



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 THE ANNUAL REVIEW)
AND REVISION OF SOCIETAL BENEFITS CHARGE)
FACTORS FOR REMEDIATION YEAR 2022) DECISION AND ORDER
APPROVING STIPULATION
DOCKET NO. GR22090574

Parties of Record:

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

BY THE BOARD:

On September 13, 2022, New Jersey Natural Gas Company (“NJNG” or “Company”) filed a petition with the New Jersey Board of Public Utilities (“Board” or “BPU”) seeking approval to modify the Remediation Adjustment (“RA”) and New Jersey Clean Energy Program (“NJCEP”) components of its Societal Benefits Charge (“SBC”). NJNG also sought recovery of its remediation expenditures incurred from July 1, 2021 through June 30, 2022 (“Remediation Year 2022”) (“Petition”). By this Decision and Order, the Board considers a stipulation of settlement (“Stipulation”) executed by NJNG, Board Staff, and the New Jersey Division of Rate Counsel (collectively, “Parties”) to resolve this matter.

BACKGROUND

The SBC is comprised of the RA, the NJCEP, and the statewide Universal Service Fund (“USF”) and Lifeline Programs.¹ The RA rate allows the Company to recover reasonably incurred environmental remediation costs associated with the clean-up of its former manufactured gas plant(s) (“MGP”) site(s), on a deferred basis, over a rolling seven-year period, with carrying charges based upon the seven year constant maturity Treasury rate, plus 60 basis points.

¹ The Board established the USF and Lifeline Programs to provide affordable electric and natural gas service for eligible residential customers in New Jersey. The statewide USF rates are addressed in annual filings submitted simultaneously by New Jersey’s natural gas and electric utilities. The after-tax natural gas USF/Lifeline rate at the time the Petition was filed was \$0.0190 per therm as approved by the Board in its September 28, 2022 Order in Docket No. ER22060374, effective October 1, 2022.

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

PETITION

In the Petition, NJNG sought approval to: increase the per therm after tax RA and NJCEP rate components of the SBC and to recover the remediation expenditures incurred by the Company during Remediation Year 2022. NJNG proposed that the revised rates become effective April 1, 2023.

According to the Petition, the Company proposed to increase the per therm RA rate from \$0.0174 to \$0.0230, and increase the per therm NJCEP rate from \$0.0259 to \$0.0291.² When combined with the per therm USF/Lifeline rate of \$0.0190, the proposed total per therm SBC rate was \$0.0678.

On February 9, 2023, NJNG revised the actual expenditures for Remediation Year 2022 and the RA and NJCEP rates ("February 2023 Update"). Based upon the February 2023 Update, the requested recovery amount for the RA rate decreased from \$0.0230 to \$0.0228; and the NJCEP component decreased from \$0.0291 to \$0.0245. When combined with the per therm USF/Lifeline rate of \$0.0190, the proposed total per therm SBC rate was \$0.0639.

After publication of notice in newspapers of general circulation in the Company's service territory, public hearings in this matter were conducted virtually on January 23, 2023 at 4:30 p.m. and 5:30 p.m.³ Members of the public attended the 4:30 p.m. and 5:30 p.m. hearings, but made no statements for the record. Additionally, the Board received no written comments related to the Petition.

STIPULATION

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

The Company's overall SBC rate shall be \$0.0639 per therm on an after-tax basis, effective upon Board approval, which represents an increase of \$0.0040 per therm from the current after-tax rate of \$0.0599 per therm. This overall SBC rate shall continue to remain in effect until changed by further Order of the Board. The impact of this rate change on a typical residential natural gas heating customer using 1,000 therms per year is an increase of approximately \$4.00 per year, or 0.25 percent. Attached to the Stipulation as Exhibit B is a summary of the SBC components and the calculation of the resulting rate impact.

(b) **RA Rate**

(i) The Company's after-tax RA rate within the SBC of \$0.0228 per therm shall be deemed final and remain in effect until changed by further Board Order.

(ii) All issues raised by the Company's SBC filing herein relating to the

² All rates quoted herein include all applicable taxes.

³ Due to the COVID-19 pandemic, public hearings were held virtually.

RA expenditures incurred by the Company during Remediation Year 2022 have been examined and shall be deemed fully resolved.

- (iii) The RA rate set forth in the Stipulation is based upon and reflects recoverable RA costs of approximately \$34.71 million for Remediation Year 2022 which results in a rolling seven-year recoverable RA cost average of approximately \$14.67 million. In addition to the rolling seven-year average, interest of approximately \$0.86 million for the period beginning October 1, 2021, through September 30, 2022 and the prior year reconciliation of \$(0.083) million are added to comprise the final rate.

(c) **NJCEP Rate**

The Company's after-tax NJCEP rate of \$0.0245 per therm shall be deemed final and remain in effect until changed by further Board Order.

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

DISCUSSION AND FINDING

The Board reviewed the record in this matter, including the Petition, the February 2023 Update, and the Stipulation. The Board **HEREBY FINDS** that the Stipulation is reasonable, in the public interest, and in accordance with the law. The Board **FURTHER FINDS** that the Parties reviewed the actual costs incurred for Remediation Year 2022 and determined such costs were reasonable and prudent. Accordingly, the Board **HEREBY ADOPTS** the Stipulation as if fully set forth herein.

The Board **HEREBY APPROVES** the following per therm rates: 1) an RA rate of \$0.0228; and 2) an NJCEP rate of \$0.0245, for service rendered on and after May 1, 2023. As a result, the total per therm SBC rate is \$0.0639. Based upon the Stipulation, the annual impact of these rate changes on a typical residential customer using 1,000 therms is an increase of \$4.00, or 0.25%.

The Board **HEREBY ORDERS** the Company to file the appropriate revised tariff sheets consistent with the terms of this Order by May 1, 2023.

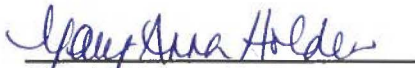
The Company's costs will remain subject to audit by the Board. This Decision and Order shall not preclude nor prohibit the Board from taking any actions determined to be appropriate resulting from any such audit.

This Board Order shall be effective on April 19, 2023.

DATED: April 12, 2023

BOARD OF PUBLIC UTILITIES
BY:



JOSEPH L. FIORDALISO
PRESIDENT

MARYANNA HOLDEN
COMMISSIONER

DIANNE SOLOMON
COMMISSIONER

DR. ZENON CHRISTODOULOU
COMMISSIONER

ATTEST:



SHERRI L. GOLDEN
SECRETARY

I HEREBY CERTIFY that the within
document is a true copy of the original
in the files of the Board of Public Utilities.

IN THE MATTER OF THE PETITION OF NEW JERSEY NATURAL GAS COMPANY FOR THE ANNUAL REVIEW
AND REVISION OF SOCIETAL BENEFITS CHARGE FACTORS FOR REMEDIATION YEAR 2022

BPU DOCKET NO. GR22090574

SERVICE LIST

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March 6, 2023

VIA EMAIL

Carmen Diaz, Acting Secretary
New Jersey Board of Public Utilities
44 South Clinton Avenue, 1st Floor
P.O. Box 350
Trenton, NJ 08625-0350

Re: IN THE MATTER OF THE PETITION OF NEW JERSEY NATURAL GAS
COMPANY FOR THE ANNUAL REVIEW AND REVISION OF SOCIETAL
BENEFITS CHARGE FACTORS FOR REMEDIATION YEAR 2022
BPU Docket No. GR22090574

Dear Secretary Diaz:

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

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

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

Kindly acknowledge receipt of this filing via return email.

Respectfully submitted,

A handwritten signature in blue ink that reads 'Andrew K. Dembia'. The signature is fluid and cursive, with the first letters of the first and last names being capitalized and prominent.

Andrew K. Dembia
Regulatory Affairs Counsel

AKD:sf
Enclosures

C: Service List

**IN THE MATTER OF THE PETITION OF
NEW JERSEY NATURAL GAS COMPANY
FOR THE ANNUAL REVIEW AND REVISION OF
SOCIETAL BENEFITS CHARGE (SBC) FACTORS
FOR REMEDIATION YEAR 2022
DOCKET NO. GR22090574**

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**IN THE MATTER OF THE PETITION OF
NEW JERSEY NATURAL GAS COMPANY
FOR THE ANNUAL REVIEW AND REVISION OF
SOCIETAL BENEFITS CHARGE (SBC) FACTORS
FOR REMEDIATION YEAR 2022
DOCKET NO. GR22090574**

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STATE OF NEW JERSEY
BOARD OF PUBLIC UTILITIES

IN THE MATTER OF THE PETITION OF)
NEW JERSEY NATURAL GAS COMPANY)
FOR THE ANNUAL REVIEW AND) **BPU DOCKET NO. GR22090574**
REVISION OF SOCIETAL BENEFITS)
CHARGE FACTORS FOR REMEDIATION)
YEAR 2022)

STIPULATION

APPEARANCES:

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

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

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

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

BACKGROUND

1. By Orders dated March 17, 1999 in Docket No. GX99030121 and March 30, 2001 in Docket No. GO99030123, pursuant to N.J.S.A. 48:3-60, New Jersey Natural Gas Company (“NJNG” or “Company”) received approval to implement and assess a Societal Benefits Charge (“SBC”) as a non-by-passable charge applicable to the Company’s customers.¹
2. On September 13, 2022, NJNG filed a petition with the New Jersey Board of Public Utilities (“Board” or “BPU”) in Docket No. GR22090574 regarding the Company’s SBC

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

rate (“SBC filing”). The components included in the SBC are the Remediation Adjustment (“RA”), the statewide Universal Service Fund (“USF”) and Lifeline,² and the New Jersey Clean Energy Program (“NJCEP”). In the SBC filing, the Company requested that the Board, 1) approve an increase to the Company’s per therm after-tax RA rate; 2) approve an increase to the per therm after-tax NJCEP rate; and 3) approve the prudent and reasonable remediation expenditures incurred by the Company through June 30, 2022 (“Remediation Year 2022”) to be effective April 1, 2023, or as of the effective date of the Board Order in this proceeding. If approved these rate changes would result in an overall increase of \$8.80 or approximately 0.64 percent to the average residential heating customers’ annual bill.

3. The Company’s SBC filing included its petition, testimonies, schedules, the Company’s Gas Service Tariff (redlined), and data that supported the Company’s proposed increase to its current per therm after-tax RA rate of \$0.0174 to \$0.0230. Additional information responsive to the 15 minimum filing requirements (“MFRs”) for RA filings, as required by the Board via Board Order dated April 13, 2006, in Docket No. GR04121565, were provided by the Company. A list of the MFRs is attached hereto as Exhibit A.
4. NJNG’s proposal to increase the per therm after tax NJCEP rate of \$0.0259 to \$0.0291 reflected the Company’s share of the statewide NJCEP contribution levels, as approved by the Board on June 29, 2022, in BPU Docket No. QO22020112. The proposed rates along with the per therm after-tax USF/Lifeline rate of \$0.0166 approved by the BPU, effective October 1, 2022, comprise NJNG’s total proposed SBC after-tax rate of \$0.0687 per therm.³ The Company also requested approval of the remediation expenditures incurred by the Company for Remediation Year 2022. The Company requested that these rates and

² The USF is a fund established by the Board to help provide affordable electric and natural gas service for eligible residential customers in New Jersey. The SBC also includes funding for the State Lifeline program, which provides assistance with heating costs to qualifying elderly and disabled persons. The statewide USF/Lifeline rates are addressed in annual filings submitted simultaneously by New Jersey’s natural gas and electric utilities. The after-tax natural gas USF/Lifeline rate at the time of this filing of \$0.0190 per therm was approved by the Board in its September 14, 2021, Order in Docket No. ER21060939.

³ This statewide USF/Lifeline factor to be effective October 1, 2022, was approved in the Board’s September 28, 2022, Order in Docket No. ER22060374.

expenditures be approved effective April 1, 2023, or as of the effective date of the Board Order in this proceeding.

5. NJNG received and responded to all discovery requests that have been propounded in the SBC filing.
6. After publication of notice in newspapers of general circulation in NJNG's service territory, public hearings were scheduled and conducted virtually on January 23, 2023. No members of the public participated at either hearing nor were any written comments received by the BPU, NJNG or the New Jersey Division of Rate Counsel ("Rate Counsel").
7. On February 9, 2023, NJNG submitted responses to Discovery Requests RCR-A-0006 which revised the RA rate and RCR-A-0011 which revised the NJCEP rate. Specifically, the per therm after-tax RA rate of \$0.0230 that was originally proposed decreased to \$0.0228 and the originally proposed per therm after tax NJCEP rate of \$0.0291 decreased to \$0.0245 ("February Update"). These lower RA and NJCEP rates along with the current USF rate comprise an overall SBC rate of \$0.0639 per therm on an after-tax basis. These revised rate changes would result in an overall increase of \$4.00 or approximately 0.25 percent to the average residential heating customers' annual bill.
8. NJNG, Board Staff, and Rate Counsel (collectively, "Parties") have reached an agreement to enter into this stipulation of settlement ("Stipulation") finalizing the rates proposed in the February Update and resolving all issues raised in or related to the Company's RA and NJCEP rates, including the Company's remediation expenses for Remediation Year 2022.
9. Specifically, based upon and subject to the terms and conditions set forth herein, the Parties **STIPULATE AND AGREE** as follows:

STIPULATED ISSUES

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

The Company's overall SBC rate shall be \$0.0639 per therm on an after-tax basis, effective upon Board approval, which represents an increase of \$0.0040 per therm from the current after-tax rate of \$0.0599 per therm. This overall SBC rate shall continue to remain in effect until changed by further Order of the Board. The

impact of this rate change on a typical residential natural gas heating customer using 1,000 therms per year is an increase of approximately \$4.00 per year, or 0.25 percent. Attached hereto as Exhibit B is a summary of the SBC components and the calculation of the resulting rate impact.

(b) **RA Rate**

(i) The Company's after-tax RA rate within the SBC of \$0.0228 per therm shall be deemed final and remain in effect until changed by further Board Order.

(ii) All issues raised by the Company's SBC filing herein relating to the RA expenditures incurred by the Company during Remediation Year 2022 have been examined and shall be deemed fully resolved.

(iii) The RA rate set forth above is based upon and reflects recoverable RA costs of approximately \$34.71 million for Remediation Year 2022 which results in a rolling seven-year recoverable RA cost average of approximately \$14.67 million. In addition to the rolling seven-year average, interest of approximately \$0.86 million for the period beginning October 1, 2021, through September 30, 2022 and the prior year reconciliation of \$(0.083) million are added to comprise the final rate.

(c) **NJCEP Rate**

The Company's after-tax NJCEP rate of \$0.0245 per therm shall be deemed final and remain in effect until changed by further Board Order.

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

12. As part of this Stipulation, the Parties agree that expenditures the Company recovers through the RA rate are subject to audit. Such audit may be through a review of the

Company's internal audits conducted in relation to costs associated with the SBC filing, or through any other audit mechanism determined to be appropriate by the Board.

13. The Company represents that its RA filing in this SBC filing does not include the recovery of any administrative, legal, consulting, or other costs associated with Natural Resource Damage ("NRD") claims and no NRD costs were incurred during Remediation Year 2022. The Parties accordingly stipulate and agree that the Board should make no determination in this proceeding as to the reasonableness, or the recoverability under the Company's RA rate mechanism, of NRD damages or related costs, if any. The Parties expressly reserve their rights to argue their respective positions on these and related issues in future proceedings, as appropriate.
14. The Company represents that its SBC filing does not include a request for the recovery of any incentive compensation paid to NJNG personnel who worked on Manufactured Gas Plant ("MGP") remediation matters through the June 30, 2022, timeframe, and the Parties agree that NJNG incentive compensation costs through June 30, 2022 in the amount of \$81,640, will continue to be deferred in the previously established sub-account. NJNG established a separate sub-account in the deferred remediation expenditure account to recognize deferred incentive compensation associated with NJNG's internal MGP labor.
15. The Company agrees that it will continue to include with its RA Clause filings responses to the MFRs as set forth in Exhibit A to this Stipulation.
16. The Parties stipulate and agree that this Stipulation fully disposes of all issues in controversy in this proceeding, is consistent with law, and is in the public interest. This Stipulation represents a mutual balancing of interests, contains interdependent provisions and, therefore, is intended to be accepted and approved in its entirety. In the event any provision of this Stipulation is not accepted and approved in its entirety by the Board, any Party aggrieved thereby shall not be bound to proceed with this Stipulation and shall have the right to litigate all issues addressed herein to a conclusion. More particularly, in the event the Board, in any applicable order(s), does not adopt this Stipulation in its entirety then any Party hereto is free to pursue its then available legal remedies with respect to all issues addressed in this Stipulation as though this Stipulation had not been signed.

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

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

NEW JERSEY NATURAL GAS COMPANY

PETITIONER



By: _____

ANDREW K. DEMBIA, ESQ.
REGULATORY AFFAIRS COUNSEL

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

By: 1/s/ Sarah H. Steindel 3/6/23

SARAH H. STEINDEL, ESQ.
DEPUTY RATE COUNSEL

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

By:  3/6/23

TEREL KLEIN, ESQ.
DEPUTY ATTORNEY GENERAL

Date: March 6, 2023

Exhibit A

New Jersey Natural Gas Company

Remediation Adjustment Clause Minimum Filing Requirements

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

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

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

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

New Jersey Natural Gas Company
Net impact of Proposed Rate Changes
GR22090574

Component of	10/1/22 Rates		Proposed 4/1/23 Rates		Change	
	Pre-tax	Post-tax	Pre-tax	Post-tax	Pre-tax	Post-tax
	(\$/therm)					
RAC	0.0163	0.0174	0.0214	0.0228	0.0051	0.0054
NJCEP	0.0243	0.0259	0.0230	0.0245	(0.0013)	(0.0014)
USF	0.0156	0.0166	0.0156	0.0166	0.0000	0.0000
Total SBC	0.0562	0.0599	0.0600	0.0639	0.0038	0.0040

<u>Impact on Residential Non-Heating Customers</u>			
25 therm bill			
10/1/22 Rates			
Customer Charge		\$11.00	\$11.00
Delivery		\$0.8559	\$21.40
BGSS		\$0.5681	\$14.20
Total		\$1.4240	\$46.60
Proposed 4/1/23 Rates			
Customer Charge		\$11.00	\$11.00
Delivery		\$0.8599	\$21.50
BGSS		\$0.5681	\$14.20
Total		\$1.4280	\$46.70
Increase			\$0.10
Increase as a percent			0.21%
<u>Impact on Residential Heating Customers</u>			
		100 therm bill	1000 therm annual bill
10/1/22 Rates			
Customer Charge	\$11.00	\$11.00	\$132.00
Delivery	\$0.8913	\$89.13	\$891.30
BGSS	\$0.5681	\$56.81	\$568.10
Total	\$1.4594	\$156.94	\$1,591.40
Proposed 4/1/23 Rates			
Customer Charge	\$11.00	\$11.00	\$132.00
Delivery	\$0.8953	\$89.53	\$895.30
BGSS	\$0.5681	\$56.81	\$568.10
Total	\$1.4634	\$157.34	\$1,595.40
Increase		\$0.40	\$4.00
Increase as a percent		0.25%	0.25%
<u>Impact on Commercial GSS Customers</u>			
100 therm bill			
10/1/22 Rates			
Customer Charge	\$42.00	\$42.00	
Delivery	\$0.7856	\$78.56	
BGSS	\$0.5681	\$56.81	
Total	\$1.3537	\$177.37	
Proposed 4/1/23 Rates			
Customer Charge	\$42.00	\$42.00	
Delivery	\$0.7896	\$78.96	
BGSS	\$0.5681	\$56.81	
Total	\$1.3577	\$177.77	
Increase		\$0.40	
Increase as a percent		0.23%	
<u>Impact on Commercial GSL Customers</u>			
1200 therm bill			
10/1/22 Rates			
Customer Charge	\$104.00	\$104.00	
Demand Charge	\$3.41	\$327.36	
Delivery	\$0.5870	\$704.40	
BGSS (Oct 2022)	\$0.7272	\$872.64	
Total	\$1.3142	\$2,008.40	
Proposed 4/1/23 Rates			
Customer Charge	\$104.00	\$104.00	
Demand Charge	\$3.41	\$327.36	
Delivery	\$0.5910	\$709.20	
BGSS (Oct 2022)	\$0.7272	\$872.64	
Total	\$1.3182	\$2,013.20	
Increase		\$4.80	
Increase as a percent		0.24%	

Projected Annual Revenue

Projected SBC annual therms 722,149 (000s)

Projected Annual Revenue \$ million

	10/1/22 Rates		Proposed 4/1/23 Rates		Change	
	Pre-tax	Post-tax	Pre-tax	Post-tax	Pre-tax	Post-tax
RAC	\$11.8	\$12.6	\$15.5	\$16.5	\$3.7	\$3.9
NJCEP	\$17.5	\$18.7	\$16.6	\$17.7	(\$0.9)	(\$1.0)
USF	\$11.3	\$12.0	\$11.3	\$12.0	\$0.0	\$0.0
Total Pre-tax	\$40.6	\$43.3	\$43.3	\$46.1	\$2.7	\$2.9