



**STATE OF NEW JERSEY**  
**Board of Public Utilities**  
44 South Clinton Avenue, 1<sup>st</sup> Floor  
Post Office Box 350  
Trenton, New Jersey 08625-0350  
[www.nj.gov/bpu/](http://www.nj.gov/bpu/)

ENERGY

IN THE MATTER OF THE PETITION OF NEW JERSEY )  
NATURAL GAS COMPANY FOR THE ANNUAL )  
REVIEW AND REVISION OF SOCIETAL BENEFITS )  
CHARGE FACTORS FOR REMEDIATION YEAR 2021 ) DECISION AND ORDER  
APPROVING STIPULATION  
DOCKET NO. GR21091145

**Parties of Record:**

**Andrew K. Dembia, Esq.**, for New Jersey Natural Gas Company  
**Brian O. Lipman, Esq., Director**, New Jersey Division of Rate Counsel

BY THE BOARD:<sup>1</sup>

On September 30, 2021, New Jersey Natural Gas Company (“NJNG” or “Company”) filed a petition with the New Jersey Board of Public Utilities (“Board” or “BPU”) requesting approval to modify the following two (2) rate components of its Societal Benefits Charge (“SBC”): 1) the Remediation Adjustment (“RA”) component; and 2) the New Jersey Clean Energy Program (“NJCEP”) component (“Petition”). Additionally, NJNG requested review and approval of remediation expenditures incurred by the Company from July 1, 2020 through June 30, 2021 (“Remediation Year 2021”). By this Decision and Order, the Board considers a stipulation of settlement (“Stipulation”) executed by NJNG, Board Staff, and the New Jersey Division of Rate Counsel (collectively, “Parties”) intended to resolve all issues related to this docket.

**BACKGROUND**

The SBC was created as a result of the Electric Discount and Energy Competition Act, and is comprised of a number of components: the RA, the NJCEP, and the statewide Universal Service Fund (“USF”) and Lifeline Program charges.<sup>2</sup> The RA rate allows the Company to recover

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<sup>1</sup> Commissioner Robert M. Gordon did not participate.

<sup>2</sup> The USF and Lifeline Programs were established by the Board to help provide affordable electric and natural gas service for eligible residential customers in New Jersey. The statewide USF rates are addressed in annual filings submitted simultaneously by New Jersey’s natural gas and electric utilities. The after-tax natural gas USF/Lifeline rate at the time the Petition was filed was \$0.0190 per therm as approved by the Board in its September 14, 2021 Order in Docket No. ER21060939, effective October 1, 2021.

reasonably incurred environmental remediation costs associated with the clean-up of its former manufactured gas plant (“MGP”) sites, on a deferred basis, over a rolling seven-year period, with carrying charges based upon the seven year constant maturity Treasury rate plus 60 basis points.

The NJCEP component recovers costs associated with the energy efficiency and renewable energy programs related to the New Jersey Clean Energy Program.

### **PETITION**

In the Petition, NJNG sought approval: 1) to increase the Company’s per therm after tax RA rate; 2) to decrease the NJCEP per therm after tax rate; and 3) approval of the remediation expenditures incurred by the Company during Remediation Year 2021. NJNG proposed that the revised rates become effective April 1, 2022.

In the Petition, the Company proposed to increase the per therm RA rate from \$0.0164 to \$0.0194, and decrease the per therm NJCEP rate from \$0.0302 to \$0.0294.<sup>3</sup> When combined with the per therm USF/Lifeline rate of \$0.0190, the proposed total per therm SBC rate was \$0.0678. As indicated in the Petition, the RA revenue requirement was approximately \$12.944 million and the NJCEP revenue requirement was approximately \$19.653 million.

On January 21, 2022, NJNG revised the actual expenditures for Remediation Year 2021 and the NJCEP through discovery (“January 2022 Update”). Based upon the January 2022 Update, the requested recovery amount for the RA component was modified to \$11.600 million and the NJCEP component was modified to \$17.287 million which resulted in a per therm RA rate \$0.0174 and per therm NJCEP rate of \$0.0259. When combined with the per therm USF/Lifeline rate of \$0.0190, the proposed total per therm SBC rate is \$0.0623.

After publication of notice in newspapers of general circulation in the Company’s service territory public hearings in this matter were conducted virtually on March 9, 2022 at 4:30 p.m. and 5:30 pm.<sup>4</sup> Members of the public were in attendance at the 4:30 pm and 5:30 pm hearings, but neither made a statement for the record. . Additionally, no written comments related to the Company’s filing were received by the Board.

### **STIPULATION**

Following review of the Petition, the January 2022 update, and discovery responses, the Parties executed the Stipulation, which provides for the following:<sup>5</sup>

10. (a) **Overall SBC Rate**

In response to such discovery as described in Paragraph 6 of the Stipulation, the Company’s filing was updated, resulting in an overall SBC rate of \$0.0623 per therm on an after-tax basis, effective upon Board approval, which represents a decrease of \$0.0033 per therm from the current after-tax rate of \$0.0656 per therm.

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<sup>3</sup> All rates quoted herein include all applicable taxes.

<sup>4</sup> Due to the COVID-19 pandemic, public hearings were held virtually.

<sup>5</sup> Although described in this Order, should there be any conflict between this summary and the Stipulation, the terms of the Stipulation are controlling, subject to the findings and conclusion in this Order. Paragraphs are numbered to coincide with the Stipulation.

This overall SBC rate shall continue to remain in effect until changed by further Order of the Board. The impact of this rate change on a typical residential natural gas heating customer using 1,000 therms per year is a decrease of approximately \$3.30 per year, or 0.24 percent. Attached to the Stipulation as Exhibit B is a summary of the SBC components and the calculation of the resulting rate impact.

(b) **RA Rate**

(i) The Company's after-tax RA rate within the SBC of \$0.0174 per therm shall be deemed final and remain in effect until changed by further Board Order.

(ii) All issues raised by the Company's SBC filing herein relating to the RA expenditures incurred by the Company during Remediation Year 2021 have been examined and shall be deemed fully resolved and are prudent and reasonable.

(iii) The RA rate set forth above is based upon and reflects recoverable RA costs of approximately \$9.94 million for Remediation Year 2021 which results in a rolling seven-year recoverable RA cost average of approximately \$10.54 million. In addition to the rolling seven-year average, interest of approximately \$0.35 million for the period beginning October 1, 2020 through September 30, 2021 and the prior year reconciliation of \$0.72 million are added to comprise the final rate.

(c) **NJCEP Rate**

The Company's after-tax NJCEP rate of \$0.0259 per therm shall be deemed final and remain in effect until changed by further Board Order.

11. Recovery and adjustments of the RA rate are subject to the Parties' review of NJNG's RA expenditures and reconciliation thereof in NJNG's next SBC filing. Recovery of RA costs shall also continue to be subject to the same conditions as set forth in the stipulations approved by the Board in its December 21, 1994 Order Adopting Initial Decision in BPU Docket No. GR94070333, and its November 22, 1995 Decision and Order Adopting Initial Decision and Stipulation in BPU Docket No. GR95090409.
12. As part of the Stipulation, the Parties agree that expenditures the Company recovers through the RA rate are subject to audit. Such audit may be through a review of the Company's internal audits conducted in relation to costs associated with the SBC filing, or through any other audit mechanism determined to be appropriate by the Board.
13. The Company represents that its RA filing in this SBC filing does not include the recovery of any administrative, legal, consulting, or other costs associated with Natural Resource Damage ("NRD") claims and no NRD costs were incurred during Remediation Year 2021. The Parties accordingly stipulate and agree that the Board should make no determination in this proceeding as to the reasonableness, or the recoverability under the Company's RA rate mechanism, of NRD damages or related costs, if any. The Parties expressly reserve their rights to argue their respective positions on these and related issues in future proceedings, as appropriate.

14. The Company represents that its SBC filing does not include a request for the recovery of any incentive compensation paid to NJNG personnel who worked on MGP remediation matters through the June 30, 2021 timeframe, and the Parties agree that NJNG incentive compensation costs through June 30, 2021, in the amount of \$81,640, will continue to be deferred in the previously established sub-account. NJNG established a separate sub-account in the deferred remediation expenditure account to recognize deferred incentive compensation associated with NJNG's internal MGP labor.
15. The Company represents that during the RA/SBC 2021 period, the Company sold a commercial parcel at the Atlantic Highlands MGP site that previously was purchased to allow the performance of a restricted-use soil remedy. All lease revenues from MGP properties were credited back to the program. Accordingly, the Company represents that the net sale proceeds for the aforesaid former remediation property during the RA remediation period were credited toward the RA expenses in the period received.
16. The Company agrees that it will continue to include with its RA Clause filings responses to the MFRs as set forth in Exhibit A to the Stipulation.

#### **DISCUSSION AND FINDING**

The Board reviewed the record in this matter, including the Petition, the January 2022 Update, and the Stipulation. The Board **HEREBY FINDS** that the Stipulation is reasonable, in the public interest, and in accordance with the law. The Board **HEREBY FINDS** that the actual costs incurred for Remediation Year 2021 were reviewed by the Parties and determined to be reasonable and prudent. Accordingly, the Board **HEREBY ADOPTS** the Stipulation as if fully set forth herein.

The Board **HEREBY APPROVES** the following per therm rates: 1) an RA rate of \$0.0174; and 2) an NJCEP rate of \$0.0259, for service rendered on and after April 1, 2022. As a result, the total per therm SBC rate is \$0.0623. Based upon the Stipulation, the annual impact of these rate changes on a typical residential customer using 1,000 therms, is a decrease of \$3.30, or 0.24%.

The Board **HEREBY ORDERS** the Company to file the appropriate revised tariff sheets consistent with the terms of this Order by March 31, 2022.

The Company's costs will remain subject to audit by the Board. This Decision and Order shall not preclude nor prohibit the Board from taking any actions determined to be appropriate as a result of any such audit.

This Board Order shall be effective on March 30, 2022.

DATED: March 23, 2022

BOARD OF PUBLIC UTILITIES  
BY:

  
\_\_\_\_\_  
JOSEPH L. FIORDALISO  
PRESIDENT

  
\_\_\_\_\_  
MARY-ANNA HOLDEN  
COMMISSIONER

  
\_\_\_\_\_  
DIANNE SOLOMON  
COMMISSIONER

  
\_\_\_\_\_  
UPENDRA J. CHIVUKULA  
COMMISSIONER

ATTEST:   
\_\_\_\_\_  
AIDA CAMACHO-WELCH  
SECRETARY

IN THE MATTER OF THE PETITION OF NEW JERSEY NATURAL GAS COMPANY FOR THE  
ANNUAL REVIEW AND REVISION OF SOCIETAL BENEFITS CHARGE FACTORS FOR  
REMEDATION YEAR 2021

BPU DOCKET NO. GR21091145

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March 11, 2022

***VIA EMAIL***

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

Re: IN THE MATTER OF THE PETITION OF NEW JERSEY NATURAL GAS  
COMPANY FOR THE ANNUAL REVIEW AND REVISION OF SOCIETAL  
BENEFITS CHARGE FACTORS FOR REMEDIATION YEAR 2021  
BPU Docket No. GR21091145

Dear Secretary Camacho-Welch:

Enclosed herewith, please find a fully executed Stipulation of Settlement (“Stipulation”) on behalf of New Jersey Natural Gas Company for the Annual Review and Revision of its Societal Benefits Charge Factors.

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

Copies of this Stipulation also are being served electronically upon the New Jersey Division of Rate Counsel and the Division of Law.

Kindly acknowledge receipt of this filing via return email.

Respectfully submitted,

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

Andrew K. Dembia  
Regulatory Affairs Counsel

AKD:sf  
Enclosures

C: Service List



**IN THE MATTER OF THE PETITION OF  
NEW JERSEY NATURAL GAS COMPANY  
FOR THE ANNUAL REVIEW AND REVISION OF  
SOCIETAL BENEFITS CHARGE (SBC) FACTORS  
FOR REMEDIATION YEAR 2021  
DOCKET NO. GR21091145**

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**IN THE MATTER OF THE PETITION OF  
NEW JERSEY NATURAL GAS COMPANY  
FOR THE ANNUAL REVIEW AND REVISION OF  
SOCIETAL BENEFITS CHARGE (SBC) FACTORS  
FOR REMEDIATION YEAR 2021  
DOCKET NO. GR21091145**

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

**IN THE MATTER OF THE PETITION OF )**  
**NEW JERSEY NATURAL GAS COMPANY )**  
**FOR THE ANNUAL REVIEW AND ) BPU DOCKET NO. GR21091145**  
**REVISION OF SOCIETAL BENEFITS )**  
**CHARGE FACTORS FOR REMEDIATION )**  
**YEAR 2021 )**

**STIPULATION**

**APPEARANCES:**

**Andrew K. Dembia**, Esq., New Jersey Natural Gas Company for the Petitioner, New Jersey Natural Gas Company

**Maura Caroselli**, Esq., Deputy Rate Counsel, and **Sarah H. Steindel**, Esq., Assistant Deputy Rate Counsel, New Jersey Division of Rate Counsel (**Brian O. Lipman**, Esq., Director)

**Terel Klein**, Deputy Attorney General, for the Staff of the New Jersey Board of Public Utilities (**Matthew J. Platkin**, Acting Attorney General of New Jersey)

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

**BACKGROUND**

1. By Orders dated March 17, 1999 in Docket No. GX99030121 and March 30, 2001 in Docket No. GO99030123, pursuant to N.J.S.A. 48:3-60 New Jersey Natural Gas Company (“NJNG” or “Company”) received approval to implement and assess a Societal Benefits Charge (“SBC”) as a non-by-passable charge applicable to the Company’s customers.<sup>1</sup>
2. On September 30, 2021, NJNG filed a petition with the New Jersey Board of Public Utilities (“Board” or “BPU”) in Docket No. GR21091145 regarding the Company’s SBC rate (“SBC filing”). The components included in the SBC are the Remediation Adjustment

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

(“RA”), the statewide Universal Service Fund (“USF”) and Lifeline,<sup>2</sup> and the New Jersey Clean Energy Program (“NJCEP”). In the SBC filing, the Company requested that the Board, 1) increase the Company’s per therm after-tax RA rate; 2) decrease the per therm after-tax NJCEP rate; and 3) approve the prudent and reasonable remediation expenditures incurred by the Company through June 30, 2021 (“Remediation Year 2021”) to be effective April 1, 2022, or as of the effective date of the Board Order in this proceeding. These rate changes would result in an overall increase of \$2.20 or approximately 0.18 percent to the average residential heating customers’ annual bill.

3. The Company’s SBC filing included its petition, testimonies, schedules, the Company’s Gas Service Tariff (redlined), and data that supported the Company’s proposed increase to its current per therm after-tax RA rate of \$0.0164 to \$0.0194. Additional information responsive to the 15 minimum filing requirements (“MFRs”) for RA filings, as required by the Board via Board Order dated April 13, 2006, in Docket No. GR04121565, were provided by the Company. A list of the MFRs is attached hereto as Exhibit A.
4. NJNG’s proposal to decrease the per therm after tax NJCEP rate of \$0.0302 to \$0.0294 reflected the Company’s share of the statewide NJCEP contribution levels, as approved by the Board on June 24, 2021, in BPU Docket No. QO21040721. The proposed rates along with the per therm after-tax USF/Lifeline rate of \$0.0190 approved by the BPU, effective October 1, 2021, comprise NJNG’s total proposed SBC after-tax rate of \$0.0678 per therm.<sup>3</sup> The Company also requested approval of the remediation expenditures incurred by the Company for Remediation Year 2021. The Company requested that these rates and expenditures be approved effective April 1, 2022, or as of the effective date of the Board Order in this proceeding.
5. NJNG received and responded to all discovery requests that have been propounded in the SBC filing.

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<sup>2</sup> The USF/Lifeline is a fund established by the Board to help provide affordable electric and natural gas service for eligible residential customers in New Jersey. The statewide USF rates are addressed in annual filings submitted simultaneously by New Jersey’s natural gas and electric utilities. The after-tax natural gas USF rate at the time of this filing of \$0.0190 per therm was approved by the Board in its September 14, 2021, Order in Docket No. ER21060939.

<sup>3</sup> This statewide USF/Lifeline factor to be effective October 1, 2021, was approved in the Board’s September 14, 2021 Order in Docket No. ER21060939.

6. On January 21, 2022, NJNG submitted responses to Discovery Requests RCR-A-0001 which revised the RA rate and RCR-A-0013 which revised the NJCEP rate. Specifically, the per therm after-tax RA rate originally proposed of \$0.0194 decreased to \$0.0174 and the originally proposed per therm after tax NJCEP rate decreased from \$0.0294 to \$0.0259. These lower RA and NJCEP rates along with the current USF rate comprise an overall SBC rate of \$0.0623 per therm on an after-tax basis. These revised rate changes would result in an overall decrease of \$3.30 or approximately 0.24 percent to the average residential heating customers' annual bill.
7. After publication of notice in newspapers of general circulation in NJNG's service territory, due to the COVID-19 Pandemic, public hearings were scheduled and conducted virtually on March 9, 2022. One member of the public attended the 4:30pm hearing and one member of the public attended the 5:30pm hearing. Neither member made a statement. No written comments received by the BPU, NJNG or the New Jersey Division of Rate Counsel ("Rate Counsel").
8. NJNG, Board Staff, and Rate Counsel (collectively, "Parties") have reached an agreement to enter into this stipulation of settlement ("Stipulation") finalizing the rates and resolving all issues raised in or related to the Company's RA and NJCEP rates, including the Company's remediation expenses for Remediation Year 2021.
9. Specifically, based upon and subject to the terms and conditions set forth herein, the Parties **STIPULATE AND AGREE** as follows:

#### **STIPULATED ISSUES**

10. (a) **Overall SBC Rate**

In response to such discovery as described above in Paragraph 6, the Company's filing was updated, resulting in an overall SBC rate of \$0.0623 per therm on an after-tax basis, effective upon Board approval, which represents a decrease of \$0.0033 per therm from the current after-tax rate of \$0.0656 per therm. This overall SBC rate shall continue to remain in effect until changed by further Order of the Board. The impact of this rate change on a typical residential natural gas heating customer using 1,000 therms per year is a decrease of approximately \$3.30 per year,

or 0.24 percent. Attached hereto as Exhibit B is a summary of the SBC components and the calculation of the resulting rate impact.

(b) **RA Rate**

(i) The Company's after-tax RA rate within the SBC of \$0.0174 per therm shall be deemed final and remain in effect until changed by further Board Order.

(ii) All issues raised by the Company's SBC filing herein relating to the RA expenditures incurred by the Company during Remediation Year 2021 have been examined and shall be deemed fully resolved and are prudent and reasonable.

(iii) The RA rate set forth above is based upon and reflects recoverable RA costs of approximately \$9.94 million for Remediation Year 2021 which results in a rolling seven-year recoverable RA cost average of approximately \$10.54 million. In addition to the rolling seven-year average, interest of approximately \$0.35 million for the period beginning October 1, 2020 through September 30, 2021 and the prior year reconciliation of \$0.72 million are added to comprise the final rate.

(c) **NJCEP Rate**

The Company's after-tax NJCEP rate of \$0.0259 per therm shall be deemed final and remain in effect until changed by further Board Order.

11. Recovery and adjustments of the RA rate are subject to the Parties' review of NJNG's RA expenditures and reconciliation thereof in NJNG's next SBC filing. Recovery of RA costs shall also continue to be subject to the same conditions as set forth in the stipulations approved by the Board in its December 21, 1994 Order Adopting Initial Decision in BPU Docket No. GR94070333, and its November 22, 1995 Decision and Order Adopting Initial Decision and Stipulation in BPU Docket No. GR95090409.

12. As part of this Stipulation, the Parties agree that expenditures the Company recovers through the RA rate are subject to audit. Such audit may be through a review of the Company's internal audits conducted in relation to costs associated with the SBC filing, or through any other audit mechanism determined to be appropriate by the Board.

13. The Company represents that its RA filing in this SBC filing does not include the recovery of any administrative, legal, consulting, or other costs associated with Natural Resource Damage (“NRD”) claims and no NRD costs were incurred during Remediation Year 2021. The Parties accordingly stipulate and agree that the Board should make no determination in this proceeding as to the reasonableness, or the recoverability under the Company’s RA rate mechanism, of NRD damages or related costs, if any. The Parties expressly reserve their rights to argue their respective positions on these and related issues in future proceedings, as appropriate.
14. The Company represents that its SBC filing does not include a request for the recovery of any incentive compensation paid to NJNG personnel who worked on Manufactured Gas Plant (“MGP”) remediation matters through the June 30, 2021 timeframe, and the Parties agree that NJNG incentive compensation costs through June 30, 2021, in the amount of \$81,640, will continue to be deferred in the previously established sub-account. NJNG established a separate sub-account in the deferred remediation expenditure account to recognize deferred incentive compensation associated with NJNG’s internal MGP labor.
15. The Company represents that during the RA/SBC 2021 period, the Company sold a commercial parcel at the Atlantic Highlands MGP site that previously was purchased to allow the performance of a restricted-use soil remedy. All lease revenues from MGP properties were credited back to the program. Accordingly, the Company represents that the net sale proceeds for the aforesaid former remediation property during the RA remediation period were credited toward the RA expenses in the period received.
16. The Company agrees that it will continue to include with its RA Clause filings responses to the MFRs as set forth in Exhibit A to this Stipulation.
17. The Parties stipulate and agree that this Stipulation fully disposes of all issues in controversy in this proceeding, is consistent with law, and is in the public interest. This Stipulation represents a mutual balancing of interests, contains interdependent provisions and, therefore, is intended to be accepted and approved in its entirety. In the event any provision of this Stipulation is not accepted and approved in its entirety by the Board, any Party aggrieved thereby shall not be bound to proceed with this Stipulation and shall have the right to litigate all issues addressed herein to a conclusion. More particularly, in the

event the Board, in any applicable order(s), does not adopt this Stipulation in its entirety then any Party hereto is free to pursue its then available legal remedies with respect to all issues addressed in this Stipulation as though this Stipulation had not been signed.

18. The Parties further agree that they consider this Stipulation to be binding on them for all purposes herein.
19. It is specifically understood and agreed that this Stipulation represents a negotiated agreement and has been made exclusively for the purpose of these proceedings. Except as expressly provided herein, NJNG, Board Staff, and Rate Counsel shall not be deemed to have approved, agreed to, or consented to any principle or methodology underlying or supposed to underlie any agreement provided herein. All rates are subject to audit by the Board. The Parties further acknowledge that a Board Order approving, rejecting, or modifying this Stipulation will become effective upon the service of said Board Order, or upon such date after the service thereof as the Board may specify, in accordance with N.J.S.A. 48:2-40.



**WHEREFORE**, the Parties hereto respectfully submit this Stipulation to the Board for its review and the issuance of a Decision and Order approving this Stipulation, in its entirety, in accordance with the terms hereof, as soon as reasonably possible.

**NEW JERSEY NATURAL GAS COMPANY**

**PETITIONER**



By: \_\_\_\_\_

ANDREW K. DEMBIA, ESQ.  
REGULATORY AFFAIRS COUNSEL

**BRIAN O. LIPMAN, DIRECTOR  
NEW JERSEY DIVISION OF RATE COUNSEL**

By:  /s/ Sarah H. Steindel

SARAH H. STEINDEL, ESQ.  
ASSISTANT DEPUTY RATE COUNSEL

**MATTHEW J. PLATKIN  
ACTING ATTORNEY GENERAL OF NEW JERSEY**  
Attorney for Staff of the Board of Public Utilities

By:   3/10/22

TEREL KLEIN, ESQ.  
DEPUTY ATTORNEY GENERAL

Date: March 10, 2022

## **Exhibit A**

### **New Jersey Natural Gas Company**

#### **Remediation Adjustment Clause Minimum Filing Requirements**

As part of the Company's annual Remediation Adjustment Clause ("RAC") filing, the Company will provide responses to the following Minimum Filing Requirements ("MFRs"). The requests, unless noted otherwise, relate to the historical 12-month RAC period.

1. The Company currently provides a vendor summary as part of its annual RAC filing. This document provides a summary of the expenditures by vendor by site for the twelve-month RAC period. Hereafter, the vendor summary will be supplemented with a general description of the services provided by each vendor. The data noting expenditures incurred through June 30 of each year will continue to be submitted with the Company's annual RAC filing.
2. Identify the two MGP sites with the highest level of expenditures during the prior RAC period. For each identified site, provide a copy of the latest work plan, remediation report, or major work product submitted to the NJDEP. The copies should include the narrative portion of the report or work plan but need not include the technical supporting workpapers, charts and tables.
3. For each of the same two MGP sites, provide all correspondence between the Company and the NJDEP concerning submissions for the site, reply comments, and other major items which have a material impact on remediation activities and associated costs incurred by the Company. The correspondence should span the twelve-months preceding June 30 of the most recent RAC period.
4. For each of the same two MGP sites, provide expense documentation for any contractor or supplier whose invoices for the RAC period exceed \$250,000 in aggregate. The expense documentation should include descriptions of services rendered, applicable invoices, and any tracking of invoiced charges vs. budgets. The expense detail need not include expense reports or time sheets, but it should include supporting documentation for any subcontractor and third party expenses totaling \$100,000 or more for the period.
5. For each of the same two MGP sites, provide a narrative description and organization chart for that site, showing the vendors and project control structure for the remediation effort. The response should show what entities supervise all significant contractors and subcontractors and which Company personnel are involved in site and remediation supervision and control.

6. Provide a detailed narrative describing Company activities and any reimbursements related to insurance claims or potentially responsible parties' liabilities for all of the Company's MGP sites. The narrative, with supporting documentation, should cover the prior RAC period.
7. Provide copies of any RAC audit reports or related materials prepared by the Board's Audit Staff, FERC, or the Company's internal or external auditors during the previous twelve months. To the degree applicable, please also provide any materials prepared in response to the audits or in compliance with any audit findings.
8. Provide a narrative concerning all material events, whether related to NJDEP mandates or not, which could have an impact on the Company's ultimate MGP remediation liability, with claimed confidential information provided pursuant to a confidentiality agreement. The narrative should encompass all sites, whether or not active remediation efforts on the site are under way.
9. Provide schedules and supporting workpapers and documents, which show the reconciliation of the prior period RAC expenditures and recoveries as well as the derivation of the deferred tax credit and the interest accrual on any unamortized balances.
10. Provide the Company's bid evaluation studies, reports, workpapers or other material related to the two largest MGP remediation contracts awarded during the previous RAC period. The response should include the criteria utilized for bid evaluation and the comparisons between the terms and conditions offered by the competitive bidders. For contracts awarded during the most recent RAC period without competitive bidding, the Company should include a detailed explanation and supporting documentation for the decision not to engage in competitive bidding.
11. Provide documentation relating to the two largest supplemental contract amendments authorized by the Company during the previous RAC period. The response should provide the contractor's request for supplemental funding, the reasons cited for the request, and the Company's evaluation and action taken concerning the request. The response should also include a detailed explanation and supporting documentation for the company's decision to proceed with a supplemental contract amendment rather than engage in a competitive bidding process for the additional work, during the most recent RAC period.
12. Provide documentation relating to any instances during the previous RAC period where the Company sought to modify, change, or eliminate the NJDEP site remediation requirements for any of its MGP sites. The response should provide copies of any such Company requests, the NJDEP responses, and the ultimate outcome concerning the requests.

13. Provide a calculation of the carrying costs that the Company seeks to recover in this filing, including workpapers and supporting documentation.
14. For each of the Company's MGP sites, provide a schedule showing the status of the remediation effort and estimated dates for the completion of remaining milestones. Provide an update concerning the status of discussions with the NJDEP concerning its NRD initiative as well as any other NRD-related activities, with claimed confidential information provided pursuant to a confidentiality agreement.
15. Provide detailed justification for new, renewed, or amended contracts for customer outreach services provided by outside vendors, including justification for the pricing structure for all new contracts. Payments for services under all existing, new, renewed or amended contracts with outside vendors for customer outreach should be supported by documentation that the compensation provided to such outside vendors is commensurate at a reasonable hourly rate based on level of professional expertise and documented time required to perform the contracted work during the most recent RAC period.

New Jersey Natural Gas Company  
Net impact of Proposed Rate Changes

Component of	2/1/22 Prices		(\$/therm) Proposed		Change	
	Pre-tax	Post-tax	Pre-tax	Post-tax	Pre-tax	Post-tax
	RAC	0.0154	0.0164	0.0163	0.0174	0.0009
NJCEP	0.0283	0.0302	0.0243	0.0259	(0.0040)	(0.0043)
USF	0.0178	0.0190	0.0178	0.0190	0.0000	0.0000
<b>Total SBC</b>	<b>0.0615</b>	<b>0.0656</b>	<b>0.0584</b>	<b>0.0623</b>	<b>(0.0031)</b>	<b>(0.0033)</b>

<u>Impact on Residential Non-Heating Customers</u>			
25 therm bill			
<b>2/1/22 Prices</b>			
Customer Charge		\$11.00	\$11.00
Delivery		\$0.7580	\$18.95
BGSS		\$0.3974	\$9.94
Total		\$1.1554	\$39.89
<b>Proposed 4/1/22 Prices</b>			
Customer Charge		\$11.00	\$11.00
Delivery		\$0.7547	\$18.87
BGSS		\$0.3974	\$9.94
Total		\$1.1521	\$39.81
<b>Decrease</b>			(\$0.08)
<b>Decrease as a percent</b>			(0.20%)
<u>Impact on Residential Heating Customers</u>			
		100 therm bill	1000 therm annual bill
<b>2/1/22 Prices</b>			
Customer Charge	\$11.00	\$11.00	\$132.00
Delivery	\$0.8580	\$85.80	\$858.00
BGSS	\$0.3974	\$39.74	\$397.40
Total	\$1.2554	\$136.54	\$1,387.40
<b>Proposed 4/1/22 Prices</b>			
Customer Charge	\$11.00	\$11.00	\$132.00
Delivery	\$0.8547	\$85.47	\$854.70
BGSS	\$0.3974	\$39.74	\$397.40
Total	\$1.2521	\$136.21	\$1,384.10
<b>Decrease</b>		(\$0.33)	(\$3.30)
<b>Decrease as a percent</b>		(0.24%)	(0.24%)
<u>Impact on Commercial GSS Customers</u>			
100 therm bill			
<b>2/1/22 Prices</b>			
Customer Charge	\$42.00	\$42.00	
Delivery	\$0.7770	\$77.70	
BGSS	\$0.3974	\$39.74	
Total	\$1.1744	\$159.44	
<b>Proposed 4/1/22 Prices</b>			
Customer Charge	\$42.00	\$42.00	
Delivery	\$0.7737	\$77.37	
BGSS	\$0.3974	\$39.74	
Total	\$1.1711	\$159.11	
<b>Decrease</b>		(\$0.33)	
<b>Decrease as a percent</b>		(0.21%)	
<u>Impact on Commercial GSL Customers</u>			
1200 therm bill			
<b>2/1/22 Prices</b>			
Customer Charge	\$104.00	\$104.00	
Demand Charge	\$3.41	\$327.36	
Delivery	\$0.5913	\$709.56	
BGSS (Feb 2022)	\$0.8382	\$1,005.84	
Total	\$1.4295	\$2,146.76	
<b>Proposed 4/1/22 Prices</b>			
Customer Charge	\$104.00	\$104.00	
Demand Charge	\$3.41	\$327.36	
Delivery	\$0.5880	\$705.60	
BGSS (Feb 2022)	\$0.8382	\$1,005.84	
Total	\$1.4262	\$2,142.80	
<b>Decrease</b>		(\$3.96)	
<b>Decrease as a percent</b>		(0.18%)	

**Projected Annual Revenue**  
Projected SBC annual therms 712,680 (000s)

Projected Annual Revenue \$ million	2/1/22 Prices		Proposed		Change	
	Pre-tax	Post-tax	Pre-tax	Post-tax	Pre-tax	Post-tax
	RAC	\$11.0	\$11.7	\$11.6	\$12.4	\$0.6
NJCEP	\$20.2	\$21.5	\$17.3	\$18.5	(\$2.9)	(\$3.1)
USF	\$12.7	\$13.5	\$12.7	\$13.5	\$0.0	\$0.0
<b>Total Pre-tax</b>	<b>\$43.8</b>	<b>\$46.8</b>	<b>\$41.6</b>	<b>\$44.4</b>	<b>(\$2.2)</b>	<b>(\$2.4)</b>

**NEW JERSEY NATURAL GAS COMPANY  
SOCIETAL BENEFITS CHARGE (SBC)  
REMEDIATION ADJUSTMENT RIDER  
REMEDIATION YEAR 2021**

**REMEDIATION ADJUSTMENT FACTOR**

Line				
1	<b><u>AMORTIZATION (Per Schedule 2)</u></b>		\$10,536,287	
	<b>Total Amortization</b>			<u>\$10,536,287</u> a
2	<b><u>PRIOR YEARS' RECONCILIATION</u></b>			
	<i>Amount to be Recovered:</i>			
	BPU Order - Docket No.GR20090625	\$11,086,777		
	<i>Total Amount to be Recovered</i>		\$11,086,777	
	<i>Recovery:</i>			
	April 1, 2020 to March 31, 2021 Actual	\$9,343,033		
	Less: April 1, 2020 to March 31, 2021 (Estimate included in current rate)	\$9,678,814		
	True up	(\$335,782)		
	April 1, 2021 to March 31, 2022 (Actuals through December 31, 2021)	\$10,705,490		
	<i>Total Amount Recovered</i>		<u>\$10,369,709</u>	
	<b>Under-Recovery</b>			<u>717,068</u> b
3	<b><u>INTEREST CALCULATION (Per Schedule 5 )</u></b>			
	Interest (October 1, 2020 - September 30, 2021 ) Actual			<u>\$ 346,274</u> c
4	<b>TOTAL TO BE RECOVERED</b>			<u>\$11,599,628</u> a+b+c
5	<b><u>THERM SALE PROJECTION (April 2022 - March 2023)</u></b>			
	<i>PROJECTED THERM SALES:</i>			
	FIRM SALES	565,599,491		
	FIRM TRANSPORTATION	132,143,246		
	INTERRUPTIBLE TRANSPORTATION	14,937,445		
	<i>TOTAL PROJECTED THERM SALES</i>			712,680,182
	PROPOSED PRE-TAX RA FACTOR PER THERM			\$0.0163
	PROPOSED AFTER-TAX RA FACTOR PER THERM			\$0.0174
	CURRENT PRE-TAX RA FACTOR PER THERM			\$0.0154
	CURRENT AFTER-TAX RA FACTOR PER THERM			\$0.0164
	Increase/(Decrease)			\$0.0010

Shaded amounts are corrected amounts except for interest which was updated for 12 months actual.

**NEW JERSEY NATURAL GAS COMPANY  
SOCIETAL BENEFITS CHARGE (SBC)  
NEW JERSEY'S CLEAN ENERGY PROGRAM ADJUSTMENT CLAUSE**

**NEW JERSEY CLEAN ENERGY ADJUSTMENT CLAUSE CALCULATION**

	<b>Estimated Balance (\$ 000)</b>
NJ Clean Energy Underrecovery Balance @ December 31, 2021	795
Board Approved Amounts for January 2022 to March 2022	\$8,597
Recovery for January 2022 through March 2022	(\$9,791)
Estimated balance at March 31, 2022	(\$400)
Board Approved Amounts for April 2022 to March 2023	\$17,687
<b>Estimated Amount to be Recovered</b>	<b>\$17,287</b>
Projected 4/22-3/23 Sales	
Firm Sales	565,599
Firm Transportation	132,143
Interruptible	14,937
<b>Total</b>	<b>712,680</b>
Pre-tax NJ Clean Energy Recovery Rate \$ per Therm as Calculated	\$0.0243
After-tax NJ Clean Energy Recovery Rate \$ per Therm as Calculated	\$0.0259
Current Pre-tax NJ Clean Energy Recovery Rate \$ per Therm	\$0.0283
Current After-tax NJ Clean Energy Recovery Rate \$ per Therm	\$0.0302
Calculated Pre-tax NJ Clean Energy Recovery Rate \$ per Therm Increase	(\$0.0040)
Calculated After-tax NJ Clean Energy Recovery Rate \$ per Therm Increase	(\$0.0043)

<sup>1</sup> Per 6/24/2021 Order in BPU Docket No. QO21040721. Assumes approved contributions through June 2022 and estimates for July 2022 through March 2023 period based on approved amounts from prior period (July 2021 through Mar 2022).