

September 11, 2023

VIA EMAIL

Honorable 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 SOCIETAL BENEFITS CHARGE FACTORS FOR REMEDIATION YEAR 2023 BPU Docket No. GR23090672

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 Societal Benefits Charge ("SBC") Factors.

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

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

Kindly acknowledge receipt of this filing via return email.

Respectfully submitted,

Andrew K. Dembia

Regulatory Affairs Counsel

AKD:sf Enclosures

C: Service List

IN THE MATTER OF THE PETITION OF NEW JERSEY NATURAL GAS COMPANY FOR THE ANNUAL REVIEW AND REVISION OF SOCIETAL BENEFITS CHARGE (SBC) FACTORS FOR REMEDIATION YEAR 2023 DOCKET NO. GR23090672

SERVICE LIST

NJNG

Mark G. Kahrer New Jersey Natural Gas Company 1415 Wyckoff Road P.O. Box 1464 Wall, NJ 07719

James Corcoran New Jersey Natural Gas Company 1415 Wyckoff Road P.O. Box 1464 Wall, NJ 07719

Marianne Harrell New Jersey Natural Gas Company 1415 Wyckoff Road P.O. Box 1464 Wall, NJ 07719

Tina Trebino New Jersey Natural Gas Company 1415 Wyckoff Road P.O. Box 1464 Wall, NJ 07719

Andrew Dembia New Jersey Natural Gas Company 1415 Wyckoff Road P.O. Box 1464 Wall, NJ 07719

Judy DeSalvatore New Jersey Natural Gas Company 1415 Wyckoff Road P.O. Box 1464 Wall, NJ 07719 Susan Fastuca New Jersey Natural Gas Company 1415 Wyckoff Road P.O. Box 1464 Wall, NJ 07719

Mary Lou Pardey New Jersey Natural Gas Company 1415 Wyckoff Road P.O. Box 1464 Wall, NJ 07719

NJ BOARD OF PUBLIC UTILITIES

Mike Kammer N.J. Board of Public Utilities 44 South Clinton Avenue, 9th Floor Post Office Box 350 Trenton, New Jersey 08625-0350

Malike Cummings
N.J. Board of Public Utilities
44 South Clinton Avenue, 9th Floor
Post Office Box 350
Trenton, New Jersey 08625-0350

Heather Weisband N.J. Board of Public Utilities 44 South Clinton Avenue, 9th Floor Post Office Box 350 Trenton, New Jersey 08625-0350

Robert Brabston Executive Director N.J. Board of Public Utilities 44 South Clinton Avenue, 9th Floor Post Office Box 350 Trenton, New Jersey 08625-0350

IN THE MATTER OF THE PETITION OF NEW JERSEY NATURAL GAS COMPANY FOR THE ANNUAL REVIEW AND REVISION OF SOCIETAL BENEFITS CHARGE (SBC) FACTORS FOR REMEDIATION YEAR 2023 DOCKET NO. GR23090672

SERVICE LIST

Stacy Peterson
Deputy Executive Director
N.J. Board of Public Utilities
44 South Clinton Avenue, 9th Floor
Post Office Box 350
Trenton, New Jersey 08625-0350

William Barkasy N.J. Board of Public Utilities 44 South Clinton Avenue, 9th Floor Post Office Box 350 Trenton, New Jersey 08625-0350

DIVISION OF RATE COUNSEL

Brian O. Lipman, Director Division of Rate Counsel 140 East Front Street, 4th Floor P.O. Box 003 Trenton, NJ 08625

Maura Caroselli, Esq. Division of Rate Counsel 140 East Front Street, 4th Floor P.O. Box 003 Trenton, NJ 08625

Sarah H. Steindel, Esq. Division of Rate Counsel 140 East Front Street, 4th Floor P.O. Box 003 Trenton, NJ 08625

Mamie W. Purnell, Esq. Division of Rate Counsel 140 East Front Street, 4th Floor P.O. Box 003 Trenton, NJ 08625 Carlena Morrison, Paralegal Division of Rate Counsel 140 East Front Street, 4th Floor P.O. Box 003 Trenton, NJ 08625

<u>DEPT. OF LAW & PUBLIC SAFETY</u> – DIVISON OF LAW

Terel Klein, DAG
Dept. of Law & Public Safety Division of Law
Public Utilities Section
R.J. Hughes Justice Complex
25 Market Street
P.O. Box 112
Trenton, N.J. 08625

Pamela Owen, ASC
Dept. of Law & Public Safety Division of Law
Public Utilities Section
R.J. Hughes Justice Complex
25 Market Street
P.O. Box 112
Trenton, N.J. 08625

STATE OF NEW JERSEY BOARD OF PUBLIC UTILITIES

IN THE MATTER OF THE PETITION)	
OF NEW JERSEY NATURAL GAS)	PETITION
COMPANY FOR THE ANNUAL REVIEW)	
AND REVISION OF SOCIETAL BENEFITS)	BPU DOCKET NO. GR23090672
CHARGE FACTORS FOR)	
REMEDIATION YEAR 2023)	

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

New Jersey Natural Gas Company ("Petitioner", "NJNG" or the "Company") hereby requests that the New Jersey Board of Public Utilities (the "Board" or "BPU") approve, pursuant to N.J.S.A. 48:2-21, the Company's filing related to its Societal Benefits Charge ("SBC") factors. The factors included in this filing are the Remediation Adjustment ("RA") rate and the New Jersey Clean Energy Program ("NJCEP") rate. The Company is requesting in this filing that the Board: (1) increase the Company's per therm after-tax RA rate; (2) increase the NJCEP per therm after-tax rate; and (3) approve the remediation expenditures incurred by the Company through June 30, 2023 ("Remediation Year 2023"), to be effective April 1, 2024, or as of the effective date of the Board Order in this proceeding. These rate changes result in an overall increase of approximately 0.71 percent to the average residential heating customers' monthly bill.

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

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

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

MKahrer@njng.com ADembia@njng.com

- 3. The SBC was established within the Electric Discount and Energy Competition Act ("EDECA"), N.J.S.A. 48:3-49 et seq., for the recovery by natural gas and electric utilities of costs associated with Manufactured Gas Plant ("MGP") remediation, consumer education, assistance to low-income customers including the USF, and renewable and energy-efficiency programs now provided through the NJCEP.
- 4. Pursuant to a Board Order dated March 30, 2001, approving the Stipulation in Docket Nos. GX99030121 and GO99030123 (the "Unbundling Order"), NJNG received approval to implement and assess an SBC as a non-by-passable charge applicable to the Company's customers. ¹
- 5. This Petition (Exh. P-1) is accompanied and supported by the following Pre-filed Direct Testimonies and Exhibits that are attached hereto and made part of this Petition:
 - Exh. P-2 Direct Testimony of George Nicholas Director Environmental Services Remediation Activities
 - Exh. P-3 Direct Testimony of Judy DeSalvatore, NJNG Manager-Revenue Requirements Proposed Revenue Increases for the RA and NJCEP factors
 - Exh. P-4 Red-lined NJNG Gas Service Tariff sheets
 - Exh. P-5 SBC rate impacts on NJNG's customers
 - Exh. P-6 Proposed form of Public Notice

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

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

- 6. As part of the settlement of the Company's base rate case in BPU Docket No. GR91081383J, and subsequently approved in the Unbundling Order noted above, the Board approved and established the RA clause as the cost recovery method by which the Company is permitted to recover its actual Remediation Costs, on a deferred basis, over a rolling-seven year period. Remediation Costs include all investigation, testing, land acquisition if appropriate, remediation and/or litigation costs and expenses, and other liabilities specifically relating to MGP facility sites, disposal sites, or sites to which material may have migrated, as a result of the earlier operation or decommissioning of MGP sites.
- 7. On June 29, 2023, in BPU Docket No. QO23040235, the Board established each utility's level of expenditures for the statewide NJCEP for July 2023 through June 2024. NJNG's annual funding obligation is approximately \$17 million.
- 8. The Company proposes to increase the current after-tax per therm RA rate of \$0.0228 to \$0.0262 as well as the current after-tax per therm NJCEP rate of \$0.0245 to \$0.0318. The combined increase of \$0.0107 will increase the overall bill of the residential heating customer who is using 100 therms per month by \$1.07.
- 9. The Company also requests the approval of the remediation expenditures incurred by the Company for Remediation Year 2023. The Company requests these rates and expenditures be approved effective April 1, 2024, or as of the effective date of the Board Order in this proceeding.
- 10. Due to the COVID-19 Pandemic, NJNG has electronically served notice and a copy of this filing, together with a copy of the annexed exhibits and supporting schedules being filed herewith,

Exhibit P-1 Page 4 of 5

upon the New Jersey Division of Rate Counsel and the Department of Law and Public Safety.

Copies of this Petition and supporting exhibits and schedules will also be sent electronically to the

persons identified on the service list provided with this filing. Moreover, copies of the Company's

filing will be available on the Company's website at: www.njng.com.

WHEREFORE, NJNG respectfully requests that the Board:

1. Approve as of April 1, 2024, or as of the effective date of the Board Order in this

proceeding, NJNG's request to increase its RA Factor;

2. Approve as of April 1, 2024, or as of the effective date of the Board Order in this

proceeding, NJNG's request to increase its NJCEP Factor;

3. Approve Remediation Year 2023 costs through June 30, 2023 as just and

reasonable;

4. Grant final approval of the Company's proposals included in this Petition; and

5. Grant such other relief, as the Board deems just, reasonable and necessary.

Respectfully submitted,

NEW JERSEY NATURAL GAS COMPANY

Andrew K. Dembia, Esq.

Date: September 11, 2023

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STATE OF NEW JERSEY) COUNTY OF MONMOUTH)

VERIFICATION

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

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

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Mark G. Kahrer Senior Vice President, Regulatory Affairs

Sworn and subscribed to before me this 11th day of September 2023

ANDREW K. DEMBIA, Esq. ATTORNEY AT LAW

STATE OF NEW JERSEY

NEW JERSEY NATURAL GAS COMPANY

DIRECT TESTIMONY OF GEORGE NICHOLAS DIRECTOR OF ENVIRONMENTAL SERVICES

1	Ο.	PLEASE STATE	YOUR NAME.	CURRENT	POSITION AND	BUSINES

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

6 O. PLEASE DESCRIBE YOUR EDUCATION AND BUSINESS EXPERIENCE.

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

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

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

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

- 1 liability cost estimates for external reporting purposes. On behalf of the Company, 2 I participate as a member of trade organizations and discussion forums focused on 3 work related to NJNG operations, and I develop and maintain relationships with state regulators and local stakeholders to establish good working relationships 4 5 relative to the remediation of the Company's MGP sites. I also negotiate contracts 6 for necessary services, and work with the Legal and Purchasing departments to 7 ensure contracts are properly written, cost effective, protective of the Company, 8 and appropriately executed.
- 9 Q. HAVE YOU TESTIFIED PREVIOUSLY IN REGULATORY
 10 PROCEEDINGS?
- 11 **A.** Yes. I have submitted testimony on behalf of the Company in its last four Societal
 12 Benefits Charge ("SBC") proceedings on the Remediation Adjustment ("RA")
 13 Factor in Dockets No. GR19091314, GR20090625, GR21091145, and
 14 GR22090574.
- 15 Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY IN THIS
 16 PROCEEDING?
- 17 **A.** The purpose of my testimony is to: (1) provide a general overview of the
 18 Company's on-going MGP remediation program; (2) identify and describe the
 19 general nature and categories of expenses incurred by the Company through June
 20 30, 2023 ("Remediation Year 2023"); and (3) provide a brief history of the
 21 Company's former MGP sites and report on key developments relating to ongoing
 22 remediation activities at those sites.

THE COMPANY'S MGP REMEDIATION PROGRAM

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Q.

3 A. The enactment of the Site Remediation Reform Act ("SRRA") in 2009 established 4 the LSRP program, which transferred the primary oversight responsibility for 5 environmental investigations and cleanups from the NJDEP to LSRPs. An LSRP 6 is an experienced, private-sector environmental professional, licensed by the State 7 of New Jersey and hired by Responsible Parties ("RPs") to direct and oversee 8 environmental investigations and remedial actions in accordance with applicable 9 NJ regulations and guidance. The SRRA also established a 26-point code of 10 conduct for LSRPs, with the highest priority being protection of public health, 11 The 13-member Site Remediation Professional safety, and the environment. 12 Licensing Board oversees the issuance of licenses and monitors the conduct and 13 performance of LSRPs. 14 Regarding the remediation of the Company's MGP sites (i.e., Aberdeen, Atlantic

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

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

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

A.

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

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

1 THE GENERAL NATURE AND CATEGORIES OF REMEDIATION COSTS

- 2 Q. PLEASE DESCRIBE THE NATURE AND CATEGORIES OF THE
- 3 REMEDIATION COSTS THE COMPANY INCURRED DURING
- 4 REMEDIATION YEAR 2023 IN CONNECTION WITH IMPLEMENTING
- 5 AND MANAGING ITS MGP PROGRAM.
- 6 A. The costs the Company incurred to implement and manage its MGP program during
- Remediation Year 2023 primarily included the following: outside consulting and
- 8 engineering services; outside legal services; community outreach; analytical
- 9 laboratory work; construction services (including construction management);
- health and safety activities; air monitoring and soil sampling; a variety of ancillary
- support services; and incremental internal labor directly associated with MGP
- activities. A confidential settlement agreement was negotiated between NJNG and
- 13 320 Associates to resolve an ongoing litigation case related to MGP remedial
- efforts in Toms River. Third-party services provided to the Company in connection
- with MGP-related activities (such as project management and engineering support
- services, and contractors who provide physical remediation services) are
- 17 competitively bid through NJNG's contractor procurement procedures.
- 18 BACKGROUND AND CURRENT STATUS OF REMEDIATION EFFORTS
- 19 <u>AT NJNG's MGP SITES</u>
- 20 Q. PLEASE PROVIDE A BRIEF BACKGROUND OF THE ATLANTIC
- 21 HIGHLANDS SITE.
- 22 A. The Atlantic Highlands site was first occupied in 1910 by the Atlantic Highlands
- Gas Company ("AHGC"). In 1913, AHGC was merged with and consolidated into

1 Standard Gas Company ("SGC"), which had previously acquired the assets of the 2 Matawan & Keyport Gas Light Co. (a.k.a. Aberdeen) in 1899, and the Freehold 3 Gas Light Company in 1916. In the early 1920s, SGC was placed into receivership and in 1922 was purchased and reorganized into a new entity known as County Gas 4 5 Company ("CGC"). In 1929, Public Service Corporation of NJ acquired CGC and 6 in 1948, a group of investors bought CGC from Public Service Corp. of NJ. In 7 1952, when CGC acquired the gas assets of JCP&L, CGC became New Jersey 8 Natural Gas Company. The Atlantic Highlands site operated as a carbureted water 9 gas manufacturing facility from 1910 until 1949, when manufacturing operations 10 were discontinued. Coal and coke were used as feedstock to produce the carbureted 11 water gas. Demolition activities at this site were completed around 1981. NJNG 12 currently uses the Atlantic Highlands site as an Energy Delivery Operations 13 Division Service Center. 14 Q. PLEASE SUMMARIZE THE KEY EVENTS THAT OCCURRED DURING 15 REMEDIATION **YEAR** 2023 IN CONNECTION WITH MGP 16 REMEDIATION ACTIVITIES AT THE ATLANTIC HIGHLANDS SITE. 17 A. The LSRP issued the Remedial Action Outcome (formerly known as No Further 18 Action letter) for the AOC-8/8F(partial)/8G/8H/8I (north of Center Avenue)

NJNG submitted the first of five annual Wetlands Mitigation

Monitoring Reports to NJDEP for the restored wetlands/wetlands transition areas

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properties.

2		properties along Many Mind Creek.
3	Q.	WHAT IS THE STATUS OF THE REMEDIATION WORK UNDERWAY
4		AT THE ATLANTIC HIGHLANDS SITE?
5	A.	NJNG continues to operate and maintain the long-term ground water treatment
6		system to ensure the required control/containment of the groundwater impact
7		area. NJNG continues to recover free-product at the AOC-1, AOC-1F, and AOC-
8		2 properties. Discussions are ongoing with the property owner and NJNG about
9		implementing remediation work at the Julian Ice ("AOC-3") property. NJNG
10		continues to seek/obtain approvals/permission to begin the soil remediation beneath
11		the active Monmouth County Bayshore Outfall Authority ("MCBOA") sewer
12		pipeline.
13	Q.	WHAT ARE THE NEXT STEPS REGARDING FUTURE REMEDIATION
14		AT THE ATLANTIC HIGHLANDS SITE?
15	A.	NJNG will prepare/submit the NJDEP permit applications for the Julian Ice and the
16		MCBOA pipeline remediation projects. NJNG will collect additional soil samples
17		to complete the soil remedy at the AOC-1/1E/1F/2/7 properties.
18	Q.	PLEASE PROVIDE A BRIEF BACKGROUND OF THE LONG BRANCH
19		SITE.
20	A.	The Long Branch site first operated as a gas manufacturing facility for the Long
21		Branch Gas and Light Company ("LBGLC") from approximately 1860-1870. In
22		1895, LBGLC merged into Consolidated Gas Companies. The site was purchased
23		and operated by Jersey Central Power & Light Company ("JCP&L") from 1925

at the completed AOC-8 (West Highland Avenue to Center Avenue) remediation

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1 until 1952 and was included in the sale of all JCP&L gas operations to NJNG in 2 1952. Although exact information is not available, it is likely that either carbureted 3 water or oil gas was manufactured at this site. All manufacturing operations ceased in 1961. A portion of the former site was leased to the City of Long Branch from 4 5 1966 until 1976 for use as a park and, in 1976, NJNG donated the property to the 6 City of Long Branch. Demolition of plant-related structures was completed around 7 1983. At that time, another portion of the site was sold to private parties. The 8 demolition of several plant structures on that portion of the site was completed in 9 1991. Numerous investigation activities, multiple phases of on- and offsite-soil 10 remedial excavation, creek cleanup and restoration activities were completed 11 through 2015.

- 12 Q. PLEASE SUMMARIZE THE KEY EVENTS THAT OCCURRED DURING
- 13 REMEDIATION YEAR 2023 IN CONNECTION WITH MGP
- 14 REMEDIATION ACTIVITIES AT THE LONG BRANCH SITE.
- NJNG completed additional site restoration activities in connection with the groundwater remedy project. Semi-annual soil cap inspections and quarterly groundwater sampling were performed in accordance with the NJDEP requirements.
- 19 Q. WHAT IS THE STATUS OF THE REMEDIATION WORK UNDERWAY
 20 AT THE LONG BRANCH SITE?
- 21 **A.** Semi-annual soil cap inspections and groundwater monitoring will be on-going in accordance with the NJDEP requirements.

1 Q. WHAT ARE THE NEXT STEPS REGARDING FUTURE REMEDIATION

2 AT THE LONG BRANCH SITE?

- 3 A. A Remedial Action Report ("RAR") will be prepared and submitted to the NJDEP.
- 4 NJNG will continue groundwater sampling, site restoration monitoring activities,
- 5 and prepare and submit biennial certification reports, as required by the NJDEP.

6 Q. PLEASE PROVIDE A BRIEF BACKGROUND OF THE FREEHOLD SITE.

- 7 A. In 1857, the Freehold Gas and Light Company incorporated and began operations
- 8 in Freehold Borough. In 1916, the Freehold Gas and Light Company merged with
- 9 Standard Gas Company ("SGC"), shut down gas manufacturing operations, and
- began receiving gas piped from the Atlantic Highlands MGP. In the early 1920s,
- SGC was placed into receivership; in 1922, it was purchased and reorganized into
- a new entity known as County Gas Company ("CGC"). In 1929, Public Service
- 13 Corporation of NJ acquired CGC and in 1948, a group of investors bought CGC
- from Public Service Corp. of NJ. In 1952, CGC became New Jersey Natural Gas
- 15 Company. In November 2017, a NJDEP representative contacted NJNG and
- reported that a third-party LSRP doing work in the Borough of Freehold discovered
- a MGP site on a historic Sanborn Fire Insurance map. Since the historic map
- indicated the Freehold site received gas from the Atlantic Highlands MGP, the
- 19 NJDEP asked if NJNG had a link to one or both of those sites. After an initial
- 20 investigation, NJNG discovered the operational history described above and that
- 21 MGP operations at the Freehold former MGP ceased in 1916.
- 22 Q. PLEASE SUMMARIZE THE KEY EVENTS THAT OCCURRED DURING
- 23 REMEDIATION YEAR 2023 IN CONNECTION WITH MGP
- 24 REMEDIATION ACTIVITIES AT THE FREEHOLD SITE.

- 1 A. NJNG completed additional soil and groundwater sampling as part of the Phase III
- 2 Remedial Investigation ("RI") field work for the site.

3 Q. WHAT IS THE STATUS OF THE REMEDIATION WORK UNDERWAY

- 4 AT THE FREEHOLD SITE?
- 5 A. Additional RI work (Phase IV) is required by the NJDEP to fully delineate the
- 6 horizontal and vertical extent of contamination.

7 Q. WHAT ARE THE NEXT STEPS REGARDING FUTURE REMEDIATION

- 8 AT THE FREEHOLD SITE?
- 9 A. Once all MGP-related impact is fully delineated, the RI Report will be completed
- and submitted to the NJDEP. Based on the results of this report, an appropriate
- remedial action will be selected for the site.
- 12 Q. PLEASE PROVIDE A BRIEF BACKGROUND OF THE ABERDEEN MGP
- 13 **SITE.**
- 14 A. After conducting research on the nature of the Freehold site, NJNG continued its
- investigation into the operations of the former SGC from which NJNG's
- predecessor CGC purchased assets in 1922. NJNG discovered that as part of SGC's
- operations, a former MGP known as the Matawan & Keyport Gas Light Co.
- operated in Aberdeen, N.J ("Aberdeen MGP"). The Aberdeen MGP ceased
- operations in 1910 when the Atlantic Highlands MGP was brought online and
- began to supply gas to the Aberdeen site. NJNG contacted the NJDEP to discuss
- 21 the former Aberdeen MGP and reached an agreement that NJNG would proceed in
- performing a Preliminary Assessment/Site Investigation ("PA/SI").

1 C).	PLEASE	SUMMARIZE	THE KEY	EVENTS	THAT	OCCURRED	DURING
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- 2 REMEDIATION YEAR 2023 IN CONNECTION WITH MGP
- 3 REMEDIATION ACTIVITIES AT THE ABERDEEN SITE.
- 4 A. The PA/SI Report was submitted to NJDEP. NJNG began RI work.
- 5 Q. WHAT IS THE STATUS OF THE REMEDIATION WORK UNDERWAY
- 6 AT THE ABERDEEN SITE?
- 7 A. NJNG is currently obtaining the necessary permits to collect RI samples at the
- 8 adjacent Garden State Parkway property.
- 9 Q. WHAT ARE THE NEXT STEPS REGARDING FUTURE REMEDIATION
- 10 AT THE ABERDEEN SITE?
- 11 A. NJNG will continue the collection of RI samples to fully delineate the extent of the
- identified onsite and offsite MGP soil and groundwater impacts.
- 13 Q. PLEASE PROVIDE A BRIEF BACKGROUND OF THE MANCHESTER
- 14 **SITE.**
- 15 A. As a result of the dismantling of the Company's Long Branch and Atlantic
- Highlands plants in the mid-1970s, materials were delivered to an asphalt recycling
- facility identified as South Brunswick Asphalt ("SBA"). SBA operated in three
- locations, including Berkeley Township and Manchester Township.

1	Q.	PLEASE SUMMARIZE THE KEY EVENTS THAT OCCURRED DURING
2		REMEDIATION YEAR 2023 IN CONNECTION WITH MGP
3		REMEDIATION ACTIVITIES AT THE MANCHESTER SITE.
4	A.	Monitoring of groundwater impacts from the former coal tar soil pile was
5		conducted in accordance with the semi-annual groundwater sampling schedule
6		included in the Classification Exception Area for the site.
7	Q.	WHAT IS THE STATUS OF THE REMEDIATION WORK UNDERWAY
8		AT THE MANCHESTER SITE?
9	A.	NJNG is continuing to collect additional groundwater data as required for the
10		selected Natural Attenuation ground water remedy.
11	Q.	WHAT ARE THE NEXT STEPS REGARDING FUTURE REMEDIATION
12		AT THE MANCHESTER SITE?
13	A.	A groundwater RAR will be prepared and submitted to the NJDEP.
14	Q.	PLEASE PROVIDE A BRIEF BACKGROUND OF THE TOMS RIVER
15		SITE.
16	A.	The Toms River site was operated as a coal gas plant from approximately 1900 to
17	110	1911 by the Toms River and Island Heights Electric and Power Company. The site
18		was sold to the Ocean County Gas Company in 1911 and operated by them until
19		1928 when the site was purchased by JCP&L. Gas manufacturing operations
20		ceased in 1950. Although exact information is not available, it is likely that either
21		carbureted water or oil gas was manufactured at the Toms River site. This site was

included in the sale of all JCP&L gas operations to NJNG in 1952. Demolition

activities at this site were completed around 1975. From 1952 until 1989, NJNG

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1		used this site as an Energy Delivery Operations Division Service Center but ceased
2		operations at the site in 1989 when the Company relocated the Division Offices.
3		This cessation of operations triggered the Environmental Cleanup Responsibility
4		Act ("ECRA"), requiring the submittal of an Initial Notice to the NJDEP.
5	Q.	PLEASE SUMMARIZE THE KEY EVENTS THAT OCCURRED DURING
6		REMEDIATION YEAR 2023 IN CONNECTION WITH MGP
7		REMEDIATION ACTIVITIES AT THE TOMS RIVER SITE.
8	A.	NJNG completed the soil remediation at the AOC-5 (former Toms River Plumbing
9		Supply) property. A confidential settlement agreement was negotiated between
10		NJNG and 320 Associates to resolve an ongoing litigation case related to MGP
11		remedial efforts.
12	Q.	WHAT IS THE STATUS OF THE REMEDIATION WORK UNDERWAY
13		AT THE TOMS RIVER SITE?
14	A.	NJNG is preparing the RAR for the completed AOC-5 remediation project. NJNG
15		hired a contractor for the soil remediation work at the AOC-6 (Herflicker
16		Boulevard) property. Groundwater sampling and free-product recovery events
17		continue.
18	Q.	WHAT ARE THE NEXT STEPS REGARDING FUTURE REMEDIATION
19		AT THE TOMS RIVER SITE?

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PLEASE PROVIDE A BRIEF BACKGROUND OF THE BERKELEY SITE.

NJNG will begin the soil remediation work at the AOC-6 property.

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Q.

- 1 A. The Berkeley MGP site has been identified as a MGP location as a result of coal
- 2 tar material disposal from the Long Branch and Atlantic Highlands MGP facilities
- 3 in the late 1970s and 1980s.

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4 Q. WHAT IS THE STATUS OF THE REMEDIATION WORK UNDERWAY

AT THE BERKELEY MGP SITE?

- 6 A. There is no activity underway at the Berkeley property since NJNG is not
- 7 considered the Person Responsible for Conducting the Remediation ("PRCR"), and
- 8 the Company has not had any recent communication with the property owner.
- 9 Pursuant to NJDEP regulations, any person who executes or is otherwise subject to
- a memorandum of agreement, memorandum of understanding, administrative
- 11 consent order, remediation agreement, or administrative order to remediate a
- 12 contaminated site is considered the PRCR. Thus, without the property owner's
- consent, which has not been forthcoming, the Company is unable to initiate or
- conduct remediation activities at this time.

15 Q. WHAT ARE NATURAL RESOURCE DAMAGES?

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

1 Q. HAVE ANY FORMAL NRD CLAIMS BEEN MADE OR FILED AGAINST

2 THE COMPANY?

3 To date, no formal NRD claims have been filed against the Company by the A. 4 NJDEP. However, a separate Environmental Justice ("EJ") petition filed on behalf 5 of the Concerned Citizens Coalition in Long Branch includes NRD claims. The EJ 6 petition is active and being enforced by the NJDEP. The NJDEP has stated that they will explore Long Branch-related NRD claims upon the completion of 8 remediation activities in Long Branch. NJNG anticipates that NRD claims may 9 also be filed for each of its MGP sites since there are potential groundwater impacts 10 at each location. NJNG cannot predict whether the NJDEP will impose additional or modified remediation-related requirements in the future. Subject to that caveat, 12 NJNG is not currently aware of any material events relating to NJDEP directives, 13 or otherwise, which could have an impact on the Company's NRD liability. As a 14 result of prior settlement discussions with BPU Staff and Rate Counsel, no NRD 15 expenses have been included for recovery in this filing.

16 Q. DOES THIS CONCLUDE YOUR TESTIMONY?

17 A. Yes.

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NEW JERSEY NATURAL GAS COMPANY

DIRECT TESTIMONY OF JUDY DESALVATORE MANAGER - REVENUE REQUIREMENTS

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

A. My name is Judy DeSalvatore and I am the Manager – Revenue Requirements for New Jersey Natural Gas Company ("NJNG" or the "Company"). My business address is 1415 Wyckoff Road, Wall, New Jersey 07719.

Q. PLEASE DESCRIBE YOUR EDUCATION AND BUSINESS EXPERIENCE.

I received a Bachelor of Science degree in Early Childhood Education with a minor in Psychology from Trenton State College. In September 1989, I accepted a position in the Customer Service Department at NJNG. Over a 34-year career, I supervised various departments within the NJNG company. In 2006, I was promoted to the position of Supervisor of Revenue Billing in which I oversaw the revenue billing processes and account support work. I also was respsonible for ensuring that customers received accurate and timely bills. In 2012, I accepted the position of Supervisor-Meter Reading. This entailed overseeing all aspects of the meter reading process for Monmouth and Ocean Counties. In 2016, I accepted the position of Supervisor of Revenue Integrity in Customer Service. In this position, I managed the workload for the Gas Transportation department to ensure all processes involving energy choice enrollments, billing, EDI data exchange, and event billing were completed accurately and timely and in accordance with the NJNG tariff. In 2018, I was promoted to Manager of Revenue Requirements. My responsibilities include supporting the Regulatory Affairs department in the preparation of all cost recovery filings.

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Q. HAVE YOU PREVIOUSLY TESTIFIED IN STATE REGULATORY PROCEEDINGS?

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

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

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A. I am responsible for: 1) supporting the schedules contained in the Company's Societal Benefits Charge ("SBC") filing, including the Remediation Adjustment ("RA") component of the SBC, which sets forth and summarizes actual remediation expenditures incurred by the Company through June 2023 ("Remediation Year 2023") for the remediation at former NJNG manufactured gas plant ("MGP") sites; 2) supporting the interest calculation on unrecovered deferred MGP expenditure balances; 3) calculating the proposed RA factor necessary to recover the MGP expenditure balance, including interest; and 4) addressing the rates for the other clauses within the SBC, including the New Jersey Clean Energy Program ("NJCEP") and the Universal Service Fund ("USF"). In this SBC filing, NJNG is petitioning the Board: (1) for approval of the RA expenditures Remediation Year 2023 as prudent and reasonable; (2) to increase the after-tax RA rate of \$0.0228 per therm to \$0.0262 per therm; and (3) to increase the after-tax NJCEP rate from \$0.0245 per therm to \$0.0318 per therm, effective April 1, 2024, or as of the date of a Board Order in this proceeding approving these proposed rates.

I. HISTORY OF NJNG'S REMEDIATION ADJUSTMENT CLAUSE

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

As part of the settlement of the Company's base rate case filing in Docket No. GR91081383J, NJNG was authorized in June 1992 to recover Remediation Costs on a deferred basis, over a rolling seven-year period and subject to BPU approval. As defined in the Company's BPU-approved tariff, "Remediation Costs" include costs associated with all investigation, testing, land acquisition if appropriate, remediation and/or litigation costs and expenses, or other liabilities, excluding personal injury claims, specifically relating to former MGP facility sites, disposal sites, or sites to which material may have migrated, as a result of the earlier operation or decommissioning of MGP sites. Examples of Remediation Costs the Company has previously included for recovery in SBC filings include: soil disposal and replacement, installation and maintenance of long-term groundwater treatment

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

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

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

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Τ		II. DESCRIPTION OF SUPPORTING RASCHEDULES
2	Q.	PLEASE PROVIDE A BRIEF EXPLANATION OF ATTACHMENT A,
3		SCHEDULES 1 THROUGH 5, WHICH SUPPORT THE COMPANY'S
4		PROPOSED REMEDIATION ADJUSTMENT IN THIS FILING.
5	A.	Schedule 1 – Summary of Site Expenses for Remediation Year 2023.
6		Schedule 1 provides a summary of actual RA expenditures, by MGP site and cost
7		category, of approximately \$10.89 million for the Remediation Year 2023. A
8		summary of actual MGP expenses by vendor for Remediation Year will be
9		provided subsequently in the Minimum Filing Requirements ("MFRs").
10		Schedule 2 – Amortization of Recoverable Costs
11		Schedule 2 provides the amortization calculation and recognizes the applicable
12		seven-year recovery period for the year end periods June 2017 through June 2023.
13		The actual expenditures to be recovered for Remediation Years ended June 30,
14		2017 through June 30, 2023, is approximately \$106.4 million in total, and one-
15		seventh of the cost is approximately \$15.2 million.
16		Schedule 3 - Remediation Adjustment Factor
17		Schedule 3 provides the calculation of the pre-tax and after-tax RA Factor for the
18		2022/2023 Recovery Year. The amount to be recovered is the sum of the following:
19		(1) The Remediation Year amortizations from year end periods June 2017
20		through June 2023 of approximately \$15.2 million, per Schedule 2; plus
21		(2) A reconciliation amount that is comprised of the total under-recovery
22		through March 31, 2023, and expected recovery through March 31, 2024 of
23		approximately \$1.16 million; plus
24		(3) Interest of approximately \$1.8 million from Schedule 5.
25		(4) The resulting net total amount of \$18.16 million to be recovered is then
26		divided by the projected therm sales of natural gas for the twelve months ending
27		March 31, 2025 which yields a pre-tax RA factor of \$0.0246 per therm (\$0.0262
28		ner therm after-tax). As a result of the above calculations shown on Attachment A

Schedule 3, NJNG is proposing to increase the current after-tax RA Factor of \$0.0228 per therm to \$0.0262 per therm.

Schedule 4 - Annual Cap Calculation

Schedule 4 calculates the limitation on the annual recovery of NJNG's remediation costs. The Company's total annual amortization to be collected from customers during a prospective Recovery Year may not exceed 5 percent of the Company's total gas revenues collected from customers during the preceding Remediation Year. Schedule 4 shows that the total amount of approximately \$18.16 million projected to be recovered is less than the five percent revenue cap of approximately \$41.6 million based on the \$831.16 million in gas revenues for Remediation Year 2023.

Schedule 5 – Remediation Interest Calculation

Schedule 5 calculates interest for the period beginning October 2022 and ending September 2023 on the Company's monthly average balance of deferred remediation costs using the methodology approved by the Board in Docket No. GR09010076, dated April 28, 2010. The October 31, 2022 deferred balance includes interest that has been rolled-in from Remediation Year 2022. The column on Schedule 5 labeled "Net of Tax" reflects the offset of deferred taxes based on the above-mentioned Board approved methodology. Effective September 1, 2023, the SBC annual interest rate was modified pursuant to the Board Order.

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

As shown on Attachment A, Schedule 3, the Company is proposing to increase the current after-tax RA Factor from \$0.0228 per therm to \$0.0262 per therm, effective April 1, 2024, or as of the date of a Board Order in this proceeding.

III. OTHER SBC COMPONENTS

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

Annually, the BPU issues an order to update NJNG's NJCEP funding obligations, and the Company must provide the approved level of NJCEP funding to the State

Treasurer regardless of actual customer usage. Any shortfall or excess in recovery 1 2 is carried in the Company's NJCEP deferred account balance to be included in the 3 future year's rate calculations. Attachment B includes the monthly NJCEP funding obligation for July 2023 through June 2024 based on the approved funding 4 obligation in the BPU Order, dated June 29, 2023, in Docket No. QO23040235. 5 6 NJNG's annual funding obligation is approximately \$17 million. Attachment B 7 also includes estimated NJCEP recovery through March 2024 to determine the amount to be recovered from April 2024 through March 2025. 8

9 Q. WHAT IS THE PROPOSED AFTER-TAX NJCEP FACTOR FOR THIS 10 FILING?

11 **A.** The Company proposes to increase its after-tax NJCEP Factor of \$0.0245 per therm to \$0.0318 per therm effective April 1, 2024, or as the date of a Board Order in this proceeding. The proposed rate recovers estimated NJCEP funding levels through March 2025. Supporting documentation for this factor is presented in Attachment B.

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

A. The after-tax USF factor included in this SBC filing is \$0.0166 per therm. This statewide USF factor was approved in the Board's September 28, 2022, Order in Docket No. ER22060374, and became effective on October 1, 2022.

20 IV. OVERALL PROPOSED PRICE CHANGES

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

23 **A.** The Company is proposing to increase its after-tax RA rate from \$0.0228 to \$0.0262 per therm as well as its after-tax NJCEP rate from \$0.0245 to \$0.0318 per therm effective April 1, 2024, or as of the date of a Board Order in this proceeding. This results in a proposed overall SBC after- tax rate, (inclusive of the RA, NJCEP and USF) of \$0.0746 per therm. The proposed RA and NJCEP rates will result in an overall increase of approximately 0.71 percent to the average residential heating customer's monthly bill.

Q. DOES THIS CONCLUDE YOUR TESTIMONY?

31 **A.** Yes.

NEW JERSEY NATURAL GAS COMPANY SOCIETAL BENEFITS CHARGE (SBC) REMEDIATION ADJUSTMENT RIDER REMEDIATION YEAR 2023

SUMMARY OF SITE EXPENSES July 2022 - June 2023

				July 2022 June 2020				
LINE NO.	SITE	CONSULTING	REMEDIATION	LEGAL	OTHER	TOTAL REMEDIATION EXPENSES	THIRD PARTY EXPENSES	RECOVERY COST
1	Aberdeen	\$438,687.75	\$134,141.67	\$0.00	\$150.00	\$572,979.42	\$0.00	\$572,979.42
2	Atlantic Highlands	\$1,162,261.18	\$3,279,104.08	\$80,000.00	(\$51,018.62)	\$4,470,346.64	\$0.00	\$4,470,346.64
3	Berkeley	\$5,762.25	\$23,264.30	\$0.00	\$150.00	\$29,176.55	\$0.00	\$29,176.55
4	Freehold	\$91,282.48	\$100,500.26	\$0.00	\$595.53	\$192,378.27	\$0.00	\$192,378.27
5	Long Branch	\$347,727.20	\$908,005.94	\$16,162.50	\$64,897.56	\$1,336,793.20	\$0.00	\$1,336,793.20
6	Manchester	\$23,040.70	\$45,981.21	\$0.00	\$150.00	\$69,171.91	\$0.00	\$69,171.91
7	Toms River	\$1,276,708.86	\$2,107,768.20	\$914,822.87	(\$79,531.83)	\$4,219,768.10	\$0.00	\$4,219,768.10
	TOTALS	\$3,345,470.42	\$6,598,765.66	\$1,010,985.37	(\$64,607.36)	\$10,890,614.09	\$0.00	\$10,890,614.09

Exhibit P-3 Attachment A Schedule 2 Page 2 of 5

NEW JERSEY NATURAL GAS COMPANY SOCIETAL BENEFITS CHARGE (SBC) REMEDIATION ADJUSTMENT RIDER REMEDIATION YEAR 2023

COSTS ELIGIBLE FOR AMORTIZATION & RECOVERY OVER 7 YEARS: Actual Expenditures

ANNUAL RECOVERY SUMMARY:

Annual Amortization of Period Costs (seven years)

TOTAL	YE 6/30/2023	YE 6/30/2022	YE 6/30/2021	YE 6/30/2020	YE 6/30/2019	YE 6/30/2018	YE 6/30/2017
\$106,406,782	\$10,890,614	\$34,710,450	\$9,937,330	\$10,986,911	\$12,115,897	\$17,676,763	\$10,088,817
\$15,200,970	\$1,555,802	\$4,958,636	\$1,419,619	\$1,569,559	\$1,730,842	\$2,525,252	\$1,441,260

NEW JERSEY NATURAL GAS COMPANY SOCIETAL BENEFITS CHARGE (SBC) REMEDIATION ADJUSTMENT RIDER REMEDIATION YEAR 2023

REMEDIATION ADJUSTMENT FACTOR

	REMEDIATION ADJUSTMENT	FACTOR			
Line 1	AMORTIZATION (Per Schedule 2)	_	\$15,200,970		
	Total Amortization			\$15,200,970	a
2	PRIOR YEARS' RECONCILIATION				
	Amount to be Recovered:				
	BPU Order - Docket No.GR22090574 Total Amount to be Recovered	\$15,447,983	\$15,447,983		
	Recovery: April 1, 2022 to March 31, 2023 Actual Less: April 1, 2022 to March 31, 2023 (Estimate included in current rate) True up	\$10,864,428 \$11,909,842 (\$1,045,415)			
	April 1, 2023 to March 31, 2024 (Actuals through July 31, 2023) Total Amount Recovered	\$15,332,798	\$14,287,383		
	Under-Recovery			1,160,599	b
3	INTEREST CALCULATION (Per Schedule 5)				
	Interest (October 1, 2022 - September 30, 2023)*			\$ 1,796,246	c
4	TOTAL TO BE RECOVERED			\$18,157,815	a+b+c
5	THERM SALE PROJECTION (April 2024 - March 2025)				
	PROJECTED THERM SALES: FIRM SALES FIRM TRANSPORTATION INTERRUPTIBLE TRANSPORTATION TOTAL PROJECTED THERM SALES	600,343,332 122,397,422 14,781,465		737,522,218	
	PROPOSED PRE-TAX RA FACTOR PER THERM PROPOSED AFTER-TAX RA FACTOR PER THERM CURRENT PRE-TAX RA FACTOR PER THERM			\$0.0246 \$0.0262 \$0.0214	
	CURRENT AFTER-TAX RA FACTOR PER THERM Increase			\$0.0228 \$0.0034	

* 10 months actual, two months estimate

Exhibit P-3 Attachment A Schedule 4 Page 4 of 5

NEW JERSEY NATURAL GAS COMPANY SOCIETAL BENEFITS CHARGE (SBC) REMEDIATION ADJUSTMENT RIDER REMEDIATION YEAR 2023

ANNUAL CAP CALCULATION

 FIRM GAS REVENUES-REMEDIATION YEAR 2023
 \$ 831,162,210

 5% CAP
 \$41,558,111

 TOTAL TO BE RECOVERED
 \$18,157,815

^{*} Revenues based on Remediation Year July 1, 2022 - June 30, 2023

NEW JERSEY NATURAL GAS COMPANY SOCIETAL BENEFITS CHARGE (SBC) REMEDIATION ADJUSTMENT RIDER REMEDIATION YEAR 2023

REMEDIATION INTEREST CALCULATION

	Deferred				Monthly	Monthly Interest	
Month-Year	Balance	Deferred Taxes	Net of Tax	Average Balance	<i>Rate (1)</i>	(2)	
			46,938,829				
10/31/22	66,609,813	(18,724,019)	47,885,794	47,412,312	0.321%	152,115	
11/30/22	66,327,963	(18,644,790)	47,683,173	47,784,484	0.321%	153,309	
12/31/22	65,213,626	(18,331,550)	46,882,076	47,282,624	0.321%	151,698	
01/31/23	63,915,127	(17,966,542)	45,948,585	46,415,330	0.321%	148,916	
02/28/23	62,931,532	(17,690,054)	45,241,478	45,595,031	0.321%	146,284	
03/31/23	62,359,288	(17,529,196)	44,830,092	45,035,785	0.321%	144,490	
04/30/23	62,493,781	(17,567,002)	44,926,779	44,878,436	0.321%	143,985	
05/31/23	62,447,406	(17,553,966)	44,893,440	44,910,110	0.321%	144,087	
06/30/23	62,511,712	(17,572,042)	44,939,670	44,916,555	0.321%	144,107	
07/31/23	62,434,062	(17,550,215)	44,883,847	44,911,759	0.321%	144,092	
08/31/23	62,434,062	(17,550,215)	44,883,847	44,883,847	0.321%	144,002 Esti	imate
09/30/23	62,434,062	(17,550,215)	44,883,847	44,883,847	0.399%	179,161 Esti	imate
Total						\$ 1,796,246	

⁽¹⁾ Monthly rate is 1/12 of the Seven-Year Constant Maturity Treasury rate plus 60 basis points adjusted each August 31.

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

NEW JERSEY NATURAL GAS COMPANY SOCIETAL BENEFITS CHARGE (SBC) NEW JERSEY'S CLEAN ENERGY PROGRAM ADJUSTMENT CLAUSE BPU DOCKET NO. GR23090672

NEW JERSEY CLEAN ENERGY ADJUSTMENT CLAUSE CALCULATION

	Estimated Balance (\$ 000)
NJ Clean Energy Underrecovery Balance @ July 31, 2023	\$4,483
Board Approved Amounts for August 2023 to March 2024	\$14,600
Recovery for August 2023 through March 2024	(\$14,080)
Estimated balance at March 31, 2024	\$5,003
Board Approved Amounts for April 2024 to March 2025	\$16,974
Estimated Amount to be Recovered	\$21,977
Projected 4/24-3/25 Sales Firm Sales 600,343 Firm Transportation 122,397 Interruptible 14,781	
Total 737,522	737,522
Pre-tax NJ Clean Energy Recovery Rate \$ per Therm as Calcu After-tax NJ Clean Energy Recovery Rate \$ per Therm as Cal	
Current Pre-tax NJ Clean Energy Recovery Rate \$ per Therm Current After-tax NJ Clean Energy Recovery Rate \$ per Therm	
Calculated Pre-tax NJ Clean Energy Recovery Rate \$ per The Calculated After-tax NJ Clean Energy Recovery Rate \$ per The	

¹ Per 6/29/2023 Order in BPU Docket No. QO23040235. Assumes approved contributions through June 2024 and estimates for July 2024 through March 2025 period based on approved amounts from prior period (July 2023 through Mar 2024).

<u>SERVICE CLASSIFICATION - RS</u>

<u>RESIDENTIAL SERVICE</u>

<u>AVAILABILITY</u>

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

\$0.90608953

Residential Non-Heating

Delivery Charge per therm

\$0.87068599

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: April 19, 2023

Issued by: Mark G. Kahrer, Senior Vice President

20242023

Wall, NJ 07719

Effective for service rendered on and after AprilMay 1,

<u>SERVICE CLASSIFICATION – DGR</u>

<u>DISTRIBUTED GENERATION SERVICE - RESIDENTIAL</u>

<u>AVAILABILITY</u>

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

\$0.42884181

May - October

\$0.37553648

BGSS Charge:

BGSS Charge per therm for Sales Customers

See "Rate Summaries" at the end of this Tariff

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

MINIMUM MONTHLY CHARGE

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

BALANCING CHARGE ADJUSTMENTS

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

Date of Issue: April 19, 2023

Issued by: Mark G. Kahrer, Senior Vice President

<u>2024</u>2023

Wall, NJ 07719

Effective for service rendered on and after April May 1,

Superseding Fourth Third Revised Sheet No. 55

<u>SERVICE CLASSIFICATION – GSS</u>

<u>GENERAL SERVICE - SMALL</u>

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.<u>8003</u>7896

BGSS Charge:

BGSS Charge per therm for Sales Customers

See "Rate Summaries" at the end of this Tariff

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

MINIMUM MONTHLY CHARGE

The minimum monthly charge shall be the Customer Charge.

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

BALANCING CHARGE ADJUSTMENTS

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

Date of Issue: April 19, 2023

Issued by: Mark G. Kahrer, Senior Vice President

<u>2024</u>2023

Wall, NJ 07719

Effective for service rendered on and after April May 1,

<u>SERVICE CLASSIFICATION - GSS</u>

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 (\$0.43434342) 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 \$0.36603554 per therm, which includes \$0.1088 per therm margin, all appropriate riders, taxes, assessments and surcharges, and the delivery charge for Service Classification GSS.

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

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

3. Veterans' Organization Service

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

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

Date of Issue: April 19, 2023

Issued by: Mark G. Kahrer, Senior Vice President

20242023

Wall, NJ 07719

Effective for service rendered on and after April May 1,

Superseding Fourth Third Revised Sheet No. 57

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 \$0.78237716 per therm.

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

1. Additional Requirements

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

TERMS AND CONDITIONS

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

Date of Issue: April 19, 2023

Issued by: Mark G. Kahrer, Senior Vice President

<u>2024</u>2023

Wall, NJ 07719

Effective for service rendered on and after <u>AprilMay</u> 1,

<u>Fifth</u>Fourth Revised Sheet No. 58 Superseding FourthThird Revised Sheet No. 58

<u>SERVICE CLASSIFICATION - GSL</u>

GENERAL SERVICE - LARGE

<u>AVAILABILITY</u>

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

<u>Customer Charge:</u>

Customer Charge per meter per month \$104.00

Demand Charge:

Demand Charge per therm applied to HMAD \$3.41

<u>Delivery Charge:</u>

Delivery Charge per therm \$0.60175910

BGSS Charge:

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

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

MINIMUM MONTHLY CHARGE

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

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

BALANCING CHARGE ADJUSTMENTS

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

Date of Issue: April 19, 2023

Issued by: Mark G. Kahrer, Senior Vice President

2023

Wall, NJ 07719

Effective for service rendered on and after <u>April May</u> 1,<u>2024</u>

Superseding Fourth Third Revised Sheet No. 59

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 <u>Determination of Demand</u> 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 (\$0.23572356) 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 \$0.36603554 per therm which includes \$0.1088 per therm margin, all appropriate riders, taxes, assessments and surcharges, and the delivery charge for Service Classification GSL.

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

Date of Issue: April 19, 2023

Issued by: Mark G. Kahrer, Senior Vice President

<u> 2024</u>2023

Wall, NJ 07719

Effective for service rendered on and after AprilMay 1,

SERVICE CLASSIFICATION - FT

FIRM TRANSPORTATION SERVICE

<u>AVAILABILITY</u>

This service is available to any customer who would otherwise qualify for service under Service Classifications GSS, GSL, IS, or NGV. The Company may require the Customer to provide to the Company's satisfaction, proof of a firm gas supply having marketable title of gas with firm transportation capacity to the Company's distribution systems.

MONTHLY RATES

Customer Charge:

Customer Charge per meter per month \$350.00

Demand Charge:

Demand Charge per therm applied to MDQ \$2.50

Delivery Charge:

Delivery Charge per therm \$0.19601853

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

MINIMUM MONTHLY CHARGE

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

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

Date of Issue: April 19, 2023

Issued by: Mark G. Kahrer, Senior Vice President

20242023

Wall, NJ 07719

Effective for service rendered on and after <u>April</u>May 1,

Superseding FourthThird Revised Sheet No. 64

SERVICE CLASSIFICATION - DGC

DISTRIBUTED GENERATION SERVICE - COMMERCIAL

<u>AVAILABILITY</u>

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

	DGC-Balancing	DGC-FT
Customer Charge: 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
Delivery Charge per therm:		
November - April	\$0. <u>3251</u> 3144	\$0. <u>1871</u> 1764
May - October	\$0. <u>29252818</u>	\$0. <u>1545</u> 1438
BGSS Charge per therm for Sales Customers	See "Rate Summaries" at the end of this Tariff	N/A

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

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

Date of Issue: April 19, 2023

Mark G. Kahrer, Senior Vice President Issued by:

20242023

Wall, NJ 07719

Effective for service rendered on and after April May 1,

<u>SERVICE CLASSIFICATION - EGS</u>

ELECTRIC GENERATION SERVICE

<u>AVAILABILITY</u>

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

MONTHLY RATES

Customer Charge:

Without SUTWith SUTCustomer Charge per month\$877.26\$935.38

Demand Charge:

Without SUTWith SUTDemand Charge per therm\$1.5132\$1.6134

applied to MDQ

Delivery Charge:

 Without SUT
 With SUT

 Delivery Charge per therm
 \$0.10890989
 \$0.11611054

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

See Rate Summaries at the end of this Tariff for a summary of components incorporated in these rates.

MINIMUM MONTHLY CHARGE

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

Date of Issue: April 19, 2023

Issued by: Mark G. Kahrer, Senior Vice President

<u>2024</u>2023

Wall, NJ 07719

Effective for service rendered on and after AprilMay 1,

FifthFourth Revised Sheet No. 76 Superseding FourthThird Revised Sheet No. 76

SERVICE CLASSIFICATION - NGV

<u>NATURAL GAS VEHICLE SERVICE</u>

<u>AVAILABILITY</u>

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

<u>CONDITIONS PRECEDENT</u>

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

<u>DEFINITION OF TERM USED HEREIN</u>

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

CHARACTER OF SERVICE

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

LICENSING, PERMITS AND LEGAL REQUIREMENTS

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

MONTHLY RATES

	Gas Available at	Customer Owned
(Company Facilities	Facilities
Customer Charge:		
Residential Customer Charge per meter per month	N/A	\$11.00
Commercial Customer Charge per meter per month	N/A	\$104.00
<u>Delivery Charge:</u>		
Delivery Charge per therm	\$0. <u>3998</u> 3891	\$0. <u>3998</u> 3891
	(\$0. <u>500</u> 4 86 per	(\$0. <u>500</u> 4 86 per
	GGE)	GGE)

Date of Issue: April 19, 2023

Issued by: Mark G. Kahrer, Senior Vice President

20242023

Wall, NJ 07719

Effective for service rendered on and after AprilMay 1,

Superseding Fourth Third Revised Sheet No. 81

<u>SERVICE CLASSIFICATION - IS</u>

<u>INTERRUPTIBLE SERVICE</u>

<u>AVAILABILITY</u>

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

CHARACTER OF SERVICE

Interruptible gas sales and transportation service.

MONTHLY RATES

Customer Charge:

Customer Charge per meter per month \$572.98

Delivery Charge:

Customers with Alternate Fuel

Delivery Charge per therm \$0.16381531

Customers without Alternate Fuel

Delivery Charge per therm \$0.40463939

BGSS Charge:

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

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

MINIMUM MONTHLY CHARGE

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

Date of Issue: April 19, 2023

Issued by: Mark G. Kahrer, Senior Vice President

20242023

Wall, NJ 07719

Effective for service rendered on and after AprilMay 1,

<u>SERVICE CLASSIFICATION - CNG</u>

COMPRESSED NATURAL GAS

<u>AVAILABILITY</u>

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

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

CONDITIONS PRECEDENT

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

<u>DEFINITION OF TERM USED HEREIN</u>

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

CHARACTER OF SERVICE

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

MONTHLY RATES

Customer Charge:

Customer Charge per meter per month \$104.00

Delivery Charge:

Delivery Charge per therm \$0.61316024 (\$0.766753 per GGE)

BGSS Charge:

Monthly BGSS Charge per therm for Sales Customers

See "Rate Summaries" at the end of

without a gas supply contract 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.

Date of Issue: April 19, 2023 Effective for service rendered on

Issued by: Mark G. Kahrer, Senior Vice President and after April May 1,

2024<mark>2023 Wall, NJ 07719</mark>

<u>SERVICE CLASSIFICATION - CNG</u> <u>COMPRESSED NATURAL GAS</u>

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

Date of Issue: April 19, 2023

Issued by: Mark G. Kahrer, Senior Vice President

<u> 20242023</u>

Wall, NJ 07719

Effective for service rendered on and after AprilMay 1,

Superseding Second First Revised Sheet No. 165

RIDER "C"

REMEDIATION ADJUSTMENT (RA) (continued)

III. TRACKING THE OPERATION OF THE REMEDIATION ADJUSTMENT CLAUSE

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

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

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

\$0.02620228

Date of Issue: April 19, 2023

Issued by: Mark G. Kahrer, Senior Vice President

20242023

Wall, NJ 07719

Effective for service rendered on and after April May 1,

Superseding SecondFirst Revised Sheet No. 171

<u>RIDER "E"</u>

<u>NEW JERSEY'S CLEAN ENERGY PROGRAM (continued)</u>

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

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

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

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

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

\$0.03180245

Date of Issue: April 19, 2023

Issued by: 20242023

Mark G. Kahrer, Senior Vice President

Wall, NJ 07719

Effective for service rendered on and after April May 1,

SUMMARY OF RESIDENTIAL RATE COMPONENTS

Residential Heating Customers

Customer Charge		Bundled Sales	Transport	Reference
Customer Charge per meter per month		11.00	11.00	
Delivery Charge ("DEL") per therm				
Pre-tax Base Rate		0.5701	0.5701	
Pre-tax IIP Base Rate		<u>0.0045</u>	<u>0.0045</u>	Rider D
Total Pre-tax Base Rate (Margin Revenue)	Factor)	0.5746	0.5746	
SUT		<u>0.0381</u>	<u>0.0381</u>	Rider B
After-tax Base Rate		0.6127	0.6127	
CIP		0.0442	0.0442	Rider I
EE		<u>0.0365</u>	0.0365	Rider F
Subtotal	a	0.6934	0.6934	
Balancing Charge	b	0.1380	0.1380	Rider A
Societal Benefits Charge ("SBC"):				
NJ's Clean Energy		0. 0245 <u>03</u> 18	0. 0245<u>031</u> 8	Rider E
RA		0.022802	0. 0228 <u>026</u>	Rider C
USF		62 0.0166	2 0.0166	Rider H
Total SBC	c	<u>0.0639</u> 07 46	<u>0.0639074</u> <u>6</u>	
Delivery Charge (DEL)	a+b+c=d	<u>0.8953</u> 90 <u>60</u>	<u>0.8953</u> 906 <u>0</u>	
Basic Gas Supply Charge ("BGS") BGS	e	<u>0.5065</u>	X	Rider A

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

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

Date of Issue: April 19, 2023

Mark G. Kahrer, Senior Vice President Issued by:

20242023

Wall, NJ 07719

Effective for service rendered on and after April May 1,

SUMMARY OF RESIDENTIAL RATE COMPONENTS

Residential Non-Heating Customers

Customer Charge		Bundled Sales 11.00	<u>Transport</u> 11.00	Reference
Customer Charge per meter per month		11.00	11.00	
Delivery Charge ("DEL") per therm				
Pre-tax Base Rate		0.5701	0.5701	
Pre-tax IIP Base Rate		<u>0.0045</u>	<u>0.0045</u>	Rider D
Total Pre-tax Base Rate (Margin Revenue Fa	actor)	0.5746	0.5746	
SUT		<u>0.0381</u>	<u>0.0381</u>	Rider B
After-tax Base Rate		0.6127	0.6127	
CIP		0.0088	0.0088	Rider I
EE		<u>0.0365</u>	<u>0.0365</u>	Rider F
Subtotal	a	0.6580	0.6580	
Balancing Charge	ь	0.1380	0.1380	Rider A
Societal Benefits Charge ("SBC"):				
NJ's Clean Energy		0. 0245 <u>03</u>	0. 0245 <u>0318</u>	Rider E
RA		$\frac{18}{0.022802}$	0. 0228 0262	Rider C
IV.		62	0.0220 <u>0202</u>	rader C
USF		0.0166	<u>0.0166</u>	Rider H
Total SBC	c	<u>0.0639</u> 07 <u>46</u>	<u>0.06390746</u>	
Delivery Charge (DEL)	a+b+c=d	<u>0.870685</u> <u>99</u>	<u>0.87068599</u>	
Basic Gas Supply Charge ("BGS")				
BGS	e	<u>0.5065</u>	X	Rider A

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

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

Date of Issue: April 19, 2023

Issued by: Mark G. Kahrer, Senior Vice President

*2024*2023

Wall, NJ 07719

Effective for service rendered on and after April May 1,

SUMMARY OF RESIDENTIAL RATE COMPONENTS

Residential Distributed Generation Service

		Nov - Apr	May - Oct	Reference
<u>Customer Charge</u> Customer Charge per meter per month		11.00	11.00	
Delivery Charge ("DEL") per therm				
Pre-tax Base Rate Pre-tax IIP Base Rate		0.1685 <u>0.0000</u>	0.1185 <u>0.0000</u>	Rider D
Total Pre-tax Base Rate SUT		0.1685 <u>0.0112</u>	0.1185 <u>0.0079</u>	Rider B
After-tax Base Rate EE		0.1797 <u>0.0365</u>	0.1264 <u>0.0365</u>	Rider F
Subtotal	a	0.2162	0.1629	
Balancing Charge	b	0.1380	0.1380	Rider A
Societal Benefits Charge ("SBC"): NJ's Clean Energy RA USF		0. 0245 <u>0318</u> 0. 0228 <u>0262</u> <u>0.0166</u>	0. 0245 0318 0. 0228 0262 0.0166	Rider E Rider C Rider H
Total SBC	c	0.06390746	0.06390746	
Delivery Charge (DEL)	a+b+c=d	<u>0.42884181</u>	<u>0.37553648</u>	
Basic Gas Supply Charge ("BGS") BGS	e	<u>0.5065</u>	<u>0.5065</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: Issued by: **20242023**

April 19, 2023

Mark G. Kahrer, Senior Vice President

Effective for service rendered on and after April May 1,

General Service - Small (GSS)

Customan Changa		Bundled Sales	<u>Transport</u>	Reference
Customer Charge Customer Charge per meter per month		42.00	42.00	
Delivery Charge ("DEL") per therm				
Pre-tax Base Rate Pre-tax IIP Base Rate		0.4944 <u>0.0057</u>	0.4944 <u>0.0057</u>	Rider D
Total Pre-tax Base Rate (Margin Reven SUT	ue Factor)	0.5001 <u>0.0331</u>	0.5001 <u>0.0331</u>	Rider B
After-tax Base Rate CIP EE		0.5332 0.0180 <u>0.0365</u>	0.5332 0.0180 <u>0.0365</u>	Rider I Rider F
Subtotal	a	0.5877	0.5877	
Balancing Charge	b	0.1380	0.1380	Rider A
Societal Benefits Charge ("SBC"):				
NJ's Clean Energy		0. 0245 <u>031</u> <u>8</u>	0. 0245 <u>0318</u>	Rider E
RA		$0.02\overline{28026}$ $\underline{2}$	0. 0228 <u>0262</u>	Rider C
USF		0.0166	0.0166	Rider H
Total SBC	c	<u>0.0639074</u> <u>6</u>	<u>0.06390746</u>	
Delivery Charge (DEL)	a+b+c=d	<u>0.8003789</u> <u>6</u>	<u>0.</u> 8003 <u>7896</u>	
Basic Gas Supply Charge ("BGS") BGS	e	0.5065	X	Rider A

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

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

Date of Issue: April 19, 2023

Mark G. Kahrer, Senior Vice President Issued by:

20242023

Wall, NJ 07719

Effective for service rendered on and after April May 1,

General Service - Large (GSL)

		Bundled	T	D. C
Court and an Change		<u>Sales</u>	<u>Transport</u>	<u>Reference</u>
<u>Customer Charge</u> Customer Charge per meter per month		104.00	104.00	
Demand Charge				
Demand Charge per month applied to H	MAD	3.41	3.41	
Delivery Charge ("DEL") per therm				
Pre-tax Base Rate		0.3133	0.3133	
Pre-tax IIP Base Rate		<u>0.0041</u>	<u>0.0041</u>	Rider D
Total Pre-tax Base Rate (Margin Revenu	e Factor)	0.3174	0.3174	
SUT		<u>0.0210</u>	0.0210	Rider B
After-tax Base Rate		0.3384	0.3384	
CIP		0.0142	0.0142	Rider I
EE		<u>0.0365</u>	0.0365	Rider F
Subtotal	a	0.3891	0.3891	
Balancing Charge	b	0.1380	0.1380	Rider A
Societal Benefits Charge ("SBC"):				
NJ's Clean Energy		0. 0245 <u>031</u>	0. 0245 <u>031</u>	Rider E
RA		0.0228026	0.0228026	Rider C
USF		2 0.0166	<u>2</u> 0.0166	Rider H
Total SBC	c	<u>0.0639074</u>	<u>0.0639</u> 074	
		<u>6</u>	<u>6</u>	
Delivery Charge (DEL)	a+b+c=d	<u>0.6017591</u> <u>0</u>	<u>0.6017591</u> <u>0</u>	
Basic Gas Supply Charge ("BGS")				
BGS	e	<u>\$0.3548</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: August 30, 2023 Issued by:

Mark G. Kahrer, Senior Vice President

20242023

Wall, NJ 07719

Effective for service rendered on and after April September 1,

FIRM TRANSPORTATION (FT)

Constant of Change		<u>Transport</u>	Reference
Customer Charge per meter per month		350.00	
Demand Charge			
Demand Charge per therm per month a	pplied to MDQ	2.50	
Delivery Charge ("DEL") per therm			
Pre-tax Base Rate		0.0775	
Pre-tax IIP Base Rate		<u>0.0021</u>	Rider D
Total Pre-tax Base Rate		0.0796	
SUT		0.0053	Rider B
After-tax Base Rate		0.0849	
EE		<u>0.0365</u>	Rider F
Subtotal	a	0.1214	
Societal Benefits Charge ("SBC"):			
NJ's Clean Energy		0. 0245 <u>0318</u>	Rider E
RA		0.02280262	Rider C
USF		<u>0.0166</u>	Rider H
Total SBC	b	<u>0.06390746</u>	
Delivery Charge (DEL)	a+b=c	<u>0.19601853</u>	

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

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

Date of Issue: April 19, 2023

Issued by: Mark G. Kahrer, Senior Vice President

<u> 2024</u>2023

Wall, NJ 07719

Effective for service rendered on and after AprilMay 1,

Commercial Distributed Generation Service - DGC-Balancing

		Nov - Apr	May - Oct	Reference
<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	d to PBQ	2.35	2.35	
Delivery Charge ("DEL") per therm				
Pre-tax Base Rate Pre-tax IIP Base Rate		$0.0701 \\ 0.0012$	0.0395 0.0012	Rider D
Tic-tax III Base Rate		0.0012	0.0012	Riuci D
Total Pre-tax Base Rate		0.0713	0.0407	
SUT		<u>0.0047</u>	<u>0.0027</u>	Rider B
After-tax Base Rate		0.0760	0.0434	
EE		<u>0.0365</u>	0.0365	Rider F
Subtotal	a	0.1125	0.0799	
Societal Benefits Charge ("SBC"):				
NJ's Clean Energy		0. 0245 <u>0318</u>	0. 0245 <u>031</u>	Rider E
RA		0. 0228 <u>0262</u>	0.0228026 2	Rider C
USF		<u>0.0166</u>	<u>0.0166</u>	Rider H
Total SBC	b	<u>0.0639</u> 0746	<u>0.0639</u> 074 <u>6</u>	
Balancing Charge	c	<u>0.1380</u>	<u>0.1380</u>	
DGC-Balancing Delivery Charge (DEL)	a+b+c=d	<u>0.32513144</u>	<u>0.2925281</u> <u>&</u>	
Basic Gas Supply Charge ("BGS") BGS	e	<u>\$0.3548</u>	<u>\$0.3548</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: August 30, 2023

Mark G. Kahrer, Senior Vice President Issued by:

<u> 20242023</u>

Wall, NJ 07719

Effective for service rendered on and after April September 1,

<u>Commercial Distributed Generation Service – DGC-FT</u>

		Nov - Apr	May - Oct	Reference
Customer Charge Customer Charge per meter per month		104.00	104.00	
Demand Charge				
Demand Charge per therm per month applied	to PBQ	2.35	2.35	
Delivery Charge ("DEL") per therm				
Pre-tax Base Rate		0.0701	0.0395	
IIP Pre-tax Base Rate		<u>0.0012</u>	0.0012	Rider D
Total Pre-tax Base Rate		0.0713	0.0407	
SUT		0.0047	0.0027	Rider B
After-tax Base Rate		0.0760	0.0434	
EE		<u>0.0365</u>	<u>0.0365</u>	Rider F
Subtotal	a	0.1125	0.0799	
Societal Benefits Charge ("SBC"):				
NJ's Clean Energy		0.02450318	0.02450318	Rider E
RA		0.02280262	0.02280262	Rider C
USF		<u>0.0166</u>	<u>0.0166</u>	Rider H
Total SBC	b	<u>0.06390746</u>	<u>0.06390746</u>	
DGC-FT Delivery Charge (DEL)	a+b=c	<u>0.</u> 1871 <u>1764</u>	<u>0.1545<u>1438</u></u>	

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

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

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

Date of Issue: April 19, 2023

Issued by: Mark G. Kahrer, Senior Vice President

20242023

Wall, NJ 07719

Effective for service rendered on and after April May 1,

Electric Generation Service (EGS)

Customer Charge		Without SUT	With SUT	Reference
Customer Charge per meter per month		877.26	935.38	
<u>Demand Charge</u> Demand Charge per therm per month a	applied to MDQ	1.5132	1.6134	
<u>Delivery Charge ("DEL") per therm</u> Pre-tax Base Rate SUT		0.0047 <u>0.0000</u>	0.0047 <u>0.0003</u>	Rider B
Delivery Charge excluding Riders C,	a	0.0047	0.0050	
E, F and H EE	b	0.0342	0.0365	Rider F
Societal Benefits Charge ("SBC"):				
NJ's Clean Energy		0. <u>0298</u> 0230	0. 0245 <u>03</u> <u>18</u>	Rider E
RA		0. 0214 <u>0246</u>	0.022802	Rider C
USF		<u>0.0156</u>	<u>62</u> 0.0166	Rider H
Total SBC	С	<u>0.07000600</u>	<u>0.063907</u> <u>46</u>	
Delivery Charge (DEL) including Riders C, E, F and H	a+b+c=d	<u>0.10890989</u>	<u>0.116110</u> <u>54</u>	

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

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

Date of Issue: April 19, 2023

Issued by: 20242023

Mark G. Kahrer, Senior Vice President

Effective for service rendered on and after AprilMay 1,

FifthFourth Revised Sheet No. 260

BPU No. 11 - Gas

Superseding Fourth Third Revised Sheet No. 260

SUMMARY OF FIRM COMMERCIAL RATE COMPONENTS

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

Date of Issue: April 19, 2023

Issued by: **20242023**

Mark G. Kahrer, Senior Vice President

and after April May 1,

Effective for service rendered on

<u>Twenty-Seventh Twenty-Sixth</u> Revised Sheet No. 261 Superseding <u>Twenty-Sixth Twenty-Fifth</u> Revised Sheet No. 261

SUMMARY OF INTERRUPTIBLE RATE COMPONENTS

INTERRUPTIBLE SALES AND TRANSPORTATION

With Alternate Fuel

Customov Chavao		Bundled Sales	<u>Transport</u>	Reference
Customer Charge per meter per month		572.98	572.98	
Delivery Charge ("DEL") per therm				
Pre-tax Base Rate SUT		0.0494 <u>0.0033</u>	0.0494 <u>0.0033</u>	Rider B
After-tax Base Rate EE		0.0527 <u>0.0365</u>	0.0527 <u>0.0365</u>	Rider F
Subtotal	a	0.0892	0.0892	
Societal Benefits Charge ("SBC"): NJ's Clean Energy		0. 0245 <u>031</u> <u>8</u>	0. 0245 <u>0318</u>	Rider E
RA		0.0228026	0.02280262	Rider C
USF		2 0.0166	0.0166	Rider H
Total SBC	b	<u>0.0639074</u> <u>6</u>	<u>0.06390746</u>	
Delivery Charge (DEL)	a+b=c	<u>0.1638153</u> <u>1</u>	<u>0.16381531</u>	
Basic Gas Supply Charge ("BGS") Monthly BGSS	d	\$0. <u>.4928</u> 5 037	X	Rider A
BGS	d	<u>\$0.4928</u>	X	

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

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

Date of Issue: Issued by:

August 30, 2023

Mark G. Kahrer, Senior Vice President

Effective for service rendered on and after <u>AprilSeptember</u> 1,

<u>2024</u>2023

<u>Twenty-Seventh Twenty-Sixth</u> Revised Sheet No. 262 Superseding <u>Twenty-Sixth Twenty-Fifth</u> Revised Sheet No. 262

SUMMARY OF INTERRUPTIBLE RATE COMPONENTS

INTERRUPTIBLE SALES AND TRANSPORTATION

Without Alternate Fuel

		Bundled Sales	Transport	Reference
Customer Charge			_	
Customer Charge per meter per month		572.98	572.98	
D.P. Cl. ((DELW)				
<u>Delivery Charge ("DEL") per therm</u> Pre-tax Base Rate		0.2752	0.2752	
SUT		0.2753	0.2753	Rider B
501		0.0182	<u>0.0182</u>	Rider B
After-tax Base Rate		0.2935	0.2935	
EE		0.0365	0.0365	Rider F
		<u></u>	<u></u>	
Subtotal	a	0.3300	0.3300	
Societal Benefits Charge ("SBC"):				
NJ's Clean Energy		0. 0245 <u>031</u>	0.02450318	Rider E
		8		
RA		0.0228026	0.02280262	Rider C
USF		<u>2</u>	0.0166	Rider H
OSF		<u>0.0166</u>	<u>0.0166</u>	Kidel II
Total SBC	b	<u>0.0639074</u>	0. 0639 0746	
Total SBC	Ü	<u>6</u>	0.00370770	
		-		
Delivery Charge (DEL)	a+b=c	<u>0.4046393</u>	<u>0.40463939</u>	
		<u>9</u>		
D 1 G G 1 G (((D GG!))				
Basic Gas Supply Charge ("BGS")	.1	¢0.40 2 0	V	D:1 A
Monthly BGSS	d	\$0.4928	X	Rider A
BGS	d	<u>\$0.4928</u>	X	
DGD	u	<u> </u>	A	

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

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

Date of Issue: Issued by: 20242023 August 30, 2023

Mark G. Kahrer, Senior Vice President

Effective for service rendered on and after <u>AprilSeptember</u> 1,

Compressed Natural Gas (CNG)

Constant Character		Bundled Sales	<u>Transport</u>	Reference
Customer Charge per meter per month		104.00	104.00	
Pre-tax Base Rate IIP Pre-tax Base Rate		0.2683 0.0025	0.2683 0.0025	Rider D
CNG Charge Total Pre-tax Base Rate SUT		0.2000 0.4708 0.0312	0.2000 0.4708 0.0312	Rider D Rider B
After-tax Base Rate EE		0.5020 <u>0.0365</u>	0.5020 <u>0.0365</u>	Rider F
Subtotal	a	0.5385	0.5385	
Societal Benefits Charge ("SBC"): NJ's Clean Energy		0. 0245<u>031</u> <u>8</u>	0. 0245 <u>0318</u>	Rider E
RA		0. 0228 <u>026</u> <u>2</u>	0. 0228 <u>0262</u>	Rider C
USF		0.0166	<u>0.0166</u>	Rider H
Total SBC	b	<u>0.0639074</u> <u>6</u>	<u>0.06390746</u>	
Delivery Charge (DEL)	a+b=c	<u>0.6131602</u> <u>4</u>	<u>0.61316024</u>	
Basic Gas Supply Charge ("BGS") Monthly BGSS	d	\$0.4928	X	Rider A
BGS	d	<u>\$0.4928</u>	X	

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

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

Date of Issue: August 30, 2023

Issued by:

Mark G. Kahrer, Senior Vice President

2023

Wall, NJ 07719

Effective for service rendered on and after April September 1,

Superseding Twenty-Sixth Twenty-Fifth Revised Sheet No. 264

SUMMARY OF RESIDENTIAL AND FIRM COMMERCIAL RATE COMPONENTS

Natural Gas Vehicles (NGV)

Gas Available at Company Facilities

				<u>Reference</u>
Delivery Charge ("DEL") Pre-tax Base Rate IIP Pre-tax Base Rate		\$ per therm 0.2683 0.0025	\$ per GGE	Rider D
Total Pre-tax Base Rate SUT		0.2708 0.0179		Rider B
After-tax Base Rate EE		0.2887 <u>0.0365</u>		Rider F
Subtotal	a	0.3252		
Societal Benefits Charge ("SBC"): NJ's Clean Energy RA USF		0. 0245 <u>0318</u> 0. 0228 <u>0262</u> <u>0.0166</u>		Rider E Rider C Rider H
Total SBC	b	<u>0.06390746</u>		
Delivery Charge (DEL)	a+b=c	0. <u>3998</u> 3891	0. <u>500</u> 4 86	
Compression Charge	d	0.4958	0.620	
Monthly Basic Gas Supply Charge ("BGS")	e	0.4928	0.616	Rider A
Total Variable Charge	c+d+e=f	<u>1.</u> 3884 <u>3777</u>	1. <u>736</u> 722	
New Jersey Motor Vehicle Fuel Tax Federal Excise Fuel Tax * Federal Excise Fuel Tax Credit *	g h i		0.000 0.185 (0.517)	
Total Price	f+g+h+i =j		1. <u>404</u> 390	

^{*}Adjusted to reflect Internal Revenue Service GGE Conversion.

Date of Issue: August 30, 2023

Issued by: Mark G. Kahrer, Senior Vice President

20242023

Wall, NJ 07719

Effective for service rendered on and after April September 1,

SUMMARY OF RESIDENTIAL AND FIRM COMMERCIAL RATE COMPONENTS

Natural Gas Vehicles (NGV)

Customer Owned Facilities

Customer Owned Pacinities					
<u>Customer Charge</u> Residential Customer Charge per month		11.00		Reference	
Commercial Customer Charge per meter per month		104.00			
Delivery Charge ("DEL")		\$ per therm	\$ per GGE		
Pre-tax Base Rate IIP Pre-tax Base Rate		0.2683 0.0025		Rider D	
Total Pre-tax Base Rate		0.2708			
SUT		0.0179		Rider B	
After-tax Base Rate EE		0.2887 0.0365		Rider F	
LL		<u>0.0303</u>		Kidel 1	
Subtotal	a	0.3252			
Societal Benefits Charge ("SBC"):		0.00450040		D.1 5	
NJ's Clean Energy RA		0.02450318 0.02280262		Rider E Rider C	
USF		0.0166		Rider H	
Total SBC	b	<u>0.06390746</u>			
Delivery Charge (DEL)	a+b=c	0. <u>3998</u> 3891	0. <u>500</u> 4 86		
Monthly Basic Gas Supply Charge ("BGS")	d	<u>0.4928</u>	<u>0.616</u>	Rider A	
Total Variable Charge	c+d=e	<u>0.89268819</u>	<u>1.116102</u>		

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

Date of Issue: August 30, 2023

Issued by: Mark G. Kahrer, Senior Vice President

<u>2024</u>2023

Wall, NJ 07719

Effective for service rendered on and after April September 1,

New Jersey Natural Gas Company Net impact of Proposed Rate Changes

9/1/23 Rates

Post-tax

0.0228

Pre-tax

0.0214

Component of

Delivery Price

RAC

(\$/therm)
Proposed 4/1/24 Rates

0.0246

Post-tax

0.0262

Pre-tax

Change

Pre-tax

0.0032 0.0068

0.0000

0.0100

Post-tax 0.0034

0.0073

0.0000

0.0107

NJCEP	Delivery Price	0.0214	0.0225	0.0240	0.0202
USF	Delivery Price	0.0156	0.0166	0.0156	0.0166
Total SBC	_	0.0600	0.0639	0.0700	0.0746
Impact on	Residential Non-Heat	ting Custome	ers		
			<u></u>	25 therm bill	
9/1/23 Rate			044.00	044.00	
	Customer Charge Delivery		\$11.00 \$0.8599	\$11.00 \$21.50	
	BGSS		\$0.5065	\$12.66	
	5000	Total —	\$1.3664	\$45.16	
				· · · · · · · · · · · · · · · · · · ·	
Proposed 4	4/1/24 Rates				
	Customer Charge		\$11.00	\$11.00	
	Delivery		\$0.8706	\$21.77	
	BGSS	Total —	\$0.5065 \$1.3771	\$12.66 \$45.43	
		Total	Ψ1.5771	Ψ+0.+0	
	Increase			\$0.27	
	Increase as a perce	nt		0.60%	
Impact on	Residential Heating (Customers			4000 #
				100 therm bill	1000 therm annual bill
9/1/23 Rate	es Customer Charge		\$11.00	\$11.00	\$132.00
	Delivery		\$0.8953	\$89.53	\$895.30
	BGSS		\$0.5065	\$50.65	\$506.50
		Total	\$1.4018	\$151.18	\$1,533.80
Proposed 4	4/1/24 Rates				
	Customer Charge		\$11.00	\$11.00	\$132.00
	Delivery BGSS		\$0.9060 \$0.5065	\$90.60 \$50.65	\$906.00 \$506.50
	БООО	Total —	\$0.5065 \$1.4125	\$152.25	\$1,544.50
		. otal	Ų20	ψ102.20	ψ1,011.00
	Increase Increase as a perce	nt		\$1.07 0.71%	\$10.70 0.70%
Impact on	Commercial GSS Cus	stomers		100 therm bill	
9/1/23 Rate					
	Customer Charge		\$42.00	\$42.00	
	Delivery BGSS		\$0.7896 \$0.5065	\$78.96 \$50.65	
	ВООО	Total —	\$1.2961	\$171.61	
		rotai	Ψ1.2001	Ψ171.01	
Proposed 4	4/1/24 Rates				
-	Customer Charge		\$42.00	\$42.00	
	Delivery		\$0.8003	\$80.03	
	BGSS	T-4-1 —	\$0.5065	\$50.65	
		Total	\$1.3068	\$172.68	
	Increase			\$1.07	
	Increase as a perce	nt		0.62%	
Impact on	Commercial GSL Cus	stomers		1200 therm bill	
9/1/23 Rate			0404.00		
	Customer Charge		\$104.00	\$104.00 \$227.26	
	Demand Charge Delivery		\$3.41 \$0.5910	\$327.36 \$709.20	
	BGSS (Sept 2022)		\$0.3548	\$425.76	
	_ 300 (00pt 2022)	Total	\$0.9458	\$1,566.32	
Droncass	4/1/24 Bates				
rroposed (4/1/24 Rates Customer Charge		\$104.00	\$104.00	
	Demand Charge		\$3.41	\$327.36	
	Delivery		\$0.6017	\$722.04	
	BGSS (Sept 2022)	_	\$0.3548	\$425.76	
		Total	\$0.9565	\$1,579.16	

Increase

Projected Annual Revenue
Projected SBC annual therms

Increase as a percent

737,522 (000s)

\$12.84

0.82%

	9/1/23	3 Rates	Proposed 4/1/	24 Rates	Cha	nge
	Pre-tax	Post-tax	Pre-tax	Post-tax	Pre-tax	Post-tax
RAC	\$15.8	\$16.8	\$18.1	\$19.3	\$2.4	\$2.
NJCEP	\$17.0	\$18.1	\$22.0	\$23.5	\$5.0	\$5.
USF	<u>\$11.5</u>	\$12.2	<u>\$11.5</u>	\$12.2	\$0.0	\$0.
Total Pre-tax	\$44.3	\$47.1	\$51.6	\$55.0	\$7.4	\$7.

PLEASE TAKE NOTICE that on September 11, 2023, New Jersey Natural Gas Company ("NJNG" or the "Company") filed its annual Societal Benefits Charge ("SBC") petition with the New Jersey Board of Public Utilities ("Board") for a price adjustment for all applicable service customers. Pursuant to its filing, NJNG requested that the Board permit NJNG to increase its overall SBC rate, which would include an increase to the Remediation Adjustment ("RA") and increase to the New Jersey Clean Energy Program ("NJCEP") factors effective April 1, 2024.

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

If the Board approves the requested price adjustment, the impact will result in an overall increase of approximately \$1.07 per month or 0.71 percent for a residential heating customer using 100 therms per month. The above-referenced proposal will not result in any profit for NJNG.

If approved by the Board, the impact of the proposed changes to the RA and NJCEP factors on typical natural

gas bills is illustrated below:

		Tota			
Customer Type	Therm Level (Usage)	Monthly Bill as of September 1, 2023	Proposed Monthly Bill as of April 1, 2024	Net Dollar Increase	Percent Increase
Residential Heat Sales	100	\$151.18	\$152.25	\$1.07	0.71%
Residential Non-Heat Sales	25	\$45.16	\$45.43	\$0.27	0.60%
General Service Small	100	\$171.61	\$172.68	\$1.07	0.62%
General Service Large	1200	\$1,566.32	\$1,579.16	\$12.84	0.82%

The Board has the statutory authority to establish the RA and NJCEP factors at levels it finds just and reasonable. Therefore, the Board may establish the RA and NJCEP factors at levels other than those proposed by NJNG. NJNG's SBC costs addressed in this petition will remain subject to audit by the Board, and Board approval shall not preclude or prohibit the Board from taking any such actions deemed appropriate because of any such audit.

PLEASE TAKE FURTHER NOTICE that due to the COVID-19 Pandemic, virtual public hearings will be conducted on the following date and times so that members of the public may present their views on the Company's filing.

VIRTUAL PUBLIC HEARINGS

Date: , 2023

Hearing Times 4:30 pm and 5:30 pm

LOCATION

Zoom Virtual Webinar

Join:https://us06web.zoom.us/j/2458136397?pwd=VUJpK1V0aDYxZDllZUIwaElOWDFRZz09

Meeting ID: 245 813 6397

Passcode: 819208

Dial-In Number: +1 646 876 9923

Representatives of the Company, Board's Staff and Rate Counsel will participate in the virtual public hearings.

Members of the public are invited to participate by utilizing Meeting ID or the Dial-In Number set forth above and may express their views on this Petition. 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, or listening assistance, 48 hours prior to the above hearing to the Board Secretary at board.secretary@bpu.nj.gov.

The Board is also accepting written and electronic comments. Comments may be submitted directly to the specific docket listed above using the "Post Comments" button on the Board's Public Document Search tool. Comments are considered public documents for purposes of the State's Open Public Records Act. Only public documents should be submitted using the "Post Comments" button on the Board's Public Document Search tool. Any confidential information should be submitted in accordance with the procedures set forth in N.J.A.C. 14:1-12.3. In addition to hard copy submissions, confidential information may also be filed electronically via the Board's e-filing system or by email to the Secretary of the Board. Please include "Confidential Information" in the subject line of any email. Instructions for confidential e-filing are found on the Board's webpage. https://www.nj.gov/bpu/agenda/efiling/.

Emailed and/or written comments may also be submitted to: Sherri L. Golden, Secretary of the Board 44 South Clinton Ave., 1st Floor PO Box 350
Trenton, NJ 08625-0350
Phone: 609-913-6241
board.secretary@bpu.nj.gov.

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