



September 13, 2022

VIA EMAIL

Honorable Carmen Diaz, Acting Secretary
New Jersey Board of Public Utilities
44 South Clinton Avenue, 1st Floor
P.O. Box 350
Trenton, NJ 08625-0350

Re: IN THE MATTER OF THE PETITION OF NEW JERSEY NATURAL GAS
COMPANY FOR THE ANNUAL REVIEW AND REVISION OF SOCIETAL
BENEFITS CHARGE FACTORS FOR REMEDIATION YEAR 2022
BPU Docket No. GR22090574

Dear Acting Secretary Diaz:

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 2022
DOCKET NO. GR22090574**

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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 2022
DOCKET NO. GR22090574**

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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. GR22090574
CHARGE FACTORS FOR)
REMEDATION YEAR 2022)**

**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, 2022 (“Remediation Year 2022”), to be effective April 1, 2023, or as of the effective date of the Board Order in this proceeding. These rate changes result in an overall increase of approximately 0.65 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, Senior Vice President - Regulatory Affairs
Andrew K. Dembia, Esq., Regulatory Affairs Counsel
New Jersey Natural Gas Company
1415 Wyckoff Road, P.O. Box 1464
Wall, New Jersey 07719
(732) 938-1214 (M. Kahrer)
(732) 938-1073 (A. Dembia)
MKahrer@njng.com
ADembia@njng.com

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 a 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 Judy DeSalvatore, NJNG Manager-Revenue Requirements – Proposed Revenue Increases 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 June 29, 2022, in BPU Docket No. QO22020112, the Board established each utility’s level of expenditures for the statewide NJCEP for July 2022 through June 2023. NJNG’s annual funding obligation is \$ 17.1 million.

8. The Company proposes to increase the current after-tax per therm RA rate of \$0.0174 to \$0.0230 and increase the current after-tax per therm NJCEP rate of \$0.0259 to \$0.0291. The combined increase of \$0.0088 will increase the overall bill of the residential heating customer who is using 100 therms per month by \$0.88.

9. The Company also requests the approval of the remediation expenditures incurred by the Company for Remediation Year 2022. The Company requests these rates and expenditures be approved effective April 1, 2023, 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.

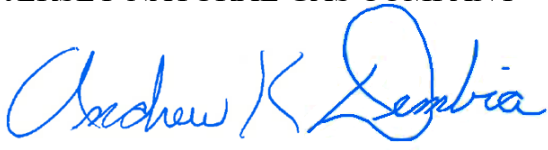
11. The Company respectfully requests that this matter be retained by the Board and that a Commissioner be designated as Presiding Officer to set a procedural schedule, rule on Motions, and conduct any evidentiary hearings, if necessary, as expeditiously as possible.

WHEREFORE, NJNG respectfully requests that the Board:

1. Approve as of April 1, 2023, 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, 2023, 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 2022 costs through June 30, 2022 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.

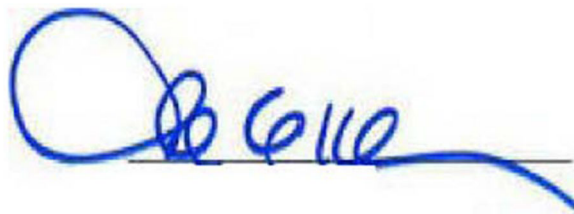
Date: September 13, 2022

STATE OF NEW JERSEY)
COUNTY OF MONMOUTH)

VERIFICATION

MARK G. KAHRER of full age, being duly sworn according to law, on his oath deposes and says:

1. I am Senior Vice President, Regulatory Affairs for New Jersey Natural Gas Company, the Petitioner in the foregoing Petition.
2. I have read the annexed Petition, along with the 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
Senior Vice President, Regulatory Affairs

Sworn and subscribed to
before me this 13th day
of September 2022



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

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

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

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

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

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

11 **A.** Yes. I have submitted testimony on behalf of the Company in its last three Societal
12 Benefits Charge ("SBC") proceedings on the Remediation Adjustment ("RA")
13 Factor in Dockets No. GR19091314, GR20090625 and GR21091145.

14 **Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY IN THIS**
15 **PROCEEDING?**

16 **A.** The purpose of my testimony is to: (1) provide a general overview of the
17 Company's on-going MGP remediation program; (2) identify and describe the
18 general nature and categories of expenses incurred by the Company through June
19 30, 2022 ("Remediation Year 2022"); and (3) provide a brief history of the
20 Company's former MGP sites and report on key developments relating to ongoing
21 remediation activities at those sites.

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

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

3 **A.** The enactment of the Site Remediation Reform Act ("SRRA") in 2009 established
4 the LSRP program which transferred the primary oversight responsibility for
5 environmental investigations and cleanups from the NJDEP to LSRPs. An LSRP
6 is an experienced, private-sector environmental professional, licensed by the State
7 of New Jersey and hired by Responsible Parties ("RPs") to direct and oversee
8 environmental investigations and remedial actions in accordance with applicable
9 NJ regulations and guidance. The SRRA also established a 26-point code of
10 conduct for LSRPs, with the highest priority being protection of public health,
11 safety, and the environment. The 13-member Site Remediation Professional
12 Licensing Board oversees the issuance of licenses and monitors the conduct and
13 performance of LSRPs.

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

1 **Q. PLEASE DESCRIBE THE COMPANY'S MGP REMEDIATION**
2 **STRATEGY AND YOUR SPECIFIC ROLE IN EFFECTIVELY**
3 **IMPLEMENTING THAT STRATEGY.**

4 **A.** The Company's main focus is the protection of human health and the environment.
5 NJNG's remediation strategy includes conventional and innovative engineering
6 approaches and business solutions to cost-effectively investigate, remediate and
7 manage long-term environmental liabilities at the Company's former MGP
8 properties. NJNG is committed to ensuring that expenditures are for remediating
9 MGP-related impact only and not associated with non-MGP related contamination,
10 such as vehicle exhaust, industrial air emissions, discharges from other properties
11 and storm water runoff. As part of this approach, the Company seeks to separate
12 MGP related soil/sediment impacts from non-MGP impacts to avoid the cost of
13 remediating contamination from unrelated sources.

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

1 **THE GENERAL NATURE AND CATEGORIES OF REMEDIATION COSTS**

2 **Q. PLEASE DESCRIBE THE NATURE AND CATEGORIES OF THE**
3 **REMEDATION COSTS THE COMPANY INCURRED DURING**
4 **REMEDATION YEAR 2022 IN CONNECTION WITH IMPLEMENTING**
5 **AND MANAGING ITS MGP PROGRAM.**

6 **A.** The costs the Company incurred to implement and manage its MGP program during
7 Remediation Year 2022 primarily included the following: outside consulting and
8 engineering services; outside legal services; community outreach; analytical
9 laboratory work; construction services (including construction management);
10 health and safety activities; air monitoring and soil sampling; a variety of ancillary
11 support services; and incremental internal labor directly associated with MGP
12 activities. Third-party services provided to the Company in connection with MGP-
13 related activities (such as project management and engineering support services,
14 and contractors who provide physical remediation services) are competitively bid
15 through NJNG's contractor procurement procedures.

16 **BACKGROUND AND CURRENT STATUS OF REMEDIATION EFFORTS**

17 **AT NJNG's MGP SITES**

18 **Q. PLEASE PROVIDE A BRIEF BACKGROUND OF THE ATLANTIC**
19 **HIGHLANDS SITE.**

20 **A.** The Atlantic Highlands site was first occupied in 1910 by the Atlantic Highlands
21 Gas Company ("AHGC"). In 1913, AHGC was merged with and consolidated into
22 Standard Gas Company ("SGC"), which had previously acquired the assets of the
23 Matawan & Keyport Gas Light Co. (a.k.a. Aberdeen) in 1899, and the Freehold

1 Gas Light Company in 1916. In the early 1920s, SGC was placed into receivership
2 and in 1922 was purchased and reorganized into a new entity known as County Gas
3 Company (“CGC”). In 1929, Public Service Corporation of NJ acquired CGC and
4 in 1948, a group of investors bought CGC from Public Service Corp. of NJ. In
5 1952, when CGC acquired the gas assets of JCP&L, CGC became New Jersey
6 Natural Gas Company. The Atlantic Highlands site operated as a carbureted water
7 gas manufacturing facility from 1910 until 1949, when manufacturing operations
8 were discontinued. Coal and coke were used as feedstock to produce the carbureted
9 water gas. Demolition activities at this site were completed around 1981. NJNG
10 currently uses the Atlantic Highlands site as an Energy Delivery Operations
11 Division Service Center.

12 **Q. PLEASE SUMMARIZE THE KEY EVENTS THAT OCCURRED DURING**
13 **REMEDATION YEAR 2022 IN CONNECTION WITH MGP**
14 **REMEDATION ACTIVITIES AT THE ATLANTIC HIGHLANDS SITE.**

15 **A.** The key events undertaken include:
16 NJNG completed the inspections/engineering control maintenance and submitted
17 the Biennial Certifications for each restricted-use soil remedy property, as required
18 by the NJDEP.

19 NJNG completed an extensive soil remediation project along Many Mind Creek at
20 properties located between West Highland and Center Avenues.

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

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

1 NJNG continues to operate and maintain the long-term ground water treatment
2 system to ensure the required control/containment of the groundwater impact area.
3 NJNG continues discussions with the property owner to implement the remediation
4 work at the Julian Ice (AOC-3) property.

5 NJNG continues to recover free-product at the AOC-1, AOC-1F, and AOC-2
6 properties.

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

9 **A.** NJNG will seek to obtain the necessary approvals/permission to begin the
10 excavation (soil remediation) in the vicinity/beneath the active Monmouth County
11 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

1 1983. At that time, another portion of the site was sold to private parties. The
2 demolition of several plant structures on that portion of the site was completed in
3 1991. Numerous investigation activities, multiple phases of on- and offsite-soil
4 remedial excavation, creek cleanup and restoration activities were completed
5 through 2015.

6 **Q. PLEASE SUMMARIZE THE KEY EVENTS THAT OCCURRED DURING**
7 **REMEDATION YEAR 2022 IN CONNECTION WITH MGP**
8 **REMEDATION ACTIVITIES AT THE LONG BRANCH SITE.**

9 **A.** Key activities undertaken include:

10 The final ground water remedy, which included the installation of a deep barrier
11 wall and cap system, was completed. The former timber bridge that crossed
12 Troutman's Creek on the site was replaced with a more robust cement and steel
13 structure. Site restoration was performed which consisted of planting NJ DEP-
14 approved shrubs and trees, and the installation of sod. Semi-annual soil cap
15 inspections and groundwater sampling were performed for 12 parcels in accordance
16 with the NJDEP requirements.

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

19 **A.** NJNG completed the installation of the final groundwater remedy. Semi-annual
20 soil cap inspections and groundwater monitoring will be on-going in accordance
21 with the NJDEP requirements.

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

1 A. A Remedial Action Report (“RAR”) will be prepared and submitted to the NJDEP.
2 NJNG will continue ground water monitoring activities and prepare and submit
3 biennial certification reports, as required by the NJDEP.

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

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

20 **Q. PLEASE SUMMARIZE THE KEY EVENTS THAT OCCURRED DURING**
21 **REMEDATION YEAR 2022 IN CONNECTION WITH MGP**
22 **REMEDATION ACTIVITIES AT THE FREEHOLD SITE.**

23 A. NJNG completed the Phase II Remedial Investigation (“RI”) Field work for the
24 site. While the results of this work successfully delineated the majority of

1 contamination on-site, additional work is required to fully delineate the horizontal
2 and vertical extent of contamination off-site.

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

5 **A.** Additional RI work (Phase III) is required by the NJDEP to fully delineate the
6 horizontal and vertical extent of contamination off-site. Plans are currently being
7 prepared to perform this work, and efforts are being made to secure off-site property
8 access.

9 **Q. WHAT ARE THE NEXT STEPS REGARDING FUTURE REMEDIATION**
10 **AT THE FREEHOLD SITE?**

11 **A.** A Phase III RI currently is being planned to fully delineate MGP-related impact on
12 off-site properties. This will involve securing off-site property access agreements
13 to allow this work to proceed. Once all MGP-related impact is fully delineated, the
14 RI Report can be completed and submitted to the NJDEP. Based on the results of
15 this report, an appropriate remedial action will be selected for the site.

16 **Q. PLEASE PROVIDE A BRIEF BACKGROUND OF THE ABERDEEN MGP**
17 **SITE.**

18 **A.** After conducting research on the nature of the Freehold site, NJNG continued its
19 investigation into the operations of the former SGC from which NJNG's
20 predecessor CGC purchased assets in 1922. NJNG discovered that as part of SGC's
21 operations, a former MGP known as the Matawan & Keyport Gas Light Co.
22 operated in Aberdeen, N.J (a.k.a. Aberdeen MGP). The Aberdeen MGP ceased
23 operations in 1910 when the Atlantic Highlands MGP was brought online and

1 began to supply gas to the Aberdeen site. NJNG contacted the NJDEP to discuss
2 the Aberdeen former MGP and reached an agreement that NJNG would proceed in
3 performing a Preliminary Assessment/Site Investigation (“PA/SI”).

4 **Q. PLEASE SUMMARIZE THE KEY EVENTS THAT OCCURRED DURING**
5 **REMEDATION YEAR 2022 IN CONNECTION WITH MGP**
6 **REMEDATION ACTIVITIES AT THE ABERDEEN SITE.**

7 **A.** NJNG completed and submitted the Initial Receptor Evaluation to the NJDEP. The
8 PA/SI report is in the final stage of completion.

9 **Q. WHAT IS THE STATUS OF THE REMEDIATION WORK UNDERWAY**
10 **AT THE ABERDEEN SITE?**

11 **A.** Plans are being finalized to perform the RI.

12 **Q. WHAT ARE THE NEXT STEPS REGARDING FUTURE REMEDIATION**
13 **AT THE ABERDEEN SITE?**

14 **A.** Since the presence of MGP related soil and groundwater contamination was
15 confirmed on-site, a RI will be performed to fully delineate the extent of
16 contamination. This will include sampling on off-site properties; currently property
17 access agreements are being negotiated to allow this work to proceed. Once the RI
18 report is completed, it will be possible to select an appropriate site remedy.

19 **Q. PLEASE PROVIDE A BRIEF BACKGROUND OF THE MANCHESTER**
20 **SITE.**

21 **A.** As a result of the dismantling of the Company’s Long Branch and Atlantic
22 Highlands plants in the mid-1970s, materials were delivered to an asphalt recycling

1 facility identified as South Brunswick Asphalt (“SBA”). SBA operated in three
2 locations, including Berkeley Township and Manchester Township.

3 **Q. PLEASE SUMMARIZE THE KEY EVENTS THAT OCCURRED DURING**
4 **REMEDATION YEAR 2022 IN CONNECTION WITH MGP**
5 **REMEDATION ACTIVITIES AT THE MANCHESTER SITE.**

6 **A.** Monitoring of remaining groundwater impacts from the former coal tar soil pile
7 were conducted in accordance with the semi-annual groundwater sampling
8 schedule included in the Classification Exception Area for the site. Work also
9 continued on the preparation of a Groundwater Remedial Action Work Plan, which
10 will propose a Monitored Natural Attenuation (“MNA”) groundwater remedy.
11 Potential impacts from a proposed property redevelopment continue to be evaluated
12 in relation to the site’s existing monitoring well network.

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

15 **A.** Additional data is being collected to better support the selection of Natural
16 Attenuation as an appropriate ground water remedy.

17 **Q. WHAT ARE THE NEXT STEPS REGARDING FUTURE REMEDIATION**
18 **AT THE MANCHESTER SITE?**

19 **A.** Once sufficient data is collected to support a natural attenuation groundwater
20 remedy, a groundwater RAR will be prepared and submitted to the NJDEP. If
21 groundwater impacts continue to exceed the NJDEP Groundwater Quality
22 Standards, a groundwater remedial action permit will also be prepared.

1 **Q. PLEASE PROVIDE A BRIEF BACKGROUND OF THE TOMS RIVER**
2 **SITE.**

3 **A.** The Toms River site was operated as a coal gas plant from approximately 1900 to
4 1911 by the Toms River and Island Heights Electric and Power Company. The site
5 was sold to the Ocean County Gas Company in 1911 and operated by them until
6 1928 when the site was purchased by JCP&L. Gas manufacturing operations
7 ceased in 1950. Although exact information is not available, it is likely that either
8 carbureted water or oil gas was manufactured at the Toms River site. This site was
9 included in the sale of all JCP&L gas operations to NJNG in 1952. Demolition
10 activities at this site were completed around 1975. From 1952 until 1989, NJNG
11 used this site as an Energy Delivery Operations Division Service Center but ceased
12 operations at the site in 1989 when the Company relocated the Division Offices.
13 This cessation of operations triggered the Environmental Cleanup Responsibility
14 Act (“ECRA”), requiring the submittal of an Initial Notice to the NJDEP.

15 **Q. PLEASE SUMMARIZE THE KEY EVENTS THAT OCCURRED DURING**
16 **REMEDATION YEAR 2022 IN CONNECTION WITH MGP**
17 **REMEDATION ACTIVITIES AT THE TOMS RIVER SITE.**

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

19 A soil In-Situ Stabilization (“ISS”) and excavation remedial construction project
20 was performed at the AOC-5 (former Toms River Plumbing Supply) property.
21 While doing this work, an additional MGP product area was identified, which
22 required remediation. This work was added to the scope of work of the AOC-5
23 remediation.

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

3 **A.** The AOC-5 remediation work was completed. NJNG is preparing the Remedial
4 Action Work Plan and remediation design documents (plans and specifications) for
5 the soil remediation at the AOC-6 property. NJNG is working with service
6 providers to facilitate the moving of overhead wires from the AOC-2 (Conrail right
7 of way) property in anticipation of future remedial work. NJNG is continuing
8 periodic groundwater sampling events as required by the NJDEP. NJNG is
9 continuing free-product monitoring/recovery at the AOC-1 property.

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

12 **A.** NJNG will prepare a RAR for the AOC-5 property.

13 NJNG will prepare bid specifications in preparation of selecting a remedial
14 contractor for the work at the AOC-6 property.

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

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

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

21 **A.** There is no activity underway at the Berkeley property since NJNG is not
22 considered the Person Responsible for Conducting the Remediation (“PRCR”), and
23 the Company has not had any recent communication with the property owner.

1 Pursuant to NJDEP regulations, any person who executes or is otherwise subject to
2 a memorandum of agreement, memorandum of understanding, administrative
3 consent order, remediation agreement, or administrative order to remediate a
4 contaminated site is considered the PRCR. Thus, without the property owner's
5 consent, which has not been forthcoming, the Company is unable to initiate or
6 conduct remediation activities at this time.

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

8 **A.** The term Natural Resource Damages ("NRD") refers to claims that arise from
9 alleged releases of hazardous substances that have resulted in injuries to natural
10 resources (such as loss or impairment of ecological function) or the deprivation of
11 natural resource services (such as water supply, recreation or ecological services)
12 with respect to resources owned by, managed by, or otherwise within the
13 trusteeship or co-trusteeship of the State of New Jersey.

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

16 **A.** To date, no formal NRD claims have been filed against the Company by the
17 NJDEP. However, a separate Environmental Justice ("EJ") petition filed on behalf
18 of the Concerned Citizens Coalition in Long Branch includes NRD claims. The EJ
19 petition is active and being enforced by the NJDEP. The NJDEP has stated that
20 they will explore Long Branch-related NRD claims upon the completion of
21 remediation activities in Long Branch. NJNG anticipates that NRD claims may
22 also be filed for each of its MGP sites since there are potential groundwater impacts
23 at each location. NJNG cannot predict whether the NJDEP will impose additional
24 or modified remediation-related requirements in the future. Subject to that caveat,

1 NJNG is not currently aware of any material events relating to NJDEP directives,
2 or otherwise, which could have an impact on the Company's NRD liability. As a
3 result of prior settlement discussions with BPU Staff and Rate Counsel, no NRD
4 expenses have been included for recovery in this filing.

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

6 **A.** Yes.

NEW JERSEY NATURAL GAS COMPANY

**DIRECT TESTIMONY OF JUDY DESALVATORE
MANAGER - REVENUE REQUIREMENTS**

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

3 **A.** My name is Judy DeSalvatore and I am the Manager – 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.** I received a Bachelor of Science degree in Early Childhood Education with a minor
8 in Psychology from Trenton State College. In September 1989, I accepted a
9 position in the Customer Service Department at NJNG. Over a 33-year career I
10 supervised various departments within the NJNG company. In 2006, I was
11 promoted to the position of Supervisor of Revenue Billing in which I oversaw the
12 revenue billing processes and account support work. I also was responsible for
13 ensuring that customers received accurate and timely bills. In 2012, I accepted the
14 position of Supervisor-Meter Reading. This entailed overseeing all aspects of the
15 meter reading process for Monmouth and Ocean Counties. In 2016, I accepted the
16 position of Supervisor of Revenue Integrity in Customer Service. In this position,
17 I managed the workload for the Gas Transportation department to ensure all
18 processes involving energy choice enrollments, billing, EDI data exchange, and
19 event billing were completed accurately and timely and in accordance with the
20 NJNG tariff. In 2018, I was promoted to Manager of Revenue Requirements. My
21 responsibilities include supporting the Regulatory Affairs department in the
22 preparation of all cost recovery filings.

23

24 **Q. HAVE YOU PREVIOUSLY TESTIFIED IN STATE REGULATORY**
25 **PROCEEDINGS?**

26 **A.** Yes, I have previously testified in state regulatory proceedings.

1 **Q. WHAT ARE YOUR RESPONSIBILITIES WITH RESPECT TO THIS**
2 **PROCEEDING?**

3 **A.** I am responsible for: 1) supporting the schedules contained in the Company’s SBC
4 filing, including the Remediation Adjustment (“RA”) component of the SBC,
5 which sets forth and summarizes actual remediation expenditures incurred by the
6 Company through June 2022 (“Remediation Year 2022”) for the remediation at
7 former NJNG manufactured gas plant (“MGP”) sites; 2) supporting the interest
8 calculation on unrecovered deferred MGP expenditure balances; 3) calculating the
9 proposed RA factor necessary to recover the MGP expenditure balance, including
10 interest; 4) addressing the rates for the other clauses within the SBC, including the
11 New Jersey Clean Energy Program (“NJCEP”) and the Universal Service Fund
12 (“USF”). In this SBC filing, NJNG is petitioning the Board: (1) for approval of the
13 RA expenditures Remediation Year 2022 as prudent and reasonable; (2) to increase
14 the after-tax RA rate of \$0.0174 per therm to \$0.0230 per therm; and (3) to increase
15 the after-tax NJCEP rate from \$0.0259 per therm to \$0.0291 per therm, effective
16 April 1, 2023, or as of the date of a Board Order in this proceeding approving these
17 proposed rates.

18 **I. HISTORY OF NJNG’S REMEDIATION ADJUSTMENT CLAUSE**

19 **Q. PLEASE DESCRIBE THE HISTORY OF NJNG’S REMEDIATION**
20 **ADJUSTMENT CLAUSE.**

21 **A.** As part of the settlement of the Company’s base rate case filing in Docket No.
22 GR91081383J, NJNG was authorized in June 1992 to recover Remediation Costs
23 on a deferred basis, over a rolling seven-year period and subject to BPU approval.
24 As defined in the Company’s BPU-approved tariff, “Remediation Costs” include
25 costs associated with all investigation, testing, land acquisition if appropriate,
26 remediation and/or litigation costs and expenses, or other liabilities, excluding
27 personal injury claims, specifically relating to former MGP facility sites, disposal
28 sites, or sites to which material may have migrated, as a result of the earlier
29 operation or decommissioning of MGP sites. Examples of Remediation Costs the
30 Company has previously included for recovery in SBC filings include: soil disposal
31 and replacement, installation and maintenance of long-term groundwater treatment
32 facilities, estuary development, site engineering and construction, consulting,

1 community outreach, legal expenses and certain incremental payroll costs directly
2 relating to the remediation of former MGP sites, disposal sites, or sites to which
3 material may have migrated since operation of these MGP sites. Based on the
4 above settlement, the total annual charge for such Remediation Costs during any
5 Recovery Year is not permitted to exceed five percent of the Company's total
6 revenues from natural gas sales during the preceding Remediation Year (July
7 through the following June).

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

10 **A.** The Company is currently authorized by the BPU to calculate its RA factor using a
11 methodology that permits the Company to recover one-seventh of the actual
12 Remediation Costs the Company incurs each Remediation Year, until fully
13 amortized, plus any prior year Remediation Cost under- or over-recoveries net of
14 any accumulated deferred third-party recoverable costs. In addition, pursuant to
15 the BPU's "Order Adopting Initial Decision and Stipulation" dated October 5, 2004
16 in Docket No. GR03030200, the Company is required to calculate and is permitted
17 to recover monthly carrying costs on its unamortized MGP expenditure balances
18 using the methodology set forth on Original Sheet No. 164 dated October 1, 2016
19 of the Company's Tariff. The referenced methodology provides, in pertinent part,
20 that the Company shall calculate carrying costs on any under- or over-recovered
21 RA cost balances, net of the deferred income taxes associated with those balances,
22 using the same interest rate, which rate will be adjusted each August 31 based upon
23 the seven-year constant maturity Treasury rate, shown in the Federal Reserve
24 Statistical Release, plus 60 basis points. Interest applicable to the Company's
25 unamortized RA balance shall be calculated and will accrue on a monthly basis and
26 shall be rolled into the RA balance commencing each October 1. The impact and
27 effect of this carrying cost methodology is set forth in Attachment A, Schedule 5,
28 addressed in further detail below.

29

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

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

5 **A. Schedule 1 – Summary of Site Expenses for Remediation Year 2022.**

6 Schedule 1 provides a summary of actual RA expenditures, by MGP site and cost
7 category, of approximately \$34.7 million for the Remediation Year 2022. A
8 summary of actual MGP expenses by vendor for Remediation Year will be
9 provided subsequently in the Minimum Filing Requirements (“MFRs”).

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

11 Schedule 2 provides the amortization calculation and recognizes the applicable
12 seven-year recovery period for the year end periods June 2016 – June 2022. The
13 actual expenditures to be recovered for Remediation Years ended June 30, 2016
14 through June 30, 2022 is approximately \$102.7 million in total, and one-seventh of
15 the cost is approximately \$14.67 million.

16 **Schedule 3 - Remediation Adjustment Factor**

17 Schedule 3 provides the calculation of the pre-tax and after-tax RA Factor for the
18 2021/2022 Recovery Year. The amount to be recovered is the sum of the following:

19 (1) The Remediation Year amortizations from year end periods June 2016 -
20 June 2022 of approximately \$14.67 million, per Schedule 2; plus

21 (2) A reconciliation amount that is comprised of the total under-recovery
22 through March 31, 2022 and expected recovery through March 31, 2023 of
23 approximately \$0.32 million; plus

24 (3) Interest of approximately \$0.857 million from Schedule 5.

25 (4) The resulting net total amount of \$15.56 million to be recovered is then
26 divided by the projected therm sales of natural gas for the twelve months ending
27 March 31, 2024 which yields a pre-tax RA factor of \$0.0216 per therm (\$0.0230
28 per therm after-tax). As a result of the above calculations shown on Attachment A,

1 Schedule 3, NJNG is proposing to increase the current after-tax RA Factor of
2 \$0.0174 per therm to \$ 0.0230 per therm.

3 **Schedule 4 - Annual Cap Calculation**

4 Schedule 4 calculates the limitation on the annual recovery of NJNG's remediation
5 costs. The Company's total annual amortization to be collected from customers
6 during a prospective Recovery Year may not exceed 5 percent of the Company's
7 total gas revenues collected from customers during the preceding Remediation
8 Year. Schedule 4 shows that the total amount of approximately \$15.56 million
9 projected to be recovered is less than the five percent revenue cap of approximately
10 \$40.16 million based on the \$803.12 million in gas revenues for Remediation Year
11 2022.

12 **Schedule 5 – Remediation Interest Calculation**

13 Schedule 5 calculates interest for the period beginning October 2021 and ending
14 September 2022 on the Company's monthly average balance of deferred
15 remediation costs using the methodology approved by the Board in Docket No.
16 GR09010076, dated April 28, 2010. The October 31, 2021 deferred balance
17 includes interest that has been rolled-in from Remediation Year 2021. The column
18 on Schedule 5 labeled "Net of Tax" reflects the offset of deferred taxes based on
19 the above-mentioned Board approved methodology. The Company will, effective
20 September 1, 2022, modify the SBC annual interest rate pursuant to the Board
21 Order.

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

24 **A.** As shown on Attachment A, Schedule 3, the Company is proposing to increase the
25 current after-tax RA Factor from \$0.0174 per therm to \$0.0230 per therm, effective
26 April 1, 2023 or as of the date of a Board Order in this proceeding.

27
28
29
30

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 July 2022 through June 2023 based on the approved funding obligation in the BPU Order, dated June 29, 2022 in Docket No. QO22020112. NJNG's annual funding obligation is \$17.1 million. Attachment B also includes estimated NJCEP recovery through March 2023 in order to determine the amount to be recovered from April 2023 through March 2024.

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

A. The Company proposes to increase its after-tax NJCEP Factor of \$0.0259 per therm to \$0.0291 per therm effective April 1, 2023 or as the date of a Board Order in this proceeding. The proposed rate recovers estimated NJCEP funding levels through March 2024. Supporting documentation for this factor is presented in Attachment B.

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

A. The after-tax USF factor included in this SBC filing is \$0.0190 per therm. This statewide USF factor was approved in the Board's September 14, 2021 Order in Docket No. ER21060939, and became effective on October 1, 2021.

IV. OVERALL PROPOSED PRICE CHANGES

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

A. The Company is proposing to increase its after-tax RA rate from \$0.0174 to \$0.0230 per therm and increase its after-tax NJCEP rate from \$0.0259 to \$0.0291 per therm effective April 1, 2023 or as of the date of a Board Order in this proceeding. This results in a proposed overall SBC after- tax rate, (inclusive of the

1 RA, NJCEP and USF) of \$0.0711 per therm. The proposed RA and NJCEP rates
2 will result in an overall increase of approximately 0.65 percent to the average
3 residential heating customer's monthly bill.

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

5 **A.** Yes.

NEW JERSEY NATURAL GAS COMPANY
SOCIETAL BENEFITS CHARGE (SBC)
REMEDIATION ADJUSTMENT RIDER
REMEDIATION YEAR 2022

SUMMARY OF SITE EXPENSES
July 2021 - June 2022

LINE NO.	SITE	CONSULTING	REMEDIATION	LEGAL	OTHER	TOTAL REMEDIATION EXPENSES	THIRD PARTY EXPENSES	RECOVERY COST
1	Aberdeen	\$68,896.93	\$121,584.81	\$0.00	\$150.00	\$190,631.74	\$0.00	\$190,631.74
2	Atlantic Highlands	\$1,950,968.30	\$12,250,202.39	\$8,056.35	(\$54,821.84)	\$14,154,405.20	\$0.00	\$14,154,405.20
3	Berkeley	\$4,172.62	\$53,836.32	\$0.00	\$150.00	\$58,158.94	\$0.00	\$58,158.94
4	Freehold	\$149,978.54	\$145,151.97	\$0.00	\$573.09	\$295,703.60	\$0.00	\$295,703.60
5	Long Branch	\$1,154,345.36	\$9,935,039.60	\$13,686.50	\$356,883.36	\$11,459,954.82	\$0.00	\$11,459,954.82
6	Manchester	\$35,779.73	\$129,210.20	\$0.00	\$150.00	\$165,139.93	\$0.00	\$165,139.93
7	Toms River	\$1,577,458.04	\$6,355,699.21	\$359,340.06	\$93,958.64	\$8,386,455.95	\$0.00	\$8,386,455.95
	TOTALS	<u>\$4,941,599.52</u>	<u>\$28,990,724.50</u>	<u>\$381,082.91</u>	<u>\$397,043.25</u>	<u>\$34,710,450.18</u>	<u>\$0.00</u>	<u>\$34,710,450.18</u>

NEW JERSEY NATURAL GAS COMPANY
SOCIETAL BENEFITS CHARGE (SBC)
REMEDIATION ADJUSTMENT RIDER
REMEDIATION YEAR 2022

COSTS ELIGIBLE FOR AMORTIZATION & RECOVERY OVER 7 YEARS:

Actual Expenditures

<u>TOTAL</u>	<u>YE 6/30/2022</u>	<u>YE 6/30/2021</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>
\$102,714,157	\$34,710,450	\$9,937,330	\$10,986,911	\$12,115,897	\$17,676,763	\$10,088,817	\$7,197,989

ANNUAL RECOVERY SUMMARY:

Annual Amortization of Period Costs (seven years)

\$14,673,452	\$4,958,636	\$1,419,619	\$1,569,559	\$1,730,842	\$2,525,252	\$1,441,260	\$1,028,284
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NEW JERSEY NATURAL GAS COMPANY
SOCIETAL BENEFITS CHARGE (SBC)
REMEDATION ADJUSTMENT RIDER
REMEDATION YEAR 2022

REMEDATION ADJUSTMENT FACTOR

Line				
1	<u>AMORTIZATION (Per Schedule 2)</u>		\$14,673,452	
	Total Amortization			\$14,673,452 a
2	<u>PRIOR YEARS' RECONCILIATION</u>			
	<i>Amount to be Recovered:</i>			
	BPU Order - Docket No.GR21091145	\$11,599,628		
	<i>Total Amount to be Recovered</i>		\$11,599,628	
	<i>Recovery:</i>			
	April 1, 2021 to March 31, 2022 Actual	\$10,477,958		
	Less: April 1, 2021 to March 31, 2022 (Estimate included in current rate)	\$10,705,490		
	True up	(\$227,532)		
	April 1, 2022 to March 31, 2023 (Actuals through July 31, 2022)	\$11,794,802		
	<i>Total Amount Recovered</i>		\$11,567,270	
	Under-Recovery			32,359 b
3	<u>INTEREST CALCULATION (Per Schedule 5)</u>			
	Interest (October 1, 2021 - September 30, 2022)*		\$ 856,887	c
4	TOTAL TO BE RECOVERED			\$15,562,698 a+b+c
5	<u>THERM SALE PROJECTION (April 2023 - March 2024)</u>			
	<i>PROJECTED THERM SALES:</i>			
	FIRM SALES	578,908,865		
	FIRM TRANSPORTATION	127,981,968		
	INTERRUPTIBLE TRANSPORTATION	15,258,093		
	<i>TOTAL PROJECTED THERM SALES</i>		722,148,927	
	PROPOSED PRE-TAX RA FACTOR PER THERM		\$0.0216	
	PROPOSED AFTER-TAX RA FACTOR PER THERM		\$0.0230	
	CURRENT PRE-TAX RA FACTOR PER THERM		\$0.0163	
	CURRENT AFTER-TAX RA FACTOR PER THERM		\$0.0174	
	Increase		\$0.0056	

* 10 months actual, two months estimate

**NEW JERSEY NATURAL GAS COMPANY
SOCIETAL BENEFITS CHARGE (SBC)
REMEDATION ADJUSTMENT RIDER
REMEDATION YEAR 2022**

ANNUAL CAP CALCULATION

FIRM GAS REVENUES-REMEDATION YEAR 2022	\$	803,120,880
5% CAP		\$40,156,044
TOTAL TO BE RECOVERED		\$15,562,698

* Revenues based on Remediation Year July 1, 2021 - June 30, 2022

**NEW JERSEY NATURAL GAS COMPANY
SOCIETAL BENEFITS CHARGE (SBC)
REMEDATION ADJUSTMENT RIDER
REMEDATION YEAR 2022**

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>	
			41,794,628				
10/31/21	59,634,798	(16,763,342)	42,871,456	42,333,042	0.140%	59,266	
11/30/21	62,148,445	(17,469,928)	44,678,517	43,774,986	0.140%	61,285	
12/31/21	64,478,227	(18,124,830)	46,353,397	45,515,957	0.140%	63,722	
01/31/22	64,808,434	(18,217,651)	46,590,783	46,472,090	0.140%	65,061	
02/28/22	64,830,151	(18,223,755)	46,606,396	46,598,590	0.140%	65,238	
03/31/22	65,144,049	(18,311,992)	46,832,057	46,719,226	0.140%	65,407	
04/30/22	64,629,028	(18,167,220)	46,461,808	46,646,932	0.140%	65,306	
05/31/22	64,992,684	(18,269,444)	46,723,240	46,592,524	0.140%	65,230	
06/30/22	65,056,877	(18,287,488)	46,769,389	46,746,315	0.140%	65,445	
07/31/22	65,036,337	(18,281,714)	46,754,623	46,762,006	0.140%	65,467	
08/31/22	65,036,337	(18,281,714)	46,754,623	46,754,623	0.140%	65,456	Estimate
09/30/22	65,036,337	(18,281,714)	46,754,623	46,754,623	0.321%	150,004	Estimate
Total						\$ 856,887	

(1) Monthly rate is 1/12 of the Seven-Year Constant Maturity Treasury rate plus 60 basis points 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
BPU DOCKET NO. GR22090574**

NEW JERSEY CLEAN ENERGY ADJUSTMENT CLAUSE CALCULATION

	Estimated Balance (\$ 000)
NJ Clean Energy Underrecovery Balance @ July 31, 2022	2,674
Board Approved Amounts for August 2022 to March 2023	\$14,382
Recovery for August 2022 through March 2023	(\$14,456)
Estimated balance at March 31, 2023	\$2,600
Board Approved Amounts for April 2023 to March 2024	\$17,115
Estimated Amount to be Recovered	\$19,715
	Projected 4/23-3/24 Sales
Firm Sales	578,909
Firm Transportation	127,982
Interruptible	15,258
Total	722,149
Pre-tax NJ Clean Energy Recovery Rate \$ per Therm as Calculated	\$0.0273
After-tax NJ Clean Energy Recovery Rate \$ per Therm as Calculated	\$0.0291
Current Pre-tax NJ Clean Energy Recovery Rate \$ per Therm	\$0.0243
Current After-tax NJ Clean Energy Recovery Rate \$ per Therm	\$0.0259
Calculated Pre-tax NJ Clean Energy Recovery Rate \$ per Therm Increase	\$0.0030
Calculated After-tax NJ Clean Energy Recovery Rate \$ per Therm Increase	\$0.0032

¹ Per 6/29/2022 Order in BPU Docket No. QO22020112. Assumes approved contributions through June 2023 and estimates for July 2023 through March 2024 period based on approved amounts from prior period (July 2022 through Mar 2023).

SERVICE CLASSIFICATION - RS**RESIDENTIAL SERVICE****AVAILABILITY**

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

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

CHARACTER OF SERVICE

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

MONTHLY RATES**Customer Charge:**

Customer Charge per meter per month	\$11.00
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Delivery Charge:**Residential Heating**

Delivery Charge per therm	\$0. 85 478635
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Residential Non-Heating

Delivery Charge per therm	\$0. 75 477635
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BGSS Charge:

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

Date of Issue: ~~March 24, 2022~~
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Wall, NJ 07719

Effective for service rendered on
and after April 1, ~~2023~~2022

SERVICE CLASSIFICATION – DGR**DISTRIBUTED GENERATION SERVICE - RESIDENTIAL****AVAILABILITY**

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

CHARACTER OF SERVICE

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

MONTHLY RATES**Customer Charge:**

Customer Charge per meter per month	\$11.00
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Delivery Charge:

November - April	\$0. 4072 <u>4160</u>
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May - October	\$0. 3539 <u>3627</u>
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BGSS Charge:

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

MINIMUM MONTHLY CHARGE

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

BALANCING CHARGE ADJUSTMENTS

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

Date of Issue: ~~March 24, 2022~~
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Effective for service rendered on
 and after April 1, ~~2023~~2022

SERVICE CLASSIFICATION – GSS**GENERAL SERVICE - SMALL****AVAILABILITY**

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

CHARACTER OF SERVICE

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

MONTHLY RATES**Customer Charge:**

Customer Charge per meter per month \$42.00

Delivery Charge:

Delivery Charge per therm \$0.~~7737~~7825

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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SERVICE CLASSIFICATION - GSS**GENERAL SERVICE - SMALL (continued)****SPECIAL PROVISIONS****I. Applicable to All Customers Under This Service Classification****1. Annual Review**

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

2. Air Conditioning and Pool Heating

Upon separate application, GSS Customers who have installed and are using gas air conditioning and/or pool heating equipment will be billed on the above Monthly Rates and will be billed a credit of (\$0.4299) 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.~~34383526~~ per therm, which includes \$0.1081 per therm margin, all appropriate riders, taxes, assessments and surcharges, and the delivery charge for Service Classification GSS.

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

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

3. Veterans' Organization Service

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

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

Date of Issue: ~~March 24, 2022~~
 Issued by: **Mark G. Kahrer, Senior Vice President**
 Wall, NJ 07719

Effective for service rendered on
 and after April 1, ~~2023~~2022

SERVICE CLASSIFICATION - GSS**GENERAL SERVICE - SMALL (continued)**

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

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

4. **Metering**

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

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

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

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

Street Lighting Service is not subject to Rider "I" of this Tariff. The delivery charge per therm for Street Lighting Service is \$0.~~75477635~~ per therm.

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

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

TERMS AND CONDITIONS

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

Date of Issue: ~~March 24, 2022~~
Issued by: Mark G. Kahrer, Senior Vice President
Wall, NJ 07719

Effective for service rendered on
and after April 1, ~~2023~~~~2022~~

NEW JERSEY NATURAL GAS COMPANY

BPU No. 11 - Gas

~~Third~~ ~~Second~~ Revised Sheet No. 58
Superseding ~~Second~~ ~~First~~ Revised Sheet No. 58SERVICE CLASSIFICATION - GSLGENERAL SERVICE - LARGEAVAILABILITY

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 RATESCustomer Charge:

Customer Charge per meter per month	\$104.00
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Demand Charge:

Demand Charge per therm applied to HMAD	\$3.41
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Delivery Charge:

Delivery Charge per therm	\$0. 5880 <u>5968</u>
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BGSS Charge:

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

MINIMUM MONTHLY CHARGE

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

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

BALANCING CHARGE ADJUSTMENTS

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

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NEW JERSEY NATURAL GAS COMPANY

~~Third~~Second Revised Sheet No. 59

BPU No. 11 - Gas

Superseding ~~Second~~First Revised Sheet No. 59SERVICE CLASSIFICATION - GSLGENERAL SERVICE - LARGE (continued)SPECIAL PROVISIONSI. *Applicable to All Customers in this Service Classification*1. Determination of Demand

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

2. Metering

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

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

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

3. Annual Review

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

4. Air Conditioning and Pool Heating

Upon separate application, GSL Customers who have installed and are using gas air conditioning and/or pool heating equipment will be billed on the above Monthly Rates and will be billed a credit of (\$0.2442) 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.~~3438~~3526 per therm which includes \$0.1081 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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 Wall, NJ 07719

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 and after April 1, ~~2023~~2022

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	\$350.00
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Demand Charge:

Demand Charge per therm applied to MDQ	\$2.50
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Delivery Charge:

Delivery Charge per therm	\$0. 1866 <u>1954</u>
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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 and the Demand Charge.

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

Date of Issue: ~~March 24, 2022~~
Issued by: Mark G. Kahrer, Senior Vice President
Wall, NJ 07719

Effective for service rendered on
and after April 1, ~~2023~~2022

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	\$104.00	\$104.00
<u>Demand Charge:</u>		
Demand Charge per therm applied to PBQ	\$2.35	\$2.35
<u>Delivery Charge per therm:</u>		
November - April	\$0. 30223110	\$0. 47871875
May - October	\$0. 26962784	\$0. 44611549
<u>BGSS Charge:</u>		
BGSS Charge per therm for Sales Customers	See "Rate Summaries" at the end of this Tariff	N/A

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

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

Date of Issue: ~~March 24, 2022~~
 Issued by: Mark G. Kahrer, Senior Vice President
 Wall, NJ 07719

Effective for service rendered on
 and after April 1, ~~2023~~2022

NEW JERSEY NATURAL GAS COMPANY

BPU No. 11 - Gas

~~Third~~ ~~Second~~ Revised Sheet No. 69
Superseding ~~Second~~ ~~First~~ Revised Sheet No. 69SERVICE CLASSIFICATION - EGSELECTRIC GENERATION SERVICEAVAILABILITY

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 RATESCustomer 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	\$0.4022 <u>1105</u>	\$0.4090 <u>1178</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.

Date of Issue: ~~March 24, 2022~~
Issued by: Mark G. Kahrer, Senior Vice President
Wall, NJ 07719

Effective for service rendered on
and after April 1, ~~2023~~ 2022

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	\$11.00
Commercial Customer Charge per meter per month	N/A	\$104.00
<u>Delivery Charge:</u>		
Delivery Charge per therm	\$0.39013989 (\$0.488499 per GGE)	\$0.39013989 (\$0.488499 per GGE)

Date of Issue: ~~March 24, 2022~~
Issued by: Mark G. Kahrer, Senior Vice President
Wall, NJ 07719

Effective for service rendered on
and after April 1, ~~2023~~~~2022~~

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.~~1567~~1655

Customers without Alternate Fuel

Delivery Charge per therm \$0.~~3975~~4063

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.

Date of Issue: ~~March 24, 2022~~
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Wall, NJ 07719

Effective for service rendered on
and after April 1, ~~2023~~2022

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	\$104.00
-------------------------------------	----------

Delivery Charge:

Delivery Charge per therm	\$0. 60336121
	(\$0. 754765 per GGE)

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.

Date of Issue: ~~March 24, 2022~~
Issued by: Mark G. Kahrer, Senior Vice President
Wall, NJ 07719

Effective for service rendered on and after April 1, ~~2023~~ 2022

RIDER "C"**REMEDIATION 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.~~01740230~~

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Wall, NJ 07719

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and after April 1, ~~2023~~2022*

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.~~0259~~0291

Date of Issue: ~~March 24, 2022~~
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~~Wall, NJ 07719~~

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NEW JERSEY NATURAL GAS COMPANY

~~Fourth Third~~ Revised Sheet No. 252Superseding ~~Third Second~~ Revised Sheet No. 252

BPU No. 11 - Gas

SUMMARY OF RESIDENTIAL RATE COMPONENTSResidential Heating Customers

<u>Customer Charge</u>		<u>Bundled</u> <u>Sales</u>	<u>Transport</u>	<u>Reference</u>
Customer Charge per meter per month		11.00	11.00	
IIP Customer Charge per meter per month		<u>0.00</u>	<u>0.00</u>	Rider D
Total Customer Charge		11.00	11.00	
<u>Delivery Charge ("DEL") per therm</u>				
Pre-tax Base Rate		0.5701	0.5701	
Pre-tax IIP Base Rate		<u>0.0000</u>	<u>0.0000</u>	Rider D
Total Pre-tax Base Rate (Margin Revenue Factor)		0.5701	0.5701	
SUT		<u>0.0378</u>	<u>0.0378</u>	Rider B
After-tax Base Rate		0.6079	0.6079	
CIP		0.0193	0.0193	Rider I
EE		<u>0.0417</u>	<u>0.0417</u>	Rider F
<i>Subtotal</i>	a	0.6689	0.6689	
<i>Balancing Charge</i>	b	0.1235	0.1235	Rider A
<i>Societal Benefits Charge ("SBC"):</i>				
NJ's Clean Energy		0.025902	0.0259029	Rider E
		<u>91</u>	<u>1</u>	
RA		0.017402	0.0174023	Rider C
		<u>30</u>	<u>0</u>	
USF		<u>0.0190</u>	<u>0.0190</u>	Rider H
<i>Total SBC</i>	c	<u>0.062307</u>	<u>0.0623071</u>	
		<u>11</u>	<u>1</u>	
Delivery Charge (DEL)	a+b+c=d	<u>0.854786</u>	<u>0.8547863</u>	
		<u>35</u>	<u>5</u>	
<u>Basic Gas Supply Charge ("BGS")</u>				
BGS	e	<u>0.3974</u>	x	Rider A

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

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

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BPU No. 11 - Gas

~~Fourth Third Revised Sheet No. 253~~
~~Superseding Third Second Revised Sheet No. 253~~SUMMARY OF RESIDENTIAL RATE COMPONENTSResidential Non-Heating Customers

<u>Customer Charge</u>		<u>Bundled Sales</u>	<u>Transport</u>	<u>Reference</u>
Customer Charge per meter per month		11.00	11.00	
IIP Customer Charge per meter per month		<u>0.00</u>	<u>0.00</u>	Rider D
Total Customer Charge		11.00	11.00	
<u>Delivery Charge ("DEL") per therm</u>				
Pre-tax Base Rate		0.5701	0.5701	
Pre-tax IIP Base Rate		<u>0.0000</u>	<u>0.0000</u>	Rider D
Total Pre-tax Base Rate (Margin Revenue Factor)		0.5701	0.5701	
SUT		<u>0.0378</u>	<u>0.0378</u>	Rider B
After-tax Base Rate		0.6079	0.6079	
CIP		(0.0807)	(0.0807)	Rider I
EE		<u>0.0417</u>	<u>0.0417</u>	Rider F
<i>Subtotal</i>	a	0.5689	0.5689	
<i>Balancing Charge</i>	b	0.1235	0.1235	Rider A
<i>Societal Benefits Charge ("SBC"):</i>				
NJ's Clean Energy		0. 025902 <u>91</u>	0. 02590291 <u>291</u>	Rider E
RA		0. 017402 <u>30</u>	0. 01740230 <u>230</u>	Rider C
USF		<u>0.0190</u>	<u>0.0190</u>	Rider H
<i>Total SBC</i>	c	0.062307 <u>11</u>	0.06230711 <u>11</u>	
Delivery Charge (DEL)	a+b+c=d	0.754776 <u>35</u>	0.75477635 <u>635</u>	
<u>Basic Gas Supply Charge ("BGS")</u>				
BGS	e	<u>0.3974</u>	x	Rider A

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

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

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BPU No. 11 - Gas

*~~Fourth~~Third Revised Sheet No. 253
Superseding ~~Third~~Second Revised Sheet No. 253*

SUMMARY OF RESIDENTIAL RATE COMPONENTS

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NEW JERSEY NATURAL GAS COMPANY

~~Fourth Third~~ Revised Sheet No. 254Superseding ~~Third Second~~ Revised Sheet No. 254

BPU No. 11 - Gas

SUMMARY OF RESIDENTIAL RATE COMPONENTSResidential Distributed Generation Service

		<u>Nov - Apr</u>	<u>May - Oct</u>	<u>Reference</u>
<u>Customer Charge</u>				
Customer Charge per meter per month		11.00	11.00	
IIP Customer Charge per meter per month		<u>0.00</u>	<u>0.00</u>	Rider D
Total Customer Charge		11.00	11.00	
<u>Delivery Charge ("DEL") per therm</u>				
Pre-tax Base Rate		0.1685	0.1185	
Pre-tax IIP Base Rate		<u>0.0000</u>	<u>0.0000</u>	Rider D
Total Pre-tax Base Rate		0.1685	0.1185	
SUT		<u>0.0112</u>	<u>0.0079</u>	Rider B
After-tax Base Rate		0.1797	0.1264	
EE		<u>0.0417</u>	<u>0.0417</u>	Rider F
<i>Subtotal</i>	a	<i>0.2214</i>	<i>0.1681</i>	
<i>Balancing Charge</i>	b	<i>0.1235</i>	<i>0.1235</i>	Rider A
<i>Societal Benefits Charge ("SBC"):</i>				
NJ's Clean Energy		0.02590291	0.02590291	Rider E
RA		0.01740230	0.01740230	Rider C
USF		<u>0.0190</u>	<u>0.0190</u>	Rider H
<i>Total SBC</i>	c	0.06230711	0.06230711	
Delivery Charge (DEL)	a+b+c=d	0.40724160	0.35393627	
<u>Basic Gas Supply Charge ("BGS")</u>				
BGS	e	<u>0.3974</u>	<u>0.3974</u>	Rider A

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

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

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NEW JERSEY NATURAL GAS COMPANY

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

BPU No. 11 - Gas

SUMMARY OF FIRM COMMERCIAL RATE COMPONENTSGeneral Service - Small (GSS)

		<u>Bundled Sales</u>	<u>Transport</u>	<u>Reference</u>
<u>Customer Charge</u>				
Customer Charge per meter per month		42.00	42.00	
IIP Customer Charge per meter per month		<u>0.00</u>	<u>0.00</u>	Rider D
Total Customer Charge		42.00	42.00	
<u>Delivery Charge ("DEL") per therm</u>				
Pre-tax Base Rate		0.4944	0.4944	
Pre-tax IIP Base Rate		<u>0.0000</u>	<u>0.0000</u>	Rider D
Total Pre-tax Base Rate (Margin Revenue Factor)		0.4944	0.4944	
SUT		<u>0.0328</u>	<u>0.0328</u>	Rider B
After-tax Base Rate		0.5272	0.5272	
CIP		0.0190	0.0190	Rider I
EE		<u>0.0417</u>	<u>0.0417</u>	Rider F
<i>Subtotal</i>	a	0.5879	0.5879	
<i>Balancing Charge</i>	b	0.1235	0.1235	Rider A
<i>Societal Benefits Charge ("SBC"):</i>				
NJ's Clean Energy		0.0259029	0.0259029	Rider E
RA		<u>0.0174023</u>	<u>0.01740230</u>	Rider C
USF		<u>0.0190</u>	<u>0.0190</u>	Rider H
<i>Total SBC</i>	c	<u>0.0623071</u>	<u>0.06230711</u>	
Delivery Charge (DEL)	a+b+c=d	<u>0.7737782</u> <u>5</u>	<u>0.77377825</u>	
<u>Basic Gas Supply Charge ("BGS")</u>				
BGS	e	<u>0.3974</u>	x	Rider A

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

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

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NEW JERSEY NATURAL GAS COMPANY

~~Thirteenth~~ Twelfth Revised Sheet No. 256

BPU No. 11 - Gas

Superseding ~~Twelfth~~ Eleventh Revised Sheet No. 256SUMMARY OF FIRM COMMERCIAL RATE COMPONENTSGeneral Service - Large (GSL)

		<u>Bundled</u> <u>Sales</u>	<u>Transport</u>	<u>Reference</u>
<u>Customer Charge</u>				
Customer Charge per meter per month		104.00	104.00	
IIP Customer Charge per meter per month		<u>0.00</u>	<u>0.00</u>	Rider D
Total Customer Charge		104.00	104.00	
<u>Demand Charge</u>				
Demand Charge per month applied to HMAD		3.41	3.41	
IIP Demand Charge per month applied to HMAD		<u>0.00</u>	<u>0.00</u>	Rider D
Total Demand Charge		3.41	3.41	
<u>Delivery Charge ("DEL") per therm</u>				
Pre-tax Base Rate		0.3133	0.3133	
Pre-tax IIP Base Rate		<u>0.0000</u>	<u>0.0000</u>	Rider D
Total Pre-tax Base Rate (Margin Revenue Factor)		0.3133	0.3133	
SUT		<u>0.0208</u>	<u>0.0208</u>	Rider B
After-tax Base Rate		0.3341	0.3341	
CIP		0.0264	0.0264	Rider I
EE		<u>0.0417</u>	<u>0.0417</u>	Rider F
<i>Subtotal</i>	a	<i>0.4022</i>	<i>0.4022</i>	
<i>Balancing Charge</i>	b	<i>0.1235</i>	<i>0.1235</i>	Rider A
<i>Societal Benefits Charge ("SBC"):</i>				
NJ's Clean Energy		0.0259029	0.0259029	Rider E
		<u>1</u>	<u>1</u>	
RA		0.0174023	0.0174023	Rider C
		<u>0</u>	<u>0</u>	
USF		<u>0.0190</u>	<u>0.0190</u>	Rider H
<i>Total SBC</i>	c	<i>0.0623071</i>	<i>0.0623071</i>	
		<u>1</u>	<u>1</u>	
Delivery Charge (DEL)	a+b+c=d	0.5880596	0.5880596	
		<u>8</u>	<u>8</u>	
<u>Basic Gas Supply Charge ("BGS")</u>				
BGS	e	<u>\$1.0621</u>	X	Rider A

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NEW JERSEY NATURAL GAS COMPANY

BPU No. 11 - Gas

~~Thirteenth~~~~Twelfth~~ Revised Sheet No. 256
Superseding ~~Twelfth~~~~Eleventh~~ Revised Sheet No. 256

SUMMARY OF FIRM COMMERCIAL RATE COMPONENTS

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

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

Date of Issue: ~~August 30, 2022~~
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~~2023~~2022
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NEW JERSEY NATURAL GAS COMPANY

~~Third~~Second Revised Sheet No. 257Superseding ~~Second~~First Revised Sheet No. 257

BPU No. 11 - Gas

SUMMARY OF FIRM COMMERCIAL RATE COMPONENTSFIRM TRANSPORTATION (FT)

	<u>Transport</u>	<u>Reference</u>
<u>Customer Charge</u>		
Customer Charge per meter per month	350.00	
IIP Customer Charge per meter per month	<u>0.00</u>	Rider D
Total Customer Charge	350.00	
<u>Demand Charge</u>		
Demand Charge per therm per month applied to MDQ	2.50	
IIP Demand Charge per month applied to the MDQ	<u>0.00</u>	Rider D
Total Demand Charge	2.50	
<u>Delivery Charge ("DEL") per therm</u>		
Pre-tax Base Rate	0.0775	
Pre-tax IIP Base Rate	<u>0.0000</u>	Rider D
Total Pre-tax Base Rate	0.0775	
SUT	<u>0.0051</u>	Rider B
After-tax Base Rate	0.0826	
EE	<u>0.0417</u>	Rider F
<i>Subtotal</i>	a	<i>0.1243</i>
<i>Societal Benefits Charge ("SBC"):</i>		
NJ's Clean Energy	<u>0.02590291</u>	Rider E
RA	<u>0.01740230</u>	Rider C
USF	<u>0.0190</u>	Rider H
<i>Total SBC</i>	b	<i><u>0.06230711</u></i>
Delivery Charge (DEL)	a+b=c	<u>0.18661954</u>

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

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

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NEW JERSEY NATURAL GAS COMPANY

~~Thirteenth~~ Revised Sheet No. 258

BPU No. 11 - Gas

Superseding ~~Twelfth~~ Revised Sheet No. 258SUMMARY OF FIRM COMMERCIAL RATE COMPONENTSCommercial Distributed Generation Service – DGC-Balancing

		Nov - Apr	May - Oct	Reference
<u>Customer Charge</u>				
Customer Charge per meter per month		104.00	104.00	
IIP Customer Charge per meter per month		<u>0.00</u>	<u>0.00</u>	Rider D
Total Customer Charge		104.00	104.00	
<u>Demand Charge</u>				
Demand Charge per therm per month applied to PBQ		2.35	2.35	
IIP Demand Charge per therm per month applied to PBQ		<u>0.00</u>	<u>0.00</u>	Rider D
Total Demand Charge		2.35	2.35	
<u>Delivery Charge (“DEL”) per therm</u>				
Pre-tax Base Rate		0.0701	0.0395	
Pre-tax IIP Base Rate		<u>0.0000</u>	<u>0.0000</u>	Rider D
Total Pre-tax Base Rate		0.0701	0.0395	
SUT		<u>0.0046</u>	<u>0.0026</u>	Rider B
After-tax Base Rate		0.0747	0.0421	
EE		<u>0.0417</u>	<u>0.0417</u>	Rider F
<i>Subtotal</i>	a	0.1164	0.0838	
<u>Societal Benefits Charge (“SBC”):</u>				
NJ’s Clean Energy		0.0259 <u>0.0291</u>	0.0259 <u>0.029</u>	Rider E
RA		0.0174 <u>0.0230</u>	0.0174 <u>0.023</u>	Rider C
USF		<u>0.0190</u>	<u>0.0190</u>	Rider H
<i>Total SBC</i>	b	0.0623 <u>0.0711</u>	0.0623 <u>0.071</u>	
Balancing Charge	c	<u>0.1235</u>	<u>0.1235</u>	
DGC-Balancing Delivery Charge (DEL)	a+b+c=d	0.3022 <u>0.3110</u>	0.2696 <u>0.278</u>	
<u>Basic Gas Supply Charge (“BGS”)</u>				
BGS	e	<u>\$1.0621</u>	<u>\$1.0621</u>	Rider A

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SUMMARY OF FIRM COMMERCIAL RATE COMPONENTS

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

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

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

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~~2023~~~~2022~~

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NEW JERSEY NATURAL GAS COMPANY

~~Third~~Second Revised Sheet No. 259Superseding ~~Second~~First Revised Sheet No. 259

BPU No. 11 - Gas

SUMMARY OF FIRM COMMERCIAL RATE COMPONENTSCommercial Distributed Generation Service – DGC-FT

	Nov - Apr	May - Oct	Reference
<u>Customer Charge</u>			
Customer Charge per meter per month	104.00	104.00	
IIP Customer Charge per meter per month	<u>0.00</u>	<u>0.00</u>	Rider D
Total Customer Charge	104.00	104.00	
<u>Demand Charge</u>			
Demand Charge per therm per month applied to PBQ	2.35	2.35	
IIP Demand Charge per therm per month applied to PBQ	<u>0.00</u>	<u>0.00</u>	Rider D
Total Demand Charge	2.35	2.35	
<u>Delivery Charge (“DEL”) per therm</u>			
Pre-tax Base Rate	0.0701	0.0395	
IIP Pre-tax Base Rate	<u>0.0000</u>	<u>0.0000</u>	Rider D
Total Pre-tax Base Rate	0.0701	0.0395	
SUT	<u>0.0046</u>	<u>0.0026</u>	Rider B
After-tax Base Rate	0.0747	0.0421	
EE	<u>0.0417</u>	<u>0.0417</u>	Rider F
<i>Subtotal</i>	a	0.1164	0.0838
<u>Societal Benefits Charge (“SBC”):</u>			
NJ’s Clean Energy	0.02590291	0.02590291	Rider E
RA	0.01740230	0.01740230	Rider C
USF	<u>0.0190</u>	<u>0.0190</u>	Rider H
<i>Total SBC</i>	b	<u>0.06230711</u>	<u>0.06230711</u>
DGC-FT Delivery Charge (DEL)	a+b=c	<u>0.17871875</u>	<u>0.14611549</u>

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.

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

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NEW JERSEY NATURAL GAS COMPANY

~~Third~~Second Revised Sheet No. 260Superseding ~~Second~~First Revised Sheet No. 260

BPU No. 11 - Gas

SUMMARY OF FIRM COMMERCIAL RATE COMPONENTSElectric Generation Service (EGS)

		Without SUT	With SUT	Reference
<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	<u>0.0391</u>	<u>0.0417</u>	Rider F
<i>Societal Benefits Charge ("SBC"):</i>				
NJ's Clean Energy		0.0243 <u>0.0273</u>	0.0259 <u>0.0291</u>	Rider E
RA		0.0163 <u>0.0216</u>	0.0174 <u>0.0230</u>	Rider C
USF		<u>0.0178</u>	<u>0.0190</u>	Rider H
<i>Total SBC</i>	c	0.0584 <u>0.0667</u>	0.0623 <u>0.0711</u>	
Delivery Charge (DEL) including Riders C, E, F and H	a+b+c=d	<u>0.10221105</u>	<u>0.10901178</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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NEW JERSEY NATURAL GAS COMPANY

BPU No. 11 - Gas

~~Thirteenth~~~~Twelfth~~ Revised Sheet No. 261
Superseding ~~Twelfth~~~~Eleventh~~ Revised Sheet No. 261

SUMMARY OF INTERRUPTIBLE RATE COMPONENTS

INTERRUPTIBLE SALES AND TRANSPORTATION

With Alternate Fuel

		<u>Bundled</u> <u>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>0.0417</u>	<u>0.0417</u>	Rider F
<i>Subtotal</i>	a	<i>0.0944</i>	<i>0.0944</i>	
<i>Societal Benefits Charge ("SBC"):</i>				
NJ's Clean Energy		0.0259 <u>0.029</u>	0.0259 <u>0.0291</u>	Rider E
RA		0.0174 <u>0.023</u>	0.0174 <u>0.0230</u>	Rider C
USF		0 <u>0.0190</u>	0 <u>0.0190</u>	Rider H
<i>Total SBC</i>	b	0.0623 <u>0.071</u>	0.0623 <u>0.0711</u>	
Delivery Charge (DEL)	a+b=c	0.1567 <u>0.165</u>	0.1567 <u>0.1655</u>	
<u>Basic Gas Supply Charge ("BGS")</u>				
Monthly BGSS	d	\$1.1856	X	Rider A
BGS	d	<u>\$1.1856</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.

Date of Issue: ~~August 30, 2022~~
Issued by: Mark G. Kahrer, Senior Vice President
~~2023~~2022
Wall, NJ 07719

Effective for service rendered on
and after ~~April~~September-1,

BPU No. 11 - Gas

~~Thirteenth~~~~Twelfth~~ Revised Sheet No. 261
Superseding ~~Twelfth~~~~Eleventh~~ Revised Sheet No. 261

SUMMARY OF INTERRUPTIBLE RATE COMPONENTS

Date of Issue: ~~August 30, 2022~~
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Docket No. ~~GR21050860~~

NEW JERSEY NATURAL GAS COMPANY

BPU No. 11 - Gas

~~Thirteenth~~~~Twelfth~~ Revised Sheet No. 262
Superseding ~~Twelfth~~~~Eleventh~~ Revised Sheet No. 262

SUMMARY OF INTERRUPTIBLE RATE COMPONENTS

INTERRUPTIBLE SALES AND TRANSPORTATION

Without Alternate Fuel

		<u>Bundled</u> <u>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>0.0417</u>	<u>0.0417</u>	Rider F
<i>Subtotal</i>	a	0.3352	0.3352	
<i>Societal Benefits Charge ("SBC"):</i>				
NJ's Clean Energy		0.0259 <u>0.029</u>	0.0259 <u>0.0291</u>	Rider E
RA		0.0174 <u>0.023</u>	0.0174 <u>0.0230</u>	Rider C
USF		0.0190 <u>0.0190</u>	0.0190 <u>0.0190</u>	Rider H
<i>Total SBC</i>	b	0.0623 <u>0.071</u>	0.0623 <u>0.0711</u>	
Delivery Charge (DEL)	a+b=c	0.3975 <u>0.406</u>	0.3975 <u>0.4063</u>	
<u>Basic Gas Supply Charge ("BGS")</u>				
Monthly BGSS	d	\$1.1856	X	Rider A
BGS	d	<u>\$1.1856</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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NEW JERSEY NATURAL GAS COMPANY

~~Thirteenth~~ Twelfth Revised Sheet No. 263

BPU No. 11 - Gas

Superseding ~~Twelfth~~ Eleventh Revised Sheet No. 263SUMMARY OF FIRM COMMERCIAL RATE COMPONENTSCompressed Natural Gas (CNG)

		<u>Bundled</u>	<u>Transport</u>	<u>Reference</u>
		<u>Sales</u>		
<u>Customer Charge</u>				
Customer Charge per meter per month		104.00	104.00	
IIP Customer Charge per meter per month		<u>0.00</u>	<u>0.00</u>	Rider D
Total Customer Charge		104.00	104.00	Rider D
<u>Delivery Charge ("DEL") per therm</u>				
Pre-tax Base Rate		0.2683	0.2683	
IIP Pre-tax Base Rate		0.0000	0.0000	Rider D
CNG Charge		<u>0.2000</u>	<u>0.2000</u>	
Total Pre-tax Base Rate		0.4683	0.4683	Rider D
SUT		<u>0.0310</u>	<u>0.0310</u>	Rider B
After-tax Base Rate		0.4993	0.4993	
EE		<u>0.0417</u>	<u>0.0417</u>	Rider F
<i>Subtotal</i>	a	<i>0.5410</i>	<i>0.5410</i>	
<u>Societal Benefits Charge ("SBC"):</u>				
NJ's Clean Energy		0.0259029	0.02590291	Rider E
		<u>1</u>		
RA		0.0174023	0.01740230	Rider C
		<u>0</u>		
USF		<u>0.0190</u>	<u>0.0190</u>	Rider H
<i>Total SBC</i>	b	<i>0.0623071</i>	<i>0.06230711</i>	
		<u>1</u>		
Delivery Charge (DEL)	a+b=c	0.6033612	0.60336121	
		<u>1</u>		
<u>Basic Gas Supply Charge ("BGS")</u>				
Monthly BGSS	d	\$1.1856	X	Rider A
BGS	d	<u>\$1.1856</u>	X	

2

Date of Issue: ~~August 30, 2022~~
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Wall, NJ 07719

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SUMMARY OF FIRM COMMERCIAL RATE COMPONENTS

Compressed Natural Gas (CNG)

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

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

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~~2023~~~~2022~~
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NEW JERSEY NATURAL GAS COMPANY

~~Thirteenth~~ Revised Sheet No. 264

BPU No. 11 - Gas

Superseding ~~Twelfth~~ Revised Sheet No. 264SUMMARY OF RESIDENTIAL AND FIRM COMMERCIAL RATE COMPONENTSNatural Gas Vehicles (NGV)Gas Available at Company Facilities

		\$ per therm	\$ per GGE	<u>Reference</u>
<u>Delivery Charge ("DEL")</u>				
Pre-tax Base Rate		0.2683		
IIP Pre-tax Base Rate		<u>0.0000</u>		Rider D
Total Pre-tax Base Rate		0.2683		
SUT		<u>0.0178</u>		Rider B
After-tax Base Rate		0.2861		
EE		<u>0.0417</u>		Rider F
<i>Subtotal</i>	a	0.3278		
<i>Societal Benefits Charge ("SBC"):</i>				
NJ's Clean Energy		0.0259 <u>0.0291</u>		Rider E
RA		0.0174 <u>0.0230</u>		Rider C
USF		<u>0.0190</u>		Rider H
<i>Total SBC</i>	b	0.0623 <u>0.0711</u>		
Delivery Charge (DEL)	a+b=c	0.3901 <u>0.3989</u>	0.4884 <u>0.4899</u>	
Compression Charge	d	0.4958	0.620	
Monthly Basic Gas Supply Charge ("BGS")	e	<u>1.1856</u>	1.482	Rider A
Total Variable Charge	c+d+e=f	2.0715 <u>2.080</u>	2.5902 <u>2.601</u>	
		<u>3</u>		
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		2.2582 <u>2.269</u>	

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NEW JERSEY NATURAL GAS COMPANY

~~Thirteenth~~~~Twelfth~~ Revised Sheet No. 264

BPU No. 11 - Gas

Superseding ~~Twelfth~~~~Eleventh~~ Revised Sheet No. 264

SUMMARY OF RESIDENTIAL AND FIRM COMMERCIAL RATE COMPONENTS

Natural Gas Vehicles (NGV)

*Adjusted to reflect Internal Revenue Service GGE Conversion.

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~~2023~~~~2022~~
Wall, NJ 07719

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**Filed pursuant to Order of the Board of Public Utilities entered in
Docket No. ~~GR21050860~~**

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

Residential Customer Charge per month	11.00	
Residential IIP Customer charge per month	<u>0.00</u>	Rider D
Total Residential Customer Charge	11.00	
Commercial Customer Charge per meter per month	104.00	
Commercial IIP Customer charge per month	<u>0.00</u>	Rider D
Total Commercial Customer Charge	104.00	

Delivery Charge ("DEL")

\$ per therm

\$ per GGE

Pre-tax Base Rate	0.2683	
IIP Pre-tax Base Rate	<u>0.0000</u>	Rider D
Total Pre-tax Base Rate	0.2683	
SUT	<u>0.0178</u>	Rider B
After-tax Base Rate	0.2861	
EE	<u>0.0417</u>	Rider F
<i>Subtotal</i>	a	0.3278

Societal Benefits Charge ("SBC"):

NJ's Clean Energy	<u>0.02590291</u>	Rider E
RA	<u>0.01740230</u>	Rider C
USF	<u>0.0190</u>	Rider H
<i>Total SBC</i>	b	<u>0.06230711</u>

Delivery Charge (DEL)a+b=c **0.39013989** **0.488499*****Monthly Basic Gas Supply Charge ("BGS")***d **1.1856** **1.482** Rider A***Total Variable Charge***c+d=e **1.57571.58** **1.9701.981**
45

Customer, DEL, and BGS charges are presented on customer bills for Firm Sales Gas Service.

Date of Issue: ~~August 30, 2022~~Issued by: Mark G. Kahrer, Senior Vice President
~~2023~~2022

Wall, NJ 07719

Effective for service rendered on
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SUMMARY OF RESIDENTIAL AND FIRM COMMERCIAL RATE COMPONENTS

Natural Gas Vehicles (NGV)

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

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~~2023~~2022
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Docket No. GR21050860*

New Jersey Natural Gas Company
Net impact of Proposed Rate Changes

Component of	(\$/therm)					
	9/1/22 Rates		Proposed 4/1/23 Rates		Change	
	Pre-tax	Post-tax	Pre-tax	Post-tax	Pre-tax	Post-tax
RAC	0.0163	0.0174	0.0216	0.0230	0.0053	0.0056
NJCEP	0.0243	0.0259	0.0273	0.0291	0.0030	0.0032
USF	0.0178	0.0190	0.0178	0.0190	0.0000	0.0000
Total SBC	0.0584	0.0623	0.0667	0.0711	0.0083	0.0088

Impact on Residential Non-Heating Customers				25 therm bill	
9/1/22 Rates					
	Customer Charge	\$11.00	\$11.00		
	Delivery	\$0.7547	\$18.87		
	BGSS	\$0.3974	\$9.94		
	Total	\$1.1521	\$39.81		
Proposed 4/1/23 Rates					
	Customer Charge	\$11.00	\$11.00		
	Delivery	\$0.7635	\$19.09		
	BGSS	\$0.3974	\$9.94		
	Total	\$1.1609	\$40.03		
	Increase		\$0.22		
	Increase as a percent		0.55%		

Impact on Residential Heating Customers				100 therm bill		1000 therm annual bill	
9/1/22 Rates							
	Customer Charge	\$11.00	\$11.00	\$132.00			
	Delivery	\$0.8547	\$85.47	\$854.70			
	BGSS	\$0.3974	\$39.74	\$397.40			
	Total	\$1.2521	\$136.21	\$1,384.10			
Proposed 4/1/23 Rates							
	Customer Charge	\$11.00	\$11.00	\$132.00			
	Delivery	\$0.8635	\$86.35	\$863.50			
	BGSS	\$0.3974	\$39.74	\$397.40			
	Total	\$1.2609	\$137.09	\$1,392.90			
	Increase		\$0.88	\$8.80			
	Increase as a percent		0.65%	0.64%			

Impact on Commercial GSS Customers				100 therm bill	
9/1/22 Rates					
	Customer Charge	\$42.00	\$42.00		
	Delivery	\$0.7737	\$77.37		
	BGSS	\$0.3974	\$39.74		
	Total	\$1.1711	\$159.11		
Proposed 4/1/23 Rates					
	Customer Charge	\$42.00	\$42.00		
	Delivery	\$0.7825	\$78.25		
	BGSS	\$0.3974	\$39.74		
	Total	\$1.1799	\$159.99		
	Increase		\$0.88		
	Increase as a percent		0.55%		

Impact on Commercial GSL Customers				1200 therm bill	
9/1/22 Rates					
	Customer Charge	\$104.00	\$104.00		
	Demand Charge	\$3.41	\$327.36		
	Delivery	\$0.5880	\$705.60		
	BGSS (Sept 2022)	\$1.0621	\$1,274.52		
	Total	\$1.6501	\$2,411.48		
Proposed 4/1/23 Rates					
	Customer Charge	\$104.00	\$104.00		
	Demand Charge	\$3.41	\$327.36		
	Delivery	\$0.5968	\$716.16		
	BGSS (Sept 2022)	\$1.0621	\$1,274.52		
	Total	\$1.6589	\$2,422.04		
	Increase		\$10.56		
	Increase as a percent		0.44%		

Projected Annual Revenue
Projected SBC annual therms 722,149 (000s)

Projected Annual Revenue \$ million	Projected Annual Revenue \$ million					
	9/1/22 Rates		Proposed 4/1/23 Rates		Change	
	Pre-tax	Post-tax	Pre-tax	Post-tax	Pre-tax	Post-tax
RAC	\$11.8	\$12.6	\$15.6	\$16.6	\$3.8	\$4.0
NJCEP	\$17.5	\$18.7	\$19.7	\$21.0	\$2.2	\$2.3
USF	\$12.9	\$13.7	\$12.9	\$13.7	\$0.0	\$0.0
Total Pre-tax	\$42.2	\$45.0	\$48.2	\$51.3	\$6.0	\$6.4

NOTICE TO NEW JERSEY NATURAL GAS COMPANY CUSTOMERS
NOTICE OF SOCIETAL BENEFITS CHARGE FILING AND PUBLIC HEARING
BPU Docket No. GR22090574

TO OUR CUSTOMERS:

PLEASE TAKE NOTICE that on September 12, 2022, 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 an increase to the Remediation Adjustment (“RA”) and increase to the New Jersey Clean Energy Program (“NJCEP”) factors effective April 1, 2023.

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 \$0.88 per month or 0.65 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 September 1, 2022	Proposed Monthly Bill as of April 1, 2023		
Residential Heat Sales	100	\$136.21	\$137.09	\$0.88	0.65%
Residential Non-Heat Sales	25	\$39.81	\$40.03	\$0.22	0.55%
General Service Small	100	\$159.11	\$159.99	\$0.88	0.55%
General Service Large	1200	\$2,411.48	\$2,422.04	\$10.56	0.44%

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 Pandemic, virtual public hearings will be conducted on the following date and times so that members of the public may present their views on the Company’s filing at the virtual public hearings as noted below:

VIRTUAL PUBLIC HEARING

Date: November xx, 2022
Public Hearing 1: 4:30 pm
Public Hearing 2: 5:30 pm

Location: Zoom Virtual Webinar

Join: <https://us06web.zoom.us/j/2458136397?pwd=VUJpK1V0aDYxZDIIZUIwaElOWDFRZz09>

Meeting ID: 245 813 6397

Passcode: 819208

Dial-In Number: +1 646 876 9923

Copies of NJNG’s September 9, 2022 filing can be reviewed on the Company’s website, www.njng.com/regulatory in the “Filings & Updates” subsection of the “Regulatory Info”.

Representatives of the Board’s Staff and the New Jersey Division of Rate Counsel will participate in the virtual public hearings. Members of the public are invited to participate by utilizing the link or dial-in information set forth above and may express their views on this filing. All comments will be made part of the final record of the proceeding to be considered by the Board. In order to encourage full participation in this opportunity for public comment, please submit

any requests for needed accommodations, such as interpreters and/or listening assistance, 48 hours prior to the above hearings to the Board Secretary at board.secretary@bpu.nj.gov.

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

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

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

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