



May 31, 2024

VIA EMAIL

Sherri L. Golden, 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 2025
BPU DOCKET NO. GR24060372

Dear Secretary Golden:

Enclosed herewith for filing please find the petition of New Jersey Natural Gas Company ("NJNG") for the Annual Review and Revision of its Basic Gas Supply Service ("BGSS") and Conservation Incentive Program ("CIP") Rates for F/Y 2025. Included in this filing are the pre-filed Direct Testimonies of Jayana S. Shah, Christopher S. Micak, and Anne-Marie Peracchio in support of this petition.

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

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

Kindly acknowledge receipt of this filing by return email acknowledgment.

Respectfully submitted,

A handwritten signature in blue ink that reads 'Andrew K. Dembia'.

Andrew K. Dembia, Esq.
Regulatory Affairs Counsel

Enclosures
C: Service List

**NEW JERSEY NATURAL GAS COMPANY ANNUAL REVIEW AND REVISION OF ITS
BASIC GAS SUPPLY SERVICE (BGSS) AND
CONSERVATION INCENTIVE PROGRAM (CIP) RATES FOR F/Y 2025
DOCKET NO. GR24060372**

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**NEW JERSEY NATURAL GAS COMPANY ANNUAL REVIEW AND REVISION OF ITS
BASIC GAS SUPPLY SERVICE (BGSS) AND
CONSERVATION INCENTIVE PROGRAM (CIP) RATES FOR F/Y 2025
DOCKET NO. GR24060372**

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STATE OF NEW JERSEY
BOARD OF PUBLIC UTILITIES

IN THE MATTER OF THE PETITION OF)
NEW JERSEY NATURAL GAS COMPANY)
FOR THE ANNUAL REVIEW AND) BPU DOCKET NO. GR24060372
REVISION OF ITS BASIC GAS SUPPLY) OAL DOCKET NO. _____
SERVICE (BGSS) AND CONSERVATION)
INCENTIVE PROGRAM (CIP) RATES)
FOR F/Y 2025)

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

Christopher S. Micak
Senior Rate and Regulatory Analyst

Anne-Marie Peracchio
Managing Director – Marketing and Energy Efficiency

¹ For ease of presentation, the filing contains BGSS schedules for the NJNG fiscal years (FY) 2024 and 2025 (October 1-September 30). Actual BGSS schedules for FY2023 and projected BGSS schedules for FY2026 will be included in Workpapers to be filed under separate cover.

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

	<u>Minimum Filing Requirement</u>	<u>Schedule(s)</u>	<u>Workpaper #s</u>
1.	Motion, Supporting Testimony & Tariff Modifications	Petition, Exhibit F, Testimony of Jayana S. Shah (JSS) and Christopher S. Micak (CSM)	
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17.	FERC Pipeline Activities	Exhibit JSS-4	

¹ MFR references throughout this filing and workpapers to be filed under separate cover correspond by number to those set forth as the Annual BGSS Minimum Filing Requirements, pursuant to a BPU Order approving a settlement dated April 24, 2003 in BPU Docket No. GR02100760.

C A S E S U M M A R Y

CASE SUMMARY

**NEW JERSEY NATURAL GAS COMPANY
ANNUAL REVIEW AND REVISION OF ITS BASIC GAS SUPPLY SERVICE (BGSS)
AND CONSERVATION INCENTIVE PROGRAM (CIP) RATES
FOR F/Y 2025
BPU DOCKET NO. GR24060372**

FILING DATE: May 31, 2024
EFFECTIVE DATE: October 1, 2024

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 \$0.4290 per therm (\$0.4023 per therm pre-tax) to \$0.3672 per therm (\$0.3444 per therm pre-tax) effective October 1, 2024. This rate results in an effective after-tax decrease of \$0.0618 per therm (a pre-tax decrease of \$0.0579 per therm), representing a 4.1 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 (\$33.04) 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, 2024 and/or February 1, 2025. 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 \$0.1266 per therm (\$0.1187 per therm pre-tax) to \$0.1884 per therm (\$0.1767 per therm pre-tax). This rate results in an after-tax increase of \$0.0618 per therm effective October 1, 2024 (a pre-tax increase of \$0.0580 per therm), representing a 4.1 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 \$42.96 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, 2024. 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 per therm</u>	<u>Change in Recovery \$ million</u>
Group I	Residential Non-Heat	\$0.0382	\$0.0409	\$0.01
Group II	Residential Heat	\$0.0915	\$0.0903	(\$0.61)
Group III	General Service – Small (“GSS”)	\$0.0605	\$0.0509	(\$0.40)
Group IV	General Service – Large (“GSL”)	\$0.0353	\$0.0382	<u>\$0.40</u>
Total				(\$0.60)

The proposed October 1, 2024 CIP rate changes result in a 0.1 percent decrease to the total bill of an average residential heating customer (Group II), a 0.2 percent increase for an average residential non-heat customer (Group I), a 0.6 percent decrease for an average customer in Group III, and a 0.2 percent increase for an average Group IV customer.

IMPACT TO CUSTOMERS

The combination of the proposed October 1, 2024 BGSS, Balancing Charge, and CIP rate changes result in a decrease of \$0.12, or 0.1 percent to the total 100 therm monthly bill of an average residential heating sales customer (Group II), a 0.2 percent increase to an average residential non-heat sales customer (Group I), and a 0.6 percent decrease for an average sales customer in Group III. The CIP rate change results in a 0.2 percent increase 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 2025**

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

IN THE MATTER OF THE PETITION OF)	
NEW JERSEY NATURAL GAS COMPANY)	BPU DOCKET NO. GR24060372
FOR THE ANNUAL REVIEW AND)	
REVISION OF ITS BASIC GAS SUPPLY)	PETITION
SERVICE (BGSS) AND CONSERVATION)	
INCENTIVE PROGRAM (CIP) RATES FOR)	
F/Y 2025		

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

Pursuant to the “Order Approving BGSS Price Structure” (“Generic BGSS Order”) issued on January 17, 2002 by the New Jersey Board of Public Utilities (the “BPU” or “Board”) in BPU Docket No. GX01050304¹, and the applicable provisions of N.J.S.A. 48:2-21, New Jersey Natural Gas Company (“NJNG” or the “Company”) hereby requests the Board to accept the Company’s annual filing for its Basic Gas Supply Service (“BGSS”) and approve the Company’s related request to decrease the BGSS rate effective October 1, 2024. 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. GR21030679 dated November 17, 2021 (“Rate Case Order”), an increase to its Balancing Charge effective October 1, 2024 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.

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

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 October 1, 2023 through September 30, 2024 and approve the Company’s related request to increase its CIP recovery rates for Group I Residential Non-Heat customers and Group IV General Service – Large customers and decrease its CIP recovery rates for Group II Residential Heat customers and Group III General Service – Small customers effective October 1, 2024.

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

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

Mark G. Kahrer, Senior Vice President, Regulatory Affairs
Andrew K. Dembia, Esq., Regulatory Affairs Counsel
New Jersey Natural Gas Company
1415 Wyckoff Road, P.O. Box 1464
Wall, NJ 07719
mkahrer@njng.com
adembia@njng.com

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

filings. Additional information related to the MFRs will be provided within Workpapers to be filed shortly.

4. Based on the information provided herein, the Company proposes to decrease its after-tax Periodic BGSS rate applicable to residential and small commercial sales customers of \$0.4290 per therm to \$0.3672 per therm, which would reflect a decrease on their total bill of approximately 4.1 percent for a residential heating customer using 100 therms per month.

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

6. NJNG is providing nineteen (19) months of actual BGSS data for the period October 1, 2022 through April 30, 2024, and projected data for the twenty-nine (29) month period May 1, 2024 through September 30, 2026.²

7. As approved by the Board in the Rate Case Order, NJNG is authorized to adjust its Balancing Charge in the annual BGSS filing to reflect updated costs. The Company is proposing to increase its after-tax Balancing Charge of \$0.1266 per therm by \$0.0618 per therm to \$0.1884 per therm, which would reflect an increase of approximately 4.1 percent for a residential heating customer using 100 therms per month. All Balancing Charge revenues from sales and transportation customers are credited to BGSS.

8. Pursuant to the CIP Orders, the CIP provides for a rate adjustment related to changes in average use per customer when compared to a pre-established baseline value. Additionally, recovery of current year margin deficiency sought by the Company must meet the Earnings Test and recovery of current year margin deficiency associated with non-weather related

² The instant filing contains BGSS schedules for the NJNG fiscal years ("FY") 2023 and 2024 (October 1 – September 30). Actual BGSS schedules for FY2022 and projected BGSS schedules for FY2025 will be included in workpapers to be filed subsequently.

changes in customer usage must meet the Basic Gas Supply Service Savings Test and the Variable Margin Revenue Test. The Earnings, Basic Gas Supply Service, and Variable Margin Revenue Tests are collectively referred to as “the Tests.”

9. Based on actual data for the period October 1, 2023 through April 30, 2024, and projected data for the period May 1, 2024 through September 30, 2024, the CIP calculations for fiscal year (FY) 2024 result in a current year margin deficiency of approximately \$45.15 million which includes \$35.53 million related to weather and a non-weather related margin deficiency of approximately \$9.62 million.

10. When the current year CIP results are combined with the projected over or under-recovery balances, the total CIP recovery amount is a deficiency of approximately \$50.15 million which is comprised of the following recovery amounts: 1) a margin deficiency of approximately \$0.11 million for Group I Residential Non-Heat customers; 2) a margin deficiency of approximately \$43.06 million for Group II Residential Heat customers; 3) a margin deficiency of approximately \$2.01 million for Group III General Service – Small customers; and, 4) a margin deficiency of approximately \$4.97 million for Group IV General Service – Large customers.³

11. The pre-filed Direct Testimony of Christopher S. Micak and Exhibit C within this filing demonstrate that NJNG is entitled to full recovery of such balances based on the Tests approved in the CIP Orders. Pursuant to the terms of the CIP Orders, the Company is proposing an effective date of October 1, 2024 for the following after-tax CIP rates which, as compared to existing charges, result in the following changes per therm:

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

<u>Group</u>	<u>Group Description</u>	<u>Existing Charge per therm</u>	<u>Proposed Charge per therm</u>	<u>Increase/ (Decrease) per therm</u>
Group I	Residential Non-Heat	\$0.0382	\$0.0409	\$0.0027
Group II	Residential Heat	\$0.0915	\$0.0903	(\$0.0012)
Group III	General Service - Small	\$0.0605	\$0.0509	(\$0.0096)
Group IV	General Service - Large	\$0.0353	\$0.0382	\$0.0029

12. The proposed October 1, 2024 CIP rate changes result in a 0.2 percent increase for an average residential non-heat sales customer (Group I), a \$0.12, or 0.1 percent, decrease to the total bill of a residential heating sales customer (Group II) using 100 therms per month, a 0.6 percent decrease for an average sales customer in Group III, and a 0.2 percent increase for an average Group IV sales customer.

13. The combination of the proposed October 1, 2024 BGSS, Balancing Charge, and CIP rate changes results in a 0.1 percent decrease to the total annual bill of a residential heating sales customer, a 0.2 percent increase for an average residential non-heat sales customer, and a 0.6 percent decrease for an average sales customer in Group III. The proposed CIP rate change results in a 0.2 percent increase for an average Group IV customer. Group IV sales customers' total bills are not affected by the proposed Balancing Charge change because the Balancing Charge is included in the GSL delivery charge and the Monthly BGSS rates are net of the Balancing Charge. Group IV sales customers are also not affected by this BGSS request because they are subject to monthly market pricing for their natural gas supply (Monthly BGSS).

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

Exhibit A BGSS schedules for the twelve (12) month period ending September 30, 2024, using actual data for the period from October 1, 2023 through April 30, 2024 and projected data for the period from May 1, 2024 through September 30, 2024.⁴ Actual BGSS schedules for FY2023 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, 2024 through September 30, 2025, using projected data for the entire period.⁵ Projected BGSS schedules for FY2026 will be included in Workpapers to be filed subsequently under separate cover.

Exhibit C CIP Schedules.

Exhibit D Calculation of Balancing Charge.

Exhibit E Impact of Proposed Rate Changes along with a summary of all the adjustments and appropriate balances contained in

⁴ The projected data includes the May 8, 2024 NYMEX settlement prices as requested by BPU Staff.

⁵ Id.

Exhibits A and B as necessary to compute the proposed BGSS rate.

Exhibit F Proposed tariff pages for Petitioner's Tariff Gas Service, BPU No. 11-Gas.

Exhibit G Proposed Form of Notice of Public Hearing.

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

WHEREFORE, NJNG requests that the Board issue an Order:

1. Approving the Company's request to decrease the Periodic BGSS rate applicable to residential and small commercial sales customers effective October 1, 2024;
2. Approving the Company's request to increase its Balancing Charge effective October 1, 2024;
3. Approving the requested CIP rates effective October 1, 2024; and
4. Granting such other relief as the Board deems just, reasonable, and necessary.

Respectfully submitted,

NEW JERSEY NATURAL GAS COMPANY

By:



Andrew K. Dembia, Esq.

Dated: May 31, 2024

STATE OF NEW JERSEY)
COUNTY OF MONMOUTH)

VERIFICATION

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

1. I am Senior Vice President, Regulatory Affairs for New Jersey Natural Gas Company,
the Petitioner in the foregoing Petition.

2. I have read the annexed Petition, along with the Exhibits attached thereto, and the
matters and things contained therein are true to the best of my knowledge and belief.



Mark G. Kahrer

Sworn and subscribed to
before me this 31st day
of May, 2024.

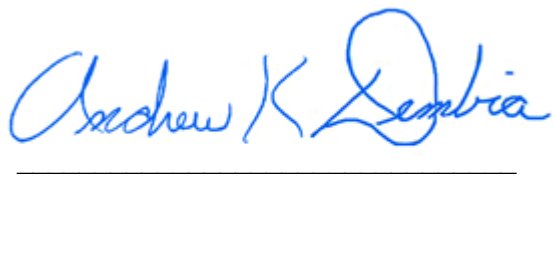


EXHIBIT A
Seven Months Actual through April 2024 and
Five Months Projected through September 2024¹

INDEX OF SCHEDULES:

- 1. Under/(Over) Recovered Gas Costs
 - 2a. Gas Costs
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- 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) 2024 and 2025. Actual BGSS schedules for FY2023 and projected BGSS schedules for FY2026 will be included in Workpapers to be filed under separate cover.

NEW JERSEY NATURAL GAS COMPANY
UNDER/(OVER) RECOVERED GAS COSTS
BGSS YEAR 2024
\$(000)

SCHEDULE 1

						Actual	Estimate						
Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24	Jul-24	Aug-24	Sep-24	TOTAL	
(30,638)	(28,029)	(29,750)	(28,580)	(39,456)	(34,437)	(31,629)	(31,535)	(31,432)	(31,272)	(31,134)	(30,820)	(30,638)	
13,906	38,087	48,279	69,945	60,606	40,686	21,470	12,148	8,035	8,270	8,074	7,756	337,262	
(9,663)	(25,479)	(31,459)	(41,123)	(34,793)	(24,546)	(15,404)	(8,984)	(5,916)	(5,940)	(5,663)	(5,672)	(214,643)	
4,244	12,607	16,819	28,822	25,813	16,140	6,065	3,164	2,119	2,330	2,411	2,084	122,619	
2,154	682	444	0	479	299	497	338	131	86	102	118	5,329	
(166)	(5,633)	(4,741)	(24,114)	(8,891)	(4,430)	(1,000)	(257)	(19)	(212)	(217)	(102)	(49,783)	
(154)	(592)	(621)	(1,660)	(573)	(612)	0	0	0	0	0	0	(4,212)	
0	0	0	0	0	0	0	0	0	0	0	0	0	
(3,468)	(8,766)	(10,712)	(13,904)	(11,792)	(8,571)	(5,457)	(3,130)	(2,058)	(2,053)	(1,969)	(1,985)	(73,866)	
0	(19)	(19)	(19)	(17)	(17)	(11)	(13)	(13)	(13)	(13)	(13)	(166)	
(1,634)	(14,329)	(15,649)	(39,697)	(20,795)	(13,332)	(5,971)	(3,062)	(1,959)	(2,192)	(2,097)	(1,982)	(122,699)	
(28,029)	(29,750)	(28,580)	(39,456)	(34,437)	(31,629)	(31,535)	(31,432)	(31,272)	(31,134)	(30,820)	(30,718)	(30,718)	

**NEW JERSEY NATURAL GAS COMPANY
GAS COSTS AND RECOVERIES
BGSS YEAR 2024
\$(000) & (000)THERMS**

	Actual Estimate												
	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24	Jul-24	Aug-24	Sep-24	TOTAL
<u>COST OF GAS-CURRENT PERIOD</u>	SCHEDULE 2a												
Total Gas Costs ¹	16,597	47,920	60,065	96,878	66,820	45,153	27,484	14,306	11,862	16,161	14,493	10,528	428,268
<u>REDUCTIONS TO COST OF GAS</u>													
Sayreville (Sch. 4b)	0	0	0	0	1	0	0	0	6	3	14	0	25
Forked Rv. (Sch. 4c)	18	0	0	0	0	2	2	4	12	49	70	1	157
Off System Sales (Sch.4e)	891	10,482	12,469	28,828	6,844	5,137	5,965	2,154	3,810	7,839	6,335	2,772	93,525
Capacity Release (Sch. 4f)	(182)	(697)	(730)	(1,953)	(674)	(720)	0	0	0	0	0	0	(4,956)
Storage Incentive Sales	1,918	0	0	0	0	0	0	0	0	0	0	0	1,918
Company Use Gas	45	48	48	58	43	48	48	0	0	0	0	0	337
Total Reductions	2,690	9,834	11,786	26,933	6,214	4,467	6,015	2,158	3,827	7,891	6,419	2,772	91,006
Net Cost Appl.To BGSS Sales (Sch.1.,L.2)	13,906	38,087	48,279	69,945	60,606	40,686	21,470	12,148	8,035	8,270	8,074	7,756	337,262
<u>GAS COST RECOVERIES</u>	SCHEDULE 2b												
BGSS Sales	24,341	63,184	77,598	101,302	86,136	61,750	38,759	22,636	14,719	14,727	14,043	14,136	533,331
Monthly BGSS Sales (GSL, DGC)	2,942	6,329	7,351	9,186	8,065	6,020	4,065	2,771	1,919	1,978	1,976	1,918	54,521
Monthly BGSS Sales (IS, CNG, NGV)	76	65	61	60	61	55	58	69	73	82	85	85	827
Periodic BGSS Sales	21,324	56,790	70,187	92,056	78,010	55,675	34,637	19,795	12,728	12,667	11,982	12,133	477,983
Recovery Rate \$ per Therm:													
Periodic BGSS Rate	0.4023	0.4023	0.4023	0.4023	0.4023	0.4023	0.4023	0.4023	0.4023	0.4023	0.4023	0.4023	
Monthly BGSS Sales (GSL, DGC)	0.3563	0.4105	0.4339	0.4415	0.4187	0.3525	0.3549	0.3563	0.3952	0.4052	0.4040	0.3898	
Monthly BGSS Sales (IS, CNG, NGV)	0.4750	0.5292	0.5526	0.5602	0.5374	0.4712	0.4736	0.4750	0.5139	0.5239	0.5227	0.5085	
Recoveries:													
Periodic BGSS	8,579	22,847	28,236	37,034	31,383	22,398	13,934	7,964	5,120	5,096	4,820	4,881	192,293
Monthly BGSS(GSL, DGC)	1,048	2,598	3,189	4,056	3,377	2,122	1,443	987	758	801	798	748	21,926
Monthly BGSS (IS, CNG, NGV)	36	34	34	33	33	26	27	33	37	43	44	43	424
Total BGSS Recovery (Sch. 1, L. 3)	9,663	25,479	31,459	41,123	34,793	24,546	15,404	8,984	5,916	5,940	5,663	5,672	214,643

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 2024

SCHEDULE 2c

		Actual Estimate											
		Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24	Jul-24	Aug-24	Sep-24
MDth													
Beginning of Month Storage Balance		29,103	34,172	30,222	25,467	16,202	10,555	9,202	11,852	16,057	19,797	22,739	25,410
Commodity Purchases		9,521	9,896	11,404	11,805	13,463	11,906	11,572	8,119	7,508	8,924	7,771	8,612
Sub-total of Available Supplies	A	38,625	44,068	41,626	37,272	29,666	22,460	20,774	19,972	23,566	28,721	30,510	34,022
Less volumes with assigned cost allocations													
Off System Sales, Electric Gen, Other		2,032	7,730	8,815	10,839	10,675	7,139	4,761	1,644	2,286	4,504	3,694	1,737
Monthly BGSS Sales (GSL, DGC)		294	633	735	919	807	602	406	277	192	198	198	192
Monthly BGSS Sales (IS, CNG, NGV)		8	7	6	6	6	5	6	7	7	8	8	8
Company Use Non Prod Sales		2	2	2	5	2	2	2	2	1	2	2	1
Sub-total of Assigned Cost Allocations	B	2,335	8,372	9,559	11,768	11,490	7,749	5,176	1,930	2,487	4,712	3,902	1,938
Allocation WACOG Volume	C = A - B	36,289	35,697	32,068	25,503	18,176	14,712	15,598	18,042	21,079	24,009	26,608	32,084
volume available for allocation													
\$000													
Beginning of Month Storage Balance		102,677	116,859	103,406	85,630	54,313	35,467	16,232	21,778	31,777	41,506	49,486	56,626
Beginning of Month WACOG Inventory		72,348	79,299	76,033	68,941	56,543	38,006	44,307	45,479	54,950	66,986	79,154	91,284
Commodity Purchases		22,982	14,829	18,701	37,883	13,284	15,815	18,589	17,113	17,141	19,647	17,102	17,374
Demand Charges		14,702	16,325	16,448	15,222	16,110	16,357	15,968	16,662	16,485	16,662	16,662	16,485
Sub-total of Available Supplies	D	212,710	227,311	214,589	207,676	140,250	105,645	95,096	101,033	120,353	144,801	162,404	181,770
Less volumes with assigned cost allocations													
Off System Sales, Electric Gen, Other		2,827	10,482	12,469	28,828	6,845	5,139	5,967	2,158	3,827	7,891	6,419	2,772
Monthly BGSS Sales (GSL, DGC)		1,048	2,598	3,189	4,056	3,377	2,122	1,443	987	758	801	798	748
Monthly BGSS Sales (IS, CNG, NGV)		36	34	34	33	33	26	27	33	37	43	44	43
GSL, DGC Sales Balancing		349	751	873	1,090	957	715	482	323	224	231	231	224
		0	0	0	0	0	0	0	0	0	0	0	0
Sub-total of Assigned cost allocations	E	4,260	13,866	16,565	34,008	11,212	8,002	7,920	3,501	4,847	8,966	7,493	3,787
Allocation WACOG Costs	F = D - E	208,449	213,445	198,024	173,669	129,038	97,643	87,177	97,532	115,506	135,834	154,911	177,983
\$ available for allocation													
\$/Dth WACOG	G = F / C	5.7441	5.9794	6.1752	6.8097	7.0995	6.6371	5.5890	5.4058	5.4797	5.6577	5.8220	5.5474
MDth													
Periodic BGSS Sales		2,132	5,679	7,019	9,206	7,801	5,568	3,464	1,980	1,273	1,267	1,198	1,213
CoUse & UFG		7	8	18	18	26	23	28	19	7	5	4	2
Periodic BGSS Sales & CoUse & UFG	H	2,140	5,687	7,037	9,224	7,827	5,590	3,492	1,999	1,280	1,272	1,202	1,215
volume to be allocated													
\$000													
Periodic BGSS (\$/Therm WACOG * Periodic BGSS volume) I = G * H		12,291	34,006	43,452	62,813	55,565	37,104	19,517	10,805	7,015	7,195	7,000	6,741
allocated cost													
Plus assigned cost allocations													
Off System Sales, Electric Gen, Other		2,827	10,482	12,469	28,828	6,845	5,139	5,967	2,158	3,827	7,891	6,419	2,772
Monthly BGSS Sales (GSL, DGC)		1,048	2,598	3,189	4,056	3,377	2,122	1,443	987	758	801	798	748
Monthly BGSS Sales (IS, CNG, NGV)		36	34	34	33	33	26	27	33	37	43	44	43
GSL, DGC Sales Balancing		349	751	873	1,090	957	715	482	323	224	231	231	224
Sub-total of Assigned cost allocations	J	4,260	13,866	16,565	34,008	11,212	8,002	7,920	3,501	4,847	8,966	7,493	3,787
Total Allocated Costs (Sch 2a Total Gas Costs)	K = I + J	16,552	47,872	60,017	96,821	66,777	45,105	27,437	14,306	11,862	16,161	14,493	10,528
End of Month Storage Balance		L	116,859	103,406	85,630	54,313	35,467	16,232	22,180	31,777	41,506	49,486	56,626
Total Allocated Costs & Storage Balances	M = K+L		133,411	151,279	145,647	151,133	102,244	61,338	49,617	46,083	53,368	65,647	79,066
Current Month WACOG Inventory Balance	N = D - M		79,299	76,033	68,941	56,543	38,006	44,307	45,479	54,950	66,986	79,154	102,704

NEW JERSEY NATURAL GAS COMPANY
THERM SALES
BGSS YEAR 2024
(000)THERMS

SCHEDULE 3

						Actual	Estimate						
Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24	Jul-24	Aug-24	Sep-24	TOTAL	
20,160	53,208	65,675	85,652	72,506	51,851	32,511	18,801	12,169	12,090	11,407	11,576	447,607	
20,160	53,208	65,675	85,652	72,506	51,851	32,511	18,801	12,169	12,090	11,407	11,576	447,607	
2,942	6,329	7,351	9,186	8,065	6,020	4,065	2,771	1,919	1,978	1,976	1,918	54,521	
76	65	61	60	61	55	58	69	73	82	85	85	827	
1,164	3,582	4,511	6,404	5,504	3,824	2,125	994	559	577	576	557	30,377	
4,181	9,976	11,923	15,650	13,630	9,899	6,248	3,834	2,551	2,636	2,636	2,560	85,725	
24,341	63,184	77,598	101,302	86,136	61,750	38,759	22,636	14,719	14,727	14,043	14,136	533,331	
0	0	0	0	0	0	0	0	0	0	0	0	0	
0	0	0	0	4	3	9	1	35	19	80	0	151	
90	2	0	0	0	10	0	28	71	277	404	4	886	
7,812	77,298	88,153	108,390	106,747	71,375	47,599	16,411	22,755	44,748	36,458	17,368	645,116	
12,416	0	0	0	0	0	0	0	0	0	0	0	12,416	
20,318	77,300	88,153	108,390	106,751	71,387	47,609	16,440	22,860	45,045	36,942	17,372	658,569	
44,659	140,484	165,752	209,692	192,887	133,138	86,368	39,076	37,579	59,771	50,985	31,508	1,191,900	
1,744	2,063	2,080	2,234	1,991	1,897	1,746	1,204	1,018	1,005	1,079	1,010	19,071	
248	733	928	1,303	1,121	807	498	213	127	131	131	127	6,368	
3,953	8,486	9,972	12,297	10,219	8,304	5,813	3,256	2,265	2,341	2,341	2,265	71,511	
59	70	64	63	49	44	39	49	52	62	58	57	667	
82	100	54	56	(52)	12	10	75	72	75	75	71	629	
456	439	397	530	465	383	480	356	351	348	348	346	4,898	
534	1,413	1,753	2,241	1,933	1,392	917	472	269	278	278	269	11,751	
1,347	1,401	1,225	1,144	1,007	984	1,145	1,315	1,269	1,159	1,167	1,113	14,277	
5,427	78	122	112	117	77	108	955	2,700	7,200	7,543	1,848	26,288	
2,440	1,748	83	715	63	590	3,393	566	3,069	7,588	7,023	1,382	28,660	
0	4,456	14,315	15,404	7,720	5,450	35,022	17,011	22,055	37,082	36,963	19,653	215,131	
16,290	20,987	30,992	36,098	24,633	19,940	49,171	25,471	33,249	57,269	57,006	28,142	399,250	
60,950	161,471	196,744	245,790	217,520	153,078	135,539	64,547	70,828	117,041	107,992	59,650	1,591,150	

**NEW JERSEY NATURAL GAS COMPANY
MARGIN SHARING FROM STORAGE INCENTIVE
AND SAYREVILLE / FORKED RIVER GAS COST SUMMARY
BGSS YEAR 2024
\$(000) & (000)THERMS**

	Actual												Estimate
	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24	Jul-24	Aug-24	Sep-24	TOTAL
SAYREVILLE	SCHEDULE 4b												
Therm Sales (Sch. 3)	0	0	0	0	4	3	9	1	35	19	80	0	151
Rate per therm	0.00000	0.00000	0.00000	0.00000	0.18797	0.16000	0.01825	0.13125	0.16742	0.17517	0.17376	0.00000	n/a
Cost of Gas (Sch. 2a)	0	0	0	0	1	0	0	0	6	3	14	0	25
FORKED RIVER	SCHEDULE 4c												
Therm Sales (Sch. 3)	90	2	0	0	0	10	0	28	71	277	404	4	886
Rate per therm	0.19721	0.24000	0.00000	0.00000	0.00000	0.21600	0.00000	0.13125	0.16742	0.17517	0.17376	0.15957	n/a
Cost of Gas (Sch.2a)	18	0	0	0	0	2	2	4	12	49	70	1	157
Storage Incentive	SCHEDULE 4j												
Storage Gain (Loss)	10,772	3,409	2,218	0	2,393	1,493	2,486	1,692	654	430	511	589	26,647
NJNG Sharing @ 20% (Sch.1, L 5)	2,154	682	444	0	479	299	497	338	131	86	102	118	5,329

NEW JERSEY NATURAL GAS COMPANY
MARGIN SHARING FROM OFF-SYSTEM SALES AND CAPACITY RELEASE
AND CREDITS FROM BALANCING CHARGES AND ENVIRONMENTAL ATTRIBUTES
BGSS YEAR 2024
\$(000) & (000)THERMS

Actual													Estimate
Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24	Jul-24	Aug-24	Sep-24	TOTAL	
= SCHEDULE 4e													
1,086	17,109	18,047	57,198	17,305	10,349	7,141	2,456	3,832	8,088	6,590	2,892	152,093	
7,812	77,298	88,153	108,390	106,747	71,375	47,599	16,411	22,755	44,748	36,458	17,368	645,116	
0.114	0.136	0.141	0.266	0.064	0.072	0.125	0.131	0.167	0.175	0.174	0.160		
891	10,482	12,469	28,828	6,844	5,137	5,965	2,154	3,810	7,839	6,335	2,772	93,525	
195	6,627	5,578	28,369	10,461	5,212	1,176	302	23	250	255	120	58,568	
166	5,633	4,741	24,114	8,891	4,430	1,000	257	19	212	217	102	49,783	
29	994	837	4,255	1,569	782	176	45	3	37	38	18	8,785	
1,057	16,115	17,210	52,942	15,736	9,567	6,965	2,411	3,829	8,051	6,552	2,874	143,308	
= SCHEDULE 4f													
182	697	730	1,953	674	720	0	0	0	0	0	0	4,956	
154	592	621	1,660	573	612	0	0	0	0	0	0	4,212	
= SCHEDULE 4g													
16	0	0	0	5	0	0	0	0	0	0	0	22	
3,452	8,766	10,712	13,904	11,786	8,571	5,457	3,130	2,058	2,053	1,969	1,985	73,845	
3,468	8,766	10,712	13,904	11,792	8,571	5,457	3,130	2,058	2,053	1,969	1,985	73,866	
= SCHEDULE 4k													
0	90	80	79	79	75	53	93	90	93	93	90	915	
	0.20850	0.23677	0.24281	0.21744	0.22162	0.20833	0.14072	0.14072	0.14072	0.14072	0.14072	n/a	
0	19	19	19	17	17	11	13	13	13	13	13	166	

(Sch 1. LINE 8)

Opening balance BGSS Interest Sch 6	2,004	2,004
Adjustments to BGSS opening balance are captured on Schedule 1		
OCT 2023	0	0
NOV 2023	0	0
DEC 2023	0	0
JAN 2024	0	0
FEB 2024	0	0
MAR 2024	0	0
APR 2024	0	0
MAY 2024	0	0
JUN 2024	0	0
JUL 2024	0	0
AUG 2024	0	0
SEP 2024	0	0
TOTALS		2,004

NEW JERSEY NATURAL GAS COMPANY
BGSS YEAR 2024
COMPUTATION OF INTEREST ON UNDER/(OVER) RECOVERED BALANCES

DATE	COMBINED BALANCE	\$(000) AVERAGE BALANCE	ANNUAL RATE	SCHEDULE 6 ANNUAL RATE
				6.84%
SEP 2023	(30,638)			
OCT 2023	(28,029)	(29,334)	0.5700%	(167)
NOV 2023	(29,750)	(28,890)	0.5700%	(165)
DEC 2023	(28,580)	(29,165)	0.5700%	(166)
JAN 2024	(39,456)	(34,018)	0.5700%	(194)
FEB 2024	(34,437)	(36,946)	0.5700%	(211)
MAR 2024	(31,629)	(33,033)	0.5700%	(188)
APR 2024	(31,535)	(31,582)	0.5700%	(180)
MAY 2024	(31,432)	(31,483)	0.5700%	(179)
JUN 2024	(31,272)	(31,352)	0.5700%	(179)
JUL 2024	(31,134)	(31,203)	0.5700%	(178)
AUG 2024	(30,820)	(30,977)	0.5700%	(177)
SEP 2024	(30,718)	(30,769)	0.5700%	(175)
				<u>(2,159)</u>
TOTAL	INTEREST TO BE CREDITED TO CUSTOMER			<u><u>(2,159)</u></u>

EXHIBIT B
Projected October 2024 - September 2025¹

INDEX OF SCHEDULES:

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

¹ For ease of presentation, the filing contains BGSS schedules for fiscal years (FY) 2024 and 2025. Actual BGSS schedules for FY2023 and projected BGSS schedules for FY2026 will be included in Workpapers to be filed under separate cover.

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

SCHEDULE 1

Estimate												
Oct-24	Nov-24	Dec-24	Jan-25	Feb-25	Mar-25	Apr-25	May-25	Jun-25	Jul-25	Aug-25	Sep-25	TOTAL
(32,877)	(33,352)	(33,802)	(33,016)	(30,798)	(16,265)	10,735	7,877	6,299	5,175	4,505	3,446	(32,877)
15,021	33,957	58,825	78,775	77,112	72,729	20,944	11,430	7,953	8,162	7,897	7,899	400,703
(9,758)	(21,378)	(34,573)	(42,538)	(35,973)	(28,889)	(15,198)	(8,058)	(5,430)	(5,468)	(5,234)	(5,207)	(217,704)
5,263	12,579	24,252	36,237	41,139	43,840	5,746	3,373	2,523	2,694	2,663	2,691	183,000
320	0	0	0	0	0	320	320	320	320	320	320	2,240
(234)	(687)	(4,079)	(10,478)	(6,647)	(563)	(219)	(631)	(848)	(548)	(1,025)	(22)	(25,981)
0	0	0	0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0	0	0	0
(5,811)	(12,330)	(19,375)	(23,528)	(19,947)	(16,264)	(8,694)	(4,628)	(3,106)	(3,124)	(3,004)	(3,003)	(122,815)
(12)	(12)	(12)	(12)	(11)	(12)	(12)	(12)	(12)	(12)	(12)	(12)	(146)
(5,738)	(13,029)	(23,466)	(34,019)	(26,606)	(16,840)	(8,605)	(4,951)	(3,647)	(3,364)	(3,721)	(2,717)	(146,703)
(33,352)	(33,802)	(33,016)	(30,798)	(16,265)	10,735	7,877	6,299	5,175	4,505	3,446	3,420	3,420

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

	Estimate												
	Oct-24	Nov-24	Dec-24	Jan-25	Feb-25	Mar-25	Apr-25	May-25	Jun-25	Jul-25	Aug-25	Sep-25	TOTAL
COST OF GAS-CURRENT PERIOD	SCHEDULE 2a												
Total Gas Costs ¹	20,392 0	45,459 0	74,955 0	97,383 0	93,976 0	88,211 0	37,481 0	28,315 0	24,872 0	27,114 0	26,448 0	23,791 (0)	588,397
REDUCTIONS TO COST OF GAS													
Sayreville (Sch. 4b)	1	2	2	0	0	0	0	0	8	5	20	0	38
Forked Rv. (Sch. 4c)	14	15	6	0	0	3	19	6	17	70	100	1	251
Off System Sales (Sch.4e)	5,357	11,484	16,123	18,608	16,865	15,480	16,518	16,877	16,895	18,877	18,431	15,891	187,406
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	5,371	11,501	16,131	18,608	16,865	15,483	16,537	16,884	16,919	18,952	18,551	15,892	187,694
Net Cost Appl.To BGSS Sales (Sch.1.,L.2)	15,021	33,957	58,825	78,775	77,112	72,729	20,944	11,430	7,953	8,162	7,897	7,899	400,703
GAS COST RECOVERIES	SCHEDULE 2b												
BGSS Sales	27,779	60,036	95,049	115,686	98,044	79,617	42,200	22,309	14,939	14,952	14,273	14,357	599,242
Monthly BGSS Sales (GSL, DGC)	3,484	6,366	9,442	11,241	9,580	8,155	4,737	2,755	1,958	2,018	2,020	1,956	63,710
Monthly BGSS Sales (IS, CNG, NGV)	74	66	62	69	65	62	79	69	73	82	85	85	871
Periodic BGSS Sales	24,221	53,604	85,545	104,376	88,399	71,400	37,384	19,485	12,908	12,852	12,169	12,316	534,661
Recovery Rate \$ per Therm:													
Periodic BGSS Rate	0.3444	0.3444	0.3444	0.3444	0.3444	0.3444	0.3444	0.3444	0.3444	0.3444	0.3444	0.3444	
Monthly BGSS Sales (GSL, DGC)	0.3944	0.4517	0.5366	0.5817	0.5720	0.5218	0.4793	0.4727	0.4782	0.4893	0.4886	0.4658	
Monthly BGSS Sales (IS, CNG, NGV)	0.5711	0.6284	0.7133	0.7584	0.7487	0.6985	0.6560	0.6494	0.6549	0.6660	0.6653	0.6425	
Recoveries:													
Periodic BGSS	8,342	18,461	29,462	35,947	30,445	24,590	12,875	6,711	4,446	4,426	4,191	4,242	184,137
Monthly BGSS(GSL, DGC)	1,374	2,875	5,067	6,539	5,480	4,255	2,270	1,302	936	987	987	911	32,984
Monthly BGSS (IS, CNG, NGV)	42	42	44	52	49	43	52	45	48	54	56	55	582
Total BGSS Recovery (Sch. 1, L. 3)	9,758	21,378	34,573	42,538	35,973	28,889	15,198	8,058	5,430	5,468	5,234	5,207	217,704

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

NEW JERSEY NATURAL GAS COMPANY
TOTAL GAS COSTS
BGSS YEAR 2025

SCHEDULE 2c

		Estimate											
		Oct-24	Nov-24	Dec-24	Jan-25	Feb-25	Mar-25	Apr-25	May-25	Jun-25	Jul-25	Aug-25	Sep-25
MDth													
Beginning of Month Storage Balance		30,870	35,919	33,613	25,344	15,230	6,213	486	5,630	10,797	15,640	20,636	25,631
Commodity Purchases		11,366	9,257	7,019	7,250	6,209	8,010	16,571	14,849	13,558	13,965	13,912	13,480
Sub-total of Available Supplies	A	42,236	45,176	40,632	32,594	21,439	14,223	17,057	20,478	24,355	29,605	34,548	39,111
Less volumes with assigned cost allocations													
Off System Sales, Electric Gen, Other		3,544	5,558	5,738	5,735	5,365	5,736	7,209	7,443	7,211	7,470	7,488	7,200
Monthly BGSS Sales (GSL, DGC)		348	637	944	1,124	958	815	474	275	196	202	202	196
Monthly BGSS Sales (IS, CNG, NGV)		7	7	6	7	7	6	8	7	7	8	8	8
Company Use Non Prod Sales		0	0	0	0	0	0	0	0	0	0	0	0
Sub-total of Assigned Cost Allocations	B	3,899	6,202	6,688	6,866	6,329	6,558	7,690	7,725	7,414	7,680	7,699	7,404
Allocation WACOG Volume	C = A - B	38,337	38,974	33,944	25,728	15,109	7,666	9,367	12,753	16,942	21,926	26,849	31,707
volume available for allocation													
\$000													
Beginning of Month Storage Balance		68,538	79,035	74,068	56,207	33,977	14,521	2,241	15,383	28,002	39,725	52,456	65,067
Beginning of Month WACOG Inventory		102,704	113,377	113,351	98,097	68,694	34,895	2,568	11,300	25,015	40,328	55,894	71,511
Commodity Purchases		21,103	19,342	20,417	24,327	20,198	22,182	39,351	34,346	31,905	35,108	34,372	29,929
Demand Charges		20,458	21,125	21,424	21,422	20,524	21,422	20,004	20,303	20,004	20,303	20,303	20,004
Sub-total of Available Supplies	D	212,803	232,878	229,260	200,054	143,393	93,021	64,164	81,332	104,925	135,464	163,025	186,510
Less volumes with assigned cost allocations													
Off System Sales, Electric Gen, Other		5,371	11,501	16,131	18,608	16,865	15,483	16,537	16,884	16,919	18,952	18,551	15,892
Monthly BGSS Sales (GSL, DGC)		1,374	2,875	5,067	6,539	5,480	4,255	2,270	1,302	936	987	987	911
Monthly BGSS Sales (IS, CNG, NGV)		42	42	44	52	49	43	52	45	48	54	56	55
GSL, DGC Sales Balancing		616	1,125	1,668	1,986	1,693	1,441	837	487	346	357	357	346
		0	0	0	0	0	0	0	0	0	0	0	0
Sub-total of Assigned cost allocations	E	7,403	15,543	22,910	27,185	24,086	21,222	19,697	18,718	18,249	20,350	19,951	17,203
Allocation WACOG Costs	F = D - E	205,400	217,334	206,350	172,868	119,307	71,799	44,467	62,614	86,676	115,114	143,074	169,307
\$ available for allocation													
\$/Dth WACOG	G = F / C	5.3578	5.5763	6.0791	6.7190	7.8963	9.3664	4.7473	4.9098	5.1162	5.2502	5.3289	5.3398
MDth													
Periodic BGSS Sales		2,422	5,360	8,555	10,438	8,840	7,140	3,738	1,949	1,291	1,285	1,217	1,232
CoUse & UFG		2	4	7	10	11	12	8	6	4	3	2	2
Periodic BGSS Sales & CoUse & UFG	H	2,424	5,365	8,561	10,448	8,851	7,152	3,746	1,955	1,294	1,288	1,219	1,234
volume to be allocated													
\$000													
Periodic BGSS (\$/Therm WACOG * Periodic BGSS volume) I = G * H		12,989	29,915	52,045	70,198	69,890	66,990	17,785	9,597	6,623	6,763	6,497	6,588
allocated cost													
Plus assigned cost allocations													
Off System Sales, Electric Gen, Other		5,371	11,501	16,131	18,608	16,865	15,483	16,537	16,884	16,919	18,952	18,551	15,892
Monthly BGSS Sales (GSL, DGC)		1,374	2,875	5,067	6,539	5,480	4,255	2,270	1,302	936	987	987	911
Monthly BGSS Sales (IS, CNG, NGV)		42	42	44	52	49	43	52	45	48	54	56	55
GSL, DGC Sales Balancing		616	1,125	1,668	1,986	1,693	1,441	837	487	346	357	357	346
Sub-total of Assigned cost allocations	J	7,403	15,543	22,910	27,185	24,086	21,222	19,697	18,718	18,249	20,350	19,951	17,203
Total Allocated Costs (Sch 2a Total Gas Costs)	K = I + J	20,392	45,459	74,955	97,383	93,976	88,211	37,481	28,315	24,872	27,114	26,448	23,791
End of Month Storage Balance													
Total Allocated Costs & Storage Balances	L	79,035	74,068	56,207	33,977	14,521	2,241	15,383	28,002	39,725	52,456	65,067	76,184
	M = K+L	99,427	119,527	131,162	131,360	108,498	90,453	52,864	56,316	64,597	79,570	91,515	99,975
Current Month WACOG Inventory Balance	N = D - M	113,377	113,351	98,097	68,694	34,895	2,568	11,300	25,015	40,328	55,894	71,511	86,535

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

SCHEDULE 3

Estimate												
Oct-24	Nov-24	Dec-24	Jan-25	Feb-25	Mar-25	Apr-25	May-25	Jun-25	Jul-25	Aug-25	Sep-25	TOTAL
22,896	50,208	79,473	96,693	82,022	66,506	35,128	18,468	12,328	12,256	11,574	11,740	499,291
22,896	50,208	79,473	96,693	82,022	66,506	35,128	18,468	12,328	12,256	11,574	11,740	499,291
3,484	6,366	9,442	11,241	9,580	8,155	4,737	2,755	1,958	2,018	2,020	1,956	63,710
74	66	62	69	65	62	79	69	73	82	85	85	871
1,325	3,396	6,073	7,683	6,377	4,894	2,256	1,018	580	596	595	576	35,370
4,883	9,829	15,577	18,993	16,022	13,111	7,072	3,841	2,611	2,696	2,699	2,617	99,951
27,779	60,036	95,049	115,686	98,044	79,617	42,200	22,309	14,939	14,952	14,273	14,357	599,242
0	0	0	0	0	0	0	0	0	0	0	0	0
4	10	6	0	0	0	1	1	35	19	80	0	157
93	73	20	0	0	10	84	28	71	277	404	4	1,064
35,340	55,500	57,350	57,350	53,650	57,350	72,000	74,400	72,000	74,400	74,400	72,000	755,740
0	0	0	0	0	0	0	0	0	0	0	0	0
35,437	55,583	57,376	57,350	53,650	57,360	72,085	74,429	72,106	74,697	74,884	72,004	756,960
63,216	115,620	152,425	173,036	151,694	136,977	114,286	96,738	87,045	89,649	89,157	86,361	1,356,203
1,257	1,426	1,761	2,052	2,084	1,963	1,698	1,367	1,018	1,005	1,079	1,010	17,722
290	687	1,176	1,476	1,227	952	455	219	133	138	138	133	7,023
4,215	7,732	11,311	13,444	11,446	9,702	5,627	3,237	2,273	2,349	2,349	2,273	75,958
60	70	67	66	46	43	46	49	52	62	58	57	675
48	23	31	32	45	49	31	34	36	45	47	47	468
415	406	428	462	338	340	379	341	297	402	420	335	4,564
632	1,369	2,143	2,582	2,189	1,787	966	464	269	278	278	269	13,227
1,334	1,410	1,364	1,165	1,103	1,126	1,255	1,315	1,269	1,159	1,167	1,113	14,781
3,097	888	160	296	142	291	516	955	2,700	7,200	7,543	1,848	25,638
1,069	846	59	122	99	155	262	566	3,069	7,588	7,023	1,382	22,241
18,959	23,437	12,198	6,883	3,362	7,894	16,076	17,011	22,055	37,082	36,963	19,653	221,573
31,375	38,293	30,699	28,581	22,081	24,303	27,313	25,557	33,173	57,309	57,066	28,122	403,872
94,591	153,913	183,124	201,618	173,775	161,279	141,599	122,294	120,218	146,957	146,223	114,483	1,760,075

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

Estimate												
Oct-24	Nov-24	Dec-24	Jan-25	Feb-25	Mar-25	Apr-25	May-25	Jun-25	Jul-25	Aug-25	Sep-25	TOTAL
SCHEDULE 4b												
4	10	6	0	0	0	1	1	35	19	80	0	157
0.15157	0.20692	0.28114	0.00000	0.00000	0.00000	0.22941	0.22685	0.23465	0.25372	0.24773	0.00000	n/a
1	2	2	0	0	0	0	0	8	5	20	0	38
SCHEDULE 4c												
93	73	20	0	0	10	84	28	71	277	404	4	1,064
0.15157	0.20692	0.28114	0.00000	0.00000	0.26992	0.22941	0.22685	0.23465	0.25372	0.24773	0.22071	n/a
14	15	6	0	0	3	19	6	17	70	100	1	251
SCHEDULE 4j												
1,600	0	0	0	0	0	1,600	1,600	1,600	1,600	1,600	1,600	11,200
320	0	0	0	0	0	320	320	320	320	320	320	2,240

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

Estimate												
Oct-24	Nov-24	Dec-24	Jan-25	Feb-25	Mar-25	Apr-25	May-25	Jun-25	Jul-25	Aug-25	Sep-25	TOTAL
SCHEDULE 4e												
5,632	12,292	20,922	30,935	24,685	16,143	16,776	17,619	17,893	19,521	19,637	15,917	217,972
35,340	55,500	57,350	57,350	53,650	57,350	72,000	74,400	72,000	74,400	74,400	72,000	755,740
0.152	0.207	0.281	0.324	0.314	0.270	0.229	0.227	0.235	0.254	0.248	0.221	
5,357	11,484	16,123	18,608	16,865	15,480	16,518	16,877	16,895	18,877	18,431	15,891	187,406
275	808	4,799	12,327	7,820	663	258	742	998	644	1,206	26	30,566
234	687	4,079	10,478	6,647	563	219	631	848	548	1,025	22	25,981
41	121	720	1,849	1,173	99	39	111	150	97	181	4	4,585
5,591	12,171	20,202	29,086	23,512	16,043	16,737	17,508	17,743	19,424	19,456	15,913	213,387
SCHEDULE 4f												
0	0	0	0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0	0	0	0
SCHEDULE 4g												
0	0	0	0	0	0	0	0	0	0	0	0	0
5,811	12,330	19,375	23,528	19,947	16,264	8,694	4,628	3,106	3,124	3,004	3,003	122,815
5,811	12,330	19,375	23,528	19,947	16,264	8,694	4,628	3,106	3,124	3,004	3,003	122,815
SCHEDULE 4k												
93	90	93	93	84	93	90	93	90	93	93	90	1,095
0.13369	0.13369	0.13369	0.13369	0.13369	0.13369	0.13369	0.13369	0.13369	0.13369	0.13369	0.13369	n/a
12	12	12	12	11	12	12	12	12	12	12	12	146

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

SCHEDULE 5

(Sch 1. LINE 8)

Opening balance BGSS Interest Sch 6	2,159	2,159
Adjustments to BGSS opening balance are captured on Schedule 1		
OCT 2024	0	0
NOV 2024	0	0
DEC 2024	0	0
JAN 2025	0	0
FEB 2025	0	0
MAR 2025	0	0
APR 2025	0	0
MAY 2025	0	0
JUN 2025	0	0
JUL 2025	0	0
AUG 2025	0	0
SEP 2025	0	0
TOTALS		<u>2,159</u>

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

DATE	COMBINED BALANCE	\$(000) AVERAGE BALANCE	ANNUAL RATE	SCHEDULE 6 ANNUAL RATE
				6.84%
SEP 2024	(32,877)			
OCT 2024	(33,352)	(33,114)	0.5700%	(189)
NOV 2024	(33,802)	(33,577)	0.5700%	(191)
DEC 2024	(33,016)	(33,409)	0.5700%	(190)
JAN 2025	(30,798)	(31,907)	0.5700%	(182)
FEB 2025	(16,265)	(23,531)	0.5700%	(134)
MAR 2025	10,735	(2,765)	0.5700%	(16)
APR 2025	7,877	9,306	0.5700%	53
MAY 2025	6,299	7,088	0.5700%	40
JUN 2025	5,175	5,737	0.5700%	33
JUL 2025	4,505	4,840	0.5700%	28
AUG 2025	3,446	3,975	0.5700%	23
SEP 2025	3,420	3,433	0.5700%	20
				<u>(705)</u>
TOTAL	INTEREST TO BE CREDITED TO CUSTOMER			<u><u>(705)</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
FY2024

<u>Customer Class</u> (a)	<u>Actual/ Estimate</u>	<u>Actual per Books¹</u>		<u>Actual Avg. Use / Cust.</u> (d) = (b) / (c)	<u>Baseline Use / Cust.²</u> (e)	<u>Difference</u> (f) = (d) - (e)	<u>Aggregate Therm Impact</u> (g) = (f) * (c)	<u>Margin Factor</u>	<u>Margin Variance</u>
		<u>Total Class Therms</u> (b)	<u>Number of Customers</u> (c)						
<u>Residential Non-Heating</u>									
October	a	219,850	14,706	15.0	17.5	(2.5)	(36,764)	\$0.5791	(\$21,290)
November	a	231,941	14,570	15.9	13.9	2.0	29,140	\$0.5791	\$16,875
December	a	270,999	14,588	18.6	17.4	1.2	17,506	\$0.5791	\$10,138
January	a	342,223	14,634	23.4	20.4	3.0	43,903	\$0.5791	\$25,424
February	a	304,849	14,709	20.7	18.7	2.0	29,418	\$0.5791	\$17,036
March	a	246,133	14,768	16.7	19.8	(3.1)	(45,782)	\$0.5791	(\$26,512)
April	a	187,019	14,839	12.6	10.9	1.7	25,227	\$0.5791	\$14,609
May	e	150,404	15,168	9.9	11.0	(1.1)	(16,685)	\$0.5791	(\$9,662)
June	e	229,383	15,368	14.9	18.0	(3.1)	(47,642)	\$0.5791	(\$27,590)
July	e	228,481	15,368	14.9	17.4	(2.5)	(38,421)	\$0.5791	(\$22,250)
August	e	199,331	15,368	13.0	16.3	(3.3)	(50,716)	\$0.5791	(\$29,370)
September	e	215,854	15,368	14.0	17.9	(3.9)	(59,937)	\$0.5791	(\$34,710)
Total		2,826,466		189.6	199.2		(150,753)		(\$87,301)

Margin Deficiency/ (Credit)	\$ 87,301
Prior Period (Over) / Under Recovery ³	<u>\$ 20,906</u>
Total Deficiency/(Credit)	\$ 108,208
Projected Residential Non-Heating Throughput for Recovery Period	2,827,536
Pre-tax CIP Charge/(Credit)	\$ 0.0383
BPU/RC Assessment Factor	<u>1.002631</u>
CIP Charge/(Credit) including assessments	\$ 0.0384
6.625% Sales Tax	<u>\$ 0.0025</u>
Proposed After-tax CIP Charge/(Credit) per Therm	\$ 0.0409
Current After-tax CIP Charge/(Credit) per Therm	<u>\$ 0.0382</u>
Increase/ (Decrease) in After-tax CIP Charge/(Credit) per Therm	<u>\$ 0.0027</u>

¹ Per Exhibit C, Schedule 1, Page 2
² Per Tariff Sheet No. 180
³ Per Exhibit C, Schedule 1, Page 3

New Jersey Natural Gas Company
Customers and Therms

Group I: RS non-heat

	Actual <u>Oct-23</u>	Actual <u>Nov-23</u>	Actual <u>Dec-23</u>	Actual <u>Jan-24</u>	Actual <u>Feb-24</u>	Actual <u>Mar-24</u>	Actual <u>Apr-24</u>	Estimate <u>May-24</u>	Estimate <u>Jun-24</u>	Estimate <u>Jul-24</u>	Estimate <u>Aug-24</u>	Estimate <u>Sep-24</u>	
<u>Customers</u>													
RS non-heat sales	13,979	13,845	13,874	13,918	13,991	14,055	14,126	14,455	14,655	14,655	14,655	14,655	
RS non-heat transport	726	726	714	716	719	714	714	714	714	714	714	714	
Total Customers	14,706	14,570	14,588	14,634	14,709	14,768	14,839	15,168	15,368	15,368	15,368	15,368	
<u>Volumes</u>													
RS non-heat sales	213,955	222,876	260,775	329,899	293,159	237,556	179,014	144,894	224,649	223,589	194,439	211,120	
RS non-heat transport	5,895	9,065	10,224	12,324	11,690	8,577	8,005	5,510	4,734	4,892	4,892	4,734	
Total Volumes	219,850	231,941	270,999	342,223	304,849	246,133	187,019	150,404	229,383	228,481	199,331	215,854	2,826,466

NEW JERSEY NATURAL GAS COMPANY
STATEMENT OF ESTIMATED UNDER/(OVER) RECOVERED CIP BALANCE
GROUP I - RS NON-HEAT
FY2024

	Actual <u>Oct-23</u>	Actual <u>Nov-23</u>	Actual <u>Dec-23</u>	Actual <u>Jan-24</u>	Actual <u>Feb-24</u>	Actual <u>Mar-24</u>	Actual <u>Apr-24</u>	Estimate <u>May-24</u>	Estimate <u>Jun-24</u>	Estimate <u>Jul-24</u>	Estimate <u>Aug-24</u>	Estimate <u>Sep-24</u>	TOTAL
Beginning Under/(Over) Recovery \$	121,811	113,962	105,682	96,008	83,790	72,907	64,120	57,444	52,074	43,885	35,728	28,612	121,811
Therm Sales	219,850	231,941	270,999	342,223	304,849	246,133	187,019	150,404	229,383	228,481	199,331	215,854	2,826,466
Pre-tax Recovery Rate per Therm ¹	0.0357	0.0357	0.0357	0.0357	0.0357	0.0357	0.0357	0.0357	0.0357	0.0357	0.0357	0.0357	
Recovery \$	7,849	8,280	9,675	12,217	10,883	8,787	6,677	5,369	8,189	8,157	7,116	7,706	100,905
Ending Under/(Over) Recovery \$	113,962	105,682	96,008	83,790	72,907	64,120	57,444	52,074	43,885	35,728	28,612	20,906	20,906

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

New Jersey Natural Gas Company
Conservation Incentive Program
Group II: Residential Heat
FY2024

<u>Customer Class</u>	<u>Actual/ Estimate</u>	<u>Actual per Books¹</u>		<u>Actual Avg. Use / Cust.</u>	<u>Baseline Use / Cust.²</u>	<u>Difference</u>	<u>Aggregate Therm Impact</u>	<u>Margin Factor</u>	<u>Margin Variance</u>
		<u>Total Class Therms</u>	<u>Number of Customers</u>						
(a)		(b)	(c)						
<u>Residential Heating</u>									
October	a	20,474,620	522,103	39.2	43.4	(4.2)	(2,192,833)	\$0.5791	(\$1,269,870)
November	a	54,389,707	523,025	104.0	100.4	3.6	1,882,892	\$0.5791	\$1,090,383
December	a	67,156,949	524,035	128.2	160.8	(32.6)	(17,083,528)	\$0.5791	(\$9,893,071)
January	a	87,550,441	524,739	166.8	191.2	(24.4)	(12,803,626)	\$0.5791	(\$7,414,580)
February	a	74,133,502	525,326	141.1	163.3	(22.2)	(11,662,230)	\$0.5791	(\$6,753,597)
March	a	52,997,526	525,659	100.8	133.7	(32.9)	(17,294,174)	\$0.5791	(\$10,015,056)
April	a	33,241,690	525,924	63.2	70.6	(7.4)	(3,891,837)	\$0.5791	(\$2,253,763)
May	e	18,813,759	526,186	35.8	37.0	(1.2)	(631,423)	\$0.5791	(\$365,657)
June	e	12,208,569	526,645	23.2	27.2	(4.0)	(2,106,579)	\$0.5791	(\$1,219,920)
July	e	12,139,940	527,164	23.0	23.8	(0.8)	(421,731)	\$0.5791	(\$244,224)
August	e	11,485,585	527,990	21.8	21.3	0.5	263,995	\$0.5791	\$152,879
September	e	11,629,618	529,075	22.0	23.0	(1.0)	(529,075)	\$0.5791	(\$306,387)
Total		456,221,907		869.1	995.7		(66,470,150)		(\$38,492,864)

Margin Deficiency/ (Credit)	\$ 38,492,864
Prior Period (Over) / Under Recovery ³	<u>\$ 4,566,722</u>
Total Deficiency/(Credit)	\$ 43,059,586
Projected Residential Heating Throughput for Recovery Period	509,690,916
Pre-tax CIP Charge/(Credit)	\$ 0.0845
BPU/RC Assessment Factor	<u>1.002631</u>
CIP Charge/(Credit) including assessments	\$ 0.0847
6.625% Sales Tax	<u>\$ 0.0056</u>
Proposed After-tax CIP Charge/(Credit) per Therm	\$ 0.0903
Current After-tax CIP Charge/(Credit) per Therm	<u>\$ 0.0915</u>
Increase/ (Decrease) in After-tax CIP Charge/(Credit) per Therm	<u>\$ (0.0012)</u>

¹ Per Exhibit C, Schedule 2, Page 2
² Per Tariff Sheet No. 180
³ Per Exhibit C, Schedule 2, Page 3

New Jersey Natural Gas Company
Customers and Therms

Group II: RS heat

	Actual Oct-23	Actual Nov-23	Actual Dec-23	Actual Jan-24	Actual Feb-24	Actual Mar-24	Actual Apr-24	Estimate May-24	Estimate Jun-24	Estimate Jul-24	Estimate Aug-24	Estimate Sep-24	
Customers													
RS heat sales	507,636	508,681	509,774	510,559	511,102	511,411	511,619	511,938	512,397	512,916	513,742	514,827	
RS heat transport	14,467	14,344	14,261	14,180	14,224	14,248	14,305	14,248	14,248	14,248	14,248	14,248	
Total Customers	522,103	523,025	524,035	524,739	525,326	525,659	525,924	526,186	526,645	527,164	527,990	529,075	
Volumes													
RS heat sales	19,946,140	52,985,340	65,414,420	85,321,854	72,212,500	51,613,798	32,332,283	18,346,673	11,944,021	11,866,573	11,212,219	11,365,070	444,560,891
RS heat transport	528,481	1,404,366	1,742,528	2,228,588	1,921,002	1,383,728	909,407	467,086	264,548	273,367	273,367	264,548	11,661,016
Total Volumes	20,474,620	54,389,707	67,156,949	87,550,441	74,133,502	52,997,526	33,241,690	18,813,759	12,208,569	12,139,940	11,485,585	11,629,618	456,221,907

NEW JERSEY NATURAL GAS COMPANY
STATEMENT OF ESTIMATED UNDER/(OVER) RECOVERED CIP BALANCE
GROUP II - RS HEAT
FY2024

	Actual <u>Oct-23</u>	Actual <u>Nov-23</u>	Actual <u>Dec-23</u>	Actual <u>Jan-24</u>	Actual <u>Feb-24</u>	Actual <u>Mar-24</u>	Actual <u>Apr-24</u>	Estimate <u>May-24</u>	Estimate <u>Jun-24</u>	Estimate <u>Jul-24</u>	Estimate <u>Aug-24</u>	Estimate <u>Sep-24</u>	TOTAL
Beginning Under/(Over) Recovery \$	43,619,318	41,866,690	37,210,931	31,462,296	23,967,979	17,622,151	13,085,563	10,240,074	8,629,616	7,584,563	6,545,384	5,562,218	43,619,318
Therm Sales	20,474,620	54,389,707	67,156,949	87,550,441	74,133,502	52,997,526	33,241,690	18,813,759	12,208,569	12,139,940	11,485,585	11,629,618	456,221,907
Pre-tax Recovery Rate per Therm ¹	0.0856	0.0856	0.0856	0.0856	0.0856	0.0856	0.0856	0.0856	0.0856	0.0856	0.0856	0.0856	
Recovery \$	1,752,628	4,655,759	5,748,635	7,494,318	6,345,828	4,536,588	2,845,489	1,610,458	1,045,054	1,039,179	983,166	995,495	39,052,595
Ending Under/(Over) Recovery \$	41,866,690	37,210,931	31,462,296	23,967,979	17,622,151	13,085,563	10,240,074	8,629,616	7,584,563	6,545,384	5,562,218	4,566,722	4,566,722

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
FY2024

Customer Class	Actual/ Estimate	Actual per Books ¹		Actual Avg. Use / Cust.	Baseline Use / Cust. ²	Difference (f) = (d) - (e)	Aggregate Therm Impact (g) = (f) * (c)	Margin Factor	Margin Variance
		Total Class Therms	Number of Customers						
(a)		(b)	(c)	(d) = (b) / (c)	(e)		(g) = (f) * (c)		
<u>General Service Small</u>									
October	a	1,411,030	31,768	44.4	44.8	(0.4)	(12,707)	\$0.5059	(\$6,429)
November	a	4,314,519	32,219	133.9	119.2	14.7	473,613	\$0.5059	\$239,601
December	a	5,439,145	32,560	167.0	201.9	(34.9)	(1,136,361)	\$0.5059	(\$574,885)
January	a	7,707,339	32,705	235.7	264.1	(28.4)	(928,818)	\$0.5059	(\$469,889)
February	a	6,625,187	32,776	202.1	227.8	(25.7)	(842,333)	\$0.5059	(\$426,136)
March	a	4,630,901	32,782	141.3	180.9	(39.6)	(1,298,180)	\$0.5059	(\$656,749)
April	a	2,622,513	32,642	80.3	82.3	(2.0)	(65,284)	\$0.5059	(\$33,027)
May	e	1,190,184	32,381	36.8	33.1	3.7	119,810	\$0.5059	\$60,612
June	e	679,317	32,088	21.2	19.4	1.8	57,758	\$0.5059	\$29,220
July	e	700,647	31,890	22.0	24.4	(2.4)	(76,537)	\$0.5059	(\$38,720)
August	e	699,547	31,718	22.1	20.6	1.5	47,577	\$0.5059	\$24,069
September	e	677,041	31,688	21.4	19.1	2.3	72,883	\$0.5059	\$36,871
Total		36,697,370		1,128.2	1,237.6		(3,588,581)		(\$1,815,463)

Margin Deficiency/ (Credit)	\$ 1,815,463
Prior Period (Over) / Under Recovery ³	\$ 199,200
Total Deficiency/(Credit)	\$ 2,014,663
Projected Commercial Throughput for Recovery Period	42,341,116
Pre-tax CIP Charge/(Credit)	\$ 0.0476
BPU/RC Assessment Factor	1.002631
CIP Charge/(Credit) including assessments	\$ 0.0477
6.625% Sales Tax	\$ 0.0032
Proposed After-tax CIP Charge/(Credit) per Therm	\$ 0.0509
Current After-tax CIP Charge/(Credit) per Therm	\$ 0.0605
Increase/ (Decrease) in After-tax CIP Charge/(Credit) per Therm	\$ (0.0096)

¹ Per Exhibit C, Schedule 3, Page 2
² Per Tariff Sheet No. 180
³ Per Exhibit C, Schedule 3, Page 3

New Jersey Natural Gas Company
Customers and Therms

Group III: GSS

	Actual Oct-23	Actual Nov-23	Actual Dec-23	Actual Jan-24	Actual Feb-24	Actual Mar-24	Actual Apr-24	Estimate May-24	Estimate Jun-24	Estimate Jul-24	Estimate Aug-24	Estimate Sep-24	
Customers													
GSS Sales	27,326	27,763	28,108	28,273	28,336	28,349	28,212	27,994	27,701	27,504	27,332	27,302	
GSS A/C Sales	48	42	41	41	41	40	42						
GSS Transport	4,387	4,406	4,405	4,384	4,392	4,387	4,381	4,387	4,387	4,387	4,387	4,387	
GSS A/C Transport	7	7	7	7	7	7	7						
Total Customers	31,768	32,219	32,560	32,705	32,776	32,782	32,642	32,381	32,088	31,890	31,718	31,688	
Volumes													
GSS Sales	1,152,426	3,576,192	4,507,270	6,397,555	5,499,249	3,820,248	2,120,180	977,715	552,108	569,198	568,098	549,832	30,290,071
GSS A/C Sales	10,947	5,115	3,830	6,666	4,723	3,593	4,829						39,704
GSS Transport	245,822	732,476	927,561	1,302,540	1,120,544	806,442	496,894	212,469	127,209	131,449	131,449	127,209	6,362,065
GSS A/C Transport	1,834	736	485	578	672	618	610						5,532
Total Volumes	1,411,030	4,314,519	5,439,145	7,707,339	6,625,187	4,630,901	2,622,513	1,190,184	679,317	700,647	699,547	677,041	36,697,370

NEW JERSEY NATURAL GAS COMPANY
STATEMENT OF ESTIMATED UNDER/(OVER) RECOVERED CIP BALANCE
GROUP III - GENERAL SERVICE SMALL
FY2024

	Actual <u>Oct-23</u>	Actual <u>Nov-23</u>	Actual <u>Dec-23</u>	Actual <u>Jan-24</u>	Actual <u>Feb-24</u>	Actual <u>Mar-24</u>	Actual <u>Apr-24</u>	Estimate <u>May-24</u>	Estimate <u>Jun-24</u>	Estimate <u>Jul-24</u>	Estimate <u>Aug-24</u>	Estimate <u>Sep-24</u>	TOTAL
Beginning Under/(Over) Recovery \$	2,276,271	2,196,407	1,952,205	1,644,349	1,208,114	833,128	571,019	422,585	355,221	316,771	277,115	237,520	2,276,271
Therm Sales	1,411,030	4,314,519	5,439,145	7,707,339	6,625,187	4,630,901	2,622,513	1,190,184	679,317	700,647	699,547	677,041	36,697,370
Pre-tax Recovery Rate per Therm ¹	0.0566	0.0566	0.0566	0.0566	0.0566	0.0566	0.0566	0.0566	0.0566	0.0566	0.0566	0.0566	
Recovery \$	79,864	244,202	307,856	436,235	374,986	262,109	148,434	67,364	38,449	39,657	39,594	38,321	2,077,071
Ending Under/(Over) Recovery \$	2,196,407	1,952,205	1,644,349	1,208,114	833,128	571,019	422,585	355,221	316,771	277,115	237,520	199,200	199,200

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
FY2024

Customer Class	Actual/ Estimate	Actual per Books ¹		Large Customer Adjustment	Adjusted Number of Customers	Actual Avg. Use / Cust. ²	Baseline Use / Cust.	Difference (f) = (d) - (e)	Aggregate Therm Impact (g) = (f) * (c)	Margin Factor	Margin Variance
		Total Class Therms	Number of Customers								
(a)		(b)	(c1)	(c2)	(c) = (c1) + (c2)	(d) = (b) / (c)	(e)				
General Service Large											
October	a	6,889,986	8,028	60	8,088	851.9	883.1	(31.2)	(252,344)	\$0.3216	(\$81,154)
November	a	14,802,319	8,090	60	8,150	1,816.3	1,743.4	72.9	594,116	\$0.3216	\$191,068
December	a	17,315,887	8,115	63	8,178	2,117.4	2,598.8	(481.4)	(3,936,851)	\$0.3216	(\$1,266,091)
January	a	21,469,014	8,130	63	8,193	2,620.3	3,041.8	(421.5)	(3,453,514)	\$0.3216	(\$1,110,650)
February	a	18,195,197	8,138	65	8,203	2,218.2	2,534.1	(315.9)	(2,591,208)	\$0.3216	(\$833,332)
March	a	14,296,918	8,144	65	8,209	1,741.6	2,113.0	(371.4)	(3,048,763)	\$0.3216	(\$980,482)
April	a	9,890,427	8,137	65	8,202	1,205.9	1,311.5	(105.6)	(866,129)	\$0.3216	(\$278,547)
May	e	6,002,322	8,024	68	8,092	741.7	836.9	(95.2)	(770,370)	\$0.3216	(\$247,751)
June	e	4,166,717	7,995	71	8,066	516.6	576.8	(60.2)	(485,552)	\$0.3216	(\$156,154)
July	e	4,301,301	7,975	74	8,049	534.4	556.1	(21.7)	(174,660)	\$0.3216	(\$56,171)
August	e	4,302,610	7,977	76	8,053	534.3	536.9	(2.6)	(20,938)	\$0.3216	(\$6,734)
September	e	4,169,032	7,987	80	8,067	516.8	490.3	26.5	213,775	\$0.3216	\$68,750
Total		125,801,730				15,415.4	17,222.7		(14,792,437)		(\$4,757,248)

Margin Deficiency/ (Credit)	\$ 4,757,248
Prior Period (Over) / Under Recovery ³	\$ 214,219
Total Deficiency/(Credit)	\$ 4,971,466
Projected Commercial Throughput for Recovery Period	139,121,249
Pre-tax CIP Charge/(Credit)	\$ 0.0357
BPU/RC Assessment Factor	1.002631
CIP Charge/(Credit) including assessments	\$ 0.0358
6.625% Sales Tax	\$ 0.0024
Proposed After-tax CIP Charge/(Credit) per Therm	\$ 0.0382
Current After-tax CIP Charge/(Credit) per Therm	\$ 0.0353
Increase/ (Decrease) in After-tax CIP Charge/(Credit) per Therm	\$ 0.0029

¹ Per Exhibit C, Schedule 4, Page 2
² Per Tariff Sheet No. 180
³ Per Exhibit C, Schedule 4, Page 3

New Jersey Natural Gas Company
Customers and Therms

Group IV: GSL													
		Actual	Actual	Actual	Actual	Actual	Actual	Actual	Estimate	Estimate	Estimate	Estimate	Estimate
		<u>Oct-23</u>	<u>Nov-23</u>	<u>Dec-23</u>	<u>Jan-24</u>	<u>Feb-24</u>	<u>Mar-24</u>	<u>Apr-24</u>	<u>May-24</u>	<u>Jun-24</u>	<u>Jul-24</u>	<u>Aug-24</u>	<u>Sep-24</u>
Customers													
GSL Sales		4,604	4,672	4,690	4,709	4,693	4,685	4,687	4,593	4,564	4,544	4,546	4,556
GSL A/C Sales		15	15	15	16	15	15	15					
GSL Transport		3,395	3,390	3,397	3,394	3,417	3,431	3,422	3,431	3,431	3,431	3,431	3,431
GSL A/C Transport		13	13	13	12	13	13	13					
Total Customers		8,028	8,090	8,115	8,130	8,138	8,144	8,137	8,024	7,995	7,975	7,977	7,987
Volumes													
GSL Sales		2,924,746	6,288,132	7,308,513	9,127,545	7,936,096	5,965,040	4,056,323	2,731,147	1,901,499	1,960,575	1,961,884	1,903,814
GSL A/C Sales		11,975	28,133	35,700	44,612	40,418	28,031	20,926					
GSL Transport		3,931,032	8,450,986	9,932,094	12,247,653	10,179,602	8,267,586	5,788,031	3,271,175	2,265,218	2,340,725	2,340,725	2,265,218
GSL A/C Transport		22,233	35,067	39,580	49,204	39,082	36,260	25,146					
Total Volumes		6,889,986	14,802,319	17,315,887	21,469,014	18,195,197	14,296,918	9,890,427	6,002,322	4,166,717	4,301,301	4,302,610	4,169,032

54,065,315
209,796
71,280,048
246,572

NEW JERSEY NATURAL GAS COMPANY
STATEMENT OF ESTIMATED UNDER/(OVER) RECOVERED CIP BALANCE
GROUP IV - GENERAL SERVICE LARGE
FY2024

	Actual Oct-23	Actual Nov-23	Actual Dec-23	Actual Jan-24	Actual Feb-24	Actual Mar-24	Actual Apr-24	Estimate May-24	Estimate Jun-24	Estimate Jul-24	Estimate Aug-24	Estimate Sep-24	TOTAL
Beginning Under/(Over) Recovery \$	4,365,676	4,138,306	3,649,830	3,078,405	2,369,928	1,769,486	1,297,688	971,304	773,227	635,726	493,783	351,797	4,365,676
Therm Sales	6,889,986	14,802,319	17,315,887	21,469,014	18,195,197	14,296,918	9,890,427	6,002,322	4,166,717	4,301,301	4,302,610	4,169,032	125,801,730
Pre-tax Recovery Rate per Therm ¹	0.0330	0.0330	0.0330	0.0330	0.0330	0.0330	0.0330	0.0330	0.0330	0.0330	0.0330	0.0330	
Recovery \$	227,370	488,477	571,424	708,477	600,442	471,798	326,384	198,077	137,502	141,943	141,986	137,578	4,151,457
Ending Under/(Over) Recovery \$	4,138,306	3,649,830	3,078,405	2,369,928	1,769,486	1,297,688	971,304	773,227	635,726	493,783	351,797	214,219	214,219

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 2023-24 Winter Period**

**Group II
RS Heat**

		DEGREE DAYS WNC ¹	DEGREE DAYS ACTUAL	VARIANCE	CONSUMPTION FACTOR USE PER CUST ¹	CUSTOMERS ACTUAL	CONSUMPTION FACTOR	TOTAL THERMS	MARGIN FACTOR ²	MARGIN IMPACT
Oct-23	a	238	181	(57)	0.1260	522,103	65,785	(3,749,745)	\$0.5791	(\$2,171,477)
Nov-23	a	524	564	40	0.1677	523,025	87,711	3,508,455	\$0.5791	\$2,031,746
Dec-23	a	813	663	(150)	0.1919	524,035	100,562	(15,084,336)	\$0.5791	(\$8,735,339)
Jan-24	a	968	875	(93)	0.2020	524,739	105,997	(9,857,742)	\$0.5791	(\$5,708,619)
Feb-24	a	814	738	(76)	0.1998	525,326	104,960	(7,976,965)	\$0.5791	(\$4,619,461)
Mar-24	a	674	522	(152)	0.1934	525,659	101,662	(15,452,686)	\$0.5791	(\$8,948,650)
Apr-24	a	346	314	(32)	0.1776	525,924	93,404	(2,988,931)	\$0.5791	(\$1,730,890)
May-24	e	122	122	(0)	0.1458	526,186	76,718	(19,179)	\$0.5791	(\$11,107)
TOTAL		4,499	3,979	(520)				(51,621,130)		(\$29,893,797)

**Group III
GSS**

		DEGREE DAYS WNC ¹	DEGREE DAYS ACTUAL	VARIANCE	CONSUMPTION FACTOR USE PER CUST	CUSTOMERS ACTUAL	CONSUMPTION FACTOR	TOTAL THERMS	MARGIN FACTOR ²	MARGIN IMPACT
Oct-23	a	238	181	(57)	0.1771	31,768	5,626	(320,686)	\$0.5059	(\$162,235)
Nov-23	a	524	564	40	0.2195	32,219	7,072	282,879	\$0.5059	\$143,108
Dec-23	a	813	663	(150)	0.2603	32,560	8,475	(1,271,324)	\$0.5059	(\$643,163)
Jan-24	a	968	875	(93)	0.2744	32,705	8,974	(834,602)	\$0.5059	(\$422,225)
Feb-24	a	814	738	(76)	0.2684	32,776	8,797	(668,570)	\$0.5059	(\$338,230)
Mar-24	a	674	522	(152)	0.2513	32,782	8,238	(1,252,206)	\$0.5059	(\$633,491)
Apr-24	a	346	314	(32)	0.1841	32,642	6,009	(192,301)	\$0.5059	(\$97,285)
May-24	e	122	122	(0)	0.1643	32,381	5,320	(1,330)	\$0.5059	(\$673)
TOTAL		4,499	3,979	(520)				(4,258,141)		(\$2,154,193)

**Group IV
GSL**

		DEGREE DAYS WNC ¹	DEGREE DAYS ACTUAL	VARIANCE	CONSUMPTION FACTOR USE PER CUST	CUSTOMERS ACTUAL	CONSUMPTION FACTOR	TOTAL THERMS	MARGIN FACTOR ²	MARGIN IMPACT
Oct-23	a	238	181	(57)	1.7974	8,088	14,537	(828,625)	\$0.3216	(\$266,486)
Nov-23	a	524	564	40	2.3319	8,150	19,004	760,175	\$0.3216	\$244,472
Dec-23	a	813	663	(150)	2.6794	8,178	21,912	(3,286,788)	\$0.3216	(\$1,057,031)
Jan-24	a	968	875	(93)	2.8174	8,193	23,084	(2,146,817)	\$0.3216	(\$690,416)
Feb-24	a	814	738	(76)	2.7416	8,203	22,488	(1,709,111)	\$0.3216	(\$549,650)
Mar-24	a	674	522	(152)	2.4923	8,209	20,459	(3,109,752)	\$0.3216	(\$1,000,096)
Apr-24	a	346	314	(32)	1.9127	8,202	15,688	(502,014)	\$0.3216	(\$161,448)
May-24	e	122	122	(0)	1.6686	8,092	13,503	(3,376)	\$0.3216	(\$1,086)
TOTAL		4,499	3,979	(520)				(10,826,307)		(\$3,481,740)

**Total
All Groups**

									TOTAL THERMS	MARGIN IMPACT
Oct-23	a								(4,899,056)	(\$2,600,198)
Nov-23	a								4,551,509	\$2,419,327
Dec-23	a								(19,642,448)	(\$10,435,533)
Jan-24	a								(12,839,162)	(\$6,821,260)
Feb-24	a								(10,354,646)	(\$5,507,340)
Mar-24	a								(19,814,643)	(\$10,582,237)
Apr-24	a								(3,683,246)	(\$1,989,623)
May-24	e								(23,885)	(\$12,865)
TOTAL									(66,705,578)	(\$35,529,730)

¹ Degree Days and Consumption factors are per Tariff Sheet No. 181 approved in BPU Docket No. GR21030679 effective December 1, 2021.

² Margin factors are per Tariff Sheet No. 181 approved in BPU Docket No. GR23040207 effective October 1, 2023.

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, 2024
CIP Recovery Tests
Summary

Determine Weather and Non-Weather CIP Impacts

	<u>Weather</u>	<u>Non-Weather</u>	<u>Total</u>
CIP Group 1	\$ -	\$ 87,301	\$ 87,301
CIP Group 2	\$ 29,893,797	\$ 8,599,067	\$ 38,492,864
CIP Group 3	\$ 2,154,193	\$ (338,730)	\$ 1,815,463
CIP Group 4	\$ 3,481,740	\$ 1,275,507	\$ 4,757,248
Total Deficiency/(Credit)	\$ 35,529,730	\$ 9,623,145	\$ 45,152,876

Step 2: Apply Modified BGSS Savings Test

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

Non-Weather Impact	\$ 9,623,145
75% Factor	<u>75%</u>
Subtotal	\$ 7,217,359
 Prior Year Carry-Forward (Modified BGSS Savings Test)	\$ -
75% Factor	<u>75%</u>
Subtotal	\$ -
 Non-weather Impact Subject to Test	\$ 7,217,359

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)	\$ 6,893,369
Total BGSS Savings	\$ 18,936,930

C. Results

Non-Weather Impacts Passing Test (current accrual)	\$ 9,623,145
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, 2024
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	\$ 9,623,145
Prior Year Carry-Forward (Variable Margin Revenue Test)	\$ -
Non-weather Impact Subject to Test	\$ 9,623,145
 <u>B. Variable Margin Revenues</u>	
Variable Margin Revenues (Exhibit C, Schedule 6, Page 5)	\$ 370,027,452
6.5% Factor	6.5%
Total Fixed Recovery Cap	<u>\$ 24,051,784</u>
 <u>C. Results</u>	
Non-Weather Impacts Passing Test (current accrual)	<div style="border: 1px solid black; padding: 2px;">\$ 9,623,145</div>
Non-Weather Impacts Passing Test (prior year carry-forward)	<div style="border: 1px solid black; padding: 2px;">\$ -</div>
Non-Weather Impacts Exceeding Test	<div style="border: 1px solid black; padding: 2px;">\$ -</div>

Step 4: Determine Recoverable Non-Weather CIP Impacts

<u>A. Current Year Accrual Recoverable Non-Weather Impacts</u>	
Amount Passing Modified BGSS Savings Test	\$ 9,623,145
Amount Passing Variable Margin Revenue Test	\$ 9,623,145
Recoverable Amount	\$ 9,623,145
 <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>\$ 9,623,145</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					
Pipeline	Contract No.	Type of Transaction	Quantity Dth	Annual \$	
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

CIP Recovery	Annual \$	
Year		
2024-2025	\$	-

III. Avoided Capacity

CIP Recovery	Annual \$	
Year		
2024-2025	\$	6,893,369

VI. Total of all Savings

CIP	Permanent	Additional Capacity BGSS	Avoided Cost BGSS	Annual \$	
Recovery	Capacity Savings	Savings	Savings		
Year					
2024-2025	\$ 12,043,561	\$ -	\$ 6,893,369	\$	18,936,930

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

Month (a)	Base Year Customer Count (b)	Current Year Customer Count (c)	Net Increase/ (Decrease) Customer Count (d) = (b) / (c)	Baseline Use / Cust. (e)	Avoided Capacity (f) = (d) * (e)
Group 1: RSG Non-Heating					
October	14,185	14,706	521	17.5	9,117
November	14,008	14,570	562	13.9	7,809
December	13,965	14,588	623	17.4	10,848
January	13,988	14,634	646	20.4	13,181
February	13,971	14,709	738	18.7	13,810
March	13,945	14,768	823	19.8	16,296
April	14,037	14,839	802	10.9	8,743
May	14,377	15,168	792	11.0	8,707
June	14,668	15,368	700	18.0	12,606
July	14,700	15,368	669	17.4	11,639
August	14,717	15,368	651	16.3	10,618
September	14,464	15,368	904	17.9	16,182
Subtotal				199.2	139,556
Average Per Unit BGSS Capacity Cost					<u>\$0.3693</u>
Total Group 1 Avoided Capacity Cost BGSS Savings					\$51,538
Group 2: RSG Heating					
October	504,060	522,103	18,044	43.4	783,092
November	504,789	523,025	18,237	100.4	1,830,972
December	505,531	524,035	18,504	160.8	2,975,376
January	506,256	524,739	18,483	191.2	3,533,883
February	506,776	525,326	18,550	163.3	3,029,179
March	507,211	525,659	18,448	133.7	2,466,507
April	507,520	525,924	18,404	70.6	1,299,293
May	507,812	526,186	18,374	37.0	679,827
June	508,284	526,645	18,361	27.2	499,407
July	508,806	527,164	18,357	23.8	436,905
August	509,365	527,990	18,624	21.3	396,698
September	503,190	529,075	25,885	23.0	595,347
Subtotal				995.7	18,526,484
Average Per Unit BGSS Capacity Cost					<u>\$0.3693</u>
Total Group 2 Avoided Capacity Cost BGSS Savings					\$6,841,831
Total Avoided Capacity Cost BGSS Savings					<u>\$6,893,369</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	\$1,724,542
Group II	\$302,705,622
Group III	\$20,382,250
Group IV	<u>\$45,215,038</u>
Total Variable Margin	\$370,027,452
%	<u>6.5%</u>
Total Fixed Recovery Cap	<u>\$24,051,784</u>

<u>Customer Class</u>	<u>Actual/ Estimate</u>	<u>Number of Customers</u>	<u>Baseline Use / Cust.</u>	<u>Margin Factor</u>	<u>Variable Revenue</u>
<u>Residential Non-Heating</u>					
October	a	14,706	17.5	\$0.5791	\$149,029
November	a	14,570	13.9	\$0.5791	\$117,283
December	a	14,588	17.4	\$0.5791	\$146,996
January	a	14,634	20.4	\$0.5791	\$172,884
February	a	14,709	18.7	\$0.5791	\$159,288
March	a	14,768	19.8	\$0.5791	\$169,338
April	a	14,839	10.9	\$0.5791	\$93,669
May	e	15,168	11.0	\$0.5791	\$96,625
June	e	15,368	18.0	\$0.5791	\$160,198
July	e	15,368	17.4	\$0.5791	\$154,858
August	e	15,368	16.3	\$0.5791	\$145,068
September	e	15,368	<u>17.9</u>	\$0.5791	<u>\$159,308</u>
Total			199.2		\$1,724,542
<u>Residential Heating</u>					
October	a	522,103	43.4	\$0.5791	\$13,121,988
November	a	523,025	100.4	\$0.5791	\$30,409,560
December	a	524,035	160.8	\$0.5791	\$48,797,726
January	a	524,739	191.2	\$0.5791	\$58,101,132
February	a	525,326	163.3	\$0.5791	\$49,678,489
March	a	525,659	133.7	\$0.5791	\$40,699,482
April	a	525,924	70.6	\$0.5791	\$21,502,118
May	e	526,186	37.0	\$0.5791	\$11,274,425
June	e	526,645	27.2	\$0.5791	\$8,295,456
July	e	527,164	23.8	\$0.5791	\$7,265,677
August	e	527,990	21.3	\$0.5791	\$6,512,664
September	e	529,075	<u>23.0</u>	\$0.5791	<u>\$7,046,906</u>
Total			995.7		\$302,705,622
<u>GSS</u>					
October	a	31,768	44.8	\$0.5059	\$719,994
November	a	32,219	119.2	\$0.5059	\$1,942,884
December	a	32,560	201.9	\$0.5059	\$3,325,768
January	a	32,705	264.1	\$0.5059	\$4,369,638
February	a	32,776	227.8	\$0.5059	\$3,777,193
March	a	32,782	180.9	\$0.5059	\$3,000,150
April	a	32,642	82.3	\$0.5059	\$1,359,075
May	e	32,381	33.1	\$0.5059	\$542,230
June	e	32,088	19.4	\$0.5059	\$314,922
July	e	31,890	24.4	\$0.5059	\$393,653
August	e	31,718	20.6	\$0.5059	\$330,552
September	e	31,688	<u>19.1</u>	\$0.5059	<u>\$306,193</u>
Total			1,237.6		\$20,382,250
<u>GSL</u>					
October	a	8,088	883.1	\$0.3216	\$2,297,018
November	a	8,150	1,743.4	\$0.3216	\$4,569,375
December	a	8,178	2,598.8	\$0.3216	\$6,834,894
January	a	8,193	3,041.8	\$0.3216	\$8,015,125
February	a	8,203	2,534.1	\$0.3216	\$6,684,861
March	a	8,209	2,113.0	\$0.3216	\$5,578,242
April	a	8,202	1,311.5	\$0.3216	\$3,459,418
May	e	8,092	836.9	\$0.3216	\$2,177,969
June	e	8,066	576.8	\$0.3216	\$1,496,170
July	e	8,049	556.1	\$0.3216	\$1,439,471
August	e	8,053	536.9	\$0.3216	\$1,390,487
September	e	8,067	<u>490.3</u>	\$0.3216	<u>\$1,272,007</u>
Total			17,222.7		\$45,215,038

**NEW JERSEY NATURAL GAS COMPANY
CONSERVATION INCENTIVE PROGRAM
EARNINGS TEST
OCTOBER 1, 2023 THROUGH SEPTEMBER 30, 2024
SIX MONTHS ACTUAL, SIX MONTHS FORECASTED**

	(000's)
Net Income	\$122,156
Less:	
Earnings from BGSS Incentive margin, net of tax	10,140
Earnings from Energy Efficiency margin, net of tax	8,528
Other income, net of tax	<u>7,411</u>
Net Income - Earnings Test	\$96,077
Average Thirteen Month Common Equity	1,925,372
Rate of Return on Common Equity	4.99%

EXHIBIT D

CALCULATION OF REVISED BALANCING CHARGE

FOR F/Y 2025

**New Jersey Natural Gas Company
Calculation of October 1, 2024 Balancing Charge**

	\$000
<u>Balancing Charge related to Inventory¹</u>	
12 month Average inventory balance (TETCO storages and LNG)	\$11,783
Rate of Return	<u>8.87%</u>
Storage Carrying Costs	\$1,045
% of Peak Related to Balancing	<u>53.7%</u>
Balancing	\$561
Annual Firm Therms (excluding FT) (000)	<u>658,097</u>
Pre-tax Balancing Charge	\$0.0009
<u>Balancing Charge related to Demand Charges²</u>	
Pipeline Demand Charges	247,295
Adjustments (BGSS Incentive Credits)	<u>(\$25,981)</u>
Total	\$221,314
% of Peak Related to Balancing	<u>55.2%</u>
Balancing	\$122,186
Annual Firm Therms (000)	<u>695,048</u>
Pre-tax Balancing Charge	\$0.1758
<u>Total Balancing Charge</u>	
Pre-tax Balancing Charge related to Inventory	\$0.0009
Pre-tax Balancing Charge related to Demand Charges	<u>\$0.1758</u>
Total Pre-tax Balancing Charge	\$0.1767
Total After-tax Balancing Charge	\$0.1884
Current After-tax Balancing Charge	<u>\$0.1266</u>
Increase/(Decrease) to After-tax Balancing Charge	\$0.0618
<u>Calculation of % of Peak Related to Balancing</u>	
	000 therms
Peak Day Therms	9,780
Average Therms on a January Day	<u>4,381</u>
Balancing Therms	5,400
% of Peak	55.2%

¹ In accordance with the Board's November 17, 2021 Order in BPU Docket No. GR21030679 ("Rate Case Order"), the Balancing Charge related to Inventory is updated in a base rate case. The pre-tax Balancing Charge component of \$0.0009 per therm was approved in the Rate Case Order.

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

EXHIBIT E

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

FOR F/Y 2025

New Jersey Natural Gas Company
Net impact of Proposed Rate Changes
BPU Docket No. GR24060372
F/Y 2025

(\$/therm)

Rate Impact for Group I - Residential Non-Heating Customers

	Component of	5/1/24 Rates		Proposed 10/1/24 Rates		Change		Total Bill % impact
		Pre-tax	Post-tax	Pre-tax	Post-tax	Pre-tax	Post-tax	
BGSS	BGSS	\$0.4023	\$0.4290	\$0.3444	\$0.3672	(\$0.0579)	(\$0.0618)	(3.5%)
Balancing Charge	Delivery Rate	0.1187	0.1266	0.1767	0.1884	0.0580	0.0618	3.5%
CIP	Delivery Rate	<u>0.0358</u>	<u>0.0382</u>	<u>0.0384</u>	<u>0.0409</u>	<u>0.0026</u>	<u>0.0027</u>	<u>0.2%</u>
NET IMPACT		<u>\$0.5568</u>	<u>\$0.5938</u>	<u>\$0.5595</u>	<u>\$0.5965</u>	<u>\$0.0027</u>	<u>\$0.0027</u>	<u>0.2%</u>

Rate Impact for Group II - Residential Heating Customers

	Component of	5/1/24 Rates		Proposed 10/1/24 Rates		Change		Total Bill % impact
		Pre-tax	Post-tax	Pre-tax	Post-tax	Pre-tax	Post-tax	
BGSS	BGSS	\$0.4023	\$0.4290	\$0.3444	\$0.3672	(\$0.0579)	(\$0.0618)	(4.1%)
Balancing Charge	Delivery Rate	0.1187	0.1266	0.1767	0.1884	0.0580	0.0618	4.1%
CIP	Delivery Rate	<u>0.0858</u>	<u>0.0915</u>	<u>0.0847</u>	<u>0.0903</u>	<u>(0.0011)</u>	<u>(0.0012)</u>	<u>(0.1%)</u>
NET IMPACT		<u>\$0.6068</u>	<u>\$0.6471</u>	<u>\$0.6058</u>	<u>\$0.6459</u>	<u>(\$0.0010)</u>	<u>(\$0.0012)</u>	<u>(0.1%)</u>

Rate Impact for Group III - General Service Small Customers

	Component of	5/1/24 Rates		Proposed 10/1/24 Rates		Change		Total Bill % impact
		Pre-tax	Post-tax	Pre-tax	Post-tax	Pre-tax	Post-tax	
BGSS	BGSS	\$0.4023	\$0.4290	\$0.3444	\$0.3672	(\$0.0579)	(\$0.0618)	(3.6%)
Balancing Charge	Delivery Rate	0.1187	0.1266	0.1767	0.1884	0.0580	0.0618	3.6%
CIP	Delivery Rate	<u>0.0567</u>	<u>0.0605</u>	<u>0.0477</u>	<u>0.0509</u>	<u>(0.0090)</u>	<u>(0.0096)</u>	<u>(0.6%)</u>
NET IMPACT		<u>\$0.5777</u>	<u>\$0.6161</u>	<u>\$0.5688</u>	<u>\$0.6065</u>	<u>(\$0.0089)</u>	<u>(\$0.0096)</u>	<u>(0.6%)</u>

Rate Impact for Group IV - General Service Large Customers

	Component of	5/1/24 Rates		Proposed 10/1/24 Rates		Change		Total Bill % impact
		Pre-tax	Post-tax	Pre-tax	Post-tax	Pre-tax	Post-tax	
BGSS	BGSS (May 2024)	\$0.3574	\$0.3811	\$0.2995	\$0.3193	(\$0.0579)	(\$0.0618)	(4.5%)
Balancing Charge	Delivery Rate	0.1187	0.1266	0.1767	0.1884	0.0580	0.0618	4.5%
CIP	Delivery Rate	<u>0.0331</u>	<u>0.0353</u>	<u>0.0358</u>	<u>0.0382</u>	<u>0.0027</u>	<u>0.0029</u>	<u>0.2%</u>
NET IMPACT		<u>\$0.5092</u>	<u>\$0.5430</u>	<u>\$0.5120</u>	<u>\$0.5459</u>	<u>\$0.0028</u>	<u>\$0.0029</u>	<u>0.2%</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	534,661 (000s)
Balancing Charge	695,048 (000s)
CIP Group I	2,828 (000s)
CIP Group II	509,691 (000s)
CIP Group III	42,341 (000s)
CIP Group IV	139,121 (000s)

	Projected Revenue at Current Rates \$million	Projected Revenue at Proposed Rates \$million	Change \$million
BGSS	\$229.37	\$196.33	(\$33.04)
Balancing Charge	\$87.99	\$130.95	\$42.96
CIP Group I	\$0.11	\$0.12	\$0.01
CIP Group II	\$46.64	\$46.03	(\$0.61)
CIP Group III	\$2.56	\$2.16	(\$0.40)
CIP Group IV	<u>\$4.91</u>	<u>\$5.31</u>	<u>\$0.40</u>
IMPACT	<u>\$371.58</u>	<u>\$380.90</u>	<u>\$9.32</u>

New Jersey Natural Gas Company
Net impact of Proposed Rate Changes
BPU Docket No. GR24060372
F/Y 2025

Impact on Residential Non-Heating Customers				
		25 therm bill		
5/1/24 Rates				
	Customer Charge	\$11.00	\$11.00	
	Delivery	\$0.9081	\$22.70	
	BGSS	\$0.4290	\$10.73	
	Total	\$1.3371	\$44.43	
Proposed Rates- effective 10/1/24				
	Customer Charge	\$11.00	\$11.00	
	Delivery	\$0.9726	\$24.32	
	BGSS	\$0.3672	\$9.18	
	Total	\$1.3398	\$44.50	
	Increase		\$0.07	
	Increase as a percent		0.2%	

Impact on Residential Heating Customers				
		100 therm bill	1,000 therm annual bill	
5/1/24 Rates				
	Customer Charge	\$11.00	\$11.00	\$132.00
	Delivery	\$0.9614	\$96.14	\$961.40
	BGSS	\$0.4290	\$42.90	\$429.00
	Total	\$1.3904	\$150.04	\$1,522.40
Proposed Rates- effective 10/1/24				
	Customer Charge	\$11.00	\$11.00	\$132.00
	Delivery	\$1.0220	\$102.20	\$1,022.00
	BGSS	\$0.3672	\$36.72	\$367.20
	Total	\$1.3892	\$149.92	\$1,521.20
	Decrease		(\$0.12)	(\$1.20)
	Decrease as a percent		(0.1%)	(0.1%)

Impact on Commercial GSS Customers				
		100 therm bill		
5/1/24 Rates				
	Customer Charge	\$42.00	\$42.00	
	Delivery	\$0.8523	\$85.23	
	BGSS	\$0.4290	\$42.90	
	Total	\$1.2813	\$170.13	
Proposed Rates- effective 10/1/24				
	Customer Charge	\$42.00	\$42.00	
	Delivery	\$0.9045	\$90.45	
	BGSS	\$0.3672	\$36.72	
	Total	\$1.2717	\$169.17	
	Decrease		(\$0.96)	
	Decrease as a percent		(0.6%)	

Impact on Commercial GSL Customers				
		1200 therm bill		
5/1/24 Rates				
	Customer Charge	\$104.00	\$104.00	
	Demand Charge	\$3.41	\$327.36	
	Delivery	\$0.6306	\$756.72	
	BGSS (May 2024)	\$0.3811	\$457.32	
	Total	\$1.0117	\$1,645.40	
Proposed Rates- effective 10/1/24				
	Customer Charge	\$104.00	\$104.00	
	Demand Charge	\$3.41	\$327.36	
	Delivery	\$0.6953	\$834.36	
	BGSS (May 2024)	\$0.3193	\$383.16	
	Total	\$1.0146	\$1,648.88	
	Increase		\$3.48	
	Increase as a percent		0.2%	

**NEW JERSEY NATURAL GAS COMPANY
SUMMARY OF PERIODIC BGSS COMPONENTS
BPU Docket No. GR24060372**

	October 1, 2024 through September 30, 2025 \$000	
ESTIMATED UNDER/(OVER) RECOVERED GAS COSTS AT 10/1/24 (Exhibit B, Schedule 1)	<u><u>(\$32,877)</u></u>	A
ESTIMATED NET COSTS APPLICABLE TO BGSS (Exhibit B, Schedule 2a)	<u><u>\$400,703</u></u>	B
ESTIMATED ADJUSTMENTS		
Storage Incentive (Sch. 4j)	\$2,240	
Off-System Sales (Sch.4e)	(\$25,981)	
Capacity Rel. (Sch.4f)	\$0	
Supplier Ref. and Miscellaneous Adj. (Sch.5)	\$0	
Balancing Credits and Penalty Charges (Sch.4g)	(\$122,815)	
Environmental Attributes (Sch. 4k)	(\$146)	
TOTAL ADJUSTMENTS	<u><u>(\$146,703)</u></u>	C
ESTIMATED UNDER/(OVER) RECOVERY AT 9/30/2024 (Exhibit B Schedule 1)	<u><u>\$3,420</u></u>	D
Monthly BGSS (GSL, DGC) Recovery	\$32,984	
Monthly BGSS (IS, CNG, NGV) Recovery	\$582	
ESTIMATED OTHER RECOVERY (Exhibit B Schedule 2b)	<u><u>\$33,566</u></u>	E
ESTIMATED TOTAL COSTS TO BE RECOVERED (Exhibit B Schedule 2b)	<u><u>\$184,137</u></u>	A+B+C-D-E=F
BGSS Sales	599,242	
Monthly BGSS Sales (GSL, DGC)	63,710	
Monthly BGSS Sales (IS, CNG, NGV)	871	
ESTIMATED PERIODIC BGSS THERM SALES (Exhibit B Schedule 2b)	<u><u>534,661</u></u>	G
PRE-TAX PERIODIC BGSS RATE PER THERM	<u><u>\$0.3444</u></u>	F/G=H

EXHIBIT F

PROPOSED TARIFF SHEETS

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

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

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

CHARACTER OF SERVICE

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

MONTHLY RATES**Customer Charge:**

Customer Charge per meter per month \$11.00

Delivery Charge:**Residential Heating**

Delivery Charge per therm \$~~0.9614~~1.0220

Residential Non-Heating

Delivery Charge per therm \$~~0.9081~~9726

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 25~~, 2024
Issued by: Mark G. Kahrer, Senior Vice President
2024
Wall, NJ 07719

Effective for service rendered on
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SERVICE CLASSIFICATION – DGR**DISTRIBUTED GENERATION SERVICE - RESIDENTIAL****AVAILABILITY**

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

CHARACTER OF SERVICE

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

MONTHLY RATES**Customer Charge:**

Customer Charge per meter per month \$11.00

Delivery Charge:

November - April \$0.~~4321~~⁴⁹³⁹

May - October \$0.~~3788~~⁴⁴⁰⁶

BGSS Charge:

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

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

MINIMUM MONTHLY CHARGE

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

BALANCING CHARGE ADJUSTMENTS

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

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

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

CHARACTER OF SERVICE

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

MONTHLY RATES**Customer Charge:**

Customer Charge per meter per month \$42.00

Delivery Charge:

Delivery Charge per therm \$0.~~8523~~9045

BGSS Charge:

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

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

MINIMUM MONTHLY CHARGE

The minimum monthly charge shall be the Customer Charge.

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

BALANCING CHARGE ADJUSTMENTS

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

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

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

2. Air Conditioning and Pool Heating

Upon separate application, GSS Customers who have installed and are using gas air conditioning and/or pool heating equipment will be billed on the above Monthly Rates and will be billed a credit of (\$0.~~48214722~~) 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.~~37024323~~ per therm, which includes \$0.1096 per therm margin, all appropriate riders, taxes, assessments and surcharges, and the delivery charge for Service Classification GSS.

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

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

3. Veterans' Organization Service

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

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

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

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

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

4. **Metering**

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

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

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

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

1. **Street Lighting Service**

Street Lighting Service is not subject to Rider "I" of this Tariff. The delivery charge per therm for Street Lighting Service is \$0.~~79~~188536 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.

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NEW JERSEY NATURAL GAS COMPANY

BPU No. 11 - Gas

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

SERVICE CLASSIFICATION - GSL

GENERAL SERVICE - LARGE

AVAILABILITY

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

CHARACTER OF SERVICE

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

MONTHLY RATES

Customer Charge:

Customer Charge per meter per month \$104.00

Demand Charge:

Demand Charge per therm applied to HMAD \$3.41

Delivery Charge:

Delivery Charge per therm \$0.~~6306~~6953

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.

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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 (\$0.26~~3004~~) 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.~~43233702~~ per therm which includes \$0.1096 per therm margin, all appropriate riders, taxes, assessments and surcharges, and the delivery charge for Service Classification GSL.

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

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SERVICE CLASSIFICATION - DGC**DISTRIBUTED GENERATION SERVICE - COMMERCIAL****AVAILABILITY**

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

CONDITIONS PRECEDENT

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

MONTHLY RATES

	<u>DGC-Balancing</u>	<u>DGC-FT</u>
<u>Customer Charge:</u>		
Customer Charge per meter per month	\$104.00	\$104.00
<u>Demand Charge:</u>		
Demand Charge per therm applied to PBQ	\$2.35	\$2.35
<u>Delivery Charge per therm:</u>		
November - April	\$0. 3298 <u>3916</u>	\$0.2032
May - October	\$0. 2972 <u>3590</u>	\$0.1706
<u>BGSS Charge:</u>		
BGSS Charge per therm for Sales Customers	See "Rate Summaries" at the end of this Tariff	N/A

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

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

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NEW JERSEY NATURAL GAS COMPANY

BPU No. 11 - Gas

~~Fifth-Fourth~~ Revised Sheet No. 155
Superseding ~~Fourth-Third~~ Revised Sheet No. 155

RIDER "A"

BASIC GAS SUPPLY SERVICE - BGSS(continued)

PERIODIC BASIC GAS SUPPLY SERVICE (BGSS) CHARGE

SERVICE CLASSIFICATION

APPLICATION

CHARGE

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

Included in the Basic Gas Supply Charge

\$0.~~4290~~3672 per
therm

BALANCING CHARGE

SERVICE CLASSIFICATION

APPLICATION

CHARGE

RS, GSS, GSL, DGR, DGC-Balancing,
and ED customers eligible for service
under Service Classifications GSS and
GSL

Included in the Delivery Charge

\$0.~~1266~~1884 per
therm

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NEW JERSEY NATURAL GAS COMPANY

BPU No. 11 - Gas

~~Fourth~~^{Third} Revised Sheet No. 157
Superseding ~~Third~~^{Second} Revised 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. 0270 ⁰³²⁴) 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>
November 1, 2015 through February 29, 2016	(\$0.2640)
November 1, 2016 through December 31, 2016	(\$0.1666)
January 1, 2017 through February 28, 2017	(\$0.1664)
December 1, 2020 through January 31, 2021	(\$0.1220)
March 1, 2023 through March 31, 2023	(\$0.5054)

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Docket No. ~~GR23060348~~

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. 0382 <u>0409</u>
Group II (RS heating):	\$0. 0915 <u>0903</u>
Group III (GSS, ED using less than 5,000 therms annually):	\$0. 0605 <u>0509</u>
Group IV (GSL, ED using 5,000 therms or greater annually):	\$0. 0353 <u>0382</u>

For the recovery of the October 202~~32~~ through September 202~~43~~ 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.

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NEW JERSEY NATURAL GAS COMPANY

BPU No. 11 - Gas

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

SUMMARY OF RESIDENTIAL RATE COMPONENTS

Residential Heating Customers

<u>Customer Charge</u>		<u>Bundled Sales</u>	<u>Transport</u>	<u>Reference</u>
Customer Charge per meter per month		11.00	11.00	
<u>Delivery Charge ("DEL") per therm</u>				
Pre-tax Base Rate		0.5701	0.5701	
Pre-tax IIP Base Rate		<u>0.0090</u>	<u>0.0090</u>	Rider D
Total Pre-tax Base Rate (Margin Revenue Factor)		0.5791	0.5791	
SUT		<u>0.0384</u>	<u>0.0384</u>	Rider B
After-tax Base Rate		0.6175	0.6175	
CIP				Rider I
		0.0915 <u>09</u>	0.0915 <u>090</u>	
		<u>03</u>	<u>3</u>	
EE		<u>0.0494</u>	<u>0.0494</u>	Rider F
Subtotal	a	0.7584 <u>75</u>	0.7584 <u>757</u>	
		<u>72</u>	<u>2</u>	
Balancing Charge	b	0.1266 <u>18</u>	0.1266 <u>188</u>	Rider A
		<u>84</u>	<u>4</u>	
Societal Benefits Charge ("SBC"):				
NJ's Clean Energy		0.0325	0.0325	Rider E
RA		0.0262	0.0262	Rider C
USF		<u>0.0177</u>	<u>0.0177</u>	Rider H
Total SBC	c	<u>0.0764</u>	<u>0.0764</u>	
Delivery Charge (DEL)	a+b+c=d	0.9614 <u>1.0</u>	0.9614 <u>1.0</u>	
		<u>220</u>	<u>220</u>	
<u>Basic Gas Supply Charge ("BGS")</u>				
BGS	e	0.4290 <u>36</u>	x	Rider A
		<u>72</u>		

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

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

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NEW JERSEY NATURAL GAS COMPANY

BPU No. 11 - Gas

~~Ninth~~^{Eighth} Revised Sheet No. 253
Superseding ~~Eighth~~^{Seventh} 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		11.00	11.00	
<u>Delivery Charge ("DEL") per therm</u>				
Pre-tax Base Rate		0.5701	0.5701	
Pre-tax IIP Base Rate		<u>0.0090</u>	<u>0.0090</u>	Rider D
Total Pre-tax Base Rate (Margin Revenue Factor)		0.5791	0.5791	
SUT		<u>0.0384</u>	<u>0.0384</u>	Rider B
After-tax Base Rate		0.6175	0.6175	
CIP		0. 0382 <u>04</u> <u>09</u>	0. 0382 <u>0409</u>	Rider I
EE		<u>0.0494</u>	<u>0.0494</u>	Rider F
Subtotal	a	0. 7051 <u>70</u> <u>78</u>	0. 7051 <u>7078</u>	
Balancing Charge	b	0. 1266 <u>18</u> <u>84</u>	0. 1266 <u>1884</u>	Rider A
Societal Benefits Charge ("SBC"):				
NJ's Clean Energy		0.0325	0.0325	Rider E
RA		0.0262	0.0262	Rider C
USF		<u>0.0177</u>	<u>0.0177</u>	Rider H
Total SBC	c	<u>0.0764</u>	<u>0.0764</u>	
Delivery Charge (DEL)	a+b+c=d	<u>0.9081<u>97</u></u> <u>26</u>	<u>0.9081<u>9726</u></u>	
<u>Basic Gas Supply Charge ("BGS")</u>				
BGS	e	<u>0.4290<u>36</u></u> <u>72</u>	x	Rider A

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

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

Date of Issue: ~~March 25~~, 2024
 Issued by: Mark G. Kahrer, Senior Vice President
 2024
 Wall, NJ 07719

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

NEW JERSEY NATURAL GAS COMPANY

BPU No. 11 - Gas

~~Ninth~~^{Eighth} Revised Sheet No. 254
Superseding ~~Eighth~~^{Seventh} Revised Sheet No. 254

SUMMARY OF RESIDENTIAL RATE COMPONENTS

Residential Distributed Generation Service

		<u>Nov - Apr</u>	<u>May - Oct</u>	<u>Reference</u>
<u>Customer Charge</u>				
Customer Charge per meter per month		11.00	11.00	
<u>Delivery Charge ("DEL") per therm</u>				
Pre-tax Base Rate		0.1685	0.1185	
Pre-tax IIP Base Rate		<u>0.0000</u>	<u>0.0000</u>	Rider D
Total Pre-tax Base Rate		0.1685	0.1185	
SUT		<u>0.0112</u>	<u>0.0079</u>	Rider B
After-tax Base Rate		0.1797	0.1264	
EE		<u>0.0494</u>	<u>0.0494</u>	Rider F
Subtotal	a	0.2291	0.1758	
Balancing Charge	b	0. 1266 <u>1884</u>	0. 1266 <u>1884</u>	Rider A
<u>Societal Benefits Charge ("SBC"):</u>				
NJ's Clean Energy		0.0325	0.0325	Rider E
RA		0.0262	0.0262	Rider C
USF		<u>0.0177</u>	<u>0.0177</u>	Rider H
Total SBC	c	<u>0.0764</u>	<u>0.0764</u>	
Delivery Charge (DEL)	a+b+c=d	<u>0.4321<u>4939</u></u>	<u>0.3788<u>4406</u></u>	
<u>Basic Gas Supply Charge ("BGS")</u>				
BGS	e	<u>0.4290<u>3672</u></u>	<u>0.4290<u>3672</u></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 25~~, 2024
Issued by: Mark G. Kahrer, Senior Vice President
2024
Wall, NJ 07719

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

NEW JERSEY NATURAL GAS COMPANY

BPU No. 11 - Gas

~~Ninth~~^{Eighth} Revised Sheet No. 255
Superseding ~~Eighth~~^{Seventh} Revised Sheet No. 255

SUMMARY OF FIRM COMMERCIAL RATE COMPONENTS

General Service - Small (GSS)

		<u>Bundled Sales</u>	<u>Transport</u>	<u>Reference</u>
<u>Customer Charge</u>				
Customer Charge per meter per month		42.00	42.00	
<u>Delivery Charge ("DEL") per therm</u>				
Pre-tax Base Rate		0.4944	0.4944	
Pre-tax IIP Base Rate		<u>0.0115</u>	<u>0.0115</u>	Rider D
Total Pre-tax Base Rate (Margin Revenue Factor)		0.5059	0.5059	
SUT		<u>0.0335</u>	<u>0.0335</u>	Rider B
After-tax Base Rate		0.5394	0.5394	
CIP		0. 0605 <u>050</u>	0. 0605 <u>0509</u>	Rider I
EE		<u>0.0494</u>	<u>0.0494</u>	Rider F
Subtotal	a	0. 6493 <u>639</u>	0. 6493 <u>6397</u>	
Balancing Charge	b	0. 1266 <u>188</u>	0. 1266 <u>1884</u>	Rider A
<u>Societal Benefits Charge ("SBC"):</u>				
NJ's Clean Energy		0.0325	0.0325	Rider E
RA		0.0262	0.0262	Rider C
USF		<u>0.0177</u>	<u>0.0177</u>	Rider H
Total SBC	c	<u>0.0764</u>	<u>0.0764</u>	
Delivery Charge (DEL)	a+b+c=d	<u>0.8523</u> <u>904</u>	<u>0.8523</u> <u>9045</u>	
<u>Basic Gas Supply Charge ("BGS")</u>				
BGS	e	<u>0.4290</u> <u>367</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 25~~, 2024
Issued by: Mark G. Kahrer, Senior Vice President
2024
Wall, NJ 07719

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

NEW JERSEY NATURAL GAS COMPANY

Thirty-~~Seventh~~^{Sixth} Revised Sheet No. 256

BPU No. 11 - Gas

Superseding Thirty-~~Sixth~~^{Fifth} Revised Sheet No. 256

SUMMARY OF FIRM COMMERCIAL RATE COMPONENTS

General Service - Large (GSL)

		<u>Bundled Sales</u>	<u>Transport</u>	<u>Reference</u>
<u>Customer Charge</u>				
Customer Charge per meter per month		104.00	104.00	
<u>Demand Charge</u>				
Demand Charge per month applied to HMAD		3.41	3.41	
<u>Delivery Charge ("DEL") per therm</u>				
Pre-tax Base Rate		0.3133	0.3133	
Pre-tax IIP Base Rate		<u>0.0083</u>	<u>0.0083</u>	Rider D
Total Pre-tax Base Rate (Margin Revenue Factor)		0.3216	0.3216	
SUT		<u>0.0213</u>	<u>0.0213</u>	Rider B
After-tax Base Rate		0.3429	0.3429	
CIP		0. 0353 <u>038</u>	0. 0353 <u>038</u>	Rider I
EE		<u>0.0494</u>	<u>0.0494</u>	Rider F
Subtotal	a	0. 4276 <u>430</u>	0. 4276 <u>430</u>	
Balancing Charge	b	0. 1266 <u>188</u>	0. 1266 <u>188</u>	Rider A
<u>Societal Benefits Charge ("SBC"):</u>				
NJ's Clean Energy		0.0325	0.0325	Rider E
RA		0.0262	0.0262	Rider C
USF		<u>0.0177</u>	<u>0.0177</u>	Rider H
Total SBC	c	<u>0.0764</u>	<u>0.0764</u>	
Delivery Charge (DEL)	a+b+c=d	<u>0.6306695</u>	<u>0.6306695</u>	
<u>Basic Gas Supply Charge ("BGS")</u>				
BGS	e	<u>\$0.3811</u>	X	Rider A

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

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

Date of Issue: **April 29, 2024**
 Issued by: **Mark G. Kahrer, Senior Vice President**
 Wall, NJ 07719

*Effective for service rendered on
 and after ~~May~~October 1, 2024*

*Filed pursuant to Order of the Board of Public Utilities entered in
 Docket No. **GR23060348***

NEW JERSEY NATURAL GAS COMPANY

Thirty-~~Sixth~~^{Fifth} Revised Sheet No. 258

BPU No. 11 - Gas

Superseding Thirty-~~Fifth~~^{Fourth} 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		104.00	104.00	
<u>Demand Charge</u>				
Demand Charge per therm per month applied to PBQ		2.35	2.35	
<u>Delivery Charge (“DEL”) per therm</u>				
Pre-tax Base Rate		0.0701	0.0395	
Pre-tax IIP Base Rate		<u>0.0025</u>	<u>0.0025</u>	Rider D
Total Pre-tax Base Rate		0.0726	0.0420	
SUT		<u>0.0048</u>	<u>0.0028</u>	Rider B
After-tax Base Rate		0.0774	0.0448	
EE		<u>0.0494</u>	<u>0.0494</u>	Rider F
Subtotal	a	0.1268	0.0942	
<u>Societal Benefits Charge (“SBC”):</u>				
NJ’s Clean Energy		0.0325	0.0325	Rider E
RA		0.0262	0.0262	Rider C
USF		<u>0.0177</u>	<u>0.0177</u>	Rider H
Total SBC	b	<u>0.0764</u>	<u>0.0764</u>	
Balancing Charge	c	<u>0.12661884</u>	<u>0.1266188</u> <u>4</u>	
DGC-Balancing Delivery Charge (DEL)	a+b+c=d	<u>0.32983916</u>	<u>0.2972359</u> <u>0</u>	
<u>Basic Gas Supply Charge (“BGS”)</u>				
BGS	e	<u>\$0.3811</u>	<u>\$0.3811</u>	Rider A

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

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

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

Date of Issue: **April 29, 2024**
 Issued by: **Mark G. Kahrer, Senior Vice President**
Wall, NJ 07719

Effective for service rendered on
and after ~~May~~^{October} 1, 2024

Filed pursuant to Order of the Board of Public Utilities entered in
Docket No. ~~GR23060348~~

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 2025 Docket No. GR24060372

NOTICE OF FILING AND PUBLIC HEARING

TO OUR CUSTOMERS:

PLEASE TAKE NOTICE that on May 31, 2024, New Jersey Natural Gas (“NJNG” or “Company”) filed a petition with the New Jersey Board of Public Utilities (“Board” or “BPU”) which constituted its 2024–2025 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 17, 2021 Order in BPU Docket No. GR21030679, 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 adjust its CIP rates effective October 1, 2024. Additionally, NJNG requested to increase its Balancing Charge effective October 1, 2024. The impact of the rate changes for a residential heating customer using an average of 100 therms per month would be a decrease of \$6.18 per month, or 4.1 percent as a result of the proposed BGSS rate, an increase of \$6.18 per month, or 4.1 percent as a result of the proposed Balancing Charge rate, and a decrease of \$0.12 per month, or 0.1 percent as a result of the proposed CIP rate. The combined impact of these rate changes would result in an overall decrease of approximately \$0.12 or 0.1 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, 2024, on natural gas bills for the applicable customer classes is estimated to be as follows:

		Total Monthly Bill		Monthly Bill Impact				% Impact			
Customer Type	Therm Level	Bill as of May 1, 2024	Proposed Bill as of October 1, 2024	BGSS	Balancing Charge	CIP	Net Increase/ (Decrease)	BGSS	Balancing Charge	CIP	Net Increase/ (Decrease)
Residential Heat Sales	100	\$150.04	\$149.92	(\$6.18)	\$6.18	(\$0.12)	(\$0.12)	(4.1%)	4.1%	(0.1%)	(0.1%)
Residential Non-Heat Sales	25	\$44.43	\$44.50	(\$1.55)	\$1.55	\$0.07	\$0.07	(3.5%)	3.5%	0.2%	0.2%
General Service – Small	100	\$170.13	\$169.17	(\$6.18)	\$6.18	(\$0.96)	(\$0.96)	(3.6%)	3.6%	(0.6%)	(0.6%)
General Service - Large	1200	\$1,645.40	\$1,648.88	(\$74.16)	\$74.16	\$3.48	\$3.48	(4.5%)	4.5%	0.2%	0.2%

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, 2024, and to a maximum of five (5) percent of the total residential bill, effective February 1, 2025. 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, 2024	Proposed Bill Including December and February BGSS 5 Percent Increases	Amount	Percent
Residential Heat Sales	100	\$149.92	165.29	\$15.37	10.3%
Residential Non-Heat Sales	25	\$44.50	48.34	\$3.84	8.6%
General Service – Small	100	\$169.17	184.54	\$15.37	9.1%

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

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

VIRTUAL PUBLIC HEARING

Date: August , 2024

Public Hearing 1: 4:30 pm

Public Hearing 2: 5:30 pm

Location: Zoom Virtual Webinar

Join: <https://us06web.zoom.us/j/2458136397?pwd=VUJpK1V0aDYxZDlIZUIwaElOWDFRZz09>

Meeting ID: 245 813 6397

Passcode: 819208

Dial-In Number: +1 646 876 9923

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

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

Copies of NJNG's May 31, 2024 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 Golden, at the Board of Public Utilities, 44 South Clinton Avenue, 1st Floor, P.O. Box 350, Trenton, New Jersey 08625-0350. All emailed or mailed comments should include the name of the Petition and the docket number.

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

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

NEW JERSEY NATURAL GAS COMPANY

PRE-FILED DIRECT TESTIMONY AND EXHIBITS OF

JAYANA S. SHAH

MANAGING DIRECTOR - GAS SUPPLY

**IN THE MATTER OF THE PETITION OF
NEW JERSEY NATURAL GAS COMPANY
FOR THE ANNUAL REVIEW AND REVISION OF ITS
BASIC GAS SUPPLY SERVICE (BGSS) AND CONSERVATION INCENTIVE
PROGRAM (CIP) RATES FOR F/Y 2025
BPU DOCKET NO. GR24060372
Pre-filed Direct Testimony of Jayana S. Shah**

I. Background and Purpose

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

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

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

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

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

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

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

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

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

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

- 17 • discuss current conditions in natural gas markets that may affect the Company's BGSS
18 pricing and BGSS incentive programs;
- 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, 2024. I am also sponsoring several exhibits that provide the
26 requisite detail and support for the projected gas costs and forecasted sales in this case
27 consistent with the annual Minimum Filing Requirements ("MFRs") that were
28 established in the Generic BGSS Order.

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, 2024
7 Section VI: Minimum Filing Requirements (“MFR”) Supporting Data and Information
8 Section VII: Conclusion
9

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

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

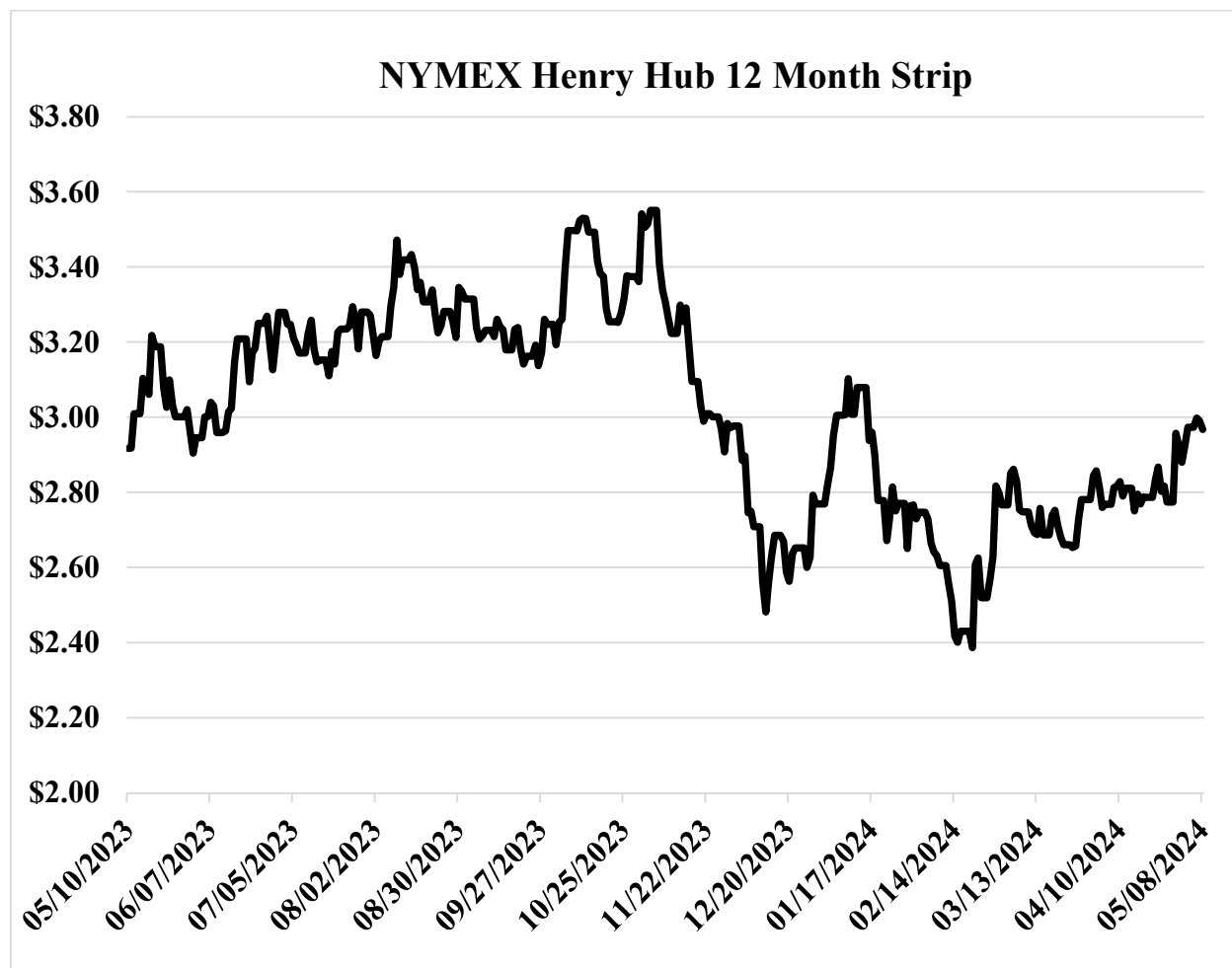
13 A. United States (“U.S.”) dry natural gas production is currently averaging 99.6 Bcf per day,
14 down 2.3 Bcf/d from 101.9 Bcf/d last year¹. LNG exports increased 10.7%, from 19.6
15 Bcf/d in January 2023 to 21.7 Bcf/d in January 2024².

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

17 A. New York Mercantile Exchange (“NYMEX”) Henry Hub natural gas futures prices
18 averaged \$2.39 per dekatherm (“dth”) this past winter, down 42.2% from \$4.13 per dth in
19 the winter of 2022-23. The NYMEX 12-month strip price (the average of the monthly
20 futures prices for a 12-month period) for the period ending May 8, 2024 reflects the nature
21 of the current natural gas market. As shown in the chart below, since NJNG’s last BGSS
22 filing, the NYMEX 12-month strip averaged approximately \$3.02 per dth with a high of
23 \$3.55 on November 2, 2023, and a low of \$2.39 per dth on February 20, 2024, including
24 daily settlement price swings as high as \$0.22 per dth. The 12-month NYMEX strip settled
25 at \$2.967 per dth on May 8, 2024, which is the date requested by BPU Staff to be used for
26 the underlying gas cost assumption, where applicable, for this year’s BGSS filing.

¹ EIA natural gas weekly update release date April 25, 2024

² EIA natural gas monthly January 2024



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

4 A. Yes. Tennessee Gas Pipeline (“Tennessee”) engaged with Active Parties in settlement
5 discussions beginning June 2023. Tennessee and the Active Parties reached a settlement
6 in principle on rates and other matters on January 8, 2024. On January 23, 2024, Tennessee
7 filed with the Federal Energy Regulatory Commission (“FERC”) in Docket Nos. RP24-
8 331-001 and RP19-351 a request to implement the initial rate reduction pursuant to the
9 settlement on an interim basis, which FERC approved by order dated February 21, 2024.
10 The settlement establishes reduced rates and terms effective January 1, 2024. A Petition
11 for Approval of Stipulation and Agreement was filed at FERC on March 20, 2024. The
12 Settlement provides for a phased, eight (8) percent cumulative reduction from the

1 Tennessee rates effective on December 31, 2023, with a two (2) percent rate reduction
2 effective on January 1, 2024; an additional two (2) percent rate reduction effective on
3 January 1, 2025; and an additional four (4) percent rate reduction effective on January 1,
4 2026. The reduced rates are reflected within the assumptions of this filing.

5 National Fuel Gas Supply Corporation (“National Fuel”) filed a general rate case
6 in Docket No. RP23-920-000 pursuant to Section 4 of the Natural Gas Act (“NGA”) on
7 July 31, 2023. The Company is an indirect customer of National Fuel, increasing NJNG’s
8 annual responsibility under Transcontinental Gas Pipeline’s (“Transco”) storage Rate
9 Schedule SS-2. Transco is a storage and transportation customer of National Fuel. Transco
10 uses the services it purchases from National Fuel to provide service to its customers,
11 including NJNG, under Transco Rate Schedule SS-2. On March 11, 2024, National Fuel
12 filed a stipulation agreement to place interim settlement rates into effect, which included
13 revised tariff records that reflect rate changes to various services. Included in the filing
14 were revised rates under National Fuel’s Rate Schedule SS-1, which Transco uses to render
15 service under its Rate Schedule SS-2. The revised rates were approved May 2, 2024 with
16 an effective date of February 1, 2024 and are reflected within the assumptions of this filing.

17 **Q. ARE ANY INTERSTATE PIPELINE RATE FILINGS ANTICIPATED TO**
18 **IMPACT BGSS SUPPLY PORTFOLIO COSTS OVER THE NEXT YEAR?**

19 **A.** Yes. Texas Eastern Transmission (“Tetco”) held an informational session on December
20 14, 2023 to notify its customers and other interested stakeholders of its intentions to pursue
21 a prepackaged rate settlement in 2024, with discussions and negotiations commencing in
22 the first quarter of 2024.

23 Algonquin Gas Transmission, LLC (“Algonquin”) must file a rate case by June 1,
24 2024 under the conditions of the prior rate case stipulation and agreement.

25 Transco must file a rate case by August 30, 2024 under the conditions of the prior
26 rate case stipulation and agreement.

27

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

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

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

11 A. Over the past several years, NJNG was focused on supply portfolio diversification. Having
12 met the goal this winter, the focus will shift to seek opportunities to optimize the portfolio
13 to achieve cost efficiency while maintaining reliability.

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

16 A. Yes. NJNG considers ten-year design day demand projections of firm loads to plan for
17 needed capacity resources to meet requirements. The Company also considers the need for
18 a reserve margin to protect against loss of citygate supply as an element of total
19 requirements for planning purposes. These elements of NJNG's planning process reflect
20 the market environment for capacity in the Northeast. Total requirements are compared to
21 resources under contract to identify shortfalls over the planning period. The Company will
22 file workpapers with additional information for MFRs under separate cover shortly.
23 Workpaper 7 will include the design day forecast and associated supplies through January
24 2034.

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

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

1 During the historically warm November 2023 through March 2024 winter, there
2 were no force majeure events on the interstate pipelines impacting this region.

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

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

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

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

16 A. No.

17 **Q. PLEASE PROVIDE AN UPDATE ON THE TRANSCO REGIONAL ENERGY**
18 **ACCESS (“REA”) PROJECT YOU DISCUSSED IN LAST YEAR’S BGSS FILING.**

19 A. Transco expects to place the REA Project in-service during the fourth quarter of 2024. The
20 REA capacity supports multiple NJNG portfolio goals. The REA capacity provides firm
21 access to the Marcellus Leidy area supply enhancing supply diversity and reducing price
22 volatility. In addition, incremental REA capacity results in future winter design day
23 interstate pipeline transportation and storage capacity to be balanced between Tetco and
24 Transco in the Central Division mitigating exposure to future force majeure or other events
25 that impact capacity availability on the Tetco system.

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

28 A. Yes. NJNG acquired capacity releases for firm transportation capacity on Eastern Gas
29 Transmission and Storage (“EGTS”) to maximize storage injection capabilities. The

1 details for the contracts are in Exhibit JSS-5. Without the additional capacity, NJNG would
2 have to pay interruptible transportation charges plus fuel to inject volumes into EGTS
3 storage.
4

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

6 **Q. HAS THE COMPANY ENTERED INTO NON-INTERSTATE PIPELINE SUPPLY**
7 **ARRANGEMENTS?**

8 **A.** Yes, the Company entered into a transaction with Ocean Energy Holdings, LLC to
9 purchase natural gas supply produced from the Ocean County Landfill. The facilities are
10 currently under construction and expected to be in-service in December 2024.
11

12 **IV. Optimization Strategy**

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

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

20 A fundamental part of the Company's strategy is to maintain sufficient flexibility
21 to be prepared to react to changes in customer requirements and changes in market
22 conditions. That approach provides the most reliable and economic gas supply for our
23 customers. Weather conditions, system limitations and requirements, market prices,
24 storage status, pipeline constraints, market opportunities and other demand/supply issues
25 are reviewed and analyzed daily by the Gas Supply team to ensure the optimal use of
26 NJNG's portfolio of assets.
27

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

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

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

11 **Q. WHAT ADDITIONAL STEPS IS THE COMPANY TAKING TO HELP**
12 **MAINTAIN PRICE STABILITY FOR THE UPCOMING 2024-2025 WINTER**
13 **HEATING SEASON?**

14 A. In the normal course of the gas procurement function, NJNG's Gas Supply team has hedged
15 approximately 78 percent of the projected winter period sendout for Periodic BGSS
16 customers of approximately 40.3 Bcf, with 31.61 Bcf of fixed price positions as part of the
17 Storage Incentive ("SI") program for the upcoming summer's injections. Another
18 approximately 8 percent of the normal weather winter heating season requirements will be
19 hedged by the end of the 2024 summer using the fixed priced storage inventory that is not
20 part of the SI program. The inventory in NJNG's LNG facilities provides additional price
21 stability for the upcoming winter season.
22

23 **V. Periodic BGSS Pricing effective October 1, 2024**

24 **Q. WHAT PERIODIC BGSS PRICING CHANGE DOES THE COMPANY PROPOSE**
25 **TO IMPLEMENT EFFECTIVE OCTOBER 1, 2024?**

26 A. Through this filing, NJNG is proposing to decrease its pre-tax Periodic BGSS recovery
27 price, effective October 1, 2024, from \$0.4023 per therm to \$0.3444 per therm, an
28 approximate 4.1 percent decrease to an average residential heating customer's bill.

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

A. Over the years, through the efforts of Board Staff, Rate Counsel and NJNG, BGSS incentive programs have been established that mitigate both the impacts of commodity prices and the volatility in the natural gas market for natural gas customers. The BGSS forecast in this filing includes the NJNG BGSS incentives in Exhibits A and B projected through the 2025 BGSS period based on the Board-approved sharing formulas. The Company's BGSS incentive programs include Off-System Sales, Capacity Release and SI. These programs were approved by the Board pursuant to an October 15, 2015 Order in Docket No. GR15030392 ("BGSS Incentives Order").

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

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

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

A. NJNG's Gas Supply team was able to optimize the value of the Company's gas supply, transportation and storage portfolio, hedge its gas costs and provide its BGSS customers with reliable natural gas supply services this past year. The Company also secured important capacity resources to achieve portfolio goals. The Company will continue gas cost management activities, including the successful optimization of storage injections, by hedging gas costs and by engaging in off-system sales and capacity release transactions during periods when that capacity is not required to serve core customers. NJNG

1 constantly monitors changing market conditions and focuses on lowering costs to provide
2 reliable supply in the most cost-effective manner.

3 NJNG is requesting approval to decrease its pre-tax Periodic BGSS rate from
4 \$0.4023 per therm to \$0.3444 per therm.

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

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

JSS Exhibits

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

NEW JERSEY NATURAL GAS COMPANY
GAS SUPPLY AND COST SUMMARY

Exhibit JSS-1
Page 1 of 3

	Algonquin Mdth	Columbia Mdth	Tennessee Mdth	Transco Mdth	Tetco Mdth	Storage AMA Mdth	EGTS Mdth	Hedged Mdth	PSEG Mdth	OCLF Mdth	Other Mdth	Demand Mdth	Injections Mdth	Withdrawals Mdth	LNG Mdth	Total Mdth
Oct-24	0	155	1,113	1,205	4,271	0	990	0	0	0	3,544	0	4,979	0	18	16,274
Nov-24	0	150	0	558	2,991	0	0	0	0	0	5,558	0	0	2,267	16	11,540
Dec-24	155	155	0	879	0	0	0	0	0	93	5,738	0	0	8,109	78	15,206
Jan-25	155	155	0	1,097	0	0	0	0	0	109	5,735	0	0	9,766	250	17,266
Feb-25	140	98	0	508	0	0	0	0	0	98	5,365	0	0	8,850	77	15,136
Mar-25	0	155	0	2,010	0	0	0	0	0	109	5,736	0	0	5,653	17	13,680
Apr-25	0	150	1,077	2,639	4,134	0	958	0	0	105	7,209	0	4,861	0	17	21,149
May-25	0	155	1,113	596	4,271	0	990	0	0	109	7,443	0	5,013	0	17	19,706
Jun-25	0	150	1,077	3	4,055	0	958	0	0	105	7,211	0	4,861	0	18	18,437
Jul-25	0	155	1,113	3	4,126	0	990	0	0	109	7,470	0	5,013	0	17	18,995
Aug-25	0	155	1,113	3	4,054	0	990	0	0	109	7,488	0	5,013	0	17	18,942
Sep-25	0	150	1,077	3	3,987	0	958	0	0	105	7,200	0	4,861	0	18	18,359

NEW JERSEY NATURAL GAS COMPANY
GAS SUPPLY AND COST SUMMARY

Exhibit JSS-1
Page 2 of 3

	Algonquin	Columbia	Tennessee	Transco	Tetco	Storage AMA	EGTS	Hedged	PSEG	OCLF	Other	Demand	Injections	Withdrawals	LNG	Total
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	
Oct-24	0	235	1,658	1,894	6,338	0	1,484	3,440	0	0	5,699	20,458	9,899	0	84	51,189
Nov-24	0	329	0	1,155	6,173	0	0	0	0	0	11,501	21,125	0	5,076	74	45,433
Dec-24	464	455	0	2,503	0	0	0	0	0	184	16,131	21,424	0	18,181	360	59,702
Jan-25	534	499	0	3,615	0	0	0	0	0	254	18,608	21,422	0	21,894	1,153	67,980
Feb-25	469	305	0	1,597	0	0	0	0	0	222	16,865	20,524	0	19,841	355	60,178
Mar-25	0	440	0	5,581	0	0	0	0	0	205	15,483	21,422	0	12,675	78	55,884
Apr-25	0	345	2,430	6,279	9,637	0	2,204	0	0	166	16,856	20,004	11,467	0	78	69,466
May-25	0	356	2,510	1,354	9,676	0	2,227	0	0	166	17,228	20,303	11,527	0	80	65,429
Jun-25	0	353	2,489	7	9,409	0	2,230	0	0	165	17,252	20,004	11,476	0	85	63,469
Jul-25	0	394	2,778	8	10,030	0	2,422	0	0	180	19,295	20,303	12,467	0	80	67,958
Aug-25	0	385	2,711	8	9,826	0	2,366	0	0	179	18,896	20,303	12,345	0	80	67,100
Sep-25	0	333	2,349	7	8,755	0	2,102	0	0	156	16,228	20,004	10,866	0	85	60,884

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	Storage AMA \$/dth	EGTS \$/dth	Hedged \$/dth	PSEG \$/dth	OCLF \$/dth	Other \$/dth	Demand \$/dth	Injections \$/dth	Withdrawals \$/dth	LNG \$/dth	Total
Oct-24		1.5157	1.4897	1.5720	1.4838		1.4995				1.6082		1.9882		4.6747	3.1454
Nov-24		2.1964		2.0692	2.0642						2.0692			2.2389	4.6135	3.9370
Dec-24	2.9920	2.9371		2.8485						1.9784	2.8114			2.2421	4.6135	3.9261
Jan-25	3.4453	3.2214		3.2958						2.3368	3.2446			2.2420	4.6135	3.9372
Feb-25	3.3482	3.1081		3.1435						2.2652	3.1435			2.2420	4.6135	3.9758
Mar-25		2.8374		2.7762						1.8928	2.6992			2.2420	4.6135	4.0850
Apr-25		2.2978	2.2563	2.3793	2.3314		2.3005			1.5834	2.3384		2.3591		4.6135	3.2846
May-25		2.2972	2.2558	2.2720	2.2654		2.2500			1.5343	2.3147		2.2996		4.6787	3.3202
Jun-25		2.3536	2.3111	2.3465	2.3206		2.3275			1.5755	2.3926		2.3609		4.7026	3.4425
Jul-25		2.5428	2.4966	2.5372	2.4308		2.4470			1.6577	2.5831		2.4872		4.7026	3.5777
Aug-25		2.4818	2.4367	2.4773	2.4236		2.3900			1.6524	2.5234		2.4629		4.7026	3.5424
Sep-25		2.2219	2.1819	2.2071	2.1960		2.1940			1.4829	2.2537		2.2355		4.7026	3.3163

**New Jersey Natural Gas Company
Historical Service Interruptions
for BGSS Year 2024
(MFR#10)**

Tariff Condition	Period	Applicable Service Classes	# of cust	Reason(s)
Daily Balancing¹	1/14/2024 - 1/21/2024	Interruptible Transportation & Interruptible Sales	25	Operational

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

Five Highest Demand Days for each of the Past Three Years

EXHIBIT JSS-3

Page 1 of 1

NORTHERN DIVISION						CENTRAL DIVISION					TOTAL SENDOUT	Interruptible	Electric Generation	FIRM SENDOUT	NOAA DEGREE DAYS
Month	Day	Texas Eastern	Algonquin	Tennessee	Columbia	NORTH	Texas Eastern	Transco	NJNG LNG	CENTRAL					
Jan'24	17	34,718	16,865	37,510	12,286	101,379	357,811	109,527	93,078	560,416	661,794	4,665	63,283	593,847	43
Jan'24	20	31,518	14,908	39,933	14,799	101,158	367,899	53,394	65,019	486,312	587,470	4,025	32	583,413	43
Jan'24	16	35,036	13,401	35,467	12,207	96,111	366,386	83,635	74,099	524,120	620,232	4,660	72,407	543,165	41
Jan'24	21	27,751	14,863	35,469	14,771	92,854	382,810	53,345	15,024	451,179	544,033	3,847	37	540,149	40
Jan'24	19	29,886	13,856	35,530	12,297	91,569	357,796	51,966	25,395	435,157	526,727	4,033	24	522,669	40
Dec'22	24	30,462	20,010	41,122	21,545	113,139	259,054	218,647	138,605	616,306	729,445	4,437	50,674	674,333	49
Feb'23	3	42,341	18,667	40,129	14,953	116,090	253,377	267,633	100,297	621,307	737,397	4,554	86,441	646,402	46
Dec'22	23	23,966	18,054	41,098	19,368	102,486	280,743	219,770	73,683	574,196	676,682	4,406	65,958	606,318	46
Dec'22	25	15,863	19,988	41,115	19,677	96,643	291,001	163,210	20,805	475,016	571,659	4,046	39	567,574	42
Feb'23	4	38,970	15,000	32,074	11,891	97,935	303,266	216,542	1,017	520,825	618,760	4,098	70,058	544,604	39
Jan'22	29	31,231	18,808	41,587	17,653	109,279	379,190	68,378	93,959	541,527	650,806	398	0	650,408	49
Jan'22	15	35,870	17,840	39,593	15,057	108,360	410,982	77,421	55,329	543,732	652,092	202	19,570	632,320	49
Jan'22	11	31,542	17,829	39,533	14,988	103,892	425,797	100,859	23,357	550,013	653,905	107	49,602	604,196	44
Jan'22	21	31,548	15,884	39,574	17,608	104,614	363,824	55,589	69,853	489,266	593,880	85	2,459	591,336	45
Feb'22	14	42,020	13,888	31,763	12,134	99,805	379,272	57,567	52,062	488,901	588,706	5,004	1	583,701	43

Company	Filing Date	Docket	Description of Filing	Type of Intervention
Columbia Gas Transmission	5/9/2023	CP23-476-000	For authorization to abandon one injection/withdrawal well, connecting pipeline, and appurtenances located in the Ripley Storage Field in Jackson County, West Virginia, all as more fully set forth in the application which is on file with the Commission and open for public inspection.	Plain Vanilla Intervention
Columbia Gas Transmission	6/1/2023	RP23-824-000	TCRA Filing-Texas Eastern Refund Effective 7/01/23	Plain Vanilla Intervention
National Fuel Gas Supply	6/9/2023	CP23-496-000	For authorization to abandon five storage wells and associated well lines in its Swede Hill Storage Field located in Hamilton Township, McKean County, Pennsylvania.	Plain Vanilla Intervention
Columbia Gas Transmission	6/15/2023	CP23-498-000	Joint Application of Columbia Gas & Millennium Pipeline to amend certificates of public convenience and necessity and auth to abandon by lease	Plain Vanilla Intervention
Columbia Gas Transmission	6/15/2023	CP23-497-000	Authorization to abandon one injection/withdrawal well, connecting pipeline, and appurtenances located in the Coco C Storage Field in Kanawha County, West Virginia, all as more fully set forth in the application which is on file with the Commission and open for public inspection.	Plain Vanilla Intervention
Columbia Gas Transmission	6/27/2023	CP23-504-000	Abandon one injection/withdrawal well, connecting pipe, and appurtenant facilities located at the Wellington Storage Field in Lorain County, Ohio	Plain Vanilla Intervention
National Fuel Gas Supply	6/29/2023	CP23-506-000	Abandon two injection/withdrawal storage wells, EC-463 and State Line 7405, and the associated well lines ECW463 and NSLW7405, in its Beech Hill Storage Field (Beech Hill) located in Allegany County, New York. National Fuel states the abandonment is required due to localized corrosion on the production strings of EC-463 and State Line 7405 wells.	Plain Vanilla Intervention
Eastern Gas Transmission and Storage	6/30/2023	RP23-860-000	2023 Overrun & Penalty	Plain Vanilla Intervention
Texas Eastern	6/30/2023	RP23-862-000	EPC effective 8/01/23	Plain Vanilla Intervention
Tennessee Gas Pipeline	6/30/2023	RP23-863-000	TGP Power Serve	Plain Vanilla Intervention
Transcontinental Gas Pipe Line	7/7/2023	RP23-886-000	IT Feeder to FT McMullen Lateral	Plain Vanilla Intervention
Texas Eastern	7/24/2023	CP23-520-000	Authorization to re-route and replace a segment of 30-inch diameter pipeline near a crossing of the Ohio River in Monroe County, Ohio	Plain Vanilla Intervention
Columbia Gas Transmission	7/28/2023	CP23-521-000	Abandon one injection/withdrawal storage well, connecting pipeline, and appurtenant facilities located in the Weaver Storage Field in Richland County, Ohio (2023 Weaver Well 8889 Abandonment Project). Columbia has determined that plugging and abandoning the Weaver Well is the best course of action to maintain Weaver Field's integrity and efficiency and aligns with the Pipeline and Hazardous Materials Safety Administration Storage Final Rule.	Plain Vanilla Intervention
National Fuel Gas Supply	7/31/2023	RP23-929-000	National Fuel Rate Case 2023 to be effective 9/01/23	Motion to Intervene and Protest
Columbia Gas Transmission	8/1/2023	RP23-949-000	Creditworthiness Rate Filing	Plain Vanilla Intervention

Company	Filing Date	Docket	Description of Filing	Type of Intervention
Adelphia Gateway	8/1/2023	RP23-951-000	ACA effective 10/01/23	Plain Vanilla Intervention
Tennessee Gas Pipeline	8/8/2023	CP23-526-000	Authorization to construct its Sunnyside Supply Project. Tennessee proposes to upgrade the existing electric motor drive for Unit 2A and to install various enhancements at its existing Compressor Station (CS) 323A located in Pike County, Pennsylvania. Tennessee states that the project will increase the horsepower of Unit 2A by 2,200 horsepower (HP), bringing the total certificated horsepower at CS 323A to 27,800 HP. Tennessee asserts that the project will deliver 30,000 dekatherms per day of firm transportation service to Lackawanna Energy Center LLC.	Plain Vanilla Intervention
Big Sandy Pipeline, LLC, Bobcat Gas Storage, East Tennessee Natural Gas, LLC, Egan Hub Storage, LLC, Garden Banks Gas Pipeline, LLC, Mississippi Canyon Gas Pipeline, L.L.C., Moss Bluff Hub, LLC, Nautilus Pipeline Company, L.L.C., NEXUS Gas Transmission, LLC, Sabal Trail Transmission, LLC, Saltville Gas Storage Company L.L.C., Southeast Supply Header, LLC, Steckman Ridge, LP, Texas Eastern Transmission, LP, Maritimes & Northeast Pipeline, L.L.C., Algonquin Gas Transmission, LLC	8/15/2023	RP23-967-000	Compliance filing: Big Sandy Pipeline, LLC submits tariff filing per 154.203: Enbridge (U.S.) Pipelines - LINK System Maintenance.	Plain Vanilla Intervention
Columbia Gas Transmission	8/17/2023	CP23-529-000	Authorization to abandon two injection/withdrawal well, connecting pipeline, and appurtenances located in the Victory B Storage Field in Marshall County, West Virginia	Plain Vanilla Intervention
Transcontinental Gas Pipe Line	8/18/2023	CP23-531-000	Authorization for its Abandonment of South Marsh Island 147 to South Marsh Island 130 Project (Project). The Project consists of the abandonment of its offshore transmission lateral extending from South Marsh Island Block 147 to a subsea tie-in in South Marsh Island Block 130 and auxiliary facilities, Offshore, Louisiana. Transco states that the Project will permit it to eliminate costs and risks associated with retention of the SMI 147 to SMI 130 Lateral.	Plain Vanilla Intervention
Texas Eastern	8/25/2023	RP23-980-000	Penalty Disbursement Report	Plain Vanilla Intervention
Texas Eastern	8/28/2023	RP23-981-000	2023 Operational Entitlements Filing	Plain Vanilla Intervention
Transcontinental Gas Pipe Line	8/30/2023	RP23-985-000	ACA Tracker effective 10/01/23	Plain Vanilla Intervention

Company	Filing Date	Docket	Description of Filing	Type of Intervention
Texas Eastern	9/7/2023	CP23-538-000	Authorization to: (1) abandon in-place an approximately 1.75-mile-long, 20-inch-diameter portion of its Line 40-G supply lateral; and (2) abandon by removal its M&R Station 72138 and related piping, all located in offshore federal waters in the Gulf of Mexico near Louisiana (Line 40-G Partial Abandonment Project). Texas Eastern states that the project will allow Texas Eastern to eliminate the need for capital expenditures associated with the ongoing maintenance and repair of facilities that are no longer required for gas transportation service. Texas Eastern states that the project will have no impact on the certificated capacity of Texas Eastern's system, and no customer has a primary firm receipt point or primary firm delivery point on the segments to be abandoned.	Plain Vanilla Intervention
Transcontinental Gas Pipe Line	9/12/2023	RP23-1035-000	REA Enhancement Project	Plain Vanilla Intervention
Transcontinental Gas Pipe Line	9/14/2023	RP23-1038-000	REA Interim Service effective 10/15/23	Plain Vanilla Intervention
Transcontinental Gas Pipe Line	9/22/2023	RP23-1049-000	Annual Cash-Out Report	Plain Vanilla Intervention
Transcontinental Gas Pipe Line	9/25/2023	RP23-1055-000	Non-Conforming-REA Interim Firm Service	Plain Vanilla Intervention
Texas Eastern	9/28/2023	RP23-1091-000	Action Alert Penalty	Plain Vanilla Intervention
Eastern Gas Transmission and Storage	9/29/2023	RP23-1094-000	EPCA	Plain Vanilla Intervention
Eastern Gas Transmission and Storage	9/29/2023	RP23-1095-000	TCRA	Plain Vanilla Intervention
National Fuel Gas Supply	9/29/2023	RP23-1097-000	GHG/PS Filing	Plain Vanilla Intervention
Tennessee Gas Pipeline	9/29/2023	RP23-1103-000	Pipeline Safety & GHG Cost	Plain Vanilla Intervention
Algonquin	9/29/2023	RP23-1113-000	OFO Penalty Disbursement Report	Plain Vanilla Intervention
Texas Gas	9/29/2023	RP23-1116-000	Fuel Tracker	Plain Vanilla Intervention
Transcontinental Gas Pipe Line	9/29/2023	RP23-1134-000	Cash Out Surcharge	Plain Vanilla Intervention
Tennessee Gas Pipeline	10/6/2023	RP24-28-000	East 300 Upgrade Project-Recourse Rate effective 11/01/23	Plain Vanilla Intervention
Columbia Gas Transmission	10/10/2023	CP24-3-000	Amendment to Order Issuing Cert and authorizing abandonment	Plain Vanilla Intervention
Columbia Gas Transmission	10/13/2023	CP24-5	Authorization to abandon and replace sections of its existing SR538 pipeline, abandon its existing SR424 pipeline, install a bi-directional launching and receiving station for in-line inspection devices, and perform other related appurtenant activities. All of the above facilities are located in Hocking County, Ohio (SR538 Pipeline Replacement Project). The project will allow Columbia to conduct in-line inspection, or pigging, of Line SR538 to ensure compliance with DOT requirements for inspections of pipeline systems.	Plain Vanilla Intervention

Company	Filing Date	Docket	Description of Filing	Type of Intervention
Columbia Gas Transmission	10/23/2023	CP24-11-000	Authorization to abandon by sale, five injection/withdrawal (I/W) wells (Donegal Wells) located in its Donegal Storage Field. All of the above facilities are located in Washington County, Pennsylvania (Donegal Storage Field Wells Abandonment Project). The project will allow Columbia to abandon the Donegal Wells due to coal mining operations currently being developed within the Donegal Storage Field boundary	Plain Vanilla Intervention
Transcontinental Gas Pipe Line	10/26/2023	RP24-57-000	Annual Penalty Revenue Sharing Report - for the annual period ending July 31, 2023	Plain Vanilla Intervention
Transcontinental Gas Pipe Line	10/26/2023	RP24-61-000	GSS, LSS & SS-2 Tracker Filing	Plain Vanilla Intervention
Texas Eastern	10/27/2023	RP24-68-000	TETLP October 2023 Penalty Disbursement Report	Plain Vanilla Intervention
Texas Eastern	10/30/2023	RP24-82-000	PCB Dec 2023	Plain Vanilla Intervention
Algonquin	10/31/2023	RP24-84-000	AGT FRQ effective 12-01-23	Plain Vanilla Intervention
Texas Eastern	10/31/2023	RP24-102-000	ASA effective 12-01-23	Plain Vanilla Intervention
Columbia Gas Transmission	11/1/2023	RP24-121-000	OTRA effective 12-01-23	Plain Vanilla Intervention
Transcontinental Gas Pipe Line	11/2/2023	CP24-12-000	The Project consists of Transco abandoning offshore laterals extending from Ship Shoal Block 246 Platform A to the Ship Shoal Block 242 underwater platform, and auxiliary facilities, located Offshore, Louisiana. Transco states that this proposal is related to QuarterNorth Energy, LLC's intention to abandon its SS 246 Platform which Transco holds a minority interest in.	Plain Vanilla Intervention
Columbia Gas Transmission	11/6/2023	CP24-15-000	Authorization to modify the existing Line D322 pipeline at various locations, including the installation of two bi-directional launching and receiving stations for in-line inspection (ILI) devices, and other appurtenant facilities. All of the above facilities are located in Morrow, Marion, Hardin, and Allen Counties, Ohio (Line D322 East ILI Project). The project will allow Columbia to enable the bi-directional in-line inspection, or pigging, of its 16-inch-diameter Line D322.	Plain Vanilla Intervention
Adelphia Gateway	11/7/2023	R24-147-000	NJNG negotiated rate agreement - point change	Plain Vanilla Intervention
Columbia Gas Transmission	11/16/2023	CP24-17-000	Authorization to modify the existing Line D322 pipeline at various locations, including the installation of two bi-directional launching and receiving stations for in-line inspection devices, and abandoning approximately 8 miles of its 12-inch diameter Line D322. All of the above facilities are located in Morrow, Marion, Hardin, and Allen Counties, Ohio (Line D322 West ILI Project). The project will allow Columbia to perform installations and activities to enable bi-directional in-line inspection, or pigging, as well as abandon a section of its Line D322.	Plain Vanilla Intervention
Tennessee Gas Pipeline	11/29/2023	RP24-176-000	Cashout Report 2022-2023	Plain Vanilla Intervention

Company	Filing Date	Docket	Description of Filing	Type of Intervention
Algonquin	11/30/2023	CP24-21-000	Authorization to modify its existing E System Lateral Tap Site (Tap Site) located in the Town of Coventry, Tolland County, Connecticut (E-1 System Regulator Installation Project or Project). Algonquin states that the Project will have no impact on the certificated capacity of its system, and there will be no abandonment or reduction in service to any customer of Algonquin as a result of the Project.	Plain Vanilla Intervention
Texas Eastern	12/18/2023	CP24-31-000	Authorization to replace a segment of its Line 2 in Union and Middlesex Counties, New Jersey (Rahway River Line 2 Pipeline Replacement Project or Project). Specifically, Texas Eastern proposes to: (1) install an approximately 1,260-foot segment of 20-inch-diameter via horizontal directional drill, (2) conventionally install approximately 460 feet of 20-inch-diameter pipeline to tie into Texas Eastern's existing Line 2, and (3) abandon in-place approximately 1,875 feet of Line 2. Texas Eastern states that the Project is designed to ensure the continued safe operation of Texas Eastern's pipeline facilities. Texas Eastern further asserts that the Project will have no impact on the certificated capacity of its system and there will be no abandonment or reduction in service to any of its customers as a result of the Project.	Plain Vanilla Intervention
Columbia Gas Transmission	12/20/2023	RP24-257-000	§4(d) Rate Filing: Discount Type Adjustments, Revision to GT&C Section 46 to be effective 1/20/2024.	Plain Vanilla Intervention
Transcontinental Gas Pipe Line	12/27/2023	RP24-264-000	Compliance filing: Cash Out Surcharge True Up Filing 2024 to be effective 2/1/2024.	Plain Vanilla Intervention
Texas Eastern	12/28/2023	RP24-271	§4(d) Rate Filing: TETLP EPC FEB 2024 FILING to be effective 2/1/2024	Plain Vanilla Intervention
National Fuel Gas Supply	1/11/2024	CP24-35-000	Authorization to abandon injection/withdrawal storage well EC-459 in its Beech Hill Storage Field (Beech Hill), and to abandon in place a portion of the associated well line, ECW 459. All of the above facilities are located in Allegany County, New York. (Well EC-459 Abandonment Project). The project will allow [National Fuel] to abandon a well that contains localized corrosion on its production string, all as more fully set forth in the request which is on file with the Commission and open to public inspection.	Plain Vanilla Intervention
Transcontinental Gas Pipe Line	1/12/2024	RP24-316-000	Compliance filing: Washington Storage_Section 284.504 (b) Filg Hartree Acquisition.	Plain Vanilla Intervention
Transcontinental Gas Pipe Line	1/17/2024	CP24-42-000	Authorization to construct its Mainline "A" MP 1817.1 Newark Relocation Project (Project). Specifically, Transco proposes to install 0.42 miles of 30-inch-diameter Mainline "A" pipeline and abandon in-place approximately 0.40 miles of existing 30-inch-diameter Mainline "A" pipeline in Essex County, New Jersey to accommodate development of a warehouse by the landowner.	Plain Vanilla Intervention
Eastern Gas Transmission and Storage	1/19/2024	CP24-45-0000	30 Day Advanced Notification of Replacement of Facilities for the Lebanon HP Replacement Project	Plain Vanilla Intervention
Tennessee Gas Pipeline	1/23/2024	RP24-333-000	§4(d) Rate Filing: Implementation of Period 1 Settlement Rates on an Interim Basis to be effective 1/1/2024.	Plain Vanilla Intervention

Company	Filing Date	Docket	Description of Filing	Type of Intervention
Algonquin	1/30/2024	CP24-49-000	Algonquin Gas Transmission, LLC submits Prior Notice Requests to Offset and Replace a Segment of 6" Diameter Pipeline with 12" Diameter Pipeline at a Crossing of the Sakonnet River in Newport County, Rhode Island under CP24-49.	Plain Vanilla Intervention
Transcontinental Gas Pipe Line	2/6/2024	RP24-393-000	LSS & SS-2 filing effective 2/01/24	Plain Vanilla Intervention
National Fuel Gas Supply	2/16/2024	RP24-403-000	Fuel Tracker effective 4/01/24	Plain Vanilla Intervention
Eastern Gas Transmission and Storage	2/23/2024	RP24-422-000	Fuel Retention effective 4/01/24	Plain Vanilla Intervention
National Fuel Gas Supply	2/23/2024	CP24-68-000	Abandon by sale to Lenape Resources LLC its Derby Storage Field, including all facilities associated with the field, located in the Town of Evans, and three other wells (the New Oregon Road Wells) located in the Town of North Collins, Erie County, New York	Plain Vanilla Intervention
Columbia Gas Transmission	2/27/2024	RP24-430-000	Annual Report on Operational Transactions	Plain Vanilla Intervention
Adelphia Gateway	2/28/2024	RP24-441-000	Refund Report	Plain Vanilla Intervention
Columbia Gas Transmission	2/29/2024	RP24-446-000	CCRM 2024 effective 4/01/24	Plain Vanilla Intervention
Tennessee Gas Pipeline	2/29/2024	RP24-453-000	Annual Fuel Adjustment Filing effective 4/01/24	Plain Vanilla Intervention
Transcontinental Gas Pipe Line	2/29/2024	RP24-459-000	Annual Fuel Tracker Filing effective 4/01/24	Plain Vanilla Intervention
Columbia Gas Transmission	2/29/2024	RP24-462-000	EPCA 2024 effective 4/01/24	Plain Vanilla Intervention
Columbia Gas Transmission	2/29/2024	RP24-463-000	TCRA 2024 effective 4/01/24	Plain Vanilla Intervention
Columbia Gas Transmission	2/29/2024	RP24-464-000	RAM 2024 effective 4/01/24	Plain Vanilla Intervention
Transcontinental Gas Pipe Line	3/1/2024	RP24-499-000	Annual Electric Power Tracker Filing effective 4/01/24	Plain Vanilla Intervention
Adelphia Gateway	3/1/2024	RP24-506-000	SBA Filing effective 4/01/24	Plain Vanilla Intervention
Adelphia Gateway	3/6/2024	RP24-510-000	OPS Report	Plain Vanilla Intervention
Transcontinental Gas Pipe Line	3/7/2024	RP24-515-000	SS-2 & LSS effective 4/01/24	Plain Vanilla Intervention
National Fuel Gas Supply	3/11/2024	RP24-519-000	Non-Jurisdictional Gathering Facilities	Plain Vanilla Intervention
National Fuel Gas Supply	3/14/2024	RP24-524-000	Update to Applicable Rates (Part 4) to be effective effective 4/01/24	Plain Vanilla Intervention
Transcontinental Gas Pipe Line	3/21/2024	RP24-555-000	LSS/SS-2 Tracker effective 2/01/24 & 4/01/24	Plain Vanilla Intervention
Columbia Gas Transmission	3/28/2024	RP24-595-000	OTRA effective 5-01-24	Plain Vanilla Intervention
National Fuel Gas Supply	3/29/2024	RP24-616-000	2024 PS/GHG	Plain Vanilla Intervention

Company	Filing Date	Docket	Description of Filing	Type of Intervention
Eastern Gas Transmission and Storage	4/1/2024	CP24-113-000	Authorization to install certain facilities in Greene County, Pennsylvania; Marshall County, West Virginia; and Monroe County, Ohio (Heartland Extension Project). EGTS proposes to install a 7,700 horsepower gas-fired, turbine-driven compressor unit at its Crayne Compressor Station and install additional upgrades at its Mullett, Burch Ridge, and Mockingbird Hill Compressor Stations. The Heartland Extension Project is fully subscribed and will deliver 60,000 dekatherms per day of firm transportation service to an existing interconnection with Rockies Express Pipeline LLC in Clarington, Ohio.	Plain Vanilla Intervention

Contract Changes

Transportation capacity contracts extended:

Pipeline	Contract	Maximum Daily Quantity (DTH)	Extended Start Date	Extended End Date
Columbia	11853	10,000	Dec-2024	Mar-2027
EGTS	700109	26,000	Apr-2024	Mar-2025
EGTS	700111	53,500	Apr-2024	Mar-2025
EGTS	700115	35,000	Apr-2024	Mar-2025
Tennessee	29185	10,894	Nov-2024	Oct-2029
Tetco	008696	27,000	Jun-2025	May-2026
Tetco	008697	9,498	Nov-2024	Oct-2025
Tetco	330789	10,789	Apr-2025	Mar-2026
Tetco	331500	35,000	Apr-2025	Mar-2026
Tetco	331724	35,487	Apr-2025	Mar-2026
Tetco	331821	9,555	Apr-2025	Mar-2026
Tetco	800506	12,000	Nov-2024	Oct-2025
Tetco	910060	40,000	Nov-2024	Oct-2025
Tetco	910064	1,060	Nov-2024	Oct-2025
Tetco	910240	19,790	Nov-2024	Oct-2025
Tetco	910508	20,000	Nov-2024	Oct-2025
Tetco	910593	10,559	Nov-2024	Oct-2025
Tetco	910610	100,000	Nov-2024	Oct -2025
Transco	1000628	5,000	Jan-2025	Dec-2025
Transco	1000674	3,250	Jan-2025	Dec-2025
Transco	1003834	10,350	Jan-2025	Dec-2025
Transco	1010444	3,931	Jan-2025	Dec-2025
Transco	9276053	130,000	Nov-2023	Sep-2024

Storage capacity contracts extended:

Storage	Contract	Maximum Storage Quantity (DTH)	Extended Start Date	Extended End Date
EGTS	300215	1,568,533	Apr-2024	Mar-2025
EGTS	300217	2,950,000	Apr-2024	Mar-2025
EGTS	300222	2,500,000	Apr-2024	Mar-2025
EGTS	600031	4,353,382	Apr-2026	Mar-2027
Tetco	400188	3,973,146	May-2025	Apr-2026
Tetco	412004	2,180,010	May-2025	Apr-2026

New Transportation capacity contracts:

Pipeline	Contract	Maximum Daily Quantity (DTH)	Start Date	End Date
EGTS	5I9536	5,000	Jun-2023	Jun-2023
EGTS	5L0947	4,000	Oct-2023	Oct-2023
EGTS	5L3054	30,000	Apr-2024	Oct-2024
EGTS	5L3093	20,000	Apr-2024	Oct-2024

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 2025
BPU DOCKET NO. GR24060372
Pre-Filed Direct Testimony of Christopher S. Micak**

I. Introduction

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

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

Q. PLEASE DESCRIBE YOUR EDUCATION AND BUSINESS EXPERIENCE.

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

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

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

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

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

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

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

5 A. The purpose of this testimony is to provide background of previous BGSS and CIP
6 proceedings, propose the BGSS, Balancing Charge, and CIP rates to be effective October
7 1, 2024, and provide the impact to customers of the proposed rate changes.

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

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

10 Section II: Background from Prior Filings

11 Section III: BGSS Projections and Proposed Rate

12 Section IV: Balancing Charge

13 Section V: Conservation Incentive Program

14 Section VI: Impact on Customers
15

16 **II. Background from Prior Filings**

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

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

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

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

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

6 A. On June 1, 2023, NJNG filed a petition requesting that the BPU approve NJNG's annual
7 filing for the BGSS year of October 1, 2023 through September 30, 2024 in BPU Docket
8 No. GR23060348 ("2024 BGSS/CIP Filing"). That petition requested that the BPU
9 approve a decrease to the Company's then current after-tax per therm periodic BGSS rate
10 from \$0.5065 to \$0.4290 effective October 1, 2023 and a decrease to its after-tax per therm
11 Balancing Charge rate from \$0.1380 to \$0.1266. The Company also requested to adjust its
12 CIP rates for the CIP year of October 1, 2023 through September 30, 2024. Specifically,
13 the petition sought approval of the following after tax per therm CIP rates to be effective
14 October 1, 2023: Group I Residential Non-Heating – a charge of \$0.0389, Group II
15 Residential Heating – a charge of \$0.0915, Group III General Service Small – a charge of
16 \$0.0605, and Group IV General Service Large – a charge of \$0.0388, effective as of
17 October 1, 2023. On August 11, 2023, the Company submitted a response to Discovery
18 Request RCR-A-0006 that updated the CIP schedules to reflect actual data through June
19 30, 2023, which resulted in proposed CIP rates for Groups I and IV that were lower than
20 originally filed. The updated after-tax CIP rates per therm were a charge of \$0.0382 for
21 Group I and \$0.0353 for Group IV. The updated CIP rates for Groups I and IV, and the
22 filed after- tax CIP rates for Group II of \$0.0915 and Group III of \$0.0605 per therm
23 resulted in an overall increase of after-tax revenue of approximately \$28.83 million to the
24 estimated annual CIP revenue of \$25.25 million. The updated schedules resulted in no
25 change in the proposed CIP rates for Groups II and III. The updated CIP rates combined
26 with the requested BGSS rate of \$0.4290, and Balancing Charge of \$0.1266, resulted in an
27 overall decrease in after-tax revenue of approximately \$20.22 million.

On September 18, 2023, the BPU issued an Order² authorizing the Company to: 1) decrease the Company's existing periodic BGSS rate to \$0.4290 per therm after-tax; 2) decrease the Company's Balancing Charge to \$0.1266 per therm after tax; and 3) adjust the following CIP rates all on a per-therm, after tax basis: \$0.0382 for Group I Residential Non-Heat customers, \$0.0915 for Group II Residential Heat customers, \$0.0605 for Group III General Service Small Commercial customers, and \$0.0353 for Group IV General Service Large Commercial customers effective October 1, 2023, on a provisional basis.

The October 1, 2023 BGSS, CIP, and Balancing Charge rates were approved by the Board on a final basis on April 30, 2024³.

III. BGSS Projections and Proposed Rate

Q. WHAT IS THE COMPANY'S CURRENT PROJECTION FOR THE BGSS BALANCE AS OF SEPTEMBER 30, 2024?

A. At current market conditions, the estimated BGSS ending balance will be approximately \$30.718 million over-recovered as of September 30, 2024.

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

A. In Schedule 6 of Exhibit A, NJNG estimates that it will owe \$2.159 million in BGSS interest to customers. Schedule 5 of Exhibit B includes the BGSS interest credit being transferred into the opening Periodic BGSS balance as of October 1, 2024.

² In the Matter of the Petition of New Jersey Natural Gas Company for the Annual Review and Revision of its Basic Gas Supply Service (BGSS) and Conservation Incentive Program (CIP) Rates for F/Y 2024, BPU Docket No. GR23060348, Order dated September 18, 2023 ("September 2023 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 2024, BPU Docket No. GR23060348, Order dated April 30, 2024 ("April 2024 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 \$0.4023 per
3 therm to \$0.3444 per therm effective October 1, 2024. If approved, the current after-tax
4 rate of \$0.4290 per therm will decrease by \$0.0618 to \$0.3672 per therm.

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

7 A. Exhibit B to the Petition provides the details of the Company's projections for the period
8 October 1, 2024 through September 30, 2025 based upon May 8, 2024 NYMEX pricing,
9 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 \$3.420 million as of September 30,
12 2025. 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 components: (1) carrying charges
19 on inventory costs and (2) demand charges. Pursuant to the Board's November 17, 2021
20 Order in Docket No. GR21030679⁴, the demand charges component of the Balancing
21 Charge is to be adjusted in the Company's annual BGSS filing and is subject to review as
22 part of such filing. The calculation of the Balancing Charge is presented in Exhibit D to
23 the Petition and reflects updated pipeline demand charges, credit adjustments, and
24 percentage of peak day volume related to balancing associated with the pipeline demand
25 portion of the Balancing Charge. The Company proposes to increase its current after-tax
26 per therm Balancing Charge of \$0.1266 (\$0.1187 pre-tax) to \$0.1884 (\$0.1767 pre-tax)
27 effective October 1, 2024.

⁴ In the Matter of the Petition of New Jersey Natural Gas Company for Approval of an Increase in Gas Base Rate and for Changes in its Tariff for Gas Service Pursuant to N.J.S.A. 48:2-21 and N.J.S.A. 48:2-21.1; and for Changes to Depreciation Rates for Gas Property Pursuant to N.J.S.A. 48:2-18, BPU Docket No. GR21030679, Order dated November 17, 2021("Rate Case Order").

1 **Q. HAS THE COMPANY REFLECTED THE PROPOSED BALANCING CHARGE**
2 **CHANGE IN THIS FILING?**

3 A. Yes. Balancing Charge credits in Exhibit B to the Petition reflect the pre-tax Balancing
4 Charge per therm proposed in this proceeding of \$0.1767 effective October 1, 2024. All
5 balancing revenues from sales and transportation customers are credited to the BGSS as
6 shown in Schedule 4g of Exhibits A and B.

7
8 **V. Conservation Incentive Program ("CIP")**

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

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

- 19
 - Group I – Residential Non-Heat
 - 20 • Group II – Residential Heat
 - 21 • Group III – General Service - Small
 - 22 • Group IV – General Service - Large

23 Pursuant to the CIP Orders, the margin deficiency or excess for each group is
24 calculated each month by subtracting the baseline usage per customer, according to the
25 Company's Tariff, from the actual usage per customer and multiplying the resulting therms
26 by the actual number of customers and the margin recovery per therm. The baseline use
27 per customer for each group was updated in the Company's Tariff effective December 1,
28 2021, pursuant to the Rate Case Order. The margin recovery per therm for each group was
29 updated effective October 1, 2023 to reflect the base rate changes related to the Company's
30 Infrastructure Investment Program approved by the Board in BPU Docket No.

GR23040207.⁵ The October 2023 through September 2024 CIP margin deficiency/excess calculations for each group, with actual data through April 2024 and projected data for the remaining five months, are included as Exhibit C, Schedules 1 through 4 to the Petition.

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

A. For the period October 2023 through April 2024, NJNG experienced weather that was 10.6 percent warmer than normal with December 2023 through March 2024 being over 13 percent warmer than normal. Due to the significantly warmer than normal weather, customer usage was less than the CIP baseline values resulting in an overall CIP margin deficiency.

Q. PLEASE DESCRIBE THE CIP RECOVERY TESTS.

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

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

A. To determine the non-weather related CIP margin, the Company has calculated the weather related margin deficiency on Exhibit C, Schedule 5 to the Petition. The monthly consumption factors per customer per degree day for each group and the normal degree days are included in Rider I of the Company's Tariff ("CIP Tariff") and were updated in the Company's Tariff effective December 1, 2021 pursuant to the Rate Case Order. The consumption factors are multiplied by the actual number of customers to determine the associated consumption factors per degree day. The consumption factors associated with actual customers are multiplied by the variance of the actual degree days from the degree days included in the CIP Tariff and the margin factors to determine the weather margin

⁵ In the Matter of the Petition of New Jersey Natural Gas Company for Approval of a Base Rate Adjustment Pursuant to the Infrastructure Investment Program, BPU Docket No. GR23040207, Order dated September 27, 2023.

1 deficiency. The total CIP margin deficiency for the 2023-2024 CIP year is approximately
2 \$45.15 million of which \$35.53 million is related to weather. Exhibit C, Schedule 6 to the
3 Petition demonstrates that the estimated margin deficiency related to the non-weather
4 change in customer usage is approximately \$9.62 million.

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

6 A. The amount of the BGSS Savings required to meet the BGSS Savings test is 75 percent of
7 the non-weather change in customer usage or \$7.22 million. There are three categories of
8 BGSS savings: (1) permanent savings realized from permanent capacity releases or
9 contract terminations; (2) additional BGSS gas cost savings from reductions of capacity on
10 a long-term basis; and (3) avoided capacity costs to meet residential customer growth. As
11 shown in Exhibit C, Schedule 6, the Company has approximately \$12.04 million of
12 permanent savings approved in the May 21, 2014 CIP Order and approximately \$6.89
13 million of avoided capacity cost savings for a total BGSS savings of approximately \$18.94
14 million. Avoided capacity costs savings are calculated based on following the
15 methodology approved in the May 21, 2014 CIP Order: the monthly net change in
16 residential customers for Group I and Group II are multiplied by their respective CIP
17 benchmark use per customer and by the average fixed capacity cost reflected in this filing.

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

19 A. To pass the Variable Margin Revenue Test approved in the May 21, 2014 CIP Order and
20 modified in the 2020 EE Order, NJNG's non-weather related aggregate CIP margins must
21 be less than or equal to 6.5 percent of aggregate variable margins for the CIP accrual year
22 for all CIP Groups. The variable margins for each group are calculated on a monthly basis
23 by multiplying the actual number of customers by the baseline use per customer and the
24 group's margin per therm. As shown in Exhibit C, Schedule 6, the recovery limitation is
25 approximately \$24.05 million.

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

28 A. Yes. Since the total BGSS savings of \$18.94 million for the October 2024 through
29 September 2025 CIP recovery period are greater than the required amount to meet the test
30 of \$7.22 million, the Company has exceeded the BGSS Savings test for the October 2024
31 through September 2025 CIP recovery period. Additionally, the Company has met the

Variable Margin Revenue Test since the non-weather portion of \$9.62 million is less than the recovery limitation of approximately \$24.05 million.

Q. PLEASE DESCRIBE THE CIP EARNINGS TEST.

A. The CIP Earnings Test is based on the Tariff approved in the Rate Case Order and provides that NJNG cannot recover any portion of its margin deficiency that will cause the Company to earn in excess of a 9.60 percent return on common equity for the annual period of the CIP year. Additionally, any portion of the margin deficiency which is not recoverable shall not be deferred for future recovery. Exhibit C, Schedule 7 to the Petition, includes the calculation of the Earnings Test with actual data for the six months ended March 2024 and estimated data for the six months ended September 2024. The test shows that the estimated Return on Equity ("ROE") for the 2023-2024 CIP year is 4.99 percent. Therefore, since the estimated ROE of 4.99 percent is less than 9.60 percent, NJNG may fully recover its CIP deficiencies.

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

A. The CIP surcharge or credit for each group is determined by dividing the eligible aggregate margin deficiency or excess, adjusted for any under or over recovery of prior period CIP collection, by the forecasted annual usage of each group for October 2024 to September 2025. The following table shows the existing and proposed after-tax rates and resulting rate change for each CIP Group:

<u>Group</u>	<u>Group Description</u>	<u>Existing Charge per therm</u>	<u>Proposed Charge per therm</u>	<u>Increase/ (Decrease) per therm</u>
Group I	Residential Non-Heat	\$0.0382	\$0.0409	\$0.0027
Group II	Residential Heat	\$0.0915	\$0.0903	(\$0.0012)
Group III	General Service - Small	\$0.0605	\$0.0509	(\$0.0096)
Group IV	General Service - Large	\$0.0353	\$0.0382	\$0.0029

The Company is requesting an effective date of October 1, 2024 for the above proposed rates.

VI. Impact on Customers

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

A. The periodic BGSS decrease proposed in this filing results in an overall \$6.18 or 4.1 percent decrease to the total monthly 100 therm bill for residential heat sales customers. The proposed Balancing Charge increase results in an overall \$6.18 or 4.1 percent increase to the total monthly 100 therm bill for residential heat sales and transportation customers. The proposed CIP rate for Group II Residential Heat sales and transportation customers results in an overall \$0.12 or 0.1 percent decrease to the total monthly 100 therm bill for a residential heat customer. The net impact of the BGSS, Balancing Charge, and CIP rate changes for a residential heat sales customer is a \$0.12, or 0.1 percent, decrease to the total monthly 100 therm bill. The proposed changes result in a \$1.20 decrease to the annual 1,000 therm bill. Exhibit E to the Petition provides the supporting bill impact calculations. Residential heat transportation customers will have a 4.0 percent increase due to the changes in the Balancing Charge and CIP rates.⁶

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

A. The proposed periodic BGSS decrease results in an overall 3.5 percent decrease to the total monthly 25 therm bill for a residential non-heat sales customer. The proposed Balancing Charge increase results in an overall 3.5 percent increase to the total monthly 25 therm bill for residential non-heat sales and transportation customers. The proposed CIP rate for Group I Residential Non-Heat customers results in an overall increase of 0.2 percent. The net impact of the BGSS, Balancing Charge, and CIP rate changes for a residential non-heat sales customer is a 0.2 percent increase. Residential non-heat transportation customers will have a 3.7 percent increase due to the changes in the Balancing Charge and CIP rates.⁷

⁶ Percentage change assumes transportation customers are receiving gas supply at NJNG's BGSS Price to Compare.

⁷ Id.

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

4 A. The proposed periodic BGSS decrease results in an overall 3.6 percent decrease to the
5 monthly 100 therm bill for a GSS sales customer. The proposed Balancing Charge increase
6 results in an overall 3.6 percent increase to the total monthly 100 therm bill for GSS sales
7 and transportation customers. The proposed CIP rate for Group III GSS customers results
8 in an overall 0.6 percent decrease. The net impact of the BGSS, Balancing Charge, and CIP
9 rate changes for a GSS sales customer is a 0.6 percent decrease. GSS transportation
10 customers will have a 3.0 percent increase due to the changes in the Balancing Charge and
11 CIP rates.⁸

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

15 A. The proposed CIP rate for Group IV GSL customers results in a 0.2 percent increase for
16 GSL customers using 1,200 therms per month. The Balancing Charge is included in the
17 GSL Delivery Charge and the Monthly BGSS rates for GSL sales customers are net of the
18 Balancing Charge. Therefore, the Balancing Charge does not impact the overall bill of a
19 GSL sales customer and the total impact to their bill is a 0.2 percent increase. GSL sales
20 customers are not impacted by the BGSS rate change because they pay the Monthly BGSS
21 rates which are tied to market prices. The proposed Balancing Charge increase results in
22 an overall 4.5 percent increase to the total monthly 1,200 therm bill for GSL transportation
23 customers. GSL transportation customers will have a 4.7 percent increase due to the
24 changes in the CIP and Balancing Charge rates.⁹

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

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

⁸ Id.

⁹ Id.

NEW JERSEY NATURAL GAS COMPANY

PRE-FILED DIRECT TESTIMONY AND EXHIBITS OF

ANNE-MARIE PERACCHIO

MANAGING DIRECTOR – MARKETING AND ENERGY EFFICIENCY

**IN THE MATTER OF THE PETITION OF
NEW JERSEY NATURAL GAS COMPANY
FOR THE ANNUAL REVIEW AND REVISION OF ITS
BASIC GAS SUPPLY SERVICE (BGSS) AND
CONSERVATION INCENTIVE PROGRAM (CIP) RATES
FOR F/Y 2025
BPU DOCKET NO. GR24060372
Pre-Filed Direct Testimony of Anne-Marie Peracchio**

I. Introduction

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

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

Q. PLEASE DESCRIBE YOUR EDUCATION AND BUSINESS EXPERIENCE.

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

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

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

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

1 NJNG energy-efficiency program - The SAVEGREEN Project® (“SAVEGREEN”). I also
2 identify opportunities to help drive cultural changes within the organization to support the
3 Company’s concerted focus on conservation. Most of those programs fall under the
4 Company’s Conserve to Preserve® (“CTP”) initiative that will be discussed in more detail
5 below. I also oversee the Marketing department, which assists builders and customers who
6 are connecting to our system and the team that is implementing our Marketing Cloud.

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

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

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

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

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

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

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

29 Section II: CIP Background

30 Section III: Program Activity

31 Section IV: CIP Expenditure Update

32 Section V: Prospective CIP Activities and Changes

II. CIP Background

Q. PLEASE BRIEFLY SUMMARIZE THE CIP.

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

III. Program Activity

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

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

- **E-tips:** The expenses in this category cover costs associated with the external service used to distribute E-tips, NJNG’s opt-in conservation e-mail newsletter, and other minor promotional expenses. Currently, more than 255,000 customers are registered to receive our monthly E-Tip service. This is the most effective vehicle for promoting special offers and limited time promotions.

- 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 in Motion Conference, the Sustainable Jersey Summit, the
10 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
18 also offers direct outreach to realtors who are reached through office visits
19 and 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 (previously called the PowerSave School
2 Program). ASE has successfully implemented this program to capture
3 behavioral energy savings in schools for 25 years. Forty- nine schools are
4 currently participating in the program.

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

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

26 **A.** Yes. As shown on Exhibit AMP-1, fiscal 2023 customer activity in the energy efficiency
27 sections of our website was very strong, more than 44 times fiscal 2006, the last full year
28 prior to the implementation of CIP. This includes the activity related to NJNG's
29 SAVEGREEN Marketplace. Through April 2024, activity for fiscal 2024 has been strong
30 as well.

IV. CIP Expenditure Update

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

A. Yes. The fiscal 2023 available budget was approximately \$767,309 because of prior year carryovers. Although NJNG spent approximately \$751,000 on CIP activities in fiscal 2023, the Company had a carryover balance of approximately \$16,000. Accordingly, NJNG has approximately \$716,000 available for fiscal 2024 programs. See Attachment AMP-2, page 2 of 2 for the final summary of expenses and carry-over calculation for fiscal 2024.

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

A. As of May 16, 2024, NJNG recorded expenses of approximately \$492,000 for the 2024 CIP year. A summary of 2024 expenses by category is included as Attachment AMP-2, page 1 of 2.

Q. DOES THE COMPANY EXPECT TO EXPEND THE FULL \$716,000 ON THE CIP PROGRAM THIS FISCAL YEAR?

A. No. It is difficult to project the overall response to programs. However, NJNG expects that there will be a modest carry-over of unspent funds into fiscal 2025 CIP programs. Projected expenses for the remainder of the year are reflected on Attachment AMP-2, page 1 of 2.

V. Prospective CIP Activities and Changes

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

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

Q. DOES THIS CONCLUDE YOUR TESTIMONY?

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

New Jersey Natural Gas
Comparison of Website Conservation Statistics

Page Views	Fiscal 2006	Fiscal 2007	Fiscal 2008	Fiscal 2009	Fiscal 2010	Fiscal 2011	Fiscal 2012	Fiscal 2013	Fiscal 2014	Fiscal 2015	Fiscal 2016	Fiscal 2017	Fiscal 2018	Fiscal 2019	Fiscal 2020	Fiscal 2021	Fiscal 2022	Fiscal 2023	Fiscal 2024 <i>through April only</i>
Conservation Home	6,288	2,636	1,957	4,586	4,543	5,044	4,624	4,134	4,339	4,693	4,567	4,169	4,333	6,229	9,544	8,042	8,124	8,160	4,532
Conserve to Preserve		2,199	3,090	3,552	3,560	2,158	1,584	1,447	1,880	1,545	1,147	1,207	1,072	1,458	2,353	2,161	1,667	1,116	457
Home Energy Saving Tips		2,482	3,726	4,783	3,858	4,709	3,180	2,936	5,617	6,352	2,409	1,838	1,789	2,413	3,838	3,161	3,133	2,809	2,663
Residential Programs		9,171	11,613	16,070	18,156	18,838	15,020	20,557	20,168	16,182	10,544	7,941	7,827	10,762	13,725	9,412	Pages were eliminated to allow for a more direct links to SAVEGREEN.com		
Special Offers & Rebates/New Programs		6,414	11,353	17,817	15,183	18,088	15,666	22,827	22,288	18,927	16,572	17,287	16,500	28,808	50,981	30,415			
Energy Saving Tips for Business		413	855	1,073	740	891	668	562	540	430	341	307	243	283	279	345			
Commercial Programs		541	728	1,187	1,052	1,102	907	906	895	794	596	615	617	841	845	754			
Distributed Generation		430	500	631	587	996	871	1,240	653	399	329	262	290	341	460	438	383	352	167
Renewable Energy		834	928	1,038	1,258	1,978	1,755	1,633	1,453	1,222	1,174	1,230	1,222	1,952	1,692	1,447	989	461	12
Energy Hog	843	912	937																
Kids and Conservation			897	1,541	1,139	1,506	633	1,767	1,591	1,330	967	685	719	618	568	547	789	1,121	453
SAVEGREEN, incl. marketplace & microsites					51,154	66,108	66,955	89,391	150,793	182,325	190,774	169,708	171,249	672,961	1,546,345	629,207	545,358	300,210	192,945
Total	7,131	26,032	36,584	52,278	101,230	121,418	111,863	147,400	210,217	234,199	229,420	205,249	205,861	726,666	1,630,630	685,929	560,443	314,229	201,229

Note: Fiscal 2024 is performing well. Fiscal 2023 ended the year more than 44 times the level of activity pre-CIP, inclusive of activity for the SAVEGREEN marketplace and microsites. As noted above, in Fiscal 2022 NJNG eliminated some pages to allow for more communications to directly promote savegreen.com. NJNG's promotion within our communication channels, including NJNG's E-tip service, frequent posts on social media, and content within NJNG's customer newsletter have helped keep the interest strong. NJNG has also implemented additional SAVEGREEN microsites which has directed previous traffic from other pages, to these more detailed microsites.

**New Jersey Natural Gas
CIP Expense through June 30, 2024
BPU Docket No. GR24060372**

	Quarter Ending 12/31/23	Quarter Ending 3/31/24	Est. Q Ending 6/30/24	Est. Q Ending 9/30/24	Estimated Total Fiscal Year
1 School/Children's Programs	\$51,458	\$73,445	\$0.00	\$75,000.00	\$199,903
2 Municipal Programs and EDF Climate Corp Program	\$50,000	\$0	\$46,500.00	\$0.00	\$96,500
3 Employees, HVAC Contractors, Realtors and other stakeholders as Champions	\$2,000	\$10,000	\$4,000.00	\$0.00	\$16,000
4 Online services and E-tips	\$0	\$4,800	\$0.00	\$0.00	\$4,800
5 Conservation/energy efficiency online promotion/sweepstakes	\$22,400	\$0	\$0.00	\$10,000.00	\$32,400
6 Direct purchase of energy saving products	\$0	\$0	\$0.00	\$0.00	\$0
7 Advertising, events and general outreach costs	\$10,250	\$64,599	\$10,300.00	\$25,000.00	\$110,149
8 Other low income/senior focused outreach and initiatives	\$8,870	\$20,000	\$0.00	\$15,000.00	\$43,870
9 Development work (e.g. customer feedback, EE organization memberships)	\$32,000	\$86,323	\$85,000.00	\$0.00	\$203,323
<hr/>					
Total Spent to Date	<u>\$176,978</u>	<u>\$259,167</u>	<u>\$145,800</u>		\$581,945
Remaining Estimated Expenses				<u>\$125,000</u>	<u>\$125,000</u>
<hr/>					
				Total spent	\$ 706,945
				Budget Available for Fiscal 2024 (see page 2 of 2)	\$ 716,461
Estimated carryover to next year					<u><u>\$9,516</u></u>

*Many of these expenses are difficult to predict because of the unknown customer

**New Jersey Natural Gas
CIP Expense through September 30, 2023
BPU Docket No. GR24060372**

	Quarter Ending 12/31/22	Quarter Ending 3/31/23	Quarter Ending 6/30/23	Quarter Ending 9/30/23	Final Fiscal 2023
1 School/Children's Programs	\$52,492	\$85,713	\$0	\$81,000	\$219,205
2 Municipal Programs and EDF Climate Corp Program	\$96,500	\$0	\$3,300	\$0	\$99,800
3 Employees, HVAC Contractors, Realtors and other stakeholders as Champions	\$2,000	\$10,375	\$3,250	\$0	\$15,625
4 Online services and E-tips	\$9,999	\$9,477		\$0	\$19,476
5 Conservation/energy efficiency online promotion/sweepstakes	\$8,643	\$9,000	\$1,000	\$0	\$18,643
6 Direct purchase of energy saving products	\$0	\$0	\$0	\$0	\$0
7 Advertising, events and general outreach costs	\$54,155	\$33,200	\$8,500	\$18,251	\$114,106
8 Other low income/senior focused outreach and initiatives	\$11,612	\$10,000	\$12,500	\$11,814	\$45,926
9 Development work (e.g. customer feedback, EE organization memberships)	\$58,306	\$134,762	\$0	\$25,000	\$218,067
Total	\$293,707	\$292,527	\$28,550	\$136,065	\$750,848

Funding Commitment for Fiscal 2023 \$ 700,000
Carryover from Fiscal 2022 \$ 67,309

Final carry over to Fiscal 2024 \$ 16,461

Funding Commitment for Fiscal 2024 \$700,000
Budget Available for Fiscal 2024 \$716,461