



September 29, 2020

VIA EMAIL

Honorable Aida Camacho-Welch, Secretary
New Jersey Board of Public Utilities
44 South Clinton Avenue, 9th 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 SOCIETAL
BENEFITS CHARGE FACTORS FOR REMEDIATION YEAR 2020
BPU Docket No. GR20090625

Dear Secretary Camacho-Welch:

Enclosed herewith for filing, please find the petition of New Jersey Natural Gas Company ("NJNG") for the Annual Review and Revision of its Societal Benefits Charge ("SBC") Factors.

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.

Copies of this Petition, including the supporting exhibits and testimonies, also are being served electronically upon the New Jersey Division of Rate Counsel and the Division of Law.

Kindly acknowledge receipt of this filing via return email.

Respectfully submitted,

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

Andrew K. Dembia
Regulatory Affairs Counsel

AKD:sf
Enclosures

C: Service List

**IN THE MATTER OF THE PETITION OF
NEW JERSEY NATURAL GAS COMPANY
FOR THE ANNUAL REVIEW AND REVISION OF
SOCIETAL BENEFITS CHARGE (SBC) FACTORS
FOR REMEDIATION YEAR 2020
DOCKET NO. GR20090625**

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**IN THE MATTER OF THE PETITION OF
NEW JERSEY NATURAL GAS COMPANY
FOR THE ANNUAL REVIEW AND REVISION OF
SOCIETAL BENEFITS CHARGE (SBC) FACTORS
FOR REMEDIATION YEAR 2020
DOCKET NO. GR20090625**

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

IN THE MATTER OF THE PETITION)	
OF NEW JERSEY NATURAL GAS)	PETITION
COMPANY FOR THE ANNUAL REVIEW)	
AND REVISION OF SOCIETAL BENEFITS)	BPU DOCKET NO. GR20090625
CHARGE FACTORS FOR)	
REMEDATION YEAR 2020)	

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

New Jersey Natural Gas Company (“Petitioner”, “NJNG” or the “Company”) hereby requests that the New Jersey Board of Public Utilities (the “Board” or “BPU”) approve, pursuant to N.J.S.A. 48:2-21, the Company’s filing related to its Societal Benefits Charge (“SBC”) factors. The factors included in this filing are the Remediation Adjustment (“RA”) rate, and the New Jersey Clean Energy Program (“NJCEP”) rate. The Company is requesting in this filing that the Board: (1) increase the Company’s per therm after-tax RA rate; (2) increase the NJCEP per therm after-tax rate; and (3) approve the remediation expenditures incurred by the Company through June 30, 2020 (“Remediation Year 2020”), to be effective April 1, 2021, or as of the effective date of the Board Order in this proceeding. These rate changes result in an overall increase of approximately 0.95 percent to the average residential heating customers’ monthly bill.

1. Petitioner 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. Petitioner's principal business office is located at 1415 Wyckoff Road, Wall, New Jersey 07719.

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

Mark G. Kahrer, Vice President - Regulatory Affairs
Andrew K. Dembia, Esq., Regulatory Affairs Counsel
New Jersey Natural Gas Company
1415 Wyckoff Road, P.O. Box 1464
Wall, New Jersey 07719
(732) 938-1214 (M. Kahrer)
(732) 938-1073 (A. Dembia)
MKahrer@njng.com
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3. The SBC was established within the Electric Discount and Energy Competition Act (“EDECA”), N.J.S.A. 48:3-49 et seq., for the recovery by natural gas and electric utilities of costs associated with Manufactured Gas Plant (“MGP”) remediation, consumer education, assistance to low-income customers including the USF, and renewable and energy-efficiency programs now provided through the NJCEP.

4. Pursuant to a Board Order dated March 30, 2001, approving the Stipulation in Docket Nos. GX99030121 and GO99030123 (the “Unbundling Order”), NJNG received approval to implement and assess an SBC as a non-by-passable charge applicable to the Company’s customers.¹

5. This Petition (Exh. P-1) is accompanied and supported by the following Pre-filed Direct Testimonies and Exhibits that are attached hereto and made part of this Petition:

- Exh. P-2 Direct Testimony of George Nicholas – Director – Environmental Services – Remediation Activities
- Exh. P-3 Direct Testimony of James M. Corcoran, NJNG Director-Revenue Requirements – Proposed Revenue Increase for the RA and NJCEP factors
- Exh. P-4 Red-lined NJNG Gas Service Tariff sheets
- Exh. P-5 SBC rate impacts on NJNG's customers
- Exh. P-6 Proposed form of Public Notice

¹ Pursuant to legislation signed into law on January 28, 2011, N.J.S.A. 48:3-60.1, natural gas commodity and delivery service charges for natural gas that is used to generate electricity for resale are not to include SBC charges.

Additional information responsive to the fifteen (15) minimum filing requirements (“MFRs”) for RA filings, approved by the BPU in Docket No. GR04121565, will be provided at a later date under separate cover.

6. As part of the settlement of the Company’s base rate case in BPU Docket No. GR91081383J, and subsequently approved in the Unbundling Order noted above, the Board approved and established the RA clause as the cost recovery method by which the Company is permitted to recover its actual Remediation Costs, on a deferred basis, over a rolling-seven year period. Remediation Costs include all investigation, testing, land acquisition if appropriate, remediation and/or litigation costs and expenses, and other liabilities specifically relating to MGP facility sites, disposal sites, or sites to which material may have migrated, as a result of the earlier operation or decommissioning of MGP sites.

7. On September 23, 2020, in BPU Docket No. QO20080539, the Board established each utility’s level of expenditures for the statewide NJCEP for August 2020 through June 2021. NJNG’s annual funding obligation is \$16.5 million.

8. The Company proposes to increase the current after-tax per therm RA rate of \$0.0145 to \$0.0164 and the current after-tax per therm NJCEP rate of \$0.0213 to \$0.0302. The combined increase of \$0.0108 will increase the overall bill of the residential heating customer who is using 100 therms per month by \$1.08.

9. The Company also requests the approval of the remediation expenditures incurred by the Company for Remediation Year 2020. The Company requests these rates and expenditures be approved effective April 1, 2021, or as of the effective date of the Board Order in this proceeding.

10. Due to the COVID-19 Pandemic, NJNG has electronically served notice and a copy of this filing, together with a copy of the annexed exhibits and supporting schedules 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 exhibits and schedules 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.

11. The Company respectfully requests that this matter be retained by the Board and that a Commissioner be designated as Presiding Officer to set a procedural schedule, rule on Motions, and conduct any evidentiary hearings, if necessary, as expeditiously as possible.

WHEREFORE, NJNG respectfully requests that the Board:

1. Approve as of April 1, 2021, or as of the effective date of the Board Order in this proceeding, NJNG's request to increase its RA Factor;
2. Approve as of April 1, 2021, or as of the effective date of the Board Order in this proceeding, NJNG's request to increase its NJCEP Factor;
3. Approve Remediation Year 2020 costs through June 30, 2020 as just and reasonable;
4. Grant final approval of the Company's proposals included in this Petition;
5. Retain this matter and designate a Commissioner as Presiding Officer to set a procedural schedule, rule on Motions, and conduct any evidentiary hearings, if necessary, as expeditiously as possible; and
6. Grant such other relief, as the Board deems just, reasonable and necessary.

Respectfully submitted,

NEW JERSEY NATURAL GAS COMPANY

By: 

Andrew K. Dembia, Esq.

Date: September 29, 2020

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 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 Schedules and Exhibits attached
thereto, and the matters and things contained therein are true to the best of my knowledge and belief.



Mark G. Kahrer
Vice President, Regulatory Affairs

Sworn and subscribed to
before me this 29th day
of September 2020



ANDREW K. DEMBIA, Esq.
ATTORNEY AT LAW
STATE OF NEW JERSEY

NEW JERSEY NATURAL GAS COMPANY
DIRECT TESTIMONY OF GEORGE NICHOLAS
DIRECTOR OF ENVIRONMENTAL SERVICES

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

3 **A.** My name is George Nicholas. I am the Director - Environmental Services (“ES”)
4 for New Jersey Natural Gas Company (“NJNG” or the “Company”). My business
5 address is 1415 Wyckoff Road, Wall, New Jersey 07719.

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

7 **A.** I have a Bachelor of Science degree in Geology from Richard Stockton College
8 (now Stockton University). In December 2018, I was hired by NJNG as the
9 Director of Environmental Services. Prior to that, I worked for a two-year period
10 with LSRP Consulting LLC in Little Egg Harbor, NJ, as an environmental
11 consultant. During this time, I also worked with the Licensed Site Remediation
12 Professional (“LSRP”) Association as a Training Coordinator, and remain an active
13 member. From July 1989 to December 2016, I worked with the New Jersey
14 Department of Environmental Protection (“NJDEP”). I started as a staff
15 hydrogeologist in the Bureau of Ground Water Pollution Abatement and worked
16 on remediating hazardous waste sites, including several coal gas sites, operating
17 industrial facilities and NJ Superfund sites. In 1999, I was promoted to Supervising
18 Geologist and was asked to represent the NJDEP in a national organization known
19 as the Interstate Technology Regulatory Council (“ITRC”). The ITRC is a non-
20 profit organization focused on promoting the use and acceptance of innovative
21 technologies to clean up hazardous waste sites faster and more cost effectively. I

1 initially served as a Team Leader and I was tasked with evaluating and developing
2 guidance on the use of passive groundwater samplers. In 2004, I was asked to join
3 the Board of Advisors as the Team Leader Liaison and oversaw the work of the 21
4 currently- operating ITRC Technical Teams. I served in that role until 2009 when
5 I was elected to a 3-year term as Co-Chair of the ITRC. As Co-Chair, my
6 responsibilities focused on setting organizational direction and leading the work of
7 the Board. In 2010, because of my experience with the ITRC, NJDEP Assistant
8 Commissioner Kropp asked me to help establish a guidance development process
9 for the NJDEP's Site Remediation Program ("SRP"). I served as the Chairperson
10 for SRP Guidance Development from 2010 to 2016. In 2012, I was asked to join
11 the NJDEP/SRP's training Committee and became Co-Chair of the Training
12 Committee in 2014.

13 **Q. WHAT ARE YOUR PRIMARY DUTIES AND RESPONSIBILITIES AS**
14 **NJNG'S DIRECTOR OF ENVIRONMENTAL SERVICES?**

15 **A.** As the Director of Environmental Services for NJNG, I develop department
16 initiatives and strategies in support of corporate policies to ensure we are aligned
17 with our commitment to environmental responsibility. I provide leadership and
18 direction to my staff to implement and oversee environmental programs, properly
19 manage the remediation of our MGP sites, and to comply with all applicable State,
20 Federal and local environmental laws, regulations and guidance. I develop and
21 manage my department's operating budget, which includes ongoing remedial
22 activities at each of the Company's former manufactured gas plant ("MGP") sites
23 and oversee the preparation of environmental liability cost estimates for external
24 reporting purposes. On behalf of the Company, I participate as a member of trade

1 organizations and discussion forums focused on work related to NJNG operations,
2 and I develop and maintain relationships with state regulators and local
3 stakeholders to establish good working relationships relative to the remediation of
4 the Company's MGP sites. I also negotiate contracts for necessary services, and
5 work with Legal and Purchasing departments to ensure contracts are properly
6 written, cost effective, protective of the Company, and appropriately executed.

7 **Q. HAVE YOU TESTIFIED PREVIOUSLY IN REGULATORY**
8 **PROCEEDINGS?**

9 **A.** Yes. I have submitted testimony on behalf of the Company in its last Societal
10 Benefits Charge ("SBC") proceeding on the Remediation Adjustment ("RA")
11 Factor in Docket No. GR19091314.

12 **Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY IN THIS**
13 **PROCEEDING?**

14 **A.** The purpose of my testimony is to: (1) provide a general overview of the
15 Company's on-going MGP remediation program; (2) identify and describe the
16 general nature and categories of expenses incurred by the Company through June
17 30, 2020 ("Remediation Year 2020"); and (3) provide a brief history of the
18 Company's former MGP sites and report on key developments relating to ongoing
19 remediation activities at those sites.

20 **THE COMPANY'S MGP REMEDIATION PROGRAM**

21 **Q. PLEASE EXPLAIN THE NJDEP'S ROLE IN MGP SITE REMEDIATION.**

22 **A.** The enactment of the Site Remediation Reform Act ("SRRA") in 2009 established
23 the LSRP program which transferred the primary oversight responsibility for
24 environmental investigations and cleanups from the NJDEP to LSRPs. An LSRP

1 is an experienced, private-sector environmental professional, licensed by the State
2 of New Jersey and hired by Responsible Parties (“RPs”) to direct and oversee
3 environmental investigations and remedial actions in accordance with applicable
4 NJ regulations and guidance. The SRRA also established a 26-point code of
5 conduct for LSRPs, with the highest priority being protection of public health,
6 safety, and the environment. The 13-member Site Remediation Professional
7 Licensing Board oversees the issuance of licenses and monitors the conduct and
8 performance of LSRPs.

9 In regard to the remediation of the Company's MGP sites (i.e., Aberdeen, Atlantic
10 Highlands, Berkley, Freehold, Long Branch, Manchester and Toms River), LSRPs
11 oversee all phases of site remediation at all of our MGP sites and ensure the work
12 is conducted in accordance with applicable NJDEP regulations and guidance.
13 When all remedial obligations have been met, the LSRP will issue the final
14 remediation document for the site known as a "Response Action Outcome"
15 ("RAO"). Once issued, the NJDEP has three years to audit the LSRP's work. If
16 during this audit the RAO is determined to be deficient in protecting human health
17 and the environment, the NJDEP may invalidate the document; otherwise the RAO
18 is considered final upon issuance.

19 **Q. PLEASE DESCRIBE THE COMPANY'S MGP REMEDIATION**
20 **STRATEGY AND YOUR SPECIFIC ROLE IN EFFECTIVELY**
21 **IMPLEMENTING THAT STRATEGY.**

22 **A.** The Company's main focus is the protection of human health and the environment.
23 Our remediation strategy includes conventional and innovative engineering
24 approaches and business solutions to cost-effectively investigate, remediate and

1 manage long-term environmental liabilities at the Company's former MGP
2 properties. NJNG is committed to ensuring that expenditures are for remediating
3 MGP-related impact only and not associated with non-MGP related contamination,
4 such as vehicle exhaust, industrial air emissions, discharges from other properties
5 and storm water runoff. As part of this approach, the Company seeks to separate
6 MGP related soil/sediment impacts from non-MGP impacts to avoid the cost of
7 remediating contamination from unrelated sources.

8 I am responsible for overseeing all aspects of the Company's MGP remediation
9 program, which includes former MGP sites, disposal sites, or sites to which MGP
10 material may have migrated as a result of the operation or decommissioning of the
11 MGP facilities ("Remediation Costs"). I ensure compliance with all applicable
12 State, Federal and local environmental regulations. I track and monitor costs,
13 including but not limited to, those costs associated with remedial investigations,
14 testing, land acquisition, remedial action and/or other liabilities. I secure the
15 necessary resources to ensure the MGP remediation program functions effectively
16 and direct the work of my staff to encourage remedial progress.

17
18 **THE GENERAL NATURE AND CATEGORIES OF REMEDIATION COSTS**

19 **Q. PLEASE DESCRIBE THE NATURE AND CATEGORIES OF THE**
20 **REMEDATION COSTS THE COMPANY INCURRED DURING**
21 **REMEDATION YEAR 2020 IN CONNECTION WITH IMPLEMENTING**
22 **AND MANAGING ITS MGP PROGRAM.**

23 **A.** The costs the Company incurred to implement and manage its MGP program during
24 Remediation Year 2020 include costs for the following: outside consulting and

1 engineering services; outside legal services; community outreach; analytical
2 laboratory work; construction services (including construction management);
3 health and safety activities; air monitoring and soil sampling; a variety of ancillary
4 support services and incremental internal labor directly associated with MGP
5 activities. Third-party services provided to the Company in connection with MGP-
6 related activities (such as project management and engineering support services,
7 and contractors who provide physical remediation services) are competitively bid
8 through NJNG's contractor procurement procedures.

9
10 **BACKGROUND AND CURRENT STATUS OF REMEDIATION EFFORTS**

11 **AT NJNG's MGP SITES**

12 **Q. PLEASE PROVIDE A BRIEF BACKGROUND OF THE ATLANTIC**
13 **HIGHLANDS SITE.**

14 **A.** The Atlantic Highlands site was first occupied in 1910 by the Atlantic Highlands
15 Gas Company ("AHGC"). In 1913, AHGC was merged with and consolidated into
16 Standard Gas Company ("SGC"), which had previously acquired the assets of the
17 Matawan & Keyport Gas Light Co. (a.k.a. Aberdeen) in 1899, and the Freehold
18 Gas Light Company in 1916. In the early 1920s, SGC was placed into receivership
19 and in 1922 was purchased and reorganized into a new entity known as County Gas
20 Company ("CGC"). In 1929, Public Service Corporation of NJ acquired CGC and
21 in 1948, a group of investors bought CGC from Public Service Corp. of NJ. In
22 1952, when CGC acquired the gas assets of JCP&L, CGC became New Jersey
23 Natural Gas Company. The Atlantic Highlands site operated as a carbureted water
24 gas manufacturing facility from 1910 until 1949, when manufacturing operations

1 were discontinued. Coal and coke were used as feedstock to produce the carbureted
2 water gas. Demolition activities at this site were completed around 1981. NJNG
3 currently uses the Atlantic Highlands site as an Energy Delivery Operations
4 Division Service Center.

5 **Q. PLEASE SUMMARIZE THE KEY EVENTS THAT OCCURRED DURING**
6 **REMEDATION YEAR 2020 IN CONNECTION WITH MGP**
7 **REMEDATION ACTIVITIES AT THE ATLANTIC HIGHLANDS SITE.**

8 **A.** The key 2020 events for the Atlantic Highlands site include:

9 NJNG completed the inspections/engineering control maintenance and submitted
10 the required Biennial Certifications for each restricted-use soil remedy property.

11 NJNG completed an extensive permit application process and prepared bid
12 specifications to allow for the selection of a contractor to perform the soil
13 remediation work at properties between West Highland and Center Avenues.

14 NJNG has decided to sell one of the three commercial parcels purchased to allow a
15 restricted-use soil remedy to be performed.

16 Work is ongoing in this regard.

17 **Q. WHAT IS THE STATUS OF THE REMEDIATION WORK UNDERWAY**
18 **AT THE ATLANTIC HIGHLANDS SITE?**

19 **A.** Remediation work currently underway includes:

20 NJNG continues to operate and maintain the long-term ground water treatment
21 system to ensure the required control/containment of the groundwater impact area.

22 NJNG continues discussions with the property owner to implement the remediation

1 work at the Julian Ice (AOC-3) property. NJNG continues to recover free-product
2 at the AOC-1, AOC-1F, and AOC-2 properties.

3 Preparations are being made for the next phase of remediation between West
4 Highland and Center Avenues.

5
6 **Q. WHAT ARE THE NEXT STEPS REGARDING FUTURE REMEDIATION**
7 **AT THE ATLANTIC HIGHLANDS SITE?**

8 **A.** NJNG will begin the soil remediation work at the West Highland to Center Avenue
9 properties. NJNG will seek to obtain the necessary approvals/permission to begin
10 the excavation (soil remediation) in the vicinity/beneath the active Monmouth
11 County Bayshore Outfall Authority ("MCBOA") sewer pipeline.

12 **Q. PLEASE PROVIDE A BRIEF BACKGROUND OF THE LONG BRANCH**
13 **SITE.**

14 **A.** The Long Branch site first operated as a gas manufacturing facility for the Long
15 Branch Gas and Light Company ("LBGLC") from approximately 1860-1870. In
16 1895, LBGLC merged into Consolidated Gas Companies. The site was purchased
17 and operated by Jersey Central Power & Light Company ("JCP&L") from 1925
18 until 1952 and was included in the sale of all JCP&L gas operations to NJNG in
19 1952. Although exact information is not available, it is likely that either carbureted
20 water or oil gas was manufactured at this site. All manufacturing operations ceased
21 in 1961. A portion of the former site was leased to the City of Long Branch from
22 1966 until 1976 for use as a park and, in 1976, NJNG donated the property to the
23 City of Long Branch. Demolition of plant-related structures was completed around
24 1983. At that time, another portion of the site was sold to private parties. The

1 demolition of several plant structures on that portion of the site was completed in
2 1991. Numerous investigation activities, multiple phases of on- and offsite-soil
3 remedial excavation, creek cleanup and restoration activities were completed
4 through 2015.

5 **Q. PLEASE SUMMARIZE THE KEY EVENTS THAT OCCURRED DURING**
6 **REMEDATION YEAR 2020 IN CONNECTION WITH MGP**
7 **REMEDATION ACTIVITIES AT THE LONG BRANCH SITE.**

8 **A.** Key 2020 activities undertaken include:

9 Work continued on the final design and Remedial Action Work Plan for the onsite
10 groundwater remedy. A Land Use Regulation Permit (“LURP”) application for the
11 site’s final groundwater remedy was prepared and will be submitted to the NJDEP.
12 Semi-annual soil cap inspections and groundwater sampling were performed in
13 accordance with the NJDEP requirements. A Classification Exception Area
14 (“CEA”) was prepared and submitted to the NJDEP for approval. An access
15 agreement was negotiated with the City of Long Branch for remedial construction
16 and restoration activities in Jerry Morgan Park. Heavy vegetation was cleared and
17 litter collected along the site perimeter fence line. Twelve biennial certification
18 reports were prepared for areas of concern that have soil remedial action permits.

19 **Q. WHAT IS THE STATUS OF THE REMEDIATION WORK UNDERWAY**
20 **AT THE LONG BRANCH SITE?**

21 **A.** NJNG continues to prepare for the implementation of the site’s final groundwater
22 remedy. This includes finalizing all design documents, work plans, and permits
23 required to support remedial construction activities. Semi-annual soil cap

1 inspections and groundwater monitoring continue in accordance with the NJDEP
2 requirements.

3 **Q. WHAT ARE THE NEXT STEPS REGARDING FUTURE REMEDIATION**
4 **AT THE LONG BRANCH SITE?**

5 **A.** Next steps include implementing the final ground water remedy at the site, which
6 includes extensive construction activities related to the installation of the deep
7 perimeter containment wall. Ground water monitoring activities will continue and
8 biennial certification reports will be prepared, as required by the NJDEP.

9
10 **Q. PLEASE PROVIDE A BRIEF BACKGROUND OF THE FREEHOLD SITE.**

11 **A.** In 1857, the Freehold Gas and Light Company incorporated and began operations
12 in Freehold Borough. In 1916, the Freehold Gas and Light Company merged with
13 Standard Gas Company (“SGC”), shut down gas manufacturing operations, and
14 began receiving gas piped from the Atlantic Highlands MGP. In the early 1920s,
15 SGC was placed into receivership; in 1922, it was purchased and reorganized into
16 a new entity known as County Gas Company (“CGC”). In 1929, Public Service
17 Corporation of NJ acquired CGC and in 1948, a group of investors bought CGC
18 from Public Service Corp. of NJ. In 1952, CGC became New Jersey Natural Gas
19 Company. In November 2017, a NJDEP representative contacted NJNG and
20 reported that a third-party LSRP doing work in the Borough of Freehold discovered
21 a MGP site on a historic Sanborn Fire Insurance map. Since the historic map
22 indicated the Freehold site received gas from the Atlantic Highlands MGP, the
23 NJDEP asked if NJNG had a link to one or both of those sites. After an initial

1 investigation, NJNG discovered the operational history described above and that
2 MGP operations at the Freehold former MGP ceased in 1916.

3 **Q. PLEASE SUMMARIZE THE KEY EVENTS THAT OCCURRED DURING**
4 **REMEDATION YEAR 2020 IN CONNECTION WITH MGP**
5 **REMEDATION ACTIVITIES AT THE FREEHOLD SITE.**

6 **A.** NJNG continued site investigation activities and finalized the Preliminary
7 Assessment/Site Investigation (“PA/SI”) report, which was submitted to the
8 NJDEP within required timeframes. NJNG then began to plan the next phase of
9 environmental investigation, referred to as the “Remedial Investigation”. As part
10 of this, a confirmatory round of groundwater samples was collected, and the
11 boundaries of three properties comprising the site were surveyed to more accurately
12 locate sampling points and determine the need for off-site property access. In
13 accordance with the NJDEP’s Public Notification requirements, a sign was posted
14 at the site and the proper notifications were made to the Borough of Freehold and
15 the NJDEP.

16 **Q. WHAT IS THE STATUS OF THE REMEDIATION WORK UNDERWAY**
17 **AT THE FREEHOLD SITE?**

18 **A.** The PA/SI report was submitted to the NJDEP. Based on the results of the PA/SI,
19 additional investigation is required. NJNG is currently preparing to implement
20 field activities associated with the next phase of investigation referred to as the
21 Remedial Investigation (“RI”).

22 **Q. WHAT ARE THE NEXT STEPS REGARDING FUTURE REMEDIATION**
23 **AT THE FREEHOLD SITE?**

1 **A.** The next steps regarding future remediation involve completion and submission of
2 the RI Report to NJDEP. Based on the results of the RI Report, additional
3 investigative work may be required, or it may be determined that adequate
4 information exists to select a remedial action.

5 **Q. PLEASE PROVIDE A BRIEF BACKGROUND OF THE ABERDEEN MGP**
6 **SITE.**

7 **A.** After conducting research on the nature of the Freehold site, NJNG continued its
8 investigation into the operations of the former SGC from which NJNG's
9 predecessor CGC, purchased assets in 1922. NJNG discovered that as part of
10 SGC's operations, a former MGP known as the Matawan & Keyport Gas Light Co.
11 operated in Aberdeen, N.J (a.k.a. Aberdeen MGP). The Aberdeen MGP ceased
12 operations in 1910 when the Atlantic Highlands MGP was brought online and
13 began to supply gas to the Aberdeen site. NJNG contacted the NJDEP to discuss
14 the Aberdeen former MGP, and reached an agreement that NJNG would proceed
15 in performing PA/SI.

16 **Q. PLEASE SUMMARIZE THE KEY EVENTS THAT OCCURRED DURING**
17 **REMEDATION YEAR 2020 IN CONNECTION WITH MGP**
18 **REMEDATION ACTIVITIES AT THE ABERDEEN SITE.**

19 **A.** NJNG implemented the required Site Investigation ("SI") field activities and found
20 MGP impacts to be present at the property. Work continues to complete site
21 investigation field activities required to finalize the Preliminary Investigation/Site

1 Investigation Report and submit to the NJDEP within the required remedial
2 timeframe. This includes performing a vapor intrusion investigation.

3 **Q. WHAT IS THE STATUS OF THE REMEDIATION WORK UNDERWAY**
4 **AT THE ABERDEEN SITE?**

5 **A.** The site is currently in the PA/SI phase of investigation. Due to the detection of
6 MGP related materials, additional investigative work is required as part of the
7 PA/SI investigation. This work is currently being performed.

8 **Q. WHAT ARE THE NEXT STEPS REGARDING FUTURE REMEDIATION**
9 **AT THE ABERDEEN SITE?**

10 **A.** The next steps include completing the PA/SI Report and submitting it to the NJDEP
11 within required remedial timeframes. Based on the results of the PA/SI, it will be
12 determined if additional investigative work is required.

13 **Q. PLEASE PROVIDE A BRIEF BACKGROUND OF THE MANCHESTER**
14 **SITE.**

15 **A.** As a result of the dismantling of the Company's Long Branch and Atlantic
16 Highlands plants in the mid-1970s, materials were delivered to an asphalt recycling
17 facility identified as South Brunswick Asphalt ("SBA"). SBA operated in three
18 locations, including Berkeley Township and Manchester Township.

19 **Q. PLEASE SUMMARIZE THE KEY EVENTS THAT OCCURRED DURING**
20 **REMEDATION YEAR 2020 IN CONNECTION WITH MGP**
21 **REMEDATION ACTIVITIES AT THE MANCHESTER SITE.**

22 Monitoring of remaining groundwater impacts from the former coal tar soil pile
23 were conducted in accordance with the semi-annual groundwater sampling

1 schedule included in the Classification Exception Area for the site. Work also
2 continued on the preparation of a Groundwater Remedial Action Work Plan, which
3 will propose a Monitored Natural Attenuation (“MNA”) groundwater remedy.
4 Potential impacts from a proposed property redevelopment continue to be evaluated
5 in relation to the site’s existing monitoring well network.

6 **Q. WHAT IS THE STATUS OF THE REMEDIATION WORK UNDERWAY**
7 **AT THE MANCHESTER SITE?**

8 The remediation of the site is in the Remedial Action phase, which consists of
9 additional groundwater monitoring of remedial progress, and to support the
10 selection of a natural attenuation ground water remedy.

11 **Q. WHAT ARE THE NEXT STEPS REGARDING FUTURE REMEDIATION**
12 **AT THE MANCHESTER SITE?**

13 **A.** Next steps include continued groundwater monitoring and preparation of a
14 groundwater Remedial Action Report. If groundwater impacts continue to exceed
15 the NJDEP Groundwater Quality Standards, a groundwater remedial action permit
16 will also be prepared.

17 **Q. PLEASE PROVIDE A BRIEF BACKGROUND OF THE TOMS RIVER**
18 **SITE.**

19 **A.** The Toms River site was operated as a coal gas plant from approximately 1900 to
20 1911 by the Toms River and Island Heights Electric and Power Company. The site
21 was sold to the Ocean County Gas Company in 1911 and operated by them until
22 1928 when the site was purchased by JCP&L. Gas manufacturing operations
23 ceased in 1950. Although exact information is not available, it is likely that either
24 carbureted water or oil gas was manufactured at the Toms River site. This site was

1 included in the sale of all JCP&L gas operations to NJNG in 1952. Demolition
2 activities at this site were completed around 1975. From 1952 until 1989, NJNG
3 used this site as an Energy Delivery Operations Division Service Center but ceased
4 operations at the site in 1989 when the Company relocated the Division Offices.
5 This cessation of operations triggered the Environmental Cleanup Responsibility
6 Act (“ECRA”), requiring the submittal of an Initial Notice to the NJDEP.

7 **Q. PLEASE SUMMARIZE THE KEY EVENTS THAT OCCURRED DURING**
8 **REMEDATION YEAR 2020 IN CONNECTION WITH MGP**
9 **REMEDATION ACTIVITIES AT THE TOMS RIVER SITE.**

10 **A.** The key 2020 events for the Toms River Site include:

11 NJNG completed the final soil remediation work at the AOC-1 properties,
12 including the dismantling of the former Toms River Regulator Station and the In-
13 Situ Stabilization (“ISS”) and excavation work beneath the Toms River Regulator
14 Station.

15 NJNG completed the Remedial Action Work Plan (“RAWP”) and remedial design
16 (plans and specifications) documents for the soil remediation work at the AOC-5
17 (former Toms River Plumbing Supply) property. NJNG obtained property owner
18 consent to perform a restricted-use remedy at the AOC-6 (Herflicker Blvd) and
19 AOC-7 (83 Iron Street) properties.

20 **Q. WHAT IS THE STATUS OF THE REMEDIATION WORK UNDERWAY**
21 **AT THE TOMS RIVER SITE?**

22 **A.** NJNG continues efforts to obtain the necessary permits for the soil remediation
23 work at the AOC-5 (former Toms River Plumbing Supply) property.

1 NJNG continues periodic groundwater sampling events.

2 **Q. WHAT ARE THE NEXT STEPS REGARDING FUTURE REMEDIATION**
3 **AT THE TOMS RIVER SITE?**

4 **A.** NJNG will initiate free-product monitoring/recovery at the AOC-1 property.
5 NJNG will hire a contractor for the soil remediation work at the AOC-5 (former
6 Toms River Plumbing Supply) property. NJNG will prepare the RAWP and
7 remediation design (plans and specifications) documents for the soil remediation at
8 the AOC-6 (Herflicker Blvd) property.

9 **Q. PLEASE PROVIDE A BRIEF BACKGROUND OF THE BERKELEY SITE.**

10 **A.** The Berkeley MGP site has been identified as a MGP location as a result of coal
11 tar material disposal from the Long Branch and Atlantic Highlands MGP facilities
12 in the late 1970s and 1980s.

13 **Q. WHAT IS THE STATUS OF THE REMEDIATION WORK UNDERWAY**
14 **AT THE BERKELEY MGP SITE?**

15 **A.** There is no activity underway at the Berkeley property since NJNG is not
16 considered the Person Responsible for Conducting the Remediation (“PRCR”), and
17 the Company has not had any recent communication with the property owner.
18 Pursuant to NJDEP regulations, any person who executes or is otherwise subject to
19 a memorandum of agreement, memorandum of understanding, administrative
20 consent order, remediation agreement, or administrative order to remediate a
21 contaminated site is considered the PRCR. Thus, without the property owner’s
22 consent, which has not been forthcoming, the Company is unable to initiate or
23 conduct remediation activities at this time. However, the Company will continue
24 efforts to obtain the property owner’s consent.

1 **Q. WHAT ARE NATURAL RESOURCE DAMAGES?**

2 **A.** The term Natural Resource Damages (“NRD”) refers to claims that arise from
3 alleged releases of hazardous substances that have resulted in injuries to natural
4 resources (such as loss or impairment of ecological function) or the deprivation of
5 natural resource services (such as water supply, recreation or ecological services)
6 with respect to resources owned by, managed by, or otherwise within the
7 trusteeship or co-trusteeship of the State of New Jersey.

8 **Q. HAVE ANY FORMAL NRD CLAIMS BEEN MADE OR FILED AGAINST**
9 **THE COMPANY?**

10 **A.** To date, no formal NRD claims have been filed against the Company by the
11 NJDEP. However, a separate Environmental Justice (“EJ”) petition filed on behalf
12 of the Concerned Citizens Coalition in Long Branch includes NRD claims. The EJ
13 petition is active and being enforced by the NJDEP. The NJDEP has stated that
14 they will explore Long Branch-related NRD claims upon the completion of
15 remediation activities in Long Branch. NJNG anticipates that NRD claims may
16 also be filed for each of its MGP sites since there are potential groundwater impacts
17 at each location. NJNG cannot predict whether the NJDEP will impose additional
18 or modified remediation-related requirements in the future. Subject to that caveat,
19 NJNG is not currently aware of any material events relating to NJDEP directives,
20 or otherwise, which could have an impact on the Company’s NRD liability. As a
21 result of prior settlement discussions with BPU Staff and Rate Counsel, no NRD
22 expenses have been included for recovery in this filing.

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

24 **A.** Yes.

NEW JERSEY NATURAL GAS COMPANY
DIRECT TESTIMONY OF JAMES M. CORCORAN
DIRECTOR - REVENUE REQUIREMENTS

1 **Q. PLEASE STATE YOUR NAME, CURRENT POSITION AND BUSINESS**
2 **ADDRESS?**

3 **A.** My name is James M. Corcoran and I am the Director – Revenue Requirements for
4 New Jersey Natural Gas Company (“NJNG” or the “Company”). My business
5 address is 1415 Wyckoff Road, Wall, New Jersey 07719.

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

7 **A.** As Director - Revenue Requirements, I perform the calculation of revenue
8 requirements for NJNG’s base rates as well as cost recovery riders.
9 I received a Bachelor of Science degree in Accounting from Seton Hall University.
10 In May 2010, I received a Master’s of Business Administration - Finance from
11 Seton Hall University. I was employed by the State of New Jersey – Board of
12 Public Utilities (“BPU” or “Board”) beginning in July 1986 as an Accountant-
13 Trainee and over a twenty-year career moved into various Analyst positions of
14 increased responsibility. In March 2007, I accepted a Senior Regulatory Analyst
15 position at Public Service Electric and Gas Company with responsibilities that
16 included preparing the requisite testimony and financial schedules for various rate
17 recovery mechanisms. In August 2007, I was promoted to the position of Principal
18 Staff Regulatory Analyst and, in August 2011, I was promoted to the position of
19 Revenue Requirements Manager.
20 I joined the Company in July 2014 as the Manager – Revenue Requirements. In
21 January 2018, I was promoted to the position of Director - Revenue Requirements.
22 My responsibilities include supporting the Regulatory Affairs department with the
23 preparation of testimony regarding all rate recovery matters. I also participate on
24 behalf of NJNG in the New Jersey Resources financial reporting committee.

25

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

3 **A.** Yes. I have submitted Direct and Supplemental Testimony before the Board in
4 NJNG's 2018 and 2015 base rate cases. I have also submitted Direct Testimony
5 before the Board in the following petitions: Base rate cases (BPU Docket No.
6 GR19030420 and BPU Docket No. GR15111304); the Company's Infrastructure
7 Investment Program (BPU Docket No. GR19020278) 2019 Infrastructure
8 Investment Program (BPU Docket No. GR19020278); SAVEGREEN 2020 (BPU
9 Docket No. Pending;) SAVEGREEN 2018 (BPU Docket No. GO18030355); NJ
10 Reinvestment in System Enhancement (BPU Docket No. GR15050638) and the
11 most recent Annual Review and Revision of Societal Benefits Charge ("SBC")
12 (BPU Docket No. GR17111182). In addition, I have provided testimony on behalf
13 of PSEG Power, LLC in a rate matter proceeding before the Connecticut Public
14 Utilities Regulatory Authority in PURA Docket No. 12-07-17.

15 **Q. WHAT ARE YOUR RESPONSIBILITIES WITH RESPECT TO THIS**
16 **PROCEEDING?**

17 **A.** I am responsible for: 1) supporting the schedules contained in the Company's SBC
18 filing, including the Remediation Adjustment ("RA") component of the SBC,
19 which sets forth and summarizes actual remediation expenditures incurred by the
20 Company through June 2020 ("Remediation Year 2020") for the remediation at
21 former NJNG manufactured gas plant ("MGP") sites; 2) supporting the interest
22 calculation on unrecovered deferred MGP expenditure balances; 3) calculating the
23 proposed RA factor necessary to recover the MGP expenditure balance, including
24 interest; 4) addressing the rates for the other clauses within the SBC, including the
25 New Jersey Clean Energy Program ("NJCEP") and the Universal Service Fund
26 ("USF"). In this SBC filing, NJNG is petitioning the Board: (1) for approval of the
27 RA expenditures Remediation Year 2020 as prudent and reasonable; (2) to increase
28 the after-tax RA rate of \$0.0145 per therm to \$0.0164 per therm; and (3) to increase
29 the after-tax NJCEP rate from \$0.0213 per therm to \$0.0302 per therm, effective
30 April 1, 2021, or as of the date of a Board Order in this proceeding approving these
31 proposed rates.

I. HISTORY OF NJNG'S REMEDIATION ADJUSTMENT CLAUSE

Q. PLEASE DESCRIBE THE HISTORY OF NJNG'S REMEDIATION ADJUSTMENT CLAUSE.

A. As part of the settlement of the Company's base rate case filing in Docket No. GR91081383J, NJNG was authorized in June 1992 to recover Remediation Costs on a deferred basis, over a rolling seven-year period and subject to BPU approval. As defined in the Company's BPU-approved tariff, "Remediation Costs" include costs associated with all investigation, testing, land acquisition if appropriate, remediation and/or litigation costs and expenses, or other liabilities, excluding personal injury claims, specifically relating to former MGP facility sites, disposal sites, or sites to which material may have migrated, as a result of the earlier operation or decommissioning of MGP sites. Examples of Remediation Costs the Company has previously included for recovery in SBC filings include: soil disposal and replacement, installation and maintenance of long-term groundwater treatment facilities, estuary development, site engineering and construction, consulting, community outreach, legal expenses and certain incremental payroll costs directly relating to the remediation of former MGP sites, disposal sites, or sites to which material may have migrated since operation of these MGP sites. Based on the above settlement, the total annual charge for such Remediation Costs during any Recovery Year is not permitted to exceed five percent of the Company's total revenues from natural gas sales during the preceding Remediation Year (July through the following June).

Q. HOW IS THE NJNG RA FACTOR CURRENTLY DERIVED AND CALCULATED?

A. The Company is currently authorized by the BPU to calculate its RA factor using a methodology that permits the Company to recover one-seventh of the actual Remediation Costs the Company incurs each Remediation Year, until fully amortized, plus any prior year Remediation Cost under- or over-recoveries net of any accumulated deferred third-party recoverable costs. In addition, pursuant to the BPU's "Order Adopting Initial Decision and Stipulation" dated October 5, 2004 in Docket No. GR03030200, the Company is required to calculate and is permitted to recover monthly carrying costs on its unamortized MGP expenditure balances

1 using the methodology set forth on Original Sheet No. 164 dated October 1, 2016
2 of the Company's Tariff. The referenced methodology provides, in pertinent part,
3 that the Company shall calculate carrying costs on any under- or over-recovered
4 RA cost balances, net of the deferred income taxes associated with those balances,
5 using the same interest rate, which rate will be adjusted each August 31 based upon
6 the seven-year constant maturity Treasury rate, shown in the Federal Reserve
7 Statistical Release, plus 60 basis points. Interest applicable to the Company's
8 unamortized RA balance shall be calculated and will accrue on a monthly basis and
9 shall be rolled into the RA balance commencing each October 1. The impact and
10 effect of this carrying cost methodology is set forth in Attachment A, Schedule 5,
11 addressed in further detail below.
12

13 **II. DESCRIPTION OF SUPPORTING RA SCHEDULES**

14 **Q. PLEASE PROVIDE A BRIEF EXPLANATION OF ATTACHMENT A,**
15 **SCHEDULES 1 THROUGH 5, WHICH SUPPORT THE COMPANY'S**
16 **PROPOSED REMEDIATION ADJUSTMENT IN THIS FILING.**

17 **A. Schedule 1 – Summary of Site Expenses for Remediation Year 2020.**

18 Schedule 1 provides a summary of actual RA expenditures, by MGP site and cost
19 category, of approximately \$10.99 million for the Remediation Year 2020. A
20 summary of actual MGP expenses by vendor for Remediation Year will be
21 provided subsequently in the Minimum Filing Requirements ("MFRs").

22 **Schedule 2 – Amortization of Recoverable Costs**

23 Schedule 2 provides the amortization calculation and recognizes the applicable
24 seven-year recovery period for the year end periods June 2014 – June 2020. The
25 actual expenditures to be recovered for Remediation Years ended June 30, 2014
26 through June 30, 2020 is approximately \$68.04 million in total, and one-seventh of
27 the cost is approximately \$9.72 million.

Schedule 3 - Remediation Adjustment Factor

Schedule 3 provides the calculation of the pre-tax and after-tax RA Factor for the 2019/2020 Recovery Year. The amount to be recovered is the sum of the following:

(1) The Remediation Year amortizations from year end periods June 2014 - June 2020 of approximately \$9.719 million, per Schedule 2; plus

(2) A reconciliation amount that is comprised of the total under-recovery through March 31, 2020 and expected recovery through March 31, 2021 of approximately \$0.849 million; plus

(3) Interest of approximately \$0.521 million from Schedule 5.

(4) The resulting net total amount of \$11.09 million to be recovered is then divided by the projected therm sales of natural gas for the twelve months ending March 31, 2022 which yields a pre-tax RA factor of \$0.0154 per therm (\$0.0164 per therm after-tax). As a result of the above calculations shown on Attachment A, Schedule 3, NJNG is proposing to increase the current after-tax RA Factor of \$0.0145 per therm to \$0.0164 per therm.

Schedule 4 - Annual Cap Calculation

Schedule 4 calculates the limitation on the annual recovery of NJNG's remediation costs. The Company's total annual amortization to be collected from customers during a prospective Recovery Year may not exceed 5 percent of the Company's total gas revenues collected from customers during the preceding Remediation Year. Schedule 4 shows that the total amount of approximately \$11.09 million projected to be recovered is less than the five percent revenue cap of approximately \$32.80 million based on the \$655.91 million in gas revenues for Remediation Year 2020.

Schedule 5 – Remediation Interest Calculation

Schedule 5 calculates interest for the period beginning October 2019 and ending September 2020 on the Company's monthly average balance of deferred remediation costs using the methodology approved by the Board in Docket No. GR09010076, dated April 28, 2010. The October 31, 2019 deferred balance includes interest that has been rolled-in from Remediation Year 2019. The column

on Schedule 5 labeled “Net of Tax” reflects the offset of deferred taxes based on the above-mentioned Board approved methodology. The Company will, effective September 1, 2020, modify the SBC annual interest rate pursuant to the Board Order.

Q. WHAT IS THE PROPOSED AFTER-TAX RA FACTOR FOR THIS FILING?

A. As shown on Attachment A, Schedule 3, the Company is proposing to increase the current after-tax RA Factor from \$0.0145 per therm to \$0.0164 per therm, effective April 1, 2021 or as of the date of a Board Order in this proceeding.

III. OTHER SBC COMPONENTS

Q. PLEASE EXPLAIN NJNG’S NEW JERSEY CLEAN ENERGY PROGRAM FUNDING OBLIGATION.

A. Annually, the BPU issues an order to update NJNG’s NJCEP funding obligations, and the Company must provide the approved level of NJCEP funding to the State Treasurer regardless of actual customer usage. Any shortfall or excess in recovery is carried in the Company’s NJCEP deferred account balance to be included in the future year’s rate calculations. Attachment B includes the monthly NJCEP funding obligation for August 2020 through June 2021 based on the approved funding obligation in the BPU Order, dated September 23, 2020 in Docket No. QO20080539. NJNG’s annual funding obligation is \$16.5 million. Attachment B also includes estimated NJCEP recovery through March 2021 in order to determine the amount to be recovered from April 2021 through March 2022.

Q. WHAT IS THE PROPOSED AFTER-TAX NJCEP FACTOR FOR THIS FILING?

A. The Company proposes to increase its after-tax NJCEP Factor of \$0.0213 per therm to \$0.0302 per therm effective April 1, 2021 or as the date of a Board Order in this proceeding. The proposed rate recovers estimated NJCEP funding levels through March 2022. Supporting documentation for this factor is presented in Attachment B.

1 **Q. WHAT IS THE AFTER-TAX NJCEP FACTOR FOR THIS FILING?**

2 **A.** The after-tax USF factor included in this SBC filing is \$0.0116 per therm. This
3 statewide USF factor was approved to be effective October 1, 2020 in the Board's
4 September 23, 2020 Order in Docket No. ER20060392.

5 **IV. OVERALL PROPOSED PRICE CHANGES**

6 **Q. WHAT IS THE PROPOSED AFTER-TAX SBC BILLING FACTOR FOR**
7 **THIS SBC FILING AND THE IMPACT ON CUSTOMERS?**

8 **A.** The Company is proposing to increase its after-tax RA rate from \$0.0145 to
9 \$0.0164 per therm and after-tax NJCEP rate from \$0.0213 to \$0.0302 per therm
10 effective April 1, 2021 or as of the date of a Board Order in this proceeding. This
11 results in a proposed overall SBC after- tax rate, (inclusive of the USF, RA, and
12 NJCEP) of \$0.0582 per therm. The proposed RA and NJCEP rates will result in an
13 overall increase of approximately 0.95 percent to the average residential heating
14 customer's monthly bill.

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

16 **A.** Yes.

NEW JERSEY NATURAL GAS COMPANY
SOCIETAL BENEFITS CHARGE (SBC)
REMEDATION ADJUSTMENT RIDER
REMEDATION YEAR 2020

SUMMARY OF SITE EXPENSES
July 2019 - June 2020

LINE NO.	SITE	CONSULTING	REMEDATION	LEGAL	OTHER	TOTAL REMEDATION EXPENSES	THIRD PARTY EXPENSES	RECOVERY COST
1	Aberdeen	\$26,336.63	\$69,642.55	\$1,293.40	\$450.00	\$97,722.58	\$0.00	\$97,722.58
2	Atlantic Highlands	\$638,048.97	\$573,861.74	\$253,214.96	(\$98,120.18)	\$1,367,005.49	\$0.00	\$1,367,005.49
3	Berkeley	\$2,371.02	\$17,287.61	\$1,803.38	\$450.00	\$21,912.01	\$0.00	\$21,912.01
4	Freehold	\$376,573.23	\$55,104.15	\$1,632.68	\$1,150.64	\$434,460.70	\$0.00	\$434,460.70
5	Long Branch	\$391,875.94	\$189,184.72	\$1,250.88	\$85,796.82	\$668,108.36	\$0.00	\$668,108.36
6	Manchester	\$26,039.22	\$26,096.42	\$1,250.88	\$450.00	\$53,836.52	\$0.00	\$53,836.52
7	Toms River	<u>\$1,247,872.05</u>	<u>\$6,283,645.24</u>	<u>\$892,063.75</u>	<u>(\$79,715.51)</u>	<u>\$8,343,865.53</u>	<u>\$0.00</u>	<u>\$8,343,865.53</u>
	TOTALS	<u>\$2,709,117.06</u>	<u>\$7,214,822.43</u>	<u>\$1,152,509.93</u>	<u>(\$89,538.23)</u>	<u>\$10,986,911.19</u>	<u>\$0.00</u>	<u>\$10,986,911.19</u>

NEW JERSEY NATURAL GAS COMPANY
SOCIETAL BENEFITS CHARGE (SBC)
REMEDATION ADJUSTMENT RIDER
REMEDATION YEAR 2020

COSTS ELIGIBLE FOR AMORTIZATION & RECOVERY OVER 7 YEARS:

Actual Expenditures

<u>TOTAL</u>	<u>YE 6/30/2020</u>	<u>YE 6/30/2019</u>	<u>YE 6/30/2018</u>	<u>YE 6/30/2017</u>	<u>YE 6/30/2016</u>	<u>YE 6/30/2015</u>	<u>YE 6/30/2014</u>
\$68,036,796	\$10,986,911	\$12,131,009.39	\$17,676,763	\$10,088,817	\$7,197,989	\$5,750,297	\$4,205,009

ANNUAL RECOVERY SUMMARY:

Annual Amortization of Period Costs (seven years)

\$9,719,543	\$1,569,559	\$1,733,001	\$2,525,252	\$1,441,260	\$1,028,284	\$821,471	\$600,716
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NEW JERSEY NATURAL GAS COMPANY
SOCIETAL BENEFITS CHARGE (SBC)
REMEDATION ADJUSTMENT RIDER
REMEDATION YEAR 2020

REMEDATION ADJUSTMENT FACTOR

Line				
1	<u>AMORTIZATION (Per Schedule 2)</u>		\$9,719,543	
	Total Amortization			<u>\$9,719,543</u> a
2	<u>PRIOR YEARS' RECONCILIATION</u>			
	<i>Amount to be Recovered:</i>			
	BPU Order - Docket No.GR19091314	\$9,710,247		
	<i>Total Amount to be Recovered</i>		\$9,710,247	
	<i>Recovery:</i>			
	April 1, 2019 to March 31, 2020 Actual	\$7,812,190		
	April 1, 2019 to March 31, 2020 (Estimate included in current rate)	<u>\$8,629,762</u>		
	True up	(\$817,572)		
	April 1, 2020 to March 31, 2021 (Actuals through August 31, 2020)	\$9,678,814		
	<i>Total Amount Recovered</i>		<u>\$8,861,242</u>	
	Under-Recovery			<u>849,004</u> b
3	<u>INTEREST CALCULATION (Per Schedule 5)</u>			
	Interest (October 1, 2019 - September 30, 2020)*		<u>\$ 520,746</u>	c
4	TOTAL TO BE RECOVERED			<u>\$11,089,294</u> a+b+c
5	<u>THERM SALE PROJECTION (April 2021 - March 2022)</u>			
	<i>PROJECTED THERM SALES:</i>			
	FIRM SALES	567,301,985		
	FIRM TRANSPORTATION	136,927,301		
	INTERRUPTIBLE TRANSPORTATION	<u>14,629,804</u>		
	<i>TOTAL PROJECTED THERM SALES</i>			718,859,091
	PROPOSED PRE-TAX RA FACTOR PER THERM		\$0.0154	
	PROPOSED AFTER-TAX RA FACTOR PER THERM		\$0.0164	
	CURRENT PRE-TAX RA FACTOR PER THERM		\$0.0136	
	CURRENT AFTER-TAX RA FACTOR PER THERM		\$0.0145	
	Increase/(Decrease)		\$0.0019	

*11 months actual, 1 month estimate

**NEW JERSEY NATURAL GAS COMPANY
SOCIETAL BENEFITS CHARGE (SBC)
REMEDATION ADJUSTMENT RIDER
REMEDATION YEAR 2020**

ANNUAL CAP CALCULATION

FIRM GAS REVENUES-REMEDATION YEAR 2020	\$	655,912,229
5% CAP		\$32,795,611
TOTAL TO BE RECOVERED		<u>\$11,089,294</u>

* Revenues based on Remediation Year July 1, 2019 - June 30, 2020

**NEW JERSEY NATURAL GAS COMPANY
SOCIETAL BENEFITS CHARGE (SBC)
REMEDATION ADJUSTMENT RIDER
REMEDATION YEAR 2020**

REMEDATION INTEREST CALCULATION

<i>Month-Year</i>	<i>Deferred Balance</i>	<i>Deferred Taxes</i>	<i>Net of Tax</i>	<i>Average Balance</i>	<i>Monthly Rate (1)</i>	<i>Monthly Interest (2)</i>
10/31/19	39,563,194	(11,121,214)	28,441,980	27,715,929	0.171%	47,348
11/30/19	39,043,552	(10,975,142)	28,068,410	28,255,195	0.171%	48,269
12/31/19	38,059,045	(10,698,397)	27,360,648	27,714,529	0.171%	47,346
01/31/20	37,082,466	(10,423,881)	26,658,585	27,009,616	0.171%	46,141
02/29/20	36,116,167	(10,152,254)	25,963,913	26,311,249	0.171%	44,948
03/31/20	35,607,166	(10,009,174)	25,597,992	25,780,952	0.171%	44,042
04/30/20	35,752,491	(10,050,025)	25,702,466	25,650,229	0.171%	43,819
05/31/20	35,659,822	(10,023,976)	25,635,846	25,669,156	0.171%	43,851
06/30/20	35,674,699	(10,028,158)	25,646,541	25,641,194	0.171%	43,804
07/31/20	35,534,603	(9,988,777)	25,545,826	25,596,183	0.171%	43,727
08/31/20	35,842,655	(10,075,370)	25,767,285	25,656,555	0.171%	43,830
09/30/20	35,842,655	(10,075,370)	25,767,285	25,767,285	0.092%	23,620
Total						\$ 520,746

estimate

(1) Monthly rate is 1/12 of the Seven-Year Constant Maturity Treasury rate adjusted each August 31.

(2) Monthly interest is accumulated and added to the balance at the beginning of October.

**NEW JERSEY NATURAL GAS COMPANY
SOCIETAL BENEFITS CHARGE (SBC)
NEW JERSEY'S CLEAN ENERGY PROGRAM ADJUSTMENT CLAUSE**

NEW JERSEY CLEAN ENERGY ADJUSTMENT CLAUSE CALCULATION

	Estimated Balance (\$ 000)
NJ Clean Energy Underrecovery Balance @ 8/31/20	2,088
Board Approved Amounts for September 2020 to March 2021	\$13,343
Recovery for September 2020 through March 2021	(\$11,610)
Estimated balance at 3/31/21	\$3,820
Estimated Amount for April 2021 to March 2022	\$16,500
Estimated Amount to be Recovered	\$20,321
	Projected 4/21-3/22
	Sales
Firm Sales	567,302
Firm Transportation	136,927
Interruptible	14,630
Total	718,859
Pre-tax NJ Clean Energy Recovery Rate \$ per Therm as Calculated	\$0.0283
After-tax NJ Clean Energy Recovery Rate \$ per Therm as Calculated	\$0.0302
Current Pre-tax NJ Clean Energy Recovery Rate \$ per Therm	\$0.0200
Current After-tax NJ Clean Energy Recovery Rate \$ per Therm	\$0.0213
Calculated Pre-tax NJ Clean Energy Recovery Rate \$ per Therm Increase	\$0.0083
Calculated After-tax NJ Clean Energy Recovery Rate \$ per Therm Increase	\$0.0089

¹ Per 9/23/20 Order in BPU Docket No. QO20080539. Assumes approved contributions through June 2021 and estimates for July 2021 through March 2022 period based on approved amounts from prior period (July 2020 through Mar 2021).

NEW JERSEY NATURAL GAS COMPANY

~~Second~~~~First~~ Revised Sheet No. 51

BPU No. 10 - Gas

Superseding ~~First Revised~~~~Original~~ Sheet No. 51

SERVICE CLASSIFICATION - RS

RESIDENTIAL SERVICE

AVAILABILITY

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

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

CHARACTER OF SERVICE

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

MONTHLY RATES

Customer Charge:

Customer Charge per meter per month \$10.14

Delivery Charge:

Residential Heating

Delivery Charge per therm \$~~0.69~~760.7084

Residential Non-Heating

Delivery Charge per therm \$~~0.63~~380.6446

BGSS Charge:

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

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

Date of Issue: ~~September 23, 2020~~
Issued by: Mark G. Kahrer, Vice President
~~2021~~2020
Wall, NJ 07719

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

BPU No. 10 - Gas

~~Second~~~~First~~ Revised Sheet No. 53
Superseding ~~First Revised~~~~Original~~ Sheet No. 53**SERVICE CLASSIFICATION – DGR****DISTRIBUTED GENERATION SERVICE - RESIDENTIAL****AVAILABILITY**

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

CHARACTER OF SERVICE

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

MONTHLY RATES**Customer Charge:**

Customer Charge per meter per month	\$10.14
-------------------------------------	---------

Delivery Charge:

November - April	\$ 0.3468 <u>0.3576</u>
------------------	------------------------------------

May - October	\$ 0.2935 <u>0.3043</u>
---------------	------------------------------------

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.

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~~2021~~~~2020~~

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BPU No. 10 - Gas

~~Second~~~~First~~ Revised Sheet No. 55
Superseding ~~First Revised~~~~Original~~ Sheet No. 55**SERVICE CLASSIFICATION – GSS****GENERAL SERVICE - SMALL****AVAILABILITY**

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

CHARACTER OF SERVICE

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

MONTHLY RATES**Customer Charge:**

Customer Charge per meter per month

\$34.85

Delivery Charge:

Delivery Charge per therm

~~\$0.6499~~0.6607**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.

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~~2021~~2020
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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.

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 (~~\$0.3863~~~~0.3862~~) 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 ~~\$0.2636~~~~0.2745~~ per therm, which includes \$0.0900 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.

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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.

II. *Applicable to All Customers Purchasing Gas Supply Under Rider "A" BGSS***1. Street Lighting Service**

Street Lighting Service is not subject to Rider "I" of this Tariff. The delivery charge per therm for Street Lighting Service is \$~~0.60990~~0.6207 per therm.

III. *Applicable to All Customers Purchasing Gas Supply from a Third Party Supplier***1. Metering**

An Automated Meter Reading (AMR) device will not be required for this service.

2. 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.

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~~2021~~2020
 Wall, NJ 07719

Effective for service rendered on
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NEW JERSEY NATURAL GAS COMPANY

BPU No. 10 - Gas

~~Second~~~~First~~ Revised Sheet No. 58
Superseding ~~First Revised~~ ~~Original~~ Sheet No. 58**SERVICE CLASSIFICATION - GSL****GENERAL SERVICE - LARGE****AVAILABILITY**

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

CHARACTER OF SERVICE

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

MONTHLY RATES**Customer Charge:**

Customer Charge per meter per month \$80.79

Demand Charge:

Demand Charge per therm applied to HMAD \$2.63

Delivery Charge:

Delivery Charge per therm ~~\$0.486~~\$0.4973

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.

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~~2021~~~~2020~~

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NEW JERSEY NATURAL GAS COMPANY

BPU No. 10 - Gas

~~Second~~~~First~~ Revised Sheet No. 59
Superseding ~~First Revised~~~~Original~~ Sheet No. 59**SERVICE CLASSIFICATION - GSL****GENERAL SERVICE - LARGE (continued)****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.

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. 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.

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.

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 (~~\$0.22290.2228~~) 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 ~~\$0.26360.2745~~ per therm which includes \$0.0900 per therm margin, all appropriate riders, taxes, assessments and surcharges, and the delivery charge for Service Classification GSL.

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

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SERVICE CLASSIFICATION - FT**FIRM TRANSPORTATION SERVICE****AVAILABILITY**

This service is available to any customer who would otherwise qualify for service under Service Classifications GSS, GSL, IS, or NGV. 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.

MONTHLY RATES**Customer Charge:**

Customer Charge per meter per month	\$271.28
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Demand Charge:

Demand Charge per therm applied to MDQ	\$1.98
--	--------

Delivery Charge:

Delivery Charge per therm	\$0.14430.1551
---------------------------	---------------------------

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.

Date of Issue: ~~September 23, 2020~~
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Effective for service rendered on
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BPU No. 10 - Gas

~~Second First Revised Sheet No. 64~~
~~Superseding First Revised Original Sheet No. 64~~**SERVICE CLASSIFICATION - DGC****DISTRIBUTED GENERATION SERVICE - COMMERCIAL****AVAILABILITY**

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

CONDITIONS PRECEDENT

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

MONTHLY RATES

	<u>DGC-Balancing</u>	<u>DGC-FT</u>
<u>Customer Charge:</u>		
Customer Charge per meter per month	\$82.43	\$82.43
<u>Demand Charge:</u>		
Demand Charge per therm applied to PBQ	\$1.94	\$1.94
<u>Delivery Charge per therm:</u>		
November - April	\$0.23280 <u>0.2436</u>	\$0.13020 <u>0.1410</u>
May - October	\$0.20020 <u>0.2110</u>	\$0.09760 <u>0.1084</u>
<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.

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~~2021~~2020
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Effective for service rendered on
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BPU No. 10 - Gas

~~Second~~~~First~~ Revised Sheet No. 69
Superseding ~~First Revised~~~~Original~~ Sheet No. 69**SERVICE CLASSIFICATION - EGS****ELECTRIC GENERATION SERVICE****AVAILABILITY**

This service is available to any existing or new customer who uses greater than or equal to 10,000 therms daily for the sole purpose of generating electricity.

MONTHLY RATES**Customer Charge:**

	<u>Without SUT</u>	<u>With SUT</u>
Customer Charge per month	\$877.26	\$935.38

Demand Charge:

	<u>Without SUT</u>	<u>With SUT</u>
Demand Charge per therm applied to MDQ	\$1.5132	\$1.6134

Delivery Charge:

	<u>Without SUT</u>	<u>With SUT</u>
Delivery Charge per therm	\$0.065 <u>\$0.0752</u>	\$0.0695 <u>\$0.0803</u>

These rates are inclusive of all applicable taxes and riders and are subject to adjustment for all other applicable riders, applicable taxes, assessments or similar charges lawfully imposed by the Company. Natural gas used to generate electricity that is sold for resale by customers served under this Service Classification is exempt from Riders B, C, E and H and shall not be billed for such charges. In order to qualify for this exemption, a customer who uses natural gas to generate electricity for resale must complete an Annual Certification form, provided by the Company, to certify the percentage of natural gas used at the customer's New Jersey generation facilities during the previous calendar year to generate electricity that was sold for resale. For a new customer or a customer with less than twelve months of usage history, estimates supported by engineering and operational plans may be used to determine the percentage of natural gas used to generate electricity sold for resale.

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.

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NEW JERSEY NATURAL GAS COMPANY**BPU No. 10 - Gas****~~Second~~First Revised Sheet No. 76**
~~Superseding First Revised~~Original Sheet No. 76**SERVICE CLASSIFICATION - NGV****NATURAL GAS VEHICLE SERVICE****AVAILABILITY**

This service is available to any residential or commercial customer for the purpose of fueling natural gas vehicles at Company owned and operated compressed natural gas ("CNG") re-fueling facilities ("Company facilities") and at separately metered Customer owned and operated CNG re-fueling facilities ("Customer owned facilities").

CONDITIONS PRECEDENT

The Customer must sign a service agreement which sets forth the vehicles to be served to be eligible for this service.

DEFINITION OF TERM USED HEREIN

"GGE" is the Gasoline Gallon Equivalent for converting a price per therm of natural gas to a price per gallon of gasoline. The GGE shall be determined in accordance with local standards.

CHARACTER OF SERVICE

Firm sales gas service where Customer who uses Company facilities purchases gas supply pursuant to the Company's Rider "A" for Basic Gas Supply Service ("BGSS"). Firm sales or transportation gas service where Customer who uses Customer owned facilities purchases gas supply pursuant to the Company's Rider "A" for BGSS or from a Third Party Supplier, respectively.

LICENSING, PERMITS AND LEGAL REQUIREMENTS

Customers installing CNG re-fueling facilities on their premises must meet all applicable licensing, permitting and other legal requirements associated with owning and operating CNG refueling facilities. The failure of the customer to comply with this provision may result in the Company suspending or terminating gas service to such facilities without further liability.

MONTHLY RATES

	Gas Available at Company Facilities	Customer Owned Facilities
<u>Customer Charge:</u>		
Residential Customer Charge per meter per month	N/A	\$10.14
Commercial Customer Charge per meter per month	N/A	\$82.85
<u>Delivery Charge:</u>		
Delivery Charge per therm	\$0.283 <u>0.2939</u> (\$0.354 <u>0.367</u> per GGE)	\$0.283 <u>0.2939</u> (\$0.354 <u>0.367</u> per GGE)

Date of Issue: ~~September 23, 2020~~
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~~2021~~2020
Wall, NJ 07719

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

BPU No. 10 - Gas

~~Second~~~~First~~ Revised Sheet No. 81
Superseding ~~First Revised~~~~Original~~ Sheet No. 81**SERVICE CLASSIFICATION - IS****INTERRUPTIBLE SERVICE****AVAILABILITY**

This service is applicable to Commercial and Industrial Customers whose minimum connected load is not less than 150 therms per hour, provided that gas is used only at locations where the Company has 1) adequate distribution facilities and 2) an adequate supply of natural gas. Customers will be required to specify that they have alternate fuel facilities installed in operating condition with an adequate fuel supply, as discussed in Special Provision 1.

CHARACTER OF SERVICE

Interruptible gas sales and transportation service.

MONTHLY RATES**Customer Charge:**

Customer Charge per meter per month \$572.98

Delivery Charge:**Customers with Alternate Fuel**

Delivery Charge per therm ~~\$0.11~~720.1280

Customers without Alternate Fuel

Delivery Charge per therm ~~\$0.35~~800.3688

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

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~~2021~~2020
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NEW JERSEY NATURAL GAS COMPANY**BPU No. 10 - Gas****~~Second~~First Revised Sheet No. 97**
~~Superseding First Revised~~Original Sheet No. 97**SERVICE CLASSIFICATION - CNG****COMPRESSED NATURAL GAS****AVAILABILITY**

This service is available to any customer who would otherwise qualify for service under Service Classifications RS, GSS, GSL, FT, IS, or NGV and who will utilize natural gas for the purpose of fueling natural gas vehicles at Company owned compressed natural gas re-fueling facilities operated by the Customer on its property ("Host Customer").

Availability of this Service Classification is subject to the terms and conditions approved in BPU Docket No. GR11060361. This Service Classification is closed.

CONDITIONS PRECEDENT

The Host Customer must sign an Agreement with the Company. The Host Customer must provide assurance that it will use initially at least twenty (20) percent of the re-fueling facility's capacity. The Host Customer must agree to provide the general public with reasonable access to a re-fueling facility for purposes of fueling the general public's natural gas vehicles.

DEFINITION OF TERM USED HEREIN

"GGE" is the Gasoline Gallon Equivalent for converting a price per therm of natural gas to a price per gallon of gasoline. The GGE shall be determined in accordance with local standards.

CHARACTER OF SERVICE

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

MONTHLY RATES**Customer Charge:**

Customer Charge per meter per month	\$82.85
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Delivery Charge:

Delivery Charge per therm	\$0.49630.5071 (\$0.6200.634 per GGE)
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BGSS Charge:

Monthly BGSS Charge per therm for Sales Customers without a gas supply contract	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.

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.

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Issued by: Mark G. Kahrer, Vice President
~~2021~~2020
Wall, NJ 07719

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

RIDER "C"**REMEDATION ADJUSTMENT (RA) (continued)****III. TRACKING THE OPERATION OF THE REMEDIATION ADJUSTMENT CLAUSE**

The revenues billed, net of taxes and assessments through the application of the Remediation Adjustment factor shall be accumulated for each month and be applied against the total amortized Remediation Costs calculated for that year. Any over or under collection at the end of the Recovery Year will be included in the determination of the following year's RA factor.

In accordance with P.L. 1997, c. 162, as amended by P.L. 2006, c. 44, P.L. 2009, c. 240, and P.L. 2016, c. 57, the charges applicable under this Rider include provision for the New Jersey Sales and Use Tax ("SUT") and when billed to customers exempt from this tax, as set forth in Rider "B", shall be reduced by the amount of such tax included therein.

The RA factor shall be collected through the SBC on a per-therm basis within the Delivery Charge for all service classifications to which Rider "A" applies. The RA factor is set forth below:

~~\$0.01450~~.0164

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~~2021~~2020
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RIDER "E"**NEW JERSEY'S CLEAN ENERGY PROGRAM (continued)**

4. The total NJ's Clean Energy Program costs to be recovered, as determined per paragraphs (1), (2) and (3) shall then be divided by the total volume of prospective jurisdictional therm sales (per paragraph (3)), and the result carried to four (4) decimal places. Such result shall constitute the NJ's Clean Energy Program factor effective for service rendered commencing the effective date of approval, and continuing in effect until the effective date of any subsequent annual or other filing of a revision of modification thereof.

The net amount shall be maintained in a separate deferred account. In the event that the Company determines that an existing NJ's Clean Energy Program rate, if left unchanged, would result in a material over- or under-collection of amounts incurred or expected to be incurred during the current NJ's Clean Energy Program Recovery Year, the Company may file with the BPU for approval of an interim revision of the NJ's Clean Energy Program rate. Such interim revision shall be designed to minimize or eliminate the over- or under-collection expected to result absent such revision either over: (a) the remaining billing months of the current NJ's Clean Energy Program Recovery Year or (b) over such other time period as the BPU shall determine.

The Company shall calculate carrying costs on the average monthly balances of under-or over-recovery of deferred costs, and the deferred tax benefit associated with those balances, using the same interest rate, which will be adjusted each August 31 based upon the seven-year constant maturity Treasury rate, shown in the Federal Reserve Statistical Release, plus 60 basis points. Interest will accrue on a monthly basis and shall be rolled into the balance each October 1.

In accordance with P.L. 1997, c. 162, as amended by P.L. 2006, c. 44, P.L. 2009, c. 240, and P.L. 2016, c. 57, the charges applicable under this Rider include provision for the New Jersey Sales and Use Tax ("SUT") and when billed to customers exempt from this tax, as set forth in Rider SUT, shall be reduced by the amount of such tax included therein.

The NJ's Clean Energy Program factor shall be collected through the SBC on a per therm basis within the Delivery Charge for all service classifications to which this Rider "E" applies. The NJ's Clean Energy Program factor is as set forth below:

~~\$0.02130~~ \$0.0302

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2021~~2020~~
 Wall, NJ 07719

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NEW JERSEY NATURAL GAS COMPANY

~~Second~~First Revised Sheet No. 252

BPU No. 10 - Gas

Superseding ~~First Revised~~Original Sheet No. 252SUMMARY OF RESIDENTIAL RATE COMPONENTSResidential Heating Customers

<u>Customer Charge</u>		<u>Bundled Sales</u>	<u>Transport</u>	<u>Reference</u>
Customer Charge per meter per month		10.14	10.14	
<u>Delivery Charge ("DEL") per therm</u>				
Pre-tax Base Rate		0.4690	0.4690	
SUT		<u>0.0311</u>	<u>0.0311</u>	Rider B
After-tax Base Rate		0.5001	0.5001	
CIP		0.0304	0.0304	Rider I
EE		<u>0.0171</u>	<u>0.0171</u>	Rider F
Subtotal	a	0.5476	0.5476	
Balancing Charge	b	0.1026	0.1026	Rider A
Societal Benefits Charge ("SBC"):				
NJ's Clean Energy		0.0213 0.0302	0.0213 0.0302	Rider E
RA		0.0145 0.0164	0.0145 0.0164	Rider C
USF		<u>0.0116</u>	<u>0.0116</u>	Rider H
Total SBC	c	0.0474 0.0582	0.0474 0.0582	
Delivery Charge (DEL)	a+b+c=d	0.6976 0.7084	0.6976 0.7084	
<u>Basic Gas Supply Charge ("BGS")</u>				
BGS	e	<u>0.3320</u>	x	Rider A

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

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

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BPU No. 10 - Gas

~~Second~~~~First~~ Revised Sheet No. 253
Superseding ~~First Revised~~~~Original~~ 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		10.14	10.14	
<u>Delivery Charge ("DEL") per therm</u>				
Pre-tax Base Rate		0.4690	0.4690	
SUT		<u>0.0311</u>	<u>0.0311</u>	Rider B
After-tax Base Rate		0.5001	0.5001	
CIP		(0.0334)	(0.0334)	Rider I
EE		<u>0.0171</u>	<u>0.0171</u>	Rider F
Subtotal	a	0.4838	0.4838	
Balancing Charge	b	0.1026	0.1026	Rider A
Societal Benefits Charge ("SBC"):				
NJ's Clean Energy		0.02130.0 <u>302</u>	0.02130.0302	Rider E
RA		0.01450.0 <u>164</u>	0.01450.0164	Rider C
USF		<u>0.0116</u>	<u>0.0116</u>	Rider H
Total SBC	c	0.04740.0 <u>582</u>	0.04740.0582	
Delivery Charge (DEL)	a+b+c=d	0.63380.6 <u>446</u>	0.63380.6446	
<u>Basic Gas Supply Charge ("BGS")</u>				
BGS	e	<u>0.3320</u>	x	Rider A

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

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

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BPU No. 10 - Gas

~~Second First~~ Revised Sheet No. 254
Superseding ~~First Revised Original~~ 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		10.14	10.14	
<u>Delivery Charge ("DEL") per therm</u>				
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>0.0171</u>	<u>0.0171</u>	Rider F
Subtotal	a	0.1968	0.1435	
Balancing Charge	b	0.1026	0.1026	Rider A
<u>Societal Benefits Charge ("SBC"):</u>				
NJ's Clean Energy		0.02130.0302	0.02130.0302	Rider E
RA		0.01450.0164	0.01450.0164	Rider C
USF		<u>0.0116</u>	<u>0.0116</u>	Rider H
Total SBC	c	0.04740.0582	0.04740.0582	
Delivery Charge (DEL)	a+b+c=d	0.34680.3576	0.29350.3043	
<u>Basic Gas Supply Charge ("BGS")</u>				
BGS	e	<u>0.3320</u>	<u>0.3320</u>	Rider A

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

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

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BPU No. 10 - Gas

~~Second First Revised Sheet No. 255~~
~~Superseding First Revised Original 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		34.85	34.85	
<u>Delivery Charge ("DEL") per therm</u>				
Pre-tax Base Rate		0.4153	0.4153	
SUT		<u>0.0275</u>	<u>0.0275</u>	Rider B
After-tax Base Rate		0.4428	0.4428	
CIP		0.0400	0.0400	Rider I
EE		<u>0.0171</u>	<u>0.0171</u>	Rider F
Subtotal	a	0.4999	0.4999	
Balancing Charge	b	0.1026	0.1026	Rider A
<u>Societal Benefits Charge ("SBC"):</u>				
NJ's Clean Energy		0.02130.0 <u>302</u>	0.02130.0302	Rider E
RA		0.01450.0 <u>164</u>	0.01450.0164	Rider C
USF		<u>0.0116</u>	<u>0.0116</u>	Rider H
Total SBC	c	0.04740.0 <u>582</u>	0.04740.0582	
Delivery Charge (DEL)	a+b+c=d	0.64990.6 <u>607</u>	0.64990.6607	
<u>Basic Gas Supply Charge ("BGS")</u>				
BGS	e	<u>0.3320</u>	x	Rider A

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

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

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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		80.79	80.79	
<u>Demand Charge</u>				
Demand Charge per month applied to HMAD		2.63	2.63	
<u>Delivery Charge ("DEL") per therm</u>				
Pre-tax Base Rate		0.2711	0.2711	
SUT		<u>0.0180</u>	<u>0.0180</u>	Rider B
After-tax Base Rate		0.2891	0.2891	
CIP		0.0303	0.0303	Rider I
EE		<u>0.0171</u>	<u>0.0171</u>	Rider F
Subtotal	a	0.3365	0.3365	
Balancing Charge	b	0.1026	0.1026	Rider A
<u>Societal Benefits Charge ("SBC"):</u>				
NJ's Clean Energy		0.02130.0	0.02130.0302	Rider E
		302		
RA		0.01450.0	0.01450.0164	Rider C
		164		
USF		<u>0.0116</u>	<u>0.0116</u>	Rider H
Total SBC	c	0.04740.0	0.04740.0582	
		582		
Delivery Charge (DEL)	a+b+c=d	0.48650.4	0.48650.4973	
		973		
<u>Basic Gas Supply Charge ("BGS")</u>				
BGS	e	<u>0.2943</u>	X	Rider A

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

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

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BPU No. 10 - Gas

~~Second~~~~First~~ Revised Sheet No. 257
Superseding ~~First Revised~~~~Original~~ Sheet No. 257SUMMARY OF FIRM COMMERCIAL RATE COMPONENTSFIRM TRANSPORTATION (FT)

		<u>Transport</u>	<u>Reference</u>
<u>Customer Charge</u>			
Customer Charge per meter per month		271.28	
<u>Demand Charge</u>			
Demand Charge per therm per month applied to MDQ		1.98	
<u>Delivery Charge ("DEL") per therm</u>			
Pre-tax Base Rate		0.0748	
SUT		<u>0.0050</u>	Rider B
After-tax Base Rate		0.0798	
EE		<u>0.0171</u>	Rider F
Subtotal	a	0.0969	
Societal Benefits Charge ("SBC"):			
NJ's Clean Energy		0.0213 <u>0.030</u>	Rider E
		<u>2</u>	
RA		0.0145 <u>0.016</u>	Rider C
		<u>4</u>	
USF		<u>0.0116</u>	Rider H
Total SBC	b	0.0474 <u>0.058</u>	
		<u>2</u>	
Delivery Charge (DEL)	a+b=c	0.1443 <u>0.155</u>	
		<u>1</u>	

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

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

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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		82.43	82.43	
<u>Demand Charge</u>				
Demand Charge per therm per month applied to PBQ		1.94	1.94	
<u>Delivery Charge ("DEL") per therm</u>				
Pre-tax Base Rate		0.0616	0.0310	
SUT		<u>0.0041</u>	<u>0.0021</u>	Rider B
After-tax Base Rate		0.0657	0.0331	
EE		<u>0.0171</u>	<u>0.0171</u>	Rider F
Subtotal	a	0.0828	0.0502	
<u>Societal Benefits Charge ("SBC"):</u>				
NJ's Clean Energy		0.0213 <u>0.0302</u>	0.0213 <u>0.0302</u>	Rider E
RA		0.0145 <u>0.0164</u>	0.0145 <u>0.0164</u>	Rider C
USF		<u>0.0116</u>	<u>0.0116</u>	Rider H
Total SBC	b	0.0474 <u>0.0582</u>	0.0474 <u>0.0582</u>	
Balancing Charge	c	<u>0.1026</u>	<u>0.1026</u>	
DGC-Balancing Delivery Charge (DEL)	a+b+c=d	0.2328 <u>0.2436</u>	0.2002 <u>0.2110</u>	
<u>Basic Gas Supply Charge ("BGS")</u>				
BGS	e	<u>0.2943</u>	<u>0.2943</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.

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

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SUMMARY OF FIRM COMMERCIAL RATE COMPONENTS**Commercial Distributed Generation Service – DGC-FT**

		<u>Nov - Apr</u>	<u>May - Oct</u>	<u>Reference</u>
<u>Customer Charge</u>				
Customer Charge per meter per month		82.43	82.43	
<u>Demand Charge</u>				
Demand Charge per therm per month applied to PBQ		1.94	1.94	
<u>Delivery Charge ("DEL") per therm</u>				
Pre-tax Base Rate		0.0616	0.0310	
SUT		<u>0.0041</u>	<u>0.0021</u>	Rider B
After-tax Base Rate		0.0657	0.0331	
EE		<u>0.0171</u>	<u>0.0171</u>	Rider F
<i>Subtotal</i>	a	0.0828	0.0502	
<i>Societal Benefits Charge ("SBC"):</i>				
NJ's Clean Energy		0.0213 0.0302	0.0213 0.0302	Rider E
RA		0.0145 0.0164	0.0145 0.0164	Rider C
USF		<u>0.0116</u>	<u>0.0116</u>	Rider H
<i>Total SBC</i>	b	0.0474 0.0582	0.0474 0.0582	
DGC-FT Delivery Charge (DEL)	a+b=c	0.1302 0.1410	0.0976 0.1084	

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.

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

Customer Charge, Demand Charge, and DEL rate are presented on customer bills

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BPU No. 10 - Gas

~~Second~~~~First~~ Revised Sheet No. 260
Superseding ~~First Revised~~~~Original~~ Sheet No. 260**SUMMARY OF FIRM COMMERCIAL RATE COMPONENTS****Electric Generation Service (EGS)**

		Without <u>SUT</u>	With <u>SUT</u>	<u>Reference</u>
<u>Customer Charge</u>				
Customer Charge per meter per month		877.26	935.38	
<u>Demand Charge</u>				
Demand Charge per therm per month applied to MDQ		1.5132	1.6134	
<u>Delivery Charge ("DEL") per therm</u>				
Pre-tax Base Rate		0.0047	0.0047	
SUT		<u>0.0000</u>	<u>0.0003</u>	Rider B
Delivery Charge excluding Riders C, E, F and H	a	0.0047	0.0050	
EE	b	0.0160	0.0171	Rider F
<u>Societal Benefits Charge ("SBC"):</u>				
NJ's Clean Energy		0.0200 <u>0.02</u>	0.0213 <u>0.02</u>	Rider E
		<u>83</u>	<u>302</u>	
RA		0.0136 <u>0.01</u>	0.0145 <u>0.01</u>	Rider C
		<u>54</u>	<u>164</u>	
USF		<u>0.0108</u>	<u>0.0116</u>	Rider H
Total SBC	c	<u>0.0444</u>	0.0474 <u>0.04</u>	
			<u>582</u>	
Delivery Charge (DEL) including Riders C, E, F and H	a+b+c=d	0.0651 <u>0.07</u>	0.0695 <u>0.07</u>	
		<u>52</u>	<u>803</u>	

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

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

Natural gas used to generate electricity that is sold for resale by customers served under this Service Classification is exempt from Riders B, C, E, F, and H and shall not be billed for such charges subject to the Customer's submission of an Annual Certification form.

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BPU No. 10 - Gas

~~Twelfth~~^{Eleventh} Revised Sheet No. 261
Superseding ~~Eleventh~~^{Tenth} Revised Sheet No. 261**SUMMARY OF INTERRUPTIBLE RATE COMPONENTS****INTERRUPTIBLE SALES AND TRANSPORTATION****With Alternate Fuel**

		<u>Bundled Sales</u>	<u>Transport</u>	<u>Reference</u>
<u>Customer Charge</u>				
Customer Charge per meter per month		572.98	572.98	
<u>Delivery Charge ("DEL") per therm</u>				
Pre-tax Base Rate		0.0494	0.0494	
SUT		<u>0.0033</u>	<u>0.0033</u>	Rider B
After-tax Base Rate		0.0527	0.0527	
EE		<u>0.0171</u>	<u>0.0171</u>	Rider F
Subtotal	a	0.0698	0.0698	
<u>Societal Benefits Charge ("SBC"):</u>				
NJ's Clean Energy		0.0213 <u>0.0302</u>	0.0213 <u>0.0302</u>	Rider E
RA		0.0145 <u>0.0164</u>	0.0145 <u>0.0164</u>	Rider C
USF		<u>0.0116</u>	<u>0.0116</u>	Rider H
Total SBC	b	0.0474 <u>0.0582</u>	0.0474 <u>0.0582</u>	
Delivery Charge (DEL)	a+b=c	0.1172 <u>0.1280</u>	0.1172 <u>0.1280</u>	
<u>Basic Gas Supply Charge ("BGS")</u>				
Monthly BGSS	d	0.4031	X	Rider A
BGS	d	<u>0.4031</u>	X	

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

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

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BPU No. 10 - Gas

~~Twelfth~~^{Eleventh} Revised Sheet No. 262
Superseding ~~Eleventh~~^{Tenth} Revised Sheet No. 262**SUMMARY OF INTERRUPTIBLE RATE COMPONENTS****INTERRUPTIBLE SALES AND TRANSPORTATION****Without Alternate Fuel**

		<u>Bundled Sales</u>	<u>Transport</u>	<u>Reference</u>
<u>Customer Charge</u>				
Customer Charge per meter per month		572.98	572.98	
<u>Delivery Charge ("DEL") per therm</u>				
Pre-tax Base Rate		0.2753	0.2753	
SUT		<u>0.0182</u>	<u>0.0182</u>	Rider B
After-tax Base Rate		0.2935	0.2935	
EE		<u>0.0171</u>	<u>0.0171</u>	Rider F
Subtotal	a	0.3106	0.3106	
<u>Societal Benefits Charge ("SBC"):</u>				
NJ's Clean Energy		0.0213 <u>0.0302</u>	0.0213 <u>0.0302</u>	Rider E
RA		0.0145 <u>0.0164</u>	0.0145 <u>0.0164</u>	Rider C
USF		<u>0.0116</u>	<u>0.0116</u>	Rider H
Total SBC	b	0.0474 <u>0.0582</u>	0.0474 <u>0.0582</u>	
Delivery Charge (DEL)	a+b=c	0.3580 <u>0.3688</u>	0.3580 <u>0.3688</u>	
<u>Basic Gas Supply Charge ("BGS")</u>				
Monthly BGSS	d	0.4031	X	Rider A
BGS	d	<u>0.4031</u>	X	

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

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

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SUMMARY OF FIRM COMMERCIAL RATE COMPONENTS**Compressed Natural Gas (CNG)**

		<u>Bundled Sales</u>	<u>Transport</u>	<u>Reference</u>
<u>Customer Charge</u>				
Customer Charge per meter per month		82.85	82.85	
<u>Delivery Charge ("DEL") per therm</u>				
Pre-tax Base Rate		0.2050	0.2050	
CNG Charge		0.2000	0.2000	
SUT		<u>0.0268</u>	<u>0.0268</u>	Rider B
After-tax Base Rate		0.4318	0.4318	
EE		<u>0.0171</u>	<u>0.0171</u>	Rider F
Subtotal	a	0.4489	0.4489	
<u>Societal Benefits Charge ("SBC"):</u>				
NJ's Clean Energy		0.02130.0 <u>302</u>	0.02130.0302	Rider E
RA		0.01450.0 <u>164</u>	0.01450.0164	Rider C
USF		<u>0.0116</u>	<u>0.0116</u>	Rider H
Total SBC	b	0.04740.0 <u>582</u>	0.04740.0582	
Delivery Charge (DEL)	a+b=c	0.49630.5 <u>071</u>	0.49630.5071	
<u>Basic Gas Supply Charge ("BGS")</u>				
Monthly BGSS	d	0.4031	X	Rider A
BGS	d	<u>0.4031</u>	X	

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

Customer, DEL, and BGSS charges are presented on customer bills.

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NEW JERSEY NATURAL GAS COMPANY

BPU No. 10 - Gas

~~Twelfth~~^{Eleventh} Revised Sheet No. 264
Superseding ~~Eleventh~~^{Tenth} Revised Sheet No. 264SUMMARY OF RESIDENTIAL AND FIRM COMMERCIAL RATE COMPONENTSNatural Gas Vehicles (NGV)Gas Available at Company FacilitiesReferenceDelivery Charge ("DEL")

\$ per therm \$ per GGE

Pre-tax Base Rate

0.2050

SUT

0.0136

Rider B

After-tax Base Rate

0.2186

EE

0.0171

Rider F

Subtotal

a

0.2357

Societal Benefits Charge ("SBC"):

NJ's Clean Energy

~~0.0213~~0.030

Rider E

2

RA

~~0.0145~~0.016

Rider C

4

USF

0.0116

Rider H

Total SBC

b

~~0.0474~~0.0582**Delivery Charge (DEL)**

a+b=c

~~0.2831~~0.293~~0.354~~0.3672**Compression Charge**

d

0.4958

0.620

Monthly Basic Gas Supply Charge ("BGS")

e

0.40310.504

Rider A

Total Variable Charge

c+d+e=f

~~1.1820~~1.192~~1.478~~1.4918

New Jersey Motor Vehicle Fuel Tax

g

0.000

Federal Excise Fuel Tax *

h

0.185

Federal Excise Fuel Tax Credit *

i

(0.517)**Total Price**

f+g+h+i

=j

1.1461.159Date of Issue: ~~September 23, 2020~~

Issued by: Mark G. Kahrer, Vice President

~~2021~~2020

Wall, NJ 07719

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

*BPU No. 10 - Gas**~~Twelfth~~^{Eleventh} Revised Sheet No. 264
Superseding ~~Eleventh~~^{Tenth} Revised Sheet No. 264***SUMMARY OF RESIDENTIAL AND FIRM COMMERCIAL RATE COMPONENTS****Natural Gas Vehicles (NGV)**

*Adjusted to reflect Internal Revenue Service GGE Conversion.

Date of Issue: ~~September 23, 2020~~
Issued by: Mark G. Kahrer, Vice President
~~2021~~²⁰²⁰
Wall, NJ 07719

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

*Filed pursuant to Order of the Board of Public Utilities entered in
Docket Nos. ~~GR19091314, GR20030279 and ER20060392~~*

SUMMARY OF RESIDENTIAL AND FIRM COMMERCIAL RATE COMPONENTS**Natural Gas Vehicles (NGV)****Customer Owned Facilities****Reference*****Customer Charge***

Residential Customer Charge per month	10.14
Commercial Customer Charge per meter per month	82.85

Delivery Charge ("DEL")

\$ per therm

\$ per GGE

Pre-tax Base Rate	0.2050	
SUT	<u>0.0136</u>	Rider B

After-tax Base Rate	0.2186	
EE	<u>0.0171</u>	Rider F

Subtotal a 0.2357

Societal Benefits Charge ("SBC"):

NJ's Clean Energy	0.0213 <u>0.0302</u>	Rider E
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RA	0.0145 <u>0.0164</u>	Rider C
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USF	<u>0.0116</u>	Rider H
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Total SBC b ~~0.0474~~0.0582

Delivery Charge (DEL)	a+b=c	0.2831 <u>0.2939</u>	0.3540 <u>0.367</u>
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Monthly Basic Gas Supply Charge ("BGS")	d	<u>0.4031</u>	<u>0.504</u>	Rider A
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Total Variable Charge	c+d=e	0.6862 <u>0.6970</u>	0.8580 <u>0.871</u>
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Customer, DEL, and BGS charges are presented on customer bills for Firm Sales Gas Service.

Customer and DEL charges are presented on customer bills for Firm Transport Gas Service

Date of Issue: ~~September 23, 2020~~
 Issued by: Mark G. Kahrer, Vice President
~~2021~~²⁰²⁰

Wall, NJ 07719

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

New Jersey Natural Gas Company
Net Impact of Proposed Rate Changes

	Component of	10/1/20 Prices		Proposed		Change	
		Pre-tax	Post-tax	Pre-tax	Post-tax	Pre-tax	Post-tax
RAC	Delivery Price	0.0136	0.0145	0.0154	0.0164	0.0018	0.0019
NJCEP	Delivery Price	0.0200	0.0213	0.0283	0.0302	0.0083	0.0089
USF	Delivery Price	0.0108	0.0116	0.0108	0.0116	0.0000	0.0000
Total SBC		0.0444	0.0474	0.0545	0.0582	0.0101	0.0108

Impact on Residential Non-Heating Customers			
			25 therm bill
10/1/20 Prices			
Customer Charge	\$10.14	\$10.14	
Delivery	\$0.6338	\$15.85	
BGSS	\$0.3320	\$8.30	
Total	\$0.9658	\$34.29	
Proposed 4/1/21 Prices			
Customer Charge	\$10.14	\$10.14	
Delivery	\$0.6446	\$16.12	
BGSS	\$0.3320	\$8.30	
Total	\$0.9766	\$34.56	
Increase		\$0.27	
Increase as a percent		0.79%	
Impact on Residential Heating Customers			
			100 therm bill 1000 therm annual bill
10/1/20 Prices			
Customer Charge	\$10.14	\$10.14	\$121.68
Delivery	\$0.6976	\$69.76	\$697.60
BGSS	\$0.3320	\$33.20	\$332.00
Total	\$1.0296	\$113.10	\$1,151.28
Proposed 4/1/21 Prices			
Customer Charge	\$10.14	\$10.14	\$121.68
Delivery	\$0.7084	\$70.84	\$708.40
BGSS	\$0.3320	\$33.20	\$332.00
Total	\$1.0404	\$114.18	\$1,162.08
Increase		\$1.08	\$10.80
Increase as a percent		0.95%	0.94%
Impact on Commercial GSS Customers			
			100 therm bill
10/1/20 Prices			
Customer Charge	\$34.85	\$34.85	
Delivery	\$0.6499	\$64.99	
BGSS	\$0.3320	\$33.20	
Total	\$0.9819	\$133.04	
Proposed 4/1/21 Prices			
Customer Charge	\$34.85	\$34.85	
Delivery	\$0.6607	\$66.07	
BGSS	\$0.3320	\$33.20	
Total	\$0.9927	\$134.12	
Increase		\$1.08	
Increase as a percent		0.81%	
Impact on Commercial GSL Customers			
			1200 therm bill
10/1/20 Prices			
Customer Charge	\$80.79	\$80.79	
Demand Charge	\$2.63	\$252.48	
Delivery	\$0.4865	\$583.80	
BGSS (Sept 2020)	\$0.3005	\$360.60	
Total	\$0.7870	\$1,277.67	
Proposed 4/1/21 Prices			
Customer Charge	\$80.79	\$80.79	
Demand Charge	\$2.63	\$252.48	
Delivery	\$0.4973	\$596.76	
BGSS (Sept 2020)	\$0.3005	\$360.60	
Total	\$0.7978	\$1,290.63	
Increase		\$12.96	
Increase as a percent		1.01%	

Projected Annual Revenue

Projected SBC annual therms 718,859 (000s)

Projected Annual Revenue \$ million

	10/1/20 Prices		Proposed		Change	
	Pre-tax	Post-tax	Pre-tax	Post-tax	Pre-tax	Post-tax
RAC	\$9.8	\$10.4	\$11.1	\$11.8	\$1.3	\$1.4
NJCEP	\$14.4	\$15.3	\$20.3	\$21.7	\$6.0	\$6.4
USF	\$7.8	\$8.3	\$7.8	\$8.3	\$0.0	\$0.0
Total Pre-tax	\$31.9	\$34.1	\$39.2	\$41.8	\$7.3	\$7.8

NOTICE TO NEW JERSEY NATURAL GAS COMPANY CUSTOMERS
NOTICE OF SOCIETAL BENEFITS CHARGE FILING AND PUBLIC HEARING
BPU Docket No. GR20090625

TO OUR CUSTOMERS:

PLEASE TAKE NOTICE that on September 29, 2020, New Jersey Natural Gas Company (“NJNG” or the “Company”) filed its annual Societal Benefits Charge (“SBC”) petition with the New Jersey Board of Public Utilities (“Board”) for a price adjustment for all applicable service customers. Pursuant to its filing, NJNG requested that the Board permit NJNG to increase its overall SBC rate which would include increases to the Remediation Adjustment (“RA”) and the New Jersey Clean Energy Program (“NJCEP”) factors effective April 1, 2021.

The RA rate provides recovery of actual costs incurred by NJNG for the clean-up of former manufactured gas plant sites. The NJCEP rate is designed to recover costs incurred for NJNG’s share of statewide energy efficiency and renewable energy expenditures.

If the Board approves the requested price adjustment, the impact will result in an overall increase of approximately \$1.08 per month or 0.95 percent for a residential heating customer using 100 therms per month. The above-referenced proposal will not result in any profit for NJNG.

If approved by the Board, the impact of the proposed changes to the RA and NJCEP factors on typical natural gas bills is illustrated below:

Customer Type	Therm Level (Usage)	Total Bill		Net Dollar Increase	Percent Increase
		Monthly Bill as of October 1, 2020	Proposed Monthly Bill as of April 1, 2021		
Residential Heat Sales	100	\$113.10	\$114.18	\$1.08	0.95%
Residential Non-Heat Sales	25	\$34.29	\$34.56	\$0.27	0.79%
General Service Small	100	\$133.04	\$134.21	\$1.08	0.81%
General Service Large	1200	\$1,277.67	\$1,290.63	\$12.96	1.01%

The Board has the statutory authority to establish the RA and NJCEP factors at levels it finds just and reasonable. Therefore, the Board may establish the RA and NJCEP factors at levels other than those proposed by NJNG. NJNG’s SBC costs addressed in this petition will 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 due to the COVID-19 state of emergency, a telephonic public hearing will be conducted on the following date and times so that members of the public may present their views on the Company’s filing. Information provided at the public hearings will become part of the record of this case and will be considered by the Board in making its decision.

Date: November xx, 2020
Public Hearing 1: 4:30pm
Public Hearing 2: 5:30pm
Dial In: 1-888-619-1583
Access Code: 819208

Copies of NJNG’s September 29, 2020 filing can be reviewed on the Company’s website, www.njng.com/regulatory in the “Filings & Updates” subsection of the “Regulatory Info” section listed.

Representatives of the Board’s Staff and Rate Counsel will participate in the telephonic public hearing. Members of the public are invited to participate by utilizing the Virtual Access Code information set forth above, and may express their views on this filing. Such comments will be made part of the final record of the proceeding to be considered by the Board. The Board is also accepting written and emailed comments. Although both will be given equal consideration, the preferred method of transmittal is via email to ensure timely receipt while the Board continues to work remotely due to the COVID-19 pandemic. Written comments may be submitted to the Board Secretary, Aida Camacho, at the Board of Public Utilities, 44 South Clinton Avenue, 9th Floor, P.O. Box 350, Trenton, NJ 08625-0350. Email comments should be submitted to: board.secretary@bpu.nj.gov. Please include the name of the petitioner and the docket number when submitting comments. Written and emailed comments will be provided the same weight as statements made at the hearings.

Hearings will continue, if necessary, on such additional dates and at such locations as the Board may designate, to ensure that all interested persons are heard.

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