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/

REVENUE AND RATES

IN THE MATTER OF 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 2027	)	DECISION AND ORDER APPROVING STIPULATION FOR PROVISIONAL RATES BPU DOCKET NO. GR26060281

Parties of Record:

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

BY THE BOARD:

On June 1, 2026, New Jersey Natural Gas Company ("NJNG" or "Company") filed a petition with the New Jersey Board of Public Utilities ("Board") requesting authority to: 1) decrease its periodic Basic Gas Supply Service ("BGSS") rate; 2) increase the Company's Balancing Charge rate; and 3) modify the Company's Conservation Incentive Program ("CIP") recovery rates ("Petition"). By this Decision and Order, the Board considers a stipulation for provisional rates ("Stipulation") executed by NJNG, Board Staff ("Staff") and the New Jersey Division of Rate Counsel ("Rate Counsel") (collectively, "Parties") requesting that the Board approve changes in the periodic BGSS, CIP, and Balancing Charge rates on a provisional basis, subject to refund with interest.

BACKGROUND/PROCEDURAL HISTORY

By Order dated January 6, 2003, the Board directed each of New Jersey's four (4) gas distribution companies ("GDCs") to submit to the Board, by June 1 of each year, their respective annual BGSS cost filings for the BGSS year beginning October 1 of that year.[1] Also by the January 2003 BGSS Order, the Board further authorized each GDC to self-implement up to a five percent (5%) BGSS increase, effective December 1 of the current year with one (1) month advance notice to the Board and Rate Counsel. The Board further authorized each GDC to implement a second five percent (5%) increase, effective February 1 of the following year, with one (1) month of advance notice to

[1] In re the Provision of Basic Gas Supply Service Pursuant to the Electric Discount and Energy Act, N.J.S.A. 48:3-49 et seq., BPU Docket No. GX01050304, Order dated January 6, 2003 ("January 2003 BGSS Order").

the Board and Rate Counsel. Finally, the Board authorized each GDC to decrease its BGSS rate at any time upon five (5) days' notice to the Board and Rate Counsel.

By Order dated December 12, 2006, the Board approved the CIP.[2] The Board further extended the CIP by Orders dated January 21, 2010, and May 21, 2014.[3] The CIP encourages the Company to foster customer conservation by allowing it to share in energy related savings, and subsequent lower energy usage, as a result of conservation. The non-weather-related CIP surcharges are limited to corresponding decreases in specific supply-related costs incorporated in the Company's BGSS rates and subject to return on equity limits.

Petition

By the Petition, the Company requested authority to decrease the Company's current per-therm periodic BGSS rate from $0.4567 to $0.4017, effective October 1, 2026.[4] The Company identified that the requests contained in the Petition are based upon market conditions as of May 7, 2026, and a one (1)-year BGSS recovery period. The requested change would result in an overall decrease in after-tax revenue of approximately $29.21 million.

By the Petition, the Company also sought authority to increase its per-therm Balancing Charge rate from $0.1983 to $0.1999. The Balancing Charge is included in the delivery charge for certain sales and transportation customers, and its revenues are credited to BGSS and consists of two (2) components: 1) carrying charges on inventory costs; and 2) demand charges. The proposed balancing charge results in an additional $1.10 million increase to BGSS revenues.

By the Petition, the Company also sought approval of the following per-therm revised CIP rates to be effective October 1, 2026:

- Group I Residential Non-Heating– a credit of $0.0980;
- Group II Residential Heating – a credit of $0.0440;
- Group III General Service - Small – a credit of $0.1014; and
- Group IV General Service – Large – a charge of $0.0122.

The CIP calculations result in a current year margin credit of approximately $13.02 million which includes $17.45 million related to weather and a non-weather-related margin deficiency of approximately $4.43 million. When the CIP results are combined with the projected over- or under-recovery balances, the total CIP recovery amount will be credit of approximately $23.33 million. The recovery is comprised of the following recovery amounts: 1) a margin credit of approximately $0.28 million for Group I Residential Non-Heat customers; 2) a margin credit of approximately $20.84 million for Group II Residential Heat customers; 3) a margin credit of approximately $3.78 million for Group III General Service – Small customers; and 4) a margin deficiency of approximately $1.58 million for Group IV General Service – Large customers.

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[2] In re the Petition of South Jersey Gas Company for Authority to Implement a Conservation and Usage Adjustment; In re the Petition of New Jersey Natural Gas company for the Implementation of a Conservation and Usage Adjustment, BPU Docket No. GR05121020, Order dated December 12, 2006.

[3] In re the Petition of New Jersey Natural Gas Company for Authority to Implement Conservation and Usage Adjustment, BPU Docket No. GR05121020, Order dated January 21, 2010; and In re the Petition of New Jersey Natural Gas Company and South Jersey Gas Company for Authority to Continue the Conservation Incentive Program, BPU Docket No. GR13030185, Order dated May 21, 2014.

[4] All rates quoted herein include losses Sales and Use Tax ("SUT") unless otherwise stated.

The BGSS Savings identified by the Company totaled approximately $16.64 million for the period October 2026 through September 2027.

Following adequate notice, virtual public hearings were conducted on August 17, 2026, at 4:30 p.m. and 5:30 p.m. Several members of the public attended the hearing but did not provide comments. Additionally, no written comments were received.

STIPULATION

Following an initial review and discussions, the Parties determined that additional time is needed to complete a review of the Petition. Accordingly, the Parties executed the Stipulation, which provides, in part, as follows:[5]

8. The Parties to this proceeding agree that additional time is needed to complete a comprehensive review of the Petition. Additionally, the Parties stipulate and agree that, pending the conclusion of further review and discussion, it would be both reasonable and in the public interest for the Board to authorize the implementation of the BGSS, Balancing Charge, and CIP rates, on a provisional basis, subject to refund.

9. Accordingly, the Parties stipulate and agree that it is both reasonable and in the public interest for the Board to authorize: 1) a decrease in the Company's after-tax Periodic BGSS rate to $0.4017 per therm; 2) an increase of the Company's Balancing Charge after-tax rate to $0.1999 per therm; and 3) the following CIP rates, all on a per-therm, after-tax basis: a credit of $0.0980 for Group I Residential Non-Heat customers; a credit of $0.0440 for Group II Residential Heat customers; a credit of $0.1014 for Group III Small Commercial customers; and a rate of $0.0122 for Group IV General Service Large customers.

10. The Parties agree that these provisional rates will be effective upon Board approval.

11. The Stipulation results in an overall decrease of approximately 7.6 percent (7.6%), or $14.09 per month, for a typical residential heat sales customer using 100 therms per month. The components of the agreed-upon rates are as follows: the BGSS rate reflects a decrease of 3.0 percent (3.0%) to a typical residential heating customer, the Balancing Charge rate reflects an increase of 0.1 percent (0.1%), and the CIP rate reflects a decrease of 4.7 percent (4.7%). The overall impact to the average residential non-heat sales customer using 25 therms per month is a decrease of approximately 6.2 percent (6.2%), or $3.35 per month. The overall impact to the average small commercial sales customer using 100 therms per month is a decrease of approximately 6.8 percent (6.8%), or $14.20 per month. The total bill for large commercial sales customers is decreasing by approximately 0.8 percent, or $16.68 per month, for a customer using 1,200 therms per month. Exhibit A of the Stipulation provides the impacts of the above rate changes.

12. In accordance with the Board's January 6, 2003 Order in BPU Docket No. GX01050304, the Company also may seek to implement an additional provisional increase in its periodic BGSS rate that results in an increase of up to five percent (5%) to a typical residential heat customer bill to be effective December 1, 2026 and February 1, 2027, after thirty (30) days

[5] Although summarized in this Order, should there be any conflict between this summary and the Stipulation, the terms of the Stipulation control, subject to the findings and conclusion in this Order. Paragraphs are numbered to coincide with the Stipulation.

prior notice and the filing of supporting documentation with Staff and Rate Counsel, if the Company determines that such an increase is necessary to avoid a BGSS under recovery balance at September 30, 2027. If noticed and implemented, the self-implementing increase would be provisional and subject to true-up in connection with the next annual BGSS filing. NJNG may decrease its BGSS rate at any time upon five (5) days' notice, and with supporting documentation, to Staff and Rate Counsel.

13. Should the Board issue an Order approving the agreed upon rates and terms set-forth above, the Company will submit conforming tariff sheets prior to the effective date of the rates.

DISCUSSION AND FINDINGS

The Board carefully reviewed the record in this proceeding, to date, including the Petition, and the attached Stipulation, and **HEREBY FINDS** the Stipulation to be reasonable and in accordance with the law. Accordingly, the Board **HEREBY ADOPTS** the Stipulation in its entirety and **HEREBY INCORPORATES** its terms and conditions as though fully set forth herein, subject to any terms and conditions set forth in this Order.

The Board **HEREBY APPROVES** on a provisional basis, subject to refund:

1. A per-therm periodic BGSS rate of $0.4017;
2. A per-therm Balancing Charge rate of $0.1999; and
3. The implementation of the following per-therm CIP rates:

   - A credit of $0.0980 for Group I Residential Non-Heat customers;
   - A credit of $0.0440 for Group II Residential Heat customers;
   - A credit of $0.1014 for Group III Small Commercial customers; and
   - A charge of $0.0122 for Group IV General Service Large customers.

Any net over-recovered BGSS, Balancing Charge, and CIP balance at the end of the BGSS period shall be subject to refund with interest. The above changes are effective for services rendered on after October 1, 2026.

Based upon the Stipulation, a typical residential heating customer using 100 therms per month will see a decrease on their monthly bill of approximately $14.09.

The Board **HEREBY DIRECTS** NJNG to file revised tariff sheets conforming to the terms of the Stipulation prior to October 1, 2026.

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

The effective date of this Order is September 16, 2026.

DATED: September 9, 2026

BOARD OF PUBLIC UTILITIES
BY:

BEN HERTZ-SHARGEL
PRESIDENT

CHRISTINE GUHL-SADOVY
COMMISSIONER

MICHAEL BANGE
COMMISSIONER

EMMA REBHORN
COMMISSIONER

JOSEPH COVIELLO
COMMISSIONER

ATTEST:

SHERRI L. LEWIS
BOARD 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 ITS BASIC GAS SUPPLY SERVICE (BGSS) AND CONSERVATION INCENTIVE PROGRAM (CIP) RATES FOR F/Y 2027

BPU DOCKET NO. GR26060281

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New Jersey Natural Gas

August 25, 2026

VIA EMAIL

Honorable Sherri L. Lewis, 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 Its Basic Gas Supply Service (BGSS) and Its Conservation Incentive Program (CIP) Rates for F/Y 2027
BPU Docket No. GR26060281

Dear Secretary Lewis:

Enclosed herewith, please find a fully executed Stipulation of Settlement For Provisional Rates ("Stipulation") on behalf of New Jersey Natural Gas Company for Its Conservation Incentive Program (CIP) and Balancing Charge Rates for Fiscal Year 2027.

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,

Megan C Lupo

Megan C. Lupo
Assistant Regulatory Affairs Counsel

MCL:ss
Enclosures

C: Service List

NEW JERSEY NATURAL GAS COMPANY ANNUAL REVIEW AND REVISION OF ITS BASIC GAS SUPPLY SERVICE (BGSS) AND CONSERVATION INCENTIVE PROGRAM (CIP) RATES FOR F/Y 2027

DOCKET NO. GR26060281

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NEW JERSEY NATURAL GAS COMPANY ANNUAL REVIEW AND REVISION OF ITS BASIC GAS SUPPLY SERVICE (BGSS) AND CONSERVATION INCENTIVE PROGRAM (CIP) RATES FOR F/Y 2027

DOCKET NO. GR26060281

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IN THE MATTER OF THE PETITION OF NEW JERSEY NATURAL GAS COMPANY FOR THE ANNUAL REVIEW AND REVISION OF ITS BASIC GAS SUPPLY SERVICE (BGSS) AND ITS CONSERVATION INCENTIVE PROGRAM (CIP) RATES FOR F/Y 2027	**BPU DOCKET NO. GR26060281**

STIPULATION FOR PROVISIONAL BGSS/BALANCING CHARGE/CIP RATES

APPEARANCES:

Megan C. Lupo, Esq., Assistant Regulatory Affairs Counsel, for the Petitioner, New Jersey Natural Gas Company

Maura Caroselli, Esq., Managing Attorney – Gas, **Mamie W. Purnell, Esq.**, Assistant Deputy Rate Counsel, and **Bincy "Anna" Abraham, Esq.**, Assistant Deputy Rate Counsel, New Jersey Division of Rate Counsel **(Brian O. Lipman, Esq.**, Director**)**

Elizabeth Van Winkle, Deputy Attorney General, for the Staff of the New Jersey Board of Public Utilities (**Jennifer Davenport**, Attorney General of New Jersey)

TO: THE NEW JERSEY BOARD OF PUBLIC UTILITIES

BACKGROUND

1. On June 1, 2026, New Jersey Natural Gas Company ("NJNG" or "Company") filed a petition with the New Jersey Board of Public Utilities ("BPU" or "Board") requesting authority to: 1) decrease the Company's Periodic Basic Gas Supply Service ("BGSS") rate effective October 1, 2026; 2) increase the Company's Balancing Charge effective October 1, 2026; and 3) modify the Company's Conservation Incentive Program ("CIP") recovery rates for Group I Residential Non-Heat customers, Group II Residential Heat customers, Group III General Service – Small customers, and Group IV General Service – Large customers effective October 1, 2026 ("Petition").

2. Specifically, by the Petition, NJNG requested that the Company's existing per-

therm, after- tax periodic BGSS rate of $0.4567 that is applicable to residential and small commercial customers, subject to the Periodic BGSS Pricing Mechanism, be decreased to $0.4017 per therm. According to NJNG, the Petition reflected market conditions as of May 7, 2026, and was based upon a one (1)-year BGSS recovery period. By the Petition, NJNG identified that the requested change would result in an overall after-tax revenue decrease of approximately $29.21 million from the current estimated annual BGSS revenue of $242.50 million.

3. The Company also requested to increase the after-tax balancing charge from $0.1983 to $0.1999. As approved by the Board, by Order dated November 21, 2024, NJNG is to adjust its Balancing Charge in the annual BGSS filing to reflect 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.[1] The Rate Case Order also provides for the inventory portion of the Balancing Charge to be updated in a base rate case. The Balancing Charge is a component of the delivery charge for certain sales and transportation customers, and all Balancing Charge revenues are credited to BGSS. The requested change would result in an overall increase of after-tax revenue of approximately $1.10 million from the current estimated annual Balancing Charge revenue of $136.31 million.

4. As authorized by the Board in Docket Nos. GR05121020 and GR13030185, the Petition also provided the Company's annual CIP rate filing for CIP year 2026, October 1, 2025 through September 30, 2026, and requested that the BPU approve the implementation of updated CIP factors effective October 1, 2026.[2] Specifically, the Company sought approval for the

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[1] In re 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. GR24010071, Order dated November 21, 2024 ("Rate Case Order").

[2] In re the Petition of New Jersey Natural Gas Company for Authority to Implement Conservation and Usage Adjustment, BPU Docket No. GR05121020, Order dated January 21, 2010, and In re the Petition of New Jersey

following changes to its after-tax, per-therm CIP factors: 1) a $0.0806 decrease to the current credit of ($0.0174) for Group I Residential Non-Heat customers resulting in a proposed credit of ($0.0980); 2) a $0.0875 decrease to the current rate of $0.0435 for Group II Residential Heat customers resulting in a proposed credit of $0.0440; 3) a $0.0886 decrease to the current credit of $0.0128 for Group III General Service - Small Commercial customers resulting in a proposed credit of $0.1014; and 4) a $0.0139 decrease to the current rate of $0.0261 for Group IV General Service - Large Commercial customers resulting in a proposed rate of $0.0122. The requested changes would result in an overall decrease in after-tax revenue of approximately $49.92 million from the current estimated annual CIP revenue of $25.02 million.

5. Pursuant to the May 2014 Order, recovery of any non-weather-related CIP surcharges are subject to a BGSS Savings Test under which the Company must have BGSS savings of at least seventy-five percent (75%) of the non-weather-related margin deficiency, and a Variable Margin Test under which the non-weather-related margin deficiency must be less than or equal to 6.5 percent (6.5%) of aggregate variable margins. Any amount exceeding these limits may be deferred for future recovery and will be subject to the recovery tests in a future period. Additionally, recovery of the current year's margin deficiency must meet an earnings test. For CIP year 2026, October 1, 2025, through September 30, 2026, the Company reported a total estimated CIP-related margin credit of approximately $13.02 million, consisting of a $17.45 million margin credit related to weather and a $4.43 million margin deficiency related to non-weather factors. The amount of BGSS Savings required to meet the BGSS Savings test is seventy-five percent (75%) of the non-weather change, or approximately $3.32 million. The Company

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<u>Natural Gas Company and South Jersey Gas Company for Authority to Continue the Conservation Incentive Program</u>, BPU Docket No. GR13030185, Order Dated May 21, 2014 ("May 2014 Order").

identified approximately $16.64 million in BGSS savings available to support recovery of the non-weather-related CIP margin deficiency for the October 2026 through September 2027 recovery period. Under the Variable Margin Test, the recovery limitation is $32.90 million based upon 6.5 percent (6.5%) of aggregate variable margins reported by the Company for October 1, 2025 through September 30, 2026. Because the BGSS savings of $16.64 million exceed the $3.32 million required under the BGSS Savings Test, and the non-weather-related margin deficiency of $4.43 million is below the $32.90 million Variable Margin Test recovery limitation, the Company has met both tests based upon the information and representations contained in the Petition. Since the Company is returning an overall net CIP credit to customers and is not seeking recovery of a current-year margin deficiency through CIP rates, the Earnings Test is not applicable to this filing.

6. Modifying the BGSS, Balancing Charge, and CIP rates as requested in the Petition would result in a requested overall decrease of approximately $14.09 per month, or 7.6 percent (7.6%), to the average residential heating customer (Group II) using 100 therms per month. The impact of these requested rate changes to the average residential non-heat customer (Group I) using 25 therms per month would be a decrease of $3.35, or 6.2 percent (6.2%); for the average small commercial customer (Group III) using 100 therms a month the impact would be a decrease of $14.20, or 6.8 percent (6.8%); and the impact to the average large commercial customer (Group IV) using 1,200 therms a month will be a decrease of $16.68, or 0.8 percent (0.8%). The above BGSS, Balancing Charge, and CIP rate changes result in a decrease in annual after-tax revenues to NJNG of approximately $78.03 million.

7. After publication of notice in the newspapers of general circulation in NJNG's service territory, virtual public hearings were held on August 17, 2026, at 4:30 p.m. and 5:30 p.m. Three (3) members of the public attended both hearings, but did not identify themselves or

provide comments. No written comments were received by the BPU, NJNG, or the New Jersey Division of Rate Counsel ("Rate Counsel").

STIPULATED ISSUES

8. NJNG, Board Staff ("Staff"), and Rate Counsel (collectively, "Parties"), the only Parties to this proceeding agree that additional time is needed to complete a comprehensive review of the Petition. Additionally, the Parties stipulate and agree that, pending the conclusion of further review and discussion, it would be both reasonable and in the public interest for the Board to authorize the implementation of the BGSS, Balancing Charge, and CIP rates, on a provisional basis, subject to refund.

9. Accordingly, the Parties stipulate and agree that it is both reasonable and in the public interest for the Board to authorize: 1) a decrease in the Company's after-tax Periodic BGSS rate to \$0.4017 per therm; 2) an increase of the Company's Balancing Charge after-tax rate to \$0.1999 per therm; and 3) the following CIP rates, all on a per-therm, after-tax basis: a credit of \$0.0980 for Group I Residential Non-Heat customers; a credit of \$0.0440 for Group II Residential Heat customers; a credit of \$0.1014 for Group III Small Commercial customers; and a rate of \$0.0122 for Group IV General Service Large customers.

10. The Parties agree that these provisional rates will be effective upon Board approval.

11. This Stipulation of Settlement ("Stipulation") results in an overall decrease of approximately 7.6 percent (7.6%), or \$14.09 per month, for a typical residential heat sales customer using 100 therms per month. The components of the agreed-upon rates are as follows: the BGSS rate reflects a decrease of 3.0 percent (3.0%) to a typical residential heating customer, the Balancing Charge rate reflects an increase of 0.1 percent (0.1%), and the CIP rate reflects a decrease of 4.7 percent (4.7%). The overall impact to the average residential non-heat sales

customer using 25 therms per month is a decrease of approximately 6.2 percent (6.2%), or $3.35 per month. The overall impact to the average small commercial sales customer using 100 therms per month is a decrease of approximately 6.8 percent (6.8%), or $14.20 per month. The total bill for large commercial sales customers is decreasing by approximately 0.8 percent, or $16.68 per month, for a customer using 1,200 therms per month. Exhibit A to this Stipulation provides the impacts of the above rate changes.

12. In accordance with the Board's January 6, 2003 Order in BPU Docket No. GX01050304, the Company also may seek to implement an additional provisional increase in its periodic BGSS rate that results in an increase of up to five percent (5%) to a typical residential heat customer bill to be effective December 1, 2026 and February 1, 2027, after thirty (30) days prior notice and the filing of supporting documentation with Staff and Rate Counsel, if the Company determines that such an increase is necessary to avoid a BGSS under recovery balance at September 30, 2027.[3] If noticed and implemented, the self-implementing increase would be provisional and subject to true-up in connection with the next annual BGSS filing. NJNG may decrease its BGSS rate at any time upon five (5) days' notice, and with supporting documentation, to Staff and Rate Counsel.

13. Should the Board issue an Order approving the agreed upon rates and terms set-forth above, the Company will submit conforming tariff sheets prior to the effective date of the rates.

14. The Parties agree that 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 particular aspect of this Stipulation is not accepted and approved in its

[3] In re the Provision of Basic Gas Supply Service Pursuant to the Electric Discount and Energy Act N.J.S.A. 48:3-49 et seq. – BGSS Pricing, BPU Docket No. GX01050304, Order dated January 6, 2003 ("January 2003 BGSS Order").

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 this Stipulation is not adopted in its entirety by the Board, in any applicable Order, 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.

15. The Parties agree that the Stipulation is binding for all purposes provided herein. The Parties agree that this Stipulation represents a negotiated agreement and has been made exclusively for the purpose of these proceedings. Except as expressly provided herein, NJNG, 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 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 respectfully request that the Board issue an Order approving the Stipulation in its entirety and in accordance with the terms provided therein.

NEW JERSEY NATURAL GAS
PETITIONER

By: Megan C Lupo
____

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ASSISTANT REGULATORY AFFAIRS COUNSEL
NEW JERSEY NATURAL GAS

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

By: *Maura Caroselli*
____

MAURA CAROSELLI, ESQ.
DEPUTY RATE COUNSEL

JENNIFER DAVENPORT
ATTORNEY GENERAL OF NEW JERSEY
ATTORNEY FOR THE STAFF OF THE BOARD OF PUBLIC UTILITIES

By:
____

ELIZABETH VAN WINKLE
DEPUTY ATTORNEY GENERAL

Date: August 25, 2026

New Jersey Natural Gas Company
Net impact of Proposed Rate Changes
BPU Docket No. GR26060281
F/Y 2027

($/therm)

Rate Impact for Group I - Residential Non-Heating Customers

	Component of	5/1/26 Rates		Proposed 10/1/26 Rates		Change		Total Bill
		Pre-tax	Post-tax	Pre-tax	Post-tax	Pre-tax	Post-tax	% impact
BGSS	BGSS	$0.4283	$0.4567	$0.3767	$0.4017	($0.0516)	($0.0550)	(2.6%)
Balancing Charge	Delivery Rate	0.1860	0.1983	0.1875	0.1999	0.0015	0.0016	0.1%
CIP	Delivery Rate	(0.0163)	(0.0174)	(0.0919)	(0.0980)	(0.0756)	(0.0806)	(3.7%)
NET IMPACT		$0.5980	$0.6376	$0.4723	$0.5036	($0.1257)	($0.1340)	(6.2%)

Rate Impact for Group II - Residential Heating Customers

	Component of	5/1/26 Rates		Proposed 10/1/26 Rates		Change		Total Bill
		Pre-tax	Post-tax	Pre-tax	Post-tax	Pre-tax	Post-tax	% impact
BGSS	BGSS	$0.4283	$0.4567	$0.3767	$0.4017	($0.0516)	($0.0550)	(3.0%)
Balancing Charge	Delivery Rate	0.1860	0.1983	0.1875	0.1999	0.0015	0.0016	0.1%
CIP	Delivery Rate	0.0408	0.0435	(0.0413)	(0.0440)	(0.0821)	(0.0875)	(4.7%)
NET IMPACT		$0.6551	$0.6985	$0.5229	$0.5576	($0.1322)	($0.1409)	(7.6%)

Rate Impact for Group III - General Service Small Customers

	Component of	5/1/26 Rates		Proposed 10/1/26 Rates		Change		Total Bill
		Pre-tax	Post-tax	Pre-tax	Post-tax	Pre-tax	Post-tax	% impact
BGSS	BGSS	$0.4283	$0.4567	$0.3767	$0.4017	($0.0516)	($0.0550)	(2.6%)
Balancing Charge	Delivery Rate	0.1860	0.1983	0.1875	0.1999	0.0015	0.0016	0.1%
CIP	Delivery Rate	(0.0120)	(0.0128)	(0.0951)	(0.1014)	(0.0831)	(0.0886)	(4.2%)
NET IMPACT		$0.6023	$0.6422	$0.4691	$0.5002	($0.1332)	($0.1420)	(6.8%)

Rate Impact for Group IV - General Service Large Customers

	Component of	5/1/26 Rates		Proposed 10/1/26 Rates		Change		Total Bill
		Pre-tax	Post-tax	Pre-tax	Post-tax	Pre-tax	Post-tax	% impact
BGSS	BGSS (May 2026)	$0.4244	$0.4525	$0.4229	$0.4509	($0.0015)	($0.0016)	(0.1%)
Balancing Charge	Delivery Rate	0.1860	0.1983	0.1875	0.1999	0.0015	0.0016	0.1%
CIP	Delivery Rate	0.0245	0.0261	0.0114	0.0122	(0.0131)	(0.0139)	(0.8%)
NET IMPACT		$0.6349	$0.6769	$0.6218	$0.6630	($0.0131)	($0.0139)	(0.8%)

For General Service – Large ("GSL") sales customers, there is no impact from the proposed BGSS rate because they are subject to monthly market pricing for their natural gas supply. The GSL BGSS decrease shown above reflects the proposed Balancing Charge change since the Balancing Charge is deducted from the BGSS charge and included as a component of the delivery charge for no impact to the total bill of GSL sales customers.

Projected Annual Post-tax BGSS, CIP, and WNC revenue

Projected Annual Therms:		
Periodic BGSS	530,977	(000s)
Balancing Charge	687,393	(000s)
CIP Group I	3,095	(000s)
CIP Group II	505,374	(000s)
CIP Group III	39,811	(000s)
CIP Group IV	138,025	(000s)

	Projected Revenue at Current Rates $million	Projected Revenue at Proposed Rates $million	Change $million
BGSS	$242.50	$213.29	($29.21)
Balancing Charge	$136.31	$137.41	$1.10
CIP Group I	($0.05)	($0.30)	($0.25)
CIP Group II	$21.98	($22.24)	($44.22)
CIP Group III	($0.51)	($4.04)	($3.53)
CIP Group IV	$3.60	$1.68	($1.92)
IMPACT	$403.83	$325.80	($78.03)

New Jersey Natural Gas Company
Net impact of Proposed Rate Changes
BPU Docket No. GR26060281
F/Y 2027

Impact on Residential Non-Heating Customers

				25 therm bill
5/1/26 Rates				
	Customer Charge		$12.00	$12.00
	Delivery		$1.2204	$30.51
	BGSS		$0.4567	$11.42
		Total	$1.6771	$53.93
Proposed Rates- effective 10/1/26				
	Customer Charge		$12.00	$12.00
	Delivery		$1.1414	$28.54
	BGSS		$0.4017	$10.04
		Total	$1.5431	$50.58
	Decrease			($3.35)
	Decrease as a percent			(6.2%)

Impact on Residential Heating Customers

				100 therm bill	1,000 therm annual bill
5/1/26 Rates					
	Customer Charge		$12.00	$12.00	$144.00
	Delivery		$1.2813	$128.13	$1,281.30
	BGSS		$0.4567	$45.67	$456.70
		Total	$1.7380	$185.80	$1,882.00
Proposed Rates- effective 10/1/26					
	Customer Charge		$12.00	$12.00	$144.00
	Delivery		$1.1954	$119.54	$1,195.40
	BGSS		$0.4017	$40.17	$401.70
		Total	$1.5971	$171.71	$1,741.10
	Decrease			($14.09)	($140.90)
	Decrease as a percent			(7.6%)	(7.5%)

Impact on Commercial GSS Customers

				100 therm bill
5/1/26 Rates				
	Customer Charge		$55.00	$55.00
	Delivery		$1.0969	$109.69
	BGSS		$0.4567	$45.67
		Total	$1.5536	$210.36
Proposed Rates- effective 10/1/26				
	Customer Charge		$55.00	$55.00
	Delivery		$1.0099	$100.99
	BGSS		$0.4017	$40.17
		Total	$1.4116	$196.16
	Decrease			($14.20)
	Decrease as a percent			(6.8%)

Impact on Commercial GSL Customers

				1200 therm bill
5/1/26 Rates				
	Customer Charge		$137.50	$137.50
	Demand Charge		$4.50	$432.00
	Delivery		$0.8684	$1,042.08
	BGSS (May 2026)		$0.4525	$543.00
		Total	$1.3209	$2,154.58
Proposed Rates- effective 10/1/26				
	Customer Charge		$137.50	$137.50
	Demand Charge		$4.50	$432.00
	Delivery		$0.8561	$1,027.32
	BGSS (May 2026)		$0.4509	$541.08
		Total	$1.3070	$2,137.90
	Decrease			($16.68)
	Decrease as a percent			(0.8%)