



October 20, 2020

***VIA ELECTRONIC TRANSMISSION***

Honorable Aida Camacho-Welch, Secretary  
New Jersey Board of Public Utilities  
44 South Clinton Avenue 9th Fl  
P.O. Box 350  
Trenton, New Jersey 08625-0350

Re: In the Matter of the Petition of New Jersey Natural Gas Company for Approval of Energy Efficiency Programs And The Associated Cost Recovery Mechanism Pursuant To The Clean Energy Act, N.J.S.A. 48:3-87.8 et seq. and 48:3-98.1 et seq. BPU Dkt No. GO20090622

Dear Secretary Camacho-Welch:

Attached please find revised documents in the above-referenced matter. These documents are:

1. Revised Testimony of James M. Corcoran – red-lined and clean;
2. Revised Excel SAVEGREEN 2020 Workpapers;
3. Revised Excel Schedules JMC 1-3, revised and includes cumulative rate impacts;
4. Revised Excel Schedule NJNG-5;
5. Revised Schedule NJNG-9; and
6. Revised Schedule NJNG-10.

These revisions reflect the following changes:

1. Deletion of inclusion of Hybrid Heat in 10-Year OBRP;
2. Revised the loan amounts in the 10-Year OBRP for the “Prescriptive” subprogram; and
3. Included a cumulative rate impact in Schedule JMC-3.

Please accept my apology for the inconvenience.

Respectfully submitted,

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

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 APPROVAL OF ENERGY EFFICIENCY PROGRAMS AND THE  
ASSOCIATED COST RECOVERY MECHANISM PURSUANT TO THE CLEAN  
ENERGY ACT, N.J.S.A. 48:3-87.8 et seq. and 48:3-98.1 et seq.  
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1                                   **NEW JERSEY NATURAL GAS COMPANY**

2  
3                                   **DIRECT TESTIMONY OF JAMES M. CORCORAN**  
4                                   **DIRECTOR – REVENUE REQUIREMENTS**

5  
6       **Q.     PLEASE STATE YOUR NAME, AFFILIATION AND BUSINESS ADDRESS.**

7       **A.**     My name is James M. Corcoran and I am the Director – Revenue Requirements for  
8             New Jersey Natural Gas Company (“NJNG” or “Company”). My business address is  
9             1415 Wyckoff Road, Wall, New Jersey 07719.

10  
11       **Q.     PLEASE DESCRIBE YOUR EDUCATION AND EXPERIENCE.**

12       **A.**     As Director - Revenue Requirements, I perform the calculation of revenue  
13             requirements for NJNG’s base rates as well as cost recovery riders.

14             I received a Bachelor of Science degree in Accounting from Seton Hall University. In  
15             May 2010, I received a Master’s of Business Administration - Finance from Seton Hall  
16             University. I was employed by the State of New Jersey – Board of Public Utilities  
17             (“BPU” or “Board”) beginning in July 1986 as an Accountant-Trainee and over a  
18             twenty-year career moved into various Analyst positions of increased responsibility.  
19             In March 2007, I accepted a Senior Regulatory Analyst position at Public Service  
20             Electric and Gas Company with responsibilities that included preparing the requisite  
21             testimony and financial schedules for various rate recovery mechanisms. In August  
22             2007, I was promoted to the position of Principal Staff Regulatory Analyst and, in  
23             August 2011, I was promoted to the position of Revenue Requirements Manager.

24             I joined the Company in July 2014 as the Manager – Revenue Requirements. In  
25             January 2018, I was promoted to the position of Director - Revenue Requirements. My  
26             responsibilities include supporting the Regulatory Affairs department with the  
27             preparation of testimony regarding all rate recovery matters. I also participate on behalf  
28             of NJNG in the New Jersey Resources financial reporting committee.

29  
30

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

2 **A.** Yes. I have submitted Direct Testimony before the Board in NJNG’s base rate cases  
3 (BPU Docket No. GR19030420 and BPU Docket No. GR15111304); the Company’s  
4 Infrastructure Investment Program (BPU Docket No. GR19020278) and NJ  
5 Reinvestment in System Enhancement cost recovery petition (BPU Docket No.  
6 GR15050638). In addition, I have provided testimony on behalf of PSEG Power, LLC  
7 in a rate matter proceeding before the Connecticut Public Utilities Regulatory Authority  
8 in PURA Docket No. 12-07-17.

9  
10 **Q. What is the purpose of your testimony in this proceeding?**

11 **A.** My testimony describes the rate and revenue requirement aspects of NJNG’s request  
12 to continue offering, with modifications, energy-efficiency programs previously  
13 approved by the BPU and offer additional programs provided through NJNG’s The  
14 SAVEGREEN®™ Project (“SAVEGREEN”).<sup>1</sup> Ms. Anne-Marie Peracchio describes  
15 NJNG’s proposal to offer programs for a three-year period beginning July 2021 in her  
16 pre-filed testimony, Exhibit P-2. In my pre-filed testimony, I provide estimates of the  
17 annual revenue requirements associated with the energy-efficiency investments and on-  
18 bill repayment plan (“OBRP”) incentives described by Ms. Peracchio. Lastly, I provide  
19 an assessment of the estimated bill impacts associated with NJNG’s proposals.

20 My testimony supports a number of the current Minimum Filing Requirements  
21 (“MFRs”) established by the BPU in an Order dated June 10, 2020 in Docket No.

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<sup>1</sup> The BPU approved NJNG’s energy-efficiency programs in Docket Nos. EO09010056, GO09010057 (July 2009), GO10030225 (September 2010), GR11070425 (January 2012), GR12070640 (June 2013) and GO14121412 (July 2015 and June 2016).



1 QO19010040, QO19060748 and QO17091004<sup>2</sup> and required for energy-efficiency and  
2 conservation program proposals.

3 **Q. Are you supporting any schedules that accompany your testimony?**

4 A. Yes. I am sponsoring the following schedules, which will be explained later in my  
5 testimony:

6	Schedule JMC-1	SAVEGREEN Investments
7	Schedule JMC-2	Cost of Capital
8	Schedule JMC-3	Revenue Requirements Summary and Projected Bill
9		Impact
10	Workpapers	

11  
12 **Q. What are the components included in the revenue requirements that are**  
13 **associated with the SAVEGREEN programs proposed by the Company?**

14 A. The proposed energy-efficiency programs as described in Ms. Peracchio's testimony  
15 incorporate investments and OBRP incentives. The SAVEGREEN revenue  
16 requirement components vary with the type of incentive provided to customers. The  
17 direct investments result in rate base related revenue requirements including return on  
18 net investment, income taxes and amortization expense. The applicable rate base  
19 incorporates reductions for accumulated deferred income taxes attributable to timing  
20 differences between the tax and book amortization expense. The provision of energy-

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<sup>2</sup> In The Matter Of The Implementation Of P.L. 2018, c. 17 Regarding The Establishment Of Energy Efficiency And Peak Demand Reduction Programs, et al; Order Directing The Utilities To Establish Energy Efficiency And Peak Demand Reduction Programs ("CEA Order"), BPU Docket Nos. QO19010040; QO19060748; and QO17091004. (June 10, 2020).

1 efficiency OBRPs results in revenue requirements including return on net investment  
2 and income tax expense, but not amortization expense given that over time customers  
3 repay the financing received from the Company. Additionally, the Company includes  
4 operations and maintenance (“O&M”) expense associated with the energy-efficiency  
5 programs in SAVEGREEN revenue requirements. The determination of  
6 SAVEGREEN revenue requirements in this filing is consistent with previous BPU  
7 approvals of NJNG SAVEGREEN programs.

8 **Q. Please describe how the Company is treating the revenue requirements associated**  
9 **with overlapping territory rebates and OBRPs?**

10 A. The Lead Utility will determine the appropriate investment that will be allocated to the  
11 gas distribution company (NJNG) and the electric distribution company (Jersey Central  
12 Power & Light or Atlantic City Electric). When NJNG is the Lead Utility, the  
13 Company will reflect a reduction in investment when the respective electric distribution  
14 company remits its appropriate portion to the Company. When NJNG is the Partner  
15 Utility, the Company will reflect an increase in investment when NJNG remits their  
16 portion to the respective electric distribution company.

17 Regarding OBRPs, the utilities have agreed to the structure as illustrated in the matrix  
18 below.

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**Overview of Financing in Overlapping Territories**

		Lead Utility		
		On-Bill	Off-Bill	Third-Party
Partner Utility	On-Bill	Share Financing Investment	Share Financing Investment	Share Interest Buy-Down Costs
	Off-Bill	Share Financing Investment	Share Financing Investment	Share Interest Buy-Down Costs
	Third-Party	Lead Keeps Financing Investment	Lead Keeps Financing Investment	Share Interest Buy-Down Costs

7

8 **Q. Please describe the factors that most strongly influence the level of revenue**  
 9 **requirements associated with the SAVEGREEN programs.**

10 A. The unit investment costs of the individual program measures and the number of  
 11 participants are the two factors that most significantly affect the level of SAVEGREEN  
 12 revenue requirements associated with these programs. In addition, the length of time  
 13 over which the investments are amortized and the incremental O&M costs necessary  
 14 to implement the energy-efficiency programs influence total revenue requirements.

15 **Q. What are the participant levels associated with each of the Company’s proposed**  
 16 **programs?**

17 A. The participant levels for each of the residential and commercial programs are  
 18 presented in Schedule BJB-2 accompanying the pre-filed Direct Testimony of Brendon  
 19 J. Baatz, Exhibit P-4.

1 **Q. Please describe the time period for amortization of the investments in energy-**  
2 **efficiency rate base.**

3 A. Consistent with the BPU's CEA Order, the Company will amortize direct investments  
4 provided to customers over ten (10) years for each respective program beginning with  
5 the month that the investment is recorded. For tax purposes, the investments will be  
6 recognized as an expense. The timing difference between book and tax amortization  
7 periods is properly recognized in the calculated revenue requirements through deferred  
8 tax reductions to the rate base associated with the programs.

9 **Q. What is the projected rate base associated with the proposed SAVEGREEN 2020**  
10 **Program?**

11 A. The rate base relied upon for revenue requirement purposes reflects the net investment  
12 in energy-efficiency and the net balance associated with OBRPs. The rate base by  
13 program by year is provided in Schedule JMC-1 through 2036, which is when the  
14 program investments have been fully amortized.

15 **Q. How are return on investment and income taxes calculated?**

16 A. Consistent with cost recovery for current BPU-approved SAVEGREEN programs, the  
17 Company is proposing to include a regulated rate of return on the energy-efficiency  
18 rate base as part of the proposed revenue requirements. The capital structure and rate  
19 of return are provided in Schedule JMC-2 and reflect the rates authorized by the BPU  
20 in the Company's most recent base rate case, Docket No. GR19030420. The associated  
21 income tax rates reflect current federal and New Jersey income tax rates.

1 **Q. What are the estimated O&M costs associated with the 2020 SAVGREEN**  
2 **programs?**

3 A. NJNG prepared estimates of the anticipated costs associated with administering the  
4 SAVEGREEN programs, consistent with prior BPU-approved cost recovery. The  
5 projections reflect the Company's experience administering the existing programs in  
6 previous years, including the incremental employees performing the required work.  
7 O&M costs associated with the proposed programs are only incurred during years that  
8 incentives are provided to customers and are expected to average approximately \$7.8  
9 million per year over the program term.

10 **Q. Have you prepared a summary of net revenue requirements associated with the**  
11 **SAVEGREEN Investments?**

12 A. Yes. Schedule JMC-3 presents a summary of the projected revenue requirements for  
13 the SAVEGREEN 2020 program by year. The actual revenue requirements will  
14 depend on the level of participation by customers in each year. However, Schedule  
15 JMC-3 is presented on the basis of the maximum revenue requirement impact to  
16 customers for the term of the program, including the close-out period. Schedule JMC-  
17 3 also presents annual bill impacts, assuming full participation at the proposed levels,  
18 for each year based on the projected net revenue requirements presented in Schedule  
19 JMC-3. The bill impacts are provided separately for various NJNG customer classes.  
20 For residential heating customers, the bill impacts average \$22.35 annually over the  
21 recovery period from 2021 through 2036. Within this filing, the electronic JMC-  
22 Workpapers provide specific revenue requirement calculations.

1 **Q. Is NJNG proposing to establish an energy efficiency recovery rate for the new**  
2 **program at the present time?**

3 A. Yes. NJNG is proposing to establish an energy efficiency recovery rate for this specific  
4 program, which will become part of Rider F, coincident with the effective date of the  
5 program of July 1, 2021 based on the Company's projections. The rate will be trued-  
6 up in annual cost recovery filings. The impact of the proposed July 1, 2021 rate is an  
7 increase of \$21.40, or 1.9 percent, to a residential heat customer using 1,000 therms  
8 annually.

9 **Q. Does this conclude your testimony?**

10 A. Yes, it does. I reserve the right to supplement my testimony should the need arise.

1                                   **NEW JERSEY NATURAL GAS COMPANY**

2  
3                                   **DIRECT TESTIMONY OF JAMES M. CORCORAN**  
4                                   **DIRECTOR – REVENUE REQUIREMENTS**

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

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30

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

2 **A.** Yes. I have submitted Direct Testimony before the Board in NJNG’s base rate cases  
3 (BPU Docket No. GR19030420 and BPU Docket No. GR15111304); the Company’s  
4 Infrastructure Investment Program (BPU Docket No. GR19020278) and NJ  
5 Reinvestment in System Enhancement –cost recovery petition (BPU Docket No.  
6 GR15050638). In addition, I have provided testimony on behalf of PSEG Power, LLC  
7 in a rate matter proceeding before the Connecticut Public Utilities Regulatory Authority  
8 in PURA Docket No. 12-07-17.

9  
10 **Q. What is the purpose of your testimony in this proceeding?**

11 **A.** My testimony describes the rate and revenue requirement aspects of NJNG’s request  
12 to continue offering, with modifications, energy-efficiency programs previously  
13 approved by the BPU and offer additional programs provided through NJNG’s The  
14 SAVEGREEN®™ Project (“SAVEGREEN”).<sup>1</sup> Ms. Anne-Marie Peracchio describes  
15 NJNG’s proposal to offer programs for a three-year period beginning July 2021 in her  
16 pre-filed testimony, Exhibit P-2. In my pre-filed testimony, I provide estimates of the  
17 annual revenue requirements associated with the energy-efficiency investments and on-  
18 bill repayment plan (“OBRP”) incentives described by Ms. Peracchio. Lastly, I provide  
19 an assessment of the estimated bill impacts associated with NJNG’s proposals.

20 My testimony supports a number of the current Minimum Filing Requirements  
21 (“MFRs”) established by the BPU in an Order dated June 10, 2020 in Docket No.

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<sup>1</sup> The BPU approved NJNG’s energy-efficiency programs in Docket Nos. EO09010056, GO09010057 (July 2009), GO10030225 (September 2010), GR11070425 (January 2012), GR12070640 (June 2013) and GO14121412 (July 2015 and June 2016).



1 QO19010040, QO19060748 and QO17091004<sup>2</sup> and required for energy-efficiency and  
2 conservation program proposals.

3 **Q. Are you supporting any schedules that accompany your testimony?**

4 A. Yes. I am sponsoring the following schedules, which will be explained later in my  
5 testimony:

6	Schedule JMC-1	SAVEGREEN Investments
7	Schedule JMC-2	Cost of Capital
8	Schedule JMC-3	Revenue Requirements Summary and Projected Bill
9		Impact
10	Workpapers	

11  
12 **Q. What are the components included in the revenue requirements that are**  
13 **associated with the SAVEGREEN programs proposed by the Company?**

14 A. The proposed energy-efficiency programs as described in Ms. Peracchio's testimony  
15 incorporate investments and OBRP incentives. The SAVEGREEN revenue  
16 requirement components vary with the type of incentive provided to customers. The  
17 direct investments result in rate base related revenue requirements including return on  
18 net investment, income taxes and amortization expense. The applicable rate base  
19 incorporates reductions for accumulated deferred income taxes attributable to timing  
20 differences between the tax and book amortization expense. The provision of energy-

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<sup>2</sup> In The Matter Of The Implementation Of P.L. 2018, c. 17 Regarding The Establishment Of Energy Efficiency And Peak Demand Reduction Programs, et al; Order Directing The Utilities To Establish Energy Efficiency And Peak Demand Reduction Programs ("CEA Order"), BPU Docket Nos. QO19010040; QO19060748; and QO17091004. (June 10, 2020).

1 efficiency OBRPs results in revenue requirements including return on net investment  
2 and income tax expense, but not amortization expense given that over time customers  
3 repay the financing received from the Company. Additionally, the Company includes  
4 operations and maintenance (“O&M”) expense associated with the energy-efficiency  
5 programs in SAVEGREEN revenue requirements. The determination of  
6 SAVEGREEN revenue requirements in this filing is consistent with previous BPU  
7 approvals of NJNG SAVEGREEN programs.

8 **Q. Please describe how the Company is treating the revenue requirements associated**  
9 **with overlapping territory rebates and OBRPs?**

10 A. The Lead Utility will determine the appropriate investment that will be allocated to the  
11 gas distribution company (NJNG) and the electric distribution company (Jersey Central  
12 Power & Light or Atlantic City Electric). When NJNG is the Lead Utility, the  
13 Company will reflect a reduction in investment when the respective electric distribution  
14 company remits its appropriate portion to the Company. When NJNG is the Partner  
15 Utility, the Company will reflect an increase in investment when NJNG remits their  
16 portion to the respective electric distribution company.

17 Regarding OBRPs, the utilities have agreed to the structure as illustrated in the matrix  
18 below.

19

1  
 2  
 3  
 4  
 5  
 6

**Overview of Financing in Overlapping Territories**

		Lead Utility		
		On-Bill	Off-Bill	Third-Party
Partner Utility	On-Bill	Share Financing Investment	Share Financing Investment	Share Interest Buy-Down Costs
	Off-Bill	Share Financing Investment	Share Financing Investment	Share Interest Buy-Down Costs
	Third-Party	Lead Keeps Financing Investment	Lead Keeps Financing Investment	Share Interest Buy-Down Costs

7

8 **Q. Please describe the factors that most strongly influence the level of revenue**  
 9 **requirements associated with the SAVEGREEN programs.**

10 A. The unit investment costs of the individual program measures and the number of  
 11 participants are the two factors that most significantly affect the level of SAVEGREEN  
 12 revenue requirements associated with these programs. In addition, the length of time  
 13 over which the investments are amortized and the incremental O&M costs necessary  
 14 to implement the energy-efficiency programs influence total revenue requirements.

15 **Q. What are the participant levels associated with each of the Company’s proposed**  
 16 **programs?**

17 A. The participant levels for each of the residential and commercial programs are  
 18 presented in Schedule BJB-2 accompanying the pre-filed Direct Testimony of Brendon  
 19 J. Baatz, Exhibit P-4.

1 **Q. Please describe the time period for amortization of the investments in energy-**  
2 **efficiency rate base.**

3 A. Consistent with the BPU's CEA Order, the Company will amortize direct investments  
4 provided to customers over ten (10) years for each respective program beginning with  
5 the month that the investment is recorded. For tax purposes, the investments will be  
6 recognized as an expense. The timing difference between book and tax amortization  
7 periods is properly recognized in the calculated revenue requirements through deferred  
8 tax reductions to the rate base associated with the programs.

9 **Q. What is the projected rate base associated with the proposed SAVEGREEN 2020**  
10 **Program?**

11 A. The rate base relied upon for revenue requirement purposes reflects the net investment  
12 in energy-efficiency and the net balance associated with OBRPs. The rate base by  
13 program by year is provided in Schedule JMC-1 through 2036, which is when the  
14 program investments have been fully amortized.

15 **Q. How are return on investment and income taxes calculated?**

16 A. Consistent with cost recovery for current BPU-approved SAVEGREEN programs, the  
17 Company is proposing to include a regulated rate of return on the energy-efficiency  
18 rate base as part of the proposed revenue requirements. The capital structure and rate  
19 of return are provided in Schedule JMC-2 and reflect the rates authorized by the BPU  
20 in the Company's most recent base rate case, Docket No. GR19030420. The associated  
21 income tax rates reflect current federal and New Jersey income tax rates.

1 **Q. What are the estimated O&M costs associated with the 2020 SAVGREEN**  
2 **programs?**

3 A. NJNG prepared estimates of the anticipated costs associated with administering the  
4 SAVEGREEN programs, consistent with prior BPU-approved cost recovery. The  
5 projections reflect the Company's experience administering the existing programs in  
6 previous years, including the incremental employees performing the required work.  
7 O&M costs associated with the proposed programs are only incurred during years that  
8 incentives are provided to customers and are expected to average approximately \$7.8  
9 million per year over the program term.

10 **Q. Have you prepared a summary of net revenue requirements associated with the**  
11 **SAVEGREEN Investments?**

12 A. Yes. Schedule JMC-3 presents a summary of the projected revenue requirements for  
13 the SAVEGREEN 2020 program by year. The actual revenue requirements will  
14 depend on the level of participation by customers in each year. However, Schedule  
15 JMC-3 is presented on the basis of the maximum revenue requirement impact to  
16 customers for the term of the program, including the close-out period. Schedule JMC-  
17 3 also presents annual bill impacts, assuming full participation at the proposed levels,  
18 for each year based on the projected net revenue requirements presented in Schedule  
19 JMC-3. The bill impacts are provided separately for various NJNG customer classes.  
20 For residential heating customers, the bill impacts average ~~\$21.71~~\$22.35 annually over  
21 the recovery period from 2021 through 2036. Within this filing, the electronic JMC-  
22 Workpapers provide specific revenue requirement calculations.

1 **Q. Is NJNG proposing to establish an energy efficiency recovery rate for the new**  
2 **program at the present time?**

3 A. Yes. NJNG is proposing to establish an energy efficiency recovery rate for this specific  
4 program, which will become part of Rider F, coincident with the effective date of the  
5 program of July 1, 2021 based on the Company's projections. The rate will be trued-  
6 up in annual cost recovery filings. The impact of the proposed July 1, 2021 rate is an  
7 increase of \$21.~~0040~~, or 1.~~8~~9 percent, to a residential heat customer using 1,000 therms  
8 annually.

9 **Q. Does this conclude your testimony?**

10 A. Yes, it does. I reserve the right to supplement my testimony should the need arise.

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

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

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

**CHARACTER OF SERVICE**

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

**MONTHLY RATES****Customer Charge:**

Customer Charge per meter per month	\$10.14
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**Delivery Charge:****Residential Heating**

Delivery Charge per therm	<del>\$0.69</del> <u>76.7190</u>
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**Residential Non-Heating**

Delivery Charge per therm	<del>\$0.63</del> <u>380.6552</u>
---------------------------	-----------------------------------

**BGSS Charge:**

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

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

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~~2021~~2020  
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**SERVICE CLASSIFICATION – DGR****DISTRIBUTED GENERATION SERVICE - RESIDENTIAL****AVAILABILITY**

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

**CHARACTER OF SERVICE**

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

**MONTHLY RATES****Customer Charge:**

Customer Charge per meter per month \$10.14

**Delivery Charge:**

November - April ~~\$0.3468~~0.3682

May - October ~~\$0.2935~~0.3149

**BGSS Charge:**

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

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

**MINIMUM MONTHLY CHARGE**

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

**BALANCING CHARGE ADJUSTMENTS**

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

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

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

**CHARACTER OF SERVICE**

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

**MONTHLY RATES****Customer Charge:**

Customer Charge per meter per month \$34.85

**Delivery Charge:**

Delivery Charge per therm ~~\$0.64990~~.6713

**BGSS Charge:**

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

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

**MINIMUM MONTHLY CHARGE**

The minimum monthly charge shall be the Customer Charge.

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

**BALANCING CHARGE ADJUSTMENTS**

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

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

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

**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 (~~\$0.38630.3862~~) per therm for all monthly consumption of gas for services rendered between May 1 and September 30 of each year. This credit is the difference between the delivery charge for service rendered between May 1 and September 30 of each year under this Special Provision of ~~\$0.26360.2851~~ per therm, which includes \$0.0900 per therm margin, all appropriate riders, taxes, assessments and surcharges, and the delivery charge for Service Classification GSS.

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

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

**3. Veterans' Organization Service**

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

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

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

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

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

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

1. **Street Lighting Service**

Street Lighting Service is not subject to Rider "I" of this Tariff. The delivery charge per therm for Street Lighting Service is \$~~0.60990~~0.6313 per therm.

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

1. **Metering**

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

2. **Additional Requirements**

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

**TERMS AND CONDITIONS**

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

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**SERVICE CLASSIFICATION - GSL****GENERAL SERVICE - LARGE****AVAILABILITY**

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

**CHARACTER OF SERVICE**

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

**MONTHLY RATES****Customer Charge:**

Customer Charge per meter per month \$80.79

**Demand Charge:**

Demand Charge per therm applied to HMAD \$2.63

**Delivery Charge:**

Delivery Charge per therm ~~\$0.48650.5079~~

**BGSS Charge:**

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

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

**MINIMUM MONTHLY CHARGE**

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

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

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**SERVICE CLASSIFICATION - GSL****GENERAL SERVICE - LARGE (continued)****BALANCING CHARGE ADJUSTMENTS**

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

**SPECIAL PROVISIONS*****I. Applicable to All Customers in this Service Classification******1. Determination of Demand***

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

***2. Metering***

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

***3. Annual Review***

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

***4. Air Conditioning and Pool Heating***

Upon separate application, GSL Customers who have installed and are using gas air conditioning and/or pool heating equipment will be billed on the above Monthly Rates and will be billed a credit of (~~\$0.22290.2228~~) per therm for all monthly consumption of gas for services rendered between May 1 and September 30 of each year. This credit is the difference between the delivery charge for service rendered between May 1 and September 30 of each year under this Special Provision of ~~\$0.26360.2851~~ per therm which includes \$0.0900 per therm margin, all appropriate riders, taxes, assessments and surcharges, and the delivery charge for Service Classification GSL.

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

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

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

**MONTHLY RATES****Customer Charge:**

Customer Charge per meter per month \$271.28

**Demand Charge:**

Demand Charge per therm applied to MDQ \$1.98

**Delivery Charge:**

Delivery Charge per therm ~~\$0.14430~~.1657

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

**MINIMUM MONTHLY CHARGE**

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

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

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

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

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

**CONDITIONS PRECEDENT**

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

**MONTHLY RATES**

	<u>DGC-Balancing</u>	<u>DGC-FT</u>
<b><u>Customer Charge:</u></b>		
Customer Charge per meter per month	\$82.43	\$82.43
<b><u>Demand Charge:</u></b>		
Demand Charge per therm applied to PBQ	\$1.94	\$1.94
<b><u>Delivery Charge per therm:</u></b>		
November - April	<del>\$0.23280</del> .2542	<del>\$0.13020</del> .1516
May - October	<del>\$0.20020</del> .2216	<del>\$0.09760</del> .1190
<b><u>BGSS Charge:</u></b>		
BGSS Charge per therm for Sales Customers	See "Rate Summaries" at the end of this Tariff	N/A

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

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

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~~20212020~~  
Wall, NJ 07719

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## NEW JERSEY NATURAL GAS COMPANY

BPU No. 10 - Gas

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

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

**MONTHLY RATES****Customer Charge:**

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

**Demand Charge:**

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

**Delivery Charge:**

	<u>Without SUT</u>	<u>With SUT</u>
Delivery Charge per therm	<del>\$0.065</del> <u>0.0852</u>	<del>\$0.0695</del> <u>0.0909</u>

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

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

**MINIMUM MONTHLY CHARGE**

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

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 and after ~~July~~October 1,



**SERVICE CLASSIFICATION - NGV**

**NATURAL GAS VEHICLE SERVICE**

**AVAILABILITY**

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

**CONDITIONS PRECEDENT**

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

**DEFINITION OF TERM USED HEREIN**

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

**CHARACTER OF SERVICE**

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

**LICENSING, PERMITS AND LEGAL REQUIREMENTS**

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

**MONTHLY RATES**

	Gas Available at Company Facilities	Customer Owned Facilities
<b><u>Customer Charge:</u></b>		
Residential Customer Charge per meter per month	N/A	\$10.14
Commercial Customer Charge per meter per month	N/A	\$82.85
<b><u>Delivery Charge:</u></b>		
Delivery Charge per therm	<del>\$0.28310.3045</del> (\$0.3540.381 per GGE)	<del>\$0.28310.3045</del> (\$0.3540.381 per GGE)

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**SERVICE CLASSIFICATION - IS****INTERRUPTIBLE SERVICE****AVAILABILITY**

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

**CHARACTER OF SERVICE**

Interruptible gas sales and transportation service.

**MONTHLY RATES****Customer Charge:**

Customer Charge per meter per month \$572.98

**Delivery Charge:****Customers with Alternate Fuel**

Delivery Charge per therm ~~\$0.11720.1386~~

**Customers without Alternate Fuel**

Delivery Charge per therm ~~\$0.35800.3794~~

**BGSS Charge:**

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

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

**MINIMUM MONTHLY CHARGE**

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

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~~20212020~~  
Wall, NJ 07719

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**SERVICE CLASSIFICATION - CNG****COMPRESSED NATURAL GAS****AVAILABILITY**

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

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

**CONDITIONS PRECEDENT**

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

**DEFINITION OF TERM USED HEREIN**

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

**CHARACTER OF SERVICE**

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

**MONTHLY RATES****Customer Charge:**

Customer Charge per meter per month \$82.85

**Delivery Charge:**

Delivery Charge per therm ~~\$0.49630.5177~~  
(\$0.6200.647 per GGE)

**BGSS Charge:**

Monthly BGSS Charge per therm for Sales Customers without a gas supply contract See "Rate Summaries" at the end of this Tariff

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

**MINIMUM MONTHLY CHARGE**

The minimum monthly charge shall be the Customer Charge.

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

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

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**RIDER "F"****ENERGY EFFICIENCY - EE****AVAILABILITY**

Applicable to the following service classifications:

RS	Residential Service	ED	Economic Development
DGR	Distributed Generation Residential	EGS	Electric Generation Service
GSS	General Service - Small	NGV	Natural Gas Vehicle
GSL	General Service - Large	IS	Interruptible Service
FT	Firm Transportation	IGS	Incremental Gas Service
DGC	Distributed Generation Commercial	CNG	Compressed Natural Gas

In accordance with P.L. 2011, c. 9, societal benefits charges pursuant to section 12 of P.L. 1999, c.23 (C.48:3-60), or any other charge designed to recover the costs for societal, energy efficiency, conservation, environmental or renewable energy programs, are not applicable to natural gas delivery service or commodity that is used to generate electricity that is sold for resale. Natural gas used to generate electricity that is sold for resale by customers served under the above Service Classifications is exempt from costs associated with the Energy Efficiency (“EE”) Rider 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.

The EE rate is for recovering authorized expenditures related to the energy-efficiency programs as approved in BPU Docket Nos. ~~GO09010057~~, GO10030225, GR11070425, GO12070640, ~~and~~ GO14121412, and GO18030355, collectively referred to as “Energy Efficiency Programs Established 2010-2018”, and GO2009 (“Energy Efficiency Programs Established 2021-Present”).

**DETERMINATION OF THE EE**

The Company shall file an annual request with the Board for implementation of an EE charge, which shall be applicable to customers on all service classifications to which Rider “F” applies. The EE recovery year is intended to run from October 1<sup>st</sup> to September 30<sup>th</sup> of each year.

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~~2021~~ November 15, 2019  
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**RIDER "F"**

**ENERGY EFFICIENCY – EE (continued)**

**I. Determination of the Rate**

The EE rate shall have two components, an Energy Efficiency Programs 2010-2018 rate and an Energy Efficiency Programs Established 2021-Present rate, which shall be derived in the following manner:

1. An estimate shall be made of the total annual cost related to the programs. This rider will include only expenses for energy-efficiency programs approved by the Board for Energy Efficiency Programs 2010-2018 and Energy Efficiency Programs Established 2021-Present in BPU Docket Nos. GO09010057, GO10030225, GR11070425, GO12070640, GO14121412, and GO18030355 unless modified further by Board Order.
2. An estimate shall be made of the total annual volume of prospective jurisdictional sales of gas (in therms) to NJNG’s sales and transportation customers.
3. The prospective costs for Energy Efficiency Programs 2010-2018 and Energy Efficiency Programs Established 2021-Present (per paragraph (1)) shall separately be adjusted upward or downward to the extent of the amount of any prior under-recovery or over-recovery to determine the total costs to be recovered and then shall be divided by the estimated total volume of prospective sales (per paragraph (2)), to determine the per unit cost recovery rates. The result shall be carried for four (4) decimal places.

**II. Tracking the Operation of the EE**

The Company shall calculate carrying costs on the average monthly balances of under-or over-recovery of deferred costs based upon the Company’s monthly commercial paper rate. The carrying cost calculation shall be based on the net of tax beginning and end average monthly balance. The carrying costs shall accrue on a monthly basis and shall be rolled into the balance at the end of each EE recovery year.

In accordance with P.L., 1997 c. 162, 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 EE ~~ratefactor~~ shall be credited/collected on a per therm basis within the Delivery Charge for all service classifications to which Rider “F” applies. The EE ~~ratefactor~~ is as set forth below:

<u>Energy Efficiency Programs Established 2010-2018</u>	<u>\$0.0171</u>
<u>Energy Efficiency Programs Established 2021-Present</u>	<u>\$0.0214</u>
<u>EE</u>	<u>\$0.0385</u>
	<u><del>\$0.0171</del></u>

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**SUMMARY OF RESIDENTIAL RATE COMPONENTS****Residential Heating Customers**

<u>Customer Charge</u>		<u>Bundled Sales</u>	<u>Transport</u>	<u>Reference</u>
Customer Charge per meter per month		10.14	10.14	
<b><u>Delivery Charge ("DEL") per therm</u></b>				
Pre-tax Base Rate		0.4690	0.4690	
SUT		<u>0.0311</u>	<u>0.0311</u>	Rider B
After-tax Base Rate		0.5001	0.5001	
CIP		0.0304	0.0304	Rider I
EE		<del>0.0171</del> <u>0.0385</u>	<del>0.0171</del> <u>0.0385</u>	Rider F
<i>Subtotal</i>	a	<del>0.5476</del> <u>0.5690</u>	<del>0.5476</del> <u>0.5690</u>	
<i>Balancing Charge</i>	b	0.1026	0.1026	Rider A
<i>Societal Benefits Charge ("SBC"):</i>				
NJ's Clean Energy		0.0213	0.0213	Rider E
RA		0.0145	0.0145	Rider C
USF		<u>0.0116</u>	<u>0.0116</u>	Rider H
<i>Total SBC</i>	c	<u>0.0474</u>	<u>0.0474</u>	
<b>Delivery Charge (DEL)</b>	a+b+c=d	<del>0.6976</del> <u>0.7190</u>	<del>0.6976</del> <u>0.7190</u>	
<b><u>Basic Gas Supply Charge ("BGS")</u></b>				
BGS	e	<u>0.3320</u>	x	Rider A

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

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

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

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 and after ~~July~~October 1,

## NEW JERSEY NATURAL GAS COMPANY

BPU No. 10 - Gas

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

<u>Customer Charge</u>		<u>Bundled Sales</u>	<u>Transport</u>	<u>Reference</u>
Customer Charge per meter per month		10.14	10.14	
<u>Delivery Charge ("DEL") per therm</u>				
Pre-tax Base Rate		0.4690	0.4690	
SUT		<u>0.0311</u>	<u>0.0311</u>	Rider B
After-tax Base Rate		0.5001	0.5001	
CIP		(0.0334)	(0.0334)	Rider I
EE		<del>0.0171</del> <u>0.0385</u>	<del>0.0171</del> <u>0.0385</u>	Rider F
<i>Subtotal</i>	a	<del>0.4838</del> <u>0.5052</u>	<del>0.4838</del> <u>0.5052</u>	
<i>Balancing Charge</i>	b	0.1026	0.1026	Rider A
<i>Societal Benefits Charge ("SBC"):</i>				
NJ's Clean Energy		0.0213	0.0213	Rider E
RA		0.0145	0.0145	Rider C
USF		<u>0.0116</u>	<u>0.0116</u>	Rider H
<i>Total SBC</i>	c	<u>0.0474</u>	<u>0.0474</u>	
<b>Delivery Charge (DEL)</b>	a+b+c=d	<del>0.6338</del> <u>0.6552</u>	<del>0.6338</del> <u>0.6552</u>	
<u>Basic Gas Supply Charge ("BGS")</u>				
BGS	e	<u>0.3320</u>	x	Rider A

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

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

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

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

**SUMMARY OF RESIDENTIAL RATE COMPONENTS****Residential Distributed Generation Service**

		<u>Nov - Apr</u>	<u>May - Oct</u>	<u>Reference</u>
<b><u>Customer Charge</u></b>				
Customer Charge per meter per month		10.14	10.14	
<b><u>Delivery Charge ("DEL") per therm</u></b>				
Pre-tax Base Rate		0.1685	0.1185	
SUT		<u>0.0112</u>	<u>0.0079</u>	Rider B
After-tax Base Rate		0.1797	0.1264	
EE		<del>0.0171</del> 0.0385	<del>0.0171</del> 0.0385	Rider F
<i>Subtotal</i>	a	<del>0.1968</del> 0.2182	<del>0.1435</del> 0.1649	
<i>Balancing Charge</i>	b	0.1026	0.1026	Rider A
<i>Societal Benefits Charge ("SBC"):</i>				
NJ's Clean Energy		0.0213	0.0213	Rider E
RA		0.0145	0.0145	Rider C
USF		<u>0.0116</u>	<u>0.0116</u>	Rider H
<i>Total SBC</i>	c	<u>0.0474</u>	<u>0.0474</u>	
<b>Delivery Charge (DEL)</b>	a+b+c=d	<del>0.3468</del> 0.3682	<del>0.2935</del> 0.3149	
<b><u>Basic Gas Supply Charge ("BGS")</u></b>				
BGS	e	<u>0.3320</u>	<u>0.3320</u>	Rider A

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

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

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~~20212020~~  
 Wall, NJ 07719

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 and after ~~July~~October 1,



**SUMMARY OF FIRM COMMERCIAL RATE COMPONENTS****General Service - Small (GSS)**

		<u>Bundled</u> <u>Sales</u>	<u>Transport</u>	<u>Reference</u>
<b><u>Customer Charge</u></b>				
Customer Charge per meter per month		34.85	34.85	
<b><u>Delivery Charge ("DEL") per therm</u></b>				
Pre-tax Base Rate		0.4153	0.4153	
SUT		<u>0.0275</u>	<u>0.0275</u>	Rider B
After-tax Base Rate		0.4428	0.4428	
CIP		0.0400	0.0400	Rider I
EE		<del>0.0171</del> <u>0.0385</u>	<del>0.0171</del> <u>0.0385</u>	Rider F
<i>Subtotal</i>	a	<del>0.4999</del> <u>0.5213</u>	<del>0.4999</del> <u>0.5213</u>	
<i>Balancing Charge</i>	b	0.1026	0.1026	Rider A
<i>Societal Benefits Charge ("SBC"):</i>				
NJ's Clean Energy		0.0213	0.0213	Rider E
RA		0.0145	0.0145	Rider C
USF		<u>0.0116</u>	<u>0.0116</u>	Rider H
<i>Total SBC</i>	c	<u>0.0474</u>	<u>0.0474</u>	
<b>Delivery Charge (DEL)</b>	a+b+c=d	<del>0.6499</del> <u>0.6713</u>	<del>0.6499</del> <u>0.6713</u>	
<b><u>Basic Gas Supply Charge ("BGS")</u></b>				
BGS	e	<u>0.3320</u>	x	Rider A

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

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

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

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

**SUMMARY OF FIRM COMMERCIAL RATE COMPONENTS****General Service - Large (GSL)**

		<u>Bundled</u>	<u>Transport</u>	<u>Reference</u>
		<u>Sales</u>		
<b><u>Customer Charge</u></b>				
Customer Charge per meter per month		80.79	80.79	
<b><u>Demand Charge</u></b>				
Demand Charge per month applied to HMAD		2.63	2.63	
<b><u>Delivery Charge ("DEL") per therm</u></b>				
Pre-tax Base Rate		0.2711	0.2711	
SUT		<u>0.0180</u>	<u>0.0180</u>	Rider B
After-tax Base Rate		0.2891	0.2891	
CIP		0.0303	0.0303	Rider I
EE		<del>0.0171</del> <u>0.0385</u>	<del>0.0171</del> <u>0.0385</u>	Rider F
<i>Subtotal</i>	a	<del>0.3365</del> <u>0.3579</u>	<del>0.3365</del> <u>0.3579</u>	
<i>Balancing Charge</i>	b	0.1026	0.1026	Rider A
<i>Societal Benefits Charge ("SBC"):</i>				
NJ's Clean Energy		0.0213	0.0213	Rider E
RA		0.0145	0.0145	Rider C
USF		<u>0.0116</u>	<u>0.0116</u>	Rider H
<i>Total SBC</i>	c	<u>0.0474</u>	<u>0.0474</u>	
<b>Delivery Charge (DEL)</b>	a+b+c=d	<del>0.4865</del> <u>0.5079</u>	<del>0.4865</del> <u>0.5079</u>	
<b><u>Basic Gas Supply Charge ("BGS")</u></b>				
BGS	e	<u>0.2943</u>	X	Rider A

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

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

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~~2021~~2020  
 Wall, NJ 07719

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

SUMMARY OF FIRM COMMERCIAL RATE COMPONENTSFIRM TRANSPORTATION (FT)

		<u>Transport</u>	<u>Reference</u>
<u>Customer Charge</u>			
Customer Charge per meter per month		271.28	
<u>Demand Charge</u>			
Demand Charge per therm per month applied to MDQ		1.98	
<u>Delivery Charge ("DEL") per therm</u>			
Pre-tax Base Rate		0.0748	
SUT		<u>0.0050</u>	Rider B
After-tax Base Rate		0.0798	
EE		<u><del>0.0171</del>0.038</u>	Rider F
		<u>5</u>	
Subtotal	a	<u><del>0.0969</del>0.118</u>	
		<u>3</u>	
<u>Societal Benefits Charge ("SBC"):</u>			
NJ's Clean Energy		0.0213	Rider E
RA		0.0145	Rider C
USF		<u>0.0116</u>	Rider H
Total SBC	b	<u>0.0474</u>	
Delivery Charge (DEL)	a+b=c	<u><del>0.1443</del>0.165</u>	
		<u>7</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: ~~September 23, 2020~~  
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~~2021~~2020  
 Wall, NJ 07719

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

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

		<u>Nov - Apr</u>	<u>May - Oct</u>	<u>Reference</u>
<b><u>Customer Charge</u></b>				
Customer Charge per meter per month		82.43	82.43	
<b><u>Demand Charge</u></b>				
Demand Charge per therm per month applied to PBQ		1.94	1.94	
<b><u>Delivery Charge (“DEL”) per therm</u></b>				
Pre-tax Base Rate		0.0616	0.0310	
SUT		<u>0.0041</u>	<u>0.0021</u>	Rider B
After-tax Base Rate		0.0657	0.0331	
EE		<del>0.0171</del> <u>0.0385</u>	<del>0.0171</del> <u>0.0385</u>	Rider F
<i>Subtotal</i>	a	<del>0.0828</del> <u>0.1042</u>	<del>0.0502</del> <u>0.0716</u>	
<b><u>Societal Benefits Charge (“SBC”):</u></b>				
NJ’s Clean Energy		0.0213	0.0213	Rider E
RA		0.0145	0.0145	Rider C
USF		<u>0.0116</u>	<u>0.0116</u>	Rider H
<i>Total SBC</i>	b	<u>0.0474</u>	<u>0.0474</u>	
Balancing Charge	c	<u>0.1026</u>	<u>0.1026</u>	
<b>DGC-Balancing Delivery Charge (DEL)</b>	a+b+c=d	<del>0.2328</del> <u>0.2542</u>	<del>0.2002</del> <u>0.2216</u>	
<b><u>Basic Gas Supply Charge (“BGS”)</u></b>				
BGS	e	<u>0.2943</u>	<u>0.2943</u>	Rider A

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

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

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

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 Wall, NJ 07719

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 and after ~~July~~~~October~~ 1,

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

		<u>Nov - Apr</u>	<u>May - Oct</u>	<u>Reference</u>
<b><u>Customer Charge</u></b>				
Customer Charge per meter per month		82.43	82.43	
<b><u>Demand Charge</u></b>				
Demand Charge per therm per month applied to PBQ		1.94	1.94	
<b><u>Delivery Charge (“DEL”) per therm</u></b>				
Pre-tax Base Rate		0.0616	0.0310	
SUT		<u>0.0041</u>	<u>0.0021</u>	Rider B
After-tax Base Rate		0.0657	0.0331	
EE		<del>0.0171</del> <u>0.0385</u>	<del>0.0171</del> <u>0.0385</u>	Rider F
<i>Subtotal</i>	a	<del>0.0828</del> <u>0.1042</u>	<del>0.0502</del> <u>0.0716</u>	
<b><u>Societal Benefits Charge (“SBC”):</u></b>				
NJ’s Clean Energy		0.0213	0.0213	Rider E
RA		0.0145	0.0145	Rider C
USF		<u>0.0116</u>	<u>0.0116</u>	Rider H
<i>Total SBC</i>	b	<u>0.0474</u>	<u>0.0474</u>	
<b>DGC-FT Delivery Charge (DEL)</b>	a+b=c	<del>0.1302</del> <u>0.1516</u>	<del>0.0976</del> <u>0.1190</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.

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

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~~20212020~~ Wall, NJ 07719

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**SUMMARY OF FIRM COMMERCIAL RATE COMPONENTS****Electric Generation Service (EGS)**

		Without <u>SUT</u>	With <u>SUT</u>	<u>Reference</u>
<b><u>Customer Charge</u></b>				
Customer Charge per meter per month		877.26	935.38	
<b><u>Demand Charge</u></b>				
Demand Charge per therm per month applied to MDQ		1.5132	1.6134	
<b><u>Delivery Charge ("DEL") per therm</u></b>				
Pre-tax Base Rate		0.0047	0.0047	
SUT		<u>0.0000</u>	<u>0.0003</u>	Rider B
Delivery Charge excluding Riders C, E, F and H	a	0.0047	0.0050	
EE	b	<del>0.0160</del> <u>0.0361</u>	<del>0.0171</del> <u>0.0385</u>	Rider F
<i>Societal Benefits Charge ("SBC"):</i>				
NJ's Clean Energy		0.0200	0.0213	Rider E
RA		0.0136	0.0145	Rider C
USF		<u>0.0108</u>	<u>0.0116</u>	Rider H
<i>Total SBC</i>	c	<u>0.0444</u>	<u>0.0474</u>	
<b>Delivery Charge (DEL) including Riders C, E, F and H</b>	a+b+c=d	<del>0.0651</del> <u>0.0852</u>	<del>0.0695</del> <u>0.0909</u>	

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

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

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

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

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

## NEW JERSEY NATURAL GAS COMPANY

BPU No. 10 - Gas

~~Twelfth~~~~Eleventh~~ Revised Sheet No. 261  
Superseding ~~Eleventh~~~~Tenth~~ Revised Sheet No. 261SUMMARY OF INTERRUPTIBLE RATE COMPONENTSINTERRUPTIBLE SALES AND TRANSPORTATIONWith Alternate Fuel

<u>Customer Charge</u>		<u>Bundled Sales</u>	<u>Transport</u>	<u>Reference</u>
Customer Charge per meter per month		572.98	572.98	
<u>Delivery Charge ("DEL") per therm</u>				
Pre-tax Base Rate		0.0494	0.0494	
SUT		<u>0.0033</u>	<u>0.0033</u>	Rider B
After-tax Base Rate		0.0527	0.0527	
EE		<del>0.0171</del> <u>0.0385</u>	<del>0.0171</del> <u>0.0385</u>	Rider F
<i>Subtotal</i>	a	<del>0.0698</del> <u>0.0912</u>	<del>0.0698</del> <u>0.0912</u>	
<i>Societal Benefits Charge ("SBC"):</i>				
NJ's Clean Energy		0.0213	0.0213	Rider E
RA		0.0145	0.0145	Rider C
USF		<u>0.0116</u>	<u>0.0116</u>	Rider H
<i>Total SBC</i>	b	<u>0.0474</u>	<u>0.0474</u>	
<b>Delivery Charge (DEL)</b>	a+b=c	<del>0.1172</del> <u>0.1386</u>	<del>0.1172</del> <u>0.1386</u>	
<u>Basic Gas Supply Charge ("BGS")</u>				
Monthly BGSS	d	0.4031	X	Rider A
<b>BGS</b>	d	<u>0.4031</u>	X	

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

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

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

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

BPU No. 10 - Gas

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

		<u>Bundled</u>		<u>Transport</u>	<u>Reference</u>
		<u>Sales</u>			
<b><u>Customer Charge</u></b>					
Customer Charge per meter per month		572.98		572.98	
<b><u>Delivery Charge ("DEL") per therm</u></b>					
Pre-tax Base Rate		0.2753		0.2753	
SUT		<u>0.0182</u>		<u>0.0182</u>	Rider B
After-tax Base Rate		0.2935		0.2935	
EE		<del>0.0171</del> <u>0.0385</u>		<del>0.0171</del> <u>0.0385</u>	Rider F
<i>Subtotal</i>	a	<del>0.3106</del> <u>0.3320</u>		<del>0.3106</del> <u>0.3320</u>	
<i>Societal Benefits Charge ("SBC"):</i>					
NJ's Clean Energy		0.0213		0.0213	Rider E
RA		0.0145		0.0145	Rider C
USF		<u>0.0116</u>		<u>0.0116</u>	Rider H
<i>Total SBC</i>	b	<u>0.0474</u>		<u>0.0474</u>	
<b>Delivery Charge (DEL)</b>	a+b=c	<del>0.3580</del> <u>0.3794</u>		<del>0.3580</del> <u>0.3794</u>	
<b><u>Basic Gas Supply Charge ("BGS")</u></b>					
Monthly BGSS	d	0.4031		X	Rider A
<b>BGS</b>	d	<u>0.4031</u>		X	

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

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

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

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



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

		<u>Bundled Sales</u>	<u>Transport</u>	<u>Reference</u>
<b><u>Customer Charge</u></b>				
Customer Charge per meter per month		82.85	82.85	
<b><u>Delivery Charge ("DEL") per therm</u></b>				
Pre-tax Base Rate		0.2050	0.2050	
CNG Charge		0.2000	0.2000	
SUT		<u>0.0268</u>	<u>0.0268</u>	Rider B
After-tax Base Rate		0.4318	0.4318	
EE		<u>0.01710.0</u> <u>385</u>	<u>0.01710.0385</u>	Rider F
<i>Subtotal</i>	a	<u>0.44890.4</u> <u>703</u>	<u>0.44890.4703</u>	
<b><u>Societal Benefits Charge ("SBC"):</u></b>				
NJ's Clean Energy		0.0213	0.0213	Rider E
RA		0.0145	0.0145	Rider C
USF		<u>0.0116</u>	<u>0.0116</u>	Rider H
<i>Total SBC</i>	b	<u>0.0474</u>	<u>0.0474</u>	
<b>Delivery Charge (DEL)</b>	a+b=c	<u>0.49630.5</u> <u>177</u>	<u>0.49630.5177</u>	
<b><u>Basic Gas Supply Charge ("BGS")</u></b>				
Monthly BGSS	d	0.4031	X	Rider A
<b>BGS</b>	d	<u>0.4031</u>	X	

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

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

Date of Issue: ~~September 23, 2020~~  
 Issued by: ~~Mark G. Kahrer, Vice President~~  
~~20212020~~  
 Wall, NJ 07719

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

SUMMARY OF RESIDENTIAL AND FIRM COMMERCIAL RATE COMPONENTSNatural Gas Vehicles (NGV)Gas Available at Company Facilities

Reference

<u>Delivery Charge ("DEL")</u>		\$ per therm	\$ per GGE	
Pre-tax Base Rate		0.2050		
SUT		<u>0.0136</u>		Rider B
After-tax Base Rate		0.2186		
EE		<del>0.0171</del> <u>0.038</u>		Rider F
		<u>5</u>		
<i>Subtotal</i>	a	<del>0.2357</del> <u>0.257</u>		
		<u>1</u>		
<i>Societal Benefits Charge ("SBC"):</i>				
NJ's Clean Energy		0.0213		Rider E
RA		0.0145		Rider C
USF		<u>0.0116</u>		Rider H
<i>Total SBC</i>	b	<u>0.0474</u>		
<b>Delivery Charge (DEL)</b>	a+b=c	<del>0.2831</del> <u>0.304</u>	<del>0.3540</del> <u>0.381</u>	
		<u>5</u>		
<i>Compression Charge</i>	d	0.4958	0.620	
<i>Monthly Basic Gas Supply Charge ("BGS")</i>	e	<u>0.4031</u>	<u>0.504</u>	Rider A
<i>Total Variable Charge</i>	c+d+e=f	<del>1.1820</del> <u>1.203</u>	<del>1.4781</del> <u>1.505</u>	
		<u>4</u>		
New Jersey Motor Vehicle Fuel Tax	g		0.000	
Federal Excise Fuel Tax *	h		0.185	
Federal Excise Fuel Tax Credit *	i		<u>(0.517)</u>	
<b>Total Price</b>	f+g+h+i =j		<del>1.1461</del> <u>1.173</u>	

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

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

SUMMARY OF RESIDENTIAL AND FIRM COMMERCIAL RATE COMPONENTS

Natural Gas Vehicles (NGV)

\*Adjusted to reflect Internal Revenue Service GGE Conversion.

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

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

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

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

**Delivery Charge ("DEL")**

	\$ per therm	\$ per GGE	
Pre-tax Base Rate	0.2050		
SUT	<u>0.0136</u>		Rider B

After-tax Base Rate	0.2186		
EE	<del>0.0171</del> <u>0.0385</u>		Rider F

<i>Subtotal</i>	a	<del>0.2357</del> <u>0.2571</u>	
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***Societal Benefits Charge ("SBC"):***

NJ's Clean Energy	0.0213		Rider E
RA	0.0145		Rider C
USF	<u>0.0116</u>		Rider H

<i>Total SBC</i>	b	<u>0.0474</u>	
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<b>Delivery Charge (DEL)</b>	a+b=c	<del>0.2831</del> <u>0.3045</u>	<del>0.3540</del> <u>0.381</u>
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<b>Monthly Basic Gas Supply Charge ("BGS")</b>	d	<u>0.4031</u>	<u>0.504</u>	Rider A
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<b>Total Variable Charge</b>	c+d=e	<del>0.6862</del> <u>0.7076</u>	<del>0.8580</del> <u>0.885</u>
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Customer, DEL, and BGS charges are presented on customer bills for Firm Sales Gas Service.

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

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

Wall, NJ 07719

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

**NOTICE TO NEW JERSEY NATURAL GAS CUSTOMERS**  
**Petition for Approval of Existing and Energy-Efficiency Programs**  
**and the Associated Cost Recovery Mechanism**  
**Docket No.**

**NOTICE OF FILING AND PUBLIC HEARING**

**TO OUR CUSTOMERS:**

**PLEASE TAKE NOTICE** that on September 25, 2020, New Jersey Natural Gas (“NJNG” or the “Company”) filed a petition with the New Jersey Board of Public Utilities (“Board” or “BPU”) pursuant to the Board’s Order, In The Matter Of The Implementation Of P.L. 2018, c. 17 Regarding The Establishment Of Energy Efficiency And Peak Demand Reduction Programs, et al; Order Directing The Utilities To Establish Energy Efficiency And Peak Demand Reduction Programs (“CEA Order”), BPU Docket Nos. QO19010040; QO19060748; and QO17091004. (June 10, 2020). seeking approval to extend and expand the energy-efficiency programs offered through NJNG’s The SAVEGREEN Project® (“SAVEGREEN”) to meet the requirement of the Clean Energy Act, and continuation of the associated cost recovery mechanism. The existing programs include discounted energy saving measures, grants, financing opportunities, technical assistance and other resources to encourage energy saving measures and investments in energy-efficiency improvements by NJNG’s residential, commercial and industrial customers, including low-income to moderate-income customers and multi-family properties. NJNG also requested that the Board allow the Company to continue the Board-approved Energy-Efficiency (“EE”) Rider, Rider F, that has been in effect since August 1, 2009 for collection of the costs associated with these programs. Those costs include funds for customer incentives and the associated incremental program investments and expenses. NJNG has requested that the carrying costs associated with these programs be allowed. The Company is requesting to offer these programs for a period of three years. If approved by the BPU, the SAVEGREEN Program will continue until June 30, 2024.

The total cost of the SAVEGREEN Program is ~~\$249.1264.0~~ million which is composed of \$127.3 million of direct investment, ~~\$98.4113.3~~ million of On-Bill Repayment Program and loans and \$23.4 million of operation and maintenance expenses over the proposed three year program. NJNG has requested that the Board allow the Company to recover the costs of the program, including a return on and return of the investments associated with the program. It is estimated that NJNG would recover a total of approximately ~~\$221.5228.2~~ million from ratepayers from 2021 through 2036. In this petition, NJNG has requested a contemporaneous change to the EE. The Company has requested that the Board approve the implementation of an increase to the after-tax rate of ~~\$0.0210.0214~~ per therm effective July 1, 2021. That change, from the current after-tax rate of \$0.0171 per therm results in an overall increase of ~~\$21.0040~~ or ~~1.8-9~~ percent on a 1000-therm annual residential bill. The annual rate impact of the program for a typical residential heating customer using 1,000 therms of natural gas per year is expected to average ~~\$21.7122.35~~ per year or 1.9 percent over the 2021-2036 period, and is expected to peak at ~~\$40.1041.60~~ in October 2023. The estimated rate impacts to customers for 2021 through 2025 are set forth in the following chart:

**NEW JERSEY NATURAL GAS COMPANY**

**RATE IMPACT**

	July 2021	Oct 2022	Oct 2023	Oct 2024	Oct 2025
<b><u>Typical Annual Bill Impacts</u></b>					
<i>Residential Non-Heat (200 annual therms)</i>					
Cumulative Increase from Current Bill	<del>\$4.2028</del>	<del>\$6.0222</del>	<del>\$8.0232</del>	<del>\$7.0838</del>	<del>\$6.847.10</del>
Cumulative % Increase from Current Bill	1.34%	<del>+92.0%</del>	2.56%	2.23%	2.23%
<i>Residential Heat (1,000 annual therms)</i>					
Cumulative Increase from Current Bill	<del>\$21.0040</del>	<del>\$3031.10</del>	<del>\$40.1041.60</del>	<del>\$35.4036.90</del>	<del>\$34.2035.50</del>
Cumulative % Increase from Current Bill	1.89%	2.67%	3.56%	3.42%	3.01%

General Service Small (1,200 annual therms)

Cumulative Increase from Current Bill	\$25.2068	\$36.1237.32	\$48.1249.92	\$42.4844.28	\$41.0442.60
Cumulative % Increase from Current Bill	1.6%	2.3%	3.01%	2.78%	2.67%

General Service Large (15,000 annual therms)

Cumulative Increase from Current Bill	\$315321.00	\$451466.50	\$601.50624.00	\$531.00553.50	\$513.00532.50
Cumulative % Increase from Current Bill	2.0%	2.93.0%	3.84.0%	3.43.5%	3.33.4%

Pursuant to Board Orders dated July 17, 2009 (BPU Docket Nos. EO09010056 and EO09010057), September 24, 2010 (BPU Docket No. GO10030225), January 18, 2012 (BPU Docket No. GR11070425), June 21, 2013 (BPU Docket No. GO12070640), July 23, 2015 (BPU Docket No. GO14121412), June 29, 2016 (BPU Docket No. GO14121412), and September 17, 2018 (BPU Docket No. GO18030355), NJNG is authorized to recover all costs associated with the SAVEGREEN Programs.

The EE recovery charge mechanism will operate and be applied in a manner consistent with existing components and processes of the EE Rider applicable to all jurisdictional throughput volumes. Individual customers participating in the SAVEGREEN programs are expected to achieve annual savings on their energy bills.

Pursuant to the EE Rider, NJNG shall submit annual filings for changes to the EE rate. Additionally, the Board has the statutory authority to establish the EE rate at a level it finds just and reasonable pursuant to *N.J.S.A.* 48:2-21. Therefore, the Board may establish the EE charge at a level other than that proposed by NJNG which would have an impact on a customer's bill.

**PLEASE TAKE ADDITIONAL NOTICE** that due to the COVID-19 state of emergency, a telephonic public hearing will be conducted on the following date and times so that members of the public may present their views on the Company's filing. Information provided at the public hearings will become part of the record of this case and will be considered by the Board in making its decision.

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

Copies of NJNG's September 25, 2020 filing can be reviewed on the Company's website, [www.njng.com/regulatory](http://www.njng.com/regulatory) in the "Filings & Updates" subsection of the "Regulatory Info" section listed.

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

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

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

New Jersey Natural Gas  
SAVEGREEN 2020

(\$000)

Estimated Revenue Requirements:	FY	2021-2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036
Rebates	\$	4,141,608	\$ 9,386,622	\$ 15,926,345	\$ 18,356,844	\$ 18,389,568	\$ 17,763,575	\$ 16,932,439	\$ 16,111,257	\$ 15,290,076	\$ 14,339,234	\$ 11,483,427	\$ 7,501,532	\$ 2,955,611	\$ 747,281	\$ 148,690
On-Bill Repayment Program		1,756,547	3,965,443	6,356,053	6,616,486	5,680,380	4,297,758	2,904,567	1,774,838	1,013,279	546,706	274,372	97,070	14,925	2,201	122
Operation & Maintenance Expenses		9,798,605	7,710,224	5,879,406	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Amount to be Recovered</b>	<b>\$</b>	<b>15,696,760</b>	<b>21,062,289</b>	<b>28,161,804</b>	<b>24,973,330</b>	<b>24,069,948</b>	<b>22,061,333</b>	<b>19,837,005</b>	<b>17,886,095</b>	<b>16,303,355</b>	<b>14,885,940</b>	<b>11,757,800</b>	<b>7,598,603</b>	<b>2,970,536</b>	<b>749,482</b>	<b>148,813</b>
Per Therm Recovery																
Throughput (000 therms)		780,588,999	721,816,254	721,816,254	721,816,254	721,816,254	721,816,254	721,816,254	721,816,254	721,816,254	721,816,254	721,816,254	721,816,254	721,816,254	721,816,254	721,816,254
Proposed Pre-tax EE Recovery Rate \$ per Therm	\$	0.0201	\$ 0.0292	\$ 0.0390	\$ 0.0346	\$ 0.0333	\$ 0.0306	\$ 0.0275	\$ 0.0248	\$ 0.0226	\$ 0.0206	\$ 0.0163	\$ 0.0105	\$ 0.0041	\$ 0.0010	\$ 0.0002
<b>Proposed After-tax EE Recovery Rate \$ per Therm</b>	<b>\$</b>	<b>0.0214</b>	<b>0.0311</b>	<b>0.0416</b>	<b>0.0369</b>	<b>0.0355</b>	<b>0.0326</b>	<b>0.0293</b>	<b>0.0264</b>	<b>0.0241</b>	<b>0.0220</b>	<b>0.0174</b>	<b>0.0112</b>	<b>0.0044</b>	<b>0.0011</b>	<b>0.0002</b>
<b>Typical Annual Bill Impacts</b>																
<i>Residential Non-Heat</i>																
		200	Annual Therms													
Typical Annual Bill Impact	\$	4.28	\$ 6.22	\$ 8.32	\$ 7.38	\$ 7.10	\$ 6.52	\$ 5.86	\$ 5.28	\$ 4.82	\$ 4.40	\$ 3.48	\$ 2.24	\$ 0.88	\$ 0.22	\$ 0.04
% Impact		1.4%	2.0%	2.6%	2.3%	2.3%	2.1%	1.9%	1.7%	1.5%	1.4%	1.1%	0.7%	0.3%	0.1%	0.0%
<i>Residential Heat</i>																
		1,000	Annual Therms													
Typical Annual Bill Impact	\$	21.40	\$ 31.10	\$ 41.60	\$ 36.90	\$ 35.50	\$ 32.60	\$ 29.30	\$ 26.40	\$ 24.10	\$ 22.00	\$ 17.40	\$ 11.20	\$ 4.40	\$ 1.10	\$ 0.20
% Impact		1.9%	2.7%	3.6%	3.2%	3.1%	2.8%	2.5%	2.3%	2.1%	1.9%	1.5%	1.0%	0.4%	0.1%	0.0%
<i>General Service Small</i>																
		1,200	Annual Therms													
Typical Annual Bill Impact	\$	25.68	\$ 37.32	\$ 49.92	\$ 44.28	\$ 42.60	\$ 39.12	\$ 35.16	\$ 31.68	\$ 28.92	\$ 26.40	\$ 20.88	\$ 13.44	\$ 5.28	\$ 1.32	\$ 0.24
% Impact		1.6%	2.3%	3.1%	2.8%	2.7%	2.5%	2.2%	2.0%	1.8%	1.7%	1.3%	0.8%	0.3%	0.1%	0.0%
<i>General Service Large</i>																
		15,000	Annual Therms													
Typical Annual Bill Impact	\$	321.00	\$ 466.50	\$ 624.00	\$ 553.50	\$ 532.50	\$ 489.00	\$ 439.50	\$ 396.00	\$ 361.50	\$ 330.00	\$ 261.00	\$ 168.00	\$ 66.00	\$ 16.50	\$ 3.00
% Impact		2.0%	3.0%	4.0%	3.5%	3.4%	3.1%	2.8%	2.5%	2.3%	2.1%	1.7%	1.1%	0.4%	0.1%	0.0%

New Jersey Natural Gas  
SAVEGREEN 2020 Program

SAVEGREEN Investments

Fiscal Year	2021-2022	2023	2024	2025	2026	2027	2028	2029
<b>Investments</b>								
Gross Investment	\$ 36,267,156	\$ 74,875,262	\$ 115,975,818	\$ 123,560,757	\$ 127,056,910	\$ 127,285,528	\$ 127,285,528	\$ 127,285,528
Accumulated Amortization	\$ (2,365,637)	\$ (8,020,032)	\$ (17,910,445)	\$ (29,918,459)	\$ (42,500,868)	\$ (55,229,420)	\$ (67,957,973)	\$ (80,686,526)
Deferred Taxes	\$ (5,616,732)	\$ (13,640,075)	\$ (22,767,324)	\$ (25,344,448)	\$ (23,422,156)	\$ (20,254,972)	\$ (16,676,976)	\$ (13,098,979)
<b>Total</b>	<b>\$ 28,284,787</b>	<b>\$ 53,215,154</b>	<b>\$ 75,298,049</b>	<b>\$ 68,297,849</b>	<b>\$ 61,133,886</b>	<b>\$ 51,801,136</b>	<b>\$ 42,650,579</b>	<b>\$ 33,500,022</b>
<b>OBRP</b>								
OBRP Loans	\$ 32,156,125	\$ 66,478,849	\$ 101,087,845	\$ 109,398,304	\$ 113,146,783	\$ 113,346,081	\$ 113,346,081	\$ 113,346,081
Customer Repayments	\$ (2,991,792)	\$ (10,351,602)	\$ (23,329,010)	\$ (39,294,922)	\$ (56,421,823)	\$ (72,884,705)	\$ (87,426,535)	\$ (98,063,446)
<b>Total</b>	<b>\$ 29,164,333</b>	<b>\$ 56,127,246</b>	<b>\$ 77,758,835</b>	<b>\$ 70,103,382</b>	<b>\$ 56,724,960</b>	<b>\$ 40,461,376</b>	<b>\$ 25,919,546</b>	<b>\$ 15,282,635</b>
<b>TOTAL NET INVESTMENT</b>	<b>\$ 57,449,121</b>	<b>\$ 109,342,401</b>	<b>\$ 153,056,884</b>	<b>\$ 138,401,232</b>	<b>\$ 117,858,846</b>	<b>\$ 92,262,512</b>	<b>\$ 68,570,125</b>	<b>\$ 48,782,658</b>



New Jersey Natural Gas  
SAVEGREEN 2020 Program

SAVEGREEN Investments

Fiscal Year	2030	2031	2032	2033	2034	2035	2036
<b>Investments</b>							
Gross Investment	\$ 127,285,528	\$ 127,285,528	\$ 127,285,528	\$ 127,285,528	\$ 127,285,528	\$ 127,285,528	\$ 127,285,528
Accumulated Amortization	\$ (93,415,079)	\$ (106,012,684)	\$ (116,506,547)	\$ (123,580,705)	\$ (126,418,845)	\$ (127,139,384)	\$ (127,285,528)
Deferred Taxes	\$ (9,520,983)	\$ (5,979,796)	\$ (3,029,971)	\$ (1,041,426)	\$ (243,625)	\$ (41,081)	\$ 0
<b>Total</b>	<b>\$ 24,349,466</b>	<b>\$ 15,293,047</b>	<b>\$ 7,749,009</b>	<b>\$ 2,663,397</b>	<b>\$ 623,059</b>	<b>\$ 105,063</b>	<b>\$ 0</b>
<b>OBRP</b>							
OBRP Loans	\$ 113,346,081	\$ 113,346,081	\$ 113,346,081	\$ 113,346,081	\$ 113,346,081	\$ 113,346,081	\$ 113,346,081
Customer Repayments	\$ (104,926,799)	\$ (108,860,211)	\$ (111,357,102)	\$ (112,868,786)	\$ (113,289,965)	\$ (113,338,973)	\$ (113,346,081)
<b>Total</b>	<b>\$ 8,419,282</b>	<b>\$ 4,485,870</b>	<b>\$ 1,988,979</b>	<b>\$ 477,295</b>	<b>\$ 56,115</b>	<b>\$ 7,108</b>	<b>\$ -</b>
<b>TOTAL NET INVESTMENT</b>	<b>\$ 32,768,748</b>	<b>\$ 19,778,917</b>	<b>\$ 9,737,988</b>	<b>\$ 3,140,693</b>	<b>\$ 679,174</b>	<b>\$ 112,171</b>	<b>\$ 0</b>

New Jersey Natural Gas  
SAVEGREEN 2020 Program

Income Statement and Balance Sheet

Fiscal Year	<u>2021-2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2027</u>	<u>2028</u>	<u>2029</u>
<b><u>Investments</u></b>								
<b><u>A. Income Statement</u></b>								
Operating Revenue	\$ 15,696,760	\$ 21,062,289	\$ 28,161,804	\$ 24,973,330	\$ 24,069,948	\$ 22,061,333	\$ 19,837,005	\$ 17,886,095
Operating Expense								
Operations & Maintenance	\$ 9,798,605	\$ 7,710,224	\$ 5,879,406	\$ -	\$ -	\$ -	\$ -	\$ -
Depreciation & Amortization	2,365,637	5,654,396	9,890,413	12,008,014	12,582,408	12,728,553	12,728,553	12,728,553
Income Taxes	797,903	1,738,702	2,799,025	2,928,525	2,594,734	2,108,031	1,605,613	1,164,954
Interest Expense	348,916	733,250	1,185,847	1,247,321	1,140,902	989,204	825,915	664,582
Total Operating Expense	13,311,060	15,836,572	19,754,691	16,183,860	16,318,044	15,825,787	15,160,081	14,558,088
Net Income	\$ 2,385,700	\$ 5,225,717	\$ 8,407,113	\$ 8,789,471	\$ 7,751,904	\$ 6,235,546	\$ 4,676,924	\$ 3,328,007
<b><u>B. Balance Sheet</u></b>								
<b><u>Assets</u></b>								
Property, Plant & Equipment	\$ 36,267,156	\$ 74,875,262	\$ 115,975,818	\$ 123,560,757	\$ 127,056,910	\$ 127,285,528	\$ 127,285,528	\$ 127,285,528
Less: Accum Depreciation	\$ (2,365,637)	\$ (8,020,032)	\$ (17,910,445)	\$ (29,918,459)	\$ (42,500,868)	\$ (55,229,420)	\$ (67,957,973)	\$ (80,686,526)
Net Property, Plant & Equipment	33,901,519	66,855,229	98,065,373	93,642,298	84,556,042	72,056,107	59,327,555	46,599,002
Deferred Tax Asset	\$ (5,616,732)	\$ (13,640,075)	\$ (22,767,324)	\$ (25,344,448)	\$ (23,422,156)	\$ (20,254,972)	\$ (16,676,976)	\$ (13,098,979)
Total Assets	28,284,787	53,215,154	75,298,049	68,297,849	61,133,886	51,801,136	42,650,579	33,500,022
<b><u>Liabilities &amp; Capitalization</u></b>								
<b><u>Liabilities:</u></b>								
Deferred Income Taxes	(5,616,732)	(13,640,075)	(22,767,324)	(25,344,448)	(23,422,156)	(20,254,972)	(16,676,976)	(13,098,979)
<b><u>Capitalization:</u></b>								
Debt	15,594,699	30,753,405	45,110,071	43,075,457	38,895,779	33,145,809	27,290,675	21,435,541
Common Equity	18,306,820	36,101,824	52,955,301	50,566,841	45,660,263	38,910,298	32,036,880	25,163,461
Total Capitalization	33,901,519	66,855,229	98,065,373	93,642,298	84,556,042	72,056,107	59,327,555	46,599,002
Total Liabilities & Capitalization	28,284,787	53,215,154	75,298,049	68,297,849	61,133,886	51,801,136	42,650,579	33,500,022

New Jersey Natural Gas  
SAVEGREEN 2020 Program

Income Statement and Balance Sheet

<u>2030</u>	<u>2031</u>	<u>2032</u>	<u>2033</u>	<u>2034</u>	<u>2035</u>	<u>2036</u>
\$ 16,303,355	\$ 14,885,940	\$ 11,757,800	\$ 7,598,603	\$ 2,970,536	\$ 749,482	\$ 148,813
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
12,728,553	12,597,605	10,493,863	7,074,157	2,838,140	720,539	146,144
807,454	516,875	285,490	118,459	29,905	6,537	603
503,249	342,169	194,414	83,964	23,079	5,254	500
14,039,256	13,456,649	10,973,768	7,276,580	2,891,124	732,330	147,247
\$ 2,264,100	\$ 1,429,292	\$ 784,032	\$ 322,023	\$ 79,412	\$ 17,151	\$ 1,565
\$ 127,285,528	\$ 127,285,528	\$ 127,285,528	\$ 127,285,528	\$ 127,285,528	\$ 127,285,528	\$ 127,285,528
\$ (93,415,079)	\$ (106,012,684)	\$ (116,506,547)	\$ (123,580,705)	\$ (126,418,845)	\$ (127,139,384)	\$ (127,285,528)
33,870,449	21,272,844	10,778,980	3,704,823	866,683	146,144	-
\$ (9,520,983)	\$ (5,979,796)	\$ (3,029,971)	\$ (1,041,426)	\$ (243,625)	\$ (41,081)	\$ 0
24,349,466	15,293,047	7,749,009	2,663,397	623,059	105,063	0
(9,520,983)	(5,979,796)	(3,029,971)	(1,041,426)	(243,625)	(41,081)	0
-	-	-	-	-	-	-
15,580,407	9,785,508	4,958,331	1,704,219	398,674	67,226	-
18,290,043	11,487,336	5,820,649	2,000,605	468,009	78,918	-
33,870,449	21,272,844	10,778,980	3,704,823	866,683	146,144	-
24,349,466	15,293,047	7,749,009	2,663,397	623,059	105,063	0