



New Jersey Natural Gas Files to Lower Rates for Customers

May 29, 2020

Annual Filings to the New Jersey Board of Public Utilities Propose 1.3 Percent Rate Decrease for the Typical Residential Heating Customer

WALL, N.J.--(BUSINESS WIRE)--May 29, 2020-- New Jersey Natural Gas (NJNG), the regulated subsidiary of New Jersey Resources (NYSE: NJR), today submitted to the New Jersey Board of Public Utilities (BPU) its annual Basic Gas Supply Service (BGSS) and Conservation Incentive Program (CIP) filing, and its annual energy-efficiency program recovery filing, seeking an overall decrease of 1.3 percent for the 2020-2021 heating season.

If approved by the BPU, the typical residential heating customer using 1,000 therms per year would see a savings of \$14.80 annually. The net decrease in rates reflects lower BGSS and Balancing Charge rates offset by an increase in the CIP due to an unusually warm winter heating season. NJNG's energy-efficiency recovery rates are held essentially flat in this filing.

"This proposal to lower customer rates reflects the prudent management of our supply portfolio, as well as savings in interstate gas transportation costs that we are pleased to pass on to our customers," said Steve Westhoven, president and CEO of New Jersey Resources.

In its filings, NJNG requested a 3.8 percent BGSS decrease and a 0.5 percent Balancing Charge decrease on the typical customer bill. The BGSS and Balancing Charge recover the cost of natural gas supply delivered to NJNG's system to serve its customers and to balance deliveries with customer usage, respectively. NJNG also requested a 3 percent increase related to its CIP, a program designed to help normalize rates for annual weather and usage fluctuations. When combined, the impact of the BGSS and CIP filing is a decrease of 1.3 percent.

NJNG's BGSS filing represents the commodity charge, which is passed through to customers based on the cost to acquire natural gas. Any change to this rate does not result in a change in the company's bottom line. The CIP normalizes year-to-year fluctuations from changing weather and usage patterns on both customers' bills and NJNG's financial margins. This past December to April was 8.2 percent warmer than the same period last year; and, the three-month period of January to March was 20 percent warmer than the same period in 2019.

NJNG also is seeking approval to hold rates related to its energy-efficiency programs essentially flat by proposing a 0.01 percent decrease. This rate recovers costs associated with The SAVEGREEN Project[®] offerings, including investment in energy-efficient equipment upgrades and whole-house improvements.

Earlier this year, NJNG submitted a separate filing to the BPU for a 1 percent increase for the recovery of costs associated with its New Jersey Reinvestment in System Enhancement and Safety Acceleration and Facility Enhancement II programs. When combined with today's filing, the net savings for the typical residential heating customer using 1,000 therms would be 0.2 percent annually, or \$2.82.

If approved by the BPU, NJNG's requested rate changes would take effect on October 1, 2020.

Forward-Looking Statements:

This release contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, Section 21E of the Securities Exchange Act of 1934, as amended, and the Private Securities Litigation Reform Act of 1995. NJR cautions readers that the assumptions forming the basis for forward-looking statements include many factors that are beyond NJR's ability to control or estimate precisely, such as estimates of future market conditions and the behavior of other market participants. Words such as "anticipates," "estimates," "expects," "projects," "may," "will," "intends," "plans," "believes," "should" and similar expressions may identify forward-looking statements and such forward-looking statements are made based upon management's current expectations, assumptions and beliefs as of this date concerning future developments and their potential effect upon NJR. There can be no assurance that future developments will be in accordance with management's expectations, assumptions and beliefs or that the effect of future developments on NJR will be those anticipated by management. Forward-looking statements in this release include, but are not limited to, certain statements regarding NJNG's annual filings with the BPU.

Additional information and factors that could cause actual results to differ materially from NJR's expectations are contained in NJR's filings with the U.S. Securities and Exchange Commission (SEC), including NJR's Annual Reports on Form 10-K and subsequent Quarterly Reports on Form 10-Q, recent Current Reports on Form 8-K, and other SEC filings, which are available at the SEC's website, <http://www.sec.gov>. Information included in this release is representative as of today only and while NJR periodically reassesses material trends and uncertainties affecting NJR's results of operations and financial condition in connection with its preparation of management's discussion and analysis of results of operations and financial condition contained in its Quarterly and Annual Reports filed with the SEC, NJR does not, by including this statement, assume any obligation to review or revise any particular forward-looking statement referenced herein in light of future events.

About New Jersey Resources:

NJR is a Fortune 1000 company that, through its subsidiaries, provides safe and reliable natural gas and clean energy services, including transportation, distribution, asset management and home services. It is composed of five primary businesses:

- **New Jersey Natural Gas**, NJR's principal subsidiary, operates and maintains over 7,500 miles of natural gas transportation and distribution infrastructure to serve over half a million customers in New Jersey's Monmouth, Ocean, Morris, Middlesex and Burlington counties.
- **NJR Clean Energy Ventures** invests in, owns and operates solar projects with a total capacity of over 315 megawatts, providing residential and commercial customers with low-carbon solutions.
- **NJR Energy Services** manages a diversified portfolio of natural gas transportation and storage assets and provides

physical natural gas services and customized energy solutions to its customers across North America.

- **NJR Midstream** serves customers - from local distributors and producers to electric generators and wholesale marketers through its ownership of Leaf River Energy Center and the Adelpia Gateway Pipeline Project, as well as a 50 percent equity ownership in Steckman Ridge natural gas storage facilities, and a 20 percent equity interest in the planned PennEast Pipeline Project.
- **NJR Home Services** provides service contracts as well as heating, central air conditioning, water heaters, standby generators, solar and other indoor and outdoor comfort products to residential homes throughout New Jersey.

NJR and its more than 1,100 employees are committed to helping customers save energy and money by promoting conservation and encouraging efficiency through Conserve to Preserve® and initiatives such as The SAVEGREEN Project® and The Sunlight Advantage®. For more information about NJR: www.njresources.com.

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