



New Jersey Natural Gas Plans to Invest \$507 Million to Strengthen Infrastructure

February 28, 2019

WALL, N.J.--(BUSINESS WIRE)--Feb. 28, 2019-- As a part of its ongoing commitment to provide safe and reliable service for its customers, New Jersey Natural Gas (NJNG) submitted a filing to the New Jersey Board of Public Utilities (BPU) to reinforce its natural gas delivery and information technology (IT) systems. Through its Infrastructure Investment Program (IIP), NJNG is seeking to invest \$507 million over five years on a series of infrastructure projects that enhance and support the reliability and resiliency of its systems.

"As a regulated utility and lifeline service provider, we have a fundamental responsibility to provide our customers with safe and reliable service," said Steve Westhoven, president and COO of New Jersey Resources. "This obligation is what drives our investments and our commitment to proactively strengthen our systems, improve our operations and continue to exceed our customers' expectations."

The IIP consists of a series of natural gas transmission and distribution replacement and enhancement projects and a critical, integrated IT program that will replace NJNG's existing systems installed between 1994 and 1997 and will no longer have extended support after April 2025. The IT upgrade will strengthen the infrastructure the NJNG team uses to serve its customers and will include new billing, customer service, asset management, work order and accounting systems. The initiative will also strengthen NJNG's cybersecurity program.

The transmission and distribution projects include 19 looping reinforcements that will add secondary feeds or interconnect to single feed distribution systems, and replace and upgrade NJNG's trunk line system in Lakewood, Denville and Roxbury. Other projects include replacing over seven miles of main and installing a new regulator station, connecting NJNG's liquefied natural gas facility in Howell to its transmission backbone, reconstructing and relocating a regulator station in Brick Township, installing 60,000 protective devices on regulator vents in flood prone areas, and installing approximately 16,000 excess flow valves (EFV). An EFV automatically restricts the flow of natural gas if a service line is broken. Each of these projects will strengthen NJNG's delivery system and enhance safety, reliability and resiliency.

Pending BPU approval, NJNG will begin necessary engineering and design work for the construction of these projects, with all work to be completed over a five-year timeframe. Work will be prioritized based on need and community impacts.

In the filing, NJNG is seeking to recover the capital investment costs associated with IIP through six annual adjustments to its base rate with the first change expected in October 2020. NJNG will submit to the BPU an annual cost recovery filing for investments placed in service during the program period. A typical residential heating customer using 1,000 therms per year could see an average annual increase of approximately \$18.35 or 1.8 percent over the recovery period. Additionally, NJNG will file a base rate case no later than five years after the IIP is approved.

About New Jersey Resources

New Jersey Resources (NYSE: NJR) is a Fortune 1000 company that provides safe and reliable natural gas and renewable energy services, including transportation, distribution, asset management and home services. NJR is composed of five primary businesses:

- **New Jersey Natural Gas**, NJR's principal subsidiary, operates and maintains 7,400 miles of natural gas transportation and distribution infrastructure to serve approximately half a million customers in New Jersey's Monmouth, Ocean and parts of Morris, Middlesex and Burlington counties.
- **NJR Clean Energy Ventures** is a leading renewable energy company that invests in, owns and operates residential and commercial solar projects with a total capacity in excess of 250 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 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 50 percent equity ownership in the Steckman Ridge natural gas storage facility, as well as its 20 percent equity interest in the 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 and businesses throughout New Jersey.

NJR and its more than 1,000 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[®].

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