



STATE OF NEW JERSEY
Board of Public Utilities
44 South Clinton Avenue, 1st Floor
Post Office Box 350
Trenton, New Jersey 08625-0350
www.nj.gov/bpu/

ENERGY

IN THE MATTER OF THE PETITION OF NEW)
JERSEY NATURAL GAS COMPANY FOR)
APPROVAL OF AN INCREASE IN GAS BASE)
RATE AND FOR CHANGES IN ITS TARIFF FOR)
GAS SERVICE PURSUANT TO N.J.S.A. 48:2-21)
AND N.J.S.A. 48:2-21.1; AND FOR CHANGES TO)
DEPRECIATION RATES FOR GAS PROPERTY)
PURSUANT TO N.J.S.A. 48:2-18)

BPU DOCKET NO. GR21030679
OAL DOCKET. NO. PUC 04111-21

AND

IN THE MATTER OF THE PETITION OF NEW)
JERSEY NATURAL GAS COMPANY FOR)
APPROVAL OF A BASE RATE ADJUSTMENT)
PURSUANT TO THE NJ RISE AND SAFE II)
PROGRAMS)

BPU DOCKET NO. GR21030680
OAL DOCKET. NO. PUC 04113-21

Parties of Record:

Andrew K. Dembia, Esq., on behalf of New Jersey Natural Gas Company, Petitioner
Brian O. Lipman, Esq., Director, New Jersey Division of Rate Counsel
Kenneth J. Hanko, Esq., United States Department of Defense and all other Federal Executive Agencies
Murray E. Bevan, Esq., on behalf of NRG Energy, Inc. and its affiliates

BY THE BOARD:

On March 30, 2021, New Jersey Natural Gas Company ("NJNG" or "Company"), a public utility of the State of New Jersey subject to the jurisdiction of the New Jersey Board of Public Utilities ("Board"), filed a petition pursuant to N.J.S.A. 48:2-21, N.J.S.A. 48:2-21.1, and N.J.S.A. 48:2-18, to: (i) increase its current base rates for natural gas service by approximately \$165.67 million, excluding Sales and Use Tax ("SUT"); (ii) implement certain rate and tariff revisions; and (iii) revise its existing depreciation rates, effective April 29, 2021, but no later than December 30, 2021 ("2021 Rate Case Petition").

In the 2021 Rate Case Petition, the Company also requested a return on equity of 10.50%. According to the 2021 Rate Case Petition, the Company's current base rates and charges for natural gas service are not sufficient at their current level and, if left unchanged, the current base rates will impair NJNG's ability to meet operating and maintenance expenses, taxes, fixed charges, and its ability to earn a reasonable rate of return on the fair value of the Company's property.

In the 2021 Rate Case Petition, NJNG also sought authority from the Board to do the following:

1. Increase rates and charges for natural gas service that would result from the proposed amendments to the Company's tariff;
2. Update the underlying inventory related costs of its Balancing Charge rate;
3. Incorporate the results of its cost of service study supporting the implementation of new base rates;
4. Update its tariff for certain modifications and revisions; and
5. Recover regulatory assets recorded on the Company's balance sheet, including amortization of these assets.

2021 NJ RISE/SAFE II PETITION

On March 31, 2021, NJNG filed a petition with the Board concerning its NJ Reinvestment in System Enhancement ("RISE") and Safety Acceleration and Facility Enhancement ("SAFE") II Programs ("2021 NJ RISE/SAFE II Petition"). Pursuant to the Board's September 23, 2016 Order, the Company sought to adjust its base rates to provide for cost recovery associated with the NJ RISE and SAFE II Programs as of June 30, 2021.¹ In the 2021 NJ RISE/SAFE II Petition, the revenue requirement recovery associated with the NJ RISE investments was approximately \$256,037 and the revenue requirement recovery associated with the SAFE II investments was approximately \$54,615, which includes actual expenditures through February 28, 2021 and projected expenditures through June 30, 2021. According to NJNG, the final project for the NJ RISE program, Long Beach Island, with an approved cost of \$30.0 million would be incorporated in the Company's next base rate case. Accordingly, the 2021 NJ RISE/SAFE II Petition will be the Company's final NJ RISE and SAFE II rate recovery filing.

By Order dated April 27, 2021, the Board suspended the proposed rate increase until August 29, 2021 pending further action on the 2021 Rate Case Petition, which was subsequently transmitted to the Office of Administrative Law ("OAL") as a contested case, and assigned to Administrative Law Judge ("ALJ") Jacob S. Gertsman for consideration and hearing. The 2021 NJ RISE/SAFE II Petition was also transmitted to the OAL as a contested case and assigned to ALJ Gertsman. NJNG requested that that the 2021 Rate Case Petition and 2021 NJ RISE/SAFE II Petition be consolidated. On June 22, 2021, ALJ Gertsman issued an order consolidating the 2021 Rate Case Petition with the 2021 NJ RISE/SAFE II Petition.

¹ In re the Petition of New Jersey Natural Gas Company For Approval of an Increase in Gas Base Rates and for Changes in its Tariff for Gas Service, Approval of the SAFE Program Extension, and Approval of SAFE Extension and NJ RISE Rate Recovery Mechanisms Pursuant to N.J.S.A. 48:2-21, 48:2-21.1 and for Changes to Depreciation Rates for Gas Property Pursuant to N.J.S.A. 48:2-18; BPU Docket No. GR15111304 and OAL Docket No. PUC 00738-16, Order dated September 23, 2016.

On July 9, 2021, NJNG updated the 2021 Base Rate Case Petition to include nine (9) months of actual data and three (3) months of estimated data. The requested rate increase was modified to approximately \$163.90 million, excluding SUT.

On July 19, 2021, ALJ Gertsman issued an order granting intervener status to the United States Department of Defense and all other Federal Agencies (“DOD/FEA”), NRG Energy, Inc., and NRG Energy, Inc.’s affiliates Reliant Energy Northeast, LLC, D/B/A NRG Home/NRG Business; Energy Plus Natural Gas LP; XOOM Energy New Jersey, LLC; Stream Energy New Jersey, LLC; Direct Energy Services, LLC; Direct Energy Business, LLC; Direct Energy Business Marketing, LLC; and Gateway Energy Services Corporation (collectively, “NRG”). Participant status was granted to Public Service Electric and Gas Company, Elizabethtown Gas Company, South Jersey Gas Company, the Engineers Labor-Employer Cooperative and the New Jersey Utility Shareholder Association.

On July 30, 2021, NJNG updated its 2021 NJ RISE/SAFE II Petition to include 12 months of actual data. The requested revenue requirement associated with the NJ RISE program was modified to approximately \$214,772, and the SAFE II program remained unchanged at \$54,615.

By Order dated August 18, 2021, the Board issued an Order further suspending the proposed rate increase until December 29, 2021, pending resolution of this matter at the OAL.

On September 23, 2021, NJNG updated its 2021 Base Rate Case Petition to include 12 months of actual data. As a result, the requested rate increase was modified to approximately \$162.462 million, excluding SUT.

After publication of the notice, two (2) public hearings were held virtually on September 13, 2021, at 4:30 P.M. and 5:30 P.M. with ALJ Gertsman presiding.² Members of the public, business groups, and local officials attended and commented at the public hearings. Additionally, the Board received written comments. The comments made at the public hearings and the written comments included both support for, and opposition to, NJNG and its 2021 Base Rate Case Petition.

STIPULATION

After discovery and comprehensive settlement discussions, the Company, the New Jersey Division of Rate Counsel (“Rate Counsel”), Board Staff (“Staff”), DOD/FEA, and NRG (collectively, “Parties”) executed a stipulation of settlement (“Stipulation”), the key elements which are as follows:³

Revenue Increase

1. For the calculation of the revenue requirement in this base rate case, the Parties agree to a rate base of approximately \$2.523 billion, a rate of return of 6.84%, and an increase in revenue requirement of \$79.00 million, exclusive of New Jersey SUT. The 6.84% rate of return is obtained based upon a capital structure of

² Due to the COVID-19 pandemic, public hearings were held virtually.

³ Although summarized in this Order, the detailed terms of the Stipulation control, subject to the findings and conclusions of the Order. Paragraphs are numbered to coincide with the Stipulation.

54.00% common equity with a cost rate of 9.60% and 46.00% long term debt with a cost rate of 3.60%. The \$79.00 million increase in revenue requirement can be derived from the following calculation:

Rate Base	\$2,523 million
Rate of Return	<u>x 6.84%</u>
Operating Income Requirement	\$172.605 million
Pro-Forma Operating Income	<u>\$116.501million</u>
Operating Income Deficiency	\$56.104 million
Revenue Factor	<u>x 1.4081</u>
Revenue Requirements	\$79.00 million

2. The Stipulation also finalizes the prudence of the rates approved for SAFE II and NJ RISE investments through June 30, 2021 and reflects an additional increase in base rate revenues of \$269,000 related to SAFE II and NJ RISE investments through June 30, 2021. Should the Board approve the Stipulation, the SAFE II and NJ RISE programs will be complete, and no further cost recovery will be requested through the accelerated cost recovery mechanism.
3. As a result of the Stipulation, the typical residential sales heating customer, using 100 therms of gas during a month, will receive an increase of \$11.62 or 9.9 percent on their monthly bill, from \$117.05 to \$128.67. The typical residential heating customer using 1,000 therms annually will receive an increase of \$117.92 or 9.9 percent in their annual bill, from \$1,190.78 to \$1,308.70.
4. The base rate revenue increase agreed to in the Stipulation reflects a four (4) year amortization for the following item:
 - i. Rate Case Expense - This item represents a normalized level of expense incurred for rate case expense. The Rate Case Expense component is reduced by 50 percent, which is not recoverable through customer rate charges. The amount to be amortized for financial reporting purposes for this item is \$0.237 million.

In the event the Company files another base rate case with base rates effective within four (4) years of the rate effective date of the current proceeding, the Company will not seek recovery of, or on, any unamortized balance of this item in that case or any subsequent base rate case.

5. The base rate revenue increase agreed to in the Stipulation reflects an adjustment for consolidated federal income taxes.
6. In addition, the base rate revenue increase agreed to in the Stipulation excludes executive incentive compensation costs.

7. The Parties agree that the Company utilized a three (3)-year average (October 2017 - September 2020) balance for its uncollectible expense.
8. The Parties recognize that the Margin Revenue Factors and the monthly Baseline Usage per Customer ("BUC") set forth in NJNG's current Conservation Incentive Program ("CIP") tariff must be updated in order to align these aspects of the CIP tariff with the Board's approval of new base rates in this proceeding. These factors and rates are included in Rider "I" of the Company's Tariff attached to the Stipulation as Attachment A, which increases the revenue change for rate design purposes by \$2.177 million.
9. The Parties agree the Company's composite depreciation rate shall maintain the currently approved composite rate of 2.78 percent. The overall composite rate of 2.78 percent consists of an investment rate of 1.89 percent and the net salvage rate of 0.89 percent. The Company will incorporate a new plant account into the depreciation schedule to reflect the investment in the Howell Power-to-Gas facility effective with the Order in this matter. The agreed upon depreciation rates by account are set forth in Attachment B of the Stipulation.
10. NJNG agrees that it will use competitive processes to acquire renewable energy for the Howell Power-to-Gas facility at the lowest possible cost to ratepayers. In the event NJNG enters into an agreement to purchase solar power for the Howell Power-to-Gas facility, the cost of the power including renewable energy attributes shall be no higher than the lowest cost renewable energy alternative, and in no event higher than the amount paid under the Company's green power supply contract with its third-party supplier as delivered by its local electric distribution company in effect as of the date it enters into the solar power purchase agreement.
11. The stipulated rates include recovery of all capital investments related to the Southern Reliability Link ("SRL") Transmission Line.
12. The stipulated rates include recovery of capital investments in the Safety Town Project, a training facility constructed by NJNG in Howell Township, Monmouth County. In order to defray the costs of this facility for NJNG's ratepayers, the Company commits to maximizing revenues from other sources for the use of this facility, such as by offering the use of the facility to other entities and/or entering into cost sharing agreements with other entities.

Customer Service Standards

13. NJNG will continue to submit to Rate Counsel and the Director of the Division of Customer Assistance at the Board quarterly and annual reports, as originally specified in the Board's Order in Docket No. GR19030420, concerning activity at its walk-in and payment centers and concerning the Company's performance in relation to certain service measures, as detailed in Attachment C of the Stipulation. NJNG commits to meeting the customer service benchmarks specified in Attachment C of the Stipulation.

14. In addition to the metrics referenced in paragraph 13 of the Stipulation, NJNG will include the following information beginning with the report due April 30, 2022 (January 1, 2022-March 31, 2022 reporting period):
- i. Numbers of disconnections related to non-payment. – Starting with October 1, 2017, this metric will be shown separately for residential and commercial customers, in the format shown in NJNG’s attachment to the response to RCR-CUS-10 in this proceeding. Annually, on a fiscal year basis, NJNG will show numbers of disconnections related to non-payment separately by municipality. See Attachment G of the Stipulation.
 - ii. Participation in financial assistance programs. – Include historic data to allow for trend analysis, starting with October 1, 2017, of the information in the format shown in NJNG’s attachment to the response to RCR-CUS- 19 in this proceeding.
 - iii. Information about Deferred Payment Agreements (“DPAs”). – (1) In Excel format, starting with October 1, 2017, the Company will provide the information in the format shown in NJNG’s attachment to the response to RCR-CUS-13 in this proceeding; and (2) a “DPA Snapshot” as is provided in the format shown in NJNG’s attachments to the responses to RCR-CUS-16 and RCR-CUS-17 in this proceeding.
 - iv. Annually provide information concerning the amount of dollars paid to Western Union by NJNG for contractual matters on a monthly basis.
 - v. Annually provide the number of payments made by NJNG customers at Western Union locations on a monthly basis.

Tariff and Rate Design

15. Attached to the Stipulation as Attachment D is a schedule entitled “Allocation of Proposed Revenue Adjustments to Base Rates” and “New Jersey Natural Gas Company, Base Rates and Revenues at Present and Proposed Rates.” The Parties stipulate that this schedule represents the rate design methodology and billing determinants to be utilized in this case, integrating a monthly customer charge of \$11.00 applicable to the Residential Service classification, inclusive of applicable sales and use taxes, amongst other rate changes.
16. Attached to the Stipulation as Attachment E is a summary of the tariff modifications. The Parties agree that the tariff modifications described in Attachment E to the Stipulation are reasonable, appropriate and shall be implemented upon Board approval.
17. As part of its next base rate case, the Company agrees to submit Board Staff’s Average and Peak Cost of Service Study (“COSS”) as referenced in the Board’s Order in Docket No. GR07110889, along with all associated work papers. Submission of the Board Staff COSS in the next base rate case does not imply endorsement of the Board Staff methodology by the Company. The Company, as well as any other party to that future proceeding, is free to submit its preferred COSS and supporting work papers. See Attachment F of the Stipulation.

Balancing Charges

18. The balancing charge related to inventory was updated through this rate case to \$0.0009 per therm based on the pre-tax rate of return of 8.87% agreed to in the Stipulation and the resulting after-tax Balancing Charge is \$0.1235 per therm, a decrease of \$0.0002 per therm from the rate of \$0.1237 per therm included in the Company's pending 2021 Basic Gas Supply Service ("BGSS") filing in Docket No. GR21050860. The balancing charge related to inventory will remain fixed until new rates become effective in the Company's next base rate case.
19. The balancing charge will continue to be adjusted in the Company's annual Basic Gas Supply Service ("BGSS") filings to reflect only updated pipeline demand charges, credit adjustments and the percentage of peak day volume related to balancing associated with the pipeline demand portion of the balancing charge. The firm volumes from which the pipeline demand portion of the balancing charge is determined will also be updated. The Company's recalculation will be subject to review as part of the annual BGSS proceedings. The Company will continue to credit all balancing revenues from customers in the Balancing Rate Classes to its BGSS.

Subsequently, ALJ Gertsman issued an Initial Decision accepting the terms of the Stipulation.

DISCUSSION AND FINDINGS

In evaluating a proposed settlement, the Board must review the record, balance the interests of the ratepayers and the shareholders, and determine whether the settlement represents a reasonable disposition of the issues that will enable the Company to provide its customers in this State with safe, adequate and proper service at just and reasonable rates.⁴ The Board recognizes that the Parties worked diligently to negotiate a compromise to meet the needs of as many stakeholders as possible. The Board further recognizes that the Stipulation represents a balanced solution considering the many complex issues that were addressed during the proceeding.

Therefore, based upon the Board's review and consideration of the record in this proceeding, the Board **HEREBY FINDS** the Initial Decision and Stipulation to be reasonable, in the public interest, and in accordance with the law. Accordingly, the Board **HEREBY ADOPTS** the attached Initial Decision and Stipulation in their entirety, and **HEREBY INCORPORATES** their terms and conditions as though fully set forth herein, subject to any terms and conditions set forth in this Order.

As a result of the Stipulation, a typical residential customer using 100 therms monthly will incur an increase of \$11.62 or approximately 9.9% in their monthly bill.

The rates approved by this Order will become effective for service rendered on and after December 1, 2021. The Company is **HEREBY DIRECTED** to file tariff sheets consistent with this Order by December 1, 2021. The Board **HEREBY DIRECTS** Staff to review the compliance tariff filings for consistency with this Order.

⁴ In re Petition of Pub. Serv. Elec. & Gas, 304 N.J. Super. 247 (App. Div.), cert. denied, 152 N.J. 12 (1997).

The Company's rates remain subject to audit by the Board. This Decision and Order shall not preclude the Board from taking any actions deemed to be appropriate as a result of any Board audit.

This Order shall be effective on November 24, 2021.

DATED: November 17, 2021

BOARD OF PUBLIC UTILITIES
BY:


JOSEPH L. FIORDALISO
PRESIDENT


MARY-ANNA HOLDEN
COMMISSIONER


DIANNE SOLOMON
COMMISSIONER


UPENDRA J. CHIVUKULA
COMMISSIONER


ROBERT M. GORDON
COMMISSIONER

ATTEST: 
AIDA CAMACHO-WELCH
SECRETARY

IN THE MATTER OF THE PETITION OF NEW JERSEY NATURAL GAS COMPANY FOR APPROVAL OF AN INCREASE IN GAS BASE RATES AND FOR CHANGES IN ITS TARIFF FOR GAS SERVICE PURSUANT TO N.J.S.A. 48:2-21 and N.J.S.A. 48:2-21.1; AND FOR CHANGES TO DEPRECIATION RATES FOR GAS PROPERTY PURSUANT TO N.J.S.A. 48:2-18

AND

IN THE MATTER OF THE PETITION OF NEW JERSEY NATURAL GAS COMPANY FOR APPROVAL OF A BASE RATE ADJUSTMENT PURSUANT TO THE NJ RISE AND SAFE II PROGRAM

BPU DOCKET NOS. GR21030679 AND GR21030680
OAL DOCKET NOS. PUC 04111-21 AND 04113-21

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United States Department of Defense and all other Federal Executive Agencies

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November 4, 2021

VIA FEDERAL EXPRESS/EMAIL

Honorable Jacob S. Gertsman, ALJ
Office of Administrative Law
3444 Quakerbridge Road
Quakerbridge Plaza, Building 9
Mercerville, NJ 08619

Re: I/M/O the Petition of New Jersey Natural Gas Company For Approval of an Increase in Gas Base Rates and for Changes in its Tariff For Gas Service Pursuant to N.J.S.A. 48:2-21 and N.J.S.A. 48:2-21.1; and For Changes to Depreciation Rates For Gas Property Pursuant to N.J.S.A. 48:2-18
OAL Docket Nos. PUC 04111-2021S
BPU Docket No. GR21030679

I/M/O the Petition of New Jersey Natural Gas Company For Approval of a Base Rate Adjustment Pursuant to the NJ RISE and SAFE II Programs
OAL Docket Nos. PUC 04113-2021S
BPU Docket No. GR21030680

Dear Judge Gertsman:

Enclosed please find a fully executed Stipulation of Settlement (“Stipulation”) resolving all matters at issue in this consolidated proceeding. The Stipulation has been executed by the Petitioner, New Jersey Natural Gas Company (“Company”), the Staff of the Board of Public Utilities, the Division of Rate Counsel, and Intervenors, the Department of Defense and the NRG Companies. The Company understands that entities granted participant status in this matter will separately file with the Court letters indicating they do not object to the approval of the Stipulation.

As the Company hopes to have this matter heard by the Board of Public Utilities at its November 17th public agenda meeting, Petitioner respectfully requests that an Initial Decision approving the Stipulation be issued as soon as practicable.

Stephen B. Genzer - Newark Managing Partner
One Riverfront Plaza, Suite 1520 ♦ Newark, NJ 07102-5426 ♦ Phone: (973) 286-6700 ♦ Fax: (973) 286-6800

DELAWARE FLORIDA ILLINOIS MARYLAND MASSACHUSETTS MINNESOTA NEW JERSEY NEW YORK PENNSYLVANIA WASHINGTON, DC

A DELAWARE LIMITED LIABILITY PARTNERSHIP

Honorable Jacob S. Gertsman, ALJ

November 4, 2021

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Should Your Honor have any questions regarding the attached materials, please do not hesitate to contact me. Thank you for your assistance in this matter.

Respectfully submitted,

A handwritten signature in black ink that reads "Colleen A. Foley". The signature is written in a cursive style with a long, sweeping underline.

Colleen A. Foley

Enclosure

cc: Staci Migliaccio, Judicial Assistant (w/encls., via email only)
OAL Service List (w/encls., via email only)

*In the Matter of the Petition of New Jersey Natural Gas Company
for Approval of an Increase in Gas Base Rates and for Changes in its Tariff for Gas Service
Pursuant to N.J.S.A. 48:2-21 and N.J.S.A. 48:2-21.1; and for Changes to Depreciation Rates for
Gas Property Pursuant to N.J.S.A. 48:2-18
OAL Docket No. PUC 04111-21
BPU Docket No. GR21030679*

*In the Matter of the Petition of New Jersey Natural Gas Company
for Approval of a Base Rate Adjustment Pursuant to the NJ RISE and SAFE II Programs,
N.J.S.A. 48:2-21 and N.J.S.A. 48:2-21.1, and N.J.S.A. 48:2-18
OAL Docket No. PUC 04113-21
BPU Docket No. GR21030680*

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STATE OF NEW JERSEY
BOARD OF PUBLIC UTILITIES
OFFICE OF ADMINISTRATIVE LAW

IN THE MATTER OF THE PETITION OF)	
NEW JERSEY NATURAL GAS COMPANY)	
FOR APPROVAL OF AN INCREASE IN)	STIPULATION OF SETTLEMENT
GAS BASE RATES AND FOR CHANGES)	
IN ITS TARIFF FOR GAS SERVICE PURSUANT)	
TO N.J.S.A. 48:2-21 AND N.J.S.A. 48:2-21.1;)	OAL DOCKET NO. PUC 04111-21
AND FOR CHANGES TO DEPRECIATION)	BPU DOCKET NO. GR21030679
RATES FOR GAS PROPERTY PURSUANT)	
TO N.J.S.A. 48:2-18)	

-AND-

IN THE MATTER OF THE PETITION OF)	
NEW JERSEY NATURAL GAS COMPANY)	
FOR APPROVAL OF A BASE RATE)	OAL DOCKET NO. PUC 04113-21
ADJUSTMENT PURSUANT TO THE NJ RISE)	BPU DOCKET NO. GR21030680
AND SAFE II PROGRAMS, N.J.S.A. 48:2-21,)	
48:2-21.1, 48:2-18 AND 48:2-13)	

APPEARANCES:

Andrew K. Dembia, Esq., Regulatory Affairs Counsel, **Colleen A. Foley, Esq.** (Saul, Ewing, Arnstein & Lehr LLP), and **Gregory Eisenstark, Esq.** (Cozen O'Connor, P.C.), for Petitioner, New Jersey Natural Gas Company.

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

Maura Caroselli, Managing Attorney-Gas, **Sarah H. Steindel** and **Kurt S. Lewandowski**, Assistant Deputy Rate Counsels, and **Brian Weeks**, Deputy Rate Counsel, for the New Jersey Division of Rate Counsel (**Brian O. Lipman**, Acting Director).

Murray E. Bevan, Esq., Bevan, Mosca & Giuditta, P.C., for Intervenors the NRG companies.

Kenneth J. Hanko, Esq., Chief, Business Law Division and Intellectual Property Law Team, Legal Office, U.S. Army Combat Capabilities Development Command, Armaments Center, at Picatinny Arsenal, for Intervenor United States Department of Defense/Federal Executive Agencies.

TO: THE HONORABLE JACOB S. GERTSMAN, ADMINISTRATIVE LAW JUDGE:

BACKGROUND

On March 30, 2021, New Jersey Natural Gas (“NJNG” or “Company”) filed a petition with the New Jersey Board of Public Utilities (“Board”) for authority pursuant to N.J.S.A. 48:2-21, N.J.S.A. 48:2-21.1, N.J.S.A. 48:2-18, N.J.A.C. 14:1-5.12, and N.J.A.C. 14:1-5.7 to: (i) increase its base rates and charges for gas service by approximately \$165.67 million, excluding Sales and Use Tax (“SUT”); (ii) implement certain rate and tariff revisions; and (iii) revise its existing depreciation rates (“Base Rate Petition”).

On March 31, 2021, the Company filed a request to update its rates to reflect investments in NJNG’s Safety Acceleration and Facility Enhancement extension program (“SAFE II”) and New Jersey Reinvestment in System Enhancement (“NJ RISE”) program (“SAFE II and NJ RISE Petition”).

In the Base Rate Petition, NJNG proposed a test-year ending August 31, 2021. The Base Rate Petition as originally filed, provided five (5) months of actual data and seven (7) months of estimated data. As the case progressed, the estimated data was replaced by actual data, and, on July 9, 2021, the Company filed its update consisting of nine (9) months of actual data and three (3) months of estimated data (“9+3 Update”). Based on the 9+3 Update, the requested rate increase was modified to approximately \$163.90 million, excluding SUT. On September 23, 2021, the Company filed its update consisting of twelve (12) months of actual data (“12 + 0 Update”) and associated post-test year adjustments. Based upon the 12+0 Update, the proposed annual revenue increase was approximately \$162.46 million, excluding SUT.

On May 5, 2021, the Board transmitted the Base Rate Petition and the SAFE II and NJ RISE Petition to the Office of Administrative Law (“OAL”) as contested cases, requesting that the OAL consolidate the two (2) matters. The matters were assigned to the Honorable Jacob S. Gertsman, Administrative Law Judge (“ALJ”).

On June 10, 2021, ALJ Gertsman conducted a prehearing conference and on June 22, 2021, ALJ Gertsman issued an Order consolidating the Company’s Base Rate Petition with its SAFE II and NJ RISE Petition. On July 19, 2021, ALJ Gertsman issued an Order granting intervenor status to the United States Department of Defense and all other Federal Agencies (“DOD/FEA”) and NRG Energy, Inc., and its affiliates Reliant Energy Northeast, LLC, D/B/A NRG Home/NRG Business; Energy Plus Natural Gas LP; XOOM Energy New Jersey, LLC; Stream Energy New Jersey, LLC; Direct Energy Services, LLC; Direct Energy Business, LLC; Direct Energy Business Marketing, LLC; and Gateway Energy Services Corporation (collectively, “NRG”); (collectively “Intervenors”). Participant status was granted to Public Service Electric and Gas Company (“PSE&G”), Elizabethtown Gas Company (“ETG”), South Jersey Gas Company (“SJG”), Engineers Labor-Employer Cooperative (“ELEC”) and the New Jersey Utility Shareholder Association (“NJUSA”); (collectively “Participants”). On July 30, 2021, ALJ Gertsman issued a Prehearing Order establishing procedures and hearing dates for the conduct of this case.¹

The parties to this case are the Company, the Staff of the Board (“Board Staff”), the New Jersey Division of Rate Counsel (“Rate Counsel”), Intervenors, and the Participants (hereinafter collectively referred to as the “Parties”).

¹ An Amended Prehearing Order was issued on September 1, 2021 to correct certain dates identified for evidentiary hearings.

Pursuant to appropriate notice in newspapers of general circulation within NJNG's service territory, and the serving of notice upon affected municipalities and counties within the Company's service area, two (2) telephonic public hearings were held on September 13, 2021 at 4:30 pm and 5:30 pm.² A representative of NJUSA appeared at the hearings and made a statement in support of the Company's request. Seven (7) members of the public appeared at the September 13, 2021 public hearings and made statements in opposition to the proposed rate increase and to the Company's Southern Reliability Link ("SRL") pipeline project. The Board received written comments in opposition to the Base Rate Petition.

The Company responded in writing to more than 540 discovery requests, many of which had multiple parts. In addition, multiple discovery and settlement conferences were held, with the Company responding to additional informal discovery questions, both orally and in writing.

The Company also filed direct, supplemental and revised testimony.

Evidentiary hearings were scheduled for seven (7) dates between January 20 and 31, 2022. In advance of the scheduled evidentiary hearings, the Parties conducted meetings to discuss settlement, and as a result, this stipulation of settlement ("Stipulation") was agreed to by NJNG, Rate Counsel, Board Staff, DOD/FEA and NRG (hereinafter collectively, "Signatory Parties"). This settlement was reached before any Signatory Party, other than the Company, filed testimony.

The Signatory Parties hereto agree and stipulate as follows:

STIPULATED MATTERS

Revenue Increase

² The public hearings were conducted telephonically due to the ongoing COVID-19 pandemic.

1. For the calculation of the revenue requirement in this base rate case, the Signatory Parties agree to a rate base of approximately \$2.523 billion, a rate of return of 6.84%, and an increase in revenue requirement of \$79.00 million, exclusive of New Jersey SSUT. The 6.84% rate of return is obtained based upon a capital structure of 54.00% common equity with a cost rate of 9.60% and 46.00% long term debt with a cost rate of 3.60%. The \$79.00 million increase in revenue requirement can be derived from the following calculation:

Rate Base	\$2,523 million
Rate of Return	<u>x 6.84%</u>
Operating Income Requirement	\$172.605 million
Pro-Forma Operating Income	<u>\$116.501 million</u>
Operating Income Deficiency	\$56.104 million
Revenue Factor	<u>x 1.4081</u>
Revenue Requirements	\$79.000 million

2. This Stipulation also finalizes the prudence of the rates approved for SAFE II and NJ RISE investments through June 30, 2021 and reflects an additional increase in base rate revenues of \$269,000 related to SAFE II and NJ RISE investments through June 30, 2021.³ Should the Board approve this Stipulation, the SAFE II and NJ RISE programs will be complete, and no further cost recovery will be requested through the accelerated cost recovery mechanism.
3. As a result of this Stipulation, the typical residential sales heating customer, using 100 therms of gas during a month, will receive an increase of \$11.62 or 9.9 percent on their monthly bill, from \$117.05 to \$128.67. The typical residential heating customer using 1,000 therms

³ The total adjustment to the Company's revenue requirement resulting from this Stipulation is \$79,269,000, comprised of \$79,000,000 agreed to in the base rate proceeding and \$269,000 agreed to in the SAFE II and NJ RISE proceeding.

annually will receive an increase of \$117.92 or 9.9 percent in their annual bill, from \$1,190.78 to \$1,308.70.

4. The base rate revenue increase agreed to in this Stipulation reflects a four (4) year amortization for the following item:
 - i. Rate Case Expense - This item represents a normalized level of expense incurred for rate case expense. The Rate Case Expense component is reduced by 50 percent, which is not recoverable through customer rate charges. The amount to be amortized for financial reporting purposes for this item is \$0.237 million.

In the event the Company files another base rate case with base rates effective within four (4) years of the rate effective date of the current proceeding, the Company will not seek recovery of, or on, any unamortized balance of this item in that case or any subsequent base rate case.

5. The base rate revenue increase agreed to in this Stipulation reflects an adjustment for consolidated federal income taxes.
6. In addition, the base rate revenue increase agreed to in this Stipulation excludes executive incentive compensation costs.
7. The Signatory Parties agree that the Company utilized a three (3)-year average (October 2017 - September 2020) balance for its uncollectible expense.
8. The Signatory Parties recognize that the Margin Revenue Factors and the monthly Baseline Usage per Customer (“BUC”) set forth in NJNG’s current Conservation Incentive Program (“CIP”) tariff must be updated in order to align these aspects of the CIP tariff with the Board’s approval of new base rates in this proceeding. These factors and rates are included in Rider “I” of the Company’s Tariff attached herein as Attachment A, which increases the revenue change for rate design purposes by \$2.177 million.

9. The Signatory Parties agree the Company's composite depreciation rate shall maintain the currently approved composite rate of 2.78 percent. The overall composite rate of 2.78 percent consists of an investment rate of 1.89 percent and the net salvage rate of 0.89 percent. The Company will incorporate a new plant account into the depreciation schedule to reflect the investment in the Howell Power-to-Gas facility effective with the Order in this matter. The agreed upon depreciation rates by account are set forth in Attachment B to the Stipulation.
10. NJNG agrees that it will use competitive processes to acquire renewable energy for the Howell Power-to-Gas facility at the lowest possible cost to ratepayers. In the event NJNG enters into an agreement to purchase solar power for the Howell Power-to-Gas facility, the cost of the power including renewable energy attributes shall be no higher than the lowest cost renewable energy alternative, and in no event higher than the amount paid under the Company's green power supply contract with its third-party supplier as delivered by its local electric distribution company in effect as of the date it enters into the solar power purchase agreement.
11. The stipulated rates include recovery of all capital investments related to the Southern Reliability Link (SRL) Transmission Line.
12. The stipulated rates include recovery of capital investments in the Safety Town Project, a training facility constructed by NJNG in Howell Township, Monmouth County. In order to defray the costs of this facility for NJNG's ratepayers, the Company commits to maximizing revenues from other sources for the use of this facility, such as by offering the use of the facility to other entities and/or entering into cost sharing agreements with other

entities.

Customer Service Standards

13. NJNG will continue to submit to Rate Counsel and the Director of the Division of Customer Assistance at the Board quarterly and annual reports, as originally specified in the Board's Order⁴ In Docket No. GR19030420, concerning activity at its walk-in and payment centers and concerning the Company's performance in relation to certain service measures, as detailed in Attachment C. NJNG commits to meeting the customer service benchmarks specified in Attachment C.
14. In addition to the metrics referenced in paragraph 11 above, NJNG will include the following information beginning with the report due April 30, 2022 (January 1, 2022-March 31, 2022 reporting period):
 - i. Numbers of disconnections related to non-payment. - Starting with October 1, 2017, this metric will be shown separately for residential and commercial customers, in the format shown in NJNG's attachment to the response to RCR-CUS-10 in this proceeding. Annually, on a fiscal year basis, NJNG will show numbers of disconnections related to non-payment separately by municipality. *See Attachment G*
 - ii. Participation in financial assistance programs. - Include historic data to allow for trend analysis, starting with October 1, 2017, of the information in the format shown in NJNG's attachment to the response to RCR-CUS-19 in this proceeding.
 - iii. Information about Deferred Payment Agreements ("DPAs"). - (1) In Excel-format, starting with October 1, 2017, the Company will provide the information in the format shown in NJNG's attachment to the response to RCR-CUS-13 in this proceeding; and (2) a "DPA Snapshot" as is provided

⁴ In re the Petition of New Jersey Natural Gas Company for Approval of an Increase in Gas Base Rates and for Changes in its Tariff for Gas Service Pursuant to N.J.S.A. 48:2-21 and 48:2-21.1; and for Changes to Depreciation Rates for Gas Property Pursuant to N.J.S.A. 48:2-18, BPU Docket No. GR19030420, Order dated November 13, 2019 at 4.

in the format shown in NJNG's attachments to the responses to RCR-CUS-16 and RCR-CUS-17 in this proceeding.

- iv. Annually provide information concerning the amount of dollars paid to Western Union by NJNG for contractual matters on a monthly basis.
- v. Annually provide the number of payments made by NJNG customers at Western Union locations on a monthly basis .

Tariff and Rate Design

- 15. Attached to this Stipulation as Attachment D is a schedule entitled "Allocation of Proposed Revenue Adjustments to Base Rates" and "New Jersey Natural Gas Company, Base Rates and Revenues at Present and Proposed Rates." The Signatory Parties stipulate that this schedule represents the rate design methodology and billing determinants to be utilized in this case, integrating a monthly customer charge of \$11.00 applicable to the Residential Service classification, inclusive of applicable sales and use taxes, amongst other rate changes.
- 16. Attached to this Stipulation as Attachment E is a summary of the tariff modifications. The Signatory Parties agree that the tariff modifications described in Attachment E to this Stipulation are reasonable, appropriate and shall be implemented upon Board approval.
- 17. As part of its next base rate case, the Company agrees to submit Board Staff's Average and Peak Cost of Service Study ("COSS") as referenced in the Board's Order in Docket No. GR07110889, along with all associated work papers.⁵ Submission of the Board Staff COSS in the next base rate case does not imply endorsement of the Board Staff methodology by the

⁵ In re the Petition of New Jersey Natural Gas Company for Approval of an Increase in Gas Rates, Depreciation Rates for Gas Property, and for Changes in the Tariff for Gas Service Pursuant to N.J.S.A. 48:2-18 and N.J.S.A. 48:2-21, BPU Docket No. GR07110889, Order dated October 3, 2008 at 9.

Company. The Company, as well as any other party to that future proceeding, is free to submit its preferred COSS and supporting workpapers. *See* Attachment F.

Balancing Charges

18. The balancing charge related to inventory was updated through this rate case to \$0.0009 per therm based on the pre-tax rate of return of 8.87% agreed to herein and the resulting after-tax Balancing Charge is \$0.1235 per therm, a decrease of \$0.0002 per therm from the rate of \$0.1237 per therm included in the Company's pending 2021 Basic Gas Supply Service ("BGSS") filing⁶ in Docket No. GR21050860. The balancing charge related to inventory will remain fixed until new rates become effective in the Company's next base rate case.
19. The balancing charge will continue to be adjusted in the Company's annual BGSS filings to reflect only updated pipeline demand charges, credit adjustments and the percentage of peak day volume related to balancing associated with the pipeline demand portion of the balancing charge. The firm volumes from which the pipeline demand portion of the balancing charge is determined will also be updated. The Company's recalculation will be subject to review as part of the annual BGSS proceedings. The Company will continue to credit all balancing revenues from customers in the Balancing Rate Classes to its BGSS.

MISCELLANEOUS

20. The undersigned Signatory 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

⁶ In re the Petition of New Jersey Natural Gas Company for the Annual Review and Revision of its Basic Gas Supply Service (BGSS) and Conservation Incentive Program (CIP) Rates for F/Y 2022, BPU Docket No. GR21050860, Petition dated May 28, 2021.

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.

21. The Signatory Parties further agree that they consider this Stipulation to be binding on them for all purposes herein.
22. 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, Rate Counsel, Intervenors and the Participants 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 Signatory 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.
23. The Signatory Parties request that this Stipulation be considered at the Board's November 17, 2021 regularly scheduled Agenda Meeting.

24. Should the Board approve this Stipulation, either in whole or in part, due to the COVID-19 pandemic, the Signatory Parties agree to accept service by electronic mail, and such delivery shall constitute sufficient service should the Board issue an Order regarding this matter.

WHEREFORE, the undersigned Signatory Parties hereto respectfully submit this Stipulation to Your Honor and the Board for its review and request (1) the issuance of an Initial Decision approving this Settlement in its entirety in accordance with the terms contained herein, and (2) the Board approve this Settlement, in its entirety with the terms contained herein through an Order on all rate and tariff issues.

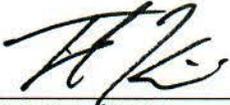
**NEW JERSEY NATURAL GAS COMPANY
PETITIONER**

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COLLEEN FOLEY
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**DIVISION OF RATE COUNSEL
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MANAGING ATTORNEY – GAS

ANDREW J. BRUCK
ACTING ATTORNEY GENERAL OF NEW JERSEY
Attorney for Staff of the Board of Public Utilities

By:  _____ 11/4/21
TEREL KLEIN
DEPUTY ATTORNEY GENERAL

**UNITED STATES DEPARTMENT OF DEFENSE/FEDERAL
EXECUTIVE AGENCIES
INTERVENORS**

By:  _____
~~KENNETH HANKO~~ John McNutt 4 Nov 2021

**NRG COMPANIES
INTERVENORS**

By: _____
MURRAY BEVAN, Esq.
BEVAN, MOSCA & GIUDITTA, P.C.

Date: November 3, 2021

ANDREW J. BRUCK
ACTING ATTORNEY GENERAL OF NEW JERSEY
Attorney for Staff of the Board of Public Utilities

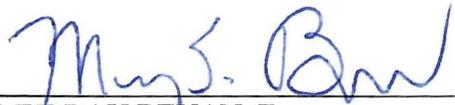
By:  11/4/21

TEREL KLEIN
DEPUTY ATTORNEY GENERAL

**UNITED STATES DEPARTMENT OF DEFENSE/FEDERAL
EXECUTIVE AGENCIES
INTERVENORS**

By: _____
KENNETH HANKO

**NRG COMPANIES
INTERVENORS**

By:  _____
MURRAY BEVAN, Esq.
BEVAN, MOSCA & GIUDITTA, P.C.

Date: November 3, 2021

Attachment A

RIDER "I"**CONSERVATION INCENTIVE PROGRAM – CIP**

Applicable to the following service classifications:

RS	Residential Service
GSS	General Service - Small
GSL	General Service - Large
ED	Economic Development

I. DEFINITION OF TERMS AS USED HEREIN

1. **Actual Number of Customers** – The Actual Number of Customers (“ANC”) shall be determined on a monthly basis for each of the Customer Class Groups to which the Conservation Incentive Program (“CIP”) applies. The ANC shall equal the aggregate actual booked number of customers for the month as recorded on the Company’s books, plus any Incremental Large Customer Count Adjustment.
2. **Actual Usage per Customer** – the Actual Usage per Customer (“AUC”) shall be determined in terms on a monthly basis for each of the Customer Class Groups to which the CIP applies. The AUC shall equal the aggregate actual booked sales for the month as recorded on the Company’s books divided by the Actual Number of Customers for the corresponding month.
3. **Adjustment Period** - shall be the year beginning immediately following the conclusion of the Annual Period.
4. **Annual Period** – shall be the twelve consecutive months from October 1 of one calendar year through September 30 of the following calendar year.
5. **Average 13 Month Common Equity Balance** - shall be the common equity balance at the beginning of the Annual Period (i.e., October 1) and the month ending balances for each of the twelve months in the Annual Period divided by thirteen (13).
6. **Baseline Usage per Customer** – the Baseline Usage per Customer (“BUC”) shall be stated in terms on a monthly basis for each of the Customer Class Groups to which the CIP applies. The BUC shall be rounded to the nearest one tenth of one therm.

Date of Issue: , 2021
Issued by: Mark G. Kahrer, Senior Vice President
Wall, NJ 07719

**Effective for service rendered on
and after December 1, 2021**

RIDER "I"**CONSERVATION INCENTIVE PROGRAM – CIP (continued)**

7. **Customer Class Group** – For purposes of determining and applying the CIP, customers shall be aggregated into four separate recovery class groups. The Customer Class Groups shall be as follows:
- Group I: RS (non-heating customers only)
 - Group II: RS (heating customers only)
 - Group III: GSS, ED using less than 5,000 therms annually
 - Group IV: GSL, ED using 5,000 therms or greater annually
8. **Forecast Annual Usage** – the Forecast Annual Usage (“FAU”) shall be the projected total annual throughput for all customers within the applicable Customer Class Group. The FAU shall be estimated based on normal weather.
9. **Incremental Large Customer Count Adjustment** – the Company shall maintain a list of incremental commercial and industrial customers added to its system on or after September 1, 2021 whose connected load is greater than that typical for the Company’s average commercial and industrial customer. For purposes of the CIP, large incremental customers shall be those customers whose connected load exceeds 5,600 cubic feet per hour (“CFH”). A new customer at an existing location previously connected to NJNG’s facilities shall not be considered an incremental customer. The Actual Number of Customers for the Customer Class Group shall be adjusted to reflect the impact of all such incremental commercial or industrial customers. Specifically, the Incremental Large Customer Count Adjustment for the applicable month shall equal the aggregate connected load for all active customers that exceed the 5,600 CFH threshold divided by 2,800 CFH less the number of active customers, rounded to the nearest whole number.
10. **Margin Revenue Factor** – the Margin Revenue Factor (“MRF”) shall be the weighted-average margin rate as quoted in the individual service classes to which the CIP applies. The MRFs by Customer Class Group are as follows:
- | | |
|---|----------|
| Group I (RS non-heating): | \$0.5701 |
| Group II (RS heating): | \$0.5701 |
| Group III (GSS, ED using less than 5,000 therms annually) | \$0.4944 |
| Group IV (GSL, ED using 5,000 therms or greater annually) | \$0.3133 |

The MRF shall be reset each time new base rates are placed into effect.

Date of Issue: , 2021
Issued by: Mark G. Kahrer, Senior Vice President
 Wall, NJ 07719

*Effective for service rendered on
 and after December 1, 2021*

RIDER "I"**CONSERVATION INCENTIVE PROGRAM – CIP (continued)****II. BASELINE USAGE PER CUSTOMER**

The BUC for each Customer Class Group by month are as follows:

<u>Month</u>	<u>Group I: RS Non-Heating</u>	<u>Group II: RS Heating</u>	<u>Group III: GSS, ED using less than 5,000 therms annually</u>	<u>Group IV: GSL, ED using 5,000 therms or greater annually</u>
Oct.	17.5	43.4	44.8	883.1
Nov.	13.9	100.4	119.2	1,743.4
Dec.	17.4	160.8	201.9	2,598.8
Jan.	20.4	191.2	264.1	3,041.8
Feb.	18.7	163.3	227.8	2,534.1
Mar.	19.8	133.7	180.9	2,113.0
Apr.	10.9	70.6	82.3	1,311.5
May	11.0	37.0	33.1	836.9
Jun.	18.0	27.2	19.4	576.8
Jul.	17.4	23.8	24.4	556.1
Aug.	16.3	21.3	20.6	536.9
Sep.	<u>17.9</u>	<u>23.0</u>	<u>19.1</u>	<u>490.3</u>
Total Annual	199.2	995.7	1,237.6	17,222.7

The BUC shall be reset each time new base rates are placed into effect.

III. DETERMINATION OF THE CONSERVATION INCENTIVE PROGRAM RATE

1. At the end of the Annual Period, a calculation shall be made that determines for each Customer Class Group the deficiency or excess to be surcharged or credited to customers pursuant to the CIP mechanism. The deficiency or excess shall be calculated each month by multiplying the result obtained from subtracting the Baseline Usage per Customer from the Actual Usage per Customer by the Actual Number of Customers and then multiplying the resulting therms by the Margin Revenue Factor.

Date of Issue: , 2021
Issued by: Mark G. Kahrer, Senior Vice President
 Wall, NJ 07719

**Effective for service rendered on
 and after December 1, 2021**

RIDER "I"**CONSERVATION INCENTIVE PROGRAM – CIP (continued)**

2. The normal degree days and degree day consumption factors per customer to be used for the calculation of the weather related change in customer usage, are set forth below:

Month	Degree Days	Consumption Factors per customer (therms per customer per degree day)		
		Group II- Residential Heating	Group III- GSS	Group IV- GSL
October	238	0.1260	0.1771	1.7974
November	524	0.1677	0.2195	2.3319
December	813	0.1919	0.2603	2.6794
January	968	0.2020	0.2744	2.8174
February	814	0.1998	0.2684	2.7416
March	674	0.1934	0.2513	2.4923
April	346	0.1776	0.1841	1.9127
May	122	0.1458	0.1643	1.6686

These consumption factors per customer shall be multiplied by the actual number of customers to determine the consumption factors. The weather related change in customer usage shall be calculated as the difference between actual degree days and the above normal degree days multiplied by the consumption factors, and multiplying the result by the margin revenue factors as defined in Section I.10. of this Rider.

3. Recovery of margin deficiency associated with non-weather related changes in customer usage will be subject to a BGSS savings test and a Margin Revenue recovery limitation (“recovery tests”). Recovery of non-weather related margin deficiency will be limited to the smaller of (1) the level of BGSS savings achieved when such savings are less than 75 percent of the non-weather related margin deficiency, i.e. BGSS savings test, and (2) 6.5 percent of variable margins for the CIP Annual Period, i.e., Margin Revenue recovery limitation. Any amount that exceeds the above limitations may be deferred for future recovery and is subject to either or both of the recovery tests in a future year consistent with the amount by which either or both of the non-weather related margin deficiency exceeded the recovery tests. For the purposes of this calculation, the value of the weather related portion shall be calculated as set forth in Section III.2. of this Rider I.

Date of Issue: , 2021
 Issued by: Mark G. Kahrer, Senior Vice President
 Wall, NJ 07719

Effective for service rendered on
 and after December 1, 2021

RIDER "I"**CONSERVATION INCENTIVE PROGRAM – CIP (continued)**

4. In addition, the CIP shall not operate to permit the Company to recover any portion of a deficiency that will cause the Company to earn in excess of a 9.60% return on common equity for the Annual Period; any portion which is not recovered shall not be deferred. For purposes of this section, the Company's rate of return on common equity shall be calculated by dividing the Company's regulated jurisdictional net income for the Annual Period by the Company's average 13-month common equity balance for such Annual Period, all as reflected in the Company's monthly reports to the Board of Public Utilities. The Company's regulated jurisdictional net income shall be calculated by subtracting from total net income (1) other income, net of associated taxes, (2) margins retained from Off-System Sales and Capacity release, net of associated taxes, (3) margins retained from the Storage Incentive Program, net of associated taxes, and (4) margins retained from the energy efficiency programs of Rider "F", net of associated taxes. The Company's average thirteen-month common equity balance for any Annual Period shall be the Company's average total common equity less the Company's average common equity investment in unregulated subsidiaries.
5. The amount to be surcharged or credited shall equal the eligible aggregate deficiency or excess for all months during the Annual Period determined in accordance with the provisions herein, divided by the Forecast Annual Usage for the Customer Class Group.

IV. TRACKING THE OPERATION OF THE CONSERVATION INCENTIVE PROGRAM

The revenues billed, or credits applied, net of taxes and assessments, through the application of the Conservation Incentive Program Rate shall be accumulated for each month of the Adjustment Period and applied against the CIP excess or deficiency from the Annual Period and any cumulative balances remaining from prior periods.

In accordance with P.L. 1997, c. 192, as amended by P.L. 2006, c. 44, P.L. 2009, c. 240, and P.L. 2016, c. 57, the charges applicable under this Rider include provision for the New Jersey Sales and Use Tax ("SUT") and when billed to customers exempt from this tax, as set forth in Rider "B", shall be reduced by the amount of such tax included therein.

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RIDER "I"**CONSERVATION INCENTIVE PROGRAM – CIP (continued)**

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

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

Group I (RS non-heating):	(\$0.0334)
Group II (RS heating):	\$0.0304
Group III (GSS, ED using less than 5,000 therms annually):	\$0.0400
Group IV (GSL, ED using 5,000 therms or greater annually):	\$0.0303

For the recovery of the October 2019 through September 2020 CIP margin deficiency, the recovery of the margin deficiency associated with non-weather related change in customer usage included in the above factors are offset by the BGSS savings component, as set forth in Rider A. The BGSS savings component is embedded within the Periodic BGSS Charge and the Monthly BGSS Charge.

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Wall, NJ 07719

*Effective for service rendered on
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Attachment B

NEW JERSEY NATURAL GAS

Comparison of Current and Proposed Accrual Rates

Current: VG Procedure / RL Technique

Settlement: VG Procedure / RL Technique

Account Description A	Current			Settlement		
	Investment B	Net Salvage C	Total D=B+C	Investment E	Net Salvage F	Total G=E+F
STORAGE AND PROCESSING PLANT						
361.00 Structures and Improvements	1.31%	0.12%	1.43%	1.31%	0.12%	1.43%
362.00 Gas Holders	0.94%	0.38%	1.32%	0.94%	0.38%	1.32%
363.20 Vaporizing Equipment	2.30%	-1.14%	1.16%	2.30%	-1.14%	1.16%
363.30 Compressor Equipment	1.85%	0.09%	1.94%	1.85%	0.09%	1.94%
363.40 Measuring and Regulating Equipment	2.64%	0.14%	2.78%	2.64%	0.14%	2.78%
363.50 Other Equipment	-3.93%	-0.21%	-4.14%	-3.93%	-0.21%	-4.14%
Total Storage and Processing Plant	1.81%	-0.16%	1.65%	1.81%	-0.16%	1.65%
TRANSMISSION PLANT						
366.00 Structures and Improvements	3.13%	0.30%	3.43%	3.13%	0.30%	3.43%
367.00 Mains	1.49%	0.88%	2.37%	1.46%	0.88%	2.34%
369.00 Measuring and Regulating Equipment	2.03%	1.52%	3.55%	2.03%	1.52%	3.55%
Total Transmission Plant	1.60%	1.00%	2.60%	1.57%	1.00%	2.57%
DISTRIBUTION PLANT						
375.01 Structures and Improvements	1.77%	0.07%	1.84%	1.77%	0.07%	1.84%
376.00 Mains - Steel	1.49%	1.34%	2.83%	1.49%	1.34%	2.83%
376.26 Mains - Plastic	1.53%	0.91%	2.44%	1.50%	0.94%	2.44%
378.00 Meas. and Reg. Station Equip. - General	3.22%	2.49%	5.71%	3.22%	2.49%	5.71%
380.01 Services - Steel	1.60%	0.79%	2.39%	1.60%	0.79%	2.39%
380.21 Services - Plastic	1.57%	0.92%	2.49%	1.48%	0.94%	2.42%
381.00 Meters	3.16%	0.07%	3.23%	3.16%	0.07%	3.23%
382.00 Meter Installations	2.96%	1.55%	4.51%	2.96%	1.55%	4.51%
383.00 House Regulators						
384.00 House Regulator Installations						
385.00 Meas. and Reg. Equipment - Industrial	3.42%	0.35%	3.77%	3.42%	0.35%	3.77%
387.00 Other Equipment	7.87%	1.15%	9.02%	7.87%	1.15%	9.02%
Total Distribution Plant	1.72%	0.99%	2.71%	1.68%	1.00%	2.68%
GENERAL PLANT						
Depreciable						
390.02 Leasehold Improvements	2.48%	-1.00%	1.48%	2.48%	-1.00%	1.48%
392.00 Transportation Equipment	4.57%	-1.48%	3.09%	4.57%	-1.48%	3.09%
396.00 Power Operated Equipment	0.19%		0.19%	0.19%		0.19%
Total Depreciable	3.86%	-1.30%	2.56%	3.86%	-1.30%	2.56%
Amortizable						
391.01 Furniture, Fixtures and Equipment	3.95%		3.95%	← 25 Year Amortization →		3.95%
391.02 Information Systems	8.93%		8.93%	← 10 Year Amortization →		8.93%
391.03 Data Handling Equipment	5.57%		5.57%	← 10 Year Amortization →		5.57%
391.04 Computer Software	8.10%		8.10%	← 10 Year Amortization →		8.10%
393.00 Stores Equipment	2.86%		2.86%	← 35 Year Amortization →		2.86%
394.00 Tools, Shop and Garage Equipment	5.00%		5.00%	← 20 Year Amortization →		5.00%
395.00 Laboratory Equipment	2.86%		2.86%	← 35 Year Amortization →		2.86%
397.00 Communication Equipment	5.00%		5.00%	← 20 Year Amortization →		5.00%
Total Amortizable	7.25%		7.25%			7.25%
Total General Plant	5.94%	-0.50%	5.44%	5.94%	-0.50%	5.44%
TOTAL UTILITY	1.93%	0.88%	2.81%	1.89%	0.89%	2.78%

Note: An accrual rate of 3.7% will be applied to the Hydrogen plant effective with the Board Order.

Attachment C

NEW JERSEY NATURAL GAS COMPANY
 BPU QUARTERLY REPORT
 DOCKET NO. GR21030679

	Oct-21	Nov-21	Dec-21	FYTD	Jan-22	Feb-22	Mar-22	FYTD	Apr-22	May-22	Jun-22	FYTD	Jul-22	Aug-22	Sep-22	FYTD	Goals
1) (A) Percent of Calls Answered Within 30 Seconds																	82.00%
(B) Abandoned Call Rate																	5% or less
(C) Average Speed of Answer (in seconds)																	N/A
2) (A) Percent of On-Cycle Meter Reads																	95%
(B) Meter Read by Town ¹	SEE FOOTNOTE BELOW																N/A
(C) Rebills/1,000 Customers																	20 or Fewer
3) (A) Leak/Odor Responded to Within 60 Minutes																	99.85%
(B) Percent of Customer Service Appointments Met																	99.90%
4) (A) Escalated Complaints to the BPU/1,000 Customers																	0.57
(B) Customer Satisfaction																	89.00%
5) Walk-In Centers (# of Payments):																	
Location: Rockaway																	N/A
Location: Wall																	N/A
Location: Asbury Park																	N/A
Location: Lakewood																	N/A
6) Payments at Non-NJNG Locations ²																	N/A
																	SEE FOOTNOTE BELOW
7) Residential Disconnects for non-payment ³																	N/A
																	SEE FOOTNOTE BELOW
8) Commercial Disconnects for non-payment ⁴																	N/A
																	SEE FOOTNOTE BELOW
9) Financial Assistance																	N/A
																	SEE SHEET LABELED FINANCIAL ASSISTANCE
10) Deferred Payments																	N/A
																	SEE SHEETS LABELED DPA
11) Payments from NJNG to Western Union ⁵																	N/A
																	SEE FOOTNOTE BELOW

Notes:

- 1 - Provided Annually (Due 10/31/2022)
- 2 - Provided Annually (Due 10/31/2022)
- 3 & 4 - Provided Annually (Due 10/31/2022)
- 5 - Provided Annually (Due 10/31/2022)

The data for metrics 7 & 8 will start with October 2017 and be in a similar fashion to RCR-CUS-10, which provides the total per year only

Attachment D

New Jersey Natural Gas Company
Allocation of Proposed Revenue Adjustments to Base Rates
SAFE and RISE Revenue Adjustments
(In Thousands of Dollars)

Description	Current Base Revenue	Proposed SAFE/RISE Increase
Rate Schedule:		
Residential Service	297,201	204
General Service - Small	28,885	26
General Service - Large	70,357	38
Firm Transportation Service	6,757	-
Distributed Generation Service - Commercial	1,024	1
NGV / CNG Service	477	0
Total	404,702	269

New Jersey Natural Gas Company
Allocation of Proposed Revenue Adjustments to Base Rates
Base Rate Increase
(In Thousands of Dollars)

Description (A)	Current Base Revenue with SAFE/RISE Increase (B)	CIP Revenue (C)	Current Base and CIP Revenue (D) = (B) + (C)	Allocation of Proposed Revenue Adjustment (E)	Proposed Base Revenues (F) = (D) + (E)	Base Revenue Increase (G) = (F) - (B)
Rate Schedule:						
Residential Service	297,404	(3,165)	294,240	59,300	353,539	56,135
General Service - Small	28,913	(141)	28,772	5,799	34,571	5,658
General Service - Large	70,394	1,128	71,522	14,414	85,936	15,542
Firm Transportation Service	6,757	-	6,757	1,362	8,119	1,362
Distributed Generation Service - Commercial	1,025	-	1,025	207	1,231	207
NGV / CNG Service	477	-	477	96	573	96
Total	<u>404,969</u>	<u>(2,177)</u>	<u>402,792</u>	<u>81,177</u>	<u>483,969</u>	<u>79,000</u>

New Jersey Natural Gas Company
Base Rates and Revenues at Present and Proposed Rates

<u>Component</u> (a)	<u>Amount</u> (b)	<u>Units</u> (c)	<u>Present Rates</u>		<u>Present Rates with SAFE/RISE Adjustment</u>		<u>Proposed Rates</u>	
			<u>Rate</u> (d)	<u>Revenue</u> (e)	<u>Rate</u> (d)	<u>Revenue</u> (e)	<u>Rate</u> (f)	<u>Revenue</u> (g)
			<u>RS</u>		<u>RS</u>		<u>RS</u>	
<u>Residential Service</u>								
Customer Charge	6,250,626	Bills	\$ 9.51	\$ 59,443,453	\$ 9.51	\$ 59,443,453	\$ 10.32	\$ 64,506,460
Volumetric Charge	506,946,688	Therms	0.4690	237,757,997	0.4694	237,960,775	0.5701	289,010,307
CIP Revenues				(3,164,644)		(3,164,644)		-
Total Base Revenues				\$ 294,036,805		\$ 294,239,584		\$ 353,516,766
			<u>GSS</u>		<u>GSS</u>		<u>GSS</u>	
<u>General Service Small (less than 5,000 Annual Therms)</u>								
Customer Charge	380,683	Bills	\$ 32.68	\$ 12,440,716	\$ 32.71	\$ 12,452,137	\$ 39.39	\$ 14,995,098
Volumetric Charge	39,584,913	Therms	0.4153	16,439,614	0.4157	16,455,448	0.4944	19,570,781
Volumetric Charge - A/C	56,128	Therms	0.0900	5,052	0.0900	5,052	0.1081	6,067
CIP Revenues				(140,501)		(140,501)		
Total Base Revenues				\$ 28,744,881		\$ 28,772,135		\$ 34,571,947

New Jersey Natural Gas Company
Base Rates and Revenues at Present and Proposed Rates

<u>Component</u> (a)	<u>Amount</u> (b)	<u>Units</u> (c)	<u>Present Rates</u>		<u>Present Rates with SAFE/RISE Adjustment</u>		<u>Proposed Rates</u>	
			<u>Rate</u> (d)	<u>Revenue</u> (e)	<u>Rate</u> (d)	<u>Revenue</u> (e)	<u>Rate</u> (f)	<u>Revenue</u> (g)
			<u>GSL</u>		<u>GSL</u>		<u>GSL</u>	
<u>General Service Large (5,000 + Annual Therms)</u>								
Customer Charge	94,586	Bills	\$ 75.77	\$ 7,166,765	\$ 75.86	\$ 7,175,278	\$ 97.54	\$ 9,225,898
Demand Charge	10,678,878	Therms	2.4688	26,364,013	2.4714	26,391,778	3.2000	34,172,408
Volumetric Charge	135,797,036	Therms	0.2711	36,814,576	0.2711	36,814,576	0.3133	42,545,211
Volumetric Charge - A/C	133,220	Therms	0.0900	11,990	0.0900	11,990	0.1081	14,401
CIP Revenues				1,128,223		1,128,223		
Total Base Revenues				\$ 71,485,568		\$ 71,521,845		\$ 85,957,919

			<u>FT</u>		<u>FT</u>		<u>FT</u>	
<u>Firm Transportation Service*</u>								
Customer Charge	1,517	Bills	\$ 254.42	\$ 385,930	\$ 254.42	\$ 385,930	\$ 328.25	\$ 497,922
Demand Charge	2,435,047	Therms	1.8592	4,527,239	1.8592	4,527,239	2.3447	5,709,454
Volumetric Charge	24,653,234	Therms	0.0748	1,844,062	0.0748	1,844,062	0.0775	1,910,626
Total Base Revenues				\$ 6,757,231		\$ 6,757,231		\$ 8,118,002

**New Jersey Natural Gas Company
Base Rates and Revenues at Present and Proposed Rates**

<u>Component</u> (a)	<u>Amount</u> (b)	<u>Units</u> (c)	<u>Present Rates</u>		<u>Present Rates with SAFE/RISE Adjustment</u>		<u>Proposed Rates</u>	
			<u>Rate</u> (d)	<u>Revenue</u> (e)	<u>Rate</u> (d)	<u>Revenue</u> (e)	<u>Rate</u> (f)	<u>Revenue</u> (g)
<u>Distributed Generation - Commercial*</u>			<u>DGC</u>		<u>DGC</u>		<u>DGC</u>	
Customer Charge	269	Bills	\$ 77.31	\$ 20,762	\$ 77.31	\$ 20,762	\$ 97.54	\$ 26,195
Demand Charge	379,385	Therms	1.8238	691,923	1.8255	692,568	2.2040	836,165
Volumetric Charge - Winter	3,317,249	Therms	0.0616	204,343	0.0616	204,343	0.0701	232,539
Volumetric Charge - Summer	3,455,288	Therms	0.0310	107,114	0.0310	107,114	0.0395	136,484
Total Base Revenues				\$ 1,024,142		\$ 1,024,787		\$ 1,231,384

<u>Natural Gas Vehicle / Compressed Natural Gas Service</u>			<u>NGV / CNG</u>		<u>NGV / CNG</u>		<u>NGV / CNG</u>	
Customer Charge	60	Bills	\$ 77.70	\$ 4,662	\$ 77.70	\$ 4,662	\$ 97.54	\$ 5,852
Volumetric Charge	1,498,101	Therms	0.2050	307,111	0.2050	307,111	0.2683	401,940
CNG Charge	824,569	Therms	0.2000	164,914	0.2000	164,914	0.2000	164,914
Total Base Revenues				\$ 476,687		\$ 476,687		\$ 572,707

TOTAL SYSTEM BASE DISTRIBUTION REVENUES	\$ 402,525,313	\$ 402,792,269	\$ 483,968,724
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Increase	81,176,456
TARGET Increase	81,176,922
Difference	(\$466)

Attachment E

NEW JERSEY NATURAL GAS COMPANY

Summary of Tariff Changes

New Jersey Natural Gas Company Tariff – BPU No. 10 Gas is being replaced by New Jersey Natural Gas Company Tariff – BPU No. 11 Gas, which includes modifications to various Tariff sheets. Many of these changes represent minor changes in language to provide clarifications and necessary updates. Descriptions of the significant changes to the Tariff are presented in the following sections:

- I. Standard Terms and Conditions
- II. Firm and Non-Firm Service Classifications
- III. Service Classification Third Party Supplier Requirements (“TPS”)
- IV. Riders

I. Standard Terms and Conditions

- Paragraph 4.2 Residential and Firm Commercial Customer – Main Extension and Service Line Connection (Sheet No. 16)

Added language to provide that the Company may furnish and place up to 200 feet of normal residential facilities at no cost to the Customer.

- Paragraph 6.10 Remote Meter Reading Equipment (Sheet No. 21)

Added language to include Automated Meter Reading (“AMR”) as an example of a remote metering device and to provide that if a remote meter reading device is installed at the customer’s expense because it was requested by the customer, the customer may reimburse the Company for the costs either in a lump sum payment or over a twelve-month period with carrying costs calculated at the prime interest rate.

II. Firm and Non-Firm Service Classifications

- Addition of language to the Residential Service (“RS”), Distributed Generation Service – Residential (“DGR”), General Service – Small (“GSS”), General Service – Large (“GSL”), and residential Natural Gas Vehicles (“NGV”) service classifications to clarify that AMR installation will be in accordance with Paragraph 6.10 of the Standard Terms and Conditions (Sheet Nos. 52, 54, 57 59, 79).

- Modified language in service classifications Firm Transportation (“FT”), Electric Generation Service (“EGS”), Interruptible Service (“IS”), and for commercial Natural Gas Vehicles (“NGV”) service to provide that when an AMR device is required to be installed at the customer’s expense the customer may reimburse the Company for the AMR expense either in a lump sum or over a twelve-month period (Sheet Nos. 62, 71, 79, 82).
- Modifications to clarify that any changes resulting from the annual review for the GSS and GSL service classifications and the GSL demand charge billing determinants will be on a prospective basis (Sheet Nos. 56, 59).
- Modification to clarify that if the Company reduces an FT customer’s demand charge billing determinant, the change will be on a prospective basis (Sheet No. 62).
- Modifying the pricing for Service Classification Incremental Gas Service (“IGS”) to ensure that customers under Service Classification IGS will be charged for the highest price during the period when IGS service is provided, if applicable (Sheet No. 86).

III. Service Classification TPS

Changes to Service Classification TPS reflect the Southern Reliability Link (“SRL”) interconnect with the Transcontinental Gas Pipe Line Company, LLC (“Transco”).

- *Conditions Precedent (Current Sheet No. 87, New Sheet No. 88)*
Modification for the determination of the deposit amount a TPS is required to post to serve customers on the Company’s system to incorporate Transco pricing.
- *FT, DGC-FT, CNG, NGV Commercial, and IS (Current Sheet No. 89, New Sheet No. 90)*
Addition of language to clarify that TPS agree to deliver gas to the Company’s designated delivery meters for their customers and new language that the Company may offer a TPS the option to deliver a specified volume to a Transco meter and if the TPS accepts but fails to deliver, they will be subject to a penalty for the volume not delivered.

- CNG and NGV Commercial Services (Current Sheet No. 93, New Sheet No. 94)
Modification to the determination of the penalty price to a TPS for a delivery shortfall during an Operational Flow Order (“OFO”) to include Transco Zone 6 NNY North pricing. However, in a month that the Company does not allow deliveries on Transco, the determination of the penalty price will exclude Transco pricing.
- Unauthorized Use Charge (Original Sheet No. 95, New Sheet No. 96)
Modification to the determination of the Unauthorized Use Charge to include Transco Zone 6 NNY North pricing.
- Delivery Shortfall Charge (Old Sheet No. 95, New Sheet No. 97)
Modification to the determination of the Delivery Shortfall Charge to include Transco Zone 6 NNY North pricing. However, in a month that the Company does not allow deliveries on Transco, the determination of the penalty price will exclude Transco pricing.

IV. Riders

- Rider “I” CIP
 - Revisions to the baseline use per customer for each class based on test year billing determinants, the margin factors based on the base rates, the large customer adjustment based on the GSL baseline use per customer, and weather consumption factors based on test year billing determinants (Sheet Nos. 179-181).

Attachment F

I/M/O the Petition of New Jersey Natural Gas Company for Approval of an Increase in its Gas Rates, Depreciation Rates, for Gas Property, and for Changes in the Tariff for Gas Service, Pursuant to N.J.S.A. 48:2-18, 48:2-21

**BPU Docket No. GR07110889
Staff Discovery Requests**

S- NJNG-RD-45

RE: Yardley Testimony at Exhibit DPY-5: Average and Peak COSS

Please provide a full cost of service study, including Schedules A through D, which incorporates the following modifications to the average and peak study submitted as DPY-5. Changes not specified below indicate that the original account classification and allocation factors depicted in DPY-5 should be retained. Automatic changes to internal classification and allocation factors should continue to flow from the specific modifications listed below, as is the case within the original DPY-5 COSS. Classification and allocation of Accumulated Reserve for Depreciation and O&M accounts should track attendant plant accounts.

- a) Eliminate the existing customer classification and allocation of rate base accounts 301 through 303. Classify and allocate these costs using the total plant classification factor ("PLANT") and allocation factors ("PLANT_D", "PLANT_C", AND "PLANT_E") used to classify and allocate General Plant accounts 393-396.
- b) Modify the "PEAK_AVERAGE" allocator to affect a 57.8 percent weighting to the average (throughput) component and a 42.2 percent weighting to the design peak demand component. If practicable, separately depict allocated class commodity costs on the "commodity" line and demand allocated costs on the "demand" line appearing under the affected accounts in Schedule B. Apply the modified classification regime and the modified "PEAK_AVERAGE" allocator throughout the COSS in place of the original "PEAK_AVERAGE" allocator and to the additional accounts specified below.
- c) For all plant accounts classified as "DIST_PLANT", separately depict the demand, customer, and commodity allocated costs based upon the introduction of the partial commodity classification and allocation of costs prescribed in (b) above.
- d) Regarding account 376- Distribution Mains, replace the current demand/customer classification and allocation with the demand/commodity classification prescribed in (b) above. Allocate costs to the classes using the modified "PEAK_AVERAGE" allocator described above.

I/M/O the Petition of New Jersey Natural Gas Company for Approval of an Increase in its Gas Rates, Depreciation Rates, for Gas Property, and for Changes in the Tariff for Gas Service, Pursuant to N.J.S.A. 48:2-18, 48:2-21

**BPU Docket No. GR07110889
Staff Discovery Requests**

- e) Regarding account 380- Services, execute the following classification and allocation steps for each of the classes RSG-Heating, RSG-Non- Heating, General Service-Small, General Service-Large:
- (1) Retain the interclass allocators for Services derived/depicted at DPY-3, Schedule D, p.1, along with the resulting interclass allocations of Services costs depicted at S-NJNG-RD-35, Schedule B-1, Services;
 - (2) For the allocated costs depicted at the response to S-NJNG-RD-35, Schedule B-1, Services, classify to the customer component the cost equivalent to the product of the average embedded cost of the smallest size service *currently connecting existing customers* times *the average service length* (data from the response to S-NJNG-RD-40. If the average embedded cost is not available, deflate the marginal (replacement) cost of the smallest size service currently being installed utilizing the average service life for these services (data from the response to S-NJNG-40 and the most recent bulletin of the Handy-Whitman Index of Public Utility Construction Costs, at Section G-1. Classify the balance of allocated Services investment to the demand component.
- f) Regarding accounts 381.1 – Meters and 381.2 – Remote Metering Devices, execute the following classification and allocations steps for each of the classes.: RSG-Heating, RSG-Non-Heating, General Service-Small, General Service-Large:
- (1) Modify the “METERS” allocator for Meters and Remote Metering Devices derived/depicted at DPY-3, Schedule D, p. 1, by excluding the replacement meter costs for those classes whose customer meter installations are industrial in nature and booked to account 385-Industrial Measuring and Regulating Equipment. Utilize the modified “METERS” allocator to derive the revised interclass allocations of Meters costs, replacing those depicted at S-NJNG-RD-35, Schedule B-1;
 - (2) For the allocated costs depicted at the response to S-NJNG-RD- 35, Schedule B-1, Meters and Remote Metering Devices, classify to the customer component the cost equivalent to the product of the average embedded cost of the smallest size meter *currently connecting existing customers* (data from

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response to S-NJNG-RD-41 times the number of customers. If the average embedded cost is not available, deflate the marginal (replacement) cost of the smallest size meter *currently being installed* utilizing the *average service life* for these meters (data from the response to S-NJNG-RD- 41 and the most recent bulletin of the Handy-Whitman Index of Public Utility Construction Costs, at Section G-1. Classify the balance of allocated Meters investment to the demand component.

- g)** Regarding accounts 382.1- Meter Installations and 382.2- Remote Metering Device Installations, execute the following classification and allocation steps for each of the classes RSG- Heating, RSG-Non-Heating, GSG-Small and GSG-Large:
- (1)** Retain the “METER_INSTALLATION” allocator for Meter Installations and Remote Metering Device Installations costs derived/depicted at DPY-3, Schedule D, p.1, along with the resulting interclass allocations of related plant depicted at S-NJNG-RD-35, Schedule B-1.
 - (2)** For the allocated costs depicted at the response to S-NJNG-RD-35, Schedule B-1, Meter Installations and Remote Metering Device Installations, classify to the customer component the cost equivalent to the product of the average embedded cost for installations of the smallest size meter *currently connecting existing customers* (data from the response to S-NJNG-RD-41) times the number of customers. If the average embedded cost is not available, deflate the marginal (replacement) cost for installation of the smallest size meter *currently being installed* utilizing the *average service life* for these meters (data from the response to S-NJNG-RD-41) and the most recent bulletin of the Handy-Whitman Index of Public Utility Construction Costs, at G-1. Classify the balance of allocated Meter Installation investment to the demand component.
- h)** Regarding account 383- House Regulators, follow the classification and allocation prescriptions outline in (f), above, for Meters – account 381.1. That is, retain the interclass allocation but revise the classification to provide for the customer/demand split developed pursuant to (f), 2, above.

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- i) Regarding account 384- House Regulator Installations, follow the classification and allocation prescriptions outlined in (g), above, for Meter Installations – account 382.1. That is, retain the interclass allocation but revise the classification to provide for the customer/demand split developed pursuant to (g), 2, above.

- j) Account 385- Industrial Measuring and Regulating Station Equipment should be classified and allocated as follows:

Costs allocated to classes under the “LARGE_CUSTOMERS” should be classified on a customer/demand split. Rather than employing the replacement cost of the smallest size meter to define the customer component, utilize the quotient of the average meter cost divided by the total meter cost of each class (spec study, p. 24) to derive the customer component; classify to the demand component the balance of costs allocated to these classes.

- k) General Plant accounts 389-Land and Land Rights, 390- Structures and Improvements, 391- Office Furniture and Equipment, 392- Transportation, 397- Communication Equipment, and 398- Miscellaneous Equipment should be classified using the “PLANT” classification factor and allocated utilizing the “PLANT_D” “PLANT_C” AND “PLANT_E” allocators used to classify and allocate General Plant accounts 393-396.

- l) Distribution Operations account 876- Metering and Regulating Station Equipment- Industrial should be classified and allocated consistent with the plant account 385 outlined in (j) above.

- m) Distribution Operations account 878- Meter and House Regulator expenses should follow the classification and allocation prescription for Meters- account 381 and House Regulators- account 383 as outlined above.

- n) Customer Installations expenses- account 879 should be modified to be consistent with the approach used for accounts 382.1 and 382.2, detailed in (g), above.

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- o)** Maintenance of Measurement and Regulating Station Equipment- Industrial- account 890 should be classified and allocated consistent with the treatment of account 385, detailed in (j) above.
- p)** Customer Accounts 901-905 should be classified and allocated as follows.

 - (1)** Account 901-Supervision should be classified to the demand, customer, and commodity components utilizing a new indirect classification factor (“CUSTOMER_ACCOUNTS”) reflecting the aggregate demand, customer, and commodity classification of costs for accounts 902 through 904, outlined below. The resulting demand, customer, and commodity classified expenses should be allocated on a design day peak demand, number of customers, and throughput (“CUSTOMER_ACCOUNTS_D,C, and E”), respectively.
 - (2)** Account 902- Meter Reading Expenses should be classified utilizing the “DIST-PLANT” classification factor and allocated using the “DIST-PLANT_C” “DIST-PLANT_D” and “DIST-PLANT_E” allocators.
 - (3)** Account- 903- Customer Records and Collection expenses should be classified utilizing the “DIST-PLANT” classification factor and allocated utilizing the “DIST-PLANT_C,” “DIST-PLANT_D”, and “DIST-PLANT_E” allocators.
 - (4)** Account 904- Uncollectibles should be classified and allocated consistent with the “PEAK_AVERAGE” prescription detailed in (b), above.
 - (5)** Miscellaneous Customer Accounts expenses should be classified and allocated utilizing the new classification and allocation factors prescribed in (p) (1), above.
- q)** Customer Service and Information accounts 908-910 should be classified and allocated consistent with the “PEAK_AVERAGE” prescription detailed in (b), above.
- r)** Sales Promotion expense accounts 911 through 916 should be classified and allocated consistent with the “PEAK_AVERAGE” prescription detailed in (b), above.

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- s) Regarding Administrative and General Expense Accounts 920-932, replace the "LABOR" and "ADMIN" classification and allocation of accounts 920, 921, 930, and the expenses denoted "PIM Expenditures", "Plant Additions", and "OPP Investment" with the "PLANT" classification and allocation approach referenced in (k) above.

Attachment G

In the Matter of the Petition of New Jersey Natural Gas Company For Approval of an Increase in Gas Base Rates and for Changes in its Tariff for Gas Service, Pursuant to N.J.S.A. 48:2-21 and N.J.S.A. 48:2-21.1; and for Changes to Depreciation Rates for Gas Property Pursuant to N.J.S.A. 48:2-18

BPU DOCKET NO. GR21030679

DISCOVERY RESPONSE

RCR-CUS-0010

Witness:

Question: Please provide the total number of the Company's customers disconnected for non-payment in each calendar year 2012 through 2021 (specify the months included in 2021). If the Company's response corresponds with fiscal years, please so indicate. Provide this information separately for commercial customers, residential customers and industrial customers. If possible, please provide this data in a machine-readable Excel format.

Response:

Please see RCR-CUS-0010 Attachment for the requested residential and commercial disconnection data for calendar years 2012 through June 2021.

Residential and Commercial Disconnected for Nonpayment 2012 - 2021		
<u>FISCAL YEAR</u>	<u>Commercial</u>	<u>Residential</u>
2012	866	10,919
2013	778	8,055
2014	940	9,031
2015	735	6,248
2016	843	6,168
2017	927	9,843
2018	1,027	8,627
2019	933	7,286
2020 *	329	3,696
2021 **	0	0
<p>* 2020 - disconnection ceased 3/16/20</p> <p>** 2021 - as of 6/28/21</p>		

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BPU DOCKET NO. GR21030679

DISCOVERY RESPONSE

RCR-CUS-0019

Witness:

Question: Please provide in machine-readable Excel format enrollment numbers for payment assistance programs, separately by program:

- a. For the entire NJNG service territory, by year, for each year from 2013 through 2021. Please indicate whether the data correspond with fiscal or calendar years. If feasible, show data for the time period beginning March 2020 separately.
- b. By municipality, for the 12-month period spanning March 2019-February 2020 (or, in the alternative, for calendar year 2019 or for fiscal year ending September 2019).

Response:

- a. Please see RCR-CUS-0019 Attachment A in excel format. USF customer counts reflect the number of customers that received USF monthly. Since USF is a 12-month program, each customer is counted in each of the 12 months they received USF.
- b. Please see RCR-CUS-0019 Attachment B in excel format. The company is only able to provide the information in this format from July 1, 2020 to June 30, 2021. USF customer counts reflect the number of customers that received USF monthly. Since USF is a 12-month program, each customer is counted in each of the 12 months they received USF.

NJNG Energy Assistance 2013

	<i>HEAP</i>	<i>USF</i>	<i>Lifeline</i>	<i>GOW</i>	<i>NJSHA RES</i>	<i>True Grant</i>	<i>St Paul</i>	<i>Sup HEAP</i>	<i>Social Services</i>	<i>Miscellaeous</i>	<i>Check mate</i>	<i>Mercy Center</i>	<i>Total</i>
	<i>Count</i>	<i>Count</i>	<i>Count</i>	<i>Count</i>	<i>Count</i>	<i>Count</i>	<i>Count</i>	<i>Count</i>	<i>Count</i>	<i>Count</i>	<i>Count</i>	<i>Count</i>	<i>Count</i>
<i>Oct</i>	80	14,780	0	54	4	20	7	1	0	54	0	0	15,000
<i>Nov</i>	8,272	12,691	4,842	18	3	0	2	0	0	105	0	0	25,933
<i>Dec</i>	4,408	11,324	501	12	3	7	1	0	3	59	0	0	16,318
<i>Jan</i>	1,518	11,029	1,609	9	11	23	2	0	15	88	0	0	14,304
<i>Feb</i>	1,539	11,325	0	0	9	24	18	0	8	135	0	0	13,058
<i>Mar</i>	1,150	11,226	2,019	127	16	31	12	340	13	115	0	0	15,049
<i>Apr</i>	1,257	11,527	1	0	0	26	25	649	18	82	0	0	13,585
<i>May</i>	939	11,948	178	66	30	77	32	794	12	196	0	0	14,272
<i>Jun</i>	519	12,089	67	0	28	67	26	26	44	101	0	0	12,967
<i>Jul</i>	146	12,172	0	82	6	9	18	10	7	54	0	0	12,504
<i>Aug</i>	50	12,239	0	121	8	22	0	0	20	102	0	0	12,562
<i>Sep</i>	21	11,468	0	124	5	50	14	0	21	116	0	0	11,819
	19,899	143,818	9,217	613	123	356	157	1,820	161	1,207	0	0	177,371

Energy Assistance 2014

	<i>Heap</i>	<i>USF</i>	<i>Lifeline</i>	<i>GOW</i>	<i>NJSHARES</i>	<i>True Grant Page Grant</i>	<i>St Paul</i>	<i>Sup HEAP</i>	<i>Social Services</i>	<i>Miscellaneous</i>	<i>Check mate</i>	<i>Mercy Center</i>	<i>Total</i>
	<i>Count</i>	<i>Count</i>	<i>Count</i>	<i>Count</i>	<i>Count</i>	<i>Count</i>	<i>Count</i>	<i>Count</i>	<i>Count</i>	<i>Count</i>	<i>Count</i>	<i>Count</i>	<i>Count</i>
Oct	1	12,297	0	196	7	31	10	0	18	96	0	0	12,656
Nov	0	9,641	4,422	125	5	13	8	0	14	123	0	0	14,351
Dec	12,780	10,472	889	128	3	41	0	1	22	391	0	0	24,727
Jan	2,029	11,490	0	80	4	14	4	0	9	506	0	0	14,136
Feb	1,206	9,314	1	48	1	10	10	0	24	618	0	0	11,232
Mar	1,367	10,917	1,533	46	3	45	18	215	40	803	0	0	14,987
Apr	1,210	11,364	0	46	4	17	13	1,144	18	1,138	0	0	14,954
May	1,136	11,420	292	58	7	72	13	1,265	33	686	0	0	14,982
Jun	694	11,550	155	62	5	11	11	755	18	2,138	0	0	15,399
Jul	500	11,687	0	68	2	91	9	218	82	1,785	0	0	14,442
Aug	117	11,503	0	94	7	70	12	40	30	1,351	0	0	13,224
Sep	5	11,462	2	73	2	17	9	0	28	1,156	0	0	12,754
	21,045	133,117	7,294	1,024	50	432	117	3,638	336	10,791	0	0	177,844

Energy Assistance 2015

	<i>Heap</i>	<i>USF</i>	<i>Lifeline</i>	<i>GOW</i>	<i>NJ SHARES</i>	<i>True Grant Page Grant</i>	<i>St Paul</i>	<i>Sup HEAP</i>	<i>Social Services</i>	<i>Miscellaneous</i>	<i>Check mate</i>	<i>Mercy Center</i>	<i>Total</i>
	<i>Count</i>	<i>Count</i>	<i>Count</i>	<i>Count</i>	<i>Count</i>	<i>Count</i>	<i>Count</i>	<i>Count</i>	<i>Count</i>	<i>Count</i>	<i>Count</i>	<i>Count</i>	<i>Count</i>
Oct	1	9,398	0	135	1	22	10	0	40	701	0	0	10,308
Nov	0	9,927	4,952	128	2	47	1	0	14	903	0	0	15,974
Dec	13,109	9,737	0	92	2	22	4	2	6	1,242	0	0	24,216
Jan	1,748	9,832	1,808	47	1	18	10	0	11	609	0	0	14,084
Feb	1,291	10,013	0	0	2	16	7	1	4	360	0	0	11,694
Mar	1,517	10,317	823	20	3	7	9	175	25	331	0	0	13,227
Apr	879	10,131	0	47	8	38	12	1,374	11	146	0	0	12,646
May	606	10,270	129	94	5	26	11	835	23	122	0	0	12,121
Jun	303	10,282	166	66	12	24	7	14	11	141	0	0	11,026
Jul	31	10,310	0	100	2	40	5	0	3	125	0	0	10,616
Aug	4	10,233	0	67	5	21	5	0	26	102	0	0	10,463
Sep	0	10,190	0	0	3	28	2	0	2	387	0	0	10,612
	19,489	120,640	7,878	796	46	309	83	2,401	176	5,169	0	0	156,987

Energy Assistance 2016

	<i>Heap</i>	<i>USF</i>	<i>Lifeline</i>	<i>GOW</i>	<i>NJ SHARES</i>	<i>True Grant Page Grant</i>	<i>St Paul</i>	<i>Sup HEAP</i>	<i>Social Services</i>	<i>Miscellaneous</i>	<i>Check mate</i>	<i>Mercy Center</i>	<i>Total</i>
	<i>Count</i>	<i>Count</i>	<i>Count</i>	<i>Count</i>	<i>Count</i>	<i>Count</i>	<i>Count</i>	<i>Count</i>	<i>Count</i>	<i>Count</i>	<i>Count</i>	<i>Count</i>	<i>Count</i>
Oct	0	8,515	4,116	141	8	30	3	0	3	134	0	0	12,950
Nov	11,506	8,286	0	0	6	27	0	0	20	89	0	0	19,934
Dec	2,319	8,354	0	96	3	9	3	0	10	97	0	0	10,891
Jan	1,582	8,325	2,319	74	2	16	2	0	21	96	0	0	12,437
Feb	1,009	8,223	0	42	1	11	5	0	34	91	0	0	9,416
Mar	1,004	8,419	881	36	3	6	0	305	19	71	0	0	10,744
Apr	944	8,380	671	22	12	44	0	1,093	23	84	0	0	11,273
May	630	8,465	113	54	12	30	1	726	20	79	0	0	10,130
Jun	315	8,584	94	49	10	54	3	438	8	71	0	0	9,626
Jul	138	8,591	0	49	11	48	3	10	30	73	0	0	8,953
Aug	49	8,521	0	89	5	34	3	3	6	64	0	0	8,774
Sep	0	8,552	0	67	4	12	1	0	7	67	0	0	8,710
	19,496	101,215	8,194	719	77	321	24	2,575	201	1,016	0	0	133,838

Energy Assistance 2017

	<i>Heap</i>	<i>USF</i>	<i>Lifeline</i>	<i>GOW</i>	<i>NJ SHAR ES</i>	<i>True Grant Page Grant</i>	<i>St Paul</i>	<i>Sup HEAP</i>	<i>Social Services</i>	<i>Miscellaneo us</i>	<i>Check mate</i>	<i>Mercy Center</i>	<i>Total</i>
	<i>Count</i>	<i>Count</i>	<i>Count</i>	<i>Count</i>	<i>Count</i>	<i>Count</i>	<i>Count</i>	<i>Count</i>	<i>Count</i>	<i>Count</i>	<i>Count</i>	<i>Count</i>	<i>Count</i>
Oct	1	7,924	4,066	203	17	30	0	0	10	83	0	0	12,334
Nov	10,967	7,785	0	102	6	25	3	1	9	99	0	0	18,997
Dec	2,158	8,023	0	57	10	30	2	5	8	88	0	0	10,381
Jan	1,603	8,183	1,446	27	2	10	2	0	3	48	0	0	11,324
Feb	1,160	8,249	816	42	4	33	0	0	2	58	0	0	10,364
Mar	1,093	8,543	0	34	15	38	0	325	0	87	0	0	10,135
Apr	777	8,660	1,225	19	13	62	1	874	0	75	0	0	11,706
May	703	8,830	138	37	14	59	7	1,432	1	113	0	0	11,334
Jun	676	8,911	60	40	22	50	2	663	0	99	0	0	10,523
Jul	163	8,887	0	42	9	53	7	19	0	39	0	0	9,219
Aug	42	8,832	0	44	14	10	28	0	0	61	0	0	9,031
Sep	2	8,282	0	32	12	16	2	0	0	67	0	0	8,413
	19,345	101,109	7,751	679	138	416	54	3,319	33	917	0	0	133,761

Energy Assistance 2018

	<i>Heap</i>	<i>USF</i>	<i>Lifeline</i>	<i>GOW</i>	<i>NJ SHARES</i>	<i>True Grant Page Grant</i>	<i>St Paul</i>	<i>Sup HEAP</i>	<i>Social Services</i>	<i>Misc</i>	<i>Check mate</i>	<i>Mercy Center</i>	<i>Plus USF</i>
	<i>Count</i>	<i>Count</i>	<i>Count</i>	<i>Count</i>	<i>Count</i>	<i>Count</i>	<i>Count</i>	<i>Count</i>	<i>Count</i>	<i>Count</i>	<i>Count</i>	<i>Count</i>	<i>Count</i>
Oct	0	8,338	0	156	21	16	2	0	0	53	0	0	8,586
Nov	9,071	7,293	3,828	24	8	11	1	1	0	71	0	0	20,308
Dec	1,971	7,459	592	24	3	5	1	0	0	42	0	0	10,097
Jan	1,672	8,209	1,443	27	5	19	0	0	0	102	0	0	11,477
Feb	1,247	7,866	0	2	12	24	0	0	0	118	0	0	9,269
Mar	1,048	7,854	726	73	32	27	0	401	0	78	0	0	10,239
Apr	624	7,977	0	75	0	35	1	951	0	54	0	0	9,717
May	722	8,172	645	59	35	48	0	1,171	0	85	0	0	10,937
Jun	526	8,123	136	77	25	41	0	496	0	72	0	0	9,496
Jul	287	8,168	0	61	15	38	0	419	0	95	0	0	9,083
Aug	345	8,159	0	0	21	53	0	294	0	76	0	0	8,948
Sep	113	6,990	0	32	20	11	0	12		68	0	0	7,246
	17,626	94,608	7,370	610	197	328	5	3,745	-	914	-	-	125,403

Energy Assistance 2019

	<i>Heap</i>	<i>USF</i>	<i>Lifeline</i>	<i>GOW</i>	<i>NJ SHARES</i>	<i>True Grant Page Grant</i>	<i>St Paul</i>	<i>Sup HEAP</i>	<i>Social Services</i>	<i>Misc</i>	<i>Check mate</i>	<i>Mercy Center</i>	<i>Total</i>
	<i>Count</i>	<i>Count</i>	<i>Count</i>	<i>Count</i>	<i>Count</i>	<i>Count</i>	<i>Count</i>	<i>Count</i>	<i>Count</i>	<i>Count</i>	<i>Count</i>	<i>Count</i>	<i>Count</i>
Oct	2	7,272	3,684	127	25	30	0	0	0	49	0	0	11,189
Nov	9,639	7,025	0	145	13	17	0	1	0	74	0	0	16,914
Dec	1,305	6,908	617	54	10	9	1	1	0	55	0	0	8,960
Jan	1,330	6,889	0	33	8	7	0	0	0	82	0	0	8,349
Feb	833	6,273	1,951	180	24	9	0	0	0	70	0	0	9,340
Mar	894	6,837	0	133	10	22	0	369	0	39	0	0	8,304
Apr	748	6,890	609	79	36	43	0	1,065	0	73	0	0	9,543
May	758	7,442	61	31	66	27	0	1,217	0	76	0	0	9,678
Jun	450	6,682	111	30	42	58	0	772	0	57	0	0	8,202
Jul	337	5,438	0	38	28	58	0	262	0	59	0	0	6,220
Aug	450	5,932	0	37	8	56	0	289	0	72	0	0	6,844
Sep	21	6,591	0	15	20	31	0	2	0	56	0	0	6,736
	16,767	80,179	7,033	902	290	367	1	3,978	-	762	-	-	110,279

Energy Assistance 2020

	<i>Heap</i>	<i>USF</i>	<i>Lifeline</i>	<i>GOW</i>	<i>NJ SHARES</i>	<i>Page Grant</i>	<i>St Paul</i>	<i>Sup HEAP</i>	<i>Social Services</i>	<i>Misc</i>	<i>Check mate</i>	<i>Mercy Center</i>	<i>Total</i>
	<i>Count</i>	<i>Count</i>	<i>Count</i>	<i>Count</i>	<i>Count</i>	<i>Count</i>	<i>Count</i>	<i>Count</i>	<i>Count</i>	<i>Count</i>	<i>Count</i>	<i>Count</i>	<i>Count</i>
Oct	5	7,566	3,580	118	35	27	0	0	0	88	0	0	11,419
Nov	9,653	6,121	0	126	13	20	0	17	0	78	0	0	16,028
Dec	1,458	7,086	545	78	28	15	0	1	0	67	0	0	9,278
Jan	1,273	7,262	0	20	3	18	0	0	0	70	0	0	8,646
Feb	855	6,323	1,880	31	12	12	0	2	0	53	0	0	9,168
Mar	547	7,441	0	84	26	36	0	126	0	62	0	0	8,322
Apr	301	7,288	0	0	52	23	0	972	0	158	0	0	8,794
May	415	6,823	592	121	27	19	0	1,023	0	76	0	0	9,096
Jun	356	7,410	62	102	10	22	0	724	0	92	0	0	8,778
Jul	387	7,402	94	143	30	28	0	2,217	0	39	0	0	10,340
Aug	297	7,541	0	78	31	21	0	383	0	45	0	0	8,396
Sep	22	7,302	0	81	10	35	0	14,265	0	55	0	0	21,770
	15,569	85,565	6,753	982	277	276	-	19,730	-	883	-	-	130,035

Energy Assistance 2021

	Heap	USF	Lifeline	GOW	NJ SHARES	Page Grant	St Paul	Sup HEAP	Social Services	Misc	HEAP COVID-19	USF COVID-19	Total
	Count	Count	Count	Count	Count	Count	Count	Count	Count	Count	Count	Count	Count
Oct	161	7,417	0	81	48	35	0		0	54	0	0	7,796
Nov	9,754	5,824	3,631	133	20	27	0		0	80	0	0	19,469
Dec	1,474	7,177	0	68	24	35	0		0	62	0	0	8,840
Jan	1,175	6,680	1,699	44	23	21	0		0	62	0	0	9,704
Feb	623	6,381	0	50	30	14	0		0	63	0	0	7,161
Mar	560	7,617	608	69	17	10	0	1,174	0	83	0	184	10,322
Apr	596	7,358	496	123	40	34	0	1,558	0	61	146	0	10,412
May	426	6,975	58	98	48	18	0	1,139	0	51	0	0	8,813
Jun							0		0		0	0	0
Jul							0		0		0	0	0
Aug							0		0		0	0	0
Sep							0		0		0	0	0
	14,769	55,429	6,492	666	250	194	-	3,871	-	516	146	184	82,517

Town	Count
ABERDEEN	752
ADELPHIA	11
ALLENHURST	3
ASBURY PARK	4478
ATLANTIC HIGHLANDS	359
AVON	99
BARNEGAT	1951
BARNEGAT LAGOONS	82
BARNEGAT LIGHT	1
BASS RIVER TOWNSHIP	3
BAY HEAD	17
BAYVILLE	1660
BEACH HAVEN	82
BEACH HAVEN CREST	15
BEACH HAVEN GARDENS	19
BEACH HAVEN TERRACE	1
BEACH HAVEN WEST	200
BEACHWOOD	817
BELFORD	465
BELMAR	620
BERKELEY	11514
BOONTON - TOWN OF	1248
BOONTON TOWNSHIP	34
BRADLEY BEACH	407
BRANT BEACH	1
BRICK TOWNSHIP	6837
BRIELLE BORO	119
BUDD LAKE	53
CEDAR BONNET ISLAND	19
CEDAR RUN	15
CHADWICK BEACH	49
CHEESEQUAKE	608
CLIFFWOOD	543
CLIFFWOOD BEACH	415
COLTS NECK	152
DEAL BORO	79
DENVILLE	294
DOVER	3374
EATONTOWN	762
ELBERON	320
ENGLISHTOWN	234
FAIR HAVEN	78
FARMINGDALE	189
FLANDERS	350
FORKED RIVER	2195
FREEHOLD BORO	1052

Town	Count
FREEHOLD TOWNSHIP	1922
FRENEAU	13
HAZLET	1153
HIGHLANDS	527
HOLGATE	3
HOLMDEL	676
HOWELL TOWNSHIP	2814
INTERLAKEN	20
ISLAND HEIGHTS	109
JACKSON	3977
JEFFERSON TWP	133
KEANSBURG	4067
KENVIL	157
KEYPORT	750
LAKE COMO	167
LAKE HIAWATHA	344
LAKEHURST	1876
LAKEWOOD TOWNSHIP	11185
LANDING	179
LANOKA HARBOR	548
LAURENCE HARBOR	649
LAVALLETTE	55
LEDGEWOOD	268
LEONARDO	343
LINCOLN PARK	482
LINCROFT	131
LITTLE EGG HARBOR	2176
LITTLE SILVER	83
LOCH ARBOUR	3
LONG BRANCH	4358
MANAHAWKIN	1655
MANALAPAN TOWNSHIP	1643
MANASQUAN BORO	236
MANCHESTER	2700
MANTOLOKING	11
MARLBORO TOWNSHIP	1587
MATAWAN	439
MAYETTA	8
MIDDLETOWN	983
MINE HILL TOWNSHIP	228
MONMOUTH BEACH	63
MONTVILLE	227
MORGANVILLE	99
MOUNT ARLINGTON	158
MOUNT TABOR	54
MOUNTAIN LAKES	26

Town	Count
MYSTIC ISLANDS	889
NAVESINK	109
NEPTUNE CITY	517
NEPTUNE TOWNSHIP	6258
NETCONG	132
NEW GRETNA VILLAGE	22
NEW MONMOUTH	193
NORMANDY BEACH	18
NORTH BEACH	2
NORTH MIDDLETOWN (OLD EKEAN)	1081
OAKHURST	847
OCEAN BEACH 3	2
OCEAN GATE	404
OCEAN GROVE	228
OCEANPORT	503
OLD BRIDGE	1
ORTLEY BEACH	99
PARKERTOWN	143
PARSIPPANY - TROY HILLS	1368
PINE BEACH	144
PINE BROOK	192
POINT PLEASANT BEACH	228
POINT PLEASANT BORO	865
PORT MONMOUTH	626
RANDOLPH TOWNSHIP	334
RED BANK	1002
RIVER PLAZA	28
ROCKAWAY BORO	409
ROCKAWAY TOWNSHIP	472
RUMSON	59
SANDS POINT HARBOR	44
SEA BRIGHT	14
SEA GIRT	61
SEASIDE HEIGHTS	409
SEASIDE PARK	150
SHIP BOTTOM	30
SHREWSBURY	57
SHREWSBURY TOWNSHIP	139
SKIPPERS COVE	65
SOUTH SEASIDE PARK	22
SOUTH TOMS RIVER	1028
SPRING LAKE BORO	69
SPRING LAKE HEIGHTS	274
STAFFORDVILLE	18
SUCCASUNNA	278
SURF CITY	6

Town	Count
TINTON FALLS	1302
TOMS RIVER	11400
TOWACO	111
TUCKERTON	351
TUCKERTON BEACH	44
UNION BEACH	1030
VICTORY GARDENS	459
WALL TOWNSHIP	1265
WANAMASSA	343
WARETOWN	911
WASHINGTON TWP	11
WAYSIDE	408
WEST ALLENHURST	29
WEST BELMAR	262
WEST CREEK	179
WEST DEAL	174
WEST END	139
WEST KEANSBURG	486
WEST LONG BRANCH	351
WHARTON	702
WHITING	421
WICKATUNK	137

In the Matter of the Petition of New Jersey Natural Gas Company For Approval of an Increase in Gas Base Rates and for Changes in its Tariff for Gas Service, Pursuant to N.J.S.A. 48:2-21 and N.J.S.A. 48:2-21.1; and for Changes to Depreciation Rates for Gas Property Pursuant to N.J.S.A. 48:2-18

BPU DOCKET NO. GR21030679

DISCOVERY RESPONSE

RCR-CUS-0013

Witness:

Question: Please provide the following information in machine-readable Excel format on a monthly basis and on an annual total basis separately for each of the years 2013 through 2021 year-to-date (specify months included).

- a. Newly established Deferred Payment Arrangements (DPAs);
- b. Average down payment (in dollars) of DPAs;
- c. Average term (in months) of DPAs;
- d. Average dollar amount of arrears made subject to a DPA;
- e. Average monthly installment of DPAs;
- f. Number of defaulted DPAs;

- i. Number of completed (or "successful") DPAs;
- ii. Post-Bankruptcy DPAs;
- iii. Average amount written off for each defaulted DPA; and
- iv. The total amount written off by NJNG for defaulted DPAs.

Response:

Please see RCR-CUS-0013 Excel Attachment for all requested information with the exception of part b. (Average down payment (in dollars) of DPAs). The Company does not track this information.

Please note that because of the way NJNG collects this data, a customer that has more than one DPA within the same month, and was later written off, would appear more than once in this statistic.

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YEAR	NEWLY EST DPA	COMPLETED DPA	CANCELED DPA	DEFAULTED DPA	AVG \$ AMT OF ARREARS	AVG TERM (MONTHS)	AVG MONTHLY INSTALL	DPA SUCCESS RATE*	DPA FAILURE RATE**	AVG AMT WRITTEN OFF	TOTAL AMT WRITTEN OFF - DEFAULTED DPA	# OF WRITEOFFS
Oct-12	199	55	20	124	484.72	6	103.76	27.64%	62.31%	\$ 842.40	\$ 48,854.56	58
Nov-12	125	41	18	66	411.80	5	87.77	32.80%	52.80%	\$ 980.18	\$ 20,583.71	21
Dec-12	206	74	29	103	362.60	5	75.31	35.92%	50.00%	\$ 940.39	\$ 32,913.81	35
Jan-13	562	196	67	299	437.90	5	94.71	34.88%	53.20%	\$ 692.32	\$ 63,693.17	92
Feb-13	1010	276	104	630	473.13	5	94.74	27.33%	62.38%	\$ 766.94	\$ 127,311.40	166
Mar-13	1199	324	125	750	569.89	5	114.54	27.02%	62.55%	\$ 730.80	\$ 149,082.79	204
Apr-13	1431	455	133	843	589.59	5	118.52	31.80%	58.91%	\$ 679.59	\$ 149,509.11	220
May-13	1226	424	104	698	567.59	5	114.97	34.58%	56.93%	\$ 646.67	\$ 118,987.73	184
Jun-13	865	300	64	501	520.13	5	109.53	34.68%	57.92%	\$ 620.26	\$ 86,835.92	140
Jul-13	615	222	64	329	478.94	5	102.95	36.10%	53.50%	\$ 677.25	\$ 72,465.86	107
Aug-13	569	195	69	305	991.50	5	122.43	34.27%	53.60%	\$ 695.81	\$ 70,972.90	102
Sep-13	447	155	59	233	498.06	5	90.44	34.68%	52.13%	\$ 743.10	\$ 53,503.47	72
YEAR	NEWLY EST DPA	COMPLETED DPA	CANCELED DPA	DEFAULTED DPA	AVG \$ AMT OF ARREARS	AVG TERM (MONTHS)	AVG MONTHLY INSTALL	DPA SUCCESS RATE*	DPA FAILURE RATE**	AVG AMT WRITTEN OFF	TOTAL AMT WRITTEN OFF - DEFAULTED DPA	# OF WRITEOFFS
Oct-13	492	147	56	289	702.93	5	107.41	29.88%	58.74%	\$ 836.74	\$ 107,938.83	129
Nov-13	410	108	34	268	458.01	5	86.06	26.34%	65.37%	\$ 854.09	\$ 74,306.07	87
Dec-13	458	142	40	276	862.33	5	240.17	31.00%	60.26%	\$ 618.72	\$ 55,066.43	89
Jan-14	864	274	74	516	407.66	5	85.18	31.71%	59.72%	\$ 695.58	\$ 109,206.12	157
Feb-14	999	343	104	552	451.59	5	95.86	34.33%	55.26%	\$ 635.14	\$ 89,555.19	141
Mar-14	1499	547	120	832	673.79	5	132.07	36.49%	55.50%	\$ 634.69	\$ 130,746.17	206
Apr-14	1847	719	141	987	674.48	5	132.37	38.93%	53.44%	\$ 638.61	\$ 180,725.26	283
May-14	1579	645	117	817	593.04	5	118.14	40.85%	51.74%	\$ 684.23	\$ 138,215.02	202
Jun-14	1177	497	75	605	543.83	5	113.36	42.23%	51.40%	\$ 570.68	\$ 89,596.16	157
Jul-14	881	364	73	444	554.55	5	118.53	41.32%	50.40%	\$ 611.78	\$ 85,037.72	139
Aug-14	591	237	45	309	535.82	5	110.02	40.10%	52.28%	\$ 632.99	\$ 58,867.70	93
Sep-14	551	189	50	312	558.69	5	114.87	34.30%	56.62%	\$ 721.36	\$ 64,922.72	90

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YEAR	NEWLY EST DPA	COMPLETED DPA	CANCELED DPA	DEFAULTED DPA	AVG \$ AMT OF ARREARS	AVG TERM (MONTHS)	AVG MONTHLY INSTALL	DPA SUCCESS RATE*	DPA FAILURE RATE**	AVG AMT WRITTEN OFF	TOTAL AMT WRITTEN OFF - DEFAULTED DPA	# OF WRITEOFFS
Oct-14	547	186	60	301	453.05	5	93.39	34.00%	55.03%	\$ 859.11	\$ 91,925.14	107
Nov-14	411	116	36	259	434.32	5	83.19	28.22%	63.02%	\$ 702.69	\$ 57,620.19	82
Dec-14	419	134	45	240	429.86	5	82.27	31.98%	57.28%	\$ 792.42	\$ 63,393.85	80
Jan-15	582	213	45	324	367.32	5	76.93	36.60%	55.67%	\$ 540.79	\$ 48,130.28	89
Feb-15	819	272	78	469	454.60	5	91.01	33.21%	57.26%	\$ 517.08	\$ 58,430.11	113
Mar-15	1589	555	140	894	572.47	5	121.47	34.93%	56.26%	\$ 554.44	\$ 110,888.95	200
Apr-15	2013	840	155	1018	608.86	5	118.81	41.73%	50.57%	\$ 583.94	\$ 137,809.49	236
May-15	1586	655	106	825	536.06	5	110.77	41.30%	52.02%	\$ 517.44	\$ 113,319.34	219
Jun-15	1193	522	96	575	489.06	5	105.81	43.76%	48.20%	\$ 614.17	\$ 107,479.44	175
Jul-15	802	344	59	399	500.39	4	122.48	42.89%	49.75%	\$ 657.26	\$ 84,786.81	129
Aug-15	542	226	46	270	487.60	5	108.40	41.70%	49.82%	\$ 549.66	\$ 45,621.88	83
Sep-15	404	178	29	197	418.58	5	89.14	44.06%	48.76%	\$ 499.27	\$ 32,951.65	66
YEAR	NEWLY EST DPA	COMPLETED DPA	CANCELED DPA	DEFAULTED DPA	AVG \$ AMT OF ARREARS	AVG TERM (MONTHS)	AVG MONTHLY INSTALL	DPA SUCCESS RATE*	DPA FAILURE RATE**	AVG AMT WRITTEN OFF	TOTAL AMT WRITTEN OFF - DEFAULTED DPA	# OF WRITEOFFS
Oct-15	416	148	49	219	1572.10	5	277.93	35.58%	52.64%	\$ 625.56	\$ 50,044.99	80
Nov-15	310	102	24	184	436.92	5	87.83	32.90%	59.35%	\$ 793.19	\$ 45,211.73	57
Dec-15	239	80	18	141	417.53	5	78.65	33.47%	59.00%	\$ 513.76	\$ 20,550.31	40
Jan-16	298	98	22	178	330.31	5	65.86	32.89%	59.73%	\$ 561.11	\$ 29,738.87	53
Feb-16	374	123	40	211	380.71	5	78.24	32.89%	56.42%	\$ 564.47	\$ 28,787.97	51
Mar-16	594	203	42	349	1191.26	5	354.96	34.18%	58.75%	\$ 566.97	\$ 49,326.54	87
Apr-16	729	241	61	427	412.81	5	87.25	33.06%	58.57%	\$ 589.72	\$ 72,536.02	123
May-16	717	230	64	423	357.15	5	73.39	32.08%	59.00%	\$ 491.25	\$ 47,650.97	97
Jun-16	655	233	62	360	519.49	5	117.51	35.57%	54.96%	\$ 624.96	\$ 58,121.62	93
Jul-16	437	183	34	220	578.61	5	115.03	41.88%	50.34%	\$ 470.22	\$ 26,802.37	57
Aug-16	375	145	59	171	483.25	5	117.91	38.67%	45.60%	\$ 586.41	\$ 28,147.64	48
Sep-16	326	111	29	186	628.91	5	135.02	34.05%	57.06%	\$ 707.33	\$ 38,195.58	54

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YEAR	NEWLY EST DPA	COMPLETED DPA	CANCELED DPA	DEFAULTE D DPA	AVG \$ AMT OF ARREARS	AVG TERM (MONTHS)	AVG MONTHLY INSTALL	DPA SUCCESS RATE*	DPA FAILURE RATE**	AVG AMT WRITTEN OFF	TOTAL AMT WRITTEN OFF - DEFAULTED DPA	# OF WRITEOFFS
Oct-16	238	75	23	140	326.69	5	75.26	31.51%	58.82%	\$ 739.27	\$ 24,395.78	33
Nov-16	220	76	13	131	345.89	5	94.29	34.55%	59.55%	\$ 629.41	\$ 25,805.99	41
Dec-16	274	86	21	167	294.01	5	72.23	31.39%	60.95%	\$ 536.37	\$ 17,163.84	32
Jan-17	540	178	48	314	313.19	5	69.91	32.96%	58.15%	\$ 731.13	\$ 51,910.19	71
Feb-17	627	209	38	380	357.95	5	80.38	33.33%	60.61%	\$ 553.66	\$ 47,061.23	85
Mar-17	1033	278	65	690	568.20	5	101.23	26.91%	66.80%	\$ 602.21	\$ 78,287.20	130
Apr-17	1098	340	86	672	450.20	5	93.97	30.97%	61.20%	\$ 630.73	\$ 74,425.69	118
May-17	1291	443	84	764	423.48	5	89.48	34.31%	59.18%	\$ 664.58	\$ 95,699.62	144
Jun-17	930	309	78	543	385.06	5	85.60	33.23%	58.39%	\$ 585.17	\$ 48,569.45	83
Jul-17	620	218	49	353	368.86	5	89.76	35.16%	56.94%	\$ 551.68	\$ 35,307.60	64
Aug-17	470	157	34	277	359.32	5	77.61	33.40%	58.94%	\$ 652.85	\$ 33,947.97	52
Sep-17	412	122	37	253	442.90	5	78.84	29.61%	61.41%	\$ 644.08	\$ 26,407.42	41
Month	NEWLY EST DPA	COMPLETED DPA	CANCELED DPA	DEFAULTE D DPA	AVG \$ AMT OF ARREARS	AVG TERM (MONTHS)	AVG MONTHLY INSTALL	DPA SUCCESS RATE*	DPA FAILURE RATE**	AVG AMT WRITTEN OFF	TOTAL AMT WRITTEN OFF - DEFAULTED DPA	# OF WRITEOFFS
Oct-17	408	108	36	263	350.35	5	71.06	26.47%	64.46%	\$ 876.98	\$ 42,094.84	48
Nov-17	362	104	22	235	425.12	5	75.90	28.73%	64.92%	\$ 1,048.99	\$ 44,057.54	42
Dec-17	379	106	41	232	302.01	5	60.83	27.97%	61.21%	\$ 782.84	\$ 25,833.84	33
Jan-18	885	276	101	507	357.50	5	80.37	31.19%	57.29%	\$ 596.17	\$ 44,116.90	74
Feb-18	1282	397	105	778	517.21	5	113.26	30.97%	60.69%	\$ 546.96	\$ 45,944.74	84
Mar-18	1820	507	151	1162	489.89	5	98.22	27.86%	63.85%	\$ 633.58	\$ 77,297.01	122
Apr-18	1745	572	132	1041	598.10	5	114.28	32.78%	59.66%	\$ 493.97	\$ 44,457.69	90
May-18	1568	566	112	890	474.77	5	92.52	36.10%	56.76%	\$ 511.30	\$ 46,016.73	90
Jun-18	1261	453	99	709	516.62	5	101.08	35.92%	56.23%	\$ 509.73	\$ 28,544.67	56
Jul-18	697	226	65	406	426.58	5	88.93	32.42%	58.25%	\$ 675.82	\$ 19,598.67	29
Aug-18	646	178	46	421	447.24	5	95.36	27.55%	65.17%	\$ 687.83	\$ 20,634.92	30
Sep-18	510	151	49	310	473.31	5	100.03	29.61%	60.78%	\$ 650.74	\$ 15,617.70	24

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YEAR	NEWLY EST DPA	COMPLETED DPA	CANCELED DPA	DEFAULTE D DPA	AVG \$ AMT OF ARREARS	AVG TERM (MONTHS)	AVG MONTHLY INSTALL	DPA SUCCESS RATE*	DPA FAILURE RATE**	AVG AMT WRITTEN OFF	TOTAL AMT WRITTEN OFF - DEFAULTED DPA	# OF WRITEOFFS
Oct-18	479	141	29	309	348.05	5	77.58	29.44%	64.51%	\$ 663.39	\$38,476.43	58
Nov-18	389	121	22	246	346.95	5	74.97	31.11%	63.24%	\$ 756.12	\$39,318.34	52
Dec-18	483	143	32	308	411.03	5	110.29	29.61%	63.77%	\$ 563.14	\$26,467.62	47
Jan-19	880	250	66	563	741.49	5	127.70	28.41%	63.98%	\$ 736.33	\$53,752.41	73
Feb-19	926	277	67	582	441.91	5	94.59	29.91%	62.85%	\$ 750.14	\$57,761.14	77
Mar-19	1532	383	110	1038	634.61	5	149.86	25.00%	67.75%	\$ 608.38	\$ 20,076.65	33
Apr-19	1560	479	101	980	477.62	5	99.41	30.71%	62.82%	\$ 617.98	\$ 66,123.63	107
May-19	1316	455	97	763	448.40	5	90.23	34.57%	57.98%	\$ 614.61	\$ 57,773.18	94
Jun-19	937	357	59	522	\$464.38	5	94.98	38.10%	55.71%	\$ 550.78	\$ 35,800.97	65
Jul-19	685	254	61	370	404.81	5	85.17	37.08%	54.01%	\$ 696.02	\$ 36,193.18	52
Aug-19	504	172	40	292	368.41	5	77.76	34.13%	57.94%	\$ 759.52	\$ 27,342.62	36
Sep-19	404	151	19	233	374.60	5	76.60	37.38%	57.67%	\$ 608.38	\$ 20,076.65	33
YEAR	NEWLY EST DPA	COMPLETED DPA	CANCELED DPA	DEFAULTE D DPA	AVG \$ AMT OF ARREARS	AVG TERM (MONTHS)	AVG MONTHLY INSTALL	DPA SUCCESS RATE*	DPA FAILURE RATE**	AVG AMT WRITTEN OFF	TOTAL AMT WRITTEN OFF - DEFAULTED DPA	# OF WRITEOFFS
Oct-19	387	121	24	241	374.26	5	76.36	31.27%	62.27%	\$ 893.74	\$ 19,662.30	22
Nov-19	300	76	16	206	326.07	5	73.01	25.33%	68.67%	\$ 795.26	\$ 14,314.73	18
Dec-19	385	118	25	241	344.06	5	81.49	30.65%	62.60%	\$ 1,335.29	\$ 24,035.16	18
Jan-20	925	286	73	565	355.04	5	76.21	30.92%	61.08%	\$ 534.05	\$ 18,691.74	35
Feb-20	1154	314	78	762	427.36	5	87.46	27.21%	66.03%	\$ 771.03	\$ 39,322.74	51
Mar-20	902	336	54	510	430.40	5	85.76	37.25%	56.54%	\$ 824.96	\$ 28,048.47	34
Apr-20	479	224	31	223	465.97	5	93.31	46.76%	46.56%	\$ 692.42	\$ 8,309.08	12
May-20	328	134	23	171	560.13	5	105.44	40.85%	52.13%	\$ 540.73	\$ 4,866.55	9
Jun-20	324	144	20	159	\$597.40	5	113.54	44.44%	49.07%	\$ 628.58	\$ 6,285.84	10
Jul-20	232	105	19	106	545.23	5	103.15	45.26%	45.69%	\$ 313.42	\$ 940.25	3
Aug-20	340	102	32	188	638.91	7	94.16	30.00%	55.29%	\$ 616.62	\$ 3,699.73	6
Sep-20	1015	190	88	644	923.99	9	102.13	18.72%	63.45%	\$ 883.72	\$ 15,023.24	17

RCR-CUS-58

YEAR	NEWLY EST DPA	COMPLETED DPA	CANCELED DPA	DEFAULTED DPA	AVG \$ AMT OF ARREARS	AVG TERM (MONTHS)	AVG MONTHLY INSTALL	DPA SUCCESS RATE*	DPA FAILURE RATE**	AVG AMT WRITTEN OFF	TOTAL AMT WRITTEN OFF - DEFAULTED DPA	# OF WRITEOFFS
Oct-20	1761	166	128	1320	772.74	10	80.55	9.43%	74.96%	\$ 997.71	\$ 36,915.36	37
Nov-20	387	51	38	261	690.16	9	93.46	13.18%	67.44%	\$ 1,419.34	\$ 5,677.37	4
Dec-20	388	50	37	266	968.85	9	102.83	12.89%	68.56%	\$ 1,701.04	\$ 3,402.07	2
Jan-21	525	74	39	318	927.32	9	99.59	14.10%	60.57%	\$ 1,047.93	\$ 2,095.85	2
Feb-21	692	50	56	376	691.08	9	83.93	7.23%	54.34%	\$ 726.31	\$ 2,178.94	3
Mar-21	1366	75	107	609	855.09	9	102.72	5.49%	44.58%	\$ -	\$ -	0
Apr-21	801	26	56	146	730.47	9	95.89	3.25%	18.23%	\$ -	\$ -	0
May-21	865	8	53	58	803.74	9	98.03	0.92%	6.71%	\$ -	\$ -	0
Jun-21	1096	0	46	22	\$977.48	10	106.81	0.00%	2.01%	\$ -	\$ -	0

**DPA Success Rate = Completed DPA/Newly Est DPA

**DPA Failure Rate = Defaulted DPA/Newly Est DPA

RCR-CUS-31 DPA Annual

YEAR	NEWLY EST DPA	AVG TERM (MONTHS)	AVG \$ AMT OF ARREARS	AVG MONTHLY INSTALL	DEFAULTED DPA	COMPLETED DPA	CANCELED DPA	DPA SUCCESS RATE*	DPA FAILURE RATE**	AVG AMT WRITTEN OFF	TOTAL AMT WRITTEN OFF - DEFAULTED DPA
Oct 2012 - Sept 2013	8454	5	532	102	4881	2717	856	32.14%	57.74%	12,130.66	994,714
Oct 2013 - Sept 2014	11348	5	585	121	6207	4212	929	37.12%	54.70%	8,903.63	1,184,183
Oct 2014 - Sept 2015	10907	5	479	100	5771	4241	895	38.88%	52.91%	7,806.21	952,357
Oct 2015 - Sept 2016	5470	5	609	132	3069	1897	504	34.68%	56.11%	5,824.88	495,115
Oct 2016 - Sept 2017	7753	5	386	84	4684	2491	576	32.13%	60.42%	5,589.82	558,982
Oct 2017 - Sept 2018	11563	5	448	91	6954	3644	959	31.51%	60.14%	3,364.56	454,215
Oct 2018 - Sept 2019	10095	5	455	97	6206	3183	703	31.53%	61.48%	16,522.86	479,163
Oct 2019 - Sept 2020	6771	6	499	91	4016	2150	483	31.75%	59.31%	5,909.67	183,200
Oct 2020 - Sept 2021	7881	9	824	96	3376	500	560	6.34%	42.84%	0.00	50,270

**DPA Success Rate = Completed DPA/Newly Est DPA

**DPA Failure Rate = Defaulted DPA/Newly Est DPA

In the Matter of the Petition of New Jersey Natural Gas Company For Approval of an Increase in Gas Base Rates and for Changes in its Tariff for Gas Service, Pursuant to N.J.S.A. 48:2-21 and N.J.S.A. 48:2-21.1; and for Changes to Depreciation Rates for Gas Property Pursuant to N.J.S.A. 48:2-18

BPU DOCKET NO. GR21030679

DISCOVERY RESPONSE

RCR-CUS-0016-Update

Witness:

Question: For the most recent month for which data are available (specify time period), disaggregate the existing DPAs into the numbers of DPAs with each of the following durations (provide in a machine-readable Excel format):

1 month;

2 months;

3 months;

4 months;

5 months;

Etc. (i.e., show data in increments increasing by one month) up through 24 months;

24-36 months;

36-48 months; and

More than 48 months.

Response:

Update:

Please see the table below for the updated data for October 1, 2020 to June 30, 2021. This data includes all deferred payments arrangements: active, canceled, broken, and completed. The previous attachment sent for Response RCR-CUS-0016 contained active DPAs only.

The minimal difference of 38 accounts between this updated data and the data contained in RCR-CUS-0015 Attachment was caused by customers who move within the service territory, but keep the same account number. As a result, they are counted in both towns. The tab in RCR-CUS-0015 Attachment was incorrectly labeled May 2021; it should have been labeled June 2021.

Number of Months	Count of Accounts
1	36
2	177
3	277
4	376
5	1114
6	1052
7	51
8	227
9	68
10	145
11	18
12	4177
13	3
14	7
15	43
16	5
18	36
20	1
21	1
24	95
25-36	5
121	1

In the Matter of the Petition of New Jersey Natural Gas Company For Approval of an Increase in Gas Base Rates and for Changes in its Tariff for Gas Service, Pursuant to N.J.S.A. 48:2-21 and N.J.S.A. 48:2-21.1; and for Changes to Depreciation Rates for Gas Property Pursuant to N.J.S.A. 48:2-18

BPU DOCKET NO. GR21030679

DISCOVERY RESPONSE

RCR-CUS-0017

Witness:

Question: For the most recent month for which data are available (specify time period used for the response), disaggregate the existing DPAs among the following ranges for the dollar amount of arrears (provide in a machine-readable Excel format): Separately for each range indicate how many DPAs fall within the dollar range; also separately show the total amount of arrears associated with the specific dollar range. For example, if, there were three DPAs in the first category listed below (i.e., DPAs of less than \$500), and let's say the three DPAs were in the amounts of \$100, \$200, and \$350, the response should show two numbers for the first range: the first number for the category would be 3 and the total amount associated with the first category would be \$650.

Less than \$500;
 \$501 to \$1,000;
 \$1,001 to \$1,500;
 \$1,501 to \$2,000;
 \$2,001 to \$2,500;
 \$2,501 to \$3,000;
 \$3,001 to \$3,500;
 \$3,501 to \$4,000; and
 \$4,001 and above.

By way of illustration, let's say there were 11 DPAs as follows:

\$ 100.00
\$ 200.00
\$ 350.00
\$ 800.00
\$ 922.00
\$ 1,132.00
\$ 1,499.00
\$ 2,012.00
\$ 2,400.00
\$ 2,800.00
\$ 3,200.00
\$ 15,415.00

The response would be as follows:

Column1	Column2	Column3	Column4	Column5
Range			Number of DPAs in range	Total Amount in arrears associated with range
\$ -	To	\$500.00	3	\$ 650.00
\$501.00	To	\$1,000.00	2	\$ 1,722.00
\$1,001.00	To	\$1,500.00	2	\$ 2,631.00
\$1,501.00	To	\$2,000.00	0	\$ -
\$2,001.00	To	\$2,500.00	2	\$ 4,412.00
\$2,501.00	To	\$3,000.00	1	2,800.00
\$3,001.00	To	\$3,500.00	1	\$3,200.00
Total			11	\$15,415.00

Response:

Please see RCR-CUS-0017 Excel Attachment, which contains data as of 7/7/2021.

Column1	Column2	Column3	Column4	Column5
Range			Number of DPAs in range	Total Amount in arrears associated with range
\$ -	To	\$500.00	1,468	\$ 489,878
\$501.00	To	\$1,000.00	1,278	\$ 916,207
\$1,001.00	To	\$1,500.00	446	\$ 541,965
\$1,501.00	To	\$2,000.00	188	\$ 326,135
\$2,001.00	To	\$2,500.00	74	\$ 164,000
\$2,501.00	To	\$3,000.00	48	\$ 131,581
\$3,001.00	To	\$3,500.00	24	\$ 76,721
\$3,501.00	To	\$4,000.00	12	\$ 45,719
\$4,001.00	and	above	45	\$ 383,852
Total			3,583	\$ 3,076,058

*as of 7/7/2021



State of New Jersey
OFFICE OF ADMINISTRATIVE LAW

INITIAL DECISION

SETTLEMENT

**IN THE MATTER OF THE PETITION
OF NEW JERSEY NATURAL GAS COMPANY
FOR APPROVAL OF AN INCREASE IN GAS BASE
RATES AND FOR CHANGES IN ITS TARIFF
FOR GAS SERVICE PURSUANT TO N.J.S.A. 48:2-21
AND N.J.S.A. 48:2-21.1; AND FOR CHANGES TO
DEPRECIATION RATES FOR GAS PROPERTY
PURSUANT TO N.J.S.A. 48:2-18.**

OAL DKT. NO. PUC 04111-21
AGENCY DKT. NO. GR21030679

**IN THE MATTER OF THE PETITION
OF NEW JERSEY NATURAL GAS COMPANY
FOR APPROVAL OF A BASE RATE ADJUSTMENT
PURSUANT TO THE NJ RISE AND SAFE II PROGRAMS,
N.J.S.A. 48:2-21, 48:2-21.1, 48:2-18 AND 48:2-13.**

OAL DKT. NO. PUC 04113-21
AGENCY DKT. NO. GR21030680
(CONSOLIDATED)

Andrew K. Dembia, Regulatory Affairs Counsel, for petitioner

Colleen A. Foley, Esq., for petitioner (Saul Ewing Arnstein & Lehr, LLP, attorneys)

Michael Beck and **Terel Klein**, Deputy Attorneys General, for Staff of the Board of Public Utilities (Andrew J. Bruck, Acting Attorney General of New Jersey, attorney)

Brian O. Lipman, Litigation Manager, and **Maura Caroselli**, Assistant Deputy Rate Counsel, for Division of Rate Counsel (Stefanie A. Brand, Director)

Deborah M. Franco, Vice President, Rate, Regulatory and Sustainability, for participants, South Jersey Gas Company and Elizabethtown Gas Company

Murray E. Bevan, for intervenors, NRG Energy, Inc., and its affiliates Reliant Energy Northeast, LLC, doing business as NRG Home/NRG Business; Energy Plus Natural Gas LP; XOOM Energy New Jersey, LLC; Stream Energy New Jersey, LLC; Direct Energy Services, LLC; Direct Energy Business, LLC; Direct Energy Business Marketing, LLC; and Gateway Energy Services Corporation (collectively NRG) (Bevan, Mosca & Giuditta, P.C., attorneys)

James H. Laskey, Esq., for participant, New Jersey Utility Shareholders Association (Norris McLaughlin, P.A., attorneys)

Elizabeth K. Schlax, Esq., for participant, Engineers Labor-Employer Cooperative, the Labor Management Fund of the International Union of Operating Engineers Local 825 (Susanin Widman & Brennan, PC, attorneys)

Danielle Lopez, Associate Counsel, Regulatory, for participant, Public Service Electric & Gas Company

Kenneth J. Hanko, Esq., Chief, Business Law Division and Intellectual Property Law Team, Legal Office, U.S. Army Combat Capabilities Development Command, Armaments Center, at Picatinny Arsenal for intervenor, United States Department of Defense and all other Federal Executive Agencies (Lieutenant General Jeffrey A. Rockwell, Judge Advocate General)

Record Closed: November 8, 2021

Decided: November 9, 2021

BEFORE JACOB S. GERTSMAN, ALJ t/a:

This proceeding involves petitions filed by New Jersey Natural Gas (NJNG or Company) with the Board of Public Utilities (Board) seeking: the approval of an increase in gas base rates and for changes in its tariff for gas service pursuant to N.J.S.A. 48:2-21 and N.J.S.A. 48:2-21.1; changes to depreciation rates for gas property pursuant to N.J.S.A. 48:2-18; and base rate changes to recover costs associated with “Safe II” and “NJ Rise Program” pursuant to N.J.S.A. 48:2-21, 48:2-21.1, 48:21.1 and 48:2-13.

These matters were transmitted on May 5, 2021, to the Office of Administrative Law (OAL), for determination as contested cases, pursuant to N.J.A.C. 10:120A et seq. and assigned to the undersigned, who conducted the initial case management conference on June 10, 2021. These matters were consolidated by order dated June 22, 2021.

Motions to Intervene were filed by NRG Energy, Inc., and its affiliates Reliant Energy Northeast, LLC d/b/a NRG Home/NRG Business; Energy Plus Natural Gas LP; XOOM Energy New Jersey, LLC; Stream Energy New Jersey, LLC; Direct Energy Services, LLC; Direct Energy Business, LLC; Direct Energy Business Marketing, LLC; and Gateway Energy Services Corporation (collectively NRG) on May 14, 2021, and the United States Department of Defense and all other Federal Executive Agencies (DOD) on July 2, 2021. The motions were granted on July 19, 2021.

Motions to participate were filed by South Jersey Gas Company and Elizabethtown Gas Company (Collectively “SJI”) on April 12, 2021, the New Jersey Utility Shareholders Association (NJUSA) on June 16, 2021, and Public Service Electric and Gas Company (PSE&G) on June 21, 2021. The motions were granted on July 19, 2021.

A motion to intervene was filed by the Engineers Labor-Employer Cooperative (ELEC) on June 17, 2021. The motion which was opposed by the Rate Counsel and supported by the

remaining parties, was denied on July 19, 2021, and ELEC was granted participant status on July 19., 2021.

Duly-noticed public hearings were held via Zoom Video Communications (Zoom) on September 13, 2021, at 4:30 p.m. and 5:30 p.m.¹ A representative of NJUSA appeared at the hearings and made a statement in support of the Company's request. Seven members of the public appeared at the public hearings and made statements in opposition to the proposed rate increase and to the Company's Southern Reliability Link ("SRL") pipeline project. All comments were transcribed and made a part of the record.

Evidentiary hearings were scheduled for January 20, 21, 24, 26, 27, 28 and 31, 2022. Prior to the commencement of the hearings, the parties filed on November 5, 2021, a Stipulation of Settlement (J-1), resolving all issues in this proceeding. Said Stipulation has been signed by petitioner, Staff of the Board of Public Utilities, Division of Rate Counsel, NRG, and DOD. It indicates the terms of settlement and is attached and fully incorporated herein. ELEC, NJUSA, and SJI submitted letters indicating no objection to the Stipulation of Settlement.

I have reviewed the terms of settlements and I **FIND**:

1. The parties have voluntarily agreed to the settlements as evidenced by their signatures or their representatives' signatures on the attached document.
2. The settlements fully dispose of all issues in controversy between the parties and is consistent with the law.

I hereby **FILE** my initial decision with the **BOARD OF PUBLIC UTILITIES** for consideration.

¹ Public hearings were held virtually due to the COVID-19 pandemic.

This recommended decision may be adopted, modified, or rejected by the **BOARD OF PUBLIC UTILITIES**, which by law is authorized to make a final decision in this matter. If the Board of Public Utilities does not adopt, modify, or reject this decision within forty-five days and unless such time limit is otherwise extended, this recommended decision shall become a final decision in accordance with N.J.S.A. 52:14B-10.

November 9, 2021

DATE



JACOB S. GERTSMAN, ALJ t/a

Date Received at Agency:

November 9, 2021

Date Mailed to Parties:

November 9, 2021

JSG/sm