



September 21, 2023

VIA EMAIL

Honorable Sherri L. Golden, 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 Authorization for Three (3) Years: (1) To Issue and Sell Pursuant to N.J.S.A. 48:3-9 Medium Term Notes; (2) To Enter Into Interest Rate Risk Management Transactions Related to Any New Issuances Approved Hereunder; (3) Redeem, Refinance or Defease Any of the Company's Outstanding Long-Term Debt Securities; and (4) Pursuant to N.J.S.A. 48: 3-9, to Enter Into a Credit Facility Allowing the Issuance of Bank Note Obligations
BPU Docket No. GF22040269

Dear Secretary Golden:

In this letter New Jersey Natural Gas Company (the "Company") is notifying the Board of Public Utilities ("BPU") of a financing issuance pursuant to the BPU's Order at Docket No. GF22040269.

According to the BPU Order effective August 24, 2022, NJNG must comply with the following requirements when issuing Debt:

1. If (1) the interest rate of any series of new issuance, in relation to U.S. Treasury securities, does not exceed the range set forth in the table of maximum yield spreads above, and (2) the compensation to the underwriters with respect to any series does not exceed one percent (1.0%) of the aggregate principal amount of the new issuance, NJNG may effect new issuance transactions without further Order of the Board. If either the interest rate or the compensation to the underwriters exceeds such amount, the proposed issuance shall not be consummated until a further Order of the Board authorizing such new issuance transactions have been entered.

NJNG Response:

Please see the following excerpt from NJNG's August 23, 2023 Engagement Letter on page 4 reads as follows:

"The Agents shall receive as compensation for their services a placement fee equal to 0.50% of the principal amount of the Securities

purchased by Investors (the “Placement Fee”). The Placement Fee shall be paid to each of the Agents as follows: BofA shall receive 40% of the Placement Fee, Scotia receives 40% of the Placement Fee, USBII receives 10% of the Placement Fee, and Huntington shall receive 10% of the Placement Fee. The Placement Fee shall be due and payable by the Company upon the actual sale, issuance and funding of the Securities. The Company will also reimburse the Agents on request for all reasonable expenses associated with the Proposed Transaction, including the Agents’ out-of-pocket expenses whether or not any sale of Securities is consummated or this Agreement is terminated. The aggregate expenses to be reimbursed pursuant to the immediately preceding sentence shall not exceed \$10,000 without the prior written consent of the Company; provided it acknowledged and agreed that the foregoing shall not in any way limit *[sic]* or modify the Company’s indemnification, expense reimbursement and contribution obligations set forth in Section 7 hereof.

The Company also agrees to pay the fees and expenses of the Investor(s’) special legal counsel, whether or not any sale of Securities is consummated, such counsel to be mutually acceptable to the Company and Agents.”

2. NJNG shall, within 30 days of acceptance of an offer for, and the pricing of, any new issuance, notify the Board Secretary and copy the Office of the Chief Economist and Rate Counsel in writing of the action to be taken and include a statement setting forth the compensation to and names of all the underwriters, and, as applicable, the aggregate principal amount of the new issuance, the interest rate of the new issuance, and any other material provision with respect to the terms and conditions of the new issuance.

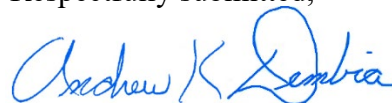
NJNG Response:

Please see the attached NJNG Pricing Confirmation.

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.

A copy of this notification is being served electronically upon the New Jersey Division of Rate Counsel.

Respectfully submitted,



Andrew K. Dembia
Regulatory Affairs Counsel

AKD:sf
Enclosure

C: Service List

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Issuances Approved Hereunder; (3) Redeem, Refinance or Defease Any of The Company's
Outstanding Long-Term Debt Securities; And (4) Pursuant to N.J.S.A. 48: 3-9, To Enter Into A
Credit Facility Allowing The Issuance of Bank Note Obligations

DOCKET NO. GF22040269

SERVICE LIST

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US\$100,000,000
Senior Notes

New Jersey Natural Gas Company

Private Placement
Pricing Memorandum to Investors
September 15, 2023

BofA SECURITIES 

 **Scotiabank**

Pricing Memorandum

Dear Investor:

On behalf of New Jersey Natural Gas Company (“NJNG” or the “Company”), BofA Securities, Inc. (“BofA”) and Scotia Capital (USA) Inc. (“Scotia”, and together with BofA the “Joint Lead Placement Agents”) are pleased to confirm the following pricing terms for the offering:

Offering Summary		
	10 Year	30 Year
Amount (US\$ MM)	\$50	\$50
Benchmark	T 3 7/8 8/15/33	T 4 1/8 8/15/53
Benchmark Yield	4.31%	4.40%
Credit Spread (bps)	+125 bps	+145 bps
Coupon	5.56%	5.85%
Payment Frequency	Semi-Annual	
Funding Date	September 28, 2023	October 30, 2023
First Coupon Date	March 28, 2024	April 30, 2024
Coupon Dates	March 28 & September 28	April 30 & October 30
Maturity Date	September 28, 2033	October 30, 2053

Final Investor List			
In US\$ MM			Total Allocation
Tranche	10 Year	30 Year	
State Farm ⁽¹⁾	37		37
Blackstone		14	14
Corebridge ⁽²⁾		14	14
Legal & General		14	14
Nationwide	12		12
TruStage		5	5
OneAmerica		3	3
United Farm	1		1
Grand Total	50	50	100

Notes:

⁽¹⁾ Denotes investor responsible for filing 10yr tranche with the NAIC

⁽²⁾ Denotes investor responsible for filing 30yr tranche with the NAIC

As an appendix to this memorandum, please find the attached Bloomberg screen, confirming the reference Treasury yields used to calculate the coupons on the Notes.

The Company and the Joint Lead Placement Agents appreciate your interest in the offering and look forward to the completion of the successful funding. Please feel free to call us with any questions.

Transaction Details

Investors' Counsel: **ArentFox Schiff LLP**
Kevin Knohl (kevin.knohl@afslaw.com | (312) 258-5789)

Documentation: The Notes have been circled pursuant to the Note Purchase Agreement posted to Intralinks.

Contact Details

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Scotiabank

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Appendix 1: Bloomberg Screenshots

1) Actions ▾		3) Settings ▾			
13:18		Outright	Switch	Bfly	
4) Actives	5) Bills	6) Notes	7) TIPS	8) Strips	9) Sprds
				10) Curves	11) FRN
					12) Bfly
					13) WI
Bills			Notes & Bonds		
31) 10/17/23	5.273 / 5.248	5.358	+0.008	53) 3 ⁵ / ₈ 253	87-03 / 05 4.408 - 07
32) 11/14/23	5.290 / 5.273	5.406	+0.025	54) 3 ⁵ / ₈ 553	87-05+ / 07+ 4.399 - 07
33) 12/14/23	5.313 / 5.300	5.458	--	55) 4 ¹ / ₈ 853 30YR	95-15+ / 16 4.397 - 08
34) 01/16/24	5.328 / 5.318	5.503	+0.005	TIPS	
35) 03/14/24	5.295 / 5.288	5.520	--	56) 1 ¹ / ₄ 428	95-29 ¹ / ₄ / 95-31 2.181 - 03 ¹ / ₄
36) 09/05/24	5.148 / 5.137	5.429	+0.007	57) 1 ³ / ₈ 733	94-23 / 94-25 1.962 - 05 ¹ / ₄
Notes & Bonds			58) 1 ¹ / ₂ 253 87-18 ³ / ₄ / 87-24 2.057 - 07+		
37) 4 ⁵ / ₈ 625	99-05 ¹ / ₈ / 06	5.103	- 00 ³ / ₄	Curve Trades	
38) 4 ³ / ₄ 725	99-13 / 13+	5.075	- 00 ⁷ / ₈	59) 2yr vs 5yr	-58.735 / -58.132 +0.945
39) 5 825 2YR	99-29 ⁷ / ₈ / 30 ¹ / ₈	5.030	- 01 ¹ / ₈	60) 2yr vs 10yr	-72.023 / -71.398 +0.918
40) 4 ¹ / ₂ 726	99-08 ³ / ₄ / 09+	4.767	- 01 ³ / ₄	61) 5yr vs 10yr	-13.466 / -13.088 +0.150
41) 4 ³ / ₈ 826	98-31 / 31 ³ / ₄	4.749	- 01 ³ / ₄	62) 10yr vs 30yr	8.027 / 8.324 -0.859
42) 4 ⁵ / ₈ 926 3YR	99-24 ¹ / ₄ / 24+	4.710	- 02	Other Markets	
43) 4 628	97-30 ¹ / ₄ / 31	4.475	- 03+	63) US Long(CBT)	13:08 d 118-19 -0-15
44) 4 ¹ / ₈ 728	98-15 ¹ / ₄ / 16	4.470	- 03 ³ / ₄	64) 10yr Fut (CBT)	13:08 d 109-15+ -0-08+
45) 4 ³ / ₈ 828 5YR	99-21+ / 21 ³ / ₄	4.447	- 04	65) 5Yr Fut(CBT)	13:08 d 105-30 -0-05 ³ / ₄
46) 4 730	97-18+ / 19+	4.407	- 05+	66) Dow Jones Ind	13:18 34642.691 -264.418
47) 4 ¹ / ₈ 830 7YR	98-10+ / 11	4.404	- 06	67) S&P 500 Ind	13:04 d 4464.422 -40.678
48) 3 ¹ / ₂ 233	93-20 / 21+	4.326	- 06	68) NYM WTI Crd	13:08 d 90.680 +0.520
49) 3 ³ / ₈ 533	97-18+ / 19+	4.319	- 06	69) Gold	13:18 1925.155 +14.360
50) 3 ⁷ / ₈ 833 10YR	96-15 / 15+	4.314	- 07	70) Global Agg	09/14 443.735 -0.204
51) 4 ³ / ₈ 843 20YR	97-08+ / 09+	4.583	- 08+	71) US Agg	09/14 2059.000 -3.373
52) WI 20YR	4.585 / 4.580		+0.020	72) US Treasury	09/14 2183.841 -4.761