



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)	DECISION AND ORDER APPROVING
JERSEY NATURAL GAS COMPANY FOR THE)	STIPULATION FOR PROVISIONAL
ANNUAL REVIEW AND REVISION OF ITS BASIC)	RATES
GAS SUPPLY SERVICE (BGSS) AND)	
CONSERVATION INCENTIVE PROGRAM (CIP))	
RATES FOR F/Y 2026)	BPU DOCKET NO. GR25050318

Parties of Record:

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

BY THE BOARD:

On May 30, 2025, New Jersey Natural Gas Company ("NJNG" or "Company") filed a petition with the New Jersey Board of Public Utilities ("Board") requesting authority to: 1) increase 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 Balancing Charge and CIP rates ("Provisional 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 Balancing Charge and CIP 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

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").

(5%) increase, effective February 1 of the following year, with one (1) month of advance notice to 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 increase the Company's current per-therm periodic BGSS rate from \$0.3672 to \$0.4944, effective October 1, 2025.⁴ The Company identified that the requests contained in the Petition are based upon market conditions as of May 1, 2025 and a one (1)-year BGSS recovery period. The requested change would result in an overall increase in after-tax revenue of approximately \$67.50 million.

By the Petition, the Company also sought authority to increase its per-therm Balancing Charge rate from \$0.1889 to \$0.1983. 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 \$6.46 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, 2025:

- Group I Residential Non-Heating– a credit of \$0.0022;
- Group II Residential Heating – a charge of \$0.0435;
- Group III General Service - Small – a credit of \$0.0127; and
- Group IV General Service – Large – a charge of \$0.0311.

The CIP calculations result in a current year margin deficiency of approximately \$20.15 million which includes \$18.68 million related to weather and a non-weather-related margin deficiency of approximately \$1.47 million. When the CIP results are combined with the projected over- or under-recovery balances, the total CIP recovery amount will be deficient by approximately \$24.03 million. The recovery is comprised of the following recovery amounts: 1) a margin credit of approximately \$0.01 million for Group I Residential Non-Heat customers; 2) a margin deficiency of approximately \$20.55 million for Group II Residential Heat customers; 3) a margin credit of

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.

approximately \$0.49 million for Group III General Service – Small customers; and 4) a margin deficiency of approximately \$3.98 million for Group IV General Service – Large customers.

The BGSS Savings identified by the Company totaled approximately \$18.68 million to offset non-weather-related CIP margin deficiency and charges for the CIP recover period October 2025 through September 2026.

Following adequate notice, virtual public hearings were conducted on August 19, 2025 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.

Through discovery, the Company provided more recent information that modified the forecasted over-recovery (“Update”). By the Update, the Company modified the CIP rates.

On October 31, 2025, NJNG filed a notice of its intent to self-implement a periodic BGSS rate adjustment based on a five percent (5%) increase of the monthly bill of a typical residential customer using 100 therms to be effective December 1, 2025.

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 Provisional Stipulation, which provides, in part, as follows:⁵

1. The Parties 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 Balancing Charge and CIP rates, on a provisional basis, subject to refund.
2. Accordingly, the Parties stipulate and agree that it is both reasonable and in the public interest for the Board to authorize: 1) an increase of the Company’s Balancing Charge after tax-rate to \$0.1983 per therm; and 2) an adjustment to the following CIP rates all on a per-therm, after tax basis: a credit of \$0.0174 for Group I Residential Non-Heat customers; a rate of \$0.0435 for Group II Residential Heat customers; a credit of \$0.0128 for Group III Small Commercial customers; and a rate of \$0.0261 for Group IV General Service Large customers.
3. The Parties agree that these provisional rates will be effective upon Board approval.
4. Th Provisional Stipulation results in an overall decrease of approximately 2.0 percent, or \$3.74 per month, for a typical residential heat sales customer using 100 therms per month. The components of the agreed-upon rates are as follows: Balancing Charge rate reflects an increase of 0.5 percent, and the CIP rate reflects a decrease of 2.5 percent. The overall impact to the average residential non-heat sales customer using 25 therms per month is a decrease of 2.2 percent or \$1.22 per month. The overall impact to the average small commercial sales customer using 100 therms per month is a decrease of approximately

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.

2.5 percent or \$5.43 per month. The total bill for large commercial sales customers is decreasing by approximately 0.6 percent or \$12.72 per month for a customer using 1200 therms a month. Exhibit A of the Provisional Stipulation provides the impacts of the above rate changes.

5. 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 February 1, 2026, 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, 2026. 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 (5) days' notice, and with supporting documentation, to Staff and Rate Counsel.
6. Should the Board issue an Order approving the agreed upon rates and terms set-forth in the Provisional Stipulation, 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, including the Petition, updates, and the attached Stipulation, and **HEREBY FINDS** the Stipulation to be reasonable and in accordance with the law. Accordingly, the Board **HEREBY ADOPTS** the Provisional 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 Balancing Charge rate of \$0.1983; and
2. The implementation of the following per-therm CIP rates:
 - A credit of \$0.0174 for Group I Residential Non-Heat customers;
 - A charge of \$0.0435 for Group II Residential Heat customers;
 - A credit of \$0.0128 for Group III Small Commercial customers; and
 - A charge of \$0.0261 for Group IV General Service Large customers.

Any net over-recovered Balancing Charge and CIP balance at the end of the period shall be subject to refund with interest. The above changes are effective for services rendered on after January 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 \$3.74.

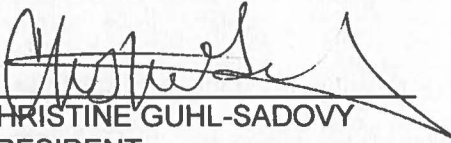
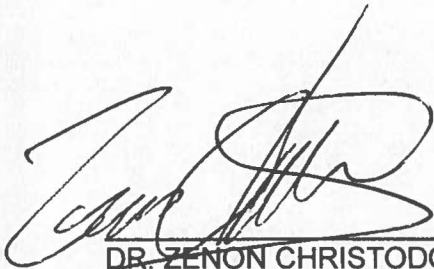
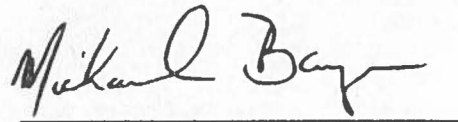
The Board **HEREBY DIRECTS** NJNG to file revised tariff sheets conforming to the terms of the Stipulation prior to January 1, 2026.

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 December 24, 2025.

DATED: December 17, 2025

BOARD OF PUBLIC UTILITIES
BY:


CHRISTINE GUHL-SADOVY
PRESIDENT
DR. ZENON CHRISTODOULOU
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 ITS BASIC GAS SUPPLY SERVICE (BGSS) AND CONSERVATION INCENTIVE PROGRAM
(CIP) RATES FOR FY 2026

BPU DOCKET NO. GR25050318

SERVICE LIST

Board of Public Utilities

44 South Clinton Avenue, 1st Floor
Post Office Box 350
Trenton, NJ 08625-0350

Sherri L. Lewis, Board Secretary
board.secretary@bpu.nj.gov

Stacy Peterson, Deputy Executive Director
stacy.peterson@bpu.nj.gov

Office of the General Counsel

Ava-Marie Madeam, General Counsel
avamarie.madeam@bpu.nj.gov

Colin Emerle, Deputy General Counsel
colin.emerle@bpu.nj.gov

Elspeth Faiman Hans, Deputy General Counsel
elspeth.hans@bpu.nj.gov

Michael Hunter, Regulatory Officer
michael.hunter@bpu.nj.gov

Division of Revenue and Rates

Kofi Ocansey
kofi.ocansey@bpu.nj.gov

New Jersey Division of Rate Counsel

140 East Front Street, 4th Floor
Post Office Box 003
Trenton, NJ 08625

Brian Lipman, Esq., Director
blipman@rpa.nj.gov

Maura Caroselli, Esq., Managing Attorney
mcaroselli@rpa.nj.gov

Mamie W. Purnell, Esq.
mpurnell@rpa.nj.gov

Michael Lombardi, Esq
mlombardi@rpa.nj.gov

Joy Carter, paralegal
jcarter@rpa.nj.gov

Rate Counsel Consultants

Robert H. Henkes
7 Sunset Road
Old Greenwich, CT 06870
rhenkes13@gmail.com

PCMG and Associates

Karl Pavlovic, PHD
22 Brooks Avenue
Gaithersburg, MD 20877
kpavlovic@pcmgregcon.com

Dante Mugrace
90 Moonlight Court
Toms River, NJ 08753
dmugrace@pcmgregcon.com

New Jersey Division of Law

25 Market Street
Post Office Box 112
Trenton, NJ 08625

Pamela Owen, ASC, DAG
pamela.owen@law.njoag.gov

Matko Ilic, DAG
matko.ilic@law.njoag.gov

Jordan Mitchell, DAG
jordan.mitchell@law.njoag.gov

New Jersey Natural Gas Company

1415 Wycoff Road
P.O Box 1464
Wall, NJ 07719

Andrew Dembia, Esq.
adembia@njng.com

Tina Trebino
ttrebino@njng.com

Jayana Shah
jshah@njresources.com

Anne-Marie Peracchio
aperacchio@njng.com

Christopher Micak
cmicak@njng.com

Susan Sette
ssette@njng.com

Mary Lou Pardey
mpardey@njng.com

James Corcoran
jcorcoran@njng.com

Marianne Harell
mharrell@njng.com

Colleen Shaw
cshaw@njng.com

Ryan Moran
rmoran@njng.com



December 4, 2025

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 2026
BPU Docket No. GR25050318

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 2025.

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: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 2026
DOCKET NO. GR25050318**

SERVICE LIST

NJNG

Mark Kahrer
New Jersey Natural Gas Company
1415 Wyckoff Road
P.O. Box 1464
Wall, NJ 07719

Andrew Dembia, Esq.
New Jersey Natural Gas Company
1415 Wyckoff Road
P.O. Box 1464
Wall, NJ 07719

Anne-Marie Peracchio
New Jersey Natural Gas Company
1415 Wyckoff Road
P.O. Box 1464
Wall, NJ 07719

Tina Trebino
New Jersey Natural Gas Company
1415 Wyckoff Road
P.O. Box 1464
Wall, NJ 07719

Judy DeSalvatore
New Jersey Natural Gas Company
1415 Wyckoff Road
P.O. Box 1464
Wall, NJ 07719

Jayana Shah
New Jersey Natural Gas Company
1415 Wyckoff Road
P.O. Box 1464
Wall, NJ 07719

James Corcoran
New Jersey Natural Gas Company
1415 Wyckoff Road
P.O. Box 1464
Wall, NJ 07719

Marianne Harrell
New Jersey Natural Gas Company
1415 Wyckoff Road
P.O. Box 1464
Wall, NJ 07719

Christopher Micak
New Jersey Natural Gas Company
1415 Wyckoff Road
P.O. Box 1464
Wall, NJ 07719

Ryan Moran
New Jersey Natural Gas Company
1415 Wyckoff Road
P.O. Box 1464
Wall, NJ 07719

Susan Sette
New Jersey Natural Gas Company
1415 Wyckoff Road
P.O. Box 1464
Wall, NJ 07719

Colleen Shaw
New Jersey Natural Gas Company
1415 Wyckoff Road
P.O. Box 1464
Wall, NJ 07719

NJ BOARD OF PUBLIC UTILITIES

Stacy Peterson
Deputy Executive Director,
Division of Revenues & Rates
Board of Public Utilities
44 South Clinton Ave., Suite 314
P.O. Box 350
Trenton, NJ 08625-0350

Kofi Ocansey
Board of Public Utilities
44 South Clinton Ave., Suite 314
P.O. Box 350
Trenton, NJ 08625-0350

**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 2026
DOCKET NO. GR25050318**

SERVICE LIST

DIVISION OF RATE COUNSEL

Brian O. Lipman, Esq.
Division of Rate Counsel
140 East Front Street – 4th Floor
P.O. Box 003
Trenton, NJ 08625

Maura Caroselli, Esq.
Division of Rate Counsel
140 East Front Street – 4th Floor
P.O. Box 003
Trenton, NJ 08625

Mamie W. Purnell, Esq.
Division of Rate Counsel
140 East Front Street – 4th Floor
P.O. Box 003
Trenton, NJ 08625

Michael Lombardi, Esq.
Division of Rate Counsel
140 East Front Street - 4th Floor
P.O. Box 003
Trenton, NJ 08625

Andrew Kuntz, Esq.
Division of Rate Counsel
140 East Front Street - 4th Floor
P.O. Box 003
Trenton, NJ 08625

Joy Carter, Paralegal
Division of Rate Counsel
140 East Front Street, 4th Floor
P.O. Box 003
Trenton, NJ 08625

John A. Rosenkranz, Consultant
156 Washington Drive
Acton, MA 01720

Robert J. Henkes, Principal
Henkes Consulting
7 Sunset Road
Old Greenwich, CT 06870

DEPT. OF LAW & PUBLIC SAFETY
– DIVISION OF LAW

Jordan Mitchell, DAG
Public Utilities Section
R.J. Hughes Justice Complex
25 Market Street
P.O. Box 112
Trenton, N.J. 08625

Pamela Owen, ASC
Public Utilities Section
R.J. Hughes Justice Complex
25 Market Street
P.O. Box 112
Trenton, N.J. 08625

**STATE OF NEW JERSEY
BOARD OF PUBLIC UTILITIES**

IN THE MATTER OF THE PETITION OF NEW)	BPU DOCKET NO. GR25050318
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 2026)	

**STIPULATION FOR PROVISIONAL BALANCING CHARGE/CONSERVATION
INCENTIVE PROGRAM RATES**

APPEARANCES:

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

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

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

TO: THE NEW JERSEY BOARD OF PUBLIC UTILITIES

BACKGROUND

1. On May 30, 2025, 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) increase the Company’s Periodic Basic Gas Supply Service (“BGSS”) rate effective October 1, 2025; 2) increase the Company’s Balancing Charge effective October 1, 2025; 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, 2025 (“Petition”).

2. Specifically, by the Petition, NJNG requested that the Company’s existing per-therm, after-tax periodic BGSS rate of \$0.3672 that is applicable to residential and small commercial customers, subject to the Periodic BGSS Pricing Mechanism, be increased to \$0.4944 per therm. According to NJNG, the Petition reflected market conditions as of May 8, 2025, 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 increase of approximately \$67.50 million from the current estimated annual BGSS revenue of \$194.88 million.

3. The Company also requested to increase the after-tax balancing charge from \$0.1889 to \$0.1983. 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 \$6.46 million from the current estimated annual Balancing Charge revenue of \$129.81 million.

4. As authorized by the Board in Docket Nos. GR05121020 and GR13030185, the Company also provided its annual CIP rate filing for CIP year 2025, October 1, 2025 through September 30, 2026 and requested that the BPU approve the implementation of updated CIP factors effective October 1, 2025.² Specifically, the Company sought approval for the following changes to its after-tax, per-therm CIP factors: 1) a \$0.0431 decrease to the current rate of \$0.0409 for Group I Residential Non-Heat customers resulting in a proposed credit of \$0.0022; 2) a \$0.0468 decrease to the current rate of \$0.0903 for Group II Residential Heat customers resulting in a proposed rate of \$0.0435; 3) a \$0.0636 decrease to the current rate of \$0.0509 for Group III Small Commercial customers resulting in a proposed credit of \$0.0127; and

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 20, 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 (“May 2014 Order”).

4) a \$0.0056 decrease to the current rate of \$0.0367 for Group IV Large Commercial customers resulting in a proposed rate of \$0.0311. The requested changes would result in an overall decrease in after-tax revenue of approximately \$27.15 million from the current estimated annual CIP revenue of \$52.85 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 margin deficiency must meet an earnings test. The Company reported a total estimated CIP-related margin deficiency for CIP year 2025, October 1, 2024, through September 30, 2025, of approximately \$20.15 million with \$18.68 million margin deficiency related to weather, and \$1.47 million margin deficiency related to non-weather factors. The amount of the BGSS Savings required to meet the BGSS Savings test is seventy-five percent (75%) of the non-weather change or \$1.10 million. The Company identified approximately \$15.26 million in BGSS savings available to offset non-weather-related CIP margin deficiency and charges for the October 2025 through September 2026 recovery period. Under the Variable Margin Test, the recovery limitation is \$31.41 million based upon 6.5 percent (6.5%) of aggregate variable margins reported by the Company for October 1, 2024 through September 30, 2025. Because the non-weather-related CIP margin deficiency is less than the BGSS Savings and the Variable Margin Test recovery limitation, the Company identified that it has met both tests based upon the information and representations contained in the Petition. The Company also provided testimony that the margin deficiency will not result in a return on equity in excess of 10.1 percent (10.1%).

6. Modifying the BGSS, Balancing Charge, and CIP rates as requested in the Petition would result in a requested overall increase of approximately \$8.98 per month, or 5.0 percent, 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 an increase of \$2.34, or 4.5 percent; for the average small commercial customer (Group III) using 100 therms a month the impact would be an increase of \$7.30, or 3.6 percent; and the impact to the average large commercial customer (Group IV) using 1,200 therms a month will be a decrease of \$6.72, or 0.3 percent. The above BGSS, Balancing Charge, and CIP rate changes result in an increase in annual after-tax revenues to NJNG of approximately \$46.81 million.

7. On August 27, 2025, the Company submitted a response to Discovery Request RCR-A-0019 updating the CIP schedules to reflect actual data through July 31, 2025, resulting in proposed CIP rates for Group I, Group III, and Group IV that were lower than originally filed. The updated after-tax CIP rates result in a credit of \$0.0174 for Group I, a credit of \$0.0128 for Group III, and a charge of \$0.0261 for Group IV. The updated CIP rates for Group I, Group III, and Group IV, and the filed after-tax CIP rate for Group II of \$0.0435 per therm result in an overall decrease of after-tax revenue of approximately \$27.89 million to the current estimated annual CIP revenue of \$52.85 million. The updated schedules result in no change in the proposed CIP rates for Group II. The updated CIP rates for Group I, Group III, and Group IV, and the filed after-tax CIP rate for Group II combined with the requested BGSS rate of \$0.4944, and Balancing Charge of \$0.1983, result in an overall increase in after-tax revenue of approximately \$46.07 million.

8. After publication of notice in the newspapers of general circulation in NJNG's service territory, virtual public hearings were held on August 19, 2025, at 4:30 p.m. and 5:30 p.m. Three (3) members of the public attended both hearings. No written comments were received by the BPU, NJNG, or the New Jersey Division of Rate Counsel ("Rate Counsel").

9. On October 31, 2025, NJNG notified the BPU and Rate Counsel of its intent to self-implement an increase to its Periodic BGSS rate resulting in an increase of up to five percent (5%) to a typical residential heat customer bill on December 1, 2025, pursuant to the BPU's January 6, 2003 Order

in Order in Docket No. GX01050304.³ This increase resulted in an after-tax BGSS rate of \$0.4567, which will be in effect as of December 1st, and is provisional and subject to true-up in the next annual BGSS filing made by NJNG.

STIPULATED ISSUES

1. 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 Balancing Charge and CIP rates, on a provisional basis, subject to refund.

2. Accordingly, the Parties stipulate and agree that it is both reasonable and in the public interest for the Board to authorize: 1) an increase of the Company’s Balancing Charge after-tax rate to \$0.1983 per therm; and 2) an adjustment to the following CIP rates all on a per-therm, after-tax basis: a credit of \$0.0174 for Group I Residential Non-Heat customers; a rate of \$0.0435 for Group II Residential Heat customers; a credit of \$0.0128 for Group III Small Commercial customers; and a rate of \$0.0261 for Group IV General Service Large customers.

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

4. This Stipulation of Settlement (“Stipulation”) results in an overall decrease of approximately 2.0 percent, or \$3.74 per month, for a typical residential heat sales customer using 100 therms per month. The components of the agreed-upon rates are as follows: Balancing Charge rate reflects an increase of 0.5 percent, and the CIP rate reflects a decrease of 2.5 percent. The overall impact to the average residential non-heat sales customer using 25 therms per month is a decrease of 2.2 percent or \$1.22 per month. The overall impact to the average small commercial sales customer using 100 therms per month is a decrease of approximately 2.5 percent or \$5.43 per month. The total bill for large

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”).

commercial sales customers is decreasing by approximately 0.6 percent or \$12.72 per month for a customer using 1200 therms a month. Exhibit A to this Stipulation provides the impacts of the above rate changes.

5. 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 February 1, 2026, 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, 2026. 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.

6. 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.

7. 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 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.

8. 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**

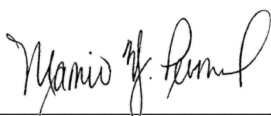
By:



ANDREW K. DEMBIA, ESQ.
New Jersey Natural Gas

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

By:



MAMIE W. PURNELL, ESQ.
ASSISTANT DEPUTY RATE
COUNSEL

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

By:



JORDAN K. MITCHELL, ESQ.
DEPUTY ATTORNEY GENERAL

Date: December 3, 2025

New Jersey Natural Gas Company
Net impact of Proposed Rate Changes
BPU Docket No. GR25050318
F/Y 2026

(\$/therm)

Rate Impact for Group I - Residential Non-Heating Customers

	Component of	12/1/25 Rates		Proposed 1/1/26 Rates		Change		Total Bill % impact
		Pre-tax	Post-tax	Pre-tax	Post-tax	Pre-tax	Post-tax	
BGSS	BGSS	\$0.4283	\$0.4567	\$0.4283	\$0.4567	\$0.0000	\$0.0000	0.0%
Balancing Charge	Delivery Rate	0.1772	0.1889	0.1860	0.1983	0.0088	0.0094	0.5%
CIP	Delivery Rate	<u>0.0384</u>	<u>0.0409</u>	<u>(0.0163)</u>	<u>(0.0174)</u>	<u>(0.0547)</u>	<u>(0.0583)</u>	<u>(2.7%)</u>
NET IMPACT		\$0.6439	\$0.6865	\$0.5980	\$0.6376	(\$0.0459)	(\$0.0489)	(2.2%)

Rate Impact for Group II - Residential Heating Customers

	Component of	12/1/25 Rates		Proposed 1/1/26 Rates		Change		Total Bill % impact
		Pre-tax	Post-tax	Pre-tax	Post-tax	Pre-tax	Post-tax	
BGSS	BGSS	\$0.4283	\$0.4567	\$0.4283	\$0.4567	\$0.0000	\$0.0000	0.0%
Balancing Charge	Delivery Rate	0.1772	0.1889	0.1860	0.1983	0.0088	0.0094	0.5%
CIP	Delivery Rate	<u>0.0847</u>	<u>0.0903</u>	<u>0.0408</u>	<u>0.0435</u>	<u>(0.0439)</u>	<u>(0.0468)</u>	<u>(2.5%)</u>
NET IMPACT		\$0.6902	\$0.7359	\$0.6551	\$0.6985	(\$0.0351)	(\$0.0374)	(2.0%)

Rate Impact for Group III - General Service Small Customers

	Component of	12/1/25 Rates		Proposed 1/1/26 Rates		Change		Total Bill % impact
		Pre-tax	Post-tax	Pre-tax	Post-tax	Pre-tax	Post-tax	
BGSS	BGSS	\$0.4283	\$0.4567	\$0.4283	\$0.4567	\$0.0000	\$0.0000	0.0%
Balancing Charge	Delivery Rate	0.1772	0.1889	0.1860	0.1983	0.0088	0.0094	0.4%
CIP	Delivery Rate	<u>0.0477</u>	<u>0.0509</u>	<u>(0.0120)</u>	<u>(0.0128)</u>	<u>(0.0597)</u>	<u>(0.0637)</u>	<u>(3.0%)</u>
NET IMPACT		\$0.6532	\$0.6965	\$0.6023	\$0.6422	(\$0.0509)	(\$0.0543)	(2.5%)

Rate Impact for Group IV - General Service Large Customers

	Component of	12/1/25 Rates		Proposed 1/1/26 Rates		Change		Total Bill % impact
		Pre-tax	Post-tax	Pre-tax	Post-tax	Pre-tax	Post-tax	
BGSS	BGSS (November 2025)	\$0.5229	\$0.5575	\$0.5140	\$0.5481	(\$0.0089)	(\$0.0094)	(0.5%)
Balancing Charge	Delivery Rate	0.1772	0.1889	0.1860	0.1983	0.0088	0.0094	0.5%
CIP	Delivery Rate	<u>0.0344</u>	<u>0.0367</u>	<u>0.0245</u>	<u>0.0261</u>	<u>(0.0099)</u>	<u>(0.0106)</u>	<u>(0.6%)</u>
NET IMPACT		<u>\$0.7345</u>	<u>\$0.7831</u>	<u>\$0.7245</u>	<u>\$0.7725</u>	<u>(\$0.0100)</u>	<u>(\$0.0106)</u>	<u>(0.6%)</u>

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	453,844 (000s)
Balancing Charge	687,206 (000s)
CIP Group I	3,004 (000s)
CIP Group II	505,078 (000s)
CIP Group III	41,202 (000s)
CIP Group IV	136,839 (000s)

	Projected Revenue at Current Rates \$million	Projected Revenue at Proposed Rates \$million	Change \$million
BGSS	\$207.27	\$207.27	\$0.00
Balancing Charge	\$129.81	\$136.27	\$6.46
CIP Group I	\$0.12	(\$0.05)	(\$0.17)
CIP Group II	\$45.61	\$21.97	(\$23.64)
CIP Group III	\$2.10	(\$0.53)	(\$2.63)
CIP Group IV	<u>\$5.02</u>	<u>\$3.57</u>	<u>(\$1.45)</u>
IMPACT	<u>\$389.93</u>	<u>\$368.50</u>	<u>(\$21.43)</u>

New Jersey Natural Gas Company
Net impact of Proposed Rate Changes
BPU Docket No. GR25050318
F/Y 2026

<u>Impact on Residential Non-Heating Customers</u>				
			25 therm bill	
12/1/25 Rates				
	Customer Charge		\$12.00	\$12.00
	Delivery		\$1.2533	\$31.33
	BGSS		\$0.4567	\$11.42
	Total		\$1.7100	\$54.75
Proposed Rates- effective 1/1/26				
	Customer Charge		\$12.00	\$12.00
	Delivery		\$1.2044	\$30.11
	BGSS		\$0.4567	\$11.42
	Total		\$1.6611	\$53.53
	Decrease			(\$1.22)
	Decrease as a percent			(2.2%)

<u>Impact on Residential Heating Customers</u>				
			100 therm bill	1,000 therm annual bill
12/1/25 Rates				
	Customer Charge		\$12.00	\$144.00
	Delivery		\$1.3027	\$1,302.70
	BGSS		\$0.4567	\$456.70
	Total		\$1.7594	\$1,903.40
Proposed Rates- effective 1/1/26				
	Customer Charge		\$12.00	\$144.00
	Delivery		\$1.2653	\$1,265.30
	BGSS		\$0.4567	\$456.70
	Total		\$1.7220	\$1,866.00
	Decrease			(\$3.74)
	Decrease as a percent			(2.0%)

<u>Impact on Commercial GSS Customers</u>				
			100 therm bill	
12/1/25 Rates				
	Customer Charge		\$55.00	\$55.00
	Delivery		\$1.1340	\$113.40
	BGSS		\$0.4567	\$45.67
	Total		\$1.5907	\$214.07
Proposed Rates- effective 1/1/26				
	Customer Charge		\$55.00	\$55.00
	Delivery		\$1.0797	\$107.97
	BGSS		\$0.4567	\$45.67
	Total		\$1.5364	\$208.64
	Decrease			(\$5.43)
	Decrease as a percent			(2.5%)

<u>Impact on Commercial GSL Customers</u>				
			1200 therm bill	
12/1/25 Rates				
	Customer Charge		\$137.50	\$137.50
	Demand Charge		\$4.50	\$432.00
	Delivery		\$0.8542	\$1,025.04
	BGSS (November 2025)		\$0.5575	\$669.00
	Total		\$1.4117	\$2,263.54
Proposed Rates- effective 1/1/26				
	Customer Charge		\$137.50	\$137.50
	Demand Charge		\$4.50	\$432.00
	Delivery		\$0.8530	\$1,023.60
	BGSS (November 2025)		\$0.5481	\$657.72
	Total		\$1.4011	\$2,250.82
	Decrease			(\$12.72)
	Decrease as a percent			(0.6%)