



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)	DECISION AND ORDER
NATURAL GAS COMPANY FOR THE ANNUAL REVIEW)	APPROVING STIPULATION
AND REVISION OF SOCIETAL BENEFITS CHARGE)	
FACTORS FOR REMEDIATION YEAR 2024)	DOCKET NO. GR24090772

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 30, 2024, 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") ("Petition"). Additionally, NJNG sought recovery of its remediation expenditures incurred from July 1, 2023 through June 30, 2024 ("Remediation Year 2024"). 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") which resolves all issues related to the Petition.

BACKGROUND

On February 9, 1999, the Electric Discount and Energy Competition Act ("EDECA"), N.J.S.A. 48:3-49 et seq., was enacted. L. 1999, c. 23. Among other provisions, EDECA established the SBC at N.J.S.A. 48:3-60. The SBC constitutes a per unit charge billed to ratepayers by an electric or gas public utility at a level determined by the Board in accordance with N.J.S.A. 48:3-60. NJNG's SBC is comprised of the RA, the NJCEP, and the statewide Universal Service Fund ("USF") and Lifeline Programs.

The USF and Lifeline Programs provide affordable electric and natural gas service for eligible customers. The statewide USF rates are addressed in annual filings submitted simultaneously by New Jersey's natural gas and electric utilities.

The RA rate allows the Company to recover reasonably incurred environmental remediation costs associated with the clean-up of its former manufactured gas plant ("MGP") site(s), on a deferred

basis, over a rolling seven-year period, with carrying charges based upon the seven (7) year constant maturity Treasury rate, plus sixty (60) basis points.

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

PETITION

By the Petition, NJNG sought approval to increase the per therm RA and NJCEP rate components of the SBC and to recover the remediation expenditures incurred by the Company during Remediation Year 2024.

By the Petition, the Company proposed to increase the per therm RA rate from \$0.0262 to \$0.0296 and increase the per therm NJCEP rate from \$0.0325 to \$0.0348.¹ When combined with the per therm USF/Lifeline rate of \$0.0276 that was in effect at the time the Petition was filed, the proposed total per therm SBC rate was \$0.0920.

On December 10, 2024, NJNG submitted a response through discovery which updated customer bill impacts to reflect Board-approved changes to the Company's rates ("December Update").² The proposed RA and NJCEP rate components were not changed as a result of the December Update.

Following adequate notice, public hearings in this matter were conducted virtually on January 13, 2025 at 4:30 p.m. and 5:30 p.m. No members of the public attended the 4:30 p.m. and 5:30 p.m. hearings. Additionally, the Board received no written comments related to the Petition.

STIPULATION

Following a review of the Petition, the December Update, and conducting discovery, the Parties executed the Stipulation, which provides the following:³

11. (a) Overall SBC Rate

The Company's overall SBC rate shall be \$0.0920 per therm on an after-tax basis, effective upon Board approval, which represents an increase of \$0.0057 per therm from the current after-tax rate of \$0.0863 per therm. This overall SBC rate shall continue to remain in effect until changed by further Order of the Board. As a result of the Stipulation, an average residential sales heating customer using 80.1 therms of gas per month, and 961.4 therms annually, will see an increase in their monthly bill of \$0.46 or 0.32%, from \$145.41 to \$145.87, and an increase in their annual bill of \$5.48 or 0.31%, from \$1,745.31 to \$1,750.79. A typical residential heating

¹ All rates quoted herein include all Sales and Use Tax unless otherwise stated.

² In re the Petition of New Jersey Natural Gas Company for Approval of an Increase in Gas Base Rates, for Changes in its Tariff for Gas Service Pursuant to N.J.S.A. 48:2-21 and N.J.S.A. 48:2-21.1, and for Changes to Depreciation Rates for Gas Property Pursuant to N.J.S.A. 48:2-18, and Other Requested Relief, BPU Docket No. GR24010071, OAL Docket No. PUC 02298-24, Order dated November 21, 2024.

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

customer using 100 therms of gas per month, will see an increase in their monthly bill of \$0.57 or 0.32%, from \$178.56 to \$179.13. A typical residential heating customer using 1,000 therms will see an increase in their annual bill of \$5.70 or 0.31%, from \$1,809.60 to \$1,815.30.

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 \$0.0296 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 2024 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 \$19.31 million for Remediation Year 2024, resulting in a rolling seven (7)-year recoverable RA cost average of approximately \$16.5 million. In addition to the rolling seven (7)-year average, interest of approximately \$2.37 million for the period beginning October 1, 2023, through August 31, 2024, and the prior year reconciliation of approximately \$1.73 million, are added to comprise the final rate.

(c) **NJCEP Rate**

The Company's after-tax NJCEP rate of \$0.0348 per therm shall be deemed final and remain in effect until changed by further Board Order.

- 12. 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.
- 13. As part of the Stipulation, the Parties agree that expenditures the Company recovers through the RA rate are subject to audit. Such audit may be through a review of the Company's internal audits conducted in relation to costs associated with the SBC filing, or through any other audit mechanism determined to be appropriate by the Board.
- 14. The Company represents that its RA filing in the Petition 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 2024. The Parties accordingly stipulate, agree, and request that the Board does not make a 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.

15. The Company represents that its SBC filing does not include a request for the recovery of any incentive compensation paid to NJNG personnel who worked on MGP remediation matters through the June 30, 2024, timeframe.
16. The Company agrees that it will continue to include with its RA Clause filings responses to the Minimum Filing Requirements as set forth in Exhibit A to the Stipulation.

DISCUSSION AND FINDING

The Board reviewed the record in this matter, including the Petition, the December 2024 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 2024 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 \$0.0296; and 2) an NJCEP rate of \$0.0348, for service rendered on and after May 1, 2025. As a result, the total per therm SBC rate is \$0.0920. Based upon the Stipulation, the monthly impact of these rate changes on a typical residential customer using 100 therms in a winter month is an increase of \$0.57.

The Board **HEREBY ORDERS** the Company to file the appropriate revised tariff sheets consistent with the terms of this Order by May 1, 2025.

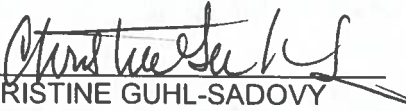
The Company's costs will remain subject to audit by the Board. This Decision and Order shall not preclude nor prohibit the Board from taking any actions determined to be appropriate resulting from any such audit.

Agenda Date: 4/23/25
Agenda Item: 2G

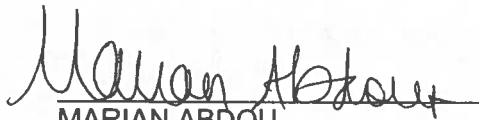
This Board Order shall be effective on April 25, 2025.

DATED: April 23, 2025

BOARD OF PUBLIC UTILITIES
BY:


CHRISTINE GUHL-SADOVY
PRESIDENT


DR. ZENON CHRISTODOULOU
COMMISSIONER


MARIAN ABDOU
COMMISSIONER


MICHAEL BANGE
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 SOCIETAL BENEFITS CHARGE FACTORS FOR REMEDIATION YEAR 2024

BPU DOCKET NO. GR24090772

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February 19, 2025

VIA EMAIL

Hon. 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 THE ANNUAL REVIEW AND REVISION OF SOCIETAL
BENEFITS CHARGE FACTORS FOR REMEDIATION YEAR 2024
BPU Docket No. GR24090772

Dear Secretary Lewis:

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:cs
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 2024
DOCKET NO. GR24090772**

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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 2024
DOCKET NO. GR24090772**

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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. GR24090772**
REVISION OF SOCIETAL BENEFITS)
CHARGE FACTORS FOR REMEDIATION)
YEAR 2024)

STIPULATION

APPEARANCES:

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

Maura Caroselli, Esq., Deputy Rate Counsel and **Mamie W. Purnell**, Esq., Assistant Deputy Rate Counsel for the New Jersey Division of Rate Counsel (**Brian O. Lipman**, Esq., Director)

Jack Ventura, 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 30, 2024, NJNG filed its annual petition with the New Jersey Board of Public Utilities (“Board” or “BPU”), in Docket No. GR24090772, regarding the Company’s SBC rate (“SBC filing”). The components included in the SBC were the Remediation Adjustment (“RA”), the statewide Universal Service Fund (“USF”) and

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.

Lifeline Programs, and the New Jersey Clean Energy Program (“NJCEP”).² 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, 2024 (“Remediation Year 2024”) to be effective April 1, 2025, or as of the effective date of the Board Order in this proceeding. As requested in the SBC filing, if approved, these rate changes would result in an overall annual bill increase of \$5.70, or approximately 0.37 percent, for the average residential heating customer using 1,000 therms.

3. The Company’s SBC filing included 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 \$0.0262 to \$0.0296. Additionally, the Company provided information responsive to the 15 minimum filing requirements (“MFRs”) for RA filings, as required by Board Order dated April 13, 2006, in Docket No. GR04121565. 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 \$0.0325 to \$0.0348 reflected the Company’s share of the statewide NJCEP contribution levels, as approved by the Board on June 27, 2024, in BPU Docket No. QO24040223. NJNG’s proposal also included the USF/Lifeline rate of \$0.0276 as approved by the BPU in Docket No. ER24070486, effective October 1, 2024. As a result, NJNG’s total proposed SBC after-tax rate was \$0.0920 per therm.
5. The Company also requested approval of the remediation expenditures incurred by the Company for Remediation Year 2024. The Company requested that the RA and NJCEP rates and RA expenditures be approved effective April 1, 2025, or as of the effective date of the Board Order in this proceeding.
6. NJNG responded to all discovery requests in connection with the SBC filing.

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.

7. On December 10, 2024, NJNG submitted a response to Discovery Request RCR-A-0016, which updated customer bill impacts to reflect BPU-approved changes to the Company's rates effective November 21, 2024 ("December Update"). After the December Update was submitted, the Company's rates and tariff were updated on January 1, 2025, which further changed customer bill impacts. While the proposed overall annual increase of \$5.70 for a residential heating customer using 1,000 therms annually did not change, the proposed percentage of the rate increase was reduced to approximately 0.31 percent.
8. After publication of notice in newspapers of general circulation in NJNG's service territory, virtual public hearings were held on January 13, 2025, at 4:30 pm and 5:30 pm. 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").
9. NJNG, Board Staff ("Staff"), and Rate Counsel (collectively, "Parties") have reached an agreement to enter into this stipulation of settlement ("Stipulation") finalizing the rates proposed in the SBC filing, and resolving all issues related to the Company's RA and NJCEP rates, including the Company's remediation expenses for Remediation Year 2024.
10. Specifically, based upon, and subject to the terms and conditions set forth herein, the Parties **STIPULATE AND AGREE** as follows:

STIPULATED ISSUES

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

The Company's overall SBC rate shall be \$0.0920 per therm on an after-tax basis, effective upon Board approval, which represents an increase of \$0.0057 per therm from the current after-tax rate of \$0.0863 per therm. This overall SBC rate shall continue to remain in effect until changed by further Order of the Board. As a result of this Stipulation, an average residential sales heating customer using 80.1 therms of gas per month, and 961.4 therms annually, will see an increase in their monthly bill of \$0.46 or 0.32%, from \$145.41 to \$145.87, and an increase in their annual bill of \$5.48 or 0.31%, from \$1,745.31 to \$1,750.79. A typical residential heating customer using 100 therms of gas per month, will see an increase in their monthly bill of \$0.57 or 0.32%, from \$178.56 to \$179.13. A typical residential heating

customer using 1,000 therms will see an increase in their annual bill of \$5.70 or 0.31%, from \$1,809.60 to \$1,815.30.

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 \$0.0296 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 2024 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 \$19.31 million for Remediation Year 2024, resulting in a rolling seven (7)-year recoverable RA cost average of approximately \$16.5 million. In addition to the rolling seven (7)-year average, interest of approximately \$2.37 million for the period beginning October 1, 2023, through August 31, 2024, and the prior year reconciliation of approximately \$1.73 million, are added to comprise the final rate.

(c) **NJCEP Rate**

The Company's after-tax NJCEP rate of \$0.0348 per therm shall be deemed final and remain in effect until changed by further Board Order.

- 12. 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.
- 13. 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.

14. 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 2024. The Parties accordingly stipulate, agree, and request that the Board does not make a 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.
15. 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, 2024, timeframe.
16. The Company agrees that it will continue to include with its RA Clause filings responses to the MFRs as set forth in Exhibit A to this Stipulation.
17. The Parties stipulate and agree that this Stipulation fully disposes of all issues in controversy in this proceeding, is consistent with law, and is in the public interest. This Stipulation represents a mutual balancing of interests, contains interdependent provisions and, therefore, is intended to be accepted and approved in its entirety. In the event any provision of this Stipulation is not accepted and approved in its entirety by the Board, any Party aggrieved thereby shall not be bound to proceed with this Stipulation and shall have the right to litigate all issues addressed herein to a conclusion. More particularly, in the event the Board, in any applicable order(s), does not adopt this Stipulation in its entirety, then any Party hereto is free to pursue its then available legal remedies with respect to all issues addressed in this Stipulation as though this Stipulation had not been signed.
18. The Parties further agree that they consider this Stipulation to be binding on them for all purposes herein.
19. It is specifically understood and agreed that this Stipulation represents a negotiated agreement and has been made exclusively for the purpose of these proceedings. Except as expressly provided herein, NJNG, Board Staff, and Rate Counsel shall not be deemed to

have approved, agreed to, or consented to any principle or methodology underlying or supposed to underlie any agreement provided herein. All rates are subject to audit by the Board. The Parties further acknowledge that a Board Order approving, rejecting, or modifying this Stipulation will become effective upon the service of said Board Order, or upon such date after the service thereof as the Board may specify, in accordance with N.J.S.A. 48:2-40.

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

NEW JERSEY NATURAL GAS COMPANY

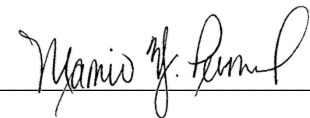
PETITIONER



By: _____

ANDREW K. DEMBIA, ESQ.
REGULATORY AFFAIRS COUNSEL

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

By:  _____

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Date: February 19, 2025

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**

**Exhibit B
Page 1 of 1**

				(\$/therm)			
Component of		1/1/25 Rates		Proposed 4/1/25 Rates		Change	
		Pre-tax	Post-tax	Pre-tax	Post-tax	Pre-tax	Post-tax
RAC	Delivery Price	0.0246	0.0262	0.0278	0.0296	0.0032	0.0034
NJCEP	Delivery Price	0.0305	0.0325	0.0326	0.0348	0.0021	0.0023
USF	Delivery Price	0.0259	0.0276	0.0259	0.0276	0.0000	0.0000
Total SBC		0.0810	0.0863	0.0863	0.0920	0.0053	0.0057

Impact on Residential Non-Heating Customers				
			25 therm bill	
1/1/25 Rates				
	Customer Charge	\$12.00	\$12.00	
	Delivery	\$1.2490	\$31.23	
	BGSS	\$0.3672	\$9.18	
	Total	\$1.6162	\$52.41	
Proposed 4/1/25 Rates				
	Customer Charge	\$12.00	\$12.00	
	Delivery	\$1.2547	\$31.37	
	BGSS	\$0.3672	\$9.18	
	Total	\$1.6219	\$52.55	
	Increase		\$0.14	
	Increase as a percent		0.27%	
Impact on Residential Heating Customers				
			100 therm bill	1000 therm annual bill
1/1/25 Rates				
	Customer Charge	\$12.00	\$12.00	\$144.00
	Delivery	\$1.2984	\$129.84	\$1,298.40
	BGSS	\$0.3672	\$36.72	\$367.20
	Total	\$1.6656	\$178.56	\$1,809.60
Proposed 4/1/25 Rates				
	Customer Charge	\$12.00	\$12.00	\$144.00
	Delivery	\$1.3041	\$130.41	\$1,304.10
	BGSS	\$0.3672	\$36.72	\$367.20
	Total	\$1.6713	\$179.13	\$1,815.30
	Increase		\$0.57	\$5.70
	Increase as a percent		0.32%	0.31%
Impact on Commercial GSS Customers				
			100 therm bill	
1/1/25 Rates				
	Customer Charge	\$55.00	\$55.00	
	Delivery	\$1.1297	\$112.97	
	BGSS	\$0.3672	\$36.72	
	Total	\$1.4969	\$204.69	
Proposed 4/1/25 Rates				
	Customer Charge	\$55.00	\$55.00	
	Delivery	\$1.1354	\$113.54	
	BGSS	\$0.3672	\$36.72	
	Total	\$1.5026	\$205.26	
	Increase		\$0.57	
	Increase as a percent		0.28%	
Impact on Commercial GSL Customers				
			1200 therm bill	
1/1/25 Rates				
	Customer Charge	\$137.50	\$137.50	
	Demand Charge	\$4.50	\$432.00	
	Delivery	\$0.8499	\$1,019.88	
	BGSS (January 2025)	\$0.6035	\$724.20	
	Total	\$1.4534	\$2,313.58	
Proposed 4/1/25 Rates				
	Customer Charge	\$137.50	\$137.50	
	Demand Charge	\$4.50	\$432.00	
	Delivery	\$0.8556	\$1,026.72	
	BGSS (January 2025)	\$0.6035	\$724.20	
	Total	\$1.4591	\$2,320.42	
	Increase		\$6.84	
	Increase as a percent		0.30%	

Projected Annual Revenue

Projected SBC annual therms 741,627 (000s)

		1/1/25 Rates		Proposed 4/1/25 Rates		Change	
		Pre-tax	Post-tax	Pre-tax	Post-tax	Pre-tax	Post-tax
RAC		\$18.2	\$19.4	\$20.6	\$22.0	\$2.4	\$2.5
NJCEP		\$22.6	\$24.1	\$24.2	\$25.8	\$1.6	\$1.7
USF		\$19.2	\$20.5	\$19.2	\$20.5	\$0.0	\$0.0
Total Pre-tax		\$60.1	\$64.0	\$64.0	\$68.2	\$3.9	\$4.2