Agenda Date: 9/9/26
Agenda Item: 2C

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 APPROVAL OF THE COST RECOVERY ASSOCIATED WITH ENERGY EFFICIENCY PROGRAMS	)))))	DECISION AND ORDER APPROVING STIPULATION FOR PROVISIONAL RATES DOCKET NO. GR26060279

Parties of Record:

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

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" or "BPU") seeking to modify the Company's Energy Efficiency ("EE") rate components ("Petition"). By this Decision and Order, the Board considers a stipulation of settlement for provisional rates ("Stipulation") executed by NJNG, the New Jersey Division of Rate Counsel ("Rate Counsel") and Board Staff ("Staff") (collectively, "Parties"), requesting that the Board approve modifications to NJNG's EE rate on a provisional basis, subject to refund.

BACKGROUND AND PROCEDURAL HISTORY

By Order dated July 17, 2009, the Board authorized NJNG to implement three (3) energy efficiency programs: 1) the Home Performance with Energy Star ("HPES") Enhancements; 2) the Enhanced WarmAdvantage Rebate Program; and 3) the Commercial Customer Direct Install Program ("Original Programs").[1] The Original Programs were designed to complement or supplement existing New Jersey Clean Energy Program ("NJCEP") offerings, including the ongoing WarmAdvantage, COOLAdvantage, HPES, Commercial Direct Install, and Smart Start Building programs.

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[1] In re the Petition of Energy Efficiency Programs and Associated Cost Recovery Mechanisms AND In re the Petition of New Jersey Natural Gas Company for Approval of Energy Efficiency Programs with an Associated Cost Recovery Mechanism, BPU Docket Nos. EO09010056 and EO09010057, Order dated July 17, 2009 ("July 2009 Order").

The Original Programs were available to eligible customers for approximately twelve (12) months. In the event there was still program funding available after that period, NJNG could continue to offer the programs through December 31, 2010. By the July 2009 Order, the Board further authorized NJNG to establish the EE Rate through which it would recover from, or return to, customers all deferred program costs, including rebate costs, customer incentive payments, customer financing costs, and associated reasonable and prudent operations and maintenance expenses. These costs were to be recovered through the Company's Rider G Tariff. The Company was required to submit an annual cost recovery filing to establish future Rider G rates. The annual filing includes updates to the investment levels, operating costs, and reconciled rate recovered to actual cost results.

By Order dated September 24, 2010, the Board authorized NJNG to extend and expand the Original Programs through December 31, 2011.[2] Additionally, by the September 2010 Order, the Board authorized the Company to implement an OPOWER pilot program, an incremental incentive for Combined Heat and Power projects undertaken in conjunction with the NJCEP, and the Fostering Environmental and Economic Development program (collectively, "SAVEGREEN Project" or "SAVEGREEN").

By Order dated January 18, 2012, the Board authorized NJNG to continue its SAVEGREEN Project and implement certain proposed SAVEGREEN Project program changes through the later of December 31, 2012, or twelve (12) months from the date the Order approving the SAVEGREEN extension.[3] Through a series of Orders, the Board authorized NJNG to further extend the SAVEGREEN Project, with modifications, through December 31, 2021.[4]

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[2] In re the Petition of New Jersey Natural Gas for Approval of Regional Greenhouse Gas Initiative Programs and Associated Cost Recovery Mechanisms Pursuant to N.J.S.A. 48:3-98.1, BPU Docket No. GO10030225, Order dated September 24, 2010.

[3] In re the Petition of New Jersey Natural Gas for Approval of Regional Greenhouse Gas Initiative Programs and Associated Cost Recovery Mechanisms Pursuant to N.J.S.A. 48:3-98.1, BPU Docket No. GR11070425, Order dated January 18, 2012.

[4] In re the Petition of New Jersey Natural Gas Company for Approval of the Extension of Energy Efficiency Programs and the Associated Cost Recovery Mechanism Pursuant to N.J.S.A. 48:3-98.1 and In re the Petition of New Jersey Natural Gas Company for Approval of the Cost Recovery Associated with Energy Efficiency Program, BPU Docket Nos. GO12070640 and GR12070641, Order dated June 21, 2013; In re the Petition of New Jersey Natural Gas Company for Approval of the Extension of Energy Efficiency Programs and the Associated Cost Recovery Mechanism Pursuant to N.J.S.A. 48:3-98.1, BPU Docket No. GO14121412, Order dated July 23, 2015; In re the Petition of New Jersey Natural Gas Company for Approval of the Extension of Energy-Efficiency Programs and the Associated Cost Recovery Mechanism Pursuant to N.J.S.A. 48:3-98.1, BPU Docket No. GO14121412, Order dated June 29, 2016; In re the Petition of New Jersey Natural Gas Company for Approval of Existing and New Energy Efficiency Programs and a Class I Renewable Energy Program and the Associated Cost Recovery Mechanism Pursuant to N.J.S.A. 48:3-98.1, BPU Docket No. GO18030355, Order dated September 17, 2018 ("September 2018 Order").

By Order dated March 3, 2021, the Board authorized NJNG to implement the SAVEGREEN 2020 Program, commencing July 1, 2021, and concluding June 30, 2024, offering a variety of residential, commercial, and industrial EE solutions throughout NJNG's service territory ("Triennium 1").[5] By the March 2021 Order, the Board authorized the implementation of the following programs contained within the Triennium 1 Program:

- Behavioral
- Energy Efficiency Products
- Existing Homes
  - Quick Home Energy Check Up
  - Moderate Income Weatherization
  - Home Performance with Energy Star
- Multi-family
  - Prescriptive and Custom
  - Home Performance with Energy Star
  - Engineered Solutions
- Direct Install
- Energy Solutions for Business
  - Prescriptive and Custom Measures
  - Energy Management
  - Engineered Solutions

The Board further authorized NJNG to recover costs associated with the Triennium 1 Program through a separate rate component of the Company's Rider G Tariff.

By Order dated April 30, 2024, the Board approved a stipulation of settlement to extend the term of the Triennium 1 Program through December 31, 2024.[6]

[5] In re the Petition of New Jersey Natural Gas Company for Approval of Energy Efficiency Program and the Associated Cost Recovery Mechanism Pursuant to the Clean Energy Act, N.J.S.A. 48:3-87.8 et seq. and 48:3-98.1 et seq., BPU Docket Nos. QO19010040 and GO20090622, Order dated March 3, 2021 ("March 2021 Order").

[6] In re the Petition of New Jersey Natural Gas Company for Approval of Energy Efficiency Programs and the Associated Cost Recovery Mechanism Pursuant to the Clean Energy Act, BPU Docket No. GO20090622, Order dated April 30, 2024.

By Order dated October 30, 2024, the Board authorized NJNG to implement its "Triennium 2 Program," commencing January 1, 2025, thereby continuing to offer residential, commercial, and industrial EE programs throughout its service territory.[7] By the October 2024 Order, the Board authorized the implementation of the following Programs for the Company's Triennium 2 Program:

- Residential Behavioral
- Energy Efficiency Products
- Income Qualified
- Whole House
- Multi-family
- Prescriptive / Custom
- Energy Solutions for Business
- Direct Install
- Building Decarbonization Start-Up
- Workforce Development
- Community Based Organization Outreach

Petition

In the Petition, NJNG sought to reconcile the costs associated with the SAVEGREEN programs established from 2013 through 2018 ("2013-2018 Programs"), Triennium 1, and Triennium 2 and to establish a rate to recover those costs as well as the projected EE Rate revenue requirements for the period of October 1, 2026, through September 2027. By the Petition, NJNG requested the following: 1) to decrease the current after tax per therm rate for the 2013-2018 Programs from $0.0176 to $0.0145; 2) decrease the current after tax per therm Triennium 1 Program rate from $0.0525 to $0.0437; and 3) decrease the current after tax per therm Triennium 2 Program rate from $0.0288 to $0.0138, effective October 1, 2026. According to the Petition, the resulting total proposed after-tax per therm EE rate would decrease from $0.0989 to $0.0720.

Subsequently, NJNG provided an update with actual information through June 30, 2026 ("Update"). Based upon the Update, the Company adjusted its request as follows: 1) an updated proposed after-tax per therm rate of $0.0144 for the 2013-2018 Programs; 2) an updated proposed after-tax per therm rate of $0.0448 for the Triennium 1 Program; and 3) an updated after-tax per therm rate of $0.0129 for the Triennium 2 Program. As such, the updated proposed overall EE after-tax per therm rate is $0.0721.

[7] In re the Petition of New Jersey Natural Gas Company for Approval of New Energy Efficiency, Building Decarbonization Start-Up, and Demand Response Programs and the Associated Cost Recovery Mechanism Pursuant to the Clean Energy Act, N.J.S.A. 48:3-87.8 et seq. and 48:3-98.1 et seq. Second Triennium, BPU Docket No. QO23120868, Order dated October 30, 2024 ("October 2024 Order").

STIPULATION

Following an initial review of the Petition, the Update, and conducting discovery, the Parties executed the Stipulation, which provides for the following:[8]

11. The Parties to this proceeding agree that additional time is needed to complete a comprehensive review of the Petition. Additionally, the Parties stipulated 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 EE rates, on a provisional basis, subject to refund.

12. As provided in the 2010 through 2024 Orders, the Company may only recover prudently incurred costs associated with the SAVEGREEN Programs.

13. As of June 30, 2026, the Company's updated revenue requirement was comprised of: 1) $9.812 million for programs established 2013-2018, resulting in a per therm after-tax rate of $0.0144; 2) $30.528 million for Triennium 1 programs resulting in a per therm after-tax rate of $0.0448; and 3) $8.779 million for Triennium 2 programs resulting in a per therm after-tax rate of $0.0129.

14. The Parties agree that NJNG will decrease the existing after-tax rate of $0.0176 per therm to $0.0144 per therm for EE programs established 2013 through 2018, pursuant to the terms of Rider G of the Company's gas tariff, as set forth in Attachment A-1 of the Stipulation. The Parties also agree that the existing after-tax rate for the Triennium 1 Program from $0.0525 per therm is to be decreased to $0.0448 per therm, as set forth in Attachment A-2 of the Stipulation, and agree that the existing after-tax rate for the Triennium 2 Program of $0.0288 per therm, is to be decreased to $0.0129 per therm, as set forth in Attachment A-3 of the Stipulation. The total EE after-tax per therm rate will be $0.0721 per therm. If approved by the Board, these rates shall become effective upon such approval, and shall remain in effect until changed by a future Board Order.

15. The monthly impact of the overall decreased rate, including Sales and Use Tax ("SUT"), on a typical residential heating customer using 100 therms per month is a decrease of $2.68, or 1.4%; and the yearly impact on a typical residential heating customer using 1,000 therms per year is a decrease of $26.80, or 1.4%. The monthly impact of the overall decreased rate, including SUT, on a typical residential heating customer using 80.1 therms per month is a decrease of $2.14 or 1.4%; and the yearly impact on a typical residential heating customer using 961.4 therms per year is a decrease of $25.76, or 1.4%. The stipulated rates and resulting impacts to customers are detailed in Attachment B of the Stipulation.

16. The Company's next annual EE rate filing will be made on or before June 1, 2027.

17. As authorized by the September 2018 Order, March 2021 Order, and October 2024 Order, any variance between costs and recoveries will accrue interest at a rate equal to the Company's monthly commercial paper rate. If commercial paper was not utilized by the

[8] 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 finding and conclusion in this Order. Paragraphs are lettered and/or numbered to coincide with the Stipulation.

Company in the preceding month, the last calculated rate will be used. The interest rate shall not exceed the Company's rate of return as authorized by the BPU in the Company's most recent base rate case, BPU Docket No. GR24010071, or until changed by Board Order. Interest on over/under recoveries will be calculated using simple interest, based upon the average beginning, and ending over/under recovery balances of the month, on a net-of-tax basis. The sum of the monthly interest to be collected from or credited to ratepayers will be included in the rate calculated for the next annual EE rate filing.

DISCUSSION AND FINDING

Having reviewed the record in this matter, to date, the Board **HEREBY FINDS** that the Stipulation to be reasonable, in the public interest, and in accordance with the law. Therefore, the Board **HEREBY ADOPTS** the Stipulation in its entirety and **HEREBY INCORPORATES** by reference its terms and conditions as if fully set forth herein.

Accordingly, the Board **HEREBY APPROVES** a cumulative EE Rate of $0.0721 per therm including SUT consisting of a rate of $0.0144 for the 2013-2018 Programs, a rate of $0.0448 per therm for the Triennium 1 Program and $0.0129 per therm for the Triennium 2 Program, on a provisional basis subject to refund, for service rendered on and after October 1, 2026.

As a result of the Stipulation, a typical residential heating customer using 100 therms per month would see an overall decrease of $2.68.

The Board **HEREBY ORDERS** the Company to file the appropriate revised tariff sheets consistent with the terms of this Order prior to October 1, 2026, for service rendered on and after October 1, 2026.

The Company's costs, including those related to the programs described above, remain subject to audit by the Board. This Decision and Order shall not preclude or prohibit the Board from taking any actions determined to be appropriate as a result of any such audit.

This Board Order shall be effective on 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 APPROVAL OF THE COST RECOVERY ASSOCIATED WITH ENERGY EFFICIENCY PROGRAMS

DOCKET NO. GR26060279

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New Jersey Natural Gas

August 26, 2026

VIA EMAIL

Honorable Sherri L. Lewis, Secretary
New Jersey Board of Public Utilities
44 South Clinton Avenue, 1st Floor
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Trenton, NJ 08625-0350

Re: IN THE MATTER OF THE PETITION OF NEW JERSEY NATURAL GAS COMPANY FOR APPROVAL OF THE COST RECOVERY ASSOCIATED WITH ENERGY EFFICIENCY PROGRAMS
BPU DOCKET NO. GR26060279

Dear Secretary Lewis:

Enclosed for filing please find a fully executed Stipulation For Provisional Rates in the above captioned matter.

Copies of the petition, including the supporting Schedules, are also being emailed to the New Jersey Division of Rate Counsel and the Division of Law.

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.

Kindly acknowledge receipt of this filing by return email acknowledgement.

Respectfully submitted,

Megan C Lupo

Megan C. Lupo
Assistant Regulatory Affairs Counsel

MCL:ss
Enclosures
c: Service List

IN THE MATTER OF THE PETITION OF NEW JERSEY NATURAL GAS COMPANY FOR APPROVAL OF THE COST RECOVERY ASSOCIATED WITH ENERGY EFFICIENCY PROGRAMS
BPU DOCKET NO. GR26060279

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IN THE MATTER OF THE PETITION OF NEW JERSEY NATURAL GAS COMPANY FOR APPROVAL OF THE COST RECOVERY ASSOCIATED WITH ENERGY EFFICIENCY PROGRAMS
BPU DOCKET NO. GR26060279

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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 APPROVAL OF THE COST RECOVERY ASSOCIATED WITH ENERGY EFFICIENCY PROGRAMS	)))))	**BPU DOCKET NO. GR26060279**

STIPULATION FOR PROVISIONAL EE 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 for the 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 in Docket No. GR26060279 with the New Jersey Board of Public Utilities ("Board" or "BPU") requesting that the Board: 1) decrease the Company's existing Energy Efficiency ("EE") rate of $0.0176 per therm for programs established in 2013 through 2018, to $0.0145 per therm, including Sales and Use Tax ("SUT"); 2) decrease the EE rate of $0.0525 to $0.0437 for the Triennium 1 program; and 3) decrease the EE rate of $0.0288 to $0.0138 for the Triennium 2 Program effective October 1, 2026 ("Petition"). The Company submitted the Petition pursuant to the terms of earlier Board Orders, which adopted stipulations entered into by the Company, Board Staff ("Staff"), and the New Jersey Division of Rate Counsel ("Rate Counsel") (collectively, "Parties").[1]

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[1] For some of the referenced stipulations, there were other signatory parties.

2. NJNG's participation in EE Programs, the costs of which are collected through Rider G of the Company's gas tariff (Sheet Nos. 171-173), was approved by the Board through a series of Orders issued between July 2009 and October 2024.[2]

3. As provided in the Petition, the SAVEGREEN Programs are designed to encourage higher levels of customer participation in NJNG's service territory. NJNG maintains that the

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[2] In re Energy Efficiency Programs and Associated Cost Recovery Mechanisms and I/M/O the Petition of New Jersey Natural Gas Company for Approval of Energy Efficiency Programs with an Associated Cost Recovery Mechanism, BPU Docket Nos. EO09010056 and GO09010057, Order dated July 17, 2009.

In re the Petition of New Jersey Natural Gas for Approval of Regional Greenhouse Gas Initiative Programs and Associated Cost Recovery Mechanisms Pursuant to N.J.S.A. 48:3-98.1, BPU Docket No. GO10030225, Order dated September 24, 2010 ("September 2010 Order").

In re the Petition of New Jersey Natural Gas for Approval of Regional Greenhouse Gas Initiative Programs and Associated Cost Recovery Mechanisms Pursuant to N.J.S.A. 48:3-98.1, BPU Docket No. GR11070425, Order dated January 19, 2012 ("January 2012 Order").

In re the Petition of New Jersey Natural Gas Company for Approval of the Extension of Energy Efficiency Programs and the Associated Cost Recovery Mechanism Pursuant to N.J.S.A. 48:3-98.1; and In re the Petition of New Jersey Natural Gas Company for Approval of the Cost Recovery Associated with Energy Efficiency Program, BPU Docket Nos. GO12070640 and GR12070641, Order dated June 21, 2013 ("June 2013 Order").

In re the Petition of New Jersey Natural Gas Company for Approval of the Extension of Energy Efficiency Programs and the Associated Cost Recovery Mechanism Pursuant to N.J.S.A. 48:3-98.1, BPU Docket No. GO14121412, Order dated July 23, 2015 ("July 2015 Order").

In re the Petition of New Jersey Natural Gas Company for Approval of the Extension of Energy-Efficiency Programs and the Associated Cost Recovery Mechanism Pursuant to N.J.S.A. 48:3-98.1, BPU Docket No. GO14121412, Order dated June 29, 2016 ("June 2016 Order").

In re the Petition of New Jersey Natural Gas Company for Approval of Existing and New Energy Efficiency Programs and a Class I Renewable Energy Program and the Associated Cost Recovery Mechanism Pursuant to N.J.S.A. 48:3-98.1, BPU Docket No. GO18030355, Order dated September 17, 2018 ("September 2018 Order").

In re the Petition of New Jersey Natural Gas Company for Approval of Energy-Efficiency Programs and the Associated Cost Recovery Mechanism Pursuant to the Clean Energy Act, N.J.S.A. 48:3-87.8 et seq. and 48:3-98.1 et seq., BPU Docket Nos. QO19010040 and GO20090622, Order dated March 3, 2021 ("March 2021 Order").

In re the Petition of New Jersey Natural Gas Company for Approval of Energy-Efficiency Programs and the Associated Cost Recovery Mechanism Pursuant to the Clean Energy Act, BPU Docket No. GO20090622, Order dated April 30, 2024 ("April 2024 Order").

In re the Petition of New Jersey Natural Gas Company for Approval of Energy-Efficiency Building Decarbonization Start-Up, And Demand Response Programs and the Associated Cost Recovery Mechanism Pursuant to the Clean Energy Act, N.J.S.A. 48:3-87.8 et seq. and 48:3-98.1 et seq. Second Triennium, BPU Docket No. QO23120868, Order dated October 30, 2024 ("October 2024 Order").

Collectively, the September 2010 Order, January 2012 Order, June 2013 Order, July 2015 Order, June 2016 Order, September 2018 Order, March 2021 Order, April 2024 Order, and October 2024 Order are the "2010 through 2024 Orders."

SAVEGREEN Programs do not duplicate, nor eliminate, any of the New Jersey Clean Energy Programs ("NJCEP"), but work to increase customer awareness, enhance participation, and support utilization of NJCEP efforts throughout the State.

4. As set forth in the 2010 through 2024 Orders, the Board authorized NJNG to establish a rate to recover SAVEGREEN costs including rebates, customer incentive payments, customer financing, and associated reasonable and prudent incremental operation and maintenance expenses ("Program Costs"). It was agreed that such Program Costs were subject to recovery pursuant to the terms of Rider G.

5. The 2010 through 2024 Orders also required NJNG to submit an annual SAVEGREEN cost recovery filing by June 1 to establish future Rider G rates. The filing usually coincides with, but is separate from, NJNG's annual Basic Gas Supply Service filing, and includes updates to the SAVEGREEN investment levels, operating costs, and reconciles rate recoveries to actual cost results.

PROCEDURAL HISTORY

6. NJNG received and responded to all discovery propounded in this proceeding.

7. In response to discovery, on August 5, 2026, NJNG provided updated schedules with actual data through June 30, 2026 ("June 2026 Update"). Based on actual activity and anticipated levels of the activity of the SAVEGREEN Program through September 30, 2026: 1) the current after-tax per therm rate of $0.0176 would decrease by $0.0032 to $0.0144 per therm for recovery of the SAVEGREEN Program costs approved for programs established in 2013 through 2018: 2) the current after-tax per therm rate of $0.0525 would decrease by $0.0077 to $0.0448 per therm for recovery of the Triennium 1 Program costs; and 3) the current after-tax per therm rate of $0.0288 would decrease by $0.0159 to $0.0129 per therm for recovery of the

Triennium 2 Program costs. As such, the overall EE after-tax per therm rate would decrease by $0.0268 from $0.0989 to $0.0721.

8. As a result of the Company's proposed rate decrease in the Petition and June 2026 Update, no public hearings were required pursuant to N.J.S.A. 48:2-32.4 and N.J.S.A. 48.2-32.6.

9. The Parties reviewed the Petition, June 2026 Update and NJNG's discovery responses, and as a result, entered into this Stipulation of Settlement ("Stipulation") resolving all issues raised in, or relating to, the Petition.

10. Based upon and subject to the terms and conditions set forth herein, the Parties STIPULATE AND AGREE as follows:

STIPULATED MATTERS

11. The Parties to this proceeding agree that additional time is needed to complete a comprehensive review of the Petition. Additionally, the Parties stipulated 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 EE rates, on a provisional basis, subject to refund.

12. As provided in the 2010 through 2024 Orders, the Company may only recover prudently incurred costs associated with the SAVEGREEN Programs.

13. As of June 30, 2026, the Company's updated revenue requirement was comprised of: 1) $9.812 million for programs established 2013-2018, resulting in a per therm after-tax rate of $0.0144; 2) $30.528 million for Triennium 1 programs resulting in a per therm after-tax rate of $0.0448; and 3) $8.779 million for Triennium 2 programs resulting in a per therm after-tax rate of $0.0129.

14. The Parties agree that NJNG will decrease the existing after-tax rate of $0.0176 per therm to $0.0144 per therm for EE programs established 2013 through 2018, pursuant to the terms of Rider G of the Company's gas tariff, as set forth in Attachment A-1. The Parties also agree that the existing after-tax rate for the Triennium 1 Program from $0.0525 per therm is to be decreased to $0.0448 per therm, as set forth in Attachment A-2, and agree that the existing after-tax rate for the Triennium 2 Program of $0.0288 per therm, is to be decreased to $0.0129 per therm, as set forth in Attachment A-3. The total EE after-tax per therm rate will be $0.0721 per therm. If approved by the Board, these rates shall become effective upon such approval, and shall remain in effect until changed by a future Board Order.

15. The monthly impact of the overall decreased rate, including SUT, on a typical residential heating customer using 100 therms per month is a decrease of $2.68, or 1.4%; and the yearly impact on a typical residential heating customer using 1,000 therms per year is a decrease of $26.80, or 1.4%. The monthly impact of the overall decreased rate, including SUT, on a typical residential heating customer using 80.1 therms per month is a decrease of $2.14 or 1.4%; and the yearly impact on a typical residential heating customer using 961.4 therms per year is a decrease of $25.76, or 1.4%. The stipulated rates and resulting impacts to customers are detailed in Attachment B.

16. The Company's next annual EE rate filing will be made on or before June 1, 2027.

17. As authorized by the September 2018 Order, March 2021 Order, and October 2024 Order, any variance between costs and recoveries will accrue interest at a rate equal to the Company's monthly commercial paper rate.[3] If commercial paper was not utilized by the Company in the preceding month, the last calculated rate will be used. The interest rate shall not

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[3] September 2018 Order at 7; March 2021 Order at 9, October 2024 Order at 15.

exceed the Company's rate of return as authorized by the BPU in the Company's most recent base rate case, BPU Docket No. GR24010071, or until changed by Board Order. Interest on over/under recoveries will be calculated using simple interest, based upon the average beginning, and ending over/under recovery balances of the month, on a net-of-tax basis. The sum of the monthly interest to be collected from or credited to ratepayers will be included in the rate calculated for the next annual EE rate filing.

18. 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 aspect 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 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.

19. It is the intent of the Parties that the provisions hereof be approved by the Board as being in the public interest. The Parties further agree that they consider the Stipulation to be binding on them for all purposes herein.

20. 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, 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 and, in total or by specific item, is in no way binding upon them in any other proceeding, except to enforce the terms of this Stipulation.

WHEREFORE, the Parties hereto do respectfully submit this Stipulation and request that the Board issue a Decision and Order approving it in its entirety, in accordance with the terms hereof, as soon as reasonably possible.

NEW JERSEY NATURAL GAS COMPANY
PETITIONER

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Assistant Regulatory Affairs Counsel

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

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Attorney for Staff of the New Jersey Board of Public Utilities

By: EVW
ELIZABETH VAN WINKLE
Deputy Attorney General

Date: August 26, 2026

New Jersey Natural Gas
Energy Efficiency Recovery Rates

($000)

Actual Under/(Over) recovery at June 30, 2026	$	(2,836)
Estimated Revenue Requirements (July 2026 to September 2026)		
RGGI		-
EE Extension		-
July 2013 Programs		-
August 2015 Programs		31
SAVEGREEN 2018		3,044
Estimated Recovery		(978)
Estimated Interest	$	(12)
Estimated Under/(Over) recovery at September 30, 2026	$	(750)
Estimated Revenue Requirements (October 2026 through Sept 2027):		
RGGI	$	-
EE Extension	$	-
July 2013 Programs	$	-
August 2015 Programs	$	92
SAVEGREEN 2018	$	10,470
Total Amount to be Recovered	**$**	**9,812**
Per Therm Recovery		
Firm Throughput (000 therms)		**726,575**
Proposed Pre-tax EE Recovery Rate $ per Therm	$	0.0135
Proposed After-tax EE Recovery Rate $ per Therm	**$**	**0.0144**
Current Pre-tax EE Recovery Rate $ per Therm	$	0.0165
Current After-tax EE Recovery Rate $ per Therm	**$**	**0.0176**
Pre-tax EE Recovery Rate $ per Therm Increase/ (Decrease)	$	(0.0030)
After-tax EE Recovery Rate $ per Therm Increase/ (Decrease)	**$**	**(0.0032)**

New Jersey Natural Gas
SAVEGREEN 2020

($000)		
Under/(over) as of June 30, 2026	**$**	**(4,986)**
Estimated Revenue Requirements from July 2026 to September 2026		
Rebates	$	5,672
On-Bill Repayment Program		1,472
Operation & Maintenance Expenses		-
Total Estimated Revenue Requirements from July 2026 to September 2026	**$**	**7,144**
Estimated Recovery from July 2026 to September 2026	$	(2,915)
Estimated Interest from July 2026 to September 2026	$	(20)
Under/(Over) as of September 2026	**$**	**(777)**
Estimated Revenue Requirements for October 2026 to September 2027		
Rebates	$	25,559
On-Bill Repayment Program		5,746
Operation & Maintenance Expenses		-
Total Estimated Revenue Requirements for October 2026 to September 2027		**31,304**
Total Amount to be recovered		**30,528**
Per Therm Recovery		
Throughput (000 therms)		**726,575**
Proposed Pre-tax EE Recovery Rate $ per Therm	$	0.0420
Proposed After-tax EE Recovery Rate $ per Therm	**$**	**0.0448**
Current Pre-tax EE Recovery Rate $ per therm	$	0.0492
Current After-tax EE Recovery Rate $ per therm	**$**	**0.0525**
Pre-tax EE Recovery Rate $ per Therm Increase/ (Decrease)	**$**	**(0.0072)**
After-tax EE Recovery Rate $ per Therm Increase/ (Decrease)	**$**	**(0.0077)**

New Jersey Natural Gas
SAVEGREEN TRI-2

($000)		
Under/(over) as of June 30, 2026	**$**	**(15,548)**
Estimated Revenue Requirements for July 2026 to September 2026		
Rebates	$	1,386
On-Bill Repayment Program		938
Operation & Maintenance Expenses		1,658
Total Estimated Revenue Requirements from July 1, 2026 to September 30, 2026	**$**	**3,982**
Estimated Recovery from July 1, 2026 to September 30, 2026	$	(1,600)
Estimated Interest from July 1, 2026 to September 30, 2026	$	(98)
Under/(Over) as of September 30, 2026	**$**	**(13,264)**
Estimated Revenue Requirements for October 2026 to September 2027		
Rebates	$	9,461
On-Bill Repayment Program		5,785
Operation & Maintenance Expenses		6,796
Total Estimated Revenue Requirements for October 2026 to September 2027		**22,042**
Total Amount to be recovered		**8,779**
Per Therm Recovery		
Throughput (000 therms)		**726,575**
Proposed Pre-tax EE Recovery Rate $ per Therm	$	0.0121
Proposed After-tax EE Recovery Rate $ per Therm	**$**	**0.0129**
Current Pre-tax EE Recovery Rate $ per therm	$	0.0270
Current After-tax EE Recovery Rate $ per therm	**$**	**0.0288**
Pre-tax EE Recovery Rate $ per Therm Increase/ (Decrease)	**$**	**(0.0149)**
After-tax EE Recovery Rate $ per Therm Increase/ (Decrease)	**$**	**(0.0159)**

New Jersey Natural Gas Company
Net impact of Proposed Rate Changes
BPU Docket No.GR26060279
F/Y 2026

($/therm)

	Component of	5/1/2026 Rates Pre-tax	5/1/2026 Rates Post-tax	10/1/2026 Proposed Rates Pre-tax	10/1/2026 Proposed Rates Post-tax	Change Pre-tax	Change Post-tax
EE 2013-2018 programs	Delivery Price	$ 0.0165	$ 0.0176	$ 0.0135	$ 0.0144	$ (0.0030)	$ (0.0032)
Triennium 1 Program	Delivery Price	$ 0.0492	$ 0.0525	$ 0.0420	$ 0.0448	$ (0.0072)	$ (0.0077)
Triennium 2 Program	Delivery Price	$ 0.0270	$ 0.0288	$ 0.0121	$ 0.0129	$ (0.0149)	$ (0.0159)
Total EE Rate		$ 0.0927	$ 0.0989	$ 0.0676	$ 0.0721	$ (0.0251)	$ (0.0268)

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				
	Customer Charge		$12.00	$12.00
	Delivery		$1.1936	$29.84
	BGSS		$0.4567	$11.42
		Total	$1.6503	$53.26
	Decrease			($0.67)
	Decrease as a percent			(1.2%)

Impact on Residential Heating Customers

				100 therm bill	1000 therm annual bill	80.1 therm bill	961.4 therm bill
5/1/26 Rates							
	Customer Charge		$12.00	$12.00	$144.00	$12.00	$144.00
	Delivery		$1.2813	$128.13	$1,281.30	$102.63	$1,231.84
	BGSS		$0.4567	$45.67	$456.70	$36.58	$439.07
		Total	$1.7380	$185.80	$1,882.00	$151.21	$1,814.91
Proposed Rates							
	Customer Charge		$12.00	$12.00	$144.00	$12.00	$144.00
	Delivery		$1.2545	$125.45	$1,254.50	$100.49	$1,206.08
	BGSS		$0.4567	$45.67	$456.70	$36.58	$439.07
		Total	$1.7112	$183.12	$1,855.20	$149.07	$1,789.15
	Decrease			($2.68)	($26.80)	($2.14)	($25.76)
	Decrease as a percent			(1.4%)	(1.4%)	(1.4%)	(1.4%)

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				
	Customer Charge		$55.00	$55.00
	Delivery		$1.0701	$107.01
	BGSS		$0.4567	$45.67
		Total	$1.5268	$207.68
	Decrease			($2.68)
	Decrease as a percent			(1.3%)

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				
	Customer Charge		$137.50	$137.50
	Demand Charge		$4.50	$432.00
	Delivery		$0.8416	$1,009.92
	BGSS (May 2026)		$0.4525	$543.00
		Total	$1.2941	$2,122.42
	Decrease			($32.16)
	Decrease as a percent			(1.5%)

Projected Annual Revenue

Projected EE annual therms 726,575 (000s)

Projected Annual Revenue $ million

	Current Rates	Proposed Rates	Change
Pre-tax	$67.39	$49.12	($18.3)
Post-tax	$71.86	$52.39	($19.5)