



June 1, 2026

VIA EMAIL

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

Re: IN THE MATTER OF THE PETITION OF NEW JERSEY NATURAL GAS
COMPANY FOR THE ANNUAL REVIEW AND REVISION OF ITS BASIC
GAS SUPPLY SERVICE (BGSS) AND CONSERVATION INCENTIVE
PROGRAM (CIP) RATES FOR F/Y 2027
BPU DOCKET NO. GR26060281

Honorable Sherri L. Lewis:

Enclosed for filing, please find the petition of New Jersey Natural Gas Company (“NJNG”) for the Annual Review and Revision of its Basic Gas Supply Service (“BGSS”) and Conservation Incentive Program (“CIP”) Rates for F/Y 2027. Included in this filing are the pre-filed Direct Testimonies of Jayana S. Shah, Christopher S. Micak, and Anne-Marie Peracchio in support of this petition.

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

In accordance with the Order issued by the Board in connection with I/M/O the New Jersey Board of Public Utilities’ Response to the COVID-19 Pandemic for a Temporary Waiver of Requirements for Certain Non-Essential Obligations, BPU Docket No. EO20030254, Order dated March 19, 2020, this document is being electronically filed. No paper copies will follow.

Kindly acknowledge receipt of this filing by return email acknowledgment.

Respectfully submitted,

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

Andrew K. Dembia, Esq.
Regulatory Affairs Counsel

Enclosures
C: Service List

**IN THE MATTER OF THE PETITION OF SOUTH JERSEY GAS COMPANY FOR APPROVAL OF
INCREASED BASE TARIFF RATES AND CHARGES FOR GAS SERVICE, CHANGES TO
DEPRECIATION RATES AND OTHER TARIFF REVISIONS**

DOCKET NO. GR26060281

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**IN THE MATTER OF THE PETITION OF SOUTH JERSEY GAS COMPANY FOR APPROVAL OF
INCREASED BASE TARIFF RATES AND CHARGES FOR GAS SERVICE, CHANGES TO
DEPRECIATION RATES AND OTHER TARIFF REVISIONS**

DOCKET NO. GR26060281

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

IN THE MATTER OF THE PETITION OF)
NEW JERSEY NATURAL GAS COMPANY)
FOR THE ANNUAL REVIEW AND)
REVISION OF ITS BASIC GAS SUPPLY)
SERVICE (BGSS) AND CONSERVATION)
INCENTIVE PROGRAM (CIP) RATES)
FOR F/Y 2027)

BPU DOCKET NO. GR26060281
OAL DOCKET NO. _____

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 - Jayana S. Shah
 - Managing Director - Gas Supply

 - Christopher S. Micak
 - Senior Rate and Regulatory Analyst

 - Anne-Marie Peracchio
 - Vice President of Regulatory Affairs and Energy Efficiency

¹ For ease of presentation, the filing contains BGSS schedules for the NJNG fiscal years (FY) 2026 and 2027 (October 1-September 30). Actual BGSS schedules for FY2025 and projected BGSS schedules for FY2028 will be included in Workpapers to be filed under separate cover.

**New Jersey Natural Gas Company
BGSS Minimum Filing Requirements (MFR)¹ Index**

	<u>Minimum Filing Requirement</u>	<u>Schedule(s)</u>	<u>Workpaper #s</u>
1.	Motion, Supporting Testimony & Tariff Modifications	Petition, Exhibit F, Testimony of Jayana S. Shah (JSS) and Christopher S. Micak (CSM)	
2.	Computation of Proposed BGSS Rate	Exhibit E	
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9.	GCUA Recoveries and Balances	No longer applicable	
10.	Historical Service Interruptions	Exhibit JSS-2	
11.	Gas Price Hedging Activities	JSS, p. 9	6
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¹ MFR references throughout this filing and workpapers to be filed under separate cover correspond by number to those set forth as the Annual BGSS Minimum Filing Requirements, pursuant to a BPU Order approving a settlement dated April 24, 2003 in BPU Docket No. GR02100760.

C A S E S U M M A R Y

CASE SUMMARY

**NEW JERSEY NATURAL GAS COMPANY
ANNUAL REVIEW AND REVISION OF ITS BASIC GAS SUPPLY SERVICE (BGSS)
AND CONSERVATION INCENTIVE PROGRAM (CIP) RATES
FOR F/Y 2027
BPU DOCKET NO. GR26060281**

FILING DATE: June 1, 2026
EFFECTIVE DATE: October 1, 2026

BASIS FOR REQUEST:

BASIC GAS SUPPLY SERVICE (“BGSS”)

1. New Jersey Natural Gas Company (the “Company”) proposes to decrease its periodic BGSS rate for sales customers from its current after-tax level of \$0.4567 per therm (\$0.4283 per therm pre-tax) to \$0.4017 per therm (\$0.3767 per therm pre-tax) effective October 1, 2026. This rate results in an effective after-tax decrease of \$0.0550 per therm (a pre-tax decrease of \$0.0516 per therm), representing a 3.0 percent decrease to the total bill for a residential heating customer using 100 therms per month. The projected change in after-tax gas cost recoveries is as follows:

BGSS Decrease \$29.21 Million

2. Pursuant to the Order in the New Jersey Board of Public Utilities (the “BPU” or “Board”) Docket No. GX01050304 (“Generic BGSS Order”), the Company may increase the BGSS rate up to a maximum of 5 percent of the total residential bill on December 1, 2026 and/or February 1, 2027. As is required by the Generic BGSS Order, if such an increase is necessary, the Company will provide thirty (30) days’ notice to the Board and the Division of Rate Counsel (“Rate Counsel”) of its election to adjust its BGSS rates upward. Additionally, pursuant to the Generic BGSS Order, the Company may decrease its BGSS rate, provide refunds or bill credits at any time upon five days’ notice to the Board and to Rate Counsel.

3. The Company proposes to increase its Balancing Charge from its current after-tax level of \$0.1983 per therm (\$0.1860 per therm pre-tax) to \$0.1999 per therm (\$0.1875 per therm pre-tax). This rate results in an after-tax increase of \$0.0016 per therm effective October 1, 2026 (a pre-tax increase of \$0.0015 per therm), representing a 0.1 percent increase for a residential heating customer using 100 therms per month. The Balancing Charge is included in the Delivery Charge for certain sales and transportation customers and its revenues are credited to BGSS.

Balancing Charge Increase \$1.10 Million

CONSERVATION INCENTIVE PROGRAM (“CIP”)

With this filing, and pursuant to the December 12, 2006 and January 21, 2010 Orders in BPU Docket No. GR05121020 and the May 21, 2014 Order in BPU Docket No. GR13030185, the Company proposes to adjust its after-tax CIP recovery rates as a component of delivery charges effective October 1, 2026. The existing rates, proposed rates, and projected change in after-tax CIP recoveries for each CIP Group are:

<u>Group</u>	<u>Group Description</u>	<u>Existing Charge per therm</u>	<u>Proposed Charge/(Credit) per therm</u>	<u>Change in Recovery \$ million</u>
Group I	Residential Non-Heat	(\$0.0174)	(\$0.0980)	(\$0.25)
Group II	Residential Heat	\$0.0435	(\$0.0440)	(\$44.22)
Group III	General Service – Small (“GSS”)	(\$0.0128)	(\$0.1014)	(\$3.53)
Group IV	General Service – Large (“GSL”)	\$0.0261	\$0.0122	<u>(\$1.92)</u>
Total				(\$49.92)

The proposed October 1, 2026 CIP rate changes result in a 4.7 percent decrease to the total bill for a residential heating customer using 100 therms per month (Group II), a 3.7 percent decrease for a typical residential non-heat customer (Group I), a 4.2 percent decrease for a typical customer in Group III, and a 0.8 percent decrease for a typical Group IV customer.

IMPACT TO CUSTOMERS

The combination of the proposed October 1, 2026 BGSS, Balancing Charge, and CIP rate changes result in a decrease of \$14.09, or 7.6 percent to the total 100 therm monthly bill of a residential heating sales customer (Group II), a 6.2 percent decrease to a typical residential non-heat sales customer (Group I), and a 6.8 percent decrease for a typical sales customer in Group III. The CIP rate change results in a 0.8 percent decrease for an average Group IV sales customer. Group IV sales customers’ total bills are not affected by the proposed Balancing Charge change because the Balancing Charge is included in the GSL delivery charge and the Monthly BGSS rates are net of the Balancing Charge. Group IV sales customers’ total bills are not affected by the BGSS request because they are subject to monthly market pricing for their natural gas supply.

PETITION OF

**NEW JERSEY NATURAL GAS COMPANY FOR THE
ANNUAL REVIEW AND REVISION OF ITS
BASIC GAS SUPPLY SERVICE (BGSS) AND
CONSERVATION INCENTIVE PROGRAM (CIP) RATES
FOR F/Y 2027**

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

IN THE MATTER OF THE PETITION OF)	
NEW JERSEY NATURAL GAS COMPANY)	BPU DOCKET NO. GR26060281
FOR THE ANNUAL REVIEW AND)	
REVISION OF ITS BASIC GAS SUPPLY)	PETITION
SERVICE (BGSS) AND CONSERVATION)	
INCENTIVE PROGRAM (CIP) RATES FOR)	
F/Y 2027)	

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

Pursuant to the “Order Approving BGSS Price Structure” (“Generic BGSS Order”) issued on January 6, 2003 by the New Jersey Board of Public Utilities (the “BPU” or “Board”) in BPU Docket No. GX01050304¹, and the applicable provisions of N.J.S.A. 48:2-21, New Jersey Natural Gas Company (“NJNG” or the “Company”) hereby requests the Board to accept the Company’s annual filing for its Basic Gas Supply Service (“BGSS”) and approve the Company’s related request to decrease the BGSS rate effective October 1, 2026. NJNG also hereby requests that the Board approve, pursuant to N.J.S.A. 48:2-21 and the authority granted to the Company in a BPU Order in Docket No. GR24010071 dated November 21, 2024 (“Rate Case Order”), an increase to its Balancing Charge effective October 1, 2026 to reflect updated costs. Additionally, pursuant to N.J.S.A. 48:2-21 and the authority granted to the Company in BPU Orders in Docket No. GR05121020 dated December 12, 2006 and January 21, 2010 and in Docket No. GR13030185 dated May 21, 2014 (“CIP Orders”), NJNG hereby requests that the Board accept the Company’s filing related to the operation of the Conservation Incentive Program (“CIP”) for the period from

¹ The referenced BGSS Order contemplates that annual BGSS filings are made by natural gas companies by June 1 of each year, with proposed BGSS price adjustments to be effective October 1 of each year and authorizes two (2) additional self-implementing rate adjustments (subject to limits) upon notice to the Board on November 1 and January 1 each year to take effect on December 1 and February 1, respectively. Pursuant to the same order, BGSS is priced on a monthly basis for large commercial and industrial customers.

October 1, 2025 through September 30, 2026 and approve the Company's related request to decrease its CIP recovery rates for Group I Residential Non-Heat customers, Group II Residential Heat customers, Group III General Service – Small customers, and Group IV General Service – Large customers effective October 1, 2026.

1. NJNG is a corporation duly organized under the laws of the State of New Jersey and is a public utility engaged in the sale, distribution, and transportation of natural gas subject to the jurisdiction of the Board. The Company's principal business office is located at 1415 Wyckoff Road, Wall Township, New Jersey 07719.

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

Anne-Marie Peracchio, Vice President, Regulatory Affairs and Energy Efficiency
Andrew K. Dembia, Esq., Regulatory Affairs Counsel
New Jersey Natural Gas Company
1415 Wyckoff Road, P.O. Box 1464
Wall, NJ 07719
aperacchio@njng.com
adembia@njng.com

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

4. On October 31, 2025, NJNG filed a notice with the Board indicating it would implement an increase to its Periodic BGSS rate of \$0.3672 per therm to \$0.4567 per therm effective December 1, 2025. As a result of the changes, a typical residential heating customer using 100 therms per month would see a bill increase of \$8.95, or approximately 5.0%. On May 21, 2026, the Board issued an Order in Docket No. GR25050318, the Company's prior BGSS proceeding, which provided that the self-implementing adjustment shall remain in effect until further Board Order or further action by the Company in accordance with the Generic BGSS Order and will be reviewed in the Company's 2027 annual BGSS filing to be submitted by June 1, 2026.² The Company requests that the December 1, 2025 Periodic BGSS rate of \$0.4567 per therm be deemed final.

5. Based on the information provided herein, the Company proposes to decrease its after-tax Periodic BGSS rate applicable to residential and small commercial sales customers of \$0.4567 per therm to \$0.4017 per therm, which would reflect a decrease of approximately 3.0 percent on the total bill of a residential heating customer using 100 therms per month.

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

7. NJNG is providing eighteen (18) months of actual BGSS data for the period October 1, 2024 through March 31, 2026, and projected data for the thirty (30) month period April 1, 2026 through September 30, 2028.³

² In the Matter of the Petition of New Jersey Natural Gas Company for the Annual Review and Revision of its Basic Gas Supply Service ("BGSS") and its Conservation Incentive Program ("CIP") Rates for F/Y 2026, BPU Docket No. GR25050318, (May 21, 2026).

³ The instant filing contains BGSS schedules for the NJNG fiscal years ("FY") 2025 and 2026 (October 1 – September 30). Actual BGSS schedules for FY2024 and projected BGSS schedules for FY2027 will be included in workpapers to be filed subsequently.

8. As approved by the Board in the Rate Case Order, NJNG is authorized to adjust its Balancing Charge in the annual BGSS filing to reflect updated costs. The Company is proposing to increase its after-tax Balancing Charge of \$0.1983 per therm by \$0.0016 per therm to \$0.1999 per therm, which would reflect an increase of approximately 0.1 percent on the total bill for a residential heating customer using 100 therms per month. All Balancing Charge revenues from sales and transportation customers are credited to BGSS.

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

10. Based on actual data for the period October 1, 2025 through March 31, 2026, and projected data for the period April 1, 2026 through September 30, 2026, the CIP calculations for fiscal year (FY) 2026 result in a current year margin credit of approximately \$13.02 million which includes a weather-related margin credit of approximately \$17.45 million and a non-weather related margin deficiency of approximately \$4.43 million.

11. When the current year CIP results are combined with the projected over or under-recovery balances, the total CIP recovery amount is a credit of approximately \$23.33 million which is comprised of the following recovery amounts: 1) a margin credit of approximately \$0.28 million for Group I Residential Non-Heat customers; 2) a margin credit of approximately \$20.84 million for Group II Residential Heat customers; 3) a margin credit of approximately \$3.78 million for

Group III General Service – Small customers; and, 4) a margin deficiency of approximately \$1.58 million for Group IV General Service – Large customers.⁴

12. The pre-filed Direct Testimony of Christopher S. Micak and Exhibit C within this filing demonstrate that NJNG is entitled to full recovery of such balances based on the Tests approved in the CIP Orders. Pursuant to the terms of the CIP Orders, the Company is proposing an effective date of October 1, 2026 for the following after-tax CIP rates which, as compared to existing charges, result in the following changes per therm:

<u>Group</u>	<u>Group Description</u>	<u>Existing Charge per therm</u>	<u>Proposed Charge/(Credit) per therm</u>	<u>Increase/(Decrease) per therm</u>
Group I	Residential Non-Heat	(\$0.0174)	(\$0.0980)	(\$0.0806)
Group II	Residential Heat	\$0.0435	(\$0.0440)	(\$0.0875)
Group III	General Service - Small	(\$0.0128)	(\$0.1014)	(\$0.0886)
Group IV	General Service - Large	\$0.0261	\$0.0122	(\$0.0139)

13. The proposed October 1, 2026 CIP rate changes result in a 3.7 percent decrease for a typical residential non-heat sales customer (Group I), a \$8.75, or 4.7 percent, decrease to the total bill of a residential heating sales customer (Group II) using 100 therms per month, a 4.2 percent decrease for a typical sales customer in Group III, and a 0.8 percent decrease for a typical Group IV sales customer.

14. The combination of the proposed October 1, 2026 BGSS, Balancing Charge, and CIP rate changes results in a \$14.09 or 7.6 percent decrease to the total monthly bill of a residential heating sales customer using 100 therms. An average residential sales heating customer using 80.1 therms of gas per month, and 961.4 therms annually, will see a decrease in their monthly bill of \$11.28 or 7.5 percent and a decrease in their annual bill of \$135.46 or 7.5 percent. The proposed

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

rate changes also result in a 6.2 percent decrease for a typical residential non-heat sales customer and a 6.8 percent decrease for a typical sales customer in Group III. The proposed CIP rate change results in a 0.8 percent decrease for a typical Group IV customer. Group IV sales customers' total bills are not affected by the proposed Balancing Charge change because the Balancing Charge is included in the General Service Large delivery charge and the Monthly BGSS rates are net of the Balancing Charge. Group IV sales customers are also not affected by this BGSS request because they are subject to monthly market pricing for their natural gas supply (Monthly BGSS).

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

Exhibit A BGSS schedules for the twelve (12) month period ending September 30, 2026, using actual data for the period from October 1, 2025 through March 31, 2026 and projected data for the period from April 1, 2026 through September 30, 2026.⁵ Actual BGSS schedules for FY2025 will be included in MFRs and Workpapers to be filed shortly under separate cover.

Exhibit B BGSS schedules for the twelve (12) month period from October 1, 2026 through September 30, 2027, using projected data for the entire period.⁶ Projected BGSS

⁵ The projected data includes the May 7, 2026 NYMEX settlement prices as requested by BPU Staff.

⁶ Id.

schedules for FY2028 will be included in Workpapers to be filed subsequently under separate cover.

Exhibit C CIP Schedules.

Exhibit D Calculation of Balancing Charge.

Exhibit E Impact of Proposed Rate Changes along with a summary of all the adjustments and appropriate balances contained in Exhibits A and B as necessary to compute the proposed BGSS rate.

Exhibit F Proposed tariff pages for NJNG's Tariff Gas Service, BPU No. 12-Gas.

Exhibit G Proposed Form of Notice of Public Hearing.

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

www.njng.com.

WHEREFORE, NJNG requests that the Board issue an Order:

1. Approving the Company's request to deem its current Periodic BGSS rate applicable to residential and small commercial sales customers final.
2. Approving the Company's request to decrease the Periodic BGSS rate applicable to residential and small commercial sales customers effective October 1, 2026;
3. Approving the Company's request to increase its Balancing Charge effective October 1, 2026;
4. Approving the requested CIP rates effective October 1, 2026; and
5. Granting such other relief as the Board deems just, reasonable, and necessary.

Respectfully submitted,

NEW JERSEY NATURAL GAS COMPANY



By:

Andrew K. Dembia, Esq.

Dated: June 1, 2026

STATE OF NEW JERSEY)
COUNTY OF MONMOUTH)

VERIFICATION

ANNE-MARIE PERACCHIO of full age, being duly sworn according to law, on his oath deposes and says:

1. I am Vice President, Regulatory Affairs and Energy Efficiency for New Jersey Natural Gas Company, the Petitioner in the foregoing Petition.
2. I have read the annexed Petition, along with the Exhibits attached thereto, and the matters and things contained therein are true to the best of my knowledge and belief.



Anne-Marie Peracchio

Sworn and subscribed to
before me this 29th day
of May 2026.



EXHIBIT A
Six Months Actual through March 2026 and
Six Months Projected through September 2026¹

INDEX OF SCHEDULES:

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

¹ For ease of presentation, the filing contains BGSS schedules for fiscal years (FY) 2026 and 2027. Actual BGSS schedules for FY2025 and projected BGSS schedules for FY2028 will be included in Workpapers to be filed under separate cover.

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

SCHEDULE 1

	Actual Estimate												
	Oct-25	Nov-25	Dec-25	Jan-26	Feb-26	Mar-26	Apr-26	May-26	Jun-26	Jul-26	Aug-26	Sep-26	TOTAL
1. Under/(Over) Recovered Gas Costs Beg. of Period	(10,644)	(10,946)	(9,365)	(17,855)	(44,784)	(43,055)	(41,994)	(43,054)	(43,800)	(44,376)	(44,973)	(45,143)	(10,644)
2. Net Cost Appl. To BGSS Sales (Sch 2a)	15,800	36,968	79,288	103,942	89,772	48,591	24,514	12,602	8,709	8,710	9,334	9,297	447,527
3. BGSS Recoveries (Sch 2b)	(9,270)	(20,651)	(50,197)	(56,573)	(53,647)	(30,196)	(16,821)	(9,411)	(6,322)	(6,235)	(6,201)	(6,278)	(271,802)
4. Under/(Over) Rec. Gas Costs - Current Period (L.2 - L.3)	6,530	16,317	29,091	47,370	36,124	18,395	7,693	3,191	2,386	2,475	3,133	3,019	175,725
Adjustments													
5. Storage Incentive (Sch.4j)	1,524	429	0	0	0	853	537	893	338	351	61	592	5,580
6. Off-System Sales (Sch.4e)	(2,695)	(2,319)	(11,517)	(39,950)	(7,312)	(687)	(379)	(29)	(77)	(247)	(199)	(3)	(65,414)
7. Capacity Rel. (Sch.4f)	(89)	(1,033)	(2,935)	(7,736)	(3,118)	(2,618)	(9)	0	0	0	0	0	(17,538)
8. Supplier Ref. and Misc. Adj.(Sch.5)	0	0	(183)	0	0	0	(558)	0	0	0	0	0	(741)
9. Balancing Credits and Penalty Charges (Sch.4g)	(5,551)	(11,794)	(22,924)	(26,594)	(23,944)	(14,856)	(8,346)	(4,775)	(3,197)	(3,150)	(3,139)	(3,173)	(131,444)
10. Environmental Attributes (Sch. 4k)	(21)	(19)	(22)	(19)	(20)	(27)	3	(27)	(26)	(27)	(27)	(26)	(258)
11. Total Debits and Credits (L.5 through L.10)	(6,832)	(14,736)	(37,581)	(74,299)	(34,395)	(17,335)	(8,753)	(3,937)	(2,962)	(3,072)	(3,303)	(2,609)	(209,814)
12. Under/(Over) Recov. Gas Costs. End of Period (L's.1,4,&11)	(10,946)	(9,365)	(17,855)	(44,784)	(43,055)	(41,994)	(43,054)	(43,800)	(44,376)	(44,973)	(45,143)	(44,733)	(44,733)

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

	Actual Estimate												
	Oct-25	Nov-25	Dec-25	Jan-26	Feb-26	Mar-26	Apr-26	May-26	Jun-26	Jul-26	Aug-26	Sep-26	TOTAL
COST OF GAS-CURRENT PERIOD													
SCHEDULE 2a													
Total Gas Costs ¹	23,147	52,114	94,709	111,974	97,825	51,419	31,712	26,227	22,875	25,353	26,015	24,133	587,504
REDUCTIONS TO COST OF GAS													
Sayreville (Sch. 4b)	0	72	0	0	0	42	0	0	4	1	5	0	123
Forked Rv. (Sch. 4c)	17	15	13	30	9	1	37	3	8	58	24	15	230
Off System Sales (Sch.4e)	7,394	16,232	18,812	17,056	11,644	5,824	7,173	13,622	14,154	16,585	16,652	14,821	159,968
Capacity Release (Sch. 4f)	(105)	(1,215)	(3,453)	(9,101)	(3,668)	(3,080)	(11)	0	0	0	0	0	(20,633)
Storage Incentive Sales	0	0	0	0	0	0	0	0	0	0	0	0	0
Company Use Gas	42	42	50	47	69	41	0	0	0	0	0	0	290
Total Reductions	7,347	15,146	15,422	8,032	8,053	2,827	7,198	13,625	14,166	16,643	16,681	14,836	139,977
Net Cost Appl.To BGSS Sales (Sch.1.,L.2)	15,800	36,968	79,288	103,942	89,772	48,591	24,514	12,602	8,709	8,710	9,334	9,297	447,527
GAS COST RECOVERIES													
SCHEDULE 2b													
BGSS Sales	26,282	57,041	111,912	125,687	112,753	69,541	38,787	21,983	14,684	14,354	14,274	14,539	621,837
Monthly BGSS Sales (GSL, DGC)	2,850	5,592	10,068	11,021	9,536	6,590	4,599	2,867	2,024	2,086	2,092	2,027	61,351
Monthly BGSS Sales (IS, CNG, NGV)	55	55	46	53	43	41	69	63	70	73	76	76	720
Periodic BGSS Sales	23,378	51,394	101,798	114,612	103,174	62,910	34,119	19,053	12,589	12,196	12,106	12,436	559,766
Recovery Rate \$ per Therm:													
Periodic BGSS Rate	0.3444	0.3444	0.4283	0.4283	0.4283	0.4283	0.4283	0.4283	0.4283	0.4283	0.4283	0.4283	
Monthly BGSS Sales (GSL, DGC)	0.4162	0.5209	0.6515	0.6749	0.9865	0.4892	0.4702	0.4229	0.4380	0.4622	0.4621	0.4458	
Monthly BGSS Sales (IS, CNG, NGV)	0.5934	0.6981	0.8287	0.8609	1.1725	0.6752	0.6562	0.6089	0.6240	0.6482	0.6481	0.6318	
Recoveries:													
Periodic BGSS	8,051	17,700	43,600	49,088	44,189	26,944	14,613	8,160	5,392	5,224	5,185	5,326	233,474
Monthly BGSS(GSL, DGC)	1,186	2,913	6,559	7,438	9,408	3,224	2,163	1,212	887	964	967	904	37,823
Monthly BGSS (IS, CNG, NGV)	33	38	38	46	50	28	45	39	44	47	49	48	505
Total BGSS Recovery (Sch. 1, L. 3)	9,270	20,651	50,197	56,573	53,647	30,196	16,821	9,411	6,322	6,235	6,201	6,278	271,802

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

NEW JERSEY NATURAL GAS COMPANY
TOTAL GAS COSTS
BGSS YEAR 2026

SCHEDULE 2c

		Actual Estimate												
		Oct-25	Nov-25	Dec-25	Jan-26	Feb-26	Mar-26	Apr-26	May-26	Jun-26	Jul-26	Aug-26	Sep-26	
MDth														
	Beginning of Month Storage Balance	30,766	34,115	32,164	24,595	14,278	7,721	6,750	9,534	15,035	19,319	24,114	25,109	
	Commodity Purchases	10,213	9,698	8,548	5,900	7,372	8,308	9,587	15,149	12,970	13,702	9,876	13,946	
A	Sub-total of Available Supplies	40,979	43,814	40,712	30,495	21,650	16,029	16,337	24,682	28,005	33,021	33,991	39,055	
Less volumes with assigned cost allocations														
	Off System Sales, Electric Gen, Other	4,170	5,615	5,367	3,528	3,016	2,481	3,436	7,441	7,206	7,466	7,453	7,207	
	Monthly BGSS Sales (GSL, DGC)	285	559	1,007	1,102	954	659	460	287	202	209	209	203	
	Monthly BGSS Sales (IS, CNG, NGV)	5	5	5	5	4	4	7	6	7	7	8	8	
	Company Use Non Prod Sales	2	1	2	2	6	2	0	0	0	0	0	0	
B	Sub-total of Assigned Cost Allocations	4,462	6,181	6,380	4,638	3,981	3,146	3,903	7,734	7,416	7,682	7,670	7,418	
	Allocation WACOG Volume	C = A - B	36,516	37,633	34,331	25,857	17,669	12,883	16,948	20,589	25,339	26,321	31,638	
	<i>volume available for allocation</i>													
\$000														
	Beginning of Month Storage Balance	69,198	76,162	72,806	56,767	33,229	18,409	17,376	25,136	41,366	54,842	70,517	75,635	
	Beginning of Month WACOG Inventory	114,901	126,997	127,699	102,597	73,337	34,536	25,112	31,560	43,739	58,457	73,693	88,499	
	Commodity Purchases	22,297	28,434	32,698	43,802	24,387	19,548	25,452	33,582	30,297	35,208	24,885	33,646	
	Demand Charges	19,867	20,985	20,821	15,327	19,749	21,372	20,291	21,055	20,771	21,055	21,055	20,771	
D	Sub-total of Available Supplies	226,264	252,577	254,024	218,494	150,702	93,866	88,231	111,333	136,174	169,562	190,149	218,551	
Less volumes with assigned cost allocations														
	Off System Sales, Electric Gen, Other	7,411	16,319	18,825	17,086	11,652	5,867	7,209	13,625	14,166	16,643	16,681	14,836	
	Monthly BGSS Sales (GSL, DGC)	1,186	2,913	6,559	7,438	9,408	3,224	2,163	1,212	887	964	967	904	
	Monthly BGSS Sales (IS, CNG, NGV)	33	38	38	46	50	28	45	39	44	47	49	48	
	GSL, DGC Sales Balancing	505	991	1,784	2,050	1,774	1,226	855	533	376	388	389	377	
		0	0	0	0	0	0	0	0	0	0	0	0	
E	Sub-total of Assigned cost allocations	9,134	20,261	27,206	26,620	22,884	10,344	10,272	15,409	15,473	18,042	18,087	16,165	
	Allocation WACOG Costs	F = D - E	217,130	232,316	226,818	191,874	127,818	83,522	77,959	95,924	120,700	151,520	202,386	
	<i>\$ available for allocation</i>													
	\$/Dth WACOG	G = F / C	5.9461	6.1733	6.6068	7.4205	7.2340	6.4833	6.2695	5.6599	5.8623	5.9797	6.5371	6.3970
MDth														
	Periodic BGSS Sales	2,338	5,139	10,180	11,461	10,317	6,291	3,412	1,905	1,259	1,220	1,211	1,244	
	CoUse & UFG	12	14	30	35	33	38	8	6	4	3	2	2	
H	Periodic BGSS Sales & CoUse & UFG	2,350	5,153	10,210	11,496	10,350	6,329	3,420	1,911	1,263	1,223	1,213	1,246	
	<i>volume to be allocated</i>													
\$000														
	Periodic BGSS (\$/Therm WACOG * Periodic BGSS volume)	I = G * H	13,971	31,811	67,453	85,308	74,872	41,034	21,440	10,818	7,402	7,311	7,929	7,968
	<i>allocated cost</i>													
Plus assigned cost allocations														
	Off System Sales, Electric Gen, Other	7,411	16,319	18,825	17,086	11,652	5,867	7,209	13,625	14,166	16,643	16,681	14,836	
	Monthly BGSS Sales (GSL, DGC)	1,186	2,913	6,559	7,438	9,408	3,224	2,163	1,212	887	964	967	904	
	Monthly BGSS Sales (IS, CNG, NGV)	33	38	38	46	50	28	45	39	44	47	49	48	
	GSL, DGC Sales Balancing	505	991	1,784	2,050	1,774	1,226	855	533	376	388	389	377	
J	Sub-total of Assigned cost allocations	9,134	20,261	27,206	26,620	22,884	10,344	10,272	15,409	15,473	18,042	18,087	16,165	
	Total Allocated Costs (Sch 2a Total Gas Costs)	K = I + J	23,105	52,072	94,660	111,928	97,756	51,378	31,712	26,227	22,875	25,353	26,015	24,133
End of Month Storage Balance		L	76,162	72,806	56,767	33,229	18,409	17,376	24,959	41,366	54,842	70,517	75,635	91,777
Total Allocated Costs & Storage Balances		M = K+L	99,267	124,878	151,427	145,157	116,166	68,754	56,671	67,593	77,717	95,869	101,650	115,910
Current Month WACOG Inventory Balance		N = D - M	126,997	127,699	102,597	73,337	34,536	25,112	31,560	43,739	58,457	73,693	88,499	102,641

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

SCHEDULE 3

	Actual											Estimate	
	Oct-25	Nov-25	Dec-25	Jan-26	Feb-26	Mar-26	Apr-26	May-26	Jun-26	Jul-26	Aug-26	Sep-26	TOTAL
Residential BGSS Sales	22,111	48,176	94,865	106,323	95,563	58,236	32,161	18,090	12,039	11,631	11,542	11,890	522,627
Total Residential Sales	22,111	48,176	94,865	106,323	95,563	58,236	32,161	18,090	12,039	11,631	11,542	11,890	522,627
C&I Monthly BGSS Sales (GSL, DGC)	2,850	5,592	10,068	11,021	9,536	6,590	4,599	2,867	2,024	2,086	2,092	2,027	61,351
C&I Monthly BGSS Sales (CNG, NGV, IS)	55	55	46	53	43	41	69	63	70	73	76	76	720
C&I Periodic BGSS Sales	1,267	3,218	6,933	8,290	7,611	4,674	1,958	962	550	565	564	546	37,138
Total Commercial & Industrial Sales	4,171	8,864	17,047	19,364	17,190	11,305	6,626	3,892	2,644	2,723	2,733	2,650	99,210
Total Firm Sales	26,282	57,041	111,912	125,687	112,753	69,541	38,787	21,983	14,684	14,354	14,274	14,539	621,837
Interruptible IGS (Sch. 4a)	0	0	0	0	0	0	0	0	0	0	0	0	0
Sayreville (Sch. 4b)	0	184	0	0	0	5	0	0	23	2	22	0	237
Forked River (Sch. 4c)	64	40	24	6	19	151	136	14	40	258	108	73	933
Off System Sales (Sch. 4e)	41,639	55,928	53,645	35,274	30,145	24,657	34,223	74,400	72,000	74,400	74,400	72,000	642,711
Storage Incentive Sales	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Non-Firm Sales	41,703	56,152	53,669	35,280	30,164	24,813	34,359	74,415	72,063	74,661	74,530	72,073	643,880
Total Sales	67,985	113,193	165,581	160,967	142,917	94,354	73,146	96,397	86,746	89,015	88,804	86,612	1,265,717
Firm Transportation	1,518	1,521	2,559	2,775	2,319	1,960	1,565	1,320	1,183	1,187	1,214	1,146	20,266
GSS Transportation	273	659	1,385	1,614	1,449	903	366	182	105	109	109	105	7,258
GSL Transportation	4,231	7,723	13,857	13,210	12,207	7,850	4,970	3,114	2,201	2,274	2,274	2,201	76,112
NGV Transport	0	0	0	0	0	0	0	0	0	0	0	0	0
DGC Balancing	86	86	93	71	90	32	64	72	57	52	74	75	854
DGC Firm Transportation	619	620	356	604	521	552	334	334	351	414	498	490	5,692
Residential Transportation	492	1,097	2,163	2,431	2,182	1,327	755	383	213	220	220	213	11,697
Interruptible Transportation	1,128	1,217	1,238	1,219	1,089	975	1,172	1,216	1,104	971	1,137	1,096	13,562
Lakewood Cogen	691	59	540	148	101	404	1,576	540	2,451	8,447	4,159	1,253	20,370
Ocean Peaking Power	1,682	924	82	177	171	676	944	1,559	2,796	7,149	3,264	1,034	20,458
Red Oak	39,095	22,309	13,855	5,192	18,595	8,493	24,732	29,693	22,679	37,042	28,269	20,020	269,974
Total Transportation	49,815	36,214	36,130	27,440	38,725	23,173	36,478	38,413	33,140	57,865	41,216	27,634	446,244
Total Mtherms	117,801	149,406	201,711	188,407	181,642	117,528	109,624	134,811	119,886	146,880	130,020	114,246	1,711,961

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

	Actual Estimate												
	Oct-25	Nov-25	Dec-25	Jan-26	Feb-26	Mar-26	Apr-26	May-26	Jun-26	Jul-26	Aug-26	Sep-26	TOTAL
SAYREVILLE	SCHEDULE 4b												
Therm Sales (Sch. 3)	0	184	0	0	0	5	0	0	23	2	22	0	237
Rate per therm	0.00000	0.38906	0.00000	0.00000	0.00000	8.40333	0.00000	0.18309	0.19659	0.22292	0.22382	0.00000	n/a
Cost of Gas (Sch. 2a)	0	72	0	0	0	42	0	0	4	1	5	0	123
FORKED RIVER	SCHEDULE 4c												
Therm Sales (Sch. 3)	64	40	24	6	19	151	136	14	40	258	108	73	933
Rate per therm	0.26159	0.38382	0.55300	5.03586	0.46065	0.00982	0.27059	0.18309	0.19659	0.22292	0.22382	0.20585	n/a
Cost of Gas (Sch.2a)	17	15	13	30	9	1	37	3	8	58	24	15	230
Storage Incentive	SCHEDULE 4j												
Storage Gain (Loss)	7,620	2,146	0	0	0	4,267	2,687	4,467	1,690	1,756	307	2,961	27,901
NJNG Sharing @ 20% (Sch.1, L 5)	1,524	429	0	0	0	853	537	893	338	351	61	592	5,580

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

	Actual Estimate												
	Oct-25	Nov-25	Dec-25	Jan-26	Feb-26	Mar-26	Apr-26	May-26	Jun-26	Jul-26	Aug-26	Sep-26	TOTAL
OFF-SYSTEM SALES													
SCHEDULE 4e													
Revenues	10,564	18,961	32,362	64,055	20,246	6,632	7,619	13,657	14,245	16,875	16,886	14,824	236,926
Therm sales	41,639	55,928	53,645	35,274	30,145	24,657	34,223	74,400	72,000	74,400	74,400	72,000	642,711
Rate per therm COG	0.178	0.290	0.351	0.484	0.386	0.236	0.210	0.183	0.197	0.223	0.224	0.206	
Cost of Gas (Sch. 2a)	7,394	16,232	18,812	17,056	11,644	5,824	7,173	13,622	14,154	16,585	16,652	14,821	159,968
Net Margin	3,170	2,729	13,550	47,000	8,603	808	446	34	91	290	234	3	76,958
Customer sharing @ 85% (Sch.1,L 6)	2,695	2,319	11,517	39,950	7,312	687	379	29	77	247	199	3	65,414
NJNG Sharing @ 15%	476	409	2,032	7,050	1,290	121	67	5	14	44	35	0	11,544
Total Credit = Cost of Gas plus sharings	10,088	18,552	30,329	57,005	18,956	6,511	7,552	13,651	14,231	16,832	16,851	14,824	225,382
CAPACITY RELEASE													
SCHEDULE 4f													
Revenue	105	1,215	3,453	9,101	3,668	3,080	11	0	0	0	0	0	20,633
Customer Sharing @ 85% (Sch.1.,L 7)	89	1,033	2,935	7,736	3,118	2,618	9	0	0	0	0	0	17,538
BALANCING CREDITS & PENALTY CHARGES													
SCHEDULE 4g													
Current Month TPS Penalty Charges	0	0	1	4	17	48	0	0	0	0	0	0	69
Current Month Balancing Charges	5,551	11,794	22,923	26,590	23,927	14,809	8,346	4,775	3,197	3,150	3,139	3,173	131,374
Total Credit (Sch.1.,L 9)	5,551	11,794	22,924	26,594	23,944	14,856	8,346	4,775	3,197	3,150	3,139	3,173	131,444
ENVIRONMENTAL ATTRIBUTES													
SCHEDULE 4k													
Therms	74	68	72	61	66	61	0	71	69	71	71	69	754
Rate per therm	0.28305	0.28262	0.30254	0.31298	0.30872	0.44603		0.37419	0.37419	0.37419	0.37419	0.37419	n/a
Net Credit	21	19	22	19	20	27	(3)	27	26	27	27	26	258

**NEW JERSEY NATURAL GAS COMPANY
SUPPLIER REFUNDS AND
MISCELLANEOUS ADJUSTMENTS
BGSS YEAR 2026
\$(000)**

SCHEDULE 5

(Sch 1. LINE 8)

Opening balance BGSS Interest Sch 6	1,462	1,462
Adjustments to BGSS opening balance are captured on Schedule 1		
OCT 2025	0	0
NOV 2025	0	0
DEC 2025	183	183
Columbia Rate Case Refund		
JAN 2026	0	0
FEB 2026	0	0
MAR 2026	0	0
APR 2026	558	558
Transco Rate Case Refund		
MAY 2026	0	0
JUN 2026	0	0
JUL 2026	0	0
AUG 2026	0	0
SEP 2026	0	0
TOTALS		2,203

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

DATE	COMBINED BALANCE	\$(000) AVERAGE BALANCE	ANNUAL RATE	SCHEDULE 6 ANNUAL RATE
SEP 2025	(10,644)			7.08%
OCT 2025	(10,946)	(10,795)	0.5900%	(64)
NOV 2025	(9,365)	(10,155)	0.5900%	(60)
DEC 2025	(17,855)	(13,610)	0.5900%	(80)
JAN 2026	(44,784)	(31,320)	0.5900%	(185)
FEB 2026	(43,055)	(43,920)	0.5900%	(259)
MAR 2026	(41,994)	(42,524)	0.5900%	(251)
APR 2026	(43,054)	(42,524)	0.5900%	(251)
MAY 2026	(43,800)	(43,427)	0.5900%	(256)
JUN 2026	(44,376)	(44,088)	0.5900%	(260)
JUL 2026	(44,973)	(44,674)	0.5900%	(264)
AUG 2026	(45,143)	(45,058)	0.5900%	(266)
SEP 2026	(44,733)	(44,938)	0.5900%	(265)
				(2,461)
TOTAL	INTEREST TO BE CREDITED TO CUSTOMER			(2,461)

EXHIBIT B
Projected October 2026 - September 2027¹

INDEX OF SCHEDULES:

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

¹ For ease of presentation, the filing contains BGSS schedules for fiscal years (FY) 2026 and 2027. Actual BGSS schedules for FY2025 and projected BGSS schedules for FY2028 will be included in Workpapers to be filed under separate cover.

NEW JERSEY NATURAL GAS COMPANY
UNDER/(OVER) RECOVERED GAS COSTS
BGSS YEAR 2027
\$(000)

SCHEDULE 1

	Estimate												
	Oct-26	Nov-26	Dec-26	Jan-27	Feb-27	Mar-27	Apr-27	May-27	Jun-27	Jul-27	Aug-27	Sep-27	TOTAL
1. Under/(Over) Recovered Gas Costs Beg. of Period	(47,194)	(46,484)	(45,568)	(42,219)	(32,053)	(11,454)	9,479	5,337	3,478	2,378	1,462	653	(47,194)
2. Net Cost Appl. To BGSS Sales (Sch 2a)	16,967	38,875	67,466	91,044	89,979	70,055	21,046	11,124	7,952	8,006	8,075	8,195	438,786
3. BGSS Recoveries (Sch 2b)	(10,619)	(23,540)	(38,249)	(47,456)	(39,790)	(30,821)	(16,295)	(8,406)	(5,811)	(5,727)	(5,701)	(5,747)	(238,162)
4. Under/(Over) Rec. Gas Costs - Current Period (L.2 - L.3)	6,348	15,335	29,217	43,588	50,189	39,234	4,751	2,718	2,141	2,279	2,374	2,448	200,624
Adjustments													
5. Storage Incentive (Sch.4j)	700	0	0	0	0	0	320	320	320	320	320	320	2,620
6. Off-System Sales (Sch.4e)	(283)	(1,417)	(5,429)	(8,500)	(8,500)	(1,417)	(142)	(142)	(283)	(283)	(283)	(142)	(26,820)
7. Capacity Rel. (Sch.4f)	0	0	0	0	0	0	0	0	0	0	0	0	0
8. Supplier Ref. and Misc. Adj.(Sch.5)	0	0	0	0	0	0	0	0	0	0	0	0	0
9. Balancing Credits and Penalty Charges (Sch.4g)	(6,028)	(12,977)	(20,413)	(24,896)	(21,066)	(16,857)	(9,047)	(4,728)	(3,252)	(3,206)	(3,193)	(3,225)	(128,886)
10. Environmental Attributes (Sch. 4k)	(27)	(26)	(27)	(27)	(24)	(27)	(26)	(27)	(26)	(27)	(27)	(26)	(314)
11. Total Debits and Credits (L.5 through L.10)	(5,638)	(14,419)	(25,868)	(33,422)	(29,590)	(18,301)	(8,894)	(4,577)	(3,241)	(3,196)	(3,183)	(3,072)	(153,401)
12. Under/(Over) Recov. Gas Costs. End of Period (L's.1,4,&11)	(46,484)	(45,568)	(42,219)	(32,053)	(11,454)	9,479	5,337	3,478	2,378	1,462	653	29	29

**NEW JERSEY NATURAL GAS COMPANY
GAS COSTS AND RECOVERIES
BGSS YEAR 2027
\$(000) & (000)THERMS**

Estimate													
	Oct-26	Nov-26	Dec-26	Jan-27	Feb-27	Mar-27	Apr-27	May-27	Jun-27	Jul-27	Aug-27	Sep-27	TOTAL
COST OF GAS-CURRENT PERIOD													
SCHEDULE 2a													
Total Gas Costs ¹	32,135	62,296	102,529	133,490	123,819	95,603	44,978	34,045	31,877	34,774	34,805	30,804	761,155
	0	0	0	0	0	0	0	0	0	0	0	0	
REDUCTIONS TO COST OF GAS													
Sayreville (Sch. 4b)	0	1	1	0	1	0	0	0	4	1	6	0	15
Forked Rv. (Sch. 4c)	13	5	4	0	1	3	8	4	12	72	35	21	178
Off System Sales (Sch.4e)	15,154	23,415	35,058	42,445	33,838	25,544	23,923	22,917	23,908	26,695	26,690	22,588	322,176
Capacity Release (Sch. 4f)	0	0	0	0	0	0	0	0	0	0	0	0	0
Storage Incentive Sales	0	0	0	0	0	0	0	0	0	0	0	0	0
Company Use Gas	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Reductions	15,168	23,421	35,063	42,446	33,840	25,547	23,931	22,921	23,924	26,768	26,730	22,610	322,369
Net Cost Appl.To BGSS Sales (Sch.1.,L.2)	16,967	38,875	67,466	91,044	89,979	70,055	21,046	11,124	7,952	8,006	8,075	8,195	438,786
GAS COST RECOVERIES													
SCHEDULE 2b													
BGSS Sales	27,451	60,165	95,332	116,509	98,587	78,577	41,769	21,619	14,836	14,512	14,425	14,678	598,462
Monthly BGSS Sales (GSL, DGC)	3,597	6,670	9,904	11,858	10,093	8,417	4,939	2,836	2,052	2,118	2,122	2,056	66,661
Monthly BGSS Sales (IS, CNG, NGV)	82	71	66	64	64	58	67	64	70	70	73	73	823
Periodic BGSS Sales	23,772	53,425	85,361	104,587	88,431	70,103	36,764	18,718	12,714	12,324	12,230	12,548	530,977
Recovery Rate \$ per Therm:													
Periodic BGSS Rate	0.3767	0.3767	0.3767	0.3767	0.3767	0.3767	0.3767	0.3767	0.3767	0.3767	0.3767	0.3767	
Monthly BGSS Sales (GSL, DGC)	0.4481	0.5046	0.6099	0.6749	0.6367	0.5195	0.4862	0.4629	0.4754	0.4896	0.4920	0.4723	
Monthly BGSS Sales (IS, CNG, NGV)	0.6356	0.6921	0.7974	0.8624	0.8242	0.7070	0.6737	0.6504	0.6629	0.6771	0.6795	0.6598	
Recoveries:													
Periodic BGSS	8,955	20,125	32,156	39,398	33,312	26,408	13,849	7,051	4,789	4,643	4,607	4,727	200,019
Monthly BGSS(GSL, DGC)	1,612	3,366	6,041	8,003	6,426	4,372	2,401	1,313	975	1,037	1,044	971	37,561
Monthly BGSS (IS, CNG, NGV)	52	49	53	55	53	41	45	42	47	47	50	48	582
Total BGSS Recovery (Sch. 1, L. 3)	10,619	23,540	38,249	47,456	39,790	30,821	16,295	8,406	5,811	5,727	5,701	5,747	238,162

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

NEW JERSEY NATURAL GAS COMPANY
TOTAL GAS COSTS
BGSS YEAR 2027

SCHEDULE 2c

		Estimate											
		Oct-26	Nov-26	Dec-26	Jan-27	Feb-27	Mar-27	Apr-27	May-27	Jun-27	Jul-27	Aug-27	Sep-27
MDth													
	Beginning of Month Storage Balance	30,393	35,919	33,181	24,480	13,933	4,472	486	5,674	10,899	15,787	20,839	25,891
	Commodity Purchases	15,713	12,286	10,184	10,469	8,858	13,195	19,568	17,936	16,589	17,077	17,052	16,566
A	Sub-total of Available Supplies	46,106	48,205	43,364	34,949	22,792	17,667	20,054	23,610	27,488	32,864	37,891	42,457
Less volumes with assigned cost allocations													
	Off System Sales, Electric Gen, Other	7,447	9,002	9,301	9,300	8,400	9,301	10,203	10,542	10,207	10,569	10,556	10,210
	Monthly BGSS Sales (GSL, DGC)	360	667	990	1,186	1,009	842	494	284	205	212	212	206
	Monthly BGSS Sales (IS, CNG, NGV)	8	7	7	6	6	6	7	6	7	7	7	7
	Company Use Non Prod Sales												
B	Sub-total of Assigned Cost Allocations	7,815	9,676	10,298	10,492	9,416	10,149	10,704	10,832	10,419	10,788	10,776	10,423
C = A - B	Allocation WACOG Volume	38,292	38,528	33,066	24,457	13,376	7,519	9,350	12,778	17,069	22,077	27,115	32,035
<i>volume available for allocation</i>													
\$000													
	Beginning of Month Storage Balance	91,777	108,806	100,628	74,581	42,678	14,373	2,477	15,893	28,072	39,670	52,394	65,209
	Beginning of Month WACOG Inventory	102,641	111,991	111,676	96,259	65,236	27,301	2,051	11,287	25,545	41,410	57,680	73,892
	Commodity Purchases	37,459	32,037	39,015	48,514	36,383	36,408	46,980	39,548	38,691	42,764	42,810	36,892
	Demand Charges	21,055	21,765	22,050	22,050	21,196	22,050	20,649	20,934	20,649	21,003	21,023	21,074
D	Sub-total of Available Supplies	252,931	274,599	273,369	241,404	165,493	100,131	72,158	87,662	112,957	144,847	173,906	197,067
Less volumes with assigned cost allocations													
	Off System Sales, Electric Gen, Other	15,168	23,421	35,063	42,446	33,840	25,547	23,931	22,921	23,924	26,768	26,730	22,610
	Monthly BGSS Sales (GSL, DGC)	1,612	3,366	6,041	8,003	6,426	4,372	2,401	1,313	975	1,037	1,044	971
	Monthly BGSS Sales (IS, CNG, NGV)	52	49	53	55	53	41	45	42	47	47	50	48
	GSL, DGC Sales Balancing	674	1,251	1,857	2,223	1,892	1,578	926	532	385	397	398	386
		0	0	0	0	0	0	0	0	0	0	0	0
E	Sub-total of Assigned cost allocations	17,506	28,086	43,013	52,727	42,211	31,539	27,304	24,808	25,331	28,249	28,222	24,015
F = D - E	Allocation WACOG Costs	235,425	246,513	230,356	188,677	123,282	68,593	44,854	62,854	87,626	116,598	145,684	173,052
<i>\$ available for allocation</i>													
G = F / C	\$/Dth WACOG	6.1482	6.3982	6.9666	7.7146	9.2169	9.1228	4.7973	4.9189	5.1337	5.2815	5.3728	5.4020
MDth													
	Periodic BGSS Sales	2,377	5,342	8,536	10,459	8,843	7,010	3,676	1,872	1,271	1,232	1,223	1,255
	CoUse & UFG	2	4	7	10	11	12	8	6	4	3	2	2
H	Periodic BGSS Sales & CoUse & UFG	2,379	5,347	8,543	10,469	8,854	7,022	3,684	1,878	1,275	1,235	1,225	1,257
<i>volume to be allocated</i>													
\$000													
I = G * H	Periodic BGSS (\$/Therm WACOG * Periodic BGSS volume)	14,629	34,210	59,516	80,763	81,608	64,064	17,674	9,237	6,546	6,525	6,583	6,790
<i>allocated cost</i>													
Plus assigned cost allocations													
	Off System Sales, Electric Gen, Other	15,168	23,421	35,063	42,446	33,840	25,547	23,931	22,921	23,924	26,768	26,730	22,610
	Monthly BGSS Sales (GSL, DGC)	1,612	3,366	6,041	8,003	6,426	4,372	2,401	1,313	975	1,037	1,044	971
	Monthly BGSS Sales (IS, CNG, NGV)	52	49	53	55	53	41	45	42	47	47	50	48
	GSL, DGC Sales Balancing	674	1,251	1,857	2,223	1,892	1,578	926	532	385	397	398	386
J	Sub-total of Assigned cost allocations	17,506	28,086	43,013	52,727	42,211	31,539	27,304	24,808	25,331	28,249	28,222	24,015
K = I + J	Total Allocated Costs (Sch 2a Total Gas Costs)	32,135	62,296	102,529	133,490	123,819	95,603	44,978	34,045	31,877	34,774	34,805	30,804
L	End of Month Storage Balance	108,806	100,628	74,581	42,678	14,373	2,477	15,893	28,072	39,670	52,394	65,209	76,483
M = K+L	Total Allocated Costs & Storage Balances	140,941	162,924	177,109	176,168	138,192	98,080	60,871	62,117	71,547	87,167	100,014	107,288
N = D - M	Current Month WACOG Inventory Balance	111,991	111,676	96,259	65,236	27,301	2,051	11,287	25,545	41,410	57,680	73,892	89,779

**NEW JERSEY NATURAL GAS COMPANY
THERM SALES
BGSS YEAR 2027
(000)THERMS**

SCHEDULE 3

	Estimate												
	Oct-26	Nov-26	Dec-26	Jan-27	Feb-27	Mar-27	Apr-27	May-27	Jun-27	Jul-27	Aug-27	Sep-27	TOTAL
Residential BGSS Sales	22,539	50,205	79,550	97,171	82,302	65,543	34,654	17,780	12,161	11,757	11,663	12,000	497,326
Total Residential Sales	22,539	50,205	79,550	97,171	82,302	65,543	34,654	17,780	12,161	11,757	11,663	12,000	497,326
C&I Monthly BGSS Sales (GSL, DGC)	3,597	6,670	9,904	11,858	10,093	8,417	4,939	2,836	2,052	2,118	2,122	2,056	66,661
C&I Monthly BGSS Sales (CNG, NGV, IS)	82	71	66	64	64	58	67	64	70	70	73	73	823
C&I Periodic BGSS Sales	1,233	3,220	5,811	7,416	6,129	4,560	2,109	938	552	567	566	548	33,651
Total Commercial & Industrial Sales	4,912	9,960	15,782	19,339	16,285	13,035	7,115	3,839	2,675	2,755	2,762	2,678	101,136
Total Firm Sales	27,451	60,165	95,332	116,509	98,587	78,577	41,769	21,619	14,836	14,512	14,425	14,678	598,462
Interruptible IGS (Sch. 4a)	0	0	0	0	0	0	0	0	0	0	0	0	0
Sayreville (Sch. 4b)	2	4	3	0	2	2	1	0	17	3	25	0	58
Forked River (Sch. 4c)	65	19	11	1	2	10	33	19	53	285	136	96	730
Off System Sales (Sch. 4e)	74,400	90,000	93,000	93,000	84,000	93,000	102,000	105,400	102,000	105,400	105,400	102,000	1,149,600
Storage Incentive Sales	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Non-Firm Sales	74,467	90,024	93,013	93,001	84,004	93,012	102,034	105,420	102,070	105,688	105,561	102,096	1,150,388
Total Sales	101,918	150,189	188,345	209,510	182,592	171,589	143,803	127,038	116,906	120,200	119,986	116,774	1,748,849
Firm Transportation	1,434	1,813	2,261	2,512	2,152	1,962	1,591	1,320	1,183	1,187	1,214	1,146	19,774
GSS Transportation	245	607	1,058	1,344	1,112	833	394	182	112	115	115	112	6,230
GSL Transportation	3,940	7,281	10,644	12,689	10,790	8,982	5,285	3,039	2,194	2,268	2,268	2,194	71,574
NGV Transport	0	0	0	0	0	0	0	0	0	0	0	0	0
DGC Balancing	79	69	69	81	51	63	64	72	57	52	74	75	807
DGC Firm Transportation	441	357	374	449	340	314	334	334	351	414	498	490	4,697
Residential Transportation	515	1,159	1,830	2,217	1,876	1,507	803	369	213	220	220	213	11,144
Interruptible Transportation	1,356	1,410	1,264	1,127	1,031	1,041	1,175	1,189	1,119	979	1,105	1,091	13,887
Lakewood Cogen	4,262	368	147	78	88	62	250	683	3,128	8,235	4,737	1,055	23,093
Ocean Peaking Power	1,782	1,064	143	479	73	376	2,613	1,801	2,659	6,555	3,565	918	22,027
Red Oak	6,678	8,613	10,514	11,589	5,514	7,984	33,461	27,123	23,519	36,261	25,758	20,142	217,156
Total Transportation	20,733	22,742	28,304	32,564	23,028	23,124	45,970	36,114	34,535	56,287	39,553	27,436	390,389
Total Mtherms	122,651	172,931	216,650	242,074	205,619	194,713	189,774	163,152	151,440	176,486	159,539	144,210	2,139,238

NEW JERSEY NATURAL GAS COMPANY
MARGIN SHARING FROM OFF-SYSTEM SALES AND CAPACITY RELEASE
AND CREDITS FROM BALANCING CHARGES AND ENVIRONMENTAL ATTRIBUTES
BGSS YEAR 2027
\$(000) & (000)THERMS

	Estimate												
	Oct-26	Nov-26	Dec-26	Jan-27	Feb-27	Mar-27	Apr-27	May-27	Jun-27	Jul-27	Aug-27	Sep-27	TOTAL
OFF-SYSTEM SALES													
	SCHEDULE 4e												
Revenues	15,487	25,082	41,444	52,445	43,838	27,211	24,090	23,084	24,241	27,028	27,023	22,755	353,729
Therm sales	74,400	90,000	93,000	93,000	84,000	93,000	102,000	105,400	102,000	105,400	105,400	102,000	1,149,600
Rate per therm COG	0.204	0.260	0.377	0.456	0.403	0.275	0.235	0.217	0.234	0.253	0.253	0.221	
Cost of Gas (Sch. 2a)	15,154	23,415	35,058	42,445	33,838	25,544	23,923	22,917	23,908	26,695	26,690	22,588	322,176
Net Margin	333	1,667	6,387	10,000	10,000	1,667	167	167	333	333	333	167	31,553
Customer sharing @ 85% (Sch.1,L 6)	283	1,417	5,429	8,500	8,500	1,417	142	142	283	283	283	142	26,820
NJNG Sharing @ 15%	50	250	958	1,500	1,500	250	25	25	50	50	50	25	4,733
Total Credit = Cost of Gas plus sharings	15,437	24,832	40,486	50,945	42,338	26,961	24,065	23,059	24,191	26,978	26,973	22,730	348,996
CAPACITY RELEASE													
	SCHEDULE 4f												
Revenue	0	0	0	0	0	0	0	0	0	0	0	0	0
Customer Sharing @ 85% (Sch.1.,L 7)	0	0	0	0	0	0	0	0	0	0	0	0	0
BALANCING CREDITS & PENALTY CHARGES													
	SCHEDULE 4g												
Current Month TPS Penalty Charges	0	0	0	0	0	0	0	0	0	0	0	0	0
Current Month Balancing Charges	6,028	12,977	20,413	24,896	21,066	16,857	9,047	4,728	3,252	3,206	3,193	3,225	128,886
Total Credit (Sch.1.,L 9)	6,028	12,977	20,413	24,896	21,066	16,857	9,047	4,728	3,252	3,206	3,193	3,225	128,886
ENVIRONMENTAL ATTRIBUTES													
	SCHEDULE 4k												
Therms	71	69	71	71	64	71	69	71	69	71	71	69	840
Rate per therm	0.37419	0.37419	0.37419	0.37419	0.37419	0.37419	0.37419	0.37419	0.37419	0.37419	0.37419	0.37419	n/a
Net Credit	27	26	27	27	24	27	26	27	26	27	27	26	314

**NEW JERSEY NATURAL GAS COMPANY
SUPPLIER REFUNDS AND
MISCELLANEOUS ADJUSTMENTS
BGSS YEAR 2027
\$(000)**

SCHEDULE 5

(Sch 1. LINE 8)

Opening balance BGSS Interest Sch 6	2,461	2,461
Adjustments to BGSS opening balance are captured on Schedule 1		
OCT 2026	0	0
NOV 2026	0	0
DEC 2026	0	0
JAN 2027	0	0
FEB 2027	0	0
MAR 2027	0	0
APR 2027	0	0
MAY 2027	0	0
JUN 2027	0	0
JUL 2027	0	0
AUG 2027	0	0
SEP 2027	0	0
		<hr/>
TOTALS		<u>2,461</u>

**NEW JERSEY NATURAL GAS COMPANY
BGSS YEAR 2027
COMPUTATION OF INTEREST ON UNDER/(OVER) RECOVERED BALANCES**

DATE	COMBINED BALANCE	\$(000) AVERAGE BALANCE	ANNUAL RATE	SCHEDULE 6 ANNUAL RATE
				7.08%
SEP 2026	(47,194)			
OCT 2026	(46,484)	(46,839)	0.5900%	(276)
NOV 2026	(45,568)	(46,026)	0.5900%	(272)
DEC 2026	(42,219)	(43,893)	0.5900%	(259)
JAN 2027	(32,053)	(37,136)	0.5900%	(219)
FEB 2027	(11,454)	(21,754)	0.5900%	(128)
MAR 2027	9,479	(987)	0.5900%	(6)
APR 2027	5,337	7,408	0.5900%	44
MAY 2027	3,478	4,407	0.5900%	26
JUN 2027	2,378	2,928	0.5900%	17
JUL 2027	1,462	1,920	0.5900%	11
AUG 2027	653	1,057	0.5900%	6
SEP 2027	29	341	0.5900%	2
				<u>(1,054)</u>
TOTAL	INTEREST TO BE CREDITED TO CUSTOMER			<u><u>(1,054)</u></u>

EXHIBIT C
CONSERVATION INCENTIVE PROGRAM (CIP) SCHEDULES

INDEX OF SCHEDULES:

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

New Jersey Natural Gas Company
Conservation Incentive Program
Group I: Residential Non-Heat
FY2026

Customer Class (a)	Actual/ Estimate	Actual per Books ¹		Actual Avg. Use / Cust. (d) = (b) / (c)	Baseline Use / Cust. ² (e)	Difference (f) = (d) - (e)	Aggregate Therm Impact (g) = (f) * (c)	Margin Factor	Margin Variance
		Total Class Therms (b)	Number of Customers (c)						
Residential Non-Heating									
October	a	225,141	15,324	14.7	15.5	(0.8)	(12,259)	\$0.8005	(\$9,814)
November	a	274,770	15,215	18.1	15.2	2.90	44,124	\$0.8005	\$35,321
December	a	445,113	15,189	29.3	20.8	8.5	129,110	\$0.8005	\$103,353
January	a	500,451	15,178	33.0	24.7	8.3	125,977	\$0.8053	\$101,449
February	a	450,775	15,184	29.7	22.2	7.5	113,876	\$0.8053	\$91,705
March	a	329,546	15,221	21.7	18.8	2.9	44,140	\$0.8053	\$35,546
April	e	179,106	15,271	11.7	13.0	(1.3)	(19,852)	\$0.8053	(\$15,987)
May	e	162,250	15,621	10.4	10.9	(0.5)	(7,810)	\$0.8053	(\$6,290)
June	e	202,850	15,821	12.8	14.1	(1.3)	(20,567)	\$0.8053	(\$16,562)
July	e	180,541	15,821	11.4	17.8	(6.4)	(101,251)	\$0.8053	(\$81,538)
August	e	173,525	15,821	11.0	13.0	(2.0)	(31,641)	\$0.8053	(\$25,481)
September	e	207,475	15,821	13.1	15.8	(2.7)	(42,715)	\$0.8053	(\$34,399)
Total		3,331,545		216.9	201.8		221,131		\$177,304

Margin Deficiency/ (Credit)	\$ (177,304)
Prior Period (Over) / Under Recovery ³	\$ (106,432)
Total Deficiency/(Credit)	\$ (283,736)
Projected Residential Non-Heating Throughput for Recovery Period	3,094,576
Pre-tax CIP Charge/(Credit)	\$ (0.0917)
BPU/RC Assessment Factor	1.002466
CIP Charge/(Credit) including assessments	\$ (0.0919)
6.625% Sales Tax	\$ (0.0061)
Proposed After-tax CIP Charge/(Credit) per Therm	\$ (0.0980)
Current After-tax CIP Charge/(Credit) per Therm	\$ (0.0174)
Increase/ (Decrease) in After-tax CIP Charge/(Credit) per Therm	\$ (0.0806)

¹ Per Exhibit C, Schedule 1, Page 2

² Per Tariff Sheet No. 178 approved in BPU Docket No. GR24010071 effective November 21, 2024.

³ Per Exhibit C, Schedule 1, Page 3

New Jersey Natural Gas Company
Customers and Therms

Group I: RS non-heat

	Actual Oct-25	Actual Nov-25	Actual Dec-25	Actual Jan-26	Actual Feb-26	Actual Mar-26	Estimate Apr-26	Estimate May-26	Estimate Jun-26	Estimate Jul-26	Estimate Aug-26	Estimate Sep-26	
Customers													
RS non-heat sales	14,663	14,552	14,513	14,504	14,512	14,528	14,578	14,928	15,128	15,128	15,128	15,128	
RS non-heat transport	661	663	676	674	671	693	693	693	693	693	693	693	
Total Customers	15,324	15,215	15,189	15,178	15,184	15,221	15,271	15,621	15,821	15,821	15,821	15,821	
Volumes													
RS non-heat sales	219,427	265,789	430,195	483,828	436,227	319,185	173,100	156,959	198,415	175,957	168,942	203,040	
RS non-heat transport	5,715	8,980	14,918	16,623	14,548	10,361	6,007	5,291	4,435	4,583	4,583	4,435	
Total Volumes	225,141	274,770	445,113	500,451	450,775	329,546	179,106	162,250	202,850	180,541	173,525	207,475	3,331,545

NEW JERSEY NATURAL GAS COMPANY
STATEMENT OF ESTIMATED UNDER/(OVER) RECOVERED CIP BALANCE
GROUP I - RS NON-HEAT
FY2026

	<u>Actual Oct-25</u>	<u>Actual Nov-25</u>	<u>Actual Dec-25</u>	<u>Actual Jan-26</u>	<u>Actual Feb-26</u>	<u>Actual Mar-26</u>	<u>Estimate Apr-26</u>	<u>Estimate May-26</u>	<u>Estimate Jun-26</u>	<u>Estimate Jul-26</u>	<u>Estimate Aug-26</u>	<u>Estimate Sep-26</u>	TOTAL
Beginning Under/(Over) Recovery \$	(109,138)	(117,761)	(128,284)	(145,332)	(137,175)	(129,827)	(124,455)	(121,536)	(118,891)	(115,585)	(112,642)	(109,814)	(109,138)
Therm Sales	225,141	274,770	445,113	500,451	450,775	329,546	179,106	162,250	202,850	180,541	173,525	207,475	3,331,545
Pre-tax Recovery Rate per Therm ¹	0.0383	0.0383	0.0383	(0.0163)	(0.0163)	(0.0163)	(0.0163)	(0.0163)	(0.0163)	(0.0163)	(0.0163)	(0.0163)	
Recovery \$	8,623	10,524	17,048	(8,157)	(7,348)	(5,372)	(2,919)	(2,645)	(3,306)	(2,943)	(2,828)	(3,382)	(2,706)
Ending Under/(Over) Recovery \$	<u>(117,761)</u>	<u>(128,284)</u>	<u>(145,332)</u>	<u>(137,175)</u>	<u>(129,827)</u>	<u>(124,455)</u>	<u>(121,536)</u>	<u>(118,891)</u>	<u>(115,585)</u>	<u>(112,642)</u>	<u>(109,814)</u>	<u>(106,432)</u>	<u>(106,432)</u>

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

New Jersey Natural Gas Company
Conservation Incentive Program
Group II: Residential Heat
FY2026

Customer Class (a)	Actual/ Estimate	Actual per Books ¹		Actual Avg. Use / Cust. (d) = (b) / (c)	Baseline Use / Cust. ² (e)	Difference (f) = (d) - (e)	Aggregate Therm Impact (g) = (f) * (c)	Margin Factor	Margin Variance
		Total Class Therms (b)	Number of Customers (c)						
Residential Heating									
October	a	22,378,362	534,122	41.9	46.5	(4.6)	(2,456,960)	\$0.8005	(\$1,966,797)
November	a	48,998,260	535,071	91.6	95.3	(3.7)	(1,979,761)	\$0.8005	(\$1,584,799)
December	a	96,582,683	536,051	180.2	153.3	26.9	14,419,781	\$0.8005	\$11,543,035
January	a	108,253,762	536,646	201.7	182.4	19.3	10,357,273	\$0.8053	\$8,340,712
February	a	97,294,156	537,192	181.1	158.1	23.0	12,355,421	\$0.8053	\$9,949,820
March	a	59,233,789	537,493	110.2	127.1	(16.9)	(9,083,625)	\$0.8053	(\$7,315,043)
April	e	32,737,237	537,685	60.9	69.3	(8.4)	(4,516,550)	\$0.8053	(\$3,637,178)
May	e	18,310,641	537,954	34.0	37.4	(3.4)	(1,829,042)	\$0.8053	(\$1,472,928)
June	e	12,049,455	538,314	22.4	24.1	(1.7)	(915,133)	\$0.8053	(\$736,957)
July	e	11,670,696	538,719	21.7	24.6	(2.9)	(1,562,284)	\$0.8053	(\$1,258,107)
August	e	11,588,581	539,312	21.5	21.5	-	-	\$0.8053	\$0
September	e	11,895,316	540,090	22.0	21.8	0.2	108,018	\$0.8053	\$86,987
Total		530,992,938		989.2	961.4		14,897,137		\$11,948,746
Margin Deficiency/ (Credit) Prior Period (Over) / Under Recovery ³							\$ (11,948,746)		
							\$ (8,894,664)		
Total Deficiency/(Credit)							\$ (20,843,410)		
Projected Residential Heating Throughput for Recovery Period							505,374,327		
Pre-tax CIP Charge/(Credit) BPU/RC Assessment Factor							\$ (0.0412)		
							1.002466		
CIP Charge/(Credit) including assessments 6.625% Sales Tax							\$ (0.0413)		
							\$ (0.0027)		
Proposed After-tax CIP Charge/(Credit) per Therm							\$ (0.0440)		
Current After-tax CIP Charge/(Credit) per Therm							\$ 0.0435		
Increase/ (Decrease) in After-tax CIP Charge/(Credit) per Therm							\$ (0.0875)		

¹ Per Exhibit C, Schedule 2, Page 2

² Per Tariff Sheet No. 178 approved in BPU Docket No. GR24010071 effective November 21, 2024.

³ Per Exhibit C, Schedule 2, Page 3

New Jersey Natural Gas Company
Customers and Therms

Group II: RS heat

	Actual Oct-25	Actual Nov-25	Actual Dec-25	Actual Jan-26	Actual Feb-26	Actual Mar-26	Estimate Apr-26	Estimate May-26	Estimate Jun-26	Estimate Jul-26	Estimate Aug-26	Estimate Sep-26	
Customers													
RS heat sales	521,596	522,474	523,336	523,892	524,400	524,885	525,077	525,346	525,706	526,111	526,704	527,482	
RS heat transport	12,526	12,596	12,715	12,754	12,792	12,608	12,608	12,608	12,608	12,608	12,608	12,608	
Total Customers	534,122	535,071	536,051	536,646	537,192	537,493	537,685	537,954	538,314	538,719	539,312	540,090	
Volumes													
RS heat sales	21,891,784	47,910,632	94,434,472	105,839,001	95,127,111	57,916,908	31,987,825	17,933,404	11,840,668	11,454,948	11,372,834	11,686,529	519,396,116
RS heat transport	486,578	1,087,628	2,148,211	2,414,761	2,167,045	1,316,881	749,412	377,237	208,788	215,747	215,747	208,788	11,596,822
Total Volumes	22,378,362	48,998,260	96,582,683	108,253,762	97,294,156	59,233,789	32,737,237	18,310,641	12,049,455	11,670,696	11,588,581	11,895,316	530,992,938

NEW JERSEY NATURAL GAS COMPANY
STATEMENT OF ESTIMATED UNDER/(OVER) RECOVERED CIP BALANCE
GROUP II - RS HEAT
FY2026

	Actual <u>Oct-25</u>	Actual <u>Nov-25</u>	Actual <u>Dec-25</u>	Actual <u>Jan-26</u>	Actual <u>Feb-26</u>	Actual <u>Mar-26</u>	Estimate <u>Apr-26</u>	Estimate <u>May-26</u>	Estimate <u>Jun-26</u>	Estimate <u>Jul-26</u>	Estimate <u>Aug-26</u>	Estimate <u>Sep-26</u>	TOTAL
Beginning Under/(Over) Recovery \$	20,073,366	18,182,394	14,042,041	5,880,805	1,474,877	(2,484,995)	(4,895,811)	(6,228,216)	(6,973,459)	(7,463,872)	(7,938,869)	(8,410,525)	20,073,366
Therm Sales	22,378,362	48,998,260	96,582,683	108,253,762	97,294,156	59,233,789	32,737,237	18,310,641	12,049,455	11,670,696	11,588,581	11,895,316	530,992,938
Pre-tax Recovery Rate per Therm ¹	0.0845	0.0845	0.0845	0.0407	0.0407	0.0407	0.0407	0.0407	0.0407	0.0407	0.0407	0.0407	
Recovery \$	1,890,972	4,140,353	8,161,237	4,405,928	3,959,872	2,410,815	1,332,406	745,243	490,413	474,997	471,655	484,139	28,968,030
Ending Under/(Over) Recovery \$	18,182,394	14,042,041	5,880,805	1,474,877	(2,484,995)	(4,895,811)	(6,228,216)	(6,973,459)	(7,463,872)	(7,938,869)	(8,410,525)	(8,894,664)	(8,894,664)

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

New Jersey Natural Gas Company
Conservation Incentive Program
Group III: General Service Small
FY2026

Customer Class (a)	Actual/ Estimate	Actual per Books ¹		Actual Avg. Use / Cust. (d) = (b) / (c)	Baseline Use / Cust. ² (e)	Difference (f) = (d) - (e)	Aggregate Therm Impact (g) = (f) * (c)	Margin Factor	Margin Variance
		Total Class Therms (b)	Number of Customers (c)						
<u>General Service Small</u>									
October	a	1,539,225	31,750	48.5	51.1	(2.6)	(82,549)	\$0.6792	(\$56,067)
November	a	3,876,428	32,317	119.9	120.5	(0.6)	(19,390)	\$0.6792	(\$13,170)
December	a	8,318,181	32,749	254.0	198.0	56.0	1,833,964	\$0.6792	\$1,245,628
January	a	9,902,922	32,903	301.0	252.4	48.6	1,599,063	\$0.6852	\$1,095,678
February	a	9,059,866	33,026	274.3	221.5	52.8	1,743,754	\$0.6852	\$1,194,820
March	a	5,576,649	33,023	168.9	173.5	(4.6)	(151,905)	\$0.6852	(\$104,086)
April	e	2,323,679	32,909	70.6	85.9	(15.3)	(503,507)	\$0.6852	(\$345,003)
May	e	1,130,489	32,637	34.6	33.5	1.1	35,901	\$0.6852	\$24,599
June	e	641,401	32,051	20.0	20.6	(0.6)	(19,231)	\$0.6852	(\$13,177)
July	e	659,473	31,582	20.9	25.9	(5.0)	(157,910)	\$0.6852	(\$108,200)
August	e	658,499	31,423	21.0	20.1	0.9	28,281	\$0.6852	\$19,378
September	e	637,963	31,481	20.3	21.4	(1.1)	(34,629)	\$0.6852	(\$23,728)
Total		<u>44,324,774</u>		<u>1,354.0</u>	<u>1,224.4</u>		<u>4,271,841</u>		<u>\$2,916,673</u>

Margin Deficiency/ (Credit)	\$ (2,916,673)
Prior Period (Over) / Under Recovery ³	\$ (863,233)
Total Deficiency/(Credit)	\$ (3,779,906)
Projected Commercial Throughput for Recovery Period	39,811,245
Pre-tax CIP Charge/(Credit)	\$ (0.0949)
BPU/RC Assessment Factor	<u>1.002466</u>
CIP Charge/(Credit) including assessments	\$ (0.0951)
6.625% Sales Tax	\$ <u>(0.0063)</u>
Proposed After-tax CIP Charge/(Credit) per Therm	\$ (0.1014)
Current After-tax CIP Charge/(Credit) per Therm	\$ <u>(0.0128)</u>
Increase/ (Decrease) in After-tax CIP Charge/(Credit) per Therm	\$ <u>(0.0886)</u>

¹ Per Exhibit C, Schedule 3, Page 2

² Per Tariff Sheet No. 178 approved in BPU Docket No. GR24010071 effective November 21, 2024.

³ Per Exhibit C, Schedule 3, Page 3

New Jersey Natural Gas Company
Customers and Therms

Group III: GSS

	Actual <u>Oct-25</u>	Actual <u>Nov-25</u>	Actual <u>Dec-25</u>	Actual <u>Jan-26</u>	Actual <u>Feb-26</u>	Actual <u>Mar-26</u>	Estimate <u>Apr-26</u>	Estimate <u>May-26</u>	Estimate <u>Jun-26</u>	Estimate <u>Jul-26</u>	Estimate <u>Aug-26</u>	Estimate <u>Sep-26</u>	
Customers													
GSS Sales	27,490	28,055	28,474	28,636	28,809	28,845	28,748	28,527	27,941	27,472	27,313	27,371	
GSS A/C Sales	48	45	44	43	43	44	47	-	-	-	-	-	
GSS Transport	4,208	4,213	4,228	4,220	4,170	4,131	4,111	4,111	4,111	4,111	4,111	4,111	
GSS A/C Transport	4	4	4	4	4	4	4	-	-	-	-	-	
Total Customers	31,750	32,317	32,749	32,903	33,026	33,023	32,909	32,637	32,051	31,582	31,423	31,481	
Volumes													
GSS Sales	1,255,468	3,210,532	6,925,433	8,280,798	7,602,458	4,666,963	1,946,726	950,627	538,468	553,108	552,135	535,029	37,017,745
GSS A/C Sales	11,088	7,150	7,797	8,527	8,085	6,963	11,021	-	-	-	-	-	60,631
GSS Transport	275,695	658,759	1,384,914	1,612,879	1,448,788	902,715	363,565	179,862	102,933	106,364	106,364	102,933	7,245,773
GSS A/C Transport	(3,027)	(13)	37	718	535	7	2,366	-	-	-	-	-	625
Total Volumes	1,539,225	3,876,428	8,318,181	9,902,922	9,059,866	5,576,649	2,323,679	1,130,489	641,401	659,473	658,499	637,963	44,324,774

NEW JERSEY NATURAL GAS COMPANY
STATEMENT OF ESTIMATED UNDER/(OVER) RECOVERED CIP BALANCE
GROUP III - GENERAL SERVICE SMALL
FY2026

	<u>Actual Oct-25</u>	<u>Actual Nov-25</u>	<u>Actual Dec-25</u>	<u>Actual Jan-26</u>	<u>Actual Feb-26</u>	<u>Actual Mar-26</u>	<u>Estimate Apr-26</u>	<u>Estimate May-26</u>	<u>Estimate Jun-26</u>	<u>Estimate Jul-26</u>	<u>Estimate Aug-26</u>	<u>Estimate Sep-26</u>	TOTAL
Beginning Under/(Over) Recovery \$	(576,594)	(649,861)	(834,379)	(1,230,324)	(1,111,489)	(1,002,771)	(935,851)	(907,967)	(894,401)	(886,704)	(878,790)	(870,888)	(576,594)
Therm Sales	1,539,225	3,876,428	8,318,181	9,902,922	9,059,866	5,576,649	2,323,679	1,130,489	641,401	659,473	658,499	637,963	44,324,774
Pre-tax Recovery Rate per Therm ¹	0.0476	0.0476	0.0476	(0.0120)	(0.0120)	(0.0120)	(0.0120)	(0.0120)	(0.0120)	(0.0120)	(0.0120)	(0.0120)	
Recovery \$	73,267	184,518	395,945	(118,835)	(108,718)	(66,920)	(27,884)	(13,566)	(7,697)	(7,914)	(7,902)	(7,656)	286,639
Ending Under/(Over) Recovery \$	(649,861)	(834,379)	(1,230,324)	(1,111,489)	(1,002,771)	(935,851)	(907,967)	(894,401)	(886,704)	(878,790)	(870,888)	(863,233)	(863,233)

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

New Jersey Natural Gas Company
Conservation Incentive Program
Group IV: General Service Large
FY2026

Customer Class (a)	Actual/ Estimate	Actual per Books ¹		Large Customer Adjustment (c2)	Adjusted Number of Customers (c) = (c1) + (c2)	Actual Avg. Use / Cust. ² (d) = (b) / (c)	Baseline Use / Cust. (e)	Difference (f) = (d) - (e)	Aggregate Therm Impact (g) = (f) * (c)	Margin Factor	Margin Variance
		Total Class Therms (b)	Number of Customers (c1)								
General Service Large											
October	a	7,059,887	8,075	27	8,102	871.4	989.8	(118.4)	(959,241)	\$0.4301	(\$412,570)
November	a	13,287,362	8,144	29	8,173	1,625.7	1,724.0	(98.3)	(803,434)	\$0.4301	(\$345,557)
December	a	23,862,712	8,178	36	8,214	2,905.2	2,532.3	372.9	3,062,889	\$0.4301	\$1,317,348
January	a	24,192,020	8,189	39	8,228	2,940.4	2,913.0	27.4	225,435	\$0.4344	\$97,929
February	a	21,738,202	8,205	42	8,247	2,635.7	2,519.9	115.8	955,056	\$0.4344	\$414,876
March	a	14,412,190	8,208	56	8,264	1,744.0	2,172.0	(428.0)	(3,536,838)	\$0.4344	(\$1,536,402)
April	e	9,564,664	8,219	58	8,277	1,155.6	1,319.2	(163.6)	(1,354,091)	\$0.4344	(\$588,217)
May	e	5,946,364	8,139	60	8,199	725.3	875.5	(150.2)	(1,231,466)	\$0.4344	(\$534,949)
June	e	4,197,507	8,108	61	8,169	513.8	557.9	(44.1)	(360,255)	\$0.4344	(\$156,495)
July	e	4,332,455	8,087	61	8,148	531.7	582.1	(50.4)	(410,641)	\$0.4344	(\$178,382)
August	e	4,337,531	8,099	61	8,160	531.6	536.6	(5.0)	(40,798)	\$0.4344	(\$17,723)
September	e	4,199,285	8,102	62	8,164	514.4	537.4	(23.0)	(187,778)	\$0.4344	(\$81,571)
Total		<u>137,130,180</u>				<u>16,694.8</u>	<u>17,259.7</u>		<u>(4,641,162)</u>		<u>(\$2,021,712)</u>

Margin Deficiency/ (Credit)	\$	2,021,712
Prior Period (Over) / Under Recovery ³	\$	(446,035)
Total Deficiency/(Credit)	\$	1,575,677
Projected Commercial Throughput for Recovery Period		138,025,050
Pre-tax CIP Charge/(Credit)	\$	0.0114
BPU/RC Assessment Factor		<u>1.002466</u>
CIP Charge/(Credit) including assessments	\$	0.0114
6.625% Sales Tax	\$	<u>0.0008</u>
Proposed After-tax CIP Charge/(Credit) per Therm	\$	0.0122
Current After-tax CIP Charge/(Credit) per Therm	\$	<u>0.0261</u>
Increase/ (Decrease) in After-tax CIP Charge/(Credit) per Therm	\$	<u>(0.0139)</u>

¹ Per Exhibit C, Schedule 4, Page 2

² Per Tariff Sheet No. 178 approved in BPU Docket No. GR24010071 effective November 21, 2024.

³ Per Exhibit C, Schedule 4, Page 3

New Jersey Natural Gas Company
Customers and Therms

Group IV: GSL

	Actual Oct-25	Actual Nov-25	Actual Dec-25	Actual Jan-26	Actual Feb-26	Actual Mar-26	Estimate Apr-26	Estimate May-26	Estimate Jun-26	Estimate Jul-26	Estimate Aug-26	Estimate Sep-26	
Customers													
GSL Sales	4,641	4,710	4,728	4,765	4,790	4,792	4,783	4,732	4,701	4,680	4,692	4,696	
GSL A/C Sales	15	15	15	15	16	16	16	-	-	-	-	-	
GSL Transport	3,405	3,406	3,421	3,395	3,387	3,387	3,407	3,407	3,407	3,407	3,407	3,407	
GSL A/C Transport	14	14	14	14	13	13	13	-	-	-	-	-	
Total Customers	8,075	8,144	8,178	8,189	8,205	8,208	8,219	8,139	8,108	8,087	8,099	8,102	
Volumes													
GSL Sales	2,814,669	5,536,680	9,959,279	10,930,801	9,482,811	6,534,417	4,573,942	2,852,788	2,013,971	2,076,135	2,081,210	2,015,749	60,872,451
GSL A/C Sales	14,406	27,561	46,047	51,109	47,966	27,880	20,623	-	-	-	-	-	235,592
GSL Transport	4,204,809	7,690,505	13,806,028	13,160,262	12,166,691	7,819,736	4,942,913	3,093,576	2,183,536	2,256,321	2,256,321	2,183,536	75,764,233
GSL A/C Transport	26,003	32,616	51,358	49,848	40,735	30,158	27,186	-	-	-	-	-	257,904
Total Volumes	7,059,887	13,287,362	23,862,712	24,192,020	21,738,202	14,412,190	9,564,664	5,946,364	4,197,507	4,332,455	4,337,531	4,199,285	137,130,180

NEW JERSEY NATURAL GAS COMPANY
STATEMENT OF ESTIMATED UNDER/(OVER) RECOVERED CIP BALANCE
GROUP IV - GENERAL SERVICE LARGE
FY2026

	Actual <u>Oct-25</u>	Actual <u>Nov-25</u>	Actual <u>Dec-25</u>	Actual <u>Jan-26</u>	Actual <u>Feb-26</u>	Actual <u>Mar-26</u>	Estimate <u>Apr-26</u>	Estimate <u>May-26</u>	Estimate <u>Jun-26</u>	Estimate <u>Jul-26</u>	Estimate <u>Aug-26</u>	Estimate <u>Sep-26</u>	TOTAL
Beginning Under/(Over) Recovery \$	3,337,620	3,095,466	2,639,710	1,821,218	1,230,933	700,521	348,864	115,486	(29,605)	(132,025)	(237,737)	(343,572)	3,337,620
Therm Sales	7,059,887	13,287,362	23,862,712	24,192,020	21,738,202	14,412,190	9,564,664	5,946,364	4,197,507	4,332,455	4,337,531	4,199,285	137,130,180
Pre-tax Recovery Rate per Therm ¹	0.0343	0.0343	0.0343	0.0244	0.0244	0.0244	0.0244	0.0244	0.0244	0.0244	0.0244	0.0244	
Recovery \$	242,154	455,757	818,491	590,285	530,412	351,657	233,378	145,091	102,419	105,712	105,836	102,463	3,783,655
Ending Under/(Over) Recovery \$	3,095,466	2,639,710	1,821,218	1,230,933	700,521	348,864	115,486	(29,605)	(132,025)	(237,737)	(343,572)	(446,035)	(446,035)

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

**New Jersey Natural Gas Company
Conservation Incentive Program
Weather Normalization Calculation for the 2025-26 Winter Period**

**Group II
RS Heat**

		DEGREE	DEGREE	VARIANCE	CONSUMPTION			TOTAL	MARGIN	MARGIN
		DAYS	DAYS		FACTOR	CUSTOMERS	CONSUMPTION			
		WNC ¹	ACTUAL		USE PER CUST ¹	ACTUAL	FACTOR	THERMS	FACTOR ²	IMPACT
Oct-25	a	225	208	(17)	0.1657	534,122	88,504	(1,504,568)	\$0.8005	(\$1,204,406)
Nov-25	a	516	509	(7)	0.1814	535,071	97,062	(679,433)	\$0.8005	(\$543,886)
Dec-25	a	793	940	147	0.1932	536,051	103,565	15,224,072	\$0.8005	\$12,186,870
Jan-26	a	954	1,053	99	0.1971	536,646	105,773	10,471,525	\$0.8053	\$8,432,719
Feb-26	a	801	904	103	0.1971	537,192	105,881	10,905,700	\$0.8053	\$8,782,360
Mar-26	a	658	536	(122)	0.1932	537,493	103,844	(12,668,915)	\$0.8053	(\$10,202,277)
Apr-26	a	346	315	(31)	0.1894	537,685	101,837	(3,156,961)	\$0.8053	(\$2,542,301)
May-26	c	122	118	(4)	0.1971	537,954	106,031	(424,123)	\$0.8053	(\$341,546)
TOTAL		<u>4,415</u>	<u>4,583</u>	<u>168</u>				<u>18,167,298</u>		<u>\$14,567,533</u>

**Group III
GSS**

		DEGREE	DEGREE	VARIANCE	CONSUMPTION			TOTAL	MARGIN	MARGIN
		DAYS	DAYS		FACTOR	CUSTOMERS	CONSUMPTION			
		WNC ¹	ACTUAL		USE PER CUST	ACTUAL	FACTOR	THERMS	FACTOR ²	IMPACT
Oct-25	a	225	208	(17)	0.1751	31,750	5,559	(94,509)	\$0.6792	(\$64,191)
Nov-25	a	516	509	(7)	0.2266	32,317	7,323	(51,262)	\$0.6792	(\$34,817)
Dec-25	a	793	940	147	0.2702	32,749	8,849	1,300,785	\$0.6792	\$883,493
Jan-26	a	954	1,053	99	0.2838	32,903	9,338	924,436	\$0.6852	\$633,424
Feb-26	a	801	904	103	0.2786	33,026	9,201	947,697	\$0.6852	\$649,362
Mar-26	a	658	536	(122)	0.2594	33,023	8,566	(1,045,070)	\$0.6852	(\$716,082)
Apr-26	a	346	315	(31)	0.2192	32,909	7,214	(223,623)	\$0.6852	(\$153,226)
May-26	c	122	118	(4)	0.2065	32,637	6,740	(26,958)	\$0.6852	(\$18,472)
TOTAL		<u>4,415</u>	<u>4,583</u>	<u>168</u>				<u>1,731,496</u>		<u>\$1,179,491</u>

**Group IV
GSL**

		DEGREE	DEGREE	VARIANCE	CONSUMPTION			TOTAL	MARGIN	MARGIN
		DAYS	DAYS		FACTOR	CUSTOMERS	CONSUMPTION			
		WNC ¹	ACTUAL		USE PER CUST	ACTUAL	FACTOR	THERMS	FACTOR ²	IMPACT
Oct-25	a	225	208	(17)	2.7072	8,102	21,933	(372,860)	\$0.4301	(\$160,367)
Nov-25	a	516	509	(7)	2.7409	8,173	22,402	(156,815)	\$0.4301	(\$67,446)
Dec-25	a	793	940	147	2.8367	8,214	23,300	3,425,071	\$0.4301	\$1,473,123
Jan-26	a	954	1,053	99	2.8794	8,228	23,690	2,345,356	\$0.4344	\$1,018,823
Feb-26	a	801	904	103	2.8778	8,247	23,735	2,444,658	\$0.4344	\$1,061,959
Mar-26	a	658	536	(122)	2.8781	8,264	23,784	(2,901,597)	\$0.4344	(\$1,260,454)
Apr-26	a	346	315	(31)	2.8582	8,277	23,657	(733,363)	\$0.4344	(\$318,573)
May-26	c	122	118	(4)	2.8611	8,199	23,458	(93,831)	\$0.4344	(\$40,760)
TOTAL		<u>4,415</u>	<u>4,583</u>	<u>168</u>				<u>3,956,619</u>		<u>\$1,706,305</u>

**Total
All Groups**

				TOTAL	MARGIN
				THERMS	IMPACT
Oct-25	a			(1,971,937)	(\$1,428,964)
Nov-25	a			(887,510)	(\$646,149)
Dec-25	a			19,949,928	\$14,543,486
Jan-26	a			13,741,317	\$10,084,966
Feb-26	a			14,298,055	\$10,493,682
Mar-26	a			(16,615,582)	(\$12,178,813)
Apr-26	a			(4,113,947)	(\$3,014,100)
May-26	c			(544,912)	(\$400,778)
TOTAL				<u>23,855,413</u>	<u>\$17,453,329</u>

¹ Degree Days and Consumption factors are per Tariff Sheet No. 179 approved in BPU Docket No. GR24010071 effective November 21, 2024.

² Margin factors are per Tariff Sheet No. 177 approved in BPU Docket No. GR25090528 effective January 1, 2026.

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

New Jersey Natural Gas Company
Conservation Incentive Program Filing
Year ended September 30, 2026
CIP Recovery Tests
Summary

Determine Weather and Non-Weather CIP Impacts

	<u>Weather</u>	<u>Non-Weather</u>	<u>Total</u>
CIP Group 1	\$ -	\$ (177,304)	\$ (177,304)
CIP Group 2	\$ (14,567,533)	\$ 2,618,787	\$ (11,948,746)
CIP Group 3	\$ (1,179,491)	\$ (1,737,182)	\$ (2,916,673)
CIP Group 4	\$ (1,706,305)	\$ 3,728,017	\$ 2,021,712
Total Deficiency/(Credit)	\$ (17,453,329)	\$ 4,432,317	\$ (13,021,011)

Step 2: Apply Modified BGSS Savings Test

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

Non-Weather Impact	\$ 4,432,317
75% Factor	<u>75%</u>
Subtotal	\$ 3,324,238
Prior Year Carry-Forward (Modified BGSS Savings Test)	\$ -
75% Factor	<u>75%</u>
Subtotal	\$ -
Non-weather Impact Subject to Test	\$ 3,324,238

B. BGSS Savings

Permanent Capacity Savings (Exhibit C, Schedule 6, Page 3)	\$ 12,043,561
Additional Capacity BGSS Savings (Exhibit C, Schedule 6, Page 3)	\$ -
Avoided Cost BGSS Savings (Exhibit C, Schedule 6, Page 4)	<u>\$ 4,597,223</u>
Total BGSS Savings	\$ 16,640,784

C. Results

Non-Weather Impacts Passing Test (current accrual)	\$ 4,432,317
Non-Weather Impacts Passing Test (prior year carry-forward)	\$ -
Non-Weather Impacts Exceeding Test	\$ -

**New Jersey Natural Gas Company
Conservation Incentive Program Filing
Year ended September 30, 2026
CIP Recovery Tests
Summary**

Step 3: Apply Variable Margin Revenue Test

<u>A. Non-weather Impact Subject to Variable Margin Revenue Test</u>	
Non-Weather Impact	\$ 4,432,317
Prior Year Carry-Forward (Variable Margin Revenue Test)	\$ -
Non-weather Impact Subject to Test	\$ 4,432,317
<u>B. Variable Margin Revenues</u>	
Variable Margin Revenues (Exhibit C, Schedule 6, Page 5)	\$ 506,141,925
6.5% Factor	6.5%
Total Fixed Recovery Cap	<u>\$ 32,899,225</u>
<u>C. Results</u>	
Non-Weather Impacts Passing Test (current accrual)	\$ 4,432,317
Non-Weather Impacts Passing Test (prior year carry-forward)	\$ -
Non-Weather Impacts Exceeding Test	\$ -

Step 4: Determine Recoverable Non-Weather CIP Impacts

<u>A. Current Year Accrual Recoverable Non-Weather Impacts</u>	
Amount Passing Modified BGSS Savings Test	\$ 4,432,317
Amount Passing Variable Margin Revenue Test	\$ 4,432,317
Recoverable Amount	\$ 4,432,317
<u>B. Previous Carry-Forward Recoverable Amounts</u>	
Amount Passing Modified BGSS Savings Test	\$ -
Amount Passing Variable Margin Revenue Test	\$ -
	\$ -
 Total Non-Weather Recoverable CIP Amount	 <u><u>\$ 4,432,317</u></u>

New Jersey Natural Gas
CIP Recovery Tests
CIP BGSS Savings

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

I. Permanent BGSS Savings

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

II. Additional Capacity BGSS Savings

<u>CIP Recovery</u>	<u>Year</u>	<u>Annual \$</u>
2026-2027		\$ -

III. Avoided Capacity

<u>CIP Recovery</u>	<u>Year</u>	<u>Annual \$</u>
2026-2027		\$ 4,597,223

VI. Total of all Savings

<u>CIP Recovery</u>	<u>Permanent Capacity Savings</u>	<u>Additional Capacity BGSS Savings</u>	<u>Avoided Cost BGSS Savings</u>	<u>Annual \$</u>
2026-2027	\$ 12,043,561	\$ -	\$ 4,597,223	\$ 16,640,784

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

Month (a)	Base Year Customer Count (b)	Current Year Customer Count (c)	Net Increase/ (Decrease) Customer Count (d) = (b) / (c)	Baseline Use / Cust. (e)	Avoided Capacity (f) = (d) * (e)
Group 1: RSG Non-Heating					
October	14,706	15,324	619	15.5	9,589
November	14,570	15,215	645	15.2	9,802
December	14,588	15,189	601	20.8	12,506
January	14,634	15,178	544	24.7	13,428
February	14,709	15,184	474	22.2	10,532
March	14,768	15,221	452	18.8	8,499
April	14,839	15,271	431	13.0	5,605
May	15,128	15,621	492	10.9	5,367
June	15,367	15,821	454	14.1	6,396
July	14,969	15,821	852	17.8	15,159
August	15,013	15,821	808	13.0	10,499
September	14,925	15,821	895	15.8	14,143
Subtotal				201.8	121,527
				Average Per Unit BGSS Capacity Cost	<u>\$0.3821</u>
Total Group 1 Avoided Capacity Cost BGSS Savings					\$46,437
Group 2: RSG Heating					
October	522,103	534,122	12,019	46.5	558,865
November	523,025	535,071	12,045	95.3	1,147,889
December	524,035	536,051	12,017	153.3	1,842,163
January	524,739	536,646	11,908	182.4	2,171,930
February	525,326	537,192	11,867	158.1	1,876,097
March	525,659	537,493	11,834	127.1	1,504,077
April	525,924	537,685	11,761	69.3	815,010
May	526,143	537,954	11,811	37.4	441,729
June	526,407	538,314	11,907	24.1	286,953
July	520,201	538,719	18,517	24.6	455,522
August	520,724	539,312	18,587	21.5	399,627
September	521,293	540,090	18,796	21.8	409,760
Subtotal				961.4	11,909,623
				Average Per Unit BGSS Capacity Cost	<u>\$0.3821</u>
Total Group 2 Avoided Capacity Cost BGSS Savings					\$4,550,786
Total Avoided Capacity Cost BGSS Savings					<u>\$4,597,223</u>

Notes:

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

New Jersey Natural Gas
CIP Recovery Tests
Variable Margin

	Total
Group I	\$2,502,277
Group II	\$414,865,935
Group III	\$27,373,012
Group IV	<u>\$61,400,701</u>
Total Variable Margin	\$506,141,925
%	<u>6.5%</u>
Total Fixed Recovery Cap	<u>\$32,899,225</u>

Customer Class	Actual/ Estimate	Number of Customers	Baseline Use / Cust.	Margin Factor	Variable Revenue
<u>Residential Non-Heating</u>					
October	a	15,324	15.5	\$0.8005	\$190,139
November	a	15,215	15.2	\$0.8005	\$185,131
December	a	15,189	20.8	\$0.8005	\$252,911
January	a	15,178	24.7	\$0.8053	\$301,903
February	a	15,184	22.2	\$0.8053	\$271,446
March	a	15,221	18.8	\$0.8053	\$230,433
April	e	15,271	13.0	\$0.8053	\$159,866
May	e	15,621	10.9	\$0.8053	\$137,113
June	e	15,821	14.1	\$0.8053	\$179,638
July	e	15,821	17.8	\$0.8053	\$226,777
August	e	15,821	13.0	\$0.8053	\$165,624
September	e	15,821	15.8	\$0.8053	<u>\$201,296</u>
Total			201.8		\$2,502,277
<u>Residential Heating</u>					
October	a	534,122	46.5	\$0.8005	\$19,881,749
November	a	535,071	95.3	\$0.8005	\$40,819,271
December	a	536,051	153.3	\$0.8005	\$65,782,423
January	a	536,646	182.4	\$0.8053	\$78,826,210
February	a	537,192	158.1	\$0.8053	\$68,394,199
March	a	537,493	127.1	\$0.8053	\$55,014,317
April	e	537,685	69.3	\$0.8053	\$30,006,719
May	e	537,954	37.4	\$0.8053	\$16,202,204
June	e	538,314	24.1	\$0.8053	\$10,447,445
July	e	538,719	24.6	\$0.8053	\$10,672,220
August	e	539,312	21.5	\$0.8053	\$9,337,614
September	e	540,090	21.8	\$0.8053	<u>\$9,481,564</u>
Total			961.4		\$414,865,935
<u>GSS</u>					
October	a	31,750	51.1	\$0.6792	\$1,101,942
November	a	32,317	120.5	\$0.6792	\$2,644,971
December	a	32,749	198.0	\$0.6792	\$4,404,185
January	a	32,903	252.4	\$0.6852	\$5,690,313
February	a	33,026	221.5	\$0.6852	\$5,012,361
March	a	33,023	173.5	\$0.6852	\$3,925,839
April	e	32,909	85.9	\$0.6852	\$1,936,976
May	e	32,637	33.5	\$0.6852	\$749,157
June	e	32,051	20.6	\$0.6852	\$452,404
July	e	31,582	25.9	\$0.6852	\$560,476
August	e	31,423	20.1	\$0.6852	\$432,774
September	e	31,481	21.4	\$0.6852	<u>\$461,615</u>
Total			1,224.4		\$27,373,012
<u>GSL</u>					
October	a	8,102	989.8	\$0.4301	\$3,448,999
November	a	8,173	1,724.0	\$0.4301	\$6,060,432
December	a	8,214	2,532.3	\$0.4301	\$8,945,888
January	a	8,228	2,913.0	\$0.4344	\$10,411,226
February	a	8,247	2,519.9	\$0.4344	\$9,028,037
March	a	8,264	2,172.0	\$0.4344	\$7,796,883
April	e	8,277	1,319.2	\$0.4344	\$4,743,130
May	e	8,199	875.5	\$0.4344	\$3,118,160
June	e	8,169	557.9	\$0.4344	\$1,979,781
July	e	8,148	582.1	\$0.4344	\$2,060,247
August	e	8,160	536.6	\$0.4344	\$1,902,004
September	e	8,164	537.4	\$0.4344	<u>\$1,905,914</u>
Total			17,259.7		\$61,400,701

EXHIBIT D

CALCULATION OF REVISED BALANCING CHARGE

FOR F/Y 2027

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

	\$000
<u>Balancing Charge related to Inventory¹</u>	
12 month Average inventory balance (TETCO storages and LNG)	\$19,871
Rate of Return	<u>9.10%</u>
Storage Carrying Costs	\$1,808
% of Peak Related to Balancing	<u>55.2%</u>
Balancing	\$998
Annual Firm Therms (excluding FT) (000)	<u>695,048</u>
Pre-tax Balancing Charge	\$0.0014
<u>Balancing Charge related to Demand Charges²</u>	
Pipeline Demand Charges	255,499
Adjustments (BGSS Incentive Credits)	<u>(\$26,820)</u>
Total	\$228,678
% of Peak Related to Balancing	<u>55.9%</u>
Balancing	\$127,922
Annual Firm Therms (000)	<u>687,393</u>
Pre-tax Balancing Charge	\$0.1861
<u>Total Balancing Charge</u>	
Pre-tax Balancing Charge related to Inventory	\$0.0014
Pre-tax Balancing Charge related to Demand Charges	<u>\$0.1861</u>
Total Pre-tax Balancing Charge	\$0.1875
Total After-tax Balancing Charge	\$0.1999
Current After-tax Balancing Charge	<u>\$0.1983</u>
Increase/(Decrease) to After-tax Balancing Charge	\$0.0016
<u>Calculation of % of Peak Related to Balancing</u>	
	000 therms
Peak Day Therms	9,943
Average Therms on a January Day	<u>4,381</u>
Balancing Therms	5,562
% of Peak	55.9%

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

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

EXHIBIT E

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

FOR F/Y 2027

**New Jersey Natural Gas Company
Net Impact of Proposed Rate Changes
BPU Docket No. GR26060281
F/Y 2027**

(\$/therm)

Rate Impact for Group I - Residential Non-Heating Customers								
	Component of	5/1/26 Rates		Proposed 10/1/26 Rates		Change		Total Bill % impact
		Pre-tax	Post-tax	Pre-tax	Post-tax	Pre-tax	Post-tax	
BGSS	BGSS	\$0.4283	\$0.4567	\$0.3767	\$0.4017	(\$0.0516)	(\$0.0550)	(2.6%)
Balancing Charge	Delivery Rate	0.1860	\$0.1983	<u>0.1875</u>	<u>0.1999</u>	0.0015	0.0016	0.1%
CIP	Delivery Rate	<u>(0.0163)</u>	<u>(0.0174)</u>	<u>(0.0919)</u>	<u>(0.0980)</u>	<u>(0.0756)</u>	<u>(0.0806)</u>	<u>(3.7%)</u>
NET IMPACT		<u>\$0.5980</u>	<u>\$0.6376</u>	<u>\$0.4723</u>	<u>\$0.5036</u>	<u>(\$0.1257)</u>	<u>(\$0.1340)</u>	<u>(6.2%)</u>

Rate Impact for Group II - Residential Heating Customers								
	Component of	5/1/26 Rates		Proposed 10/1/26 Rates		Change		Total Bill % impact
		Pre-tax	Post-tax	Pre-tax	Post-tax	Pre-tax	Post-tax	
BGSS	BGSS	\$0.4283	\$0.4567	\$0.3767	\$0.4017	(\$0.0516)	(\$0.0550)	(3.0%)
Balancing Charge	Delivery Rate	0.1860	0.1983	0.1875	0.1999	0.0015	0.0016	0.1%
CIP	Delivery Rate	<u>0.0408</u>	<u>0.0435</u>	<u>(0.0413)</u>	<u>(0.0440)</u>	<u>(0.0821)</u>	<u>(0.0875)</u>	<u>(4.7%)</u>
NET IMPACT		<u>\$0.6551</u>	<u>\$0.6985</u>	<u>\$0.5229</u>	<u>\$0.5576</u>	<u>(\$0.1322)</u>	<u>(\$0.1409)</u>	<u>(7.6%)</u>

Rate Impact for Group III - General Service Small Customers								
	Component of	5/1/26 Rates		Proposed 10/1/26 Rates		Change		Total Bill % impact
		Pre-tax	Post-tax	Pre-tax	Post-tax	Pre-tax	Post-tax	
BGSS	BGSS	\$0.4283	\$0.4567	\$0.3767	\$0.4017	(\$0.0516)	(\$0.0550)	(2.6%)
Balancing Charge	Delivery Rate	0.1860	0.1983	0.1875	0.1999	0.0015	0.0016	0.1%
CIP	Delivery Rate	<u>(0.0120)</u>	<u>(0.0128)</u>	<u>(0.0951)</u>	<u>(0.1014)</u>	<u>(0.0831)</u>	<u>(0.0886)</u>	<u>(4.2%)</u>
NET IMPACT		<u>\$0.6023</u>	<u>\$0.6422</u>	<u>\$0.4691</u>	<u>\$0.5002</u>	<u>(\$0.1332)</u>	<u>(\$0.1420)</u>	<u>(6.8%)</u>

Rate Impact for Group IV - General Service Large Customers								
	Component of	5/1/26 Rates		Proposed 10/1/26 Rates		Change		Total Bill % impact
		Pre-tax	Post-tax	Pre-tax	Post-tax	Pre-tax	Post-tax	
BGSS	BGSS (May 2025)	\$0.4244	\$0.4525	\$0.4229	\$0.4509	(\$0.0015)	(\$0.0016)	(0.1%)
Balancing Charge	Delivery Rate	0.1860	0.1983	0.1875	0.1999	0.0015	0.0016	0.1%
CIP	Delivery Rate	<u>0.0245</u>	<u>0.0261</u>	<u>0.0114</u>	<u>0.0122</u>	<u>(0.0131)</u>	<u>(0.0139)</u>	<u>(0.8%)</u>
NET IMPACT		<u>\$0.6349</u>	<u>\$0.6769</u>	<u>\$0.6218</u>	<u>\$0.6630</u>	<u>(\$0.0131)</u>	<u>(\$0.0139)</u>	<u>(0.8%)</u>

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

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

Projected Annual Therms:

Periodic BGSS	530,977 (000s)
Balancing Charge	687,393 (000s)
CIP Group I	3,095 (000s)
CIP Group II	505,374 (000s)
CIP Group III	39,811 (000s)
CIP Group IV	138,025 (000s)

	Projected Revenue at Current Rates \$million	Projected Revenue at Proposed Rates \$million	Change \$million
BGSS	\$242.50	\$213.29	(\$29.21)
Balancing Charge	\$136.31	\$137.41	\$1.10
CIP Group I	(\$0.05)	(\$0.30)	(\$0.25)
CIP Group II	\$21.98	(\$22.24)	(\$44.22)
CIP Group III	(\$0.51)	(\$4.04)	(\$3.53)
CIP Group IV	<u>\$3.60</u>	<u>\$1.68</u>	<u>(\$1.92)</u>
IMPACT	<u>\$403.83</u>	<u>\$325.80</u>	<u>(\$78.03)</u>

New Jersey Natural Gas Company
Net impact of Proposed Rate Changes
BPU Docket No. GR26060281
F/Y 2027

Impact on Residential Non-Heating Customers				
			25 therm bill	
5/1/26 Rates				
Customer Charge	\$12.00		\$12.00	
Delivery	\$1.2204		\$30.51	
BGSS	\$0.4567		\$11.42	
Total	\$1.6771		\$53.93	
Proposed Rates- effective 10/1/26				
Customer Charge	\$12.00		\$12.00	
Delivery	\$1.1414		\$28.54	
BGSS	\$0.4017		\$10.04	
Total	\$1.5431		\$50.58	
Decrease			(\$3.35)	
Decrease as a percent			(6.2%)	
Impact on Residential Heating Customers				
			100 therm bill	1,000 therm annual bill
5/1/26 Rates				
Customer Charge	\$12.00	\$12.00	\$144.00	
Delivery	\$1.2813	\$128.13	\$1,281.30	
BGSS	\$0.4567	\$45.67	\$456.70	
Total	\$1.7380	\$185.80	\$1,882.00	
Proposed Rates- effective 10/1/26				
Customer Charge	\$12.00	\$12.00	\$144.00	
Delivery	\$1.1954	\$119.54	\$1,195.40	
BGSS	\$0.4017	\$40.17	\$401.70	
Total	\$1.5971	\$171.71	\$1,741.10	
Decrease		(\$14.09)	(\$140.90)	
Decrease as a percent		(7.6%)	(7.5%)	
Impact on Commercial GSS Customers				
			100 therm bill	
5/1/26 Rates				
Customer Charge	\$55.00	\$55.00		
Delivery	\$1.0969	\$109.69		
BGSS	\$0.4567	\$45.67		
Total	\$1.5536	\$210.36		
Proposed Rates- effective 10/1/26				
Customer Charge	\$55.00	\$55.00		
Delivery	\$1.0099	\$100.99		
BGSS	\$0.4017	\$40.17		
Total	\$1.4116	\$196.16		
Decrease		(\$14.20)		
Decrease as a percent		(6.8%)		
Impact on Commercial GSL Customers				
			1200 therm bill	
5/1/26 Rates				
Customer Charge	\$137.50	\$137.50		
Demand Charge	\$4.50	\$432.00		
Delivery	\$0.8684	\$1,042.08		
BGSS (May 2026)	\$0.4525	\$543.00		
Total	\$1.3209	\$2,154.58		
Proposed Rates- effective 10/1/26				
Customer Charge	\$137.50	\$137.50		
Demand Charge	\$4.50	\$432.00		
Delivery	\$0.8561	\$1,027.32		
BGSS (May 2026)	\$0.4509	\$541.08		
Total	\$1.3070	\$2,137.90		
Decrease		(\$16.68)		
Decrease as a percent		(0.8%)		

**NEW JERSEY NATURAL GAS COMPANY
SUMMARY OF PERIODIC BGSS COMPONENTS
BPU Docket No. GR26060281**

	October 1, 2026 through September 30, 2027 \$000
ESTIMATED UNDER/(OVER) RECOVERED GAS COSTS AT 10/1/26 (Exhibit B, Schedule 1)	<u><u>(\$47,194) A</u></u>
ESTIMATED NET COSTS APPLICABLE TO BGSS (Exhibit B, Schedule 2a)	<u><u>\$438,786 B</u></u>
ESTIMATED ADJUSTMENTS	
Storage Incentive (Sch. 4j)	\$2,620
Off-System Sales (Sch.4e)	(\$26,820)
Capacity Rel. (Sch.4f)	\$0
Supplier Ref. and Miscellaneous Adj. (Sch.5)	\$0
Balancing Credits and Penalty Charges (Sch.4g)	(\$128,886)
Environmental Attributes (Sch. 4k)	(\$314)
TOTAL ADJUSTMENTS	<u><u>(\$153,401) C</u></u>
ESTIMATED UNDER/(OVER) RECOVERY AT 9/30/2027 (Exhibit B Schedule 1)	<u><u>\$29 D</u></u>
Monthly BGSS (GSL, DGC) Recovery	\$37,561
Monthly BGSS (IS, CNG, NGV) Recovery	\$582
ESTIMATED OTHER RECOVERY (Exhibit B Schedule 2b)	<u><u>\$38,143 E</u></u>
ESTIMATED TOTAL COSTS TO BE RECOVERED (Exhibit B Schedule 2b)	<u><u>\$200,019 A+B+C-D-E=F</u></u>
BGSS Sales	598,462
Monthly BGSS Sales (GSL, DGC)	66,661
Monthly BGSS Sales (IS, CNG, NGV)	823
ESTIMATED PERIODIC BGSS THERM SALES (Exhibit B Schedule 2b)	<u><u>530,977 G</u></u>
PRE-TAX PERIODIC BGSS RATE PER THERM	<u><u>\$0.3767 F/G=H</u></u>

EXHIBIT F

PROPOSED TARIFF SHEETS

NEW JERSEY NATURAL GAS COMPANY

~~SeventhSixth~~ Revised Sheet No. 51
Superseding ~~SixthFifth~~ Revised Sheet No. 51

BPU No. 12 - Gas

SERVICE CLASSIFICATION - RS

RESIDENTIAL SERVICE

AVAILABILITY

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

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

CHARACTER OF SERVICE

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

MONTHLY RATES

Customer Charge:

Customer Charge per meter per month \$12.00

Delivery Charge:

Residential Heating

Delivery Charge per therm \$~~1.19541.2813~~

Residential Non-Heating

Delivery Charge per therm \$~~1.14141.2204~~

BGSS Charge:

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

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

Date of Issue: ~~March 19, 2026~~
Issued by: Anne-Marie Peracchio, Vice President
~~April 1, 2026~~
Wall, NJ 07719

Effective for service rendered on and after October 1, 2026

NEW JERSEY NATURAL GAS COMPANY

~~SeventhSixth~~ Revised Sheet No. 53
~~SixthFifth~~ Revised Sheet No. 53

BPU No. 12 - Gas

SERVICE CLASSIFICATION – DGR

DISTRIBUTED GENERATION SERVICE - RESIDENTIAL

AVAILABILITY

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

CHARACTER OF SERVICE

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

MONTHLY RATES

Customer Charge:

Customer Charge per meter per month \$12.00

Delivery Charge:

November - April \$0.~~56045588~~

May - October \$0.~~50715055~~

BGSS Charge:

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

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

MINIMUM MONTHLY CHARGE

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

BALANCING CHARGE ADJUSTMENTS

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

Date of Issue: ~~March 19~~, 2026
Issued by: Anne-Marie Peracchio, Vice President
~~April 1, 2026~~
Wall, NJ 07719

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NEW JERSEY NATURAL GAS COMPANY

~~SeventhSixth~~ Revised Sheet No. 55
~~SixthFifth~~ Revised Sheet No. 55

BPU No. 12 - Gas

SERVICE CLASSIFICATION – GSS

GENERAL SERVICE - SMALL

AVAILABILITY

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

CHARACTER OF SERVICE

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

MONTHLY RATES

Customer Charge:

Customer Charge per meter per month \$55.00

Delivery Charge:

Delivery Charge per therm \$~~1.0099~~1.0969

BGSS Charge:

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

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

MINIMUM MONTHLY CHARGE

The minimum monthly charge shall be the Customer Charge.

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

BALANCING CHARGE ADJUSTMENTS

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

Date of Issue: ~~March 19~~, 2026
Issued by: Anne-Marie Peracchio, Vice President
~~April 1~~, 2026
Wall, NJ 07719

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NEW JERSEY NATURAL GAS COMPANY

~~SeventhSixth~~ Revised Sheet No. 56
Superseding ~~SixthFifth~~ Revised Sheet No. 56

BPU No. 12 - Gas

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.~~47225608~~) 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.~~53775361~~ per therm, which includes \$0.1462 per therm margin, all appropriate riders, taxes, assessments and surcharges, and the delivery charge for Service Classification GSS.

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

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

3. Veterans’ Organization Service

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

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

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Issued by: Anne-Marie Peracchio, Vice President
~~April 1, 2026~~
Wall, NJ 07719

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NEW JERSEY NATURAL GAS COMPANY

~~SeventhSixth~~ Revised Sheet No. 57
~~SixthFifth~~ Revised Sheet No. 57

BPU No. 12 - Gas

SERVICE CLASSIFICATION - GSS

GENERAL SERVICE - SMALL (continued)

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

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

4. **Metering**

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

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

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

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

1. **Street Lighting Service**

Street Lighting Service is not subject to Rider "I" of this Tariff. The delivery charge per therm for Street Lighting Service is ~~\$1.11134~~~~+1097~~ 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 19, 2026~~
Issued by: Anne-Marie Peracchio, Vice President
~~April 1, 2026~~
Wall, NJ 07719

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NEW JERSEY NATURAL GAS COMPANY

~~SeventhSixth~~ Revised Sheet No. 58
~~SixthFifth~~ Revised Sheet No. 58

BPU No. 12 - Gas

SERVICE CLASSIFICATION - GSL

GENERAL SERVICE - LARGE

AVAILABILITY

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

CHARACTER OF SERVICE

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

MONTHLY RATES

Customer Charge:

Customer Charge per meter per month \$137.50

Demand Charge:

Demand Charge per therm applied to HMAD \$4.50

Delivery Charge:

Delivery Charge per therm \$0.~~85618684~~

BGSS Charge:

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

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

MINIMUM MONTHLY CHARGE

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

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

BALANCING CHARGE ADJUSTMENTS

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

Date of Issue: ~~March 19, 2026~~
Issued by: Anne-Marie Peracchio, Vice President
~~April 1, 2026~~
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**Effective for service rendered on
and after October 1, 2026**

NEW JERSEY NATURAL GAS COMPANY

~~SeventhSixth~~ Revised Sheet No. 59
Superseding ~~SixthFifth~~ Revised Sheet No. 59

BPU No. 12 - Gas

SERVICE CLASSIFICATION - GSL

GENERAL SERVICE - LARGE (continued)

SPECIAL PROVISIONS

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

1. **Determination of Demand**

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

2. **Metering**

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

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

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

3. **Annual Review**

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

4. **Air Conditioning and Pool Heating**

Upon separate application, GSL Customers who have installed and are using gas air conditioning and/or pool heating equipment will be billed on the above Monthly Rates and will be billed a credit of (\$0.~~31843323~~) 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.~~53775361~~ per therm which includes \$0.1462 per therm margin, all appropriate riders, taxes, assessments and surcharges, and the delivery charge for Service Classification GSL.

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

Date of Issue: ~~March 19, 2026~~
Issued by: Anne-Marie Peracchio, Vice President
~~April 1, 2026~~
Wall, NJ 07719

**Effective for service rendered on
and after October 1, 2026**

NEW JERSEY NATURAL GAS COMPANY

~~Seventh~~~~Sixth~~ Revised Sheet No. 64
Superseding ~~Sixth~~~~Fifth~~ Revised Sheet No. 64

BPU No. 12 - Gas

SERVICE CLASSIFICATION - DGC

DISTRIBUTED GENERATION SERVICE - COMMERCIAL

AVAILABILITY

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

CONDITIONS PRECEDENT

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

MONTHLY RATES

	<u>DGC-Balancing</u>	<u>DGC-FT</u>
<u>Customer Charge:</u>		
Customer Charge per meter per month	\$137.50	\$137.50
<u>Demand Charge:</u>		
Demand Charge per therm applied to PBQ	\$3.00	\$3.00
<u>Delivery Charge per therm:</u>		
November - April	\$0. 48804864	\$0.2881
May - October	\$0. 45334537	\$0.2554
<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 19, 2026~~
Issued by: Anne-Marie Peracchio, Vice President
~~April 1, 2026~~
Wall, NJ 07719

**Effective for service rendered on
and after October 1, 2026**

NEW JERSEY NATURAL GAS COMPANY

BPU No. 12 - Gas

~~Third~~ ~~Second~~ Revised Sheet No. 155
Superseding ~~Second~~ ~~First~~ Revised Sheet No. 155

RIDER "A"

BASIC GAS SUPPLY SERVICE - BGSS(continued)

PERIODIC BASIC GAS SUPPLY SERVICE (BGSS) CHARGE

<u>SERVICE CLASSIFICATION</u>	<u>APPLICATION</u>	<u>CHARGE</u>
RS and GSS sales customers, and ED sales customers eligible for service under Service Classification GSS	Included in the Basic Gas Supply Charge	\$0. 40174567 per therm

BALANCING CHARGE

<u>SERVICE CLASSIFICATION</u>	<u>APPLICATION</u>	<u>CHARGE</u>
RS, GSS, GSL, DGR, DGC-Balancing, and ED customers eligible for service under Service Classifications GSS and GSL	Included in the Delivery Charge	\$0. 19994983 per therm

Date of Issue: ~~, 2026~~ December 22, 2025
Issued by: Anne-Marie Peracchio ~~Mark G. Kahrer, Senior Vice President~~
~~January 1, 2026~~
Wall, NJ 07719

Effective for service rendered on and after October 1, 2026

NEW JERSEY NATURAL GAS COMPANY

BPU No. 12 - Gas

~~Second~~^{First} Revised Sheet No. 157
Superseding ~~First Revised~~^{Original} Sheet No. 157

RIDER "A"

BASIC GAS SUPPLY SERVICE - BGSS(continued)

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

<u>SERVICE CLASSIFICATION</u>	<u>APPLICATION</u>	<u>CREDIT</u>
RS, GSS, GSL, and ED sales customers	Embedded within the Periodic Basic Gas Supply Charge and the Monthly Basic Gas Supply Charge	(\$0. 0296 ⁰²⁷⁴) per therm

TEMPORARY BGSS RATE CREDIT ADJUSTMENT

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

<u>EFFECTIVE DATES</u>	<u>CREDIT PER THERM</u>
December 1, 2020 through January 31, 2021	(\$0.1220)
March 1, 2023 through March 31, 2023	(\$0.5054)

Date of Issue: ~~2026~~^{December 22, 2025}
Issued by: ~~Anne-Marie Peracchio~~^{Mark G. Kahrer, Senior Vice President}
~~January 1, 2026~~
Wall, NJ 07719

Effective for service rendered on and after October 1, 2026

NEW JERSEY NATURAL GAS COMPANY

BPU No. 12 - Gas

~~Second~~~~First Revised~~ Sheet No. 181
~~Superseding First Revised~~~~Original~~ Sheet No. 181

RIDER "I"

CONSERVATION INCENTIVE PROGRAM – CIP (continued)

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

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

Group I (RS non-heating):	(\$0.0980) 0174
Group II (RS heating):	(\$0.0440) \$0.0435
Group III (GSS, ED using less than 5,000 therms annually):	(\$0.1014) 0128
Group IV (GSL, ED using 5,000 therms or greater annually):	\$0.0122 0261

For the recovery of the October ~~2025~~~~2024~~ through September ~~2026~~~~2025~~ CIP margin deficiency, the recovery of the margin deficiency associated with non-weather related change in customer usage included in the above factors are offset by the BGSS savings component, as set forth in Rider A. The BGSS savings component is embedded within the Periodic BGSS Charge and the Monthly BGSS Charge.

Date of Issue: ~~2026~~~~December 22, 2025~~
Issued by: ~~Anne-Marie Peracchio~~~~Mark G. Kahrer, Senior Vice President~~
~~January 1, 2026~~
Wall, NJ 07719

Effective for service rendered on
and after October 1, 2026

NEW JERSEY NATURAL GAS COMPANY

~~Eighth~~^{Seventh} Revised Sheet No. 252

Superseding ~~Seventh~~^{Sixth} Revised Sheet No. 252

BPU No. 12 - Gas

SUMMARY OF RESIDENTIAL RATE COMPONENTS

Residential Heating Customers

<u>Customer Charge</u>		<u>Bundled Sales</u>	<u>Transport</u>	<u>Reference</u>
Customer Charge per meter per month		12.00	12.00	
 <u>Delivery Charge ("DEL") per therm</u>				
Pre-tax Base Rate		0.7848	0.7848	
Pre-tax IIP Base Rate		<u>0.0205</u>	<u>0.0205</u>	Rider H
Total Pre-tax Base Rate (Margin Revenue Factor)		0.8053	0.8053	
SUT		<u>0.0534</u>	<u>0.0534</u>	Rider B
After-tax Base Rate		0.8587	0.8587	
CIP				Rider I
		(\$0.0440)	(\$0.0440)	
		0.0435	0.0435	
EE		<u>0.0989</u>	<u>0.0989</u>	Rider G
<i>Subtotal</i>	a	0.913610 011	0.913610 011	
<i>Balancing Charge</i>	b	0.199919 83	0.1999198 3	Rider A
 <i>Societal Benefits Charge ("SBC"):</i>				
NJ's Clean Energy		0.0272	0.0272	Rider E
RA		0.0285	0.0285	Rider D
USF		<u>0.0262</u>	<u>0.0262</u>	Rider F
<i>Total SBC</i>	c	<u>0.0819</u>	<u>0.0819</u>	Rider C
Delivery Charge (DEL)	a+b+c=d	1.195412 813	1.195412 813	
 <u>Basic Gas Supply Charge ("BGS")</u>				
BGS	e	0.401745 67	x	Rider A

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

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

Date of Issue: ~~March 19~~, 2026
Issued by: Anne-Marie Peracchio, Vice President
~~April 1~~, 2026
Wall, NJ 07719

Effective for service rendered on and after ~~October 1~~, 2026

NEW JERSEY NATURAL GAS COMPANY

BPU No. 12 - Gas

~~Eighth~~ Seventh Revised Sheet No. 253
Superseding ~~Seventh~~ Sixth Revised Sheet No. 253

SUMMARY OF RESIDENTIAL RATE COMPONENTS

Residential Non-Heating Customers

<u>Customer Charge</u>		<u>Bundled Sales</u>	<u>Transport</u>	<u>Reference</u>
Customer Charge per meter per month		12.00	12.00	
 <u>Delivery Charge ("DEL") per therm</u>				
Pre-tax Base Rate		0.7848	0.7848	
Pre-tax IIP Base Rate		<u>0.0205</u>	<u>0.0205</u>	Rider H
Total Pre-tax Base Rate (Margin Revenue Factor)		0.8053	0.8053	
SUT		<u>0.0534</u>	<u>0.0534</u>	Rider B
After-tax Base Rate		0.8587	0.8587	
CIP		(0.0980) 0174)	(0.0980)017 4)	Rider I
EE		<u>0.0989</u>	<u>0.0989</u>	Rider G
<i>Subtotal</i>	a	0.859694 02	0.85969402	
<i>Balancing Charge</i>	b	0.199919 83	0.19991983	Rider A
 <i>Societal Benefits Charge ("SBC"):</i>				
NJ's Clean Energy		0.0272	0.0272	Rider E
RA		0.0285	0.0285	Rider D
USF		<u>0.0262</u>	<u>0.0262</u>	Rider F
<i>Total SBC</i>	c	<u>0.0819</u>	<u>0.0819</u>	Rider C
Delivery Charge (DEL)	a+b+c=d	1.14141 <u>2204</u>	1.14141.220 <u>4</u>	
 <u>Basic Gas Supply Charge ("BGS")</u>				
BGS	e	0.401745 <u>67</u>	x	Rider A

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

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

Date of Issue: ~~March 19~~, 2026
Issued by: Anne-Marie Peracchio, Vice President
~~April 1, 2026~~
Wall, NJ 07719

Effective for service rendered on
and after October 1, 2026

NEW JERSEY NATURAL GAS COMPANY

~~Eighth~~ **Seventh** Revised Sheet No. 254

~~Superseding Seventh~~ **Sixth** Revised Sheet No. 254

BPU No. 12 - Gas

SUMMARY OF RESIDENTIAL RATE COMPONENTS

Residential Distributed Generation Service

		<u>Nov - Apr</u>	<u>May - Oct</u>	<u>Reference</u>
<u>Customer Charge</u>				
Customer Charge per meter per month		12.00	12.00	
<u>Delivery Charge ("DEL") per therm</u>				
Pre-tax Base Rate		0.1685	0.1185	
Pre-tax IIP Base Rate		<u>0.0000</u>	<u>0.0000</u>	Rider H
Total Pre-tax Base Rate		0.1685	0.1185	
SUT		<u>0.0112</u>	<u>0.0079</u>	Rider B
After-tax Base Rate		0.1797	0.1264	
EE		<u>0.0989</u>	<u>0.0989</u>	Rider G
<i>Subtotal</i>	a	0.2786	0.2253	
<i>Balancing Charge</i>	b	0.19991983	0.19991983	Rider A
<i>Societal Benefits Charge ("SBC"):</i>				
NJ's Clean Energy		0.0272	0.0272	Rider E
RA		0.0285	0.0285	Rider D
USF		<u>0.0262</u>	<u>0.0262</u>	Rider F
<i>Total SBC</i>	c	<u>0.0819</u>	<u>0.0819</u>	Rider C
Delivery Charge (DEL)	a+b+c=d	<u>0.56045588</u>	<u>0.50715055</u>	
<u>Basic Gas Supply Charge ("BGS")</u>				
BGS	e	<u>0.40174567</u>	<u>0.40174567</u>	Rider A

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

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

Date of Issue: ~~March 19, 2026~~
Issued by: Anne-Marie Peracchio, Vice President
~~April 1, 2026~~
 Wall, NJ 07719

**Effective for service rendered on
 and after October 1, 2026**

NEW JERSEY NATURAL GAS COMPANY

~~Eighth~~ ~~Seventh~~ Revised Sheet No. 255

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

BPU No. 12 - Gas

SUMMARY OF FIRM COMMERCIAL RATE COMPONENTS

General Service - Small (GSS)

		<u>Bundled</u>	<u>Transport</u>	<u>Reference</u>
		<u>Sales</u>		
<u>Customer Charge</u>				
Customer Charge per meter per month		55.00	55.00	
<u>Delivery Charge ("DEL") per therm</u>				
Pre-tax Base Rate		0.6593	0.6593	
Pre-tax IIP Base Rate		<u>0.0259</u>	<u>0.0259</u>	Rider H
Total Pre-tax Base Rate (Margin Revenue Factor)		0.6852	0.6852	
SUT		<u>0.0454</u>	<u>0.0454</u>	Rider B
After-tax Base Rate		0.7306	0.7306	
CIP		(0.01014)	(0.01014)	Rider I
		0128)	28)	
EE		<u>0.0989</u>	<u>0.0989</u>	Rider G
<i>Subtotal</i>	a	0.7281816	0.72818167	
		7		
<i>Balancing Charge</i>	b	0.1999198	0.19991983	Rider A
		3		
<i>Societal Benefits Charge ("SBC"):</i>				
NJ's Clean Energy		0.0272	0.0272	Rider E
RA		0.0285	0.0285	Rider D
USF		<u>0.0262</u>	<u>0.0262</u>	Rider F
<i>Total SBC</i>	c	<u>0.0819</u>	<u>0.0819</u>	Rider C
Delivery Charge (DEL)	a+b+c=d	1.00991.0	1.00991.0969	
		969		
<u>Basic Gas Supply Charge ("BGS")</u>				
BGS	e	0.4017456	x	Rider A
		7		

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

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

Date of Issue: ~~March 19~~, 2026
Issued by: Anne-Marie Peracchio, Vice President
~~April 1~~, 2026
 Wall, NJ 07719

Effective for service rendered on
and after October 1, 2026

NEW JERSEY NATURAL GAS COMPANY

~~Twenty-fifth~~~~Twenty-fourth~~ Revised Sheet No. 256

BPU No. 12 - Gas

Superseding ~~Twenty-fourth~~~~Twenty-third~~ Revised Sheet No. 256

SUMMARY OF FIRM COMMERCIAL RATE COMPONENTS

General Service - Large (GSL)

		<u>Bundled</u>	<u>Transport</u>	<u>Reference</u>
		<u>Sales</u>		
<u>Customer Charge</u>				
Customer Charge per meter per month		137.50	137.50	
<u>Demand Charge</u>				
Demand Charge per month applied to HMAD		4.50	4.50	
<u>Delivery Charge ("DEL") per therm</u>				
Pre-tax Base Rate		0.4157	0.4157	
Pre-tax IIP Base Rate		<u>0.0187</u>	<u>0.0187</u>	Rider H
Total Pre-tax Base Rate (Margin Revenue Factor)		0.4344	0.4344	
SUT		<u>0.0288</u>	<u>0.0288</u>	Rider B
After-tax Base Rate		0.4632	0.4632	
CIP		0. 0122026	0. 0122026	Rider I
		+	+	
EE		<u>0.0989</u>	<u>0.0989</u>	Rider G
Subtotal	a	0. 5743588	0. 5743588	
		<u>2</u>	<u>2</u>	
Balancing Charge	b	0. 1999198	0. 1999198	Rider A
		<u>3</u>	<u>3</u>	
Societal Benefits Charge ("SBC"):				
NJ's Clean Energy		0.0272	0.0272	Rider E
RA		0.0285	0.0285	Rider D
USF		<u>0.0262</u>	<u>0.0262</u>	Rider F
Total SBC	c	<u>0.0819</u>	<u>0.0819</u>	Rider C
Delivery Charge (DEL)	a+b+c=d	<u>0.8561868</u>	<u>0.8561868</u>	
		<u>4</u>	<u>4</u>	
<u>Basic Gas Supply Charge ("BGS")</u>				
BGS	e	<u>0.4509452</u>	X	Rider A
		<u>5</u>		

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

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

Date of Issue: ~~April 29, 2026~~
 Issued by: Anne-Marie Peracchio, Vice President
~~May 1, 2026~~
 Wall, NJ 07719

Effective for service rendered on
 and after October 1, 2026

NEW JERSEY NATURAL GAS COMPANY

~~Twenty-fifth~~ ~~Twenty-fourth~~ Revised Sheet No. 258

BPU No. 12 - Gas

Superseding ~~Twenty-fourth~~ ~~Twenty-third~~ Revised Sheet No. 258

SUMMARY OF FIRM COMMERCIAL RATE COMPONENTS

Commercial Distributed Generation Service – DGC-Balancing

		<u>Nov - Apr</u>	<u>May - Oct</u>	<u>Reference</u>
<u>Customer Charge</u>				
Customer Charge per meter per month		137.50	137.50	
<u>Demand Charge</u>				
Demand Charge per therm per month applied to PBQ		3.00	3.00	
<u>Delivery Charge (“DEL”) per therm</u>				
Pre-tax Base Rate		0.0948	0.0642	
Pre-tax IIP Base Rate		<u>0.0058</u>	<u>0.0058</u>	Rider H
Total Pre-tax Base Rate		0.1006	0.0700	
SUT		<u>0.0067</u>	<u>0.0046</u>	Rider B
After-tax Base Rate		0.1073	0.0746	
EE		<u>0.0989</u>	<u>0.0989</u>	Rider G
<i>Subtotal</i>	a	0.2062	0.1735	
<i>Societal Benefits Charge (“SBC”):</i>				
NJ’s Clean Energy		0.0272	0.0272	Rider E
RA		0.0285	0.0285	Rider D
USF		<u>0.0262</u>	<u>0.0262</u>	Rider F
<i>Total SBC</i>	b	<u>0.0819</u>	<u>0.0819</u>	Rider C
Balancing Charge	c	0.1999 1983	0.1999 198	
			3	
DGC-Balancing Delivery Charge (DEL)	a+b+c=d	<u>0.4880 4864</u>	<u>0.4553 453</u>	
			7	
<u>Basic Gas Supply Charge (“BGS”)</u>				
BGS	e	<u>0.4509 4525</u>	<u>0.4509 452</u>	Rider A
			5	

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

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

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

Date of Issue: ~~April 29, 2026~~
Issued by: Anne-Marie Peracchio, Vice President
~~May 1, 2026~~
 Wall, NJ 07719

Effective for service rendered on and after October 1, 2026

EXHIBIT G

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

NOTICE TO NEW JERSEY NATURAL GAS CUSTOMERS

IN THE MATTER OF THE PETITION OF NEW JERSEY NATURAL GAS COMPANY FOR THE ANNUAL REVIEW AND REVISION OF ITS BASIC GAS SUPPLY SERVICE (BGSS) AND ITS CONSERVATION INCENTIVE PROGRAM (CIP) RATES FOR F/Y 2027 Docket No. GR26060281

NOTICE OF FILING AND PUBLIC HEARING

TO OUR CUSTOMERS:

PLEASE TAKE NOTICE that on June 1, 2026, New Jersey Natural Gas (“NJNG” or “Company”) filed a petition with the New Jersey Board of Public Utilities (“Board” or “BPU”), which constituted its 2026–2027 Basic Gas Supply Service (“BGSS”) and Conservation Incentive Program (“CIP”) rate filing pursuant to an Order issued by the Board on January 6, 2003, Docket No. GX01050304 (“Generic BGSS Order”), and Orders related to CIP issued by the Board in Docket No. GR05121020 dated December 12, 2006 and January 21, 2010, and in Docket No. GR13030185 dated May 21, 2014 (“Petition”). The BGSS charge includes actual and projected natural gas commodity, storage, and interstate transportation costs. The CIP charge provides for a rate adjustment related to changes in average use per customer when compared to a pre-established baseline value. In the Board’s November 21, 2024 Order, in BPU Docket No. GR24010071, the Board authorized NJNG to adjust its Balancing Charge in the annual BGSS filing to reflect updated costs.

In the Petition, NJNG requested that the Board permit NJNG to decrease its BGSS rate and decrease its CIP rates effective October 1, 2026. Additionally, NJNG requested to increase its Balancing Charge effective October 1, 2026. The impact of the rate changes for a residential heating customer using an average of 100 therms per month would be a decrease of \$5.50 per month, or 3.0 percent as a result of the proposed BGSS rate, an increase of \$0.16 per month, or 0.1 percent as a result of the proposed Balancing Charge rate, and a decrease of \$8.75 per month, or 4.7 percent as a result of the proposed CIP rate. The combined impact of these rate changes would result in an overall decrease of approximately \$14.09 or 7.6 percent per month on a 100-therm residential bill. All Balancing Charge revenues from sales and transportation customers are credited to BGSS recoveries.

The effect of the Company’s request for the rate adjustments, to be effective October 1, 2026, on natural gas bills for the applicable customer classes is estimated to be as follows:

Customer Type	Therms	Total Monthly Bill		Monthly Bill Impact				% Impact			
		Bill as of 5/1/26	Proposed Bill as of 10/1/26	BGSS	Balancing Charge	CIP	Net Increase/ (Decrease)	BGSS	Balancing Charge	CIP	Net Increase/ (Decrease)
Residential Heat Sales	100	\$185.80	\$171.71	(\$5.50)	\$0.16	(\$8.75)	(\$14.09)	(3.0%)	0.1%	(4.7%)	(7.6%)
Residential Non-Heat Sales	25	\$53.93	\$50.58	(\$1.38)	\$0.04	(\$2.01)	(\$3.35)	(2.6%)	0.1%	(3.7%)	(6.2%)
General Service – Small	100	\$210.36	\$196.16	(\$5.50)	\$0.16	(\$8.86)	(\$14.20)	(2.6%)	0.1%	(4.2%)	(6.8%)
General Service - Large	1200	\$2,154.58	\$2,137.90	(\$1.92)	\$1.92	(\$16.68)	(\$16.68)	(0.1%)	0.1%	(0.8%)	(0.8%)

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

PLEASE TAKE FURTHER NOTICE that future changes in NJNG’s rate for BGSS service may occur if NJNG elects to adjust its BGSS rates upward by filing timely notice with the Board and the New Jersey Division of Rate Counsel (“Rate Counsel”) pursuant to the Generic BGSS Order. Any such self-implementing increase is limited to a maximum of five (5) percent of the total residential bill effective December 1, 2026, and to a maximum of five (5)

percent of the total residential bill, effective February 1, 2027. Further, these self-implementing increases would be provisional and subject to true-up in connection with the next annual BGSS filing. Pursuant to the Generic BGSS Order, NJNG is permitted to decrease its BGSS rate at any time upon five (5) days' notice and the filing of supporting documentation with the Board and Rate Counsel.

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

Customer Type	Monthly Therm Level	Total Monthly Bill		Increase	
		Bill as of October 1, 2026	Proposed Bill Including December and February BGSS 5 Percent Increases	Amount	Percent
Residential Heat Sales	100	\$171.71	\$189.32	\$17.61	10.3%
Residential Non-Heat Sales	25	\$50.58	\$54.98	\$4.40	8.7%
General Service – Small	100	\$196.16	\$213.77	\$17.61	9.0%

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

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

VIRTUAL PUBLIC HEARING

Date: August , 2026

Public Hearing 1: 4:30 pm

Public Hearing 2: 5:30 pm

Location: Zoom Virtual Webinar

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

Meeting ID: 245 813 6397

Passcode: 819208

Dial-In Number: +1 646 876 9923

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

Representatives of the Board's Staff and Rate Counsel will participate in the virtual public hearings. All comments will be made part of the final record of the proceeding to be considered by the Board. In order to encourage full participation in this opportunity for public comment, please submit any requests for needed accommodations, such as interpreters and/or listening assistance, 48 hours prior to the above hearings to the Board Secretary at board.secretary@bpu.nj.gov.

Copies of NJNG's June 1, 2026 filing can be reviewed on the Company's website, www.njng.com/regulatory in the "Filings & Updates" subsection of the "Regulatory Info."

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

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

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

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

DRAFT

NEW JERSEY NATURAL GAS COMPANY

PRE-FILED DIRECT TESTIMONY AND EXHIBITS OF

JAYANA S. SHAH

MANAGING DIRECTOR - GAS SUPPLY

**IN THE MATTER OF THE PETITION OF
NEW JERSEY NATURAL GAS COMPANY
FOR THE ANNUAL REVIEW AND REVISION OF ITS
BASIC GAS SUPPLY SERVICE (BGSS) AND CONSERVATION INCENTIVE
PROGRAM (CIP) RATES FOR F/Y 2027
BPU DOCKET NO. GR26060281
Pre-filed Direct Testimony of Jayana S. Shah**

I. Background and Purpose

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

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

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

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

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

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

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

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

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

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

- 17 • Discuss current conditions in natural gas markets that may affect the Company’s BGSS
18 pricing and BGSS incentive programs;
- 19 • Describe and detail how the Company actively manages and optimizes its gas supply
20 and capacity portfolio on a daily, monthly and seasonal basis throughout the year to
21 provide reliable service to customers at a reasonable cost, including steps it has taken
22 to hedge its projected BGSS winter period sales requirements; and
- 23 • Provide the basis for and a narrative explanation of the significant drivers of the BGSS
24 rate, which the Company is proposing through this proceeding to be approved and
25 effective October 1, 2026.

26 I am also sponsoring several exhibits that provide the requisite detail and support for the
27 projected gas costs and forecasted sales in this case consistent with the annual Minimum
28 Filing Requirements (“MFRs”) that were established in the Generic BGSS Order.

29

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

- 2 A. The balance of my testimony is organized as follows:
3 Section II: Current Market Conditions and Portfolio Planning
4 Section III: Non-Interstate Pipeline Supply
5 Section IV: Optimization Strategy
6 Section V: Periodic BGSS Pricing effective October 1, 2026
7 Section VI: Minimum Filing Requirements (“MFR”) Supporting Data and
8 Information
9 Section VII: Conclusion
10

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

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

- 14 A. United States (“U.S.”) dry natural gas production for first quarter 2026 averaged 109.4 Bcf
15 per day, up 1.7 Bcf/d from 107.7 Bcf/d average for 2025¹. Liquefied natural gas (“LNG”)
16 exports increased 29.9% from January 2025². In January 2026, the U.S. exported 17.4
17 Bcf/d of LNG to 29 countries³.

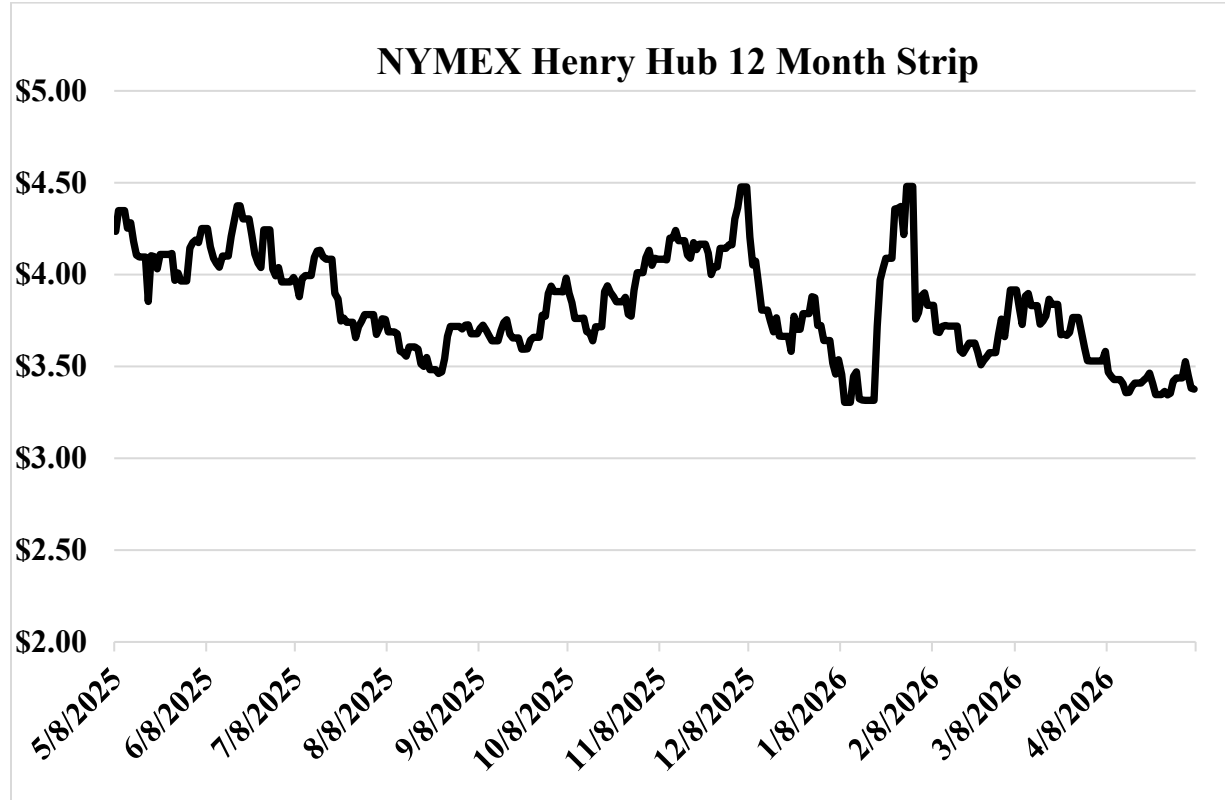
18 **Q. HOW HAVE MARKET PRICES CHANGED OVER THE PAST YEAR?**

- 19 A. New York Mercantile Exchange (“NYMEX”) Henry Hub natural gas futures prices
20 averaged \$3.85 per dekatherm (“dth”) this past winter, up 7.3% from \$3.59 per dth in the
21 winter of 2024-25. The NYMEX 12-month strip price (the average of the monthly futures
22 prices for a 12-month period) for the period ending May 7, 2026 reflects the nature of the
23 current natural gas market. As shown in the chart below, since NJNG’s last BGSS filing,
24 the NYMEX 12-month strip averaged approximately \$3.83 per dth with a high of \$4.48
25 and a low of \$3.30, including daily settlement price swings as high as \$0.72 per dth. The
26 12-month NYMEX strip settled at \$3.376 per dth on May 7, 2026, which is the date
27 requested by BPU Staff to be used for the underlying gas cost assumption, where
28 applicable, for this year’s BGSS filing.

¹ EIA Short Term Energy Outlook May 2026

² DOE U.S. Natural Gas Imports and Exports Monthly January 2026

³ Id.



1

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

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

6 • On October 29, 2025, Transcontinental Gas Pipeline (“Transco”) filed a stipulation
7 and agreement for Docket No. RP24-1035 with FERC which was approved on
8 December 30, 2025. The final settlement agreement impact to NJNG is an annual
9 demand increase of approximately \$0.1 million. The rate case refund is in April
10 2026 Exhibit A Schedule 5.

11 • On February 7, 2026, Tennessee Gas Pipeline Company (“Tennessee”) filed an
12 Annual Fuel Tracker Docket No. RP26-589 to be effective April 1, 2026. An order
13 accepting and suspending the tariff records was filed on March 31, 2026. An initial
14 settlement conference took place on April 22, 2026. The second settlement

1 conference is scheduled for June 18, 2026. Rate impacts, if any, are not known at
2 this time and not reflected in this filing.

- 3 • On April 23, 2026, Eastern Gas Transmission and Storage (“EGTS”) held a rate
4 case information session. EGTS is preparing to file a general Section 4 rate case
5 on June 30, 2026, to satisfy RP21-1187 settlement requirements and establish new
6 rates. Rate increases are expected to take effect, subject to refund, January 1, 2027,
7 assuming the maximum suspension period. Rate impacts are not known at this time
8 and not reflected in this filing.
- 9 • On April 30, 2026, National Fuel Gas Supply Corporation (“National Fuel”) filed
10 a general Section 4 rate case in Docket No. RP26-797. The Company is an indirect
11 customer of National Fuel, increasing NJNG’s annual responsibility under Transco
12 storage Rate Schedule SS-2. Transco is a storage and transportation customer of
13 National Fuel. Transco uses the services it purchases from National Fuel to provide
14 service to its customers, including NJNG, under Transco Rate Schedule SS-2. The
15 annual demand impact to NJNG is an increase of approximately \$0.5 million
16 effective November 1, 2026.

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

- 20 A. NJNG has consistently held a “Portfolio Approach” to maintaining capacity, constantly
21 seeking to hold a reliable and cost-efficient resource mix. In addition to reliability and
22 cost, NJNG seeks to achieve portfolio price stability, flexibility, and diversity across
23 resources. NJNG actively manages its resource portfolio to benefit customers through both
24 short and long-term planning and actions.

25

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

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

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

10 A. Yes. NJNG considers ten-year design day projections of firm load to plan for needed
11 capacity resources to meet requirements. The Company also considers the need for a
12 reserve margin to protect against loss of citygate supply as an element of total requirements
13 for planning purposes. These elements of NJNG's planning process reflect the market
14 environment for capacity in the Northeast. Total requirements are compared to resources
15 under contract to identify shortfalls over the planning period. The Company will file
16 workpapers with additional information for MFRs under separate cover shortly.
17 Workpaper 7 will include the design day forecast and associated supplies through January
18 2036.

19 **Q. WHAT PIPELINE OPERATIONAL ISSUES HAVE AFFECTED NJNG?**

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

24 This past winter Transco and Columbia had the following events impacting the region:

Event	Location	Start Gas Day	Duration	Pipeline
Force Majeure	Station 517 in Columbia County, PA	December 13, 2025	12 days	Transco

1 **IV. Optimization Strategy**

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

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

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

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

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

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

26

1 **Q. WHAT ADDITIONAL STEPS IS THE COMPANY TAKING TO HELP**
2 **MAINTAIN PRICE STABILITY FOR THE UPCOMING 2026-2027 WINTER**
3 **HEATING SEASON?**

4 A. In the normal course of the gas procurement function, NJNG's Gas Supply team has hedged
5 approximately 79 percent of the projected winter period sendout for Periodic BGSS
6 customers of approximately 40.2 Bcf, with 31.6 Bcf of fixed price positions as part of the
7 Storage Incentive ("SI") program for the upcoming summer's injections. Another
8 approximately eight percent of the normal weather winter heating season requirements will
9 be hedged by the end of summer 2026 using the fixed priced storage inventory that is not
10 part of the SI program. The inventory in NJNG's LNG facilities provides additional price
11 stability for the upcoming winter season.

12
13 **V. Periodic BGSS Pricing effective October 1, 2026**

14 **Q. WHAT PERIODIC BGSS PRICING CHANGE DOES THE COMPANY PROPOSE**
15 **TO IMPLEMENT EFFECTIVE OCTOBER 1, 2026?**

16 A. Through this filing, NJNG is proposing to decrease its pre-tax Periodic BGSS recovery
17 price, effective October 1, 2026, from \$0.4283 per therm to \$0.3767 per therm, an
18 approximate 3.0 percent decrease to a typical residential heating customer's total bill.

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

21 A. Over the years, through the efforts of Board Staff, Rate Counsel and NJNG, BGSS
22 incentive programs have been established that mitigate both the impacts of commodity
23 prices and the volatility in the natural gas market for natural gas customers. The BGSS
24 forecast in this filing includes the NJNG BGSS incentives in Exhibits A and B projected
25 through the 2027 BGSS period based on the Board-approved sharing formulas. The
26 Company's BGSS incentive programs include Off-System Sales, Capacity Release, and
27 SI. These programs were approved by the Board pursuant to an October 15, 2015 Order
28 in Docket No. GR15030392 ("BGSS Incentives Order").

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

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

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

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

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

21 A. Yes. I am sponsoring the following exhibits that provide MFR supporting data and
22 information as required in the Generic BGSS Order.

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

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

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

5 **Q. WILL THE COMPANY BE PROVIDING ADDITIONAL INFORMATION FOR**
6 **THE MFRs?**

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

14
15 **VII. Conclusion**

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

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

25 NJNG is requesting approval to increase its pre-tax Periodic BGSS rate from
26 \$0.4283 per therm to \$0.3767 per therm.

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

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

JSS Exhibits

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

NEW JERSEY NATURAL GAS COMPANY
GAS SUPPLY AND COST SUMMARY

Exhibit JSS-1
Page 1 of 3

	Algonquin Mdth	Columbia Mdth	Tennessee Mdth	Transco Mdth	Tetco Mdth	EGTS Mdth	Hedged Mdth	OCLEF Mdth	Other Mdth	Demand Mdth	Injections Mdth	Withdrawals Mdth	LNG Mdth	Total Mdth
Oct-26	0	0	1,113	1,755	4,069	990	0	109	7,447	0	5,312	0	18	20,812
Nov-26	0	150	0	221	2,808	0	0	105	9,002	0	0	2,695	16	14,997
Dec-26	155	155	0	464	0	0	0	109	9,301	0	0	8,537	78	18,798
Jan-27	155	155	0	751	0	0	0	109	9,300	0	0	10,193	250	20,913
Feb-27	140	98	0	122	0	0	0	98	8,400	0	0	9,290	77	18,225
Mar-27	0	155	0	577	3,054	0	0	109	9,301	0	0	3,930	17	17,142
Apr-27	0	0	1,077	2,791	4,134	958	0	105	10,203	0	4,906	0	17	24,191
May-27	0	0	1,113	739	4,271	990	0	109	10,542	0	5,069	0	17	22,850
Jun-27	0	0	1,077	109	4,134	958	0	105	10,207	0	4,906	0	18	21,513
Jul-27	0	0	1,113	26	4,271	990	0	109	10,569	0	5,069	0	17	22,164
Aug-27	0	0	1,113	28	4,256	990	0	109	10,556	0	5,069	0	17	22,138
Sep-27	0	0	1,077	83	4,134	958	0	105	10,210	0	4,906	0	18	21,490

NEW JERSEY NATURAL GAS COMPANY
GAS SUPPLY AND COST SUMMARY

Exhibit JSS-1
Page 2 of 3

	Algonquin \$000	Columbia \$000	Tennessee \$000	Transco \$000	Tetco \$000	EGTS \$000	Hedged \$000	OCLF \$000	Other \$000	Demand \$000	Injections \$000	Withdrawals \$000	LNG \$000	Total
Oct-26	0	0	2,262	3,568	8,096	1,952	4,838	144	15,566	21,055	15,693	0	96	73,269
Nov-26	0	426	0	575	7,207	0	0	183	23,421	21,765	0	8,321	82	61,981
Dec-26	575	605	0	1,748	0	0	0	273	35,063	22,050	0	26,400	398	87,113
Jan-27	677	726	0	3,444	0	0	0	325	42,446	22,050	0	31,524	1,275	102,466
Feb-27	557	411	0	491	0	0	0	266	33,840	21,196	0	28,730	393	85,884
Mar-27	0	462	0	1,584	8,269	0	0	201	25,547	22,050	0	12,154	87	70,354
Apr-27	0	0	2,527	6,534	9,800	2,212	3	169	24,299	20,649	11,698	0	87	77,977
May-27	0	0	2,460	1,606	9,134	2,110	4	156	23,273	20,934	11,107	0	85	70,868
Jun-27	0	0	2,485	255	9,355	2,174	2	160	24,259	20,649	11,351	0	89	70,779
Jul-27	0	0	2,758	66	10,271	2,371	8	177	27,114	21,003	12,461	0	84	76,312
Aug-27	0	0	2,752	72	10,339	2,385	4	179	27,079	21,023	12,550	0	84	76,466
Sep-27	0	0	2,324	183	9,225	2,049	4	158	22,949	21,074	11,024	0	89	69,079

NEW JERSEY NATURAL GAS COMPANY
GAS SUPPLY AND COST SUMMARY

Exhibit JSS-1
Page 3 of 3

	Algonquin \$/dth	Columbia \$/dth	Tennessee \$/dth	Transco \$/dth	Tetco \$/dth	EGTS \$/dth	Hedged \$/dth	OCFL \$/dth	Other \$/dth	Demand \$/dth	Injections \$/dth	Withdrawals \$/dth	LNG \$/dth	Total
Oct-26			2.0330	2.0329	1.9897	1.9720		1.3258	2.0903		2.9543		5.3108	3.5205
Nov-26		2.8377		2.6017	2.5668			1.7447	2.6017			3.0881	5.1016	4.1329
Dec-26	3.7117	3.9057		3.7696				2.5172	3.7696			3.0926	5.1016	4.6341
Jan-27	4.3663	4.6808		4.5860				2.9983	4.5640			3.0926	5.1016	4.8997
Feb-27	3.9816	4.1947		4.0284				2.7155	4.0284			3.0926	5.1016	4.7123
Mar-27		2.9775		2.7467	2.7078			1.8489	2.7467			3.0926	5.1016	4.1041
Apr-27			2.3467	2.3407	2.3707	2.3085		1.6082	2.3815		2.3845		5.1016	3.2234
May-27			2.2108	2.1730	2.1383	2.1310		1.4357	2.2076		2.1910		4.9794	3.1014
Jun-27			2.3075	2.3439	2.2631	2.2695		1.5283	2.3768		2.3138		4.9243	3.2901
Jul-27			2.4787	2.5327	2.4045	2.3945		1.6333	2.5655		2.4581		4.9243	3.4431
Aug-27			2.4731	2.5322	2.4292	2.4090		1.6517	2.5653		2.4756		4.9243	3.4541
Sep-27			2.1579	2.2146	2.2317	2.1385		1.5050	2.2478		2.2472		4.9243	3.2145

**New Jersey Natural Gas Company
Historical Service Interruptions
for BGSS Year 2026
(MFR#10)**

Tariff Condition	Period	Applicable Service Classes	# of cust	Reason(s)
Daily Balancing¹	12/4/25 - 12/5/25	Interruptible Transportation & Interruptible Sales	25	Operational
	12/8/25 - 12/9/25	Interruptible Transportation & Interruptible Sales	25	Operational
	12/11/25 - 12/12/25	Interruptible Transportation & Interruptible Sales	25	Operational
	12/14/25 - 12/16/25	Interruptible Transportation & Interruptible Sales	25	Operational
	12/22/25	Interruptible Transportation & Interruptible Sales	25	Operational
	12/26/25 - 12/27/25	Interruptible Transportation & Interruptible Sales	25	Operational
	12/30/25 - 12/31/25	Interruptible Transportation & Interruptible Sales	25	Operational
	1/1/26 - 1/5/26	Interruptible Transportation & Interruptible Sales	25	Operational
	1/15/26 - 1/16/26	Interruptible Transportation & Interruptible Sales	25	Operational
	1/18/26 - 1/20/26	Interruptible Transportation & Interruptible Sales	25	Operational
	1/23/26 - 1/31/26	Interruptible Transportation & Interruptible Sales	25	Operational
	2/1/26 - 2/2/26	Interruptible Transportation & Interruptible Sales	25	Operational
	2/4/26 - 2/9/26	Interruptible Transportation & Interruptible Sales	25	Operational
	2/12/26	Interruptible Transportation & Interruptible Sales	25	Operational
	2/22/26 - 2/24/26	Interruptible Transportation & Interruptible Sales	25	Operational
	3/1/26 - 3/2/26	Interruptible Transportation & Interruptible Sales	25	Operational

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

Five Highest Demand Days for each of the Past Three Years

NORTHERN DIVISION						CENTRAL DIVISION						TOTAL SENDOUT	Interruptible	Electric Generation	FIRM SENDOUT	NOAA DEGREE DAYS
Month	Day	Texas Eastern	Algonquin	Tennessee	Columbia	NORTH	Texas Eastern	Transco	OCFL	NJNG LNG	CENTRAL					
Feb'26	7	38,294	21,266	54,633	17,482	131,675	426,163	204,990	3,374	91,063	725,590	857,265	4,730	66,506	786,028	54
Feb'26	8	30,515	20,697	54,691	17,604	123,507	427,274	146,760	2,976	70,567	647,577	771,083	4,631	36,187	730,265	51
Jan'26	30	27,798	19,753	52,172	15,115	114,838	435,898	104,090	3,055	36,248	579,291	694,129	4,646	4,004	685,479	51
Jan'26	29	25,402	19,729	48,236	15,093	108,460	416,821	219,042	3,628	31,342	670,833	779,293	4,707	118,876	655,710	48
Jan'26	24	28,794	19,871	49,411	15,642	113,718	377,872	85,058	1,711	79,354	543,995	657,713	4,179	328	653,206	48
Jan'25	21	30,232	19,759	49,449	14,766	114,206	385,567	223,603		65,723	674,893	789,099	13	118,486	670,600	50
Jan'25	22	35,783	17,286	43,446	14,744	111,259	343,757	206,122		110,410	660,289	771,548	15	119,866	651,667	49
Dec'24	22	42,344	16,280	35,429	14,736	108,789	342,903	194,833		35,154	572,890	681,678	4,381	55,086	622,211	48
Jan'25	20	23,825	17,791	48,985	14,767	105,368	395,539	227,288		11,175	634,002	739,370	55	118,083	621,232	47
Feb'25	18	33,872	15,882	39,510	12,243	101,507	372,153	155,805		22,583	550,541	652,047	4,482	47,746	599,820	43
Jan'24	17	34,718	16,865	37,510	12,286	101,379	357,811	109,527		93,078	560,416	661,794	4,665	63,283	593,847	43
Jan'24	20	31,518	14,908	39,933	14,799	101,158	367,899	53,394		65,019	486,312	587,470	4,025	32	583,413	43
Jan'24	16	35,036	13,401	35,467	12,207	96,111	366,386	83,635		74,099	524,120	620,232	4,660	72,407	543,165	41
Jan'24	21	27,751	14,863	35,469	14,771	92,854	382,810	53,345		15,024	451,179	544,033	3,847	37	540,149	40
Jan'24	19	29,886	13,856	35,530	12,297	91,569	357,796	51,966		25,395	435,157	526,727	4,033	24	522,669	40

Company	Filing Date	Docket	Description of Filing	Type of Intervention
Texas Eastern Transmission, LP	5/15/2025	CP25-491-000	Authorization for its Appalachia to Market III Project.	Plain Vanilla Intervention
Texas Eastern Transmission, LP	5/15/2025	CP25-492-000	Authorization for the replacement of segments of its existing 30-inch-diameter Lines 10, 15, and 25 pipelines and upgrades to an existing meter and regulator station, in Rutherford County, Tennessee (5423 CR TETLP 270 Class Replacements Project or Project).	Plain Vanilla Intervention
National Fuel Gas Supply	5/20/2025	CP25-495-000	Authorization for its Beech Hill Boundary Modification (Project).	Plain Vanilla Intervention
Tennessee Gas Pipeline	5/20/2025	CP25-496-000	Authorization to (i) increase the certificated horsepower (HP) at its existing Compressor Station 245, and (ii) abandon in place compressor units 3A, 4A, and 5A. All the above facilities are located in Herkimer County, New York (Compressor Station 245 Uprate Project).	Plain Vanilla Intervention
Columbia Gas Transmission	5/22/2025	CP25-498-000	Authorization to increase the Maximum Allowable Operating Pressure (MAOP) of its Line 1655 transmission pipeline (Line 1655), located in Adams and York Counties, Pennsylvania (Line 1655 MAOP Up-Rate Project).	Plain Vanilla Intervention
Texas Eastern Transmission, LP	6/30/2025	RP25-982-000	Rate Filing: TETLP EPC AUG 2025 FILING to be effective 8/1/2025.	Plain Vanilla Intervention
Eastern Gas Transmission and Storage	7/24/2025	CP25-528-000	Authorization for its Appalachian Reliability Project	Plain Vanilla Intervention
Texas Eastern Transmission, LP	8/1/2025	CP25-530-000	Authorization for its Danville Compressor Station Replacement Project.	Plain Vanilla Intervention
Tennessee Gas Pipeline	8/29/2025	RP25-1117	Rate Filing: Revised DIC and Cashout Language to be effective 10/1/2025.	Plain Vanilla Intervention
Eastern Gas Transmission and Storage	9/30/2025	RP25-1177-000	Rate Filing: EGTS - 2025 Annual EPCA to be effective 11/1/2025.	Plain Vanilla Intervention
Eastern Gas Transmission and Storage	9/30/2025	RP25-1178-000	Rate Filing: EGTS - 2025 Annual TCRA to be effective 11/1/2025.	Plain Vanilla Intervention
Baltimore Gas and Electric Company vs. Transcontinental Gas Pipe Line Company, LLC	9/29/2025	RP25-1189-000	Complaint of Baltimore Gas and Electric Company vs. Transcontinental Gas Transmission Company, LLC.	Plain Vanilla Intervention
Tennessee Gas Pipeline	9/30/2025	RP25-1199-000	Rate Filing: Pipeline Safety and Greenhouse Gas Cost Adjustment Mechanism - 2025 to be effective 11/1/2025.	Plain Vanilla Intervention
Transcontinental Gas Pipe Line	10/1/2025	RP26-3-000	Rate Filing: Cash Out OUB Surcharge Annual Update Filing 2025 to be effective 11/1/2025.	Plain Vanilla Intervention
Texas Eastern Transmission, LP	10/29/2025	RP26-99-000	Rate Filing: TETLP PCB DEC 2025 Filing to be effective 12/1/2025.	Plain Vanilla Intervention
Texas Eastern Transmission, LP	10/30/2025	RP26-114-000	Rate Filing: TETLP ASA DEC 2025 Filing to be effective 12/1/2025.	Plain Vanilla Intervention
Algonquin	10/30/2025	RP26-117-000	Rate Filing: AGT FRQ 2025 Filing to be effective 12/1/2025.	Plain Vanilla Intervention

Company	Filing Date	Docket	Description of Filing	Type of Intervention
Columbia Gas Transmission	10/31/2025	RP26-137-000	Rate Filing: OTRA Winter 2025 to be effective 12/1/2025.	Plain Vanilla Intervention
Tennessee Gas Pipeline	10/31/2025	RP26-148-000	Rate Filing: Gas Quality Specification Filing to be effective 12/1/2025.	Plain Vanilla Intervention
Texas Eastern Transmission, LP	11/3/2025	RP26-161-000	Rate Filing: Negotiated Rates - Amended NJ Nat K910185 eff 11-1-25 to be effective 11/1/2025.	Plain Vanilla Intervention
Transcontinental Gas Pipe Line	12/1/2025	RP26-270-000	Rate Filing: 2025 Interim Fuel Tracker Filing to be effective 1/1/2026	Plain Vanilla Intervention
Eastern Gas Transmission and Storage	12/10/2025	CP26-37-000	Authorization to construct and operate one new horizontal storage injection/withdrawal well (Well no.UW-211), about 405 feet of connecting pipeline, a pipeline drip, and water tanks.	Plain Vanilla Intervention
Transcontinental Gas Pipe Line	12/10/2025	CP26-38-000	Authorization to construct the Facilities Relocation Project .	Plain Vanilla Intervention
Texas Eastern Transmission, LP	12/30/2025	RP26-325-000	Rate Filing: TETLP EPC FEB 2026 FILING to be effective 2/1/2026.	Plain Vanilla Intervention
Texas Eastern Transmission, LP	1/23/2026	CP26-75-000	Authorization for its Line 31 Expansion Project	Plain Vanilla Intervention
Eastern Gas Transmission and Storage	2/20/2026	RP26-497-000	Rate Filing: EGTS - 2026 Fuel Retention Percentages to be effective 4/1/2026.	Plain Vanilla Intervention
Transcontinental Gas Pipe Line	2/26/2026	RP26-545-000	Rate Filing: Annual Electric Power Tracker Filing Effective April 1, 2026 to be effective 4/1/2026.	Plain Vanilla Intervention
Adelphia Gateway	2/27/2026	RP26-554-000	Compliance filing: Adelphia Gateway Use and System Balancing Adjustment to be effective N/A.	Plain Vanilla Intervention
Transcontinental Gas Pipe Line	2/27/2026	RP26-571-000	Rate Filing: 2026 Annual Fuel Tracker Filing to be effective 4/1/2026.	Plain Vanilla Intervention
Columbia Gas Transmission	2/27/2026	RP26-575-000	Rate Filing: EPCA 2026 to be effective 4/1/2026.	Plain Vanilla Intervention
Columbia Gas Transmission	2/27/2026	RP26-579-000	Rate Filing: TCRA 2026 to be effective 4/1/2026.	Plain Vanilla Intervention
Columbia Gas Transmission	2/27/2026	RP26-580-000	Rate Filing: RAM 2026 to be effective 4/1/2026.	Plain Vanilla Intervention
Tennessee Gas Pipeline	2/27/2026	RP26-589-000	Rate Filing: TGP 2026 Annual Fuel Tracker Filing to be effective 4/1/2026.	Plain Vanilla Intervention
Transcontinental Gas Pipe Line	3/18/2026	RP26-649-000	Rate Filing: LSS, SS-2, and Firm and Interruptible Transportation Fuel Effective 4/1/2026 to be effective 4/1/2026.	Plain Vanilla Intervention
Columbia Gas Transmission	4/1/2026	RP26-725-000	Rate Filing: OTRA Summer 2026 to be effective 5/1/2026	Plain Vanilla Intervention
Eastern Gas Transmission and Storage	4/16/2026	AC26-55-000	Eastern Gas Transmission and Storage, Inc. submits proposed journal entries requesting to use Account 182.2 re cancelled projects at Boom, Bridgeport, and Sweeney compressor stations.	Plain Vanilla Intervention

Contract Changes

Transportation capacity contracts extended:

	Pipeline	Contract	Maximum Daily Quantity (DTH)	Extended Start Date	Extended End Date
1	Algonquin	510478	12,000	July-2026	June-2027
2	Columbia	11853	10,000	Apr-2027	Mar-2035
3	Tetco	008696	27,000	Jun-2027	May-2028
4	Tetco	008697	9,498	Nov-2026	Oct-2027
5	Tetco	331500	35,000	Apr-2027	Mar-2028
6	Tetco	331724	35,487	Apr-2027	Mar-2028
7	Tetco	331821	9,555	Apr-2027	Mar-2028
8	Tetco	800506	12,000	Nov-2026	Oct-2027
9	Tetco	910060	40,000	Nov-2026	Oct-2027
10	Tetco	910064	1,060	Nov-2026	Oct-2027
11	Tetco	910230	60,000	Nov-2026	Oct-2027
12	Tetco	910240	19,790	Nov-2026	Oct-2027
13	Tetco	910508	20,000	Nov-2026	Oct-2027
14	Tetco	910593	10,559	Nov-2026	Oct-2027
15	Tetco	910610	100,000	Nov-2026	Oct -2027
16	Transco	1000628	5,000	Jan-2027	Dec-2027
17	Transco	1000674	3,250	Jan-2027	Dec-2027
18	Transco	1003834	10,350	Jan2026	Dec-2027
19	Transco	1010444	3,931	Jan-2027	Dec-2027

Storage capacity contracts extended:

	Storage	Contract	Maximum Storage Quantity (DTH)	Extended Start Date	Extended End Date
20	EGTS	600031	4,353,382	Apr-2028	Mar-2029
21	Tetco	400188	3,973,146	May-2027	Apr-2028
22	Tetco	412004	2,180,010	May-2027	Apr-2028

New Transportation capacity contracts:

	Pipeline	Contract	Maximum Daily Quantity (DTH)	Start Date	End Date
23	EGTS	5M4195	20,000	Apr-2026	Oct-2026
24	EGTS	5M4196	35,000	Apr-2026	Oct-2026

NEW JERSEY NATURAL GAS COMPANY

PRE-FILED DIRECT TESTIMONY AND EXHIBITS OF

CHRISTOPHER S. MICA

SENIOR RATE AND REGULATORY ANALYST

**IN THE MATTER OF THE PETITION OF
NEW JERSEY NATURAL GAS COMPANY
FOR THE ANNUAL REVIEW AND REVISION OF ITS
BASIC GAS SUPPLY SERVICE (BGSS) AND CONSERVATION INCENTIVE
PROGRAM (CIP) RATES FOR F/Y 2027
BPU DOCKET NO. GR26060281
Pre-Filed Direct Testimony of Christopher S. Micak**

I. Introduction

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

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

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

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

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

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

16 A. I am responsible for supporting the preparation of Company rate and tariff matters
17 submitted to the New Jersey Board of Public Utilities (the “Board” or “BPU”), including
18 the Basic Gas Supply Service (“BGSS”) and Conservation Incentive Program (“CIP”)
19 filing. My responsibilities also include supporting the day-to-day operations of the
20 Regulatory Affairs Department related to rates, tariffs, and BPU reporting. In addition, I
21 perform analytical review and analysis of rate components, billing data, and other
22 regulatory materials. I am also a member of the Company’s data-driven team, where I assist
23 in leveraging data to support regulatory analysis, reporting, and decision-making.

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

2 A. Yes, I have filed testimony on behalf of NJNG in BPU Docket No. GR23060348 (“2024
3 BGSS/CIP Filing”), BPU Docket No. GR24060372 (“2025 BGSS/CIP Filing”), and BPU
4 Docket No. GR25050318 (“2026 BGSS/CIP Filing”)

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

6 A. The purpose of this testimony is to provide background of previous BGSS and CIP
7 proceedings, propose the BGSS, Balancing Charge, and CIP rates to be effective October
8 1, 2026, and provide the impact to customers of the proposed rate changes.

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

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

11 Section II: Background from Prior Filings

12 Section III: BGSS Projections and Proposed Rate

13 Section IV: Balancing Charge

14 Section V: Conservation Incentive Program

15 Section VI: Impact on Customers

16

17 **II. Background from Prior Filings**

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

20 A. As a result of the BPU Order issued January 6, 2003, following the Gas Policy Group
21 discussions in Docket No. GX01050304, new BGSS pricing mechanisms were approved
22 by the Board (“Generic BGSS Order”).¹ Pursuant to the Generic BGSS Order, the Board
23 authorized the implementation of a Periodic BGSS pricing mechanism for all New Jersey
24 natural gas utilities that permits up to three rate increases each year as described below and
25 rate decreases, bill credits, or refunds at any time during the year with five (5) days’ written
26 notice to the BPU Staff and the New Jersey Division of Rate Counsel (“Rate Counsel”).
27 Through this mechanism, any initial price change requested, after notice and hearing, is
28 based on an annual BGSS filing submitted in June of each year with rates to be effective
29 October 1 of the year filed. If needed, two (2) additional provisional and self-implementing

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

1 rate increases are permitted on the subsequent December 1 and February 1, after thirty (30)
2 days' prior notice to the BPU Staff and Rate Counsel. Each self-implementing increase
3 cannot exceed a maximum of five percent of the Company's total typical residential heat
4 customer's bill.

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

7 A. On May 30, 2025, the Company filed a petition with the NJBPU requesting approval to:
8 (1) increase the Company's periodic BGSS rate; (2) increase the Balancing Charge; and
9 (3) adjust the CIP recovery rates for all customer groups, effective October 1, 2025.

10 In the filing, NJNG requested an increase to the after-tax per-therm periodic BGSS rate
11 applicable to residential and small commercial customers from \$0.3672 to \$0.4944, based
12 on market conditions as of May 8, 2025 and a one-year recovery period. The proposed
13 BGSS change represented an overall increase of approximately \$67.50 million in estimated
14 annual after-tax BGSS revenues. The Company also requested an increase to the after-tax
15 Balancing Charge from \$0.1889 to \$0.1983 per therm, resulting in an estimated after-tax
16 revenue increase of approximately \$6.46 million annually.

17 The petition also included NJNG's annual CIP filing for the CIP year of October 1, 2025
18 through September 30, 2026. NJNG requested decreases to the after-tax, per-therm CIP
19 rates for all customer groups. Specifically, as updated through discovery, the Company
20 proposed the following after-tax, per-therm CIP rates: a credit of \$0.0174 for Group I
21 Residential Non-Heat customers; a charge of \$0.0435 for Group II Residential Heat
22 customers; a credit of \$0.0128 for Group III General Service Small Commercial customers;
23 and a charge of \$0.0261 for Group IV General Service Large Commercial customers. The
24 updated CIP rates reflected an overall decrease in after-tax revenue of approximately
25 \$27.89 million from the current estimated annual CIP revenue of \$52.85 million.

26 Following public notice and virtual public hearings held on August 19, 2025, NJNG
27 notified the BPU on October 31, 2025 of its intent to self-implement a provisional BGSS
28 rate increase pursuant to the Board's January 6, 2003 Order. Effective December 1, 2025,
29 the after-tax BGSS rate was increased to \$0.4567 per therm on a provisional basis, subject
30 to true-up.

1 On December 17, 2025, the Board issued an Order² approving a stipulation of settlement
2 authorizing provisional implementation of: (1) an after-tax Balancing Charge of \$0.1983
3 per therm; and (2) the updated after-tax CIP rates of a credit of \$0.0174 for Group I, a
4 charge of \$0.0435 for Group II, a credit of \$0.0128 for Group III, and a charge of \$0.0261
5 for Group IV, effective January 1, 2026. The matter was transmitted to the Office of
6 Administrative Law.

7 The January 1, 2026 Balancing Charge and CIP rates were approved by the Board on a
8 final basis on May 21, 2026³. The self-implemented BGSS rate of \$0.4567 per therm
9 after-tax remains in effect until further Board Order and will be reviewed in this year's
10 annual BGSS filing.

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

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

14 **A.** At current market conditions, the estimated BGSS ending balance will be approximately
15 \$44.733 million over-recovered as of September 30, 2026.

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

18 **A.** In Schedule 6 of Exhibit A, NJNG estimates that it will owe \$2.461 million in BGSS
19 interest to customers. Schedule 5 of Exhibit B includes the BGSS interest credit being
20 transferred into the opening Periodic BGSS balance as of October 1, 2026.
21

² In re the Petition of New Jersey Natural Gas Company for the Annual Review and Revision of its Basic Gas Supply Service (BGSS) and Conservation Incentive Program (CIP) Rates for F/Y 2026, BPU Docket No. GR25050318, Order dated December 17, 2025 ("December 2025 Order").

³ In the Matter of the Petition of New Jersey Natural Gas Company for the Annual Review and Revision of its Basic Gas Supply Service (BGSS) and Conservation Incentive Program (CIP) Rates for F/Y 2026, BPU Docket No. GR25050318, Order dated May 21, 2026 ("May 2026 Order").

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

2 A. The Company proposes to decrease the current pre-tax periodic BGSS rate of \$0.4283 per
3 therm to \$0.3767 per therm effective October 1, 2026. If approved, the current after-tax
4 rate of \$0.4567 per therm will decrease by \$0.0550 to \$0.4017 per therm.

5 **Q. WHAT IS THE COMPANY'S CURRENT PROJECTION FOR THE BGSS
6 BALANCE AS OF SEPTEMBER 30, 2027?**

7 A. Exhibit B to the Petition provides the details of the Company's projections for the period
8 October 1, 2026 through September 30, 2027 based upon the May 7, 2026 NYMEX
9 pricing, as requested by BPU Staff; includes the impact of the proposed Balancing Charge
10 described in Section IV of this testimony; and shows that the estimated BGSS ending
11 balance will be an under-recovery of approximately \$29,000 as of September 30, 2027.
12 Should market conditions change, the Company will consider utilization of the self-
13 implementing BGSS price increases or decreases, credits or refunds.

14

15

IV. Balancing Charge

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

17 A. Yes. The Balancing Charge includes the cost of providing storage and peaking services to
18 certain sales and transportation customers and has two (2) components: (1) carrying
19 charges on inventory costs and (2) demand charges. Pursuant to the Order in Docket No.
20 GR24010071 dated November 21, 2024 ("Rate Case Order"), the demand charges
21 component of the Balancing Charge is to be adjusted in the Company's annual BGSS filing
22 and is subject to review as part of such filing. The calculation of the Balancing Charge is
23 presented in Exhibit D to the Petition and reflects updated pipeline demand charges, credit
24 adjustments, and percentage of peak day volume related to balancing associated with the
25 pipeline demand portion of the Balancing Charge. The Company proposes to increase its
26 current after-tax per therm Balancing Charge of \$0.1983 (\$0.1860 pre-tax) to \$0.1999
27 (\$0.1875 pre-tax) effective October 1, 2026.

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

30 A. Yes. Balancing Charge credits in Exhibit B to the Petition reflect the pre-tax Balancing
31 Charge per therm proposed in this proceeding of \$0.1875 effective October 1, 2026. All

1 balancing revenues from sales and transportation customers are credited to the BGSS as
2 shown in Schedule 4g of Exhibits A and B.

3
4 **V. Conservation Incentive Program (“CIP”)**

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

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

- 15 • Group I – Residential Non-Heat
- 16 • Group II – Residential Heat
- 17 • Group III – General Service - Small
- 18 • Group IV – General Service - Large

19 Pursuant to the CIP Orders, the margin deficiency or excess for each group is
20 calculated each month by subtracting the baseline usage per customer, according to the
21 Company’s Tariff, from the actual usage per customer and multiplying the resulting therms
22 by the actual number of customers and the margin recovery per therm. The baseline use
23 per customer for each group was updated in the Company’s Tariff effective November 21,
24 2024, pursuant to the Rate Case Order. The margin recovery per therm for each group was
25 also updated effective November 21, 2024 to reflect the base rate changes approved in the
26 Rate Case Order. The October 2025 through September 2026 CIP margin
27 deficiency/excess calculations for each group, with actual data through March 2026 and
28 projected data for the remaining six (6) months, are included as Exhibit C, Schedules 1
29 through 4 to the Petition.

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

3 A. For the period October 2025 through April 2026, NJNG experienced weather that was 5.6
4 percent colder than normal. While October and November were slightly warmer than
5 normal, colder weather from December through February, particularly in January and
6 February, drove the cumulative variance. Compared to the same period in the prior year
7 (October 2024 through April 2025), weather was approximately ten (10 percent colder.
8 Due to the colder than normal weather, customer usage was greater than the CIP baseline
9 values, resulting in an overall CIP margin credit.

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

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

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

21 A. To determine the non-weather related CIP margin, the Company first calculates the total
22 CIP margin variance based on the difference between actual usage and baseline usage,
23 multiplied by the applicable margin factors, as shown in Exhibit C, Schedules 1 through 4
24 to the Petition. The Company then calculates the weather-related margin component
25 separately on Exhibit C, Schedule 5. The monthly consumption factors per customer per
26 degree day for each group and the normal degree days are included in Rider I of the
27 Company's Tariff ("CIP Tariff") and were updated effective November 21, 2024 pursuant
28 to the Rate Case Order. The consumption factors are multiplied by the actual number of
29 customers to determine the associated consumption per degree day. These amounts are then
30 multiplied by the variance between actual degree days and the normal degree days reflected
31 in the CIP Tariff, as well as the applicable margin factors, to determine the weather-related
32 margin impact. The non-weather related CIP margin is determined as the difference

1 between the total CIP margin variance and the calculated weather-related component. As
2 shown in Exhibit C, Schedule 6 to the Petition, the total CIP margin variance for the
3 2025-2026 CIP year is an approximate \$13.02 million credit, of which approximately
4 \$17.45 million is related to weather. The remaining \$4.43 million represents the margin
5 deficiency associated with non-weather related changes in customer usage.

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

7 A. The amount of BGSS savings required to meet the BGSS Savings Test is equal to 75
8 percent of the non-weather related margin deficiency, or approximately \$3.32 million.
9 There are three categories of BGSS savings: (1) permanent savings realized from
10 permanent capacity releases or contract terminations; (2) additional BGSS gas cost savings
11 from reductions of capacity on a long-term basis; and (3) avoided capacity costs to meet
12 residential customer growth. As shown in Exhibit C, Schedule 6, the Company has
13 approximately \$12.04 million of permanent savings approved in the May 21, 2014 CIP
14 Order and approximately \$4.60 million of avoided capacity cost savings for a total BGSS
15 savings of approximately \$16.64 million. Avoided capacity costs savings are calculated
16 based on following the methodology approved in the May 21, 2014 CIP Order the monthly
17 net change in residential customers for Group I and Group II are multiplied by their
18 respective CIP benchmark use per customer and by the average fixed capacity cost
19 reflected in this filing.

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

21 A. To pass the Variable Margin Revenue Test approved in the May 21, 2014 CIP Order and
22 modified in the 2020 EE Order, NJNG's non-weather related aggregate CIP margins must
23 be less than or equal to 6.5 percent of aggregate variable margins for the CIP accrual year
24 for all CIP Groups. The variable margins for each group are calculated on a monthly basis
25 by multiplying the actual number of customers by the baseline use per customer and the
26 group's margin per therm. As shown in Exhibit C, Schedule 6, the recovery limitation is
27 approximately \$32.90 million.

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

30 A. Yes. Since the total BGSS savings of \$16.64 million for the October 2026 through
31 September 2027 CIP recovery period are greater than the required amount to meet the test
32 of \$3.32 million, the Company has exceeded the BGSS Savings test for the October 2026

1 through September 2027 CIP recovery period. Additionally, the Company has met the
 2 Variable Margin Revenue Test since the non-weather portion of \$4.43 million is less than
 3 the recovery limitation of approximately \$32.90 million.

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

5 A. The CIP Earnings Test is based on the Tariff approved in the Rate Case Order. If the
 6 calculated Return on Equity (“ROE”) exceeds the Company’s most recently approved ROE
 7 by fifty (50) basis points or more, currently 10.1 percent, cost recovery under the CIP shall
 8 not be allowed. Any margin deficiency which is not recoverable shall not be deferred for
 9 future recovery. Since the 2025-2026 total CIP margin variance is a credit, the margin
 10 variance is not subject to the CIP Earnings Test.

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

13 A. The CIP surcharge or credit for each group is determined by dividing the eligible aggregate
 14 margin deficiency or excess, adjusted for any under or over recovery of prior period CIP
 15 collection, by the forecasted annual usage of each group for October 2026 to September
 16 2027. The following table shows the existing and proposed after-tax rates and resulting
 17 rate changes for each CIP Group:

<u>Group</u>	<u>Group Description</u>	<u>Existing Charge per therm</u>	<u>Proposed Charge/(Credit) per therm</u>	<u>Increase/(Decrease) per therm</u>
Group I	Residential Non-Heat	(\$0.0174)	(\$0.0980)	(\$0.0806)
Group II	Residential Heat	\$0.0435	(\$0.0440)	(\$0.0875)
Group III	General Service - Small	(\$0.0128)	(\$0.1014)	(\$0.0886)
Group IV	General Service - Large	\$0.0261	\$0.0122	(\$0.0139)

19
 20 The Company is requesting an effective date of October 1, 2026 for the above proposed
 21 rates.

VI. Impact on Customers

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

5 A. The periodic BGSS decrease proposed in this filing results in an overall \$5.50 or 3.0
6 percent decrease to the total monthly 100 therm bill for residential heat sales customers.
7 The proposed Balancing Charge increase results in an overall \$0.16 or 0.1 percent increase
8 to the total monthly 100 therm bill for residential heat sales and transportation customers.
9 The proposed CIP rate for Group II Residential Heat sales and transportation customers
10 results in an overall \$8.75 or 4.7 percent decrease to the total monthly 100 therm bill for a
11 residential heat customer. The net impact of the BGSS, Balancing Charge, and CIP rate
12 changes for a residential heat sales customer is a \$14.09, or 7.6 percent, decrease to the
13 total monthly 100 therm bill. The proposed changes result in a \$140.90 decrease to the
14 annual 1,000 therm bill. Exhibit E to the Petition provides the supporting bill impact
15 calculations. Residential heat transportation customers will have a 4.6 percent decrease
16 due to the changes in the Balancing Charge and CIP rates.⁴ An average residential sales
17 heating customer using 80.1 therms of gas per month, and 961.4 therms annually, will see
18 a decrease in their monthly bill of \$11.28 or 7.5 percent and a decrease in their annual bill
19 of \$135.46 or 7.5 percent.

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

23 A. The proposed periodic BGSS decrease results in an overall 2.6 percent decrease to the total
24 monthly 25 therm bill for a residential non-heat sales customer. The proposed Balancing
25 Charge increase results in an overall 0.1 percent increase to the total monthly 25 therm bill
26 for residential non-heat sales and transportation customers. The proposed CIP rate for
27 Group I Residential Non-Heat customers results in an overall decrease of 3.7 percent. The
28 net impact of the BGSS, Balancing Charge, and CIP rate changes for a residential non-heat

⁴ Percentage change assumes transportation customers are receiving gas supply at NJNG's BGSS Price to Compare.

1 sales customer is a 6.2 percent decrease. Residential non-heat transportation customers
2 will have a 3.6 percent decrease due to the changes in the Balancing Charge and CIP rates.⁵

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

6 A. The proposed periodic BGSS decrease results in an overall 2.6 percent decrease to the
7 monthly 100 therm bill for a GSS sales customer. The proposed Balancing Charge increase
8 results in an overall 0.1 percent increase to the total monthly 100 therm bill for GSS sales
9 and transportation customers. The proposed CIP rate for Group III GSS customers results
10 in an overall 4.2 percent decrease. The net impact of the BGSS, Balancing Charge, and
11 CIP rate changes for a GSS sales customer is a 6.8 percent decrease. GSS transportation
12 customers will have a 4.1 percent decrease due to the changes in the Balancing Charge and
13 CIP rates.⁶

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

17 A. The proposed CIP rate for Group IV GSL customers results in a 0.8 percent decrease for
18 GSL customers using 1,200 therms per month. The Balancing Charge is included in the
19 GSL Delivery Charge and the Monthly BGSS rates for GSL sales customers are net of the
20 Balancing Charge. Therefore, the Balancing Charge does not impact the overall bill of a
21 GSL sales customer and the total impact to their bill is a 0.8 percent decrease. GSL sales
22 customers are not impacted by the BGSS rate change because they pay the Monthly BGSS
23 rates which are tied to market prices. The proposed Balancing Charge increase results in
24 an overall 0.1 percent increase to the total monthly 1,200 therm bill for GSL transportation
25 customers. GSL transportation customers will have a 0.7 percent decrease due to the
26 changes in the CIP and Balancing Charge rates.⁷

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

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

⁵ Id.

⁶ Id.

⁷ Id.

NEW JERSEY NATURAL GAS COMPANY

PRE-FILED DIRECT TESTIMONY AND EXHIBITS OF

ANNE-MARIE PERACCHIO

VICE PRESIDENT OF REGULATORY AFFAIRS AND ENERGY EFFICIENCY

**IN THE MATTER OF THE PETITION OF
NEW JERSEY NATURAL GAS COMPANY
FOR THE ANNUAL REVIEW AND REVISION OF ITS
BASIC GAS SUPPLY SERVICE (BGSS) AND
CONSERVATION INCENTIVE PROGRAM (CIP) RATES
FOR F/Y 2027
BPU DOCKET NO. GR26060281
Pre-Filed Direct Testimony of Anne-Marie Peracchio**

I. Introduction

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

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

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

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

12 In June 1993, I accepted a position with New Jersey Resources Corporation, the parent of
13 NJNG, in the Internal Audit Department and held that position until February 1995 when
14 I accepted a position as a Senior Rate Analyst in the Regulatory Affairs Department of the
15 Company. In July 1997, I was promoted to Manager, Regulatory Affairs and in January
16 1999, I was promoted to Director, Regulatory Affairs. In December 2006, I was appointed
17 as the Director, Conservation and Affordability until December 2009, when my
18 responsibilities shifted to serve as the Director, Conservation and Clean Energy Policy. In
19 November 2015, my responsibilities were broadened to include both policy and operations
20 for energy-efficiency programs as the Director, Conservation and Clean Energy. I was
21 promoted to the Managing Director, Marketing and Energy Efficiency in September 2021.
22 At the start of 2026, I was promoted to Vice President, Regulatory Affairs and Energy
23 Efficiency.

24 **Q. WHAT ARE YOUR RESPONSIBILITIES AS THE VICE PRESIDENT,
25 REGULATORY AFFAIRS AND ENERGY EFFICIENCY?**

26 A. I am responsible for the development and implementation of the Company’s customer
27 conservation programs, pursuant to the Board’s approval of the Conservation Incentive
28 Program (“CIP”), I manage the efforts of the team who implements the NJNG energy-

1 efficiency program - The SAVEGREEN Project® (“SAVEGREEN”), and I manage the
2 Regulatory Affairs team. I also identify opportunities to help drive cultural changes within
3 the organization to support the Company’s concerted focus on conservation. Most of those
4 programs fall under the Company’s Conserve to Preserve® (“CTP”) initiative that will be
5 discussed in more detail below.

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

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

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

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

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

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

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

27 Section II: CIP Background

28 Section III: Program Activity

29 Section IV: CIP Expenditure Update

30 Section V: Prospective CIP Activities and Changes

II. CIP Background

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

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

III. Program Activity

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

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

- 26 • **E-tips:** The expenses in this category cover costs associated with the external
27 service used to distribute E-tips, NJNG’s opt-in conservation e-mail newsletter,
28 and other minor promotional expenses. Currently, more than 260,000 customers
29 are registered to receive our monthly E-Tip service. This is the most effective
30 vehicle for promoting special offers and limited time promotions.

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

1 Empowered Schools Program. ASE has successfully implemented this program
2 to capture behavioral energy savings in schools for 30 years. Thirty-five schools
3 are currently participating in the program.

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

22 **IV. CIP Expenditure Update**

24 **Q. DID THE COMPANY HAVE ANY CARRY-OVER FUNDING TO ADD TO THE**
25 **ANNUAL PROGRAM FUNDING COMMITMENT OF \$700,000 FOR FISCAL**
26 **2025?**

27 **A.** Yes. The fiscal 2025 available budget was approximately \$735,383 because of prior year
28 carryovers. Although NJNG spent approximately \$678,975 on CIP activities in fiscal 2025,
29 the Company had a carryover balance of approximately \$56,000. Accordingly, NJNG has
30 approximately \$756,000 available for fiscal 2026 programs. See Attachment AMP-1, page
31 2 of 2 for the final summary of expenses and carry-over calculation for fiscal 2026.

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

3 A. As of May 18, 2026, NJNG recorded expenses of approximately \$577,000 for the 2026
4 CIP year. A summary of 2026 expenses by category is included as Attachment AMP-1,
5 page 1 of 2.

6 **Q. DOES THE COMPANY EXPECT TO EXPEND THE FULL \$756,000 ON THE CIP**
7 **PROGRAMS THIS FISCAL YEAR?**

8 A. No. It is difficult to project the overall response to programs. However, NJNG expects that
9 there will be a modest carry-over of unspent funds into fiscal 2027 CIP program activities.
10 Projected expenses for the remainder of the year are reflected on Attachment AMP-1, page
11 1 of 2.

12

13 **V. Prospective CIP Activities and Changes**

14 **Q. DOES THE COMPANY HAVE PLANS FOR ADDITIONAL CIP?**

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

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

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

**New Jersey Natural Gas
CIP Expense through May 18, 2026
BPU Docket No. GR26060281**

	Quarter Ending 12/31/25	Quarter Ending 3/31/26	Actual Q3 thru 5/18/26	Est. remaining exp. 9/30/26	Estimated Total Fiscal Year
1 School/Children's Programs	\$0	\$154,218	\$10,800	\$99,500	\$264,518
2 Municipal Programs and EDF Climate Corp Program	\$0	\$80,000	\$3,500	\$5,500	\$89,000
3 Employees, HVAC Contractors, Realtors and other stakeholders as Champions	\$2,000	\$10,000	\$0	\$5,000	\$17,000
4 Online services and E-tips	\$0	\$8,000	\$0	\$0	\$8,000
5 Conservation/energy efficiency online promotion/sweepstakes	\$10,000	\$1,500	\$12,453	\$0	\$23,953
6 Direct purchase of energy saving products					
	\$0	\$5,060	\$0	\$0	\$5,060
7 Advertising, events and general outreach costs	\$13,575	\$59,265	\$10,250	\$15,500	\$98,590
8 Other low income/senior focused outreach and initiatives	\$9,233	\$17,500	\$0	\$20,000	\$46,733
9 Development work (e.g. customer feedback, EE organization memberships)	\$79,100	\$80,859	\$10,000	\$6,000	\$175,959
Total Spent to Date	<u>\$113,908</u>	<u>\$416,402</u>	<u>\$ 47,003</u>		\$577,312
Remaining Estimated Expenses				<u>\$ 151,500</u>	<u>\$151,500</u>
				Total spent	\$ 728,812
				Budget Available for Fiscal 2026 (see page 2 of 2)	\$ 756,408
				Estimated carryover to next year	<u><u>\$27,596</u></u>

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

**New Jersey Natural Gas
CIP Expense through September 30,
2025**

BPU Docket No. GR26060281

	Quarter Ending 12/31/24	Quarter Ending 3/31/25	Quarter Ending 6/30/25	Quarter Ending 9/30/25	Final Fiscal 2025
1 School/Children's Programs	\$50,000	\$79,770	\$0.00	\$80,500	\$210,270
2 Municipal Programs and EDF Climate Corp Program	\$50,000	\$0	\$0.00	\$0	\$50,000
3 Employees, HVAC Contractors, Realtors and other stakeholders as Champions	\$2,000	\$10,972	\$0.00	\$4,550	\$17,522
4 Online services and E-tips	\$0	\$0	\$0.00	\$0	\$0
5 Conservation/energy efficiency online promotion/sweepstakes	\$10,000	\$11,800	\$1,800.00	\$12,000	\$35,600
6 Direct purchase of energy saving products	\$0	\$0	\$0.00	\$0	\$0
7 Advertising, events and general outreach costs	\$19,675	\$61,200	\$38,306.40	\$11,810	\$130,991
8 Other low income/senior focused outreach and initiatives	\$8,670.45	\$20,000.00	\$0.00	\$8,120	\$36,790
9 Development work (e.g. customer feedback, EE organization memberships)	\$7,000	\$75,802	\$115,000	\$0	\$197,802
Total	\$147,345	\$259,543	\$155,106	\$116,980	\$678,975

Funding Commitment for Fiscal 2025 \$ 700,000
Carryover from Fiscal 2024 \$ 35,383

Final carry over to Fiscal 2026 **\$ 56,408**

Funding Commitment for Fiscal 2026 \$700,000
Budget Available for Fiscal 2026 **\$756,408**