,349	7,585
<i>allocated cost</i>												
Plus assigned cost allocations												
Off System Sales, Electric Gen, Other			2,558	8,771	23,444	42,239	29,561	13,061	18,940	17,483	20,746	19,909
Monthly BGSS Sales (GSL, DGC)			1,137	1,964	5,023	6,308	4,777	3,633	2,273	1,295	1,040	1,024
Monthly BGSS Sales (IS, CNG, NGV)			33	36	40	70	50	26	37	44	53	56
GSL, DGC Sales Balancing			500	829	1,590	1,982	1,491	1,078	722	488	347	347
Sub-total of Assigned cost allocations	J		4,228	11,600	30,096	50,598	35,878	17,798	21,972	19,310	22,186	21,335
Total Allocated Costs (Sch 2a Total Gas Costs)	K = I + J		16,423	35,635	88,147	130,890	105,525	58,009	44,803	30,587	29,535	32,802
End of Month Storage Balance	L		78,243	67,296	50,281	29,781	16,260	27,953	36,343	51,699	64,344	78,577
Total Allocated Costs & Storage Balances	M = K+L		94,665	102,932	138,428	160,672	121,785	85,962	81,146	82,285	93,879	107,497
Current Month WACOG Inventory Balance	N = D - M		121,158	132,096	111,331	76,979	50,534	42,742	47,739	59,812	74,769	113,276

NEW JERSEY NATURAL GAS COMPANY
THERM SALES
BGSS YEAR 2025
(000)THERMS

SCHEDULE 3

	Actual Estimate												
	Oct-24	Nov-24	Dec-24	Jan-25	Feb-25	Mar-25	Apr-25	May-25	Jun-25	Jul-25	Aug-25	Sep-25	TOTAL
Residential BGSS Sales	20,369	37,844	83,031	106,276	80,841	52,429	31,798	18,304	12,070	11,949	11,133	11,658	477,701
Total Residential Sales	20,369	37,844	83,031	106,276	80,841	52,429	31,798	18,304	12,070	11,949	11,133	11,658	477,701
C&I Monthly BGSS Sales (GSL, DGC)	2,830	4,687	8,971	11,184	8,413	6,085	4,072	2,731	1,956	2,017	2,015	1,952	56,914
C&I Monthly BGSS Sales (CNG, NGV, IS)	57	60	54	95	67	30	51	68	75	76	79	80	791
C&I Periodic BGSS Sales	1,130	2,405	5,887	8,324	6,396	4,092	2,040	972	566	582	581	563	33,539
Total Commercial & Industrial Sales	4,017	7,152	14,912	19,603	14,876	10,208	6,163	3,771	2,598	2,675	2,675	2,595	91,245
Total Firm Sales	24,385	44,997	97,943	125,879	95,717	62,637	37,961	22,074	14,667	14,624	13,809	14,252	568,945
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	27	7	52	0	87
Forked River (Sch. 4c)	6	24	36	33	23	9	6	29	42	259	197	54	718
Off System Sales (Sch. 4e)	16,358	43,941	84,140	86,547	82,731	38,171	66,554	74,400	72,000	74,400	74,400	72,000	785,643
Storage Incentive Sales	0	28	0	0	0	0	0	0	0	0	0	0	28
Total Non-Firm Sales	16,364	43,993	84,177	86,581	82,755	38,181	66,560	74,429	72,069	74,666	74,649	72,054	786,477
Total Sales	40,749	88,989	182,120	212,459	178,471	100,818	104,521	96,504	86,736	89,291	88,458	86,307	1,355,423
Firm Transportation	1,439	1,702	2,011	2,466	2,174	1,735	1,603	1,618	1,172	1,162	1,251	1,155	19,488
GSS Tranportation	270	624	1,125	1,674	1,315	847	488	209	126	130	130	126	7,065
GSL Tranportation	3,974	6,623	11,846	13,985	10,788	8,418	5,266	3,267	2,332	2,410	2,410	2,332	73,650
NGV Transport	24	99	(39)	0	0	0	0	0	0	0	0	0	84
DGC Balancing	43	53	47	53	111	74	46	75	72	75	75	71	793
DGC Firm Transportation	219	188	189	190	181	186	183	356	351	348	348	346	3,085
Residential Transportation	499	961	2,011	2,567	1,978	1,266	764	408	234	242	242	234	11,407
Interruptible Transportation	1,242	1,287	1,402	1,188	1,067	1,095	1,194	1,235	1,132	1,014	1,142	1,095	14,092
Lakewood Cogen	1,231	18	123	104	109	0	225	529	2,615	8,994	5,463	1,643	21,056
Ocean Peaking Power	405	417	149	305	677	730	5,827	1,281	2,576	7,419	4,296	969	25,052
Red Oak	37,980	17,042	9,152	5,949	7,351	3,782	35,570	29,117	25,582	37,695	30,973	23,040	263,235
Total Transportation	47,326	29,014	28,017	28,481	25,751	18,132	51,167	38,095	36,193	59,490	46,330	31,011	439,007
Total Mtherms	88,075	118,004	210,136	240,940	204,223	118,950	155,687	134,599	122,929	148,781	134,787	117,318	1,794,429

**NEW JERSEY NATURAL GAS COMPANY
MARGIN SHARING FROM STORAGE INCENTIVE
AND SAYREVILLE / FORKED RIVER GAS COST SUMMARY
BGSS YEAR 2025
\$(000) & (000)THERMS**

	Actual Estimate												
	Oct-24	Nov-24	Dec-24	Jan-25	Feb-25	Mar-25	Apr-25	May-25	Jun-25	Jul-25	Aug-25	Sep-25	TOTAL
SAYREVILLE	SCHEDULE 4b												
Therm Sales (Sch. 3)	0	0	0	0	0	0	0	1	27	7	52	0	87
Rate per therm	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.23490	0.28786	0.32212	0.31785	0.00000	n/a
Cost of Gas (Sch. 2a)	0	0	0	0	0	0	0	0	8	2	16	0	27
FORKED RIVER	SCHEDULE 4c												
Therm Sales (Sch. 3)	6	24	36	33	23	9	6	29	42	259	197	54	718
Rate per therm	0.19000	0.24648	0.37662	0.42344	0.40385	0.44085	0.40410	0.23490	0.28786	0.32212	0.31785	0.27630	n/a
Cost of Gas (Sch.2a)	1	6	14	14	9	4	2	7	12	83	63	15	230
Storage Incentive	SCHEDULE 4j												
Storage Gain (Loss)	6,520	3,202	360	0	0	922	2,364	2,528	1,841	5,347	3,507	2,164	28,753
NJNG Sharing @ 20% (Sch.1, L 5)	1,304	640	72	0	0	184	473	506	368	1,069	701	433	5,751

NEW JERSEY NATURAL GAS COMPANY
MARGIN SHARING FROM OFF-SYSTEM SALES AND CAPACITY RELEASE
AND CREDITS FROM BALANCING CHARGES AND ENVIRONMENTAL ATTRIBUTES
BGSS YEAR 2025
\$(000) & (000)THERMS

	Actual Estimate												
	Oct-24	Nov-24	Dec-24	Jan-25	Feb-25	Mar-25	Apr-25	May-25	Jun-25	Jul-25	Aug-25	Sep-25	TOTAL
OFF-SYSTEM SALES	SCHEDULE 4e												
Revenues	2,932	9,484	30,534	75,009	41,075	13,684	19,988	17,476	20,815	24,231	23,937	20,052	299,217
Therm sales	16,358	43,941	84,140	86,547	82,731	38,171	66,554	74,400	72,000	74,400	74,400	72,000	785,643
Rate per therm COG	0.156	0.199	0.278	0.488	0.357	0.342	0.285	0.235	0.288	0.322	0.318	0.276	
Cost of Gas (Sch. 2a)	2,557	8,755	23,430	42,225	29,551	13,057	18,938	17,476	20,726	23,966	23,648	19,894	244,222
Net Margin	375	729	7,104	32,785	11,523	627	1,050	0	90	265	289	159	54,995
Customer sharing @ 85% (Sch.1,L 6)	319	619	6,038	27,867	9,795	533	893	0	76	225	246	135	46,746
NJNG Sharing @ 15%	56	109	1,066	4,918	1,729	94	158	0	13	40	43	24	8,249
Total Credit = Cost of Gas plus sharings	2,875	9,375	29,468	70,091	39,346	13,590	19,831	17,476	20,802	24,191	23,894	20,029	290,968
CAPACITY RELEASE	SCHEDULE 4f												
Revenue	0	0	0	2,838	37	39	102	123	119	123	123	119	3,622
Customer Sharing @ 85% (Sch.1.,L 7)	0	0	0	2,412	31	34	87	105	101	105	105	101	3,079
BALANCING CREDITS & PENALTY CHARGES	SCHEDULE 4g												
Current Month TPS Penalty Charges	0	0	5	1	27	9	1	0	0	0	0	0	43
Current Month Balancing Charges	5,147	9,413	20,011	25,528	19,464	12,973	7,884	4,641	3,115	3,133	3,013	3,011	117,332
Total Credit (Sch.1.,L 9)	5,147	9,413	20,015	25,529	19,491	12,982	7,885	4,641	3,115	3,133	3,013	3,011	117,375
ENVIRONMENTAL ATTRIBUTES	SCHEDULE 4k												
Therms	83	71	79	73	72	0	0	67	65	67	67	65	707
Rate per therm	0.23678	0.23947	0.23027	0.19672	0.16288			0.25726	0.25726	0.25726	0.25726	0.25726	n/a
Net Credit	20	17	18	14	12	(3)	(1)	17	17	17	17	17	161

**NEW JERSEY NATURAL GAS COMPANY
SUPPLIER REFUNDS AND
MISCELLANEOUS ADJUSTMENTS
BGSS YEAR 2025
\$(000)**

SCHEDULE 5

(Sch 1. LINE 8)

Opening balance BGSS Interest Sch 6	2,161	2,161
Adjustments to BGSS opening balance are captured on Schedule 1		
OCT 2024	0	0
NOV 2024	0	0
DEC 2024	0	0
JAN 2025	0	0
FEB 2025	0	0
MAR 2025	0	0
APR 2025	0	0
MAY 2025	0	0
JUN 2025	0	0
JUL 2025	0	0
AUG 2025	0	0
SEP 2025	0	0
		<hr/>
TOTALS		<u><u>2,161</u></u>

NEW JERSEY NATURAL GAS COMPANY
BGSS YEAR 2025
COMPUTATION OF INTEREST ON UNDER/(OVER) RECOVERED BALANCES

DATE	COMBINED BALANCE	\$(000) AVERAGE BALANCE	ANNUAL RATE	SCHEDULE 6 ANNUAL RATE
			Effective Oct-Nov 20, 2024	6.84%
SEP 2024	(32,457)		Effective Nov 21, 2024	7.08%
OCT 2024	(31,348)	(31,902)	0.5700%	(182)
NOV 2024	(29,753)	(30,551)	0.5767%	(176)
DEC 2024	(26,736)	(28,245)	0.5900%	(167)
JAN 2025	(36,916)	(31,826)	0.5900%	(188)
FEB 2025	(25,115)	(31,015)	0.5900%	(183)
MAR 2025	(16,613)	(20,864)	0.5900%	(123)
APR 2025	(13,002)	(14,807)	0.5900%	(87)
MAY 2025	(12,011)	(12,506)	0.5900%	(74)
JUN 2025	(11,488)	(11,749)	0.5900%	(69)
JUL 2025	(10,109)	(10,799)	0.5900%	(64)
AUG 2025	(8,803)	(9,456)	0.5900%	(56)
SEP 2025	(7,792)	(8,297)	0.5900%	(49)
				<u>(1,418)</u>
TOTAL	INTEREST TO BE CREDITED TO CUSTOMER			<u><u>(1,418)</u></u>

EXHIBIT B
Projected October 2025 - September 2026¹

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

¹ For ease of presentation, the filing contains BGSS schedules for fiscal years (FY) 2025 and 2026. Actual BGSS schedules for FY2024 and projected BGSS schedules for FY2027 will be included in Workpapers to be filed under separate cover.

NEW JERSEY NATURAL GAS COMPANY
UNDER/(OVER) RECOVERED GAS COSTS
BGSS YEAR 2026
\$(000)

SCHEDULE 1

	Estimate												
	Oct-25	Nov-25	Dec-25	Jan-26	Feb-26	Mar-26	Apr-26	May-26	Jun-26	Jul-26	Aug-26	Sep-26	TOTAL
1. Under/(Over) Recovered Gas Costs Beg. of Period	(9,210)	(11,312)	(15,123)	(19,117)	(20,770)	(7,267)	10,997	6,488	4,397	3,231	1,964	846	(9,210)
2. Net Cost Appl. To BGSS Sales (Sch 2a)	16,619	37,654	65,606	88,329	87,740	72,424	24,028	13,264	9,029	9,194	8,790	8,968	441,646
3. BGSS Recoveries (Sch 2b)	(12,815)	(28,084)	(45,597)	(56,138)	(47,458)	(37,336)	(19,728)	(10,656)	(7,056)	(7,068)	(6,689)	(6,822)	(285,447)
4. Under/(Over) Rec. Gas Costs - Current Period (L.2 - L.3)	3,803	9,571	20,009	32,191	40,283	35,088	4,300	2,608	1,973	2,127	2,101	2,146	156,199
Adjustments													
5. Storage Incentive (Sch.4j)	320	0	0	0	0	0	320	320	320	320	320	320	2,240
6. Off-System Sales (Sch.4e)	(122)	(595)	(3,786)	(9,217)	(5,906)	(131)	(105)	(82)	(174)	(417)	(392)	(78)	(21,005)
7. Capacity Rel. (Sch.4f)	(89)	0	0	0	0	0	0	0	0	0	0	0	(89)
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)	(5,997)	(12,769)	(20,200)	(24,600)	(20,850)	(16,667)	(8,999)	(4,910)	(3,259)	(3,270)	(3,121)	(3,180)	(127,820)
10. Environmental Attributes (Sch. 4k)	(17)	(17)	(17)	(27)	(24)	(27)	(26)	(27)	(26)	(27)	(27)	(26)	(286)
11. Total Debits and Credits (L.5 through L.10)	(5,906)	(13,381)	(24,003)	(33,844)	(26,780)	(16,824)	(8,809)	(4,699)	(3,139)	(3,393)	(3,219)	(2,963)	(146,961)
12. Under/(Over) Recov.Gas Costs. End of Period (L's.1,4,&11)	(11,312)	(15,123)	(19,117)	(20,770)	(7,267)	10,997	6,488	4,397	3,231	1,964	846	28	28

**NEW JERSEY NATURAL GAS COMPANY
GAS COSTS AND RECOVERIES
BGSS YEAR 2026
\$(000) & (000)THERMS**

	Estimate												
	Oct-25	Nov-25	Dec-25	Jan-26	Feb-26	Mar-26	Apr-26	May-26	Jun-26	Jul-26	Aug-26	Sep-26	TOTAL
COST OF GAS-CURRENT PERIOD	SCHEDULE 2a												
Total Gas Costs ¹	19,136 0	55,919 0	89,605 0	120,561 0	114,120 0	88,809 0	35,480 0	18,788 0	14,291 0	23,615 0	21,135 0	14,266 0	615,724
REDUCTIONS TO COST OF GAS													
Sayreville (Sch. 4b)	1	3	2	0	1	0	0	0	8	2	16	0	35
Forked Rv. (Sch. 4c)	15	12	6	0	1	5	18	8	13	82	62	15	237
Off System Sales (Sch.4e)	2,606	18,250	23,991	32,232	26,378	16,380	11,433	5,515	5,241	14,336	12,267	5,283	173,912
Capacity Release (Sch. 4f)	(105)	0	0	0	0	0	0	0	0	0	0	0	(105)
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	2,517	18,265	24,000	32,232	26,379	16,385	11,452	5,524	5,262	14,421	12,345	5,298	174,078
Net Cost Appl.To BGSS Sales (Sch.1.,L.2)	16,619	37,654	65,606	88,329	87,740	72,424	24,028	13,264	9,029	9,194	8,790	8,968	441,646
GAS COST RECOVERIES	SCHEDULE 2b												
BGSS Sales	27,283	59,250	94,472	115,361	97,754	77,794	41,545	22,479	14,831	14,797	13,986	14,425	593,976
Monthly BGSS Sales (GSL, DGC)	3,416	6,198	9,243	11,002	9,375	7,829	4,636	2,743	1,954	2,017	2,019	1,957	62,389
Monthly BGSS Sales (IS, CNG, NGV)	88	74	70	69	67	61	74	68	75	76	79	80	881
Periodic BGSS Sales	23,779	52,978	85,159	104,291	88,312	69,904	36,835	19,668	12,802	12,704	11,887	12,388	530,707
Recovery Rate \$ per Therm:													
Periodic BGSS Rate	0.4637	0.4637	0.4637	0.4637	0.4637	0.4637	0.4637	0.4637	0.4637	0.4637	0.4637	0.4637	
Monthly BGSS Sales (GSL, DGC)	0.5059	0.5587	0.6545	0.7015	0.6879	0.6223	0.5593	0.5418	0.5449	0.5557	0.5538	0.5220	
Monthly BGSS Sales (IS, CNG, NGV)	0.6919	0.7447	0.8405	0.8875	0.8739	0.8083	0.7453	0.7278	0.7309	0.7417	0.7398	0.7080	
Recoveries:													
Periodic BGSS	11,026	24,566	39,488	48,360	40,950	32,414	17,080	9,120	5,936	5,891	5,512	5,744	246,089
Monthly BGSS(GSL, DGC)	1,728	3,463	6,050	7,718	6,449	4,872	2,593	1,486	1,065	1,121	1,118	1,021	38,684
Monthly BGSS (IS, CNG, NGV)	61	55	59	61	58	49	55	49	55	57	59	57	675
Total BGSS Recovery (Sch. 1, L. 3)	12,815	28,084	45,597	56,138	47,458	37,336	19,728	10,656	7,056	7,068	6,689	6,822	285,447

¹ 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 2026

SCHEDULE 2c

		Estimate											
		Oct-25	Nov-25	Dec-25	Jan-26	Feb-26	Mar-26	Apr-26	May-26	Jun-26	Jul-26	Aug-26	Sep-26
MDth													
Beginning of Month Storage Balance		30,961	35,919	33,181	24,480	13,934	4,473	486	5,630	10,797	15,640	20,635	25,631
Commodity Purchases		8,695	8,870	6,570	8,114	6,400	8,104	12,945	9,293	8,086	11,026	10,332	8,212
Sub-total of Available Supplies	A	39,656	44,789	39,750	32,594	20,334	12,577	13,431	14,922	18,884	26,666	30,967	33,843
Less volumes with assigned cost allocations													
Off System Sales, Electric Gen, Other		1,013	5,677	5,773	7,059	6,025	4,288	3,647	1,870	1,750	4,546	3,937	1,926
Monthly BGSS Sales (GSL, DGC)		342	620	924	1,100	937	783	464	274	195	202	202	196
Monthly BGSS Sales (IS, CNG, NGV)		9	7	7	7	7	6	7	7	7	8	8	8
Company Use Non Prod Sales													
Sub-total of Assigned Cost Allocations	B	1,364	6,304	6,704	8,166	6,969	5,078	4,118	2,152	1,953	4,756	4,147	2,130
Allocation WACOG Volume	C = A - B	38,293	38,484	33,046	24,428	13,365	7,500	9,312	12,771	16,931	21,911	26,821	31,714
volume available for allocation													
\$000													
Beginning of Month Storage Balance		78,577	90,008	83,299	61,901	35,532	12,287	2,535	19,932	36,314	51,412	67,588	83,654
Beginning of Month WACOG Inventory		113,276	122,578	123,126	104,350	69,669	28,365	2,154	11,312	25,083	40,555	56,268	72,084
Commodity Purchases		19,761	28,537	27,927	37,800	28,715	31,133	41,710	28,330	24,536	34,894	32,404	23,025
Demand Charges		20,108	21,220	21,505	21,712	20,856	21,712	20,326	20,611	20,326	20,611	20,611	20,326
Sub-total of Available Supplies	D	231,722	262,343	255,856	225,763	154,772	93,497	66,724	80,185	106,259	147,472	176,872	199,088
Less volumes with assigned cost allocations													
Off System Sales, Electric Gen, Other		2,622	18,265	24,000	32,232	26,379	16,385	11,452	5,524	5,262	14,421	12,345	5,298
Monthly BGSS Sales (GSL, DGC)		1,728	3,463	6,050	7,718	6,449	4,872	2,593	1,486	1,065	1,121	1,118	1,021
Monthly BGSS Sales (IS, CNG, NGV)		61	55	59	61	58	49	55	49	55	57	59	57
GSL, DGC Sales Balancing		635	1,153	1,719	2,046	1,744	1,456	862	510	363	375	376	364
		0	0	0	0	0	0	0	0	0	0	0	0
Sub-total of Assigned cost allocations	E	5,047	22,935	31,827	42,057	34,630	22,763	14,962	7,570	6,745	15,973	13,897	6,740
Allocation WACOG Costs	F = D - E	226,675	239,408	224,029	183,706	120,142	70,735	51,762	72,614	99,514	131,499	162,974	192,348
\$ available for allocation													
\$/Dth WACOG	G = F / C	5.9195	6.2209	6.7793	7.5202	8.9896	9.4318	5.5584	5.6859	5.8776	6.0016	6.0764	6.0652
MDth													
Periodic BGSS Sales		2,378	5,298	8,516	10,429	8,831	6,990	3,683	1,967	1,280	1,270	1,189	1,239
CoUse & UFG		2	4	7	10	11	12	8	6	4	3	2	2
Periodic BGSS Sales & CoUse & UFG	H	2,380	5,302	8,523	10,439	8,842	7,002	3,691	1,973	1,284	1,273	1,191	1,241
volume to be allocated													
\$000													
Periodic BGSS (\$/Therm WACOG * Periodic BGSS volume)I = G * H		14,089	32,984	57,778	78,504	79,490	66,046	20,518	11,218	7,546	7,642	7,237	7,526
allocated cost													
Plus assigned cost allocations													
Off System Sales, Electric Gen, Other		2,622	18,265	24,000	32,232	26,379	16,385	11,452	5,524	5,262	14,421	12,345	5,298
Monthly BGSS Sales (GSL, DGC)		1,728	3,463	6,050	7,718	6,449	4,872	2,593	1,486	1,065	1,121	1,118	1,021
Monthly BGSS Sales (IS, CNG, NGV)		61	55	59	61	58	49	55	49	55	57	59	57
GSL, DGC Sales Balancing		635	1,153	1,719	2,046	1,744	1,456	862	510	363	375	376	364
Sub-total of Assigned cost allocations	J	5,047	22,935	31,827	42,057	34,630	22,763	14,962	7,570	6,745	15,973	13,897	6,740
Total Allocated Costs (Sch 2a Total Gas Costs)	K = I + J	19,136	55,919	89,605	120,561	114,120	88,809	35,480	18,788	14,291	23,615	21,135	14,266
End of Month Storage Balance													
Total Allocated Costs & Storage Balances	L	90,008	83,299	61,901	35,532	12,287	2,535	19,932	36,314	51,412	67,588	83,654	97,689
	M = K+L	109,144	139,217	151,506	156,094	126,407	91,344	55,412	55,101	65,703	91,203	104,788	111,955
Current Month WACOG Inventory Balance	N = D - M	122,578	123,126	104,350	69,669	28,365	2,154	11,312	25,083	40,555	56,268	72,084	87,133

NEW JERSEY NATURAL GAS COMPANY
THERM SALES
BGSS YEAR 2026
(000)THERMS

SCHEDULE 3

	SCHEDULE 9												
	Estimate												
	Oct-25	Nov-25	Dec-25	Jan-26	Feb-26	Mar-26	Apr-26	May-26	Jun-26	Jul-26	Aug-26	Sep-26	TOTAL
Residential BGSS Sales	22,493	49,716	79,268	96,789	82,099	65,271	34,657	18,652	12,213	12,098	11,283	11,803	496,343
Total Residential Sales	22,493	49,716	79,268	96,789	82,099	65,271	34,657	18,652	12,213	12,098	11,283	11,803	496,343
C&I Monthly BGSS Sales (GSL, DGC)	3,416	6,198	9,243	11,002	9,375	7,829	4,636	2,743	1,954	2,017	2,019	1,957	62,389
C&I Monthly BGSS Sales (CNG, NGV, IS)	88	74	70	69	67	61	74	68	75	76	79	80	881
C&I Periodic BGSS Sales	1,286	3,262	5,890	7,502	6,213	4,633	2,178	1,016	589	605	605	585	34,364
Total Commercial & Industrial Sales	4,790	9,533	15,204	18,572	15,654	12,523	6,888	3,827	2,618	2,698	2,703	2,622	97,634
Total Firm Sales	27,283	59,250	94,472	115,361	97,754	77,794	41,545	22,479	14,831	14,797	13,986	14,425	593,976
Interruptible IGS (Sch. 4a)	0	0	0	0	0	0	0	0	0	0	0	0	0
Sayreville (Sch. 4b)	4	10	6	0	1	1	1	1	27	7	52	0	110
Forked River (Sch. 4c)	56	36	15	1	2	13	58	29	42	259	197	54	763
Off System Sales (Sch. 4e)	10,070	56,725	57,708	70,586	60,245	42,871	36,414	18,675	17,429	45,196	39,118	19,207	474,243
Storage Incentive Sales	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Non-Firm Sales	10,131	56,772	57,728	70,587	60,248	42,885	36,473	18,704	17,498	45,462	39,367	19,262	475,117
Total Sales	37,414	116,022	152,200	185,948	158,002	120,679	78,018	41,183	32,329	60,259	53,353	33,686	1,069,093
Firm Transportation	1,579	1,887	2,597	3,266	3,497	3,245	2,857	2,155	1,419	1,414	1,502	1,401	26,818
GSS Transportation	276	671	1,170	1,483	1,229	922	441	210	124	128	128	124	6,905
GSL Transportation	4,175	7,535	11,037	13,097	11,159	9,301	5,544	3,280	2,335	2,412	2,412	2,335	74,622
NGV Transport	0	0	0	0	0	0	0	0	0	0	0	0	0
DGC Balancing	44	60	80	73	60	73	73	86	72	76	89	59	844
DGC Firm Transportation	252	282	239	199	253	280	248	255	254	232	258	232	2,985
Residential Transportation	552	1,210	1,913	2,312	1,960	1,577	852	411	234	242	242	234	11,739
Interruptible Transportation	1,342	1,412	1,273	1,107	1,057	1,083	1,208	1,235	1,132	1,014	1,142	1,095	14,099
Lakewood Cogen	3,619	688	161	60	82	62	453	529	2,615	8,994	5,463	1,643	24,371
Ocean Peaking Power	1,394	631	157	334	76	239	1,915	1,281	2,576	7,419	4,296	969	21,288
Red Oak	11,538	12,435	8,337	8,807	3,931	8,495	31,299	29,117	25,582	37,695	30,973	23,040	231,251
Total Transportation	24,772	26,811	26,964	30,738	23,303	25,277	44,892	38,559	36,342	59,627	46,505	31,132	414,921
Total Mtherms	62,186	142,833	179,164	216,686	181,305	145,956	122,909	79,743	68,671	119,885	99,858	64,818	1,484,014

**NEW JERSEY NATURAL GAS COMPANY
MARGIN SHARING FROM STORAGE INCENTIVE
AND SAYREVILLE / FORKED RIVER GAS COST SUMMARY
BGSS YEAR 2026
\$(000) & (000)THERMS**

	Estimate												
	Oct-25	Nov-25	Dec-25	Jan-26	Feb-26	Mar-26	Apr-26	May-26	Jun-26	Jul-26	Aug-26	Sep-26	TOTAL
SAYREVILLE	SCHEDULE 4b												
Therm Sales (Sch. 3)	4	10	6	0	1	1	1	1	27	7	52	0	110
Rate per therm	0.25881	0.32172	0.41573	0.00000	0.43784	0.38207	0.31398	0.29534	0.30072	0.31720	0.31358	0.00000	n/a
Cost of Gas (Sch. 2a)	1	3	2	0	1	0	0	0	8	2	16	0	35
FORKED RIVER	SCHEDULE 4c												
Therm Sales (Sch. 3)	56	36	15	1	2	13	58	29	42	259	197	54	763
Rate per therm	0.25881	0.32172	0.41573	0.45663	0.43784	0.38207	0.31398	0.29534	0.30072	0.31720	0.31358	0.27504	n/a
Cost of Gas (Sch.2a)	15	12	6	0	1	5	18	8	13	82	62	15	237
Storage Incentive	SCHEDULE 4j												
Storage Gain (Loss)	1,600	0	0	0	0	0	1,600	1,600	1,600	1,600	1,600	1,600	11,200
NJNG Sharing @ 20% (Sch.1, L 5)	320	0	0	0	0	0	320	320	320	320	320	320	2,240

NEW JERSEY NATURAL GAS COMPANY
MARGIN SHARING FROM OFF-SYSTEM SALES AND CAPACITY RELEASE
AND CREDITS FROM BALANCING CHARGES AND ENVIRONMENTAL ATTRIBUTES
BGSS YEAR 2026
\$(000) & (000)THERMS

	Estimate												
	Oct-25	Nov-25	Dec-25	Jan-26	Feb-26	Mar-26	Apr-26	May-26	Jun-26	Jul-26	Aug-26	Sep-26	TOTAL
OFF-SYSTEM SALES	SCHEDULE 4e												
Revenues	2,750	18,950	28,446	43,076	33,326	16,533	11,556	5,612	5,446	14,827	12,728	5,374	198,624
Therm sales	10,070	56,725	57,708	70,586	60,245	42,871	36,414	18,675	17,429	45,196	39,118	19,207	474,243
Rate per therm COG	0.259	0.322	0.416	0.457	0.438	0.382	0.314	0.295	0.301	0.317	0.314	0.275	
Cost of Gas (Sch. 2a)	2,606	18,250	23,991	32,232	26,378	16,380	11,433	5,515	5,241	14,336	12,267	5,283	173,912
Net Margin	143	700	4,454	10,844	6,949	154	123	97	205	491	461	91	24,712
Customer sharing @ 85% (Sch.1,L 6)	122	595	3,786	9,217	5,906	131	105	82	174	417	392	78	21,005
NJNG Sharing @ 15%	22	105	668	1,627	1,042	23	18	15	31	74	69	14	3,707
Total Credit = Cost of Gas plus sharings	2,728	18,845	27,777	41,449	32,284	16,510	11,538	5,598	5,416	14,753	12,658	5,360	194,917
CAPACITY RELEASE	SCHEDULE 4f												
Revenue	105	0	0	0	0	0	0	0	0	0	0	0	105
Customer Sharing @ 85% (Sch.1.,L 7)	89	0	0	0	0	0	0	0	0	0	0	0	89
BALANCING CREDITS & PENALTY CHARGES	SCHEDULE 4g												
Current Month TPS Penalty Charges	0	0	0	0	0	0	0	0	0	0	0	0	0
Current Month Balancing Charges	5,997	12,769	20,200	24,600	20,850	16,667	8,999	4,910	3,259	3,270	3,121	3,180	127,820
Total Credit (Sch.1.,L 9)	5,997	12,769	20,200	24,600	20,850	16,667	8,999	4,910	3,259	3,270	3,121	3,180	127,820
ENVIRONMENTAL ATTRIBUTES	SCHEDULE 4k												
Therms	67	65	67	71	64	71	69	71	69	71	71	69	826
Rate per therm	0.25726	0.25726	0.25726	0.37419	0.37419	0.37419	0.37419	0.37419	0.37419	0.37419	0.37419	0.37419	n/a
Net Credit	17	17	17	27	24	27	26	27	26	27	27	26	286

(Sch 1. LINE 8)

Opening balance BGSS Interest Sch 6	1,418	1,418
Adjustments to BGSS opening balance are captured on Schedule 1		
OCT 2025	0	0
NOV 2025	0	0
DEC 2025	0	0
JAN 2026	0	0
FEB 2026	0	0
MAR 2026	0	0
APR 2026	0	0
MAY 2026	0	0
JUN 2026	0	0
JUL 2026	0	0
AUG 2026	0	0
SEP 2026	0	0
TOTALS		1,418

NEW JERSEY NATURAL GAS COMPANY
BGSS YEAR 2026
COMPUTATION OF INTEREST ON UNDER/(OVER) RECOVERED BALANCES

DATE	COMBINED BALANCE	\$(000) AVERAGE BALANCE	ANNUAL RATE	SCHEDULE 6 ANNUAL RATE
				7.08%
SEP 2025	(9,210)			
OCT 2025	(11,312)	(10,261)	0.5900%	(61)
NOV 2025	(15,123)	(13,217)	0.5900%	(78)
DEC 2025	(19,117)	(17,120)	0.5900%	(101)
JAN 2026	(20,770)	(19,943)	0.5900%	(118)
FEB 2026	(7,267)	(14,019)	0.5900%	(83)
MAR 2026	10,997	1,865	0.5900%	11
APR 2026	6,488	8,742	0.5900%	52
MAY 2026	4,397	5,442	0.5900%	32
JUN 2026	3,231	3,814	0.5900%	23
JUL 2026	1,964	2,597	0.5900%	15
AUG 2026	846	1,405	0.5900%	8
SEP 2026	28	437	0.5900%	3
				(297)
TOTAL	INTEREST TO BE CREDITED TO CUSTOMER			(297)

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
FY2025

Customer Class (a)	Actual/ Estimate	Actual per Books ¹		Actual Avg. Use / Cust. (d) = (b) / (c)	Baseline Use / Cust. ² (e)	Difference (f) = (d) - (e)	Aggregate Therm Impact (g) = (f) * (c)	Margin Factor	Margin Variance
		Total Class	Number of						
		Therms (b)	Customers (c)						
Residential Non-Heating									
October	a	224,169	15,133	14.8	17.5	(2.7)	(40,859)	\$0.5858	(\$23,935)
November	a	218,065	15,015	14.5	14.33	0.17	2,502	\$0.6574	\$1,645
December	a	373,407	14,995	24.9	20.8	4.1	61,478	\$0.8005	\$49,213
January	a	454,108	15,003	30.3	24.7	5.6	84,017	\$0.8005	\$67,256
February	a	375,833	15,019	25.0	22.2	2.8	42,054	\$0.8005	\$33,664
March	a	251,477	15,029	16.7	18.8	(2.1)	(31,560)	\$0.8005	(\$25,264)
April	a	190,426	15,061	12.6	13.0	(0.4)	(6,024)	\$0.8005	(\$4,822)
May	e	151,759	15,429	9.8	10.9	(1.1)	(16,972)	\$0.8005	(\$13,586)
June	e	213,344	15,629	13.7	14.1	(0.4)	(6,252)	\$0.8005	(\$5,004)
July	e	216,250	15,629	13.8	17.8	(4.0)	(62,516)	\$0.8005	(\$50,044)
August	e	183,321	15,629	11.7	13.0	(1.3)	(20,318)	\$0.8005	(\$16,264)
September	e	215,007	15,629	13.8	15.8	(2.0)	(31,258)	\$0.8005	(\$25,022)
Total		3,067,167		201.6	202.9		(25,706)		(\$12,164)

Margin Deficiency/ (Credit) \$ 12,164
Prior Period (Over) / Under Recovery³ \$ (18,350)

Total Deficiency/(Credit) \$ (6,186)

Projected Residential Non-Heating Throughput for Recovery Period 3,004,087

Pre-tax CIP Charge/(Credit) \$ (0.0021)
BPU/RC Assessment Factor \$1.0027

CIP Charge/(Credit) including assessments \$ (0.0021)
6.625% Sales Tax \$ (0.0001)

Proposed After-tax CIP Charge/(Credit) per Therm \$ (0.0022)

Current After-tax CIP Charge/(Credit) per Therm \$ 0.0409

Increase/ (Decrease) in After-tax CIP Charge/(Credit) per Therm \$ (0.0431)

¹ Per Exhibit C, Schedule 1, Page 2

² Per Tariff Sheet No. 180 approved in BPU Docket No. GR21030679 effective December 1, 2021 through November 20, 2024 and Tariff Sheet No. 178 approved in BPU Docket No. GR24010071 effective November 21, 2024.

³ Per Exhibit C, Schedule 1, Page 3

New Jersey Natural Gas Company
Customers and Therms

Group I: RS non-heat

	Actual Oct-24	Actual Nov-24	Actual Dec-24	Actual Jan-25	Actual Feb-25	Actual Mar-25	Actual Apr-25	Estimate May-25	Estimate Jun-25	Estimate Jul-25	Estimate Aug-25	Estimate Sep-25	
Customers													
RS non-heat sales	14,472	14,347	14,345	14,361	14,368	14,356	14,388	14,757	14,957	14,957	14,957	14,957	
RS non-heat transport	661	668	650	643	651	672	673	672	672	672	672	672	
Total Customers	15,133	15,015	14,995	15,003	15,019	15,029	15,061	15,429	15,629	15,629	15,629	15,629	
Volumes													
RS non-heat sales	218,804	210,903	362,285	441,090	357,357	248,210	182,613	146,692	209,066	211,830	178,901	210,729	
RS non-heat transport	5,365	7,162	11,122	13,017	18,476	3,267	7,814	5,067	4,278	4,420	4,420	4,278	
Total Volumes	224,169	218,065	373,407	454,108	375,833	251,477	190,426	151,759	213,344	216,250	183,321	215,007	3,067,167

NEW JERSEY NATURAL GAS COMPANY
STATEMENT OF ESTIMATED UNDER/(OVER) RECOVERED CIP BALANCE
GROUP I - RS NON-HEAT
FY2025

	<u>Actual Oct-24</u>	<u>Actual Nov-24</u>	<u>Actual Dec-24</u>	<u>Actual Jan-25</u>	<u>Actual Feb-25</u>	<u>Actual Mar-25</u>	<u>Actual Apr-25</u>	<u>Estimate May-25</u>	<u>Estimate Jun-25</u>	<u>Estimate Jul-25</u>	<u>Estimate Aug-25</u>	<u>Estimate Sep-25</u>	TOTAL
Beginning Under/(Over) Recovery \$	99,123	90,537	82,185	67,884	50,492	36,097	26,466	19,172	13,360	5,189	(3,094)	(10,115)	99,123
Therm Sales	224,169	218,065	373,407	454,108	375,833	251,477	190,426	151,759	213,344	216,250	183,321	215,007	3,067,167
Pre-tax Recovery Rate per Therm ¹	0.0383	0.0383	0.0383	0.0383	0.0383	0.0383	0.0383	0.0383	0.0383	0.0383	0.0383	0.0383	
Recovery \$	8,586	8,352	14,301	17,392	14,394	9,632	7,293	5,812	8,171	8,282	7,021	8,235	117,472
Ending Under/(Over) Recovery \$	90,537	82,185	67,884	50,492	36,097	26,466	19,172	13,360	5,189	(3,094)	(10,115)	(18,350)	(18,350)

¹ Pre-tax Recovery Rate per therm excluding BPU and RC assessments.

New Jersey Natural Gas Company
Conservation Incentive Program
Group II: Residential Heat
FY2025

Customer Class (a)	Actual/ Estimate	Actual per Books ¹		Actual Avg. Use / Cust. (d) = (b) / (c)	Baseline Use / Cust. ² (e)	Difference (f) = (d) - (e)	Aggregate Therm Impact (g) = (f) * (c)	Margin Factor	Margin Variance
		Total Class	Number of						
		Therms (b)	Customers (c)						
Residential Heating									
October	a	20,643,643	528,008	39.1	43.4	(4.3)	(2,270,436)	\$0.5858	(\$1,330,021)
November	a	38,586,959	528,862	73.0	98.7	(25.7)	(13,591,757)	\$0.6574	(\$8,934,768)
December	a	84,668,342	529,924	159.8	153.3	6.5	3,444,504	\$0.8005	\$2,757,325
January	a	108,388,780	530,756	204.2	182.4	21.8	11,570,481	\$0.8005	\$9,262,170
February	a	82,443,474	531,368	155.2	158.1	(2.9)	(1,540,967)	\$0.8005	(\$1,233,544)
March	a	53,444,027	531,765	100.5	127.1	(26.6)	(14,144,944)	\$0.8005	(\$11,323,028)
April	a	32,371,759	531,988	60.9	69.3	(8.4)	(4,468,703)	\$0.8005	(\$3,577,197)
May	e	18,560,485	532,331	34.9	37.4	(2.5)	(1,330,827)	\$0.8005	(\$1,065,327)
June	e	12,090,150	532,752	22.7	24.1	(1.4)	(745,853)	\$0.8005	(\$597,055)
July	e	11,974,850	533,231	22.5	24.6	(2.1)	(1,119,785)	\$0.8005	(\$896,388)
August	e	11,191,925	533,913	21.0	21.5	(0.5)	(266,956)	\$0.8005	(\$213,699)
September	e	11,676,567	534,763	21.8	21.8	-	-	\$0.8005	\$0
Total		486,040,960		915.6	961.7		(24,465,243)		(\$17,151,531)

Margin Deficiency/ (Credit)	\$	17,151,531
Prior Period (Over) / Under Recovery ³	\$	3,395,261

Total Deficiency/(Credit)	\$	20,546,792
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Projected Residential Heating Throughput for Recovery Period	505,077,781
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Pre-tax CIP Charge/(Credit)	\$	0.0407
BPU/RC Assessment Factor		1.002744

CIP Charge/(Credit) including assessments	\$	0.0408
6.625% Sales Tax	\$	0.0027

Proposed After-tax CIP Charge/(Credit) per Therm	\$	0.0435
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Current After-tax CIP Charge/(Credit) per Therm	\$	0.0903
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Increase/ (Decrease) in After-tax CIP Charge/(Credit) per Therm	\$	(0.0468)
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¹ Per Exhibit C, Schedule 2, Page 2

² Per Tariff Sheet No. 180 approved in BPU Docket No. GR21030679 effective December 1, 2021 through November 20, 2024 and Tariff Sheet No. 178 approved in BPU Docket No. GR24010071 effective November 21, 2024.

³ Per Exhibit C, Schedule 2, Page 3

New Jersey Natural Gas Company
Customers and Therms

Group II: RS heat

	Actual <u>Oct-24</u>	Actual <u>Nov-24</u>	Actual <u>Dec-24</u>	Actual <u>Jan-25</u>	Actual <u>Feb-25</u>	Actual <u>Mar-25</u>	Actual <u>Apr-25</u>	Estimate <u>May-25</u>	Estimate <u>Jun-25</u>	Estimate <u>Jul-25</u>	Estimate <u>Aug-25</u>	Estimate <u>Sep-25</u>	
<u>Customers</u>													
RS heat sales	514,205	515,104	516,471	517,309	517,872	518,400	518,935	518,966	519,387	519,866	520,548	521,398	
RS heat transport	13,803	13,758	13,452	13,447	13,495	13,365	13,053	13,365	13,365	13,365	13,365	13,365	
Total Customers	528,008	528,862	529,924	530,756	531,368	531,765	531,988	532,331	532,752	533,231	533,913	534,763	
<u>Volumes</u>													
RS heat sales	20,149,821	37,633,260	82,668,344	105,834,499	80,483,637	52,180,945	31,615,214	18,157,089	11,860,441	11,737,484	10,954,560	11,446,858	474,722,152
RS heat transport	493,823	953,699	1,999,998	2,554,281	1,959,837	1,263,082	756,544	403,397	229,708	237,365	237,365	229,708	11,318,807
Total Volumes	20,643,643	38,586,959	84,668,342	108,388,780	82,443,474	53,444,027	32,371,759	18,560,485	12,090,150	11,974,850	11,191,925	11,676,567	486,040,960

NEW JERSEY NATURAL GAS COMPANY
STATEMENT OF ESTIMATED UNDER/(OVER) RECOVERED CIP BALANCE
GROUP II - RS HEAT
FY2025

	<u>Actual Oct-24</u>	<u>Actual Nov-24</u>	<u>Actual Dec-24</u>	<u>Actual Jan-25</u>	<u>Actual Feb-25</u>	<u>Actual Mar-25</u>	<u>Actual Apr-25</u>	<u>Estimate May-25</u>	<u>Estimate Jun-25</u>	<u>Estimate Jul-25</u>	<u>Estimate Aug-25</u>	<u>Estimate Sep-25</u>	TOTAL
Beginning Under/(Over) Recovery \$	44,465,722	42,721,334	39,460,736	32,306,261	23,147,409	16,180,936	11,664,915	8,929,502	7,361,141	6,339,523	5,327,648	4,381,931	44,465,722
Therm Sales	20,643,643	38,586,959	84,668,342	108,388,780	82,443,474	53,444,027	32,371,759	18,560,485	12,090,150	11,974,850	11,191,925	11,676,567	486,040,960
Pre-tax Recovery Rate per Therm ¹	0.0845	0.0845	0.0845	0.0845	0.0845	0.0845	0.0845	0.0845	0.0845	0.0845	0.0845	0.0845	
Recovery \$	1,744,388	3,260,598	7,154,475	9,158,852	6,966,474	4,516,020	2,735,414	1,568,361	1,021,618	1,011,875	945,718	986,670	41,070,461
Ending Under/(Over) Recovery \$	42,721,334	39,460,736	32,306,261	23,147,409	16,180,936	11,664,915	8,929,502	7,361,141	6,339,523	5,327,648	4,381,931	3,395,261	3,395,261

¹ Pre-tax Recovery Rate per therm excluding BPU and RC assessments.

New Jersey Natural Gas Company
Conservation Incentive Program
Group III: General Service Small
FY2025

Customer Class (a)	Actual/ Estimate	Actual per Books ¹		Actual Avg. Use / Cust. (d) = (b) / (c)	Baseline Use / Cust. ² (e)	Difference (f) = (d) - (e)	Aggregate Therm Impact (g) = (f) * (c)	Margin Factor	Margin Variance
		Total Class	Number of						
		Therms (b)	Customers (c)						
<u>General Service Small</u>									
October	a	1,399,277	31,867	43.9	44.8	(0.9)	(28,680)	\$0.5143	(\$14,750)
November	a	3,029,155	32,317	93.7	119.6	(25.9)	(838,097)	\$0.5693	(\$477,101)
December	a	7,012,169	32,806	213.7	198.0	15.7	515,057	\$0.6792	\$349,827
January	a	9,998,242	32,961	303.3	252.4	50.9	1,677,732	\$0.6792	\$1,139,516
February	a	7,710,155	33,009	233.6	221.5	12.1	399,412	\$0.6792	\$271,281
March	a	4,938,762	32,979	149.8	173.5	(23.7)	(781,604)	\$0.6792	(\$530,865)
April	a	2,528,523	32,806	77.1	85.9	(8.8)	(288,693)	\$0.6792	(\$196,080)
May	e	1,168,857	32,653	35.8	33.5	2.3	75,103	\$0.6792	\$51,010
June	e	680,653	32,067	21.2	20.6	0.6	19,240	\$0.6792	\$13,068
July	e	700,093	31,597	22.2	25.9	(3.7)	(116,910)	\$0.6792	(\$79,405)
August	e	699,246	31,452	22.2	20.1	2.1	66,049	\$0.6792	\$44,860
September	e	677,434	31,515	21.5	21.4	0.1	3,151	\$0.6792	\$2,140
Total		40,542,566		1,238.0	1,217.2		701,760		\$573,500

Margin Deficiency/ (Credit)	\$ (573,500)
Prior Period (Over) / Under Recovery ³	\$ 84,801
Total Deficiency/(Credit)	\$ (488,699)
Projected Commercial Throughput for Recovery Period	41,202,007
Pre-tax CIP Charge/(Credit)	\$ (0.0119)
BPU/RC Assessment Factor	<u>1.002744</u>
CIP Charge/(Credit) including assessments	\$ (0.0119)
6.625% Sales Tax	<u>\$ (0.0008)</u>
Proposed After-tax CIP Charge/(Credit) per Therm	\$ (0.0127)
Current After-tax CIP Charge/(Credit) per Therm	<u>\$ 0.0509</u>
Increase/ (Decrease) in After-tax CIP Charge/(Credit) per Therm	<u>\$ (0.0636)</u>

¹ Per Exhibit C, Schedule 3, Page 2

² Per Tariff Sheet No. 180 approved in BPU Docket No. GR21030679 effective December 1, 2021 through November 20, 2024 and Tariff Sheet No. 178 approved in BPU Docket No. GR24010071 effective November 21, 2024.

³ Per Exhibit C, Schedule 3, Page 3

New Jersey Natural Gas Company
Customers and Therms

Group III: GSS

	Actual <u>Oct-24</u>	Actual <u>Nov-24</u>	Actual <u>Dec-24</u>	Actual <u>Jan-25</u>	Actual <u>Feb-25</u>	Actual <u>Mar-25</u>	Actual <u>Apr-25</u>	Estimate <u>May-25</u>	Estimate <u>Jun-25</u>	Estimate <u>Jul-25</u>	Estimate <u>Aug-25</u>	Estimate <u>Sep-25</u>	
<u>Customers</u>													
GSS Sales	27,471	27,915	28,404	28,568	28,566	28,540	28,400	28,261	27,675	27,205	27,059	27,122	
GSS A/C Sales	48	43	41	40	40	40	43						
GSS Transport	4,342	4,352	4,356	4,347	4,397	4,393	4,358	4,392	4,392	4,392	4,392	4,392	
GSS A/C Transport	7	7	6	6	6	6	6						
Total Customers	31,867	32,317	32,806	32,961	33,009	32,979	32,806	32,653	32,067	31,597	31,452	31,515	
<u>Volumes</u>													
GSS Sales	1,120,621	2,399,277	5,881,311	8,316,479	6,387,408	4,086,114	2,036,816	962,511	557,121	572,444	571,597	553,903	33,445,602
GSS A/C Sales	8,855	5,379	5,922	7,541	8,035	6,081	3,327						45,141
GSS Transport	266,485	624,180	1,124,286	1,673,489	1,314,074	845,834	484,036	206,346	123,532	127,649	127,649	123,532	7,041,091
GSS A/C Transport	3,316	319	650	732	637	733	4,345						10,733
Total Volumes	1,399,277	3,029,155	7,012,169	9,998,242	7,710,155	4,938,762	2,528,523	1,168,857	680,653	700,093	699,246	677,434	40,542,566

NEW JERSEY NATURAL GAS COMPANY
STATEMENT OF ESTIMATED UNDER/(OVER) RECOVERED CIP BALANCE
GROUP III - GENERAL SERVICE SMALL
FY2025

	<u>Actual Oct-24</u>	<u>Actual Nov-24</u>	<u>Actual Dec-24</u>	<u>Actual Jan-25</u>	<u>Actual Feb-25</u>	<u>Actual Mar-25</u>	<u>Actual Apr-25</u>	<u>Estimate May-25</u>	<u>Estimate Jun-25</u>	<u>Estimate Jul-25</u>	<u>Estimate Aug-25</u>	<u>Estimate Sep-25</u>	TOTAL
Beginning Under/(Over) Recovery \$	2,014,627	1,948,022	1,803,834	1,470,055	994,138	627,135	392,050	271,692	216,055	183,656	150,331	117,047	2,014,627
Therm Sales	1,399,277	3,029,155	7,012,169	9,998,242	7,710,155	4,938,762	2,528,523	1,168,857	680,653	700,093	699,246	677,434	40,542,566
Pre-tax Recovery Rate per Therm ¹	0.0476	0.0476	0.0476	0.0476	0.0476	0.0476	0.0476	0.0476	0.0476	0.0476	0.0476	0.0476	
Recovery \$	66,606	144,188	333,779	475,916	367,003	235,085	120,358	55,638	32,399	33,324	33,284	32,246	1,929,826
Ending Under/(Over) Recovery \$	1,948,022	1,803,834	1,470,055	994,138	627,135	392,050	271,692	216,055	183,656	150,331	117,047	84,801	84,801

¹ Pre-tax Recovery Rate per therm excluding BPU and RC assessments.

New Jersey Natural Gas Company
Conservation Incentive Program
Group IV: General Service Large
FY2025

Customer Class (a)	Actual/ Estimate	Actual per Books ¹		Large Customer Adjustment (c2)	Adjusted Number of Customers (c) = (c1) + (c2)	Actual Avg. Use / Cust. ² (d) = (b) / (c)	Baseline Use / Cust. (e)	Difference (f) = (d) - (e)	Aggregate Therm Impact (g) = (f) * (c)	Margin Factor	Margin Variance
		Total Class	Number of								
		Therms (b)	Customers (c1)								
General Service Large											
October	a	6,760,531	8,018	78	8,096	835.0	883.1	(48.1)	(389,426)	\$0.3277	(\$127,615)
November	a	11,264,883	8,060	58	8,118	1,387.6	1,736.9	(349.3)	(2,836,010)	\$0.3618	(\$1,026,163)
December	a	20,767,642	8,092	17	8,109	2,561.2	2,532.3	28.9	234,342	\$0.4301	\$100,790
January	a	25,128,443	8,111	19	8,130	3,090.8	2,913.0	177.8	1,445,526	\$0.4301	\$621,721
February	a	19,232,372	8,119	24	8,143	2,361.7	2,519.9	(158.2)	(1,288,268)	\$0.4301	(\$554,084)
March	a	14,501,070	8,112	24	8,136	1,782.3	2,172.0	(389.7)	(3,170,642)	\$0.4301	(\$1,363,693)
April	a	9,332,455	8,098	24	8,122	1,149.0	1,319.2	(170.2)	(1,382,419)	\$0.4301	(\$594,578)
May	e	5,959,775	7,992	26	8,018	743.3	875.5	(132.2)	(1,060,032)	\$0.4301	(\$455,920)
June	e	4,254,829	7,963	28	7,991	532.5	557.9	(25.4)	(202,970)	\$0.4301	(\$87,297)
July	e	4,392,298	7,943	30	7,973	550.9	582.1	(31.2)	(248,762)	\$0.4301	(\$106,992)
August	e	4,393,275	7,945	30	7,975	550.9	536.6	14.3	114,046	\$0.4301	\$49,051
September	e	4,253,236	7,949	31	7,980	533.0	537.4	(4.4)	(35,111)	\$0.4301	(\$15,101)
Total		130,240,809				16,078.2	17,165.9		(8,819,726)		(\$3,559,882)

Margin Deficiency/ (Credit) \$ 3,559,882
Prior Period (Over) / Under Recovery³ \$ 423,500

Total Deficiency/(Credit) \$ 3,983,382

Projected Commercial Throughput for Recovery Period 136,838,688

Pre-tax CIP Charge/(Credit) \$ 0.0291
BPU/RC Assessment Factor 1.002744

CIP Charge/(Credit) including assessments \$ 0.0292
6.625% Sales Tax \$ 0.0019

Proposed After-tax CIP Charge/(Credit) per Therm \$ 0.0311

Current After-tax CIP Charge/(Credit) per Therm \$ 0.0367

Increase/ (Decrease) in After-tax CIP Charge/(Credit) per Therm \$ (0.0056)

¹ Per Exhibit C, Schedule 4, Page 2

² Per Tariff Sheet No. 180 approved in BPU Docket No. GR21030679 effective December 1, 2021 through November 20, 2024 and Tariff Sheet No. 178 approved in BPU Docket No. GR24010071 effective November 21, 2024.

³ Per Exhibit C, Schedule 4, Page 3

New Jersey Natural Gas Company
Customers and Therms

Group IV: GSL

	Actual <u>Oct-24</u>	Actual <u>Nov-24</u>	Actual <u>Dec-24</u>	Actual <u>Jan-25</u>	Actual <u>Feb-25</u>	Actual <u>Mar-25</u>	Actual <u>Apr-25</u>	Estimate <u>May-25</u>	Estimate <u>Jun-25</u>	Estimate <u>Jul-25</u>	Estimate <u>Aug-25</u>	Estimate <u>Sep-25</u>	
<u>Customers</u>													
GSL Sales	4,593	4,636	4,671	4,684	4,701	4,681	4,666	4,590	4,560	4,540	4,542	4,546	
GSL A/C Sales	15	15	15	15	15	15	15						
GSL Transport	3,398	3,396	3,392	3,399	3,390	3,403	3,405	3,403	3,403	3,403	3,403	3,403	
GSL A/C Transport	13	13	13	13	13	13	13						
Total Customers	8,018	8,060	8,092	8,111	8,119	8,112	8,098	7,992	7,963	7,943	7,945	7,949	
<u>Volumes</u>													
GSL Sales	2,775,173	4,618,561	8,877,430	11,090,334	8,405,373	6,055,440	4,048,263	2,711,898	1,938,325	1,998,577	1,999,554	1,936,732	56,455,660
GSL A/C Sales	10,972	23,626	44,586	53,583	39,351	27,397	18,590						218,105
GSL Transport	3,954,143	6,596,326	11,799,501	13,935,017	10,744,333	8,390,012	5,241,597	3,247,877	2,316,504	2,393,721	2,393,721	2,316,504	73,329,253
GSL A/C Transport	20,243	26,371	46,126	49,509	43,315	28,220	24,006						237,791
Total Volumes	6,760,531	11,264,883	20,767,642	25,128,443	19,232,372	14,501,070	9,332,455	5,959,775	4,254,829	4,392,298	4,393,275	4,253,236	130,240,809

NEW JERSEY NATURAL GAS COMPANY
STATEMENT OF ESTIMATED UNDER/(OVER) RECOVERED CIP BALANCE
GROUP IV - GENERAL SERVICE LARGE
FY2025

	<u>Actual Oct-24</u>	<u>Actual Nov-24</u>	<u>Actual Dec-24</u>	<u>Actual Jan-25</u>	<u>Actual Feb-25</u>	<u>Actual Mar-25</u>	<u>Actual Apr-25</u>	<u>Estimate May-25</u>	<u>Estimate Jun-25</u>	<u>Estimate Jul-25</u>	<u>Estimate Aug-25</u>	<u>Estimate Sep-25</u>	TOTAL
Beginning Under/(Over) Recovery \$	4,890,760	4,658,873	4,272,488	3,560,158	2,698,252	2,038,582	1,541,195	1,221,092	1,016,672	870,731	720,075	569,386	4,890,760
Therm Sales	6,760,531	11,264,883	20,767,642	25,128,443	19,232,372	14,501,070	9,332,455	5,959,775	4,254,829	4,392,298	4,393,275	4,253,236	130,240,809
Pre-tax Recovery Rate per Therm ¹	0.0343	0.0343	0.0343	0.0343	0.0343	0.0343	0.0343	0.0343	0.0343	0.0343	0.0343	0.0343	
Recovery \$	231,886	386,386	712,330	861,906	659,670	497,387	320,103	204,420	145,941	150,656	150,689	145,886	4,467,260
Ending Under/(Over) Recovery \$	4,658,873	4,272,488	3,560,158	2,698,252	2,038,582	1,541,195	1,221,092	1,016,672	870,731	720,075	569,386	423,500	423,500

¹ Pre-tax Recovery Rate per therm excluding BPU and RC assessments.

**New Jersey Natural Gas Company
Conservation Incentive Program
Weather Normalization Calculation for the 2024-25 Winter Period**

**Group II
RS Heat**

		DEGREE DAYS WNC ¹	DEGREE DAYS ACTUAL	VARIANCE	CONSUMPTION FACTOR USE PER CUST ¹	CUSTOMERS ACTUAL	CONSUMPTION FACTOR	TOTAL THERMS	MARGIN FACTOR ²	MARGIN IMPACT
Oct-24	a	238	168	(70)	0.1260	528,008	66,529	(4,657,033)	\$0.5858	(\$2,728,090)
Nov-24	a	521	422	(99)	0.1723	528,862	91,105	(9,019,426)	\$0.6574	(\$5,929,070)
Dec-24	a	793	809	16	0.1932	529,924	102,381	1,638,100	\$0.8005	\$1,311,299
Jan-25	a	954	1,053	99	0.1971	530,756	104,612	10,356,589	\$0.8005	\$8,290,449
Feb-25	a	801	808	7	0.1971	531,368	104,733	733,128	\$0.8005	\$586,869
Mar-25	a	658	514	(144)	0.1932	531,765	102,737	(14,794,123)	\$0.8005	(\$11,842,695)
Apr-25	a	346	284	(62)	0.1894	531,988	100,759	(6,247,034)	\$0.8005	(\$5,000,751)
May-25	c	122	117	(5)	0.1971	532,331	104,922	(524,612)	\$0.8005	(\$419,952)
TOTAL		<u>4,433</u>	<u>4,175</u>	<u>(258)</u>				<u>(22,514,412)</u>		<u>(\$15,731,941)</u>

**Group III
GSS**

		DEGREE DAYS WNC ¹	DEGREE DAYS ACTUAL	VARIANCE	CONSUMPTION FACTOR USE PER CUST	CUSTOMERS ACTUAL	CONSUMPTION FACTOR	TOTAL THERMS	MARGIN FACTOR ²	MARGIN IMPACT
Oct-24	a	238	168	(70)	0.1771	31,867	5,644	(395,057)	\$0.5143	(\$203,178)
Nov-24	a	521	422	(99)	0.2219	32,317	7,170	(709,844)	\$0.5693	(\$404,114)
Dec-24	a	793	809	16	0.2702	32,806	8,864	141,828	\$0.6792	\$96,329
Jan-25	a	954	1,053	99	0.2838	32,961	9,354	926,088	\$0.6792	\$628,999
Feb-25	a	801	808	7	0.2786	33,009	9,196	64,375	\$0.6792	\$43,723
Mar-25	a	658	514	(144)	0.2594	32,979	8,555	(1,231,887)	\$0.6792	(\$836,698)
Apr-25	a	346	284	(62)	0.2192	32,806	7,191	(445,847)	\$0.6792	(\$302,819)
May-25	c	122	117	(5)	0.2065	32,653	6,743	(33,715)	\$0.6792	(\$22,899)
TOTAL		<u>4,433</u>	<u>4,175</u>	<u>(258)</u>				<u>(1,684,060)</u>		<u>(\$1,000,656)</u>

**Group IV
GSL**

		DEGREE DAYS WNC ¹	DEGREE DAYS ACTUAL	VARIANCE	CONSUMPTION FACTOR USE PER CUST	CUSTOMERS ACTUAL	CONSUMPTION FACTOR	TOTAL THERMS	MARGIN FACTOR ²	MARGIN IMPACT
Oct-24	a	238	168	(70)	1.7974	8,096	14,552	(1,018,644)	\$0.3277	(\$333,810)
Nov-24	a	521	422	(99)	2.4682	8,118	20,038	(1,983,760)	\$0.3618	(\$717,724)
Dec-24	a	793	809	16	2.8367	8,109	23,002	368,032	\$0.4301	\$158,290
Jan-25	a	954	1,053	99	2.8794	8,130	23,410	2,317,563	\$0.4301	\$996,784
Feb-25	a	801	808	7	2.8778	8,143	23,435	164,043	\$0.4301	\$70,555
Mar-25	a	658	514	(144)	2.8781	8,136	23,417	(3,371,981)	\$0.4301	(\$1,450,289)
Apr-25	a	346	284	(62)	2.8582	8,122	23,215	(1,439,343)	\$0.4301	(\$619,062)
May-25	c	122	117	(5)	2.8611	8,018	22,941	(114,707)	\$0.4301	(\$49,336)
TOTAL		<u>4,433</u>	<u>4,175</u>	<u>(258)</u>				<u>(5,078,799)</u>		<u>(\$1,944,591)</u>

**Total
All Groups**

								TOTAL THERMS		MARGIN IMPACT
Oct-24	a							(6,070,734)		(\$3,265,078)
Nov-24	a							(11,713,031)		(\$7,050,909)
Dec-24	a							2,147,959		\$1,565,919
Jan-25	a							13,600,240		\$9,916,232
Feb-25	a							961,546		\$701,147
Mar-25	a							(19,397,991)		(\$14,129,682)
Apr-25	a							(8,132,225)		(\$5,922,632)
May-25	c							(673,034)		(\$492,186)
TOTAL								<u>(29,277,270)</u>		<u>(\$18,677,189)</u>

¹ Degree Days and Consumption factors are per Tariff Sheet No. 181 approved in BPU Docket No. GR21030679 effective December 1, 2021 through November 20, 2024 and Tariff Sheet No. 179 approved in BPU Docket No. GR24010071 effective November 21, 2024.

² Margin factors are per Tariff Sheet No. 179 approved in BPU Docket No. GR24040207 effective October 1, 2024 through November 20, 2024 and Tariff Sheet No. 177 approved in BPU Docket No. GR24010071 effective November 21, 2024.

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, 2025
CIP Recovery Tests
Summary

Determine Weather and Non-Weather CIP Impacts

	<u>Weather</u>	<u>Non-Weather</u>	<u>Total</u>
CIP Group 1	\$ -	\$ 12,164	\$ 12,164
CIP Group 2	\$ 15,731,941	\$ 1,419,590	\$ 17,151,531
CIP Group 3	\$ 1,000,656	\$ (1,574,156)	\$ (573,500)
CIP Group 4	<u>\$ 1,944,591</u>	<u>\$ 1,615,291</u>	<u>\$ 3,559,882</u>
Total Deficiency/(Credit)	\$ 18,677,189	\$ 1,472,888	\$ 20,150,077

Step 2: Apply Modified BGSS Savings Test

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

Non-Weather Impact	\$ 1,472,888
75% Factor	<u>75%</u>
Subtotal	\$ 1,104,666
 Prior Year Carry-Forward (Modified BGSS Savings Test)	 \$ -
75% Factor	<u>75%</u>
Subtotal	\$ -
 Non-weather Impact Subject to Test	 \$ 1,104,666

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)	<u>\$ 3,217,428</u>
Total BGSS Savings	\$ 15,260,989

C. Results

Non-Weather Impacts Passing Test (current accrual)	\$ 1,472,888
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, 2025
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	\$ 1,472,888
Prior Year Carry-Forward (Variable Margin Revenue Test)	\$ -
Non-weather Impact Subject to Test	\$ 1,472,888
 <u>B. Variable Margin Revenues</u>	
Variable Margin Revenues (Exhibit C, Schedule 6, Page 5)	\$ 483,267,314
6.5% Factor	6.5%
Total Fixed Recovery Cap	\$ 31,412,375
 <u>C. Results</u>	
Non-Weather Impacts Passing Test (current accrual)	\$ 1,472,888
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	\$ 1,472,888
Amount Passing Variable Margin Revenue Test	\$ 1,472,888
Recoverable Amount	\$ 1,472,888
 <u>B. Previous Carry-Forward Recoverable Amounts</u>	
Amount Passing Modified BGSS Savings Test	\$ -
Amount Passing Variable Margin Revenue Test	\$ -
	\$ -
 Total Non-Weather Recoverable CIP Amount	 <u><u>\$ 1,472,888</u></u>

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	700045	Contract termination	10,000	217,305
Dominion	200447	Reduced contract volume	20,000	1,032,957
Total Permanent Reductions				\$ 12,043,561

II. Additional Capacity BGSS Savings

CIP Recovery	<u>Year</u>	<u>Annual \$</u>
2025-2026		\$ -

III. Avoided Capacity

CIP Recovery	<u>Year</u>	<u>Annual \$</u>
2025-2026		\$ 3,217,428

VI. Total of all Savings

CIP Recovery	Permanent	Additional Capacity BGSS	Avoided Cost BGSS	<u>Annual \$</u>
Year	Capacity Savings	Savings	Savings	
2025-2026	\$ 12,043,561	\$ -	\$ 3,217,428	\$ 15,260,989

**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)
Group 1: RSG Non-Heating					
October	14,185	15,133	949	17.5	16,599
November	14,196	15,015	819	14.3	11,740
December	14,588	14,995	407	20.8	8,456
January	14,634	15,003	369	24.7	9,110
February	14,709	15,019	310	22.2	6,882
March	14,768	15,029	260	18.8	4,890
April	14,839	15,061	221	13.0	2,879
May	15,128	15,429	301	10.9	3,279
June	15,367	15,629	262	14.1	3,695
July	14,969	15,629	660	17.8	11,749
August	15,013	15,629	616	13.0	8,009
September	14,925	15,629	704	15.8	11,116
Subtotal				202.9	98,403
				Average Per Unit BGSS Capacity Cost	<u>\$0.3854</u>
Total Group 1 Avoided Capacity Cost BGSS Savings					\$37,926
Group 2: RSG Heating					
October	504,060	528,008	23,949	43.4	1,039,375
November	510,868	528,862	17,994	98.7	1,776,056
December	524,035	529,924	5,889	153.3	902,794
January	524,739	530,756	6,017	182.4	1,097,545
February	525,326	531,368	6,042	158.1	955,264
March	525,659	531,765	6,106	127.1	776,080
April	525,924	531,988	6,065	69.3	420,271
May	526,143	532,331	6,188	37.4	231,437
June	526,407	532,752	6,345	24.1	152,914
July	520,201	533,231	13,029	24.6	320,523
August	520,724	533,913	13,189	21.5	283,553
September	521,293	534,763	13,470	21.8	293,636
Subtotal				961.7	8,249,447
				Average Per Unit BGSS Capacity Cost	<u>\$0.3854</u>
Total Group 2 Avoided Capacity Cost BGSS Savings					\$3,179,502
				Total Avoided Capacity Cost BGSS Savings	<u>\$3,217,428</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	\$2,386,772
Group II	\$396,366,158
Group III	\$26,398,778
Group IV	<u>\$58,115,606</u>
Total Variable Margin	\$483,267,314
%	<u>6.5%</u>
Total Fixed Recovery Cap	<u>\$31,412,375</u>

Customer Class	Actual/ Estimate	Number of Customers	Baseline Use / Cust.	Margin Factor	Variable Revenue
<u>Residential Non-Heating</u>					
October	a	15,133	17.5	\$0.5858	\$155,137
November	a	15,015	14.3	\$0.6574	\$141,472
December	a	14,995	20.8	\$0.8005	\$249,668
January	a	15,003	24.7	\$0.8005	\$296,647
February	a	15,019	22.2	\$0.8005	\$266,906
March	a	15,029	18.8	\$0.8005	\$226,171
April	a	15,061	13.0	\$0.8005	\$156,730
May	e	15,429	10.9	\$0.8005	\$134,625
June	e	15,629	14.1	\$0.8005	\$176,405
July	e	15,629	17.8	\$0.8005	\$222,695
August	e	15,629	13.0	\$0.8005	\$162,643
September	e	15,629	<u>15.8</u>	\$0.8005	<u>\$197,673</u>
Total			202.9		\$2,386,772
<u>Residential Heating</u>					
October	a	528,008	43.4	\$0.5858	\$13,423,936
November	a	528,862	98.7	\$0.6574	\$34,313,680
December	a	529,924	153.3	\$0.8005	\$65,030,459
January	a	530,756	182.4	\$0.8005	\$77,496,320
February	a	531,368	158.1	\$0.8005	\$67,249,408
March	a	531,765	127.1	\$0.8005	\$54,103,642
April	a	531,988	69.3	\$0.8005	\$29,511,875
May	e	532,331	37.4	\$0.8005	\$15,937,292
June	e	532,752	24.1	\$0.8005	\$10,277,874
July	e	533,231	24.6	\$0.8005	\$10,500,541
August	e	533,913	21.5	\$0.8005	\$9,189,040
September	e	534,763	<u>21.8</u>	\$0.8005	<u>\$9,332,092</u>
Total			961.7		\$396,366,158
<u>GSS</u>					
October	a	31,867	44.8	\$0.5143	\$734,239
November	a	32,317	119.6	\$0.5693	\$2,200,918
December	a	32,806	198.0	\$0.6792	\$4,411,826
January	a	32,961	252.4	\$0.6792	\$5,650,565
February	a	33,009	221.5	\$0.6792	\$4,966,006
March	a	32,979	173.5	\$0.6792	\$3,886,293
April	a	32,806	85.9	\$0.6792	\$1,914,012
May	e	32,653	33.5	\$0.6792	\$742,971
June	e	32,067	20.6	\$0.6792	\$448,673
July	e	31,597	25.9	\$0.6792	\$555,837
August	e	31,452	20.1	\$0.6792	\$429,376
September	e	31,515	<u>21.4</u>	\$0.6792	<u>\$458,062</u>
Total			1,217.2		\$26,398,778
<u>GSL</u>					
October	a	8,096	883.1	\$0.3277	\$2,342,966
November	a	8,118	1,736.9	\$0.3618	\$5,102,224
December	a	8,109	2,532.3	\$0.4301	\$8,831,538
January	a	8,130	2,913.0	\$0.4301	\$10,186,013
February	a	8,143	2,519.9	\$0.4301	\$8,825,771
March	a	8,136	2,172.0	\$0.4301	\$7,600,568
April	a	8,122	1,319.2	\$0.4301	\$4,608,506
May	e	8,018	875.5	\$0.4301	\$3,019,348
June	e	7,991	557.9	\$0.4301	\$1,917,447
July	e	7,973	582.1	\$0.4301	\$1,996,164
August	e	7,975	536.6	\$0.4301	\$1,840,627
September	e	7,980	<u>537.4</u>	\$0.4301	<u>\$1,844,434</u>
Total			17,165.9		\$58,115,606

NEW JERSEY NATURAL GAS COMPANY CONSERVATION INCENTIVE PROGRAM EARNINGS TEST

	CIP earnings test	
	(000's)	
Net Income	209,185 @9/30/25	
Less:		
CIP Margin Revenue Accruals, net of tax	13,124	
Earnings from Savegreen margin, net of tax	11,527	
Earnings from Incentive margin, net of tax	11,154	
Other income, net of tax	7,636	
Net Income - Earnings Test	\$165,742	
Common Equity Balance		
	September-24	September-25
Rate Base	\$ 3,391,335	\$ 3,588,540
Equity Percentage (%)	54%	54%
Annual & Average Equity	\$ 1,831,321	\$ 1,937,811
	\$ 1,884,566	
Return on Equity		8.79%
Authorized Return on Equity		9.60%
Deadband		0.50%
Return on Equity Cap		10.10%

EXHIBIT D

CALCULATION OF REVISED BALANCING CHARGE

FOR F/Y 2026

**New Jersey Natural Gas Company
Calculation of October 1, 2026 Balancing Charge**

	\$000
<u>Balancing Charge related to Inventory¹</u>	
12 month Average inventory balance (TETCO storages and LNG)	\$19,871
Rate of Return	<u>9.10%</u>
Storage Carrying Costs	\$1,808
% of Peak Related to Balancing	<u>55.2%</u>
Balancing	\$998
Annual Firm Therms (excluding FT) (000)	<u>695,048</u>
Pre-tax Balancing Charge	\$0.0014
<u>Balancing Charge related to Demand Charges²</u>	
Pipeline Demand Charges	250,027
Adjustments (BGSS Incentive Credits)	<u>(\$21,095)</u>
Total	\$228,932
% of Peak Related to Balancing	<u>55.4%</u>
Balancing	\$126,885
Annual Firm Therms (000)	<u>687,206</u>
Pre-tax Balancing Charge	\$0.1846
<u>Total Balancing Charge</u>	
Pre-tax Balancing Charge related to Inventory	\$0.0014
Pre-tax Balancing Charge related to Demand Charges	<u>\$0.1846</u>
Total Pre-tax Balancing Charge	\$0.1860
Total After-tax Balancing Charge	\$0.1983
Current After-tax Balancing Charge	<u>\$0.1889</u>
Increase/(Decrease) to After-tax Balancing Charge	\$0.0094
<u>Calculation of % of Peak Related to Balancing</u>	
	000 therms
Peak Day Therms	9,827
Average Therms on a January Day	<u>4,380</u>
Balancing Therms	5,447
% of Peak	55.4%

¹ In accordance with the Board's November 21, 2024 Order in BPU Docket No. GR24010071 ("Rate Case Order"), the Balancing Charge related to Inventory is updated in a base rate case. The pre-tax Balancing Charge component of \$0.0014 per therm was approved in the Rate Case Order.

² 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 2026

**New Jersey Natural Gas Company
Net Impact of Proposed Rate Changes
BPU Docket No. GR25050318
F/Y 2026**

(\$/therm)

Rate Impact for Group I - Residential Non-Heating Customers

	Component of	5/1/25 Rates		Proposed 10/1/25 Rates		Change		Total Bill % impact
		Pre-tax	Post-tax	Pre-tax	Post-tax	Pre-tax	Post-tax	
BGSS	BGSS	\$0.3444	\$0.3672	\$0.4637	\$0.4944	\$0.1193	\$0.1272	6.1%
Balancing Charge	Delivery Rate	0.1772	0.1889	0.1860	0.1983	0.0088	0.0094	0.5%
CIP	Delivery Rate	0.0384	0.0409	(0.0021)	(0.0022)	(0.0405)	(0.0431)	(2.1%)
NET IMPACT		\$0.5600	\$0.5970	\$0.6476	\$0.6905	\$0.0876	\$0.0935	4.5%

Rate Impact for Group II - Residential Heating Customers

	Component of	5/1/25 Rates		Proposed 10/1/25 Rates		Change		Total Bill % impact
		Pre-tax	Post-tax	Pre-tax	Post-tax	Pre-tax	Post-tax	
BGSS	BGSS	\$0.3444	\$0.3672	\$0.4637	\$0.4944	\$0.1193	\$0.1272	7.1%
Balancing Charge	Delivery Rate	0.1772	0.1889	0.1860	0.1983	0.0088	0.0094	0.5%
CIP	Delivery Rate	0.0847	0.0903	0.0408	0.0435	(0.0439)	(0.0468)	(2.6%)
NET IMPACT		\$0.6063	\$0.6464	\$0.6905	\$0.7362	\$0.0842	\$0.0898	5.0%

Rate Impact for Group III - General Service Small Customers

	Component of	5/1/25 Rates		Proposed 10/1/25 Rates		Change		Total Bill % impact
		Pre-tax	Post-tax	Pre-tax	Post-tax	Pre-tax	Post-tax	
BGSS	BGSS	\$0.3444	\$0.3672	\$0.4637	\$0.4944	\$0.1193	\$0.1272	6.2%
Balancing Charge	Delivery Rate	0.1772	0.1889	0.1860	0.1983	0.0088	0.0094	0.5%
CIP	Delivery Rate	0.0477	0.0509	(0.0119)	(0.0127)	(0.0596)	(0.0636)	(3.1%)
NET IMPACT		\$0.5693	\$0.6070	\$0.6378	\$0.6800	\$0.0685	\$0.0730	3.6%

Rate Impact for Group IV - General Service Large Customers

	Component of	5/1/25 Rates		Proposed 10/1/25 Rates		Change		Total Bill % impact
		Pre-tax	Post-tax	Pre-tax	Post-tax	Pre-tax	Post-tax	
BGSS	BGSS (May 2024)	\$0.3574	\$0.5075	\$0.4672	\$0.4981	\$0.1098	(\$0.0094)	(0.5%)
Balancing Charge	Delivery Rate	0.1772	0.1889	0.1860	0.1983	0.0088	0.0094	0.5%
CIP	Delivery Rate	0.0344	0.0367	0.0292	0.0311	(0.0052)	(0.0056)	(0.3%)
NET IMPACT		\$0.5690	\$0.7331	\$0.6824	\$0.7275	\$0.1134	(\$0.0056)	(0.3%)

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	530,707 (000s)
Balancing Charge	687,206 (000s)
CIP Group I	3,004 (000s)
CIP Group II	505,078 (000s)
CIP Group III	41,202 (000s)
CIP Group IV	136,839 (000s)

	Projected Revenue at Current Rates \$million	Projected Revenue at Proposed Rates \$million	Change \$million
BGSS	\$194.88	\$262.38	\$67.50
Balancing Charge	\$129.81	\$136.27	\$6.46
CIP Group I	\$0.12	(\$0.01)	(\$0.13)
CIP Group II	\$45.61	\$21.97	(\$23.64)
CIP Group III	\$2.10	(\$0.52)	(\$2.62)
CIP Group IV	\$5.02	\$4.26	(\$0.76)
IMPACT	\$377.54	\$424.35	\$46.81

New Jersey Natural Gas Company
Net impact of Proposed Rate Changes
BPU Docket No. GR25050318
F/Y 2026

<u>Impact on Residential Non-Heating Customers</u>				
		25 therm bill		
5/1/25 Rates				
	Customer Charge	\$12.00	\$12.00	
	Delivery	\$1.2547	\$31.37	
	BGSS	\$0.3672	\$9.18	
	Total	\$1.6219	\$52.55	
Proposed Rates- effective 10/1/25				
	Customer Charge	\$12.00	\$12.00	
	Delivery	\$1.2210	\$30.53	
	BGSS	\$0.4944	\$12.36	
	Total	\$1.7154	\$54.89	
	Increase		\$2.34	
	Increase as a percent		4.5%	

<u>Impact on Residential Heating Customers</u>				
		100 therm bill	1,000 therm annual bill	
5/1/25 Rates				
	Customer Charge	\$12.00	\$12.00	\$144.00
	Delivery	\$1.3041	\$130.41	\$1,304.10
	BGSS	\$0.3672	\$36.72	\$367.20
	Total	\$1.6713	\$179.13	\$1,815.30
Proposed Rates- effective 10/1/25				
	Customer Charge	\$12.00	\$12.00	\$144.00
	Delivery	\$1.2667	\$126.67	\$1,266.70
	BGSS	\$0.4944	\$49.44	\$494.40
	Total	\$1.7611	\$188.11	\$1,905.10
	Increase		\$8.98	\$89.80
	Increase as a percent		5.0%	4.9%

<u>Impact on Commercial GSS Customers</u>				
		100 therm bill		
5/1/25 Rates				
	Customer Charge	\$55.00	\$55.00	
	Delivery	\$1.1354	\$113.54	
	BGSS	\$0.3672	\$36.72	
	Total	\$1.5026	\$205.26	
Proposed Rates- effective 10/1/25				
	Customer Charge	\$55.00	\$55.00	
	Delivery	\$1.0812	\$108.12	
	BGSS	\$0.4944	\$49.44	
	Total	\$1.5756	\$212.56	
	Increase		\$7.30	
	Increase as a percent		3.6%	

<u>Impact on Commercial GSL Customers</u>				
		1200 therm bill		
5/1/25 Rates				
	Customer Charge	\$137.50	\$137.50	
	Demand Charge	\$4.50	\$432.00	
	Delivery	\$0.8556	\$1,026.72	
	BGSS (May 2024)	\$0.5075	\$609.00	
	Total	\$1.3631	\$2,205.22	
Proposed Rates- effective 10/1/25				
	Customer Charge	\$137.50	\$137.50	
	Demand Charge	\$4.50	\$432.00	
	Delivery	\$0.8594	\$1,031.28	
	BGSS (May 2024)	\$0.4981	\$597.72	
	Total	\$1.3575	\$2,198.50	
	Decrease		(\$6.72)	
	Decrease as a percent		(0.3%)	

**NEW JERSEY NATURAL GAS COMPANY
SUMMARY OF PERIODIC BGSS COMPONENTS
BPU Docket No. GR25050318**

	October 1, 2025 through September 30, 2026 \$000	
ESTIMATED UNDER/(OVER) RECOVERED GAS COSTS AT 10/1/25 (Exhibit B, Schedule 1)	<u>(\$9,210) A</u>	
ESTIMATED NET COSTS APPLICABLE TO BGSS (Exhibit B, Schedule 2a)	<u>\$441,646 B</u>	
ESTIMATED ADJUSTMENTS		
Storage Incentive (Sch. 4j)	\$2,240	
Off-System Sales (Sch.4e)	(\$21,005)	
Capacity Rel. (Sch.4f)	(\$89)	
Supplier Ref. and Miscellaneous Adj. (Sch.5)	\$0	
Balancing Credits and Penalty Charges (Sch.4g)	(\$127,820)	
Environmental Attributes (Sch. 4k)	(\$286)	
TOTAL ADJUSTMENTS	<u>(\$146,961) C</u>	
ESTIMATED UNDER/(OVER) RECOVERY AT 9/30/2026 (Exhibit B Schedule 1)	<u>\$28 D</u>	
Monthly BGSS (GSL, DGC) Recovery	\$38,684	
Monthly BGSS (IS, CNG, NGV) Recovery	\$675	
ESTIMATED OTHER RECOVERY (Exhibit B Schedule 2b)	<u>\$39,358 E</u>	
ESTIMATED TOTAL COSTS TO BE RECOVERED (Exhibit B Schedule 2b)	<u>\$246,090 A+B+C-D-E=F</u>	
BGSS Sales	593,976	
Monthly BGSS Sales (GSL, DGC)	62,389	
Monthly BGSS Sales (IS, CNG, NGV)	881	
ESTIMATED PERIODIC BGSS THERM SALES (Exhibit B Schedule 2b)	<u>530,707 G</u>	
PRE-TAX PERIODIC BGSS RATE PER THERM	<u>\$0.4637 F/G=H</u>	

EXHIBIT F

PROPOSED TARIFF SHEETS

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	\$12.00
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Delivery Charge:**Residential Heating**

Delivery Charge per therm	\$ 1.26671 .3041
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Residential Non-Heating

Delivery Charge per therm	\$ 1.22101 .2547
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BGSS Charge:

BGSS Charge per therm for Sales Customers	See "Rate Summaries" at the end of this Tariff
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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 24~~, 2025
 Issued by: Mark G. Kahrer, Senior Vice President
 2025
 Wall, NJ 07719

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

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 \$12.00

Delivery Charge:

November - April \$0.~~5494~~5400

May - October \$0.~~4961~~4867

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 24~~, 2025
Issued by: Mark G. Kahrer, Senior Vice President
2025
Wall, NJ 07719

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

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

\$55.00

Delivery Charge:

Delivery Charge per therm

\$~~1.0812~~~~1.1354~~**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 24~~, 2025Issued by: Mark G. Kahrer, Senior Vice President
2025

Wall, NJ 07719

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

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.~~55486185~~) 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.~~52645169~~ per therm, which includes \$0.1455 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 24~~, 2025
 Issued by: Mark G. Kahrer, Senior Vice President
 2025
 Wall, NJ 07719

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

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 \$~~1.0939~~~~1.0845~~ 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 24~~, 2025
 Issued by: Mark G. Kahrer, Senior Vice President
 2025
 Wall, NJ 07719

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

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 \$137.50

Demand Charge:

Demand Charge per therm applied to HMAD \$4.50

Delivery Charge:

Delivery Charge per therm \$0:~~85948556~~

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 24~~, 2025

Issued by: Mark G. Kahrer, Senior Vice President
2025

Wall, NJ 07719

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

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.~~33303387~~) 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.~~52645169~~ per therm which includes \$0.1455 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.

Date of Issue: ~~April 24~~, 2025
 Issued by: Mark G. Kahrer, Senior Vice President
 2025
 Wall, NJ 07719

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

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>
<u>Customer Charge:</u>		
Customer Charge per meter per month	\$137.50	\$137.50
<u>Demand Charge:</u>		
Demand Charge per therm applied to PBQ	\$3.00	\$3.00
<u>Delivery Charge per therm:</u>		
November - April	\$0. 47544660	\$0.2771
May - October	\$0. 44274333	\$0.2444
<u>BGSS Charge:</u>		
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.

Date of Issue: ~~April 24~~, 2025
 Issued by: Mark G. Kahrer, Senior Vice President
 2025
 Wall, NJ 07719

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

NEW JERSEY NATURAL GAS COMPANY

BPU No. 12 - Gas

First Revised Sheet No. 155
Superseding Original Sheet No. 155

RIDER "A"

BASIC GAS SUPPLY SERVICE - BGSS(continued)

PERIODIC BASIC GAS SUPPLY SERVICE (BGSS) CHARGE

<u>SERVICE CLASSIFICATION</u>	<u>APPLICATION</u>	<u>CHARGE</u>
RS and GSS sales customers, and ED sales customers eligible for service under Service Classification GSS	Included in the Basic Gas Supply Charge	\$0. 49443672 per therm

BALANCING CHARGE

<u>SERVICE CLASSIFICATION</u>	<u>APPLICATION</u>	<u>CHARGE</u>
RS, GSS, GSL, DGR, DGC-Balancing, and ED customers eligible for service under Service Classifications GSS and GSL	Included in the Delivery Charge	\$0. 19831889 per therm

Date of Issue: ~~November 21, 2024~~
Issued by: Mark G. Kahrer, Senior Vice President
~~November 21, 2024~~
Wall, NJ 07719

Effective for service rendered on
and after October 1, 2025

Filed pursuant to Order of the Board of Public Utilities dated ~~November 21, 2024~~ in
Docket No. ~~GR24010071~~

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. 02740324) 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>
December 1, 2020 through January 31, 2021	(\$0.1220)
March 1, 2023 through March 31, 2023	(\$0.5054)

Date of Issue: ~~November 21, 2024~~
Issued by: Mark G. Kahrer, Senior Vice President
~~November 21, 2024~~
Wall, NJ 07719

Effective for service rendered on
and after October 1, 2025

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):	(\$0.0022) 0.0409
Group II (RS heating):	\$0.04350903
Group III (GSS, ED using less than 5,000 therms annually):	(\$0.0127) 0.0509
Group IV (GSL, ED using 5,000 therms or greater annually):	\$0.03110367

For the recovery of the October 202~~43~~ through September 202~~54~~ 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.

Date of Issue: ~~November 21, 2024~~
 Issued by: Mark G. Kahrer, Senior Vice President
~~2025~~November 21, 2024
 Wall, NJ 07719

Effective for service rendered on
 and after October 1,

NEW JERSEY NATURAL GAS COMPANY

BPU No. 12 - Gas

~~Fourth~~^{Third} Revised Sheet No. 252
Superseding ~~Third~~^{Second} Revised Sheet No. 252

SUMMARY OF RESIDENTIAL RATE COMPONENTS

Residential Heating Customers

<u>Customer Charge</u>		<u>Bundled Sales</u>	<u>Transport</u>	<u>Reference</u>
Customer Charge per meter per month		12.00	12.00	
<u>Delivery Charge ("DEL") per therm</u>				
Pre-tax Base Rate		0.7848	0.7848	
Pre-tax IIP Base Rate		<u>0.0157</u>	<u>0.0157</u>	Rider H
Total Pre-tax Base Rate (Margin Revenue Factor)		0.8005	0.8005	
SUT		<u>0.0530</u>	<u>0.0530</u>	Rider B
After-tax Base Rate		0.8535	0.8535	
CIP				Rider I
		0.043509	0.0435090	
		03	3	
EE		<u>0.0794</u>	<u>0.0794</u>	Rider G
Subtotal	a	0.97641.0 <u>232</u>	0.97641.0 <u>232</u>	
Balancing Charge	b	0.198318 <u>89</u>	0.1983188 <u>9</u>	Rider A
Societal Benefits Charge ("SBC"):				
NJ's Clean Energy		0.0348	0.0348	Rider E
RA		0.0296	0.0296	Rider D
USF		<u>0.0276</u>	<u>0.0276</u>	Rider F
Total SBC	c	<u>0.0920</u>	<u>0.0920</u>	Rider C
Delivery Charge (DEL)	a+b+c=d	1.26671.3 <u>041</u>	1.26671.3 <u>041</u>	
<u>Basic Gas Supply Charge ("BGS")</u>				
BGS	e	0.494436 <u>72</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 24~~, 2025
Issued by: Mark G. Kahrer, Senior Vice President
2025
Wall, NJ 07719

Effective for service rendered on
and after ~~October~~ ^{May} 1,

Filed pursuant to Order of the Board of Public Utilities dated ~~April 23~~, 2025 in
Docket No. ~~GR24090772~~

NEW JERSEY NATURAL GAS COMPANY

BPU No. 12 - Gas

~~Fourth Third~~ Revised Sheet No. 253
Superseding ~~Third Second~~ 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		12.00	12.00	
<u>Delivery Charge ("DEL") per therm</u>				
Pre-tax Base Rate		0.7848	0.7848	
Pre-tax IIP Base Rate		<u>0.0157</u>	<u>0.0157</u>	Rider H
Total Pre-tax Base Rate (Margin Revenue Factor)		0.8005	0.8005	
SUT		<u>0.0530</u>	<u>0.0530</u>	Rider B
After-tax Base Rate		0.8535	0.8535	
CIP		<u>(0.0022)</u> <u>0.0409</u>	<u>(0.0022)0.0</u> <u>409</u>	Rider I
EE		<u>0.0794</u>	<u>0.0794</u>	Rider G
Subtotal	a	0. <u>930797</u> <u>38</u>	0. <u>93079738</u>	
Balancing Charge	b	0. <u>198318</u> <u>89</u>	0. <u>19831889</u>	Rider A
Societal Benefits Charge ("SBC"):				
NJ's Clean Energy		0.0348	0.0348	Rider E
RA		0.0296	0.0296	Rider D
USF		<u>0.0276</u>	<u>0.0276</u>	Rider F
Total SBC	c	<u>0.0920</u>	<u>0.0920</u>	Rider C
Delivery Charge (DEL)	a+b+c=d	<u>1.22101</u> <u>2547</u>	<u>1.22101.254</u> <u>7</u>	
<u>Basic Gas Supply Charge ("BGS")</u>				
BGS	e	<u>0.494436</u> <u>72</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 24, 2025**
Issued by: **Mark G. Kahrer, Senior Vice President**
Wall, NJ 07719

Effective for service rendered on
and after **OctoberMay 1, 2025**

Filed pursuant to Order of the Board of Public Utilities dated **April 23, 2025** in
Docket No. **GR24090772**

NEW JERSEY NATURAL GAS COMPANY

BPU No. 12 - Gas

~~Fourth~~^{Third} Revised Sheet No. 254
Superseding ~~Third~~^{Second} Revised Sheet No. 254

SUMMARY OF RESIDENTIAL RATE COMPONENTS

Residential Distributed Generation Service

		<u>Nov - Apr</u>	<u>May - Oct</u>	<u>Reference</u>
<u>Customer Charge</u>				
Customer Charge per meter per month		12.00	12.00	
<u>Delivery Charge ("DEL") per therm</u>				
Pre-tax Base Rate		0.1685	0.1185	
Pre-tax IIP Base Rate		<u>0.0000</u>	<u>0.0000</u>	Rider H
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>0.0794</u>	<u>0.0794</u>	Rider G
Subtotal	a	0.2591	0.2058	
Balancing Charge	b	0. 19831889	0. 19831889	Rider A
<u>Societal Benefits Charge ("SBC"):</u>				
NJ's Clean Energy		0.0348	0.0348	Rider E
RA		0.0296	0. 0296	Rider D
USF		<u>0.0276</u>	<u>0.0276</u>	Rider F
Total SBC	c	<u>0.0920</u>	<u>0. 0920</u>	Rider C
Delivery Charge (DEL)	a+b+c=d	<u>0.54945400</u>	<u>0.49614867</u>	
<u>Basic Gas Supply Charge ("BGS")</u>				
BGS	e	<u>0.49443672</u>	<u>0.49443672</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.

Date of Issue: ~~April 24~~, 2025
Issued by: Mark G. Kahrer, Senior Vice President
2025
Wall, NJ 07719

Effective for service rendered on
and after ~~October~~ ^{May} 1,

Filed pursuant to Order of the Board of Public Utilities dated ~~April 23~~, 2025 in
Docket No. ~~GR24090772~~

NEW JERSEY NATURAL GAS COMPANY

BPU No. 12 - Gas

~~Fourth Third~~ Revised Sheet No. 255
Superseding ~~Third Second~~ Revised Sheet No. 255

SUMMARY OF FIRM COMMERCIAL RATE COMPONENTS

General Service - Small (GSS)

		<u>Bundled Sales</u>	<u>Transport</u>	<u>Reference</u>
<u>Customer Charge</u>				
Customer Charge per meter per month		55.00	55.00	
<u>Delivery Charge ("DEL") per therm</u>				
Pre-tax Base Rate		0.6593	0.6593	
Pre-tax IIP Base Rate		<u>0.0199</u>	<u>0.0199</u>	Rider H
Total Pre-tax Base Rate (Margin Revenue Factor)		0.6792	0.6792	
SUT		<u>0.0450</u>	<u>0.0450</u>	Rider B
After-tax Base Rate		0.7242	0.7242	
CIP		(0.0127)0-	(0.0127)0.050	Rider I
		0509	9	
EE		<u>0.0794</u>	<u>0.0794</u>	Rider G
Subtotal	a	0.7909854	0.79098545	
		5		
Balancing Charge	b	0.1983188	0.19831889	Rider A
		9		
<u>Societal Benefits Charge ("SBC"):</u>				
NJ's Clean Energy		0.0348	0.0348	Rider E
RA		0.0296	0.0296	Rider D
USF		<u>0.0276</u>	<u>0.0276</u>	Rider F
Total SBC	c	<u>0.0920</u>	<u>0.0920</u>	Rider C
Delivery Charge (DEL)	a+b+c=d	1.0812135	1.08121354	
		4		
<u>Basic Gas Supply Charge ("BGS")</u>				
BGS	e		x	Rider A
		0.4944367		
		2		

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 24~~, 2025
Issued by: Mark G. Kahrer, Senior Vice President
2025
Wall, NJ 07719

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

Filed pursuant to Order of the Board of Public Utilities dated ~~April 23~~, 2025 in
Docket No. ~~GR24090772~~

NEW JERSEY NATURAL GAS COMPANY

BPU No. 12 - Gas

~~Tenth Ninth~~ Revised Sheet No. 256
Superseding ~~Ninth Eighth~~ Revised Sheet No. 256

SUMMARY OF FIRM COMMERCIAL RATE COMPONENTS

General Service - Large (GSL)

		<u>Bundled Sales</u>	<u>Transport</u>	<u>Reference</u>
<u>Customer Charge</u>				
Customer Charge per meter per month		137.50	137.50	
<u>Demand Charge</u>				
Demand Charge per month applied to HMAD		4.50	4.50	
<u>Delivery Charge ("DEL") per therm</u>				
Pre-tax Base Rate		0.4157	0.4157	
Pre-tax IIP Base Rate		<u>0.0144</u>	<u>0.0144</u>	Rider H
Total Pre-tax Base Rate (Margin Revenue Factor)		0.4301	0.4301	
SUT		<u>0.0285</u>	<u>0.0285</u>	Rider B
After-tax Base Rate		0.4586	0.4586	
CIP		0. 0311036 <u>7</u>	0. 0311036 <u>7</u>	Rider I
EE		<u>0.0794</u>	<u>0.0794</u>	Rider G
Subtotal	a	0. 5691574 <u>7</u>	0. 5691574 <u>7</u>	
Balancing Charge	b	0. 1983188 <u>9</u>	0. 1983188 <u>9</u>	Rider A
<u>Societal Benefits Charge ("SBC"):</u>				
NJ's Clean Energy		0.0348	0.0348	Rider E
RA		0.0296	0.0296	Rider D
USF		<u>0.0276</u>	<u>0.0276</u>	Rider F
Total SBC	c	<u>0.0920</u>	<u>0.0920</u>	Rider C
Delivery Charge (DEL)	a+b+c=d	<u>0.8594855</u> <u>6</u>	<u>0.8594855</u> <u>6</u>	
<u>Basic Gas Supply Charge ("BGS")</u>				
BGS	e	<u>0.5075</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.

Date of Issue: ~~April 30~~, 2025
Issued by: Mark G. Kahrer, Senior Vice President
2025
Wall, NJ 07719

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

NEW JERSEY NATURAL GAS COMPANY

BPU No. 12 - Gas

~~Tenth~~^{Ninth} Revised Sheet No. 258
Superseding ~~Ninth~~^{Eighth} Revised Sheet No. 258

SUMMARY OF FIRM COMMERCIAL RATE COMPONENTS

Commercial Distributed Generation Service – DGC-Balancing

		<u>Nov - Apr</u>	<u>May - Oct</u>	<u>Reference</u>
<u>Customer Charge</u>				
Customer Charge per meter per month		137.50	137.50	
<u>Demand Charge</u>				
Demand Charge per therm per month applied to PBQ		3.00	3.00	
<u>Delivery Charge (“DEL”) per therm</u>				
Pre-tax Base Rate		0.0948	0.0642	
Pre-tax IIP Base Rate		<u>0.0043</u>	<u>0.0043</u>	Rider H
Total Pre-tax Base Rate		0.0991	0.0685	
SUT		<u>0.0066</u>	<u>0.0045</u>	Rider B
After-tax Base Rate		0.1057	0.0730	
EE		<u>0.0794</u>	<u>0.0794</u>	Rider G
Subtotal	a	0.1851	0.1524	
<u>Societal Benefits Charge (“SBC”):</u>				
NJ’s Clean Energy		0.0348	0.0348	Rider E
RA		0.0296	0.0296	Rider D
USF		<u>0.0276</u>	<u>0.0276</u>	Rider F
Total SBC	b	<u>0.0920</u>	<u>0.0920</u>	Rider C
Balancing Charge	c	<u>0.19831889</u>	<u>0.1983188</u> <u>9</u>	
DGC-Balancing Delivery Charge (DEL)	a+b+c=d	<u>0.47544660</u>	<u>0.4427433</u> <u>3</u>	
<u>Basic Gas Supply Charge (“BGS”)</u>				
BGS	e	<u>0.5075</u>	<u>0.5075</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.

Date of Issue: ~~April 30~~, 2025
Issued by: Mark G. Kahrer, Senior Vice President
Wall, NJ 07719

Effective for service rendered on
and after ~~October~~^{May}-1, 2025

Filed pursuant to Order of the Board of Public Utilities dated ~~September 25, 2024~~ in
Docket No. ~~GR24060372~~

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 2026 Docket No. GR25050318

NOTICE OF FILING AND PUBLIC HEARING

TO OUR CUSTOMERS:

PLEASE TAKE NOTICE that on May 30, 2025, New Jersey Natural Gas (“NJNG” or “Company”) filed a petition with the New Jersey Board of Public Utilities (“Board” or “BPU”), which constituted its 2025–2026 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 21, 2024 Order, in BPU Docket No. GR24010071, 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 increase its BGSS rate and adjust its CIP rates effective October 1, 2025. Additionally, NJNG requested to increase its Balancing Charge effective October 1, 2025. The impact of the rate changes for a residential heating customer using an average of 100 therms per month would be a increase of \$12.72 per month, or 7.1 percent as a result of the proposed BGSS rate, an increase of \$0.94 per month, or 0.5 percent as a result of the proposed Balancing Charge rate, and a decrease of \$4.68 per month, or 2.6 percent as a result of the proposed CIP rate. The combined impact of these rate changes would result in an overall increase of approximately \$8.98 or 5.0 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, 2025, on natural gas bills for the applicable customer classes is estimated to be as follows:

		Total Monthly Bill		Monthly Bill Impact				% Impact			
		Bill as of	Proposed								
		May 1, 2025	October 1, 2025	Net				Net			
Customer	Therm	May 1, 2025	October 1, 2025	BGSS	Balancing Charge	CIP	Increase/ (Decrease)	BGSS	Balancing Charge	CIP	Increase/ (Decrease)
Type	Level	2025	2025	BGSS	Charge	CIP	(Decrease)	BGSS	Charge	CIP	(Decrease)
Residential Heat Sales	100	\$179.13	\$188.11	\$12.72	\$0.94	(\$4.68)	\$8.98	7.1%	0.5%	(2.6%)	5.0%
Residential Non-Heat Sales	25	\$52.55	\$54.89	\$3.18	\$0.24	(\$1.08)	\$2.34	6.1%	0.5%	(2.1%)	4.5%
General Service – Small	100	\$205.26	\$212.56	\$12.72	\$0.94	(\$6.36)	\$7.30	6.2%	0.5%	(3.1%)	3.6%
General Service - Large	1200	\$2,205.22	\$2,198.50	(\$11.28)	\$11.28	(\$6.72)	(\$6.72)	(0.5%)	0.5%	(0.3%)	(0.3%)

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 decrease and Balancing Charge increase 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, 2025, and to a maximum of five (5) percent of the total residential bill, effective February 1, 2026. 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, 2025	Proposed Bill Including December and February BGSS 5 Percent Increases	Amount	Percent
Residential Heat Sales	100	\$188.11	\$207.40	\$19.29	10.3%
Residential Non-Heat Sales	25	\$54.89	\$59.71	\$4.82	8.8%
General Service – Small	100	\$212.56	\$231.85	\$19.29	9.1%

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 , 2025

Public Hearing 1: 4:30 pm

Public Hearing 2: 5:30 pm

Location: Zoom Virtual Webinar

Join: <https://us06web.zoom.us/j/2458136397>

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 Board Secretary at board.secretary@bpu.nj.gov.

Copies of NJNG's May 30, 2025 filing can be reviewed on the Company's website, 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 Secretary of the Board, in pdf or Word format, to board.secretary@bpu.nj.gov.

Written comments may be submitted to the Board Secretary, Sherri Lewis, 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 2026
BPU DOCKET NO. GR25050318
Pre-filed Direct Testimony of Jayana S. Shah**

I. Background and Purpose

Q. PLEASE STATE YOUR NAME, AFFILIATION AND BUSINESS ADDRESS.

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

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

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

I joined New Jersey Resources (“NJR”) in June 2005 as a Trading Analyst for NJR Energy Services (“NJRES”), an unregulated affiliate of the Company. My responsibilities there included supporting the trading group with trade and price analysis, working with the Vice President to manage the NJRES portfolio and creating efficiencies by working with 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
4 seasonal optimization of NJNG's supply portfolio in order to provide reliable, cost-
5 effective supply to the Company's Basic Gas Supply Service ("BGSS") customers. I am
6 responsible for the BGSS supply portfolio to ensure reliable supply is secured to meet
7 customers' design day requirements. I also oversee the Company's BGSS hedging and
8 incentive programs 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; and
- 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, 2025. I am also sponsoring several 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.

Q. HOW IS THE BALANCE OF YOUR TESTIMONY ORGANIZED?

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

- Section II: Current Market Conditions and Portfolio Planning
- Section III: Non-Interstate Pipeline Supply
- Section IV: Optimization Strategy
- Section V: Periodic BGSS Pricing effective October 1, 2025
- Section VI: Minimum Filing Requirements (“MFR”) Supporting Data and Information
- Section VII: Conclusion

II. Current Market Conditions and Portfolio Planning

Q. PLEASE DESCRIBE ANY CHANGES TO AVAILABLE NATURAL GAS SUPPLIES.

A. United States (“U.S.”) dry natural gas production is currently averaging 106.3 Bcf per day, up 5.5 Bcf/d from 100.8 Bcf/d last year¹. Liquefied natural gas (“LNG”) exports in January 2025 were 4.8% higher than the daily rate of LNG exported in January 2024². In January 2025, the U.S. exported 13.4 Bcf/d of LNG to 27 countries³.

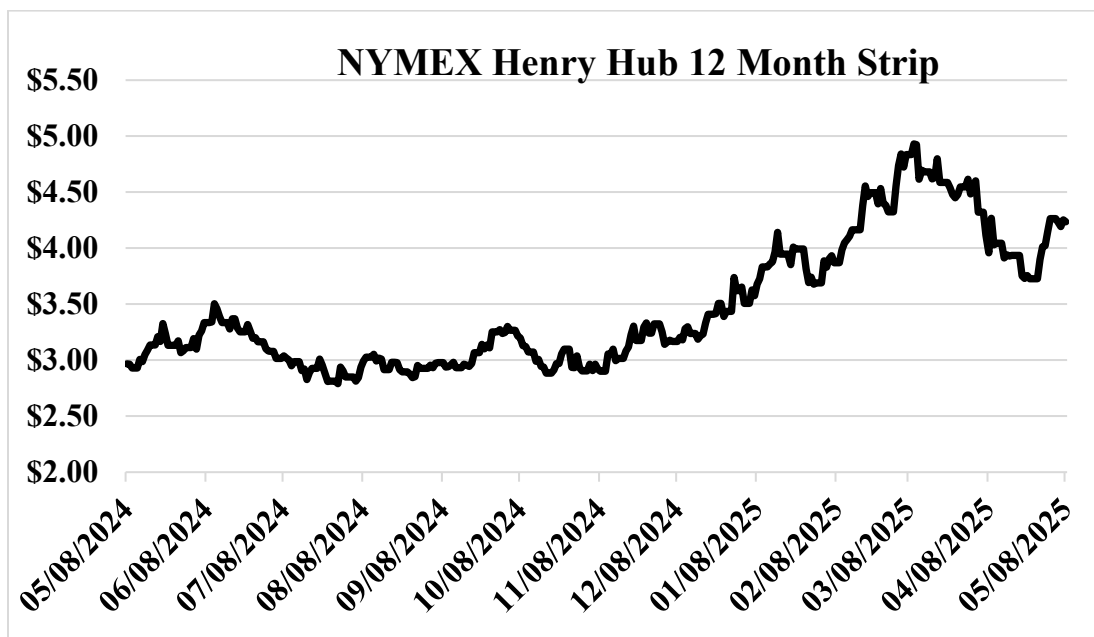
Q. HOW HAVE MARKET PRICES CHANGED OVER THE PAST YEAR?

A. New York Mercantile Exchange (“NYMEX”) Henry Hub natural gas futures prices averaged \$4.29 per dekatherm (“dth”) this past winter, up 44.3% from \$2.39 per dth in the winter of 2023-24. The NYMEX 12-month strip price (the average of the monthly futures prices for a 12-month period) for the period ending May 8, 2025 reflects the nature of the current natural gas market. As shown in the chart below, since NJNG’s last BGSS filing, the NYMEX 12-month strip averaged approximately \$3.47 per dth with a high of \$4.93 on March 10, 2025, and a low of \$2.79 per dth on July 29, 2024, including daily settlement price swings as high as \$0.31 per dth. The 12-month NYMEX strip settled at \$4.235 per dth on May 8, 2025, which is the date requested by BPU Staff to be used for the underlying gas cost assumption, where applicable, for this year’s BGSS filing.

¹ EIA natural gas weekly update release date April 24, 2025

² EIA natural gas monthly January 2025

³ Id.



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

4 **A.** Yes. BGSS portfolio costs are impacted by base rate changes on five interstate pipelines.
5 The changes are described below:

- 6 • Tennessee Gas Pipeline (“Tennessee”) will reduce rates for service by six percent
7 effective January 1, 2026, as a result of a previously negotiated settlement. The
8 resulting reduction in annual demand costs is approximately \$0.13 million.
- 9 • On May 30, 2024, Algonquin Gas Transmission (“Algonquin”) filed a General
10 Section 4 rate case Docket No. RP24-781 with motion rates effective December 1,
11 2024. The filed annual demand rate impact to NJNG was an increase of
12 approximately \$1.5 million. On February 13, 2025, Algonquin filed Settlement
13 Stipulation and Agreement with FERC which was approved on April 25, 2025. The
14 final settlement agreement impact to NJNG is an annual demand increase of
15 approximately \$0.5 million.
- 16 • On May 31, 2024, Texas Eastern Transmission, LP (“Tetco”) submitted the 2024
17 Texas Eastern Prepackaged Settlement Stipulation and Agreement Filing to the

1 Federal Energy Regulatory Commission (“FERC”). FERC approved the
2 Stipulation and Agreement on July 31, 2024 under Docket RP24-815. The annual
3 demand rate impact to NJNG is an increase of approximately \$3.7 million with new
4 rates taking effect on October 1, 2024. A second increase will take effect on
5 January 1, 2026, with an additional \$1.8 million annual demand rate impact to
6 NJNG. The settlement provides rate certainty with a moratorium preventing Tetco
7 from filing a rate case prior to October 1, 2027.

- 8 • On August 30, 2024, Transcontinental Gas Pipeline (“Transco”) filed a General
9 Section 4 rate case Docket No. RP24-1035. The filed annual demand rate impact
10 to NJNG is an increase of approximately \$0.6 million with rates effective March 1,
11 2025. Settlement discussions are ongoing.

- 12 • On September 30, 2024, Columbia Gas Transmission filed General Section 4 rate
13 case Docket No. RP24-1103 with motion rates effective April 1, 2025. If approved
14 as filed, this would result in an annual increase to NJNG recourse rate contract
15 demand of \$1.4 million on Columbia. Settlement discussions are ongoing.

16 **Q. PLEASE EXPLAIN HOW THE RATE CHANGES ASSOCIATED WITH THE**
17 **RECENT ADELPHIA GATEWAY, LLC (“ADELPHIA”) BASE RATE FILING**
18 **ARE TREATED FOR PURPOSES OF CALCULATING THE PROPOSED BGSS**
19 **RATE IN THIS PROCEEDING.**

20 A. On September 30, 2024, Adelphia Gateway (“Adelphia”) filed a General Section 4 rate
21 case Docket No. RP24-1106 with motion rates effective April 1, 2025. Adelphia’s filing
22 is the first rate filing since going into service. If approved as filed, this would result in an
23 annual increase to the NJNG recourse rate contract demand of \$12.2 million. Rather than
24 include the increase associated with Adelphia’s proposed increase in the proposed BGSS
25 rate and later reflect an Adelphia refund in a subsequent period, NJNG agreed in its prior
26 BGSS proceeding, BPU Docket No. GR24060372, to delay reflecting the impact of an
27 increase in Adelphia’s rates until a later date. The impact of the delay is for purposes of

1 the current BGSS proceeding, NJNG will absorb the carrying costs on the annual demand
2 cost increase proposed by Adelphia. The BPU Order approving the Stipulation in BPU
3 Docket No. GR24060372 further provides that the Company will be permitted full recovery
4 of Adelphia final rates approved by FERC in Docket No. RP24-1106.

5 **Q. HOW WOULD YOU DESCRIBE THE COMPANY'S APPROACH TO**
6 **MANAGING ITS GAS SUPPLY AND CAPACITY RESOURCES TO MEET THE**
7 **NEEDS OF ITS CUSTOMERS?**

8 A. NJNG has consistently held a "Portfolio Approach" to maintaining capacity, constantly
9 seeking to hold a reliable and cost-efficient supply mix. In addition to reliability and cost,
10 NJNG seeks to achieve portfolio price stability, flexibility, and diversity across resources.
11 NJNG actively manages its resource portfolio to benefit customers through both short and
12 long-term planning and actions.

13 **Q. WHAT IS THE PRIMARY AREA OF FOCUS RELATED TO THE COMPANY'S**
14 **PORTFOLIO PLANNING?**

15 A. Over the past several years, NJNG implemented portfolio modifications that increased
16 reliability by reducing reliance on Tetco and increased supply diversification through
17 directly accessing nearby Marcellus gas supplies. As a result of recent portfolio
18 modifications, NJNG's primary focus is on optimizing the portfolio to achieve cost
19 efficiency while maintaining reliability.

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

22 A. Yes. NJNG considers ten-year design day demand projections of firm loads to plan for
23 needed capacity resources to meet requirements. The Company also considers the need for
24 a reserve margin to protect against loss of citygate supply as an element of total
25 requirements for planning purposes. These elements of NJNG's planning process reflect
26 the market environment for capacity in the Northeast. Total requirements are compared to
27 resources under contract to identify shortfalls over the planning period. The Company will
28 file workpapers with additional information for MFRs under separate cover shortly.

Workpaper 7 will include the design day forecast and associated supplies through January 2035.

Q. WHAT PIPELINE OPERATIONAL ISSUES HAVE AFFECTED NJNG?

A. In recent years, there have been several pipeline events that have led to the restriction of firm capacity. The Company was able to manage these limitations that occurred during warmer-than-design day temperatures using primary firm capacity, no-notice services and on system peaking capability as needed.

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

Event	Location	Start Gas Day	Duration
Emergent Repair	at Station 323 in Pike County, PA	December 22, 2024	3 days
Force Majeure	at Station 325 near Liberty, NJ	January 19, 2025	2 days
Emergent Repair	at Station 323 in Pike County, PA	February 3, 2025	5 days
Emergent Repair	at Station 321 near West Clifford, PA	February 26, 2025	73 days

The interstate pipelines have increased the frequency and duration of Operational Flow Orders (“OFOs”). OFOs are issued when the pipelines must restrict flows and have limited flexibility for imbalances. NJNG must maintain supply flexibility to stay within the tolerance limits to avoid incurring a penalty on the interstate pipeline during OFOs.

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

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

1 **Q. HAS THE COMPANY TERMINATED OR PERMANENTLY RELEASED ANY**
2 **CONTRACTS DURING THE PAST 12 MONTHS?**

3 A. On May 21, 2025, the BPU approved a Stipulation of Settlement in the Company's prior
4 BGSS proceeding, BPU Docket No. GR24060372 that provides for NJNG to permanently
5 release Transco contract 9250129 for 27,000dths/day of transportation capacity from Leidy
6 Line Marc 1 to Station 210 pool. The Asset Management Agreement ("AMA") NJNG has
7 with Morgan Stanley was novated to NJRES on May 12, 2025 effective October 1, 2025
8 to achieve the permanent release of contract 9250129. The novation ends all obligations
9 NJNG has under the AMA transaction with Morgan Stanley after September 30, 2025.

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

12 A. No.

13 **Q. PLEASE PROVIDE AN UPDATE ON THE TRANSCO REGIONAL ENERGY**
14 **ACCESS ("REA") PROJECT.**

15 A. Transco placed the REA Project in-service on August 1, 2024. The REA capacity supports
16 multiple NJNG portfolio goals. The REA capacity provides firm access to the Marcellus
17 Leidy area supply enhancing supply diversity and reducing price volatility. In addition,
18 incremental REA capacity results in future winter design day interstate pipeline
19 transportation and storage capacity to be balanced between Tetco and Transco in the
20 Central Division mitigating exposure to future force majeure or other events that impact
21 capacity availability on the Tetco system.

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

24 A. Yes. NJNG acquired capacity releases for firm transportation capacity on Eastern Gas
25 Transmission and Storage ("EGTS") to maximize storage injection capabilities. The
26 details for the contracts are in Exhibit JSS-5. Without the additional capacity, NJNG would
27 have to pay interruptible transportation charges plus fuel to inject volumes into EGTS
28 storage.
29

1 **III. Non-Interstate Pipeline Supply**

2 **Q. HAS THE COMPANY RECEIVED NON-INTERSTATE PIPELINE SUPPLY**
3 **INTO ITS SYSTEM?**

4 **A.** Yes, the Company began receiving natural gas supply produced from the Ocean County
5 Landfill in March 2025.
6

7 **IV. Optimization Strategy**

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

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

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

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

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

28 The interstate pipelines that serve New Jersey are almost fully subscribed, with very
29 limited operationally available capacity to the region. The restrictions for deliveries within

1 New Jersey can limit the ability to reliably deliver off-system sales within the market area
2 when the transportation capacity has the most value.

3 **Q. WHAT ADDITIONAL STEPS IS THE COMPANY TAKING TO HELP**
4 **MAINTAIN PRICE STABILITY FOR THE UPCOMING 2025-2026 WINTER**
5 **HEATING SEASON?**

6 A. In the normal course of the gas procurement function, NJNG's Gas Supply team has hedged
7 approximately 79 percent of the projected winter period sendout for Periodic BGSS
8 customers of approximately 40.1 Bcf, with 31.6 Bcf of fixed price positions as part of the
9 Storage Incentive ("SI") program for the upcoming summer's injections. Another
10 approximately 8 percent of the normal weather winter heating season requirements will be
11 hedged by the end of the 2025 summer using the fixed priced storage inventory that is not
12 part of the SI program. The inventory in NJNG's LNG facilities provides additional price
13 stability for the upcoming winter season.

14
15 **V. Periodic BGSS Pricing effective October 1, 2025**

16 **Q. WHAT PERIODIC BGSS PRICING CHANGE DOES THE COMPANY PROPOSE**
17 **TO IMPLEMENT EFFECTIVE OCTOBER 1, 2025?**

18 A. Through this filing, NJNG is proposing to increase its pre-tax Periodic BGSS recovery
19 price, effective October 1, 2025, from \$0.3444 per therm to \$0.4637 per therm, an
20 approximate 7.1 percent increase to a typical residential heating customer's total bill.

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

23 A. Over the years, through the efforts of Board Staff, Rate Counsel and NJNG, BGSS
24 incentive programs have been established that mitigate both the impacts of commodity
25 prices and the volatility in the natural gas market for natural gas customers. The BGSS
26 forecast in this filing includes the NJNG BGSS incentives in Exhibits A and B projected
27 through the 2026 BGSS period based on the Board-approved sharing formulas. The
28 Company's BGSS incentive programs include Off-System Sales, Capacity Release and SI.
29 These programs were approved by the Board pursuant to an October 15, 2015 Order in
30 Docket No. GR15030392 ("BGSS Incentives Order").

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

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

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

17
18 **IV. Minimum Filing Requirements ("MFR") Supporting Data and Information**

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

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

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

25 A. Yes. NJNG has firm transportation service agreements with Adelphia, which is a
26 subsidiary of NJR Midstream.

1 **Q. WILL THE COMPANY BE PROVIDING ADDITIONAL INFORMATION FOR**
2 **THE MFRs?**

3 A. Yes. The Company will file workpapers with additional information for the MFRs under
4 separate cover shortly. Additionally, pursuant to an MFR agreed to and approved in the
5 Company's BGSS/CIP filing in BPU Docket No. GR13050425, NJNG will provide
6 documentation for the evaluation of capacity portfolio changes, extensions of terms of
7 existing contracts, releases of capacity to an affiliate and the decisions associated with
8 those evaluations. NJNG will provide this information under separate cover pursuant to a
9 confidentiality agreement, once executed by the parties to this proceeding.
10

11 **VII. Conclusion**

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

13 A. NJNG's Gas Supply team was able to optimize the value of the Company's gas supply,
14 transportation and storage portfolio, hedge its gas costs and provide its BGSS customers
15 with reliable natural gas supply services this past year. The Company also secured
16 important capacity resources to achieve portfolio goals. The Company will continue gas
17 cost management activities, including the successful optimization of storage injections, by
18 hedging gas costs and by engaging in off-system sales and capacity release transactions
19 during periods when that capacity is not required to serve core customers. NJNG
20 constantly monitors changing market conditions and focuses on lowering costs to provide
21 reliable supply in the most cost-effective manner.

22 NJNG is requesting approval to increase its pre-tax Periodic BGSS rate from
23 \$0.3444 per therm to \$0.4637 per therm.

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

25 A. Yes. I reserve my right to amend or supplement this testimony prospectively.

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 intervened.
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	EGTS Mdth	Hedged Mdth	OCLE Mdth	Other Mdth	Demand Mdth	Injections Mdth	Withdrawals Mdth	LNG Mdth	Total Mdth
Oct-25	0	155	1,113	956	4,271	990	0	109	1,013	0	4,888	0	18	13,513
Nov-25	0	150	0	15	2,923	0	0	105	5,677	0	0	2,695	16	11,581
Dec-25	155	155	0	378	0	0	0	109	5,773	0	0	8,537	78	15,184
Jan-26	155	155	0	637	0	0	0	109	7,059	0	0	10,193	250	18,557
Feb-26	140	98	0	39	0	0	0	98	6,025	0	0	9,290	77	15,767
Mar-26	0	155	0	577	2,976	0	0	109	4,288	0	0	3,930	17	12,052
Apr-26	0	0	1,077	2,724	4,134	958	0	105	3,647	0	4,861	0	17	17,523
May-26	0	0	1,113	768	4,271	990	0	109	1,870	0	5,013	0	17	14,151
Jun-26	0	0	1,077	558	3,639	958	0	105	1,750	0	4,861	0	18	12,965
Jul-26	0	0	1,113	34	4,235	990	0	109	4,546	0	5,013	0	17	16,056
Aug-26	0	0	1,113	3	4,181	990	0	109	3,937	0	5,013	0	17	15,361
Sep-26	0	0	1,077	27	4,120	958	0	105	1,926	0	4,861	0	18	13,091

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	EGTS \$000	Hedged \$000	OCLEF \$000	Other \$000	Demand \$000	Injections \$000	Withdrawals \$000	LNG \$000	Total
Oct-25	0	401	2,827	2,478	11,232	2,577	(3,362)	196	2,961	20,108	10,735	0	94	50,246
Nov-25	0	507	0	48	9,269	0	0	231	18,265	21,220	0	6,844	83	56,467
Dec-25	652	667	0	1,572	0	0	0	314	24,000	21,505	0	21,712	407	70,829
Jan-26	725	716	0	2,914	0	0	0	352	32,232	21,712	0	25,923	1,304	85,880
Feb-26	636	437	0	171	0	0	0	308	26,379	20,856	0	23,626	402	72,816
Mar-26	0	626	0	2,203	11,299	0	0	288	16,385	21,712	0	9,995	89	62,598
Apr-26	0	0	3,356	8,569	13,077	3,032	(42)	231	11,787	20,326	15,450	0	89	75,873
May-26	0	0	3,319	2,269	12,767	2,929	(37)	225	5,914	20,611	15,140	0	92	63,229
Jun-26	0	0	3,202	1,678	10,984	2,865	(48)	220	5,636	20,326	14,822	0	97	59,781
Jul-26	0	0	3,487	107	13,246	3,073	(61)	236	14,806	20,611	15,883	0	92	71,480
Aug-26	0	0	3,444	10	12,997	3,050	(62)	234	12,731	20,611	15,771	0	92	68,878
Sep-26	0	0	2,966	74	11,494	2,682	(65)	202	5,673	20,326	13,758	0	97	57,206

NEW JERSEY NATURAL GAS COMPANY
GAS SUPPLY AND COST SUMMARY

Exhibit JSS-1
Page 3 of 3

	Algonquin \$/dth	Columbia \$/dth	Tennessee \$/dth	Transco \$/dth	Tetco \$/dth	EGTS \$/dth	Hedged \$/dth	OCLE \$/dth	Other \$/dth	Demand \$/dth	Injections \$/dth	Withdrawals \$/dth	LNG \$/dth	Total
Oct-25		2.5864	2.5409	2.5910	2.6297	2.6030		1.8028	2.9231		2.1963		5.2272	3.7185
Nov-25		3.3799		3.2172	3.1712			2.1954	3.2172			2.5397	5.2177	4.8759
Dec-25	4.2061	4.3039		4.1573				2.8970	4.1573			2.5434	5.2177	4.6647
Jan-26	4.6803	4.6215		4.5765				3.2454	4.5663			2.5432	5.2177	4.6278
Feb-26	4.5430	4.4634		4.3784				3.1445	4.3784			2.5432	5.2177	4.6182
Mar-26		4.0413		3.8207	3.7970			2.6589	3.8207			2.5432	5.2177	5.1941
Apr-26			3.1164	3.1456	3.1635	3.1645		2.1995	3.2317		3.1786		5.2177	4.3300
May-26			2.9825	2.9552	2.9889	2.9590		2.0698	3.1620		3.0203		5.3940	4.4683
Jun-26			2.9735	3.0072	3.0185	2.9900		2.0930	3.2211		3.0492		5.4113	4.6109
Jul-26			3.1335	3.1720	3.1276	3.1040		2.1729	3.2567		3.1687		5.4113	4.4519
Aug-26			3.0947	3.1358	3.1087	3.0805		2.1590	3.2340		3.1462		5.4113	4.4838
Sep-26			2.7541	2.7504	2.7901	2.7995		1.9220	2.9452		2.8303		5.4113	4.3698

**New Jersey Natural Gas Company
Historical Service Interruptions
for BGSS Year 2025
(MFR#10)**

Tariff Condition	Period	Applicable Service Classes	# of cust	Reason(s)
Interruption	1/20/25 - 1/22/25	Interruptible Transportation & Interruptible Sales	25	Operational
Daily Balancing¹	12/6/24	Interruptible Transportation & Interruptible Sales	25	Operational
	12/12/24 - 12/14/24	Interruptible Transportation & Interruptible Sales	25	Operational
	12/21/24 - 12/26/24	Interruptible Transportation & Interruptible Sales	25	Operational
	1/4/25 - 1/10/25	Interruptible Transportation & Interruptible Sales	25	Operational
	1/14/25 - 1/16/25	Interruptible Transportation & Interruptible Sales	25	Operational
	1/19/25	Interruptible Transportation & Interruptible Sales	25	Operational
	1/23/25 - 1/24/25	Interruptible Transportation & Interruptible Sales	25	Operational
	2/10/25	Interruptible Transportation & Interruptible Sales	25	Operational
	2/17/25 - 2/21/25	Interruptible Transportation & Interruptible Sales	25	Operational
	3/2/25 - 3/3/25	Interruptible Transportation & Interruptible Sales	25	Operational

¹ 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

EXHIBIT JSS-3

Page 1 of 1

NORTHERN DIVISION						CENTRAL DIVISION						TOTAL SENDOUT	Interruptible	Electric Generation	FIRM SENDOUT	NOAA DEGREE DAYS
Month	Day	Texas Eastern	Algonquin	Tennessee	Columbia	NORTH	Texas Eastern	Transco	NJNG LNG	CENTRAL						
Jan'25	21	30,232	19,759	49,449	14,766	114,206	385,567	223,603	65,723	674,893	789,099	13	118,486	670,600	50	
Jan'25	22	35,783	17,286	43,446	14,744	111,259	343,757	206,122	110,410	660,289	771,548	15	119,866	651,667	49	
Dec'24	22	42,344	16,280	35,429	14,736	108,789	342,903	194,833	35,154	572,890	681,678	4,381	55,086	622,211	48	
Jan'25	20	23,825	17,791	48,985	14,767	105,368	395,539	227,288	11,175	634,002	739,370	55	118,083	621,232	47	
Feb'25	18	33,872	15,882	39,510	12,243	101,507	372,153	155,805	22,583	550,541	652,047	4,482	47,746	599,820	43	
Jan'24	17	34,718	16,865	37,510	12,286	101,379	357,811	109,527	93,078	560,416	661,794	4,665	63,283	593,847	43	
Jan'24	20	31,518	14,908	39,933	14,799	101,158	367,899	53,394	65,019	486,312	587,470	4,025	32	583,413	43	
Jan'24	16	35,036	13,401	35,467	12,207	96,111	366,386	83,635	74,099	524,120	620,232	4,660	72,407	543,165	41	
Jan'24	21	27,751	14,863	35,469	14,771	92,854	382,810	53,345	15,024	451,179	544,033	3,847	37	540,149	40	
Jan'24	19	29,886	13,856	35,530	12,297	91,569	357,796	51,966	25,395	435,157	526,727	4,033	24	522,669	40	
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	
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	
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	
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	
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	

Company	Filing Date	Docket	Description of Filing	Type of Intervention
Transcontinental Gas Pipe Line	4/30/2024	RP24-718-000	LSS & SS-2 filing eff 5/01/24	Plain Vanilla Intervention
Transcontinental Gas Pipe Line	5/1/2024	RP24-728-000	Rate Filing: GT& C Section 49 - Open Season Postings for Future (91Day - 3Year) Capacity to be effective 6/1/2024.	Plain Vanilla Intervention
Transcontinental Gas Pipe Line	5/15/2024	CP24-469-000	Authorization for its Abandonment of Offshore Lateral from Mustang Island to Brazos	Plain Vanilla Intervention
Texas Eastern	5/29/2024	RP24-779-000	Compliance filing: May 2024 Penalty Disbursement Report	Plain Vanilla Intervention
Algonquin	5/30/2024	RP24-781-000	Section 4 Rate Case Filing	Motion to Intervene and Protest
Columbia Gas Transmission	5/30/2024	RP24-784-000	Rate Filing: Housekeeping Clean-Up to be effective 7/1/2024.	Plain Vanilla Intervention
Tennessee Gas Pipeline	5/31/2024	RP24-788-000	Rate Filing: PCB Adjustment Period Extension through 2026 to be effective 7/1/2024.	Plain Vanilla Intervention
Texas Eastern	6/3/2024	RP24-815-000	Compliance filing: 2024 Stipulation and Agreement Filing	Plain Vanilla Intervention
Transcontinental Gas Pipe Line	6/5/2024	RP24-826-000	Rate Filing: Limited Section 4 Rate Filing - Eliminate Amortization of Regulatory Liability to be effective 8/1/2024.	Plain Vanilla Intervention
Eastern Gas Transmission and Storage	6/11/2024	CP24-475-000	Authorization to abandon approximately 4.34 miles of 12-inch-diameter transmission pipeline (TL-263) from Black Eagle Junction to Slaughters Creek Junction and associated facilities located in Kanawha County, West Virginia.	Plain Vanilla Intervention
Transcontinental Gas Pipe Line	6/13/2024	CP24-478-000	Authorization to abandon its offshore platforms, gathering and transmission laterals in federal waters, offshore Louisiana in Vermillion Blocks 66, 67, 76 and 131.	Plain Vanilla Intervention
Texas Eastern	6/18/2024	RP24-832-000	Rate Filing: GT&C Section 14 Modification - to be effective 7/18/2024.	Plain Vanilla Intervention
National Fuel Gas Supply	6/14/2024	CP24-479-000	Authorization to abandon four injection/withdrawal storage wells within the Zoar Storage Field (Zoar) located in Erie County, New York.	Plain Vanilla Intervention
Eastern Gas Transmission and Storage	6/26/2024	RP24-846-000	Compliance filing: 2024 Overrun and Penalty Revenue Distribution	Plain Vanilla Intervention
Texas Eastern	6/27/2024	RP24-849-000	Rate Filing: EPC August 2024 Filing to be effective 8/1/2024.	Plain Vanilla Intervention
Tennessee Gas Pipeline	6/27/2024	RP24-850-000	Rate Filing: Volume No. 2 - Venture Global Plaquemines LNG, LLC to be effective 7/1/2024.	Plain Vanilla Intervention
Transcontinental Gas Pipe Line	6/28/2024	RP24-860-000	Rate Filing: Non-Conforming - REA Project In-Service to be effective 7/30/2024.	Plain Vanilla Intervention

Company	Filing Date	Docket	Description of Filing	Type of Intervention
Transcontinental Gas Pipe Line	7/1/2024	RP24-878-000	Rate Filing: GT&C Section 43 - SMG - Operational Conditions to be effective 8/1/2024.	Plain Vanilla Intervention
Columbia Gas Transmission	7/5/2024	RP24-896-000	Rate Filing: ROFR Notice Extension to be effective 8/5/2024.	Plain Vanilla Intervention
Texas Eastern	7/15/2024	CP24- 493-000	Texas Eastern Transmission, LP, et al. submit Abbreviated Joint Application for Amendment to Certificate of Public Convenience and Necessity and Authorization to Abandon by Lease.	Plain Vanilla Intervention
Eastern Gas Transmission and Storage	7/18/2024	CP24-498-000	Authorization to abandon three storage wells, all associated facilities, and four-inch-diameter pipelines at each well.	Plain Vanilla Intervention
Antero Resources Corporation, MU Marketing LLC	7/23/2024	RP24-911-000	Complaint of Antero Resources Corporation and MU Marketing LLC versus Columbia Gas Transmission, LLC.	Plain Vanilla Intervention
Columbia Gas Transmission	7/26/2024	CP24-503-000	Authorization to convert one existing injection/withdrawal well to observation status and to abandon or replace associated storage lines and appurtenant facilities located at the Laurel Storage Field in Hocking County, Ohio.	Plain Vanilla Intervention
Columbia Gas Transmission	7/26/2024	CP24-506-000	Authorization to abandon one injection/withdrawal well, connecting pipeline, and appurtenant facilities located in its Lucas Storage Field in Ashland County, Ohio.	Plain Vanilla Intervention
Eastern Gas Transmission and Storage	7/31/2024	RP24-926-000	Rate Filing: Revision Clarifying Incremental Electric Power Costs to be effective 9/1/2024.	Plain Vanilla Intervention
Transcontinental Gas Pipe Line	8/1/2024	CP24-507-000	Authorization to abandon an existing 2.19-mile-long, 12-inch-diameter natural gas pipeline and appurtenant facilities, all located in Potter County, Pennsylvania.	Plain Vanilla Intervention
Transcontinental Gas Pipe Line	8/16/2024	RP24-977-000	Rate Filing: List of Non-Conforming Service Agreements (REA In-Service) to be effective 9/16/2024.	Plain Vanilla Intervention
Transcontinental Gas Pipe Line	8/19/2024	RP24-980-000	Rate Filing: Non-Conforming - REA Interim Firm Service Terminations to be effective 9/19/2024.	Plain Vanilla Intervention
National Fuel Gas Supply	8/21/2024	CP24-514-000	Authorization to construct and operate new pipeline facilities, as well as authority for the abandonment and replacement of certain pipeline facilities, comprising its Tioga Pathway Project.	Plain Vanilla Intervention

Company	Filing Date	Docket	Description of Filing	Type of Intervention
Texas Eastern	8/26/2024	RP24-991-000	Compliance filing: 2024 Operational Entitlements Filing	Plain Vanilla Intervention
Transcontinental Gas Pipe Line	8/30/2024	RP24-1035-000	Rate Filing: Transco RP24 - General Rate Case Filing to be effective 10/1/2024.	Motion to Intervene and Protest
Adelphia Gateway	9/10/2024	RP24-1060-000	Rate Filing: Changes to Section 6.26 of GT&C be effective 10/15/2024.	Plain Vanilla Intervention
Eastern Gas Transmission and Storage	9/20/2024	CP24-521-000	Authorization to complete its Gateway Extension Project.	Plain Vanilla Intervention
Texas Eastern	9/26/2024	RP24-1088-000	Rate Filing: Venice Extension - Recourse Rates to be effective 10/12/2024.	Plain Vanilla Intervention
Texas Eastern	9/26/2024	RP24-1089-000	Rate Filing: Venice Extension Partial In-Service - NRA and NC Agreement to be effective 10/12/2024.	Plain Vanilla Intervention
Columbia Gas Transmission	9/30/2024	RP24-1103-000	Rate Filing: Columbia Gas Section 4 Rate Case (1 of 2) to be effective 11/1/2024.	Motion to Intervene and Protest
Eastern Gas Transmission and Storage	9/30/2024	RP24-1104-000	Rate Filing: 2024 Annual EPCA to be effective 11/1/2024.	Plain Vanilla Intervention
Adelphia Gateway	9/30/2024	RP24-1106-000	Rate Filing: Adelphia Gateway General Section 4 Rate Case Filing to be effective 4/1/2025.	Motion to Intervene and Protest
Eastern Gas Transmission and Storage	9/30/2024	RP24-1111-000	Rate Filing: 2024 Annual TCRA to be effective 11/1/2024.	Plain Vanilla Intervention
Stagecoach Pipeline & Storage	9/30/2024	RP24-1114-000	Rate Filing: Proposed Tariff Language for OFO Update to be effective 11/1/2024.	Plain Vanilla Intervention
Tennessee Gas Pipeline	9/30/2024	RP24-1115-000	Rate Filing: Pipeline Safety and Greenhouse Gas Cost Adjustment Mechanism - 2024 to be effective 11/1/2024.	Plain Vanilla Intervention
Algonquin	9/30/2024	RP24-1122-000	OFO Penalty Disbursement Report of Algonquin Gas Transmission, LLC.	Plain Vanilla Intervention
Tennessee Gas Pipeline	9/30/2024	CP24-529-000	The Project consists of the abandonment in place and by removal of a portion of Tennessee's mainline pipeline, Line 507G-100, consisting of approximately 75.38 miles of 16-inch-diameter pipeline and associated appurtenances; and the abandonment of a pipeline supply lateral, Line 507G-500, consisting of approximately 9.05 miles of 12-inch-diameter pipeline and associated appurtenances.	Plain Vanilla Intervention
Transcontinental Gas Pipe Line	10/1/2024	RP25-27-000	Compliance filing: Annual Cash-Out Report Period Ending July 31, 2024	Plain Vanilla Intervention
Algonquin	10/8/2024	RP25-46-000	Rate Filing: Short Term Capacity Release NRA Filing effective 11/8/2024 .	Plain Vanilla Intervention

Company	Filing Date	Docket	Description of Filing	Type of Intervention
Transcontinental Gas Pipe Line	10/9/2024	RP25-55-000	Rate Filing: Cash Out OUB Surcharge Annual Update Filing to be effective 11/1/2024.	Plain Vanilla Intervention
Transcontinental Gas Pipe Line	10/10/2024	RP25-58-000	Rate Filing: Initial Rate Filing - Southside Reliability Enhancement to be effective	Plain Vanilla Intervention
Columbia Gas Transmission	10/10/2024	CP25-5-000	Authorization for its Line 4010 Abandonment Project.	Plain Vanilla Intervention
Texas Eastern	10/11/2024	RP25-61-000	Compliance filing: October 2024 Penalty Disbursement Report	Plain Vanilla Intervention
Transcontinental Gas Pipe Line	10/22/2024	CP25-9-000	Transco proposes to replace natural gas compressor facilities at its Compressor Station 70 in Walthall, Mississippi.	Plain Vanilla Intervention
Transcontinental Gas Pipe Line	10/29/2024	RP25-96-000	Compliance filing: Annual Penalty Revenue Sharing - 2024.	Plain Vanilla Intervention
Transcontinental Gas Pipe Line	10/29/2024	CP25-10-000	Authorization for its Southeast Supply Enhancement Project located in various counties in Virginia, North Carolina, South Carolina, Georgia, and Alabama.	Plain Vanilla Intervention
Texas Eastern	10/30/2024	RP25-105-000	Rate Filing: PCB DEC 2024 Filing to be effective 12/1/2024.	Plain Vanilla Intervention
Eastern Gas Transmission and Storage	10/30/2024	RP25-119-000	Rate Filing: Incremental Electric Power Costs Clarification to be effective 12/1/2024.	Plain Vanilla Intervention
Algonquin	10/31/2024	RP25-130-000	Rate Filing: FRQ 2024 Filing to be effective 12/1/2024.	Plain Vanilla Intervention
Texas Eastern	10/31/2024	RP25-134-000	Rate Filing: ASA DEC 2024 Filing to be effective 12/1/2024.	Plain Vanilla Intervention
Columbia Gas Transmission	11/1/2024	RP25-160-000	Rate Filing: OTRA Winter 2024 to be effective 12/1/2024.	Plain Vanilla Intervention
Columbia Gas Transmission	11/13/2024	RP25-183-000	Compliance filing: Columbia Gas Compliance to Antero Complaint RP24-911-000 to be effective 10/28/2024.	Plain Vanilla Intervention
National Fuel Gas Supply	11/14/2024	RP25-187-000	Compliance filing: TSCA - Informational Filing November 2024	Plain Vanilla Intervention
National Fuel Gas Supply	11/21/2024	CP25-22-000	National Fuel proposes to: (1) replace approximately 3,250 feet of 20-inch-diameter pipeline (Line UNY); (2) install approximately 10,500 feet of 20-inch-diameter pipeline that will be rerouted from the existing Line UNY right-of-way (ROW) to the Line XN ROW; (3) construct a measurement and regulation station (M&R Station); (4) abandon an existing M&R Station by removal; (5) abandon in-place 2.36 miles of 20-inch-diameter pipeline; and (6) install associated appurtenances.	Plain Vanilla Intervention
Texas Eastern	11/22/2024	CP25-24-000	Authorization for its Entriken Amendment Project	Plain Vanilla Intervention
Tennessee Gas Pipeline	11/26/2024	RP25-215-000	Compliance filing: Cashout Report 2023-2024	Plain Vanilla Intervention

Company	Filing Date	Docket	Description of Filing	Type of Intervention
Texas Eastern	12/5/2024	CP25-28-000	Authorization to offset and replace segments of its 24-inch-diameter Line 12 pipeline, its 30-inch-diameter Line 19 pipeline, and its 30-inch-diameter Line 27 pipeline (Cove Mountain Road Crossing Replacement).	Plain Vanilla Intervention
Eastern Gas Transmission and Storage	12/11/2024	CP25-29-000	Authorization for its Capital Area Project.	Plain Vanilla Intervention
Columbia Gas Transmission	12/12/2024	RP25-278-000	Compliance filing: Penalty Revenue Crediting Report 2024	Plain Vanilla Intervention
Columbia Gas Transmission	12/13/2024	CP25-31-000	Authorization to plug and abandon three injection/withdrawal wells, connecting pipelines, and appurtenant facilities located within the Benton Storage Field, in Hocking and Vinton Counties, Ohio.	Plain Vanilla Intervention
Columbia Gas Transmission	12/16/2024	CP25-33-000	Authorization to plug and abandon one injection/withdrawal well and to abandon connecting pipeline and appurtenant facilities (Guernsey Well 7908 Abandonment Project), all located in Guernsey County, Ohio.	Plain Vanilla Intervention
Columbia Gas Transmission	12/17/2024	CP25-35-000	Authorization to install and operate one new injection/withdrawal well, connecting pipeline, and appurtenant facilities all located in its Donegal Storage Field in Washington County, Pennsylvania (Donegal New Drill 12653)	Plain Vanilla Intervention
Columbia Gas Transmission	12/17/2024	CP25-36-000	Authorization to abandon five injection/withdrawal wells, connecting pipeline, and appurtenant facilities located in the Lorain, Lucas, Pavonia, and Weaver Storage Fields.	Plain Vanilla Intervention
Transcontinental Gas Pipe Line	12/30/2024	RP25-313-000	Compliance filing: Cash Out Surcharge True Up Filing 2025 to be effective 2/1/2025.	Plain Vanilla Intervention
Texas Eastern	12/30/2024	RP25-314-000	Rate Filing: EPC FEB 2025 FILING to be effective 2/1/2025.	Plain Vanilla Intervention
National Fuel Gas Supply	1/3/2025	CP25-43-000	Abandon in place associated well line CW1051, and abandon by removal associated well line CW1367 in the Colden Storage Field.	Plain Vanilla Intervention
Columbia Gas Transmission	1/7/2025	CP25-45-000	Authorization to plug and abandon one injection/withdrawal well and to abandon connecting pipeline and appurtenant facilities, all located in at the Victory A Storage Field in Wetzel County, West Virginia.	Plain Vanilla Intervention

Company	Filing Date	Docket	Description of Filing	Type of Intervention
Columbia Gas Transmission	1/8/2025	CP25-46-000	Authorization to abandon one injection/withdrawal well within the Brinker Storage Field, connecting pipeline, and appurtenant facilities all located in Columbiana County, Ohio.	Plain Vanilla Intervention
Columbia Gas Transmission	1/8/2025	AC45-25-000	Columbia Gas Transmission, LLC submits request for approval of accounting treatment for deferred taxes associated with sale and purchase re a transaction with Global Infrastructure Partners, LP on 10/04/2023.	Plain Vanilla Intervention
Texas Eastern	1/16/2025	CP25-49-000	Authorization to replace three segments of its existing 30-inch-diameter pipelines (Lines 10, 15, and 25) totaling 2.19 miles and upgrade an existing meter and regulator station (M&R 72672) all located in Wilson County, Tennessee.	Plain Vanilla Intervention
Columbia Gas Transmission	1/30/2025	CP25-55-000	Authorization to abandon two injection/withdrawal wells, connecting pipelines, and appurtenant facilities located at the Terra Alta South Storage Field in Preston County, West Virginia.	Plain Vanilla Intervention
Columbia Gas Transmission	1/30/2025	CP25-56-000	Authorization to abandon one injection/withdrawal well, connecting pipeline, and appurtenant facilities located at the Terra Alta Storage Field in Preston County, West Virginia.	Plain Vanilla Intervention
Columbia Gas Transmission	1/30/2025	CP25-57-000	Authorization to abandon one injection/withdrawal well, connecting pipeline, and appurtenant facilities located at the Holmes Storage Field in Holmes County, Ohio.	Plain Vanilla Intervention
Columbia Gas Transmission	1/31/2025	CP25-59-000	Authorization to abandon one injection/withdrawal well, connecting pipeline, and appurtenant facilities.	Plain Vanilla Intervention
National Fuel Gas Supply	2/6/2025	CP25-63-000	Authorization to plug and abandon injection/withdrawal Well 2430 and the associated 345 feet of 4-inch-diameter well line DW2430 in the Wellendorf Storage Field in McKean County, Pennsylvania.	Plain Vanilla Intervention
Adelphia Gateway	2/13/2025	RP25-563-000	Compliance filing: 2025 OPS Report Filing	Plain Vanilla Intervention
Columbia Gas Transmission	2/18/2025	RP25-573-000	Compliance filing: Annual Report of Operational Transactions 2025	Plain Vanilla Intervention
Eastern Gas Transmission and Storage	2/21/2025	RP25-580-000	Rate Filing: 2025 Fuel Retention Percentages to be effective 4/1/2025.	Plain Vanilla Intervention
National Fuel Gas Supply	2/21/2025	RP25-581-000	Rate Filing: Fuel Tracker.	Plain Vanilla Intervention

Company	Filing Date	Docket	Description of Filing	Type of Intervention
Columbia Gas Transmission	2/25/2025	CP25-83-000	Authorization to construct and operate a new booster compressor station and appurtenant facilities in Ottawa County, Ohio.	Plain Vanilla Intervention
Adelphia Gateway	2/26/2025	RP25-589-000	Compliance filing: Penalty Crediting Report 2025	Plain Vanilla Intervention
Columbia Gas Transmission	2/28/2025	RP25-627-000	Rate Filing: RAM 2025 to be effective 4/1/2025.	Plain Vanilla Intervention
Columbia Gas Transmission	2/28/2025	RP25-629-000	Rate Filing: EPCA 2025 to be effective 4/1/2025.	Plain Vanilla Intervention
Columbia Gas Transmission	2/28/2025	RP25-630-000	Rate Filing: TCRA 2025 to be effective 4/1/2025.	Plain Vanilla Intervention
Tennessee Gas Pipeline	2/28/2025	RP25-644-000	Rate Filing: TGP 2025 Annual Fuel Tracker Filing to be effective 4/1/2025.	Plain Vanilla Intervention
Transcontinental Gas Pipe Line	2/28/2025	RP25-660-000	Rate Filing: 2025 Annual Fuel Tracker Filing to be effective 4/1/2025.	Plain Vanilla Intervention
Transcontinental Gas Pipe Line	2/28/2025	RP25-667-000	Rate Filing: Annual Electric Power Tracker Filing Effective April 1 2025 to be effective	Plain Vanilla Intervention
Tennessee Gas Pipeline	2/28/2025	RP25-673-000	Rate Filing: Curtailment and Reservation Charge Crediting to be effective 4/1/2025.	Plain Vanilla Intervention
Adelphia Gateway	2/28/2025	RP25-677-000	Compliance filing: Adelphia Gateway Annual Use and Balancing Adjustment Filing	Plain Vanilla Intervention
National Fuel Gas Supply, Transcontintal Gas Pipe Line	3/25/2025	CP25-160-000	National Fuel Gas Supply Corporation et. al. submit Joint Abbreviated Application for Approval of Capacity Lease Agreement between National Fuel and Transcontinental Gas Pipe Line Company, LLC.	Plain Vanilla Intervention
Stagecoach Pipeline & Storage	3/31/2025	RP25-777-000	Stagecoach Tariff Language Revisions to be effective 5/1/2025.	Plain Vanilla Intervention
Columbia Gas Transmission	4/1/2025	RP25-797-000	Rate Filing: OTRA Summer 2025 to be effective 5/1/2025.	Plain Vanilla Intervention
Tennessee Gas Pipeline	4/4/2025	RP25-814-000	Rate Filing: Revised Penalty Crediting Language to be effective 5/1/2025.	Plain Vanilla Intervention
Tennessee Gas Pipeline	5/1/2025	RP25-881-000	Revised Curtailment Tariff Language to be effective 6/1/2025.	Plain Vanilla Intervention

Contract Changes

Transportation capacity contracts extended:

Pipeline	Contract	Maximum Daily Quantity (DTH)	Extended Start Date	Extended End Date
Algonquin	510478	12,000	July-2025	June-2026
EGTS	100034	21,935	Apr-2026	Mar-2030
EGTS	200583	10,000	Apr-2026	Mar-2031
EGTS	700053	5,000	Apr-2026	Mar-2030
EGTS	700098	25,000	Apr-2026	Mar-2029
EGTS	700109	26,000	Apr-2025	Mar-2028
EGTS	700111	53,500	Apr-2025	Mar-2028
EGTS	700112	28,115	Apr-2026	Mar-2030
EGTS	700113	15,500	Apr-2026	Mar-2029
EGTS	700115	35,000	Apr-2025	Mar-2028
Tennessee	29185	10,894	Nov-2024	Oct-2029
Tetco	008696	27,000	Jun-2026	May-2027
Tetco	008697	9,498	Nov-2025	Oct-2026
Tetco	330789	10,789	Apr-2025	Mar-2027
Tetco	331500	35,000	Apr-2026	Mar-2027
Tetco	331724	35,487	Apr-2026	Mar-2027
Tetco	331821	9,555	Apr-2026	Mar-2027
Tetco	800506	12,000	Nov-2025	Oct-2026
Tetco	910060	40,000	Nov-2025	Oct-2026
Tetco	910064	1,060	Nov-2025	Oct-2026
Tetco	910185	591,855	Nov-2025	Oct-2028
Tetco	910230	60,000	Nov-2025	Oct-2026
Tetco	910240	19,790	Nov-2025	Oct-2026
Tetco	910508	20,000	Nov-2025	Oct-2026
Tetco	910593	10,559	Nov-2025	Oct-2026
Tetco	910610	100,000	Nov-2025	Oct -2026
Transco	1000628	5,000	Jan-2026	Dec-2026
Transco	1000674	3,250	Jan-2026	Dec-2026
Transco	1003834	10,350	Jan-2026	Dec-2026
Transco	1010444	3,931	Jan-2026	Dec-2026

Storage capacity contracts extended:

Storage	Contract	Maximum Storage Quantity (DTH)	Extended Start Date	Extended End Date
EGTS	300069	1,545,251	Apr-2026	Mar-2030
EGTS	300119	500,000	Apr-2026	Mar-2030
EGTS	300120	3,000,000	Apr-2026	Mar-2030
EGTS	300194	1,750,000	Apr-2026	Mar-2029
EGTS	300215	1,568,533	Apr-2025	Mar-2028
EGTS	300217	2,950,000	Apr-2025	Mar-2028
EGTS	300218	1,900,000	Apr-2026	Mar-2030
EGTS	300219	941,176	Apr-2026	Mar-2029
EGTS	300222	2,500,000	Apr-2025	Mar-2028
EGTS	600031	4,353,382	Apr-2027	Mar-2028
Steckman	920139	3,000,000	Apr-2025	Mar-2027
Tetco	400188	3,973,146	May-2026	Apr-2027
Tetco	412004	2,180,010	May-2026	Apr-2027

New Transportation capacity contracts:

Pipeline	Contract	Maximum Daily Quantity (DTH)	Start Date	End Date
EGTS	5L8776	30,000	Apr-2025	Oct-2025
EGTS	5L8787	24,500	Apr-2025	Oct-2025
Transco	9286381	93,000	Aug-2024	Jul-2039
Transco	9286382	115,000	Aug-2024	Jul-2039
Transco	9286383	130,000	Aug-2024	Jul-2039
Transco	9286384	15,000	Aug-2024	Jul-2039

NEW JERSEY NATURAL GAS COMPANY

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

SENIOR 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 2026
BPU DOCKET NO. GR25050318
Pre-Filed Direct Testimony of Christopher S. Micak**

I. Introduction

Q. PLEASE STATE YOUR NAME, AFFILIATION AND BUSINESS ADDRESS.

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

Q. PLEASE DESCRIBE YOUR EDUCATION AND BUSINESS EXPERIENCE.

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

I have been employed with the Company since 2018, initially as an Energy Analyst in support of the Regulatory Affairs Department. In October 2021, I accepted the position of State Rate and Regulatory Analyst, and in October 2023 was promoted to the position of Senior Rate and Regulatory Analyst.

Q. WHAT ARE YOUR RESPONSIBILITIES AS SENIOR RATE AND REGULATORY ANALYST?

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

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

2 A. Yes, I have filed testimony on behalf of NJNG in BPU Docket No. GR23060348 (“2024
3 BGSS/CIP Filing”) and BPU Docket No. GR24060372 (“2025 BGSS/CIP Filing”).

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

5 A. The purpose of this testimony is to provide background of previous BGSS and CIP
6 proceedings, propose the BGSS, Balancing Charge, and CIP rates to be effective October
7 1, 2025, and provide the impact to customers of the proposed rate changes.

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

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

10 Section II: Background from Prior Filings

11 Section III: BGSS Projections and Proposed Rate

12 Section IV: Balancing Charge

13 Section V: Conservation Incentive Program

14 Section VI: Impact on Customers
15

16 **II. Background from Prior Filings**

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

19 A. As a result of the BPU Order issued January 17, 2002, following the Gas Policy Group
20 discussions in Docket No. GX01050304, new BGSS pricing mechanisms were approved
21 by the Board (“Generic BGSS Order”).¹ Pursuant to the Generic BGSS Order, the Board
22 authorized the implementation of a Periodic BGSS pricing mechanism for all New Jersey
23 natural gas utilities that permits up to three rate increases each year as described below and
24 rate decreases, bill credits, or refunds at any time during the year with five (5) days written
25 notice to the BPU Staff and the New Jersey Division of Rate Counsel (“Rate Counsel”).
26 Through this mechanism, any initial price change requested, after notice and hearing, is
27 based on an annual BGSS filing submitted in June of each year with rates to be effective
28 October 1 of the year filed. If needed, two (2) additional provisional and self-implementing
29 rate increases are permitted on the subsequent December 1 and February 1, after thirty days

¹ 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 prior notice to the BPU Staff and Rate Counsel. Each self-implementing increase cannot
2 exceed a maximum of five percent of the Company's total typical residential heat
3 customer's bill.

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

6 A. On May 31, 2024, NJNG filed a petition requesting that the BPU approve NJNG's annual
7 filing for the BGSS year of October 1, 2024 through September 30, 2025 in BPU Docket
8 No. GR24060372 ("2025 BGSS/CIP Filing"). The 2025 BGSS/CIP Filing requested that
9 the BPU approve a decrease to the Company's then current after-tax per therm periodic
10 BGSS rate from \$0.4290 to \$0.3672 effective October 1, 2024 and an increase to its after-
11 tax per therm Balancing Charge rate from \$0.1266 to \$0.1884. The Company also
12 requested to adjust its CIP rates for the CIP year of October 1, 2024 through September 30,
13 2025. Specifically, the 2025 BGSS/CIP Filing sought approval of the following after tax
14 per therm CIP rates to be effective October 1, 2024: Group I Residential Non-Heating – a
15 charge of \$0.0409, Group II Residential Heating – a charge of \$0.0903, Group III General
16 Service Small – a charge of \$0.0509, and Group IV General Service Large – a charge of
17 \$0.0382, effective as of October 1, 2024. On August 6, 2024, the Company submitted a
18 response to Discovery Request S-NJNG-BGSS-0001 that updated the CIP schedules to
19 reflect actual data through June 30, 2024, which resulted in a proposed CIP rate of \$0.0367
20 per therm for Group IV which was lower than the filed rate. The updated CIP rate for
21 Group IV and the filed CIP rates for Groups I, II, and III resulted in an overall decrease of
22 after-tax revenue of approximately \$0.80 million to the estimated annual CIP revenue of
23 \$54.22 million. These CIP rates combined with the requested BGSS rate of \$0.3672, and
24 Balancing Charge of \$0.1884, resulted in an overall increase in after-tax revenue of
25 approximately \$9.12 million.

26 On September 25, 2024, the BPU issued an Order² authorizing the Company to: 1)
27 decrease the Company's existing periodic BGSS rate to \$0.3672 per therm after-tax; 2)
28 increase the Company's Balancing Charge to \$0.1884 per therm after tax; and 3) adjust the

² 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 2025, BPU Docket No. GR24060372, Order dated September 25, 2024 ("September 2024 Order").

1 following CIP rates all on a per-therm, after tax basis: \$0.0409 for Group I Residential
2 Non-Heat customers, \$0.0903 for Group II Residential Heat customers, \$0.0509 for Group
3 III General Service Small Commercial customers, and \$0.0367 for Group IV General
4 Service Large Commercial customers effective October 1, 2024, on a provisional basis.

5 On November 21, 2024, the Board issued an Order in Docket No GR24010071³,
6 the Company's base rate case proceeding, approving an increase to the inventory portion
7 of the Balancing Charge resulting in a Balancing Charge of \$0.1889 per therm effective
8 November 21, 2024. This Balancing Charge is currently in effect.

9 The October 1, 2024 BGSS, CIP, and Balancing Charge rates and the November
10 21, 2024 Balancing Charge were approved by the Board on a final basis on May 21, 2025⁴.

11
12 **III. BGSS Projections and Proposed Rate**

13 **Q. WHAT IS THE COMPANY'S CURRENT PROJECTION FOR THE BGSS**
14 **BALANCE AS OF SEPTEMBER 30, 2025?**

15 A. At current market conditions, the estimated BGSS ending balance will be approximately
16 \$7.789 million over-recovered as of September 30, 2025.

17 **Q. PLEASE DESCRIBE THE TREATMENT OF BGSS INTEREST WITHIN THE**
18 **BGSS SCHEDULES?**

19 A. In Schedule 6 of Exhibit A, NJNG estimates that it will owe \$1.418 million in BGSS
20 interest to customers. Schedule 5 of Exhibit B includes the BGSS interest credit being
21 transferred into the opening Periodic BGSS balance as of October 1, 2025.

³ 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. GR24010071, Order dated November 21, 2024 ("Rate Case Order").

⁴ 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 2025, BPU Docket No. GR24060372, Order dated May 21, 2025 ("May 2025 Order").

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

2 A. The Company proposes to increase the current pre-tax periodic BGSS rate of \$0.3444 per
3 therm to \$0.4637 per therm effective October 1, 2025. If approved, the current after-tax
4 rate of \$0.3672 per therm will increase by \$0.1272 to \$0.4944 per therm.

5 **Q. WHAT IS THE COMPANY'S CURRENT PROJECTION FOR THE BGSS**
6 **BALANCE AS OF SEPTEMBER 30, 2026?**

7 A. Exhibit B to the Petition provides the details of the Company's projections for the period
8 October 1, 2025 through September 30, 2026 based upon the May 8, 2025 NYMEX
9 pricing, 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 under-recovery of approximately \$28,000 as of September 30, 2026.
12 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 (2) components: (1) carrying
19 charges on inventory costs and (2) demand charges. Pursuant to the Rate Case Order, the
20 demand charges component of the Balancing Charge is to be adjusted in the Company's
21 annual BGSS filing and is subject to review as part of such filing. The calculation of the
22 Balancing Charge is presented in Exhibit D to the Petition and reflects updated pipeline
23 demand charges, credit adjustments, and percentage of peak day volume related to
24 balancing associated with the pipeline demand portion of the Balancing Charge. The
25 Company proposes to increase its current after-tax per therm Balancing Charge of \$0.1889
26 (\$0.1772 pre-tax) to \$0.1983 (\$0.1860 pre-tax) effective October 1, 2025.

27 **Q. HAS THE COMPANY REFLECTED THE PROPOSED BALANCING CHARGE**
28 **CHANGE IN THIS FILING?**

29 A. Yes. Balancing Charge credits in Exhibit B to the Petition reflect the pre-tax Balancing
30 Charge per therm proposed in this proceeding of \$0.1860 effective October 1, 2025. All
31 balancing revenues from sales and transportation customers are credited to the BGSS as
32 shown in Schedule 4g of Exhibits A and B.

V. Conservation Incentive Program ("CIP")

Q. PLEASE DESCRIBE THE RATE STRUCTURE OF THE CIP.

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

- Group I – Residential Non-Heat
- Group II – Residential Heat
- Group III – General Service - Small
- Group IV – General Service - Large

Pursuant to the CIP Orders, the margin deficiency or excess for each group is calculated each month by subtracting the baseline usage per customer, according to the Company's Tariff, from the actual usage per customer and multiplying the resulting therms by the actual number of customers and the margin recovery per therm. The baseline use per customer for each group was updated in the Company's Tariff effective November 21, 2024, pursuant to the Rate Case Order. The margin recovery per therm for each group was also updated effective November 21, 2024 to reflect the base rate changes approved in the Rate Case Order. The October 2024 through September 2025 CIP margin deficiency/excess calculations for each group, with actual data through April 2025 and projected data for the remaining five (5) months, are included as Exhibit C, Schedules 1 through 4 to the Petition.

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

A. For the period October 2024 through April 2025, NJNG experienced weather that was 4.4 percent warmer than normal. Due to the warmer than normal weather, customer usage was less than the CIP baseline values resulting in an overall CIP margin deficiency.

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

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

10 **Q. PLEASE DESCRIBE THE CALCULATION OF THE NON-WEATHER**
11 **RELATED CIP MARGIN.**

12 A. To determine the non-weather related CIP margin, the Company has calculated the weather
13 related margin deficiency on Exhibit C, Schedule 5 to the Petition. The monthly
14 consumption factors per customer per degree day for each group and the normal degree
15 days are included in Rider I of the Company's Tariff ("CIP Tariff") and were updated in
16 the Company's Tariff effective November 21, 2024 pursuant to the Rate Case Order. The
17 consumption factors are multiplied by the actual number of customers to determine the
18 associated consumption factors per degree day. The consumption factors associated with
19 actual customers are multiplied by the variance of the actual degree days from the degree
20 days included in the CIP Tariff and the margin factors to determine the weather margin
21 deficiency. The total CIP margin deficiency for the 2024-2025 CIP year is approximately
22 \$20.15 million of which \$18.68 million is related to weather. Exhibit C, Schedule 6 to the
23 Petition demonstrates that the estimated margin deficiency related to the non-weather
24 change in customer usage is approximately \$1.47 million.

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

26 A. The amount of the BGSS Savings required to meet the BGSS Savings test is 75 percent of
27 the non-weather change in customer usage or \$1.10 million. There are three categories of
28 BGSS savings: (1) permanent savings realized from permanent capacity releases or
29 contract terminations; (2) additional BGSS gas cost savings from reductions of capacity on
30 a long-term basis; and (3) avoided capacity costs to meet residential customer growth. As
31 shown in Exhibit C, Schedule 6, the Company has approximately \$12.04 million of
32 permanent savings approved in the May 21, 2014 CIP Order and approximately \$3.22

1 million of avoided capacity cost savings for a total BGSS savings of approximately \$15.26
2 million. Avoided capacity costs savings are calculated based on following the
3 methodology approved in the May 21, 2014 CIP Order: the monthly net change in
4 residential customers for Group I and Group II are multiplied by their respective CIP
5 benchmark use per customer and by the average fixed capacity cost reflected in this filing.

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

7 A. To pass the Variable Margin Revenue Test approved in the May 21, 2014 CIP Order and
8 modified in the 2020 EE Order, NJNG's non-weather related aggregate CIP margins must
9 be less than or equal to 6.5 percent of aggregate variable margins for the CIP accrual year
10 for all CIP Groups. The variable margins for each group are calculated on a monthly basis
11 by multiplying the actual number of customers by the baseline use per customer and the
12 group's margin per therm. As shown in Exhibit C, Schedule 6, the recovery limitation is
13 approximately \$31.41 million.

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

16 A. Yes. Since the total BGSS savings of \$15.26 million for the October 2025 through
17 September 2026 CIP recovery period are greater than the required amount to meet the test
18 of \$1.10 million, the Company has exceeded the BGSS Savings test for the October 2025
19 through September 2026 CIP recovery period. Additionally, the Company has met the
20 Variable Margin Revenue Test since the non-weather portion of \$1.47 million is less than
21 the recovery limitation of approximately \$31.41 million.

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

23 A. The CIP Earnings Test is based on the Tariff approved in the Rate Case Order. If the
24 calculated Return on Equity ("ROE") exceeds the Company's most recently approved ROE
25 by fifty (50) basis points or more, currently 10.1%, cost recovery under the CIP shall not
26 be allowed. Any margin deficiency which is not recoverable shall not be deferred for future
27 recovery. Exhibit C, Schedule 7 to the Petition, includes the calculation of the Earnings
28 Test with actual data for the six months ended March 2025 and estimated data for the six
29 months ended September 2025. The test indicates that the estimated ROE for the 2024-
30 2025 CIP year is 8.79 percent. Since the calculated ROE of 8.79% is below 10.1%, NJNG
31 is permitted to fully recover its CIP deficiencies.

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

3 A. The CIP surcharge or credit for each group is determined by dividing the eligible aggregate
4 margin deficiency or excess, adjusted for any under or over recovery of prior period CIP
5 collection, by the forecasted annual usage of each group for October 2025 to September
6 2026. The following table shows the existing and proposed after-tax rates and resulting
7 rate change for each CIP Group:
8

		Existing	Proposed	Increase/
		Charge	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	\$0.0409	(\$0.0022)	(\$0.0431)
Group II	Residential Heat	\$0.0903	\$0.0435	(\$0.0468)
Group III	General Service - Small	\$0.0509	(\$0.0127)	(\$0.0636)
Group IV	General Service - Large	\$0.0367	\$0.0311	(\$0.0056)

9
10 The Company is requesting an effective date of October 1, 2025 for the above proposed
11 rates.

12 **VI. Impact on Customers**

13 **Q. WHAT IS THE IMPACT TO RESIDENTIAL HEAT CUSTOMERS AS A RESULT**
14 **OF THE PROPOSED CHANGES TO THE BGSS, BALANCING CHARGE, AND**
15 **CIP RATES?**

16 A. The periodic BGSS increase proposed in this filing results in an overall \$12.72 or 7.1
17 percent increase to the total monthly 100 therm bill for residential heat sales customers.
18 The proposed Balancing Charge increase results in an overall \$0.94 or 0.5 percent increase
19 to the total monthly 100 therm bill for residential heat sales and transportation customers.
20 The proposed CIP rate for Group II Residential Heat sales and transportation customers
21 results in an overall \$4.68 or 2.6 percent decrease to the total monthly 100 therm bill for a
22 residential heat customer. The net impact of the BGSS, Balancing Charge, and CIP rate
23 changes for a residential heat sales customer is a \$8.98, or 5.0 percent, increase to the total
24 monthly 100 therm bill. The proposed changes result in a \$89.80 increase to the annual

1 1,000 therm bill. Exhibit E to the Petition provides the supporting bill impact calculations.
2 Residential heat transportation customers will have a 2.1 percent decrease due to the
3 changes in the Balancing Charge and CIP rates.⁵ An average residential sales heating
4 customer using 80.1 therms of gas per month, and 961.4 therms annually, will see an
5 increase in their monthly bill of \$7.19 or 4.9% and an increase in their annual bill of \$86.34
6 or 4.9%.

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

10 A. The proposed periodic BGSS decrease results in an overall 6.1 percent increase to the total
11 monthly 25 therm bill for a residential non-heat sales customer. The proposed Balancing
12 Charge increase results in an overall 0.5 percent increase to the total monthly 25 therm bill
13 for residential non-heat sales and transportation customers. The proposed CIP rate for
14 Group I Residential Non-Heat customers results in an overall decrease of 2.1 percent. The
15 net impact of the BGSS, Balancing Charge, and CIP rate changes for a residential non-heat
16 sales customer is a 4.5 percent increase. Residential non-heat transportation customers will
17 have a 1.6 percent decrease due to the changes in the Balancing Charge and CIP rates.⁶

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

21 A. The proposed periodic BGSS increase results in an overall 6.2 percent increase to the
22 monthly 100 therm bill for a GSS sales customer. The proposed Balancing Charge increase
23 results in an overall 0.5 percent increase to the total monthly 100 therm bill for GSS sales
24 and transportation customers. The proposed CIP rate for Group III GSS customers results
25 in an overall 3.1 percent decrease. The net impact of the BGSS, Balancing Charge, and
26 CIP rate changes for a GSS sales customer is a 3.6 percent increase. GSS transportation
27 customers will have a 2.6 percent decrease due to the changes in the Balancing Charge and
28 CIP rates.⁷

⁵ Percentage change assumes transportation customers are receiving gas supply at NJNG's BGSS Price to Compare.

⁶ Id.

⁷ Id.

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

4 A. The proposed CIP rate for Group IV GSL customers results in a 0.3 percent decrease for
5 GSL customers using 1,200 therms per month. The Balancing Charge is included in the
6 GSL Delivery Charge and the Monthly BGSS rates for GSL sales customers are net of the
7 Balancing Charge. Therefore, the Balancing Charge does not impact the overall bill of a
8 GSL sales customer and the total impact to their bill is a 0.3 percent decrease. GSL sales
9 customers are not impacted by the BGSS rate change because they pay the Monthly BGSS
10 rates which are tied to market prices. The proposed Balancing Charge increase results in
11 an overall 0.5 percent increase to the total monthly 1,200 therm bill for GSL transportation
12 customers. GSL transportation customers will have a 0.2 percent increase due to the
13 changes in the CIP and Balancing Charge rates.⁸

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

15 A. Yes. I reserve the right to supplement or amend this testimony prospectively.

⁸ 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 2026
BPU DOCKET NO. GR25050318
Pre-Filed Direct Testimony of Anne-Marie Peracchio**

I. Introduction

Q. PLEASE STATE YOUR NAME, AFFILIATION AND BUSINESS ADDRESS.

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

Q. PLEASE DESCRIBE YOUR EDUCATION AND BUSINESS EXPERIENCE.

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

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

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

A. I report directly to the Vice President – Customer Service, Marketing and Energy Efficiency. I am responsible for the development and implementation of the Company’s customer conservation programs, pursuant to the Board’s approval of the Conservation Incentive Program (“CIP”), and I manage the efforts of the team who implements the

1 NJNG energy-efficiency program - SAVEGREEN ® ("SAVEGREEN"). I also identify
2 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 continue to be involved in the development of NJNG's policy
8 positions on a number of energy-related issues. I serve as a company representative on
9 several committees, working groups, and task forces for New Jersey's Clean Energy
10 Program™ ("NJCEP"), Sustainable Jersey™, the Consortium for Energy Efficiency
11 ("CEE") and the American Gas Association ("AGA"), as well as many joint utility efforts
12 for coordination of the energy efficiency programs in New Jersey. I currently serve as a
13 Board Member for Lead New Jersey and previously served as Chair of the Board of
14 Trustees for Sustainable Jersey.

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

16 A. Yes. I have testified on behalf of NJNG in numerous Levelized Gas Adjustment
17 proceedings, the precursor to Basic Gas Supply Service ("BGSS"), BGSS cases and other
18 rate related filings before the New Jersey Board of Public Utilities (the "BPU" or "Board").
19 Additionally, I testified on behalf of NJNG in the Company's filing for approval of energy-
20 efficiency programs and the associated cost recovery mechanism in BPU Docket Nos.
21 GO20090622 and QO23120868.

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

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

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

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

28 Section II: CIP Background

29 Section III: Program Activity

30 Section IV: CIP Expenditure Update

31 Section V: Prospective CIP Activities and Changes

II. CIP Background

Q. PLEASE BRIEFLY SUMMARIZE THE CIP.

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

III. Program Activity

Q. PLEASE PROVIDE A BRIEF OVERVIEW OF ON-GOING PROGRAMS THAT CIP FUNDING SUPPORTS.

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

- **E-tips:** The expenses in this category cover costs associated with the external service used to distribute E-tips, NJNG's opt-in conservation e-mail newsletter, and other minor promotional expenses. Currently, more than 260,000 customers are registered to receive our monthly E-Tip service. This is the most effective vehicle for promoting special offers and limited time promotions.
- **Community outreach:** The CIP funds for these activities are used in the production of materials promoting NJNG's conservation programs, the

1 payment of certain exhibit fees, and minor related promotional items. The
2 Company directly reaches thousands of customers each year through our
3 traditional Speakers Bureau presentations, game show formats, lunch and learn
4 series, as well as outreach tables at expos, trade shows, business conferences
5 and green fairs. Larger scale outreach events scheduled on our calendar include
6 several Jersey Shore Blue Claws games, Ocean Fun Days, New Jersey
7 Sustainability in Motion Conference, the Sustainable Jersey Summit, the
8 League of Municipalities Annual Conference, and other community events.

9 • **Employees/contractors/realtors and other stakeholders as champions:**

10 NJNG's experience with SAVEGREEN has significantly expanded awareness
11 and knowledge of energy-efficiency contractor activity in the Company's
12 service territory and the marketplace. This category of expenses relates to
13 activities through which NJNG contacts and directly interacts with these
14 contractors. NJNG is an active participant in the New Jersey Air Conditioning
15 and Contractors Association ("NJACCA") to help engage contractors. NJNG
16 also offers direct outreach to realtors who are reached through office visits and
17 virtual presentations.

- 18 • **Customer participation activities:** NJNG has worked to engage more
19 customers in energy-efficiency programs and provide conservation education
20 by offering prizes for participation in online sweepstakes and contests or
21 through social media. NJNG has used different approaches including quizzes,
22 matching games, and creative posts.

- 23 • **School Programs:** Through this funding category, NJNG sponsors the
24 Alliance to Save Energy's ("ASE") "Energy Hog" program which provides
25 both classroom and take-home resources for elementary school students as well
26 as a free school assembly program. This category also includes expenses for
27 annual conservation themed poster and video contests. It also includes support
28 for the Sustainable Jersey for Schools program. This initiative provides
29 comprehensive resources and engagement tools across many areas and ensures
30 that the school administration is supportive. It also includes implementation of
31 ASE's Empowered Schools Program. ASE has successfully implemented this

1 program to capture behavioral energy savings in schools for 25 years. Thirty-
2 five schools are currently participating in the program.

- 3 • **Municipal Programs:** Through this category, NJNG conducts direct outreach
4 to municipalities to encourage conservation to their residents and businesses.
5 Outreach is conducted through efforts with the League of Municipalities and
6 Sustainable Jersey. The Company offers special technical assistance by
7 providing the funding to Sustainable Jersey to hire a full-time resource to
8 provide technical support on a year-round basis.
- 9 • **Direct Purchase of Energy Saving Products:** This category covers expenses
10 related to purchasing smaller energy-saving measures that may be used at
11 outreach events (e.g., gaskets, nightlights). The Company expects spending to
12 resume in future years after supplies on hand are exhausted.
- 13 • **Low-income/senior focused outreach:** NJNG continues to develop events
14 and work with organizations that help the Company reach low-income
15 customers and our senior population. NJNG is participating in the Consortium
16 for Energy Efficiency's Center for Equity.
- 17 • **Other:** Funds are also expended for work with organizations that actively
18 support energy conservation and energy efficiency, including breakthrough
19 technologies that have the potential to provide significant savings for our
20 customers.

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

23 A. Yes. As shown on Exhibit AMP-1, fiscal 2024 customer activity in the energy efficiency
24 sections of our website was very strong, more than 39 times fiscal 2006, the last full year
25 prior to the implementation of CIP. This includes the activity related to NJNG's
26 SAVEGREEN Marketplace. Through April 2025, customer activity for fiscal 2025 has
27 been strong.

IV. CIP Expenditure Update

Q. DID THE COMPANY HAVE ANY CARRY-OVER FUNDING TO ADD TO THE ANNUAL PROGRAM FUNDING COMMITMENT OF \$700,000 FOR FISCAL 2024?

A. Yes. The fiscal 2024 available budget was approximately \$717,000 because of prior year carryovers. Although NJNG spent approximately \$682,000 on CIP activities in fiscal 2024, the Company had a carryover balance of approximately \$35,000. Accordingly, NJNG has approximately \$735,000 available for fiscal 2025 programs. See Attachment AMP-2, page 2 of 2 for the final summary of expenses and carry-over calculation for fiscal 2025.

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

A. As of May 19, 2025, NJNG recorded expenses of approximately \$467,000 for the 2025 CIP year. A summary of 2025 expenses by category is included as Attachment AMP-2, page 1 of 2.

Q. DOES THE COMPANY EXPECT TO EXPEND THE FULL \$735,000 ON THE CIP PROGRAM THIS FISCAL YEAR?

A. No. It is difficult to project the overall response to programs. However, NJNG expects that there will be a modest carry-over of unspent funds into fiscal 2026 CIP programs. Projected expenses for the remainder of the year are reflected on Attachment AMP-2, page 1 of 2.

V. Prospective CIP Activities and Changes

Q. DOES THE COMPANY HAVE PLANS FOR ADDITIONAL CIP PROGRAMS?

A. Yes. NJNG continues to explore ideas for CIP programs, striving to identify new services and offerings that complement existing programs administered by both NJCEP and NJNG. NJNG continues to brainstorm ideas for new efforts to support its customers.

Q. DOES THIS CONCLUDE YOUR TESTIMONY?

A. Yes. I reserve the right to supplement or amend this testimony prospectively.

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	Fiscal 2024	Fiscal 2025 <i>through April only</i>
Conservation Home	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	8,160	7,918	5,350
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	1,116	776	623
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	2,809	3,627	2,715
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 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	352	337	131
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	461	12	0
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	1,121	721	323
SAVEGREEN, incl. marketplace & microsites					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	300,210	266,053	324,771
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	314,229	279,444	333,913

Note: Fiscal 2025 is performing well. As of April 2025, NJNG is achieving a higher page view rate than the entirety of Fiscal 2024. Fiscal 2024 customer activity in the energy efficiency sections of our website was 39 more times Fiscal 2006, the last full year prior to the implementation of CIP. 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. NJNG has also implemented additional SAVEGREEN microsites which have directed previous traffic from other pages, to these more detailed microsites.

**New Jersey Natural Gas
CIP Expense through May 19, 2025
BPU Docket No. GR25050318**

	Quarter Ending 12/31/24	Quarter Ending 3/31/25	Actual Q3 thru 5/19/25	Est. remaining exp. 9/30/25	Estimated Total Fiscal Year
1 School/Children's Programs	\$50,000	\$79,770	\$0	\$82,260	\$212,030
2 Municipal Programs and EDF Climate Corp Program	\$50,000	\$0	\$0	\$47,000	\$97,000
3 Employees, HVAC Contractors, Realtors and other stakeholders as Champions	\$2,000	\$10,972	\$0	\$5,000	\$17,972
4 Online services and E-tips	\$0	\$0	\$0	\$0	\$0
5 Conservation/energy efficiency online promotion/sweepstakes	\$10,000	\$11,800	\$1,800	\$12,500	\$36,100
6 Direct purchase of energy saving products	\$0	\$0	\$0	\$0	\$0
7 Advertising, events and general outreach costs	\$19,675	\$61,200	\$18,680	\$32,600	\$132,155
8 Other low income/senior focused outreach and initiatives	\$8,670	\$20,000	\$0	\$0	\$28,670
9 Development work (e.g. customer feedback, EE organization memberships)	\$7,000	\$75,802	\$40,000	\$75,000	\$197,802
Total Spent to Date	<u>\$147,345</u>	<u>\$259,543</u>	<u>\$ 60,480</u>		\$467,369
Remaining Estimated Expenses				<u>\$ 254,360</u>	<u>\$254,360</u>
				Total spent	\$ 721,729
				Budget Available for Fiscal 2025 (see page 2 of 2)	\$ 735,383
				Estimated carryover to next year	<u><u>\$13,654</u></u>

*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.

New Jersey Natural Gas
CIP Expense through September 30, 2024
BPU Docket No. GR25050318

	Quarter Ending 12/31/23	Quarter Ending 3/31/24	Quarter Ending 6/30/24	Quarter Ending 9/30/24	Final Fiscal 2024
1 School/Children's Programs	\$51,458	\$73,445	\$0	\$81,000	\$205,903
2 Municipal Programs and EDF Climate Corp Program	\$50,000	\$0	\$46,500	\$0	\$96,500
3 Employees, HVAC Contractors, Realtors and other stakeholders as Champions	\$2,000	\$10,000	\$4,000	\$5,000	\$21,000
4 Online services and E-tips	\$0	\$4,800	\$0	\$0	\$4,800
5 Conservation/energy efficiency online promotion/sweepstakes	\$22,900	\$0	\$0	\$0	\$22,900
6 Direct purchase of energy saving products	\$0	\$0	\$0	\$0	\$0
7 Advertising, events and general outreach costs	\$10,250	\$64,599	\$5,300	\$20,077	\$100,226
8 Other low income/senior focused outreach and initiatives	\$8,870	\$20,000	\$0	\$9,057	\$37,927
9 Development work (e.g. customer feedback, EE organization memberships)	\$32,000	\$86,323	\$0	\$74,000	\$192,323
Total	\$177,478	\$259,167	\$55,800	\$189,134	\$681,578

Funding Commitment for Fiscal 2024 \$ 700,000
Carryover from Fiscal 2023 \$ 16,961

Final carry over to Fiscal 2025 **\$ 35,383**

Funding Commitment for Fiscal 2025 **\$700,000**
Budget Available for Fiscal 2025 **\$735,383**