



Agenda Date: 10/04/12
Agenda Item: 2A

STATE OF NEW JERSEY
Board of Public Utilities
44 South Clinton Avenue, 9th Floor
Post Office Box 350
Trenton, NJ 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)	APPROVING STIPULATION
REVIEW AND REVISION OF ITS BASIC GAS SUPPLY)	FOR PROVISIONAL RATES
SERVICE (BGSS) AND CONSERVATION INCENTIVE)	
PROGRAM (CIP) FACTORS FOR FISCAL YEAR 2013)	DOCKET NO. GR12060472

Parties of Record:

Tracey Thayer, Esq. for New Jersey Natural Gas Company
Stefanie A. Brand, Esq., Director, New Jersey Division of Rate Counsel

BY THE BOARD:

Per the generic Order of the New Jersey Board of Public Utilities ("Board") dated January 6, 2003, in Docket No. GX01050304 ("January Order"), each of New Jersey's four gas distribution companies ("GDCs") is directed to submit to the Board by June 1 its annual Basic Gas Supply Service ("BGSS") cost filing for the BGSS year beginning October 1. In addition, the January Order authorizes each GDC to a.) self-implement up to a 5% BGSS increase effective December 1 of the current year and February 1 of the following year with one month's advance notice to the Board and the Division of Rate Counsel ("Rate Counsel"); and b.) implement a decrease in its BGSS rate at any time during the year upon five days' notice to the Board and Rate Counsel.

In accordance with the January Order, on June 1, 2012, New Jersey Natural Gas Company ("Company," or "NJNG") filed with the Board its annual BGSS petition ("Petition") to establish new rates for the BGSS year of October 1, 2012 through September 30, 2013.

The Company projects an under-recovered BGSS balance at the end of the current BGSS year (September 30, 2012) of \$13.4 million, decreasing to a more moderate under-recovered balance of \$6.533 million by September 30, 2013.

The Company proposes to maintain its after-tax periodic BGSS billing factor for residential and small commercial customer sales customers at its current level of \$0.6681 per therm, and, as market conditions change, the Company will consider the utilization of bill credits, refunds, and

self-implemented BGSS price adjustments to manage any projected over/under recoveries through September 2013.

The Company is also proposing to increase its after-tax balancing charge by \$0.0054 per therm, from \$0.0844 to \$0.0898, to reflect up-dated costs. Supply imbalances occur when transportation customers use more or less gas than the amount they agreed to take from a third party supplier. The balancing charge represents the cost to NJNG's transportation customers for NJNG providing gas from its BGSS portfolio to adjust for transportation customers' over/under consumption. All balancing charge revenues from transportation customers are credited to the BGSS. For sales customers, the balancing charge is included as a component of the delivery charge and deducted from the BGSS charge in order to provide a BGSS "Price-to-Compare." There is no balancing charge related impact on sales customers' bills, as the balancing charge is deducted from the BGSS price and added to the delivery price.

The Petition also includes a Conservation Incentive Program ("CIP")¹ proposal seeking approval of the following changes to its after-tax per therm CIP factors effective October 1, 2012:

Filed For After-Tax CIP Rates Compared to Existing					
Group	Group Description	Per Therm			
		Proposed Charge	Existing Charge	Increase (Decrease)	
				\$	%
I	Residential Non-Heat	\$0.0152	\$0.0255	(\$0.0103)	(40.39)
II	Residential Heat	\$0.0352	\$0.0066	\$0.0286	433.33
III	General Service - Small	\$0.0850	\$0.0464	\$0.0386	83.19
IV	General Service - Large	\$0.0681	\$0.0391	\$0.0290	74.17

These CIP rate-changes for the CIP year of October 1, 2012 through September 30, 2013 are estimated to generate a net increase in NJNG's CIP revenues of \$17.80 million (\$16.64 million pre-tax) to NJNG, comprised of the following elements:

	CIP (\$000)			Prior Period (Over) Recovery (\$000)	Total CIP Increase to be Recovered (\$000)
	Non-Weather	Weather	Total		
Group I - Res. No Heat	\$103	\$0	\$103	(\$58)	\$0.05
Group II - Res. Heat	\$7,347	\$22,351	\$29,697	(\$15,117)	\$14.61
Group III - G. S. Small	\$1,718	\$1,544	\$3,263	(\$687)	\$2.58
Group IV - G.S. Large	\$5,332	\$4,529	\$9,861	(\$1,367)	\$8.51
Total	\$14,500	\$28,424	\$42,924	(\$17,229)	\$25.75
Projected CIP at Current Rates					(\$9.11)
Difference Excl. SUT					\$16.64
Difference Incl. SUT					\$17.80

¹ The CIP was approved by the Board in Docket No. GR05120120 in Board Orders dated October 12 and December 12, 2006 ("CIP Order"). The CIP encourages the Company to foster customer conservation by allowing it to share in energy related savings due to 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.

The Company's proposal, if approved, would translate into an increase of approximately \$2.86 (2.4%) for the Residential Heat customer using 100 therms per month, and \$28.60 (2.4%) using 1,000 therms for the year.

Pursuant to the Board's October 12, 2006 and January 20, 2010 Orders in Docket Nos. GR05121020, any non-weather related CIP surcharges must be offset by reductions in BGSS related costs. Based on the Company's filing, after adjusting for the warmer than normal weather for the period October 2011 through May 2012, the non-weather CIP value to be recovered in the current year is \$14.5 million. As this amount is less than the NJNG released capacity savings of \$14.9 million, the Company maintains that it has met the BGSS savings test. In addition, as the Company's estimated year-ending September 30, 2012 return on equity of 9.89% is less than the 10.3% ceiling, the Company maintains that it is entitled to recover its weather and non-weather margin CIP deficiency of \$42.9 million.

The following table identifies by customer group the proposed net \$17.8 million revenue increase for the BGSS/CIP year beginning October 1, 2012:

Customer Categories		CIP Recoveries [\$Millions]		
Group	Group Description	At Proposed Rates	At Current Rates	Change
I	Residential Non-Heat	\$0.05	\$0.08	(\$0.03)
II	Residential Heat	\$15.63	\$2.93	\$12.70
III	General Service - Small	\$2.76	\$1.51	\$1.25
IV	General Service - Large	\$9.11	\$5.23	\$3.88
		\$27.55	\$9.75	\$17.80

After publication of notice in newspapers in general circulation in the Company's service territory, on July 27 and August 8, 2012, public hearings in this matter were held in Freehold and Rockaway, respectively. No members of the public appeared at either of the hearings.

THE STIPULATION²

Following a review by, and subsequent discussions among, representatives of NJNG, Rate Counsel and Board Staff (collectively, "the Parties") determined that additional time is needed to complete a comprehensive review of NJNG's proposed BGSS, CIP and balancing charge rates. However, as indicated in a stipulation signed by the Parties on September 17, 2012 ("Stipulation"), they also agreed that approval of the proposed rates on a provisional basis subject to refund with interest is reasonable at this time.

The Parties recommend that the following proposed after-tax rates be made effective as of October 1, 2012, or as of such a date that the Board so decides, on a provisional basis, subject to refund with interest, an opportunity for a full review at the Office of Administrative Law, if necessary, and final approval by the Board:

² Although summarized in this Order, the detailed terms of the stipulation control, subject to the findings and conclusions of this Order.

	After-Tax Rates Per Therm	
	Proposed	Existing
BGSS	\$0.6681	\$0.6681
Balancing Charge Rate	\$0.0898	\$0.0844
CIP:		
Residential- Non-Heat	\$0.0152	\$0.0255
Residential- Heat	\$0.0352	\$0.0066
Commercial- Small	\$0.0850	\$0.0464
Commercial- Large	\$0.0681	\$0.0391

The Company agrees to continue to provide electronically to the Parties in this proceeding, on a monthly basis, the following updated information: 1) the BGSS NYMEX Update Report attached to the Stipulation as Exhibit B, and 2) a monthly report reflecting the calculation of net gas cost per therm, attached to the Stipulation as Exhibit C. The chart reflected on Exhibit B is to be completed using information from the first Friday of the month and submitted to the Parties the following Tuesday. The chart reflected on Exhibit C is to be submitted to the Parties on approximately the 15th of the following month.

The Company will provide up-dated tariff sheets reflecting the proposed rates and terms agreed to by the Parties in this Stipulation within five business days of the effective date of the Board's Order.

The Parties recommend that the Board transmit this proceeding to the Office of Administrative Law ("OAL") for an opportunity for a full review of all issues in this matter.

DISCUSSION AND FINDINGS

The Board, having reviewed the record to-date in this proceeding and the attached Stipulation, **HEREBY FINDS** that, subject to the terms and conditions set forth below, the Stipulation is reasonable, in the public interest and in accordance with the law.

Accordingly, the Board **HEREBY ADOPTS** the Stipulation as its own, as if fully set forth herein. The Board **HEREBY APPROVES** on a provisional basis, the Company's maintenance of its after-tax per therm BGSS rate of \$0.6681. The Board **HEREBY APPROVES** on a provisional basis, the Company's implementation of an increase in the Company's after-tax balancing charge to \$0.0898 per therm effective five (5) business days from the date of service of this Order. The Board **HEREBY APPROVES** on a provisional basis, the Company's implementation of the following after-tax per therm CIP rates, also effective five (5) business days from the date of service of this Order: a charge of \$0.0152 for Group I Residential Non-Heat Customers, a charge of \$0.0352 for Group II Residential Heat Customers, a charge of \$0.0850 for Group III General Service - Small Customers, and a charge of \$0.0681 for Group IV General Service – Large Customers. Any net over-recovery on the BGSS and CIP at the end of the BGSS period shall be subject to refund with interest.

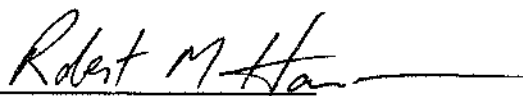
The Company is **HEREBY DIRECTED** to file revised tariff sheets conforming to the terms of this Order within five (5) business days of the date of service of this Order.

The Board HEREBY ORDERS that this matter be transmitted to the OAL for full review and an Initial Decision, and then returned to the Board.

The Company's gas 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 as a result of any such audit.


DATED: 10/4/12

BOARD OF PUBLIC UTILITIES
BY:


ROBERT M. HANNA
PRESIDENT


JEANNE M. FOX
COMMISSIONER

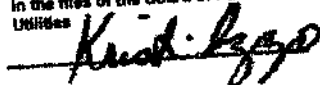

JOSEPH L. FIORDALISO
COMMISSIONER


NICHOLAS ASSELTA
COMMISSIONER


MARY-ANNA HOLDEN
COMMISSIONER

ATTEST: 
KRISTI IZZO
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 Review and Revision of its Conservation
Incentive Program (CIP) Factors for F/Y 2013
Docket No. GR12060472

Sheila DeLucia, Bureau Chief
Board of Public Utilities
44 South Clinton Avenue, 9th Floor
P.O. Box 350
Trenton, New Jersey 08625-0350
sheila.delucia@bpu.state.nj.us

Alex Moreau, DAG
Department of Law & Public Safety
124 Halsey Street, 2nd Floor
P.O. Box 45029
Newark, NJ 07101
alex.moreau@lps.state.nj.us

Veronica Beke, DAG
Department of Law & Public Safety
124 Halsey Street, 2nd Floor
P.O. Box 45029
Newark, NJ 07101
veronica.beke@lps.state.nj.us

Felicia Thomas-Friel, Esq.
Division of Rate Counsel
31 Clinton Street, 11th Floor
P.O. Box 46005
Newark, NJ 07101
ftthomas@rpa.state.nj.us

Robert Schultheis
Board of Public Utilities
44 South Clinton Avenue, 9th Floor
P.O. Box 350
Trenton, NJ 08625
robert.schultheis@bpu.state.nj.us

Sarah Steindel, Esq.
Division of Rate Counsel
31 Clinton Street, 11th Floor
P.O. Box 46005
Newark, NJ 07101
ssteinde@rpa.state.nj.us

Jerome May, Director
Energy Division
Board of Public Utilities
44 South Clinton Avenue, 9th Floor
P.O. Box 350
Trenton, New Jersey 08625-0350
jerome.may@bpu.state.nj.us

Tracey Thayer, Esq.
New Jersey Natural Gas Company
1415 Wyckoff Road
P.O. Box 1464
Wall, NJ 07719
tthayer@njng.com

Babette Tenzer, DAG
Department of Law & Public Safety
124 Halsey Street, 2nd Floor
P.O. Box 45029
Newark, NJ 07101
babette.tenzer@lps.state.nj.us

Stefanie Brand, Esq.
Division of Rate Counsel
31 Clinton Street, 11th Floor
P.O. Box 46005
Newark, NJ 07101
sbrand@rpa.state.nj.us

**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. GR12060472
REVISION OF ITS BASIC GAS SUPPLY)
SERVICE (BGSS) AND ITS)
CONSERVATION INCENTIVE PROGRAM)
(CIP) FACTORS FOR F/Y 2013)
)**

STIPULATION FOR PROVISIONAL RATES

APPEARANCES:

Tracey Thayer, Esq., New Jersey Natural Gas Company for the Petitioner, New Jersey Natural Gas Company

Sarah H. Steindel, Esq. and James W. Glassen, Esq., Assistant Deputy Rate Counsels, New Jersey Division of Rate Counsel (Stefanie Brand, Esq., Director)

Veronica Beke and Alex Moreau, Deputy Attorneys General, for the Staff of the New Jersey Board of Public Utilities (Jeffrey S. Chiesa, Attorney General of New Jersey)

TO: THE NEW JERSEY BOARD OF PUBLIC UTILITIES

BACKGROUND

1. New Jersey Natural Gas Company ("NJNG" or the "Company") filed a petition in Docket No. GR12060472 on June 1, 2012 ("June 1 Filing"), requesting that the New Jersey Board of Public Utilities (the "BPU" or "Board") approve NJNG's annual filing to: 1) maintain the current Basic Gas Supply Service ("BGSS") rates for the period October 1, 2012 through September 30, 2013; 2) approve an increase to the Company's Balancing Charge; and 3) approve the implementation of updated Conservation Incentive Program ("CIP") factors effective

October 1, 2012. The Company also proposed certain enhancements to the current Board-approved capacity release incentive program with no associated rate impact.

2. Specifically, the petition requested that the BPU maintain the current per therm after-tax Periodic BGSS rate of \$0.6681 that is applicable to residential and small commercial customers subject to the Periodic BGSS Pricing Mechanism. As requested by Board Staff, NJNG's filing reflected market conditions as of May 10, 2012 based on a one-year BGSS recovery period. For the October 2012 through September 2013 BGSS year, NJNG's filing included an estimated beginning underrecovery of \$13.4 million and an estimated ending underrecovery of \$6.5 million.

3. The petition also requested a \$0.0054 per therm increase to the NJNG after-tax balancing charge, thereby increasing the per therm after-tax balancing charge from \$0.0844 to \$0.0898 resulting in a \$0.6 million increase to the current estimated annual balancing charge revenue of \$9.7 million from transportation customers. As approved by the Board on October 3, 2008 in BPU Docket No. GR07110889 ("Base Case Order"), NJNG is authorized to adjust its balancing charge in the annual BGSS filing to reflect updated costs. For transportation customers, the balancing charge is a component of the delivery charge and all balancing charge revenues from transportation customers are credited to BGSS. For sales customers, the balancing charge is deducted from the BGSS charge and included as a component of the delivery charge in order to provide a "Price-to-Compare." Since the balancing charge is deducted from the BGSS price and added to the delivery price there is no balancing-related impact on a sales customer's bill.

4. Within the June 1 filing, as authorized by the Board in Docket No. GR05121020, the Company also submitted its annual CIP filing for CIP year 2013, October 1, 2012 through

September 30, 2013, requesting that the BPU approve the implementation of updated CIP factors effective October 1, 2012 resulting in an overall increase of after-tax revenue of approximately \$17.8 million to the current estimated annual CIP revenue of \$9.7 million. The Company is seeking approval for the following changes to its after-tax per therm CIP factors: 1) a decrease of \$0.0103 from the current rate of \$0.0255 for Group I Residential Non-Heat customers resulting in the proposed charge of \$0.0152; 2) an increase of \$0.0286 to the current rate of \$0.0066 resulting in the proposed charge of \$0.0352 for Group II Residential Heat customers; 3) an increase of \$0.0386 to the current charge of \$0.0464 for Group III Small Commercial customers resulting in the proposed charge of \$0.0850; and 4) an increase of \$0.0290 to the current charge of \$0.0391 resulting in the proposed charge of \$0.0681 for Group IV Large Commercial customers, all effective as of October 1, 2012. Pursuant to the Board's October 12, 2006 and January 20, 2010 Orders in Docket No. GR05121020, any non-weather related CIP surcharges must be at least offset by reductions in related BGSS costs. The Company reported total estimated CIP related revenue for CIP year 2012, October 1, 2011 through September 30, 2012 of \$42.9 million with \$28.4 million related to weather and \$14.5 million non-weather related. The Company has identified \$14.9 million in BGSS savings available to offset non-weather related CIP charges for the October 2012 through September 2013 recovery period. The Company further asserts that recovery of the \$42.9 million margin deficiency will not result in a return on equity in excess of 10.3 percent.

5. The changes to the BGSS and CIP rates will result in a requested overall increase of approximately \$2.86 per month, or 2.4 percent, to the average residential heating customer (Group II) using 100 therms per month. The impact to the average residential non-heat customer (Group I) from these requested rate changes will be a decrease of 0.7 percent per month, to the

average small commercial customer (Group III) an increase of 2.9 percent per month, and to the average large commercial customer (Group IV) an increase of 2.9 percent. The above changes result in an overall increase of after-tax revenue resulting from the proposed CIP-related changes of approximately \$17.8 million.

6. The Petition also requested enhancements to the current capacity release incentive program in order to include the following types of additional transactions: Capacity management transactions with counterparties where NJNG receives a reservation charge for the release of capacity to a counterparty; supply transactions with counterparties where NJNG receives a reservation charge for the commitment to purchase supply from a counterparty; and restructuring, including termination, of capacity with various pipelines and storage providers to update NJNG's assets in the most cost effective manner with the value of the reduction being included in the capacity release sharing mechanism.

7. Public hearings on these petitions were held on August 7, 2012 in Freehold Township and on August 8, 2012 in Rockaway Borough. No members of the public appeared at the public hearings.

STIPULATED ISSUES

8. NJNG, Board Staff, and the New Jersey Division of Rate Counsel ("Rate Counsel") (collectively, the "Parties"), the only Parties to these proceedings, have discussed certain matters at issue herein. As a result of those discussions, the Parties have determined that additional time is needed to complete the review of NJNG's proposed BGSS rate, balancing charge, and CIP rates. However, the Parties also agree that maintaining the currently effective BGSS rate, implementing the requested changes to the balancing charge, and implementing the

above modifications to the CIP rates, on a provisional basis and subject to the terms below, would be reasonable at this time.

9. Accordingly, the Parties stipulate and agree that pending the conclusion of any further review and discussions among the Parties, it is both reasonable and in the public interest for the Board to authorize the following: 1) maintain the Company's periodic BGSS rate of \$0.6681 per therm after-tax; 2) increase the Company's balancing charge to \$0.0898 per therm after-tax; and 3) adjust the following CIP rates all on an after-tax basis: \$0.0152 per therm for Group I Residential Non-Heat customers; \$0.0352 per therm for Group II Residential Heat customers; \$0.0850 per therm for Group III Small Commercial customers; and, \$0.0681 per therm for Group IV Large Commercial customers.

10. It is agreed by the Parties that these rates will be effective as of the later of October 1, 2012 or the effective date of the Board Order adopting this Stipulation. These changes are on a provisional basis, subject to refund with interest, an opportunity for a full review at the Office of Administrative Law (OAL), if necessary, and final approval by the Board.

11. This Stipulation represents an overall increase of \$0.0286 per therm after-tax from the rates currently in effect, approximately 2.4 percent, or \$2.86 per month for a typical residential heat sales customer using 100 therms per month. The components of the agreed-upon rates are as follows: BGSS rate has no change and the CIP rate reflects an increase of 2.4 percent. The overall impact to the average residential non-heat sales customer is a decrease of 0.7 percent (\$0.25/month) and to the average small commercial sales customer these changes represent an increase of approximately 2.9 percent (\$3.86/month). The delivery rates for large commercial sales customers are increasing due to the CIP rate change noted above by approximately 2.9 percent or \$34.80/month for a customer using 1200 therms a month. These

rate changes represent an increase in annual after-tax revenue to NJNG of approximately \$17.80 million. Exhibit A to this Stipulation provides the information from the NJNG Petition, Exhibit E in the June 2012 filing, showing the impacts of the agreed-upon rate changes.

12. The Company will submit updated tariff sheets copies of which are attached hereto as Exhibit D, within five (5) business days of the effective date of the Board's Order in this docket conforming to the agreed upon rates and terms set-forth in the above paragraphs. The Company agrees to continue to provide electronically to the Parties in this proceeding, on a monthly basis, the following updated information: 1) the BGSS NYMEX update report (also known as S-NJN Chart-1) attached hereto as Exhibit B; and 2) a monthly report showing the calculation of net cost of gas per therm for the prior month (attached hereto as Exhibit C). The chart included as Exhibit B is to be completed using information from the first Friday of the month and submitted to the Parties the following Tuesday. The chart included as Exhibit C is to be submitted to the Parties on approximately the 15th of the month following the month in which the information is collected.

13. 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(s), 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.

14. The Parties agree that they consider the Stipulation to be binding on them for all purposes herein.


15. 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 recommend that the Board transmit this proceeding to the OAL for an opportunity for a full review of all issues in this matter. 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 hereto do respectfully submit this Stipulation and request that the Board issue a Decision and Order approving it in its entirety, in accordance with the terms hereof, as soon as reasonably possible.

**NEW JERSEY NATURAL GAS
PETITIONER**

By: 
TRACEY THAYER, ESQ.
New Jersey Natural Gas

**DIVISION OF RATE COUNSEL
STEFANIE BRAND, ESQ.
DIRECTOR**

By: 
SARAH H. STEINDEL, ESQ.
ASSISTANT DEPUTY RATE COUNSEL
JAMES W. GLASSEN

**STAFF OF THE NEW JERSEY BOARD OF PUBLIC UTILITIES
JEFFREY S. CHIESA
ATTORNEY GENERAL OF NEW JERSEY**

By: 
ALEX MOREAU
DEPUTY ATTORNEY GENERAL

Date: *September 17, 2012*

New Jersey Natural Gas Company
 Net Impact of Proposed Rate Changes
 BPU Docket No. GR1206
 FY 2013

(\$/therm)

	Current			Proposed		
	Residential Non-Heat	Residential Heat	GSS	Residential Non-Heat	Residential Heat	GSS
Pre-tax Periodic BGSS	\$0.6244	\$0.6244	\$0.6244	\$0.6244	\$0.6244	\$0.6244
After-tax Periodic BGSS	\$0.6681	\$0.6681	\$0.6681	\$0.6681	\$0.6681	\$0.6681
Less: Balancing	(\$0.0844)	(\$0.0844)	(\$0.0844)	(\$0.0898)	(\$0.0898)	(\$0.0898)
BGSS Price To Compare	\$0.5837	\$0.5837	\$0.5837	\$0.5783	\$0.5783	\$0.5783

Impact on Residential Non-Heating Customers

25 therm bill

Current Prices			
Customer Charge		\$8.25	\$8.25
Delivery		\$0.5344	\$13.36
BGSS		\$0.5837	\$14.59
Total		\$1.1181	\$36.20
Proposed prices- effective 10/1/12			
Customer Charge		\$8.25	\$8.25
Delivery		\$0.5295	\$13.24
BGSS		\$0.5783	\$14.46
Total		\$1.1078	\$35.95
Decrease			(\$0.25)
Decrease as a percent			(0.7%)

Impact on Residential Heating Customers

1000 therm annual bill

Current Prices		100 therm bill	bill
Customer Charge		\$8.25	\$99.00
Delivery		\$0.5155	\$515.50
BGSS		\$0.5837	\$583.70
Total		\$1.0992	\$1,198.20
Proposed prices- effective 10/1/12			
Customer Charge		\$8.25	\$99.00
Delivery		\$0.5495	\$549.50
BGSS		\$0.5783	\$578.30
Total		\$1.1278	\$1,226.80
Increase			\$2.86
Increase as a percent			2.4%

Impact on Commercial GSS Customers

100 therm bill

Current Prices			
Customer Charge		\$25.00	\$25.00
Delivery		\$0.5100	\$51.00
BGSS		\$0.5837	\$58.37
Total		\$1.0937	\$134.37
Proposed prices- effective 10/1/12			
Customer Charge		\$25.00	\$25.00
Delivery		\$0.5540	\$55.40
BGSS		\$0.5783	\$57.83
Total		\$1.1323	\$138.23
Increase			\$3.86
Increase as a percent			2.9%

Impact on Commercial G&L Customers

1200 therm bill

Current Prices			
Customer Charge		\$40.00	\$40.00
Demand Charge		\$1.50	\$175.50
Delivery		\$0.4402	\$528.24
BGSS (May 2012)		\$0.3840	\$460.80
Total		\$0.8242	\$1,204.54
Proposed prices- effective 10/1/12			
Customer Charge		\$40.00	\$40.00
Demand Charge		\$1.50	\$175.50
Delivery		\$0.4746	\$569.52
BGSS (May 2012)		\$0.3786	\$454.32
Total		\$0.8532	\$1,239.34
Increase			\$34.80
Increase as a percent			2.9%

**NJNG
BGSS Nymex Update Report
as of 8/3/12**

Month	a		b		c = b - a		d	e	f = d - e	g = c x f
	Nymex 5/10/12	\$	NYMEX 8/3/12	\$	Incr/ (Decr)	% Chg				
Jun-12	\$ 2,487	\$	2,429	\$	(0.058)		995,523	100,000	895,523	\$342,090
Jul-12	\$ 2,569	\$	2,774	\$	0.205		996,810	-	996,810	\$209,330
Aug-12	\$ 2,628	\$	3,010	\$	0.382					
Sep-12	\$ 2,667	\$	2,877	\$	0.210					
Avg Total	\$ 2,588	\$	2,773	\$	0.185	7.1%	1,992,333	100,000	1,892,333	\$551,420
Oct-12	\$ 2,757	\$	2,885	\$	0.128		2,004,354	-	2,004,354	\$256,557
Nov-12	\$ 3,033	\$	3,022	\$	(0.011)		4,128,703	1,293,636	2,835,067	(\$31,186)
Dec-12	\$ 3,374	\$	3,277	\$	(0.097)		7,377,326	6,005,815	1,371,512	(\$133,037)
Jan-13	\$ 3,525	\$	3,409	\$	(0.116)		8,841,181	7,704,888	1,136,293	(\$131,810)
Feb-13	\$ 3,538	\$	3,423	\$	(0.115)		7,449,893	6,671,949	777,943	(\$89,463)
Mar-13	\$ 3,520	\$	3,401	\$	(0.119)		6,004,349	3,934,993	2,069,356	(\$246,253)
Apr-13	\$ 3,500	\$	3,382	\$	(0.118)		3,133,136	-	3,133,136	(\$369,710)
May-13	\$ 3,536	\$	3,410	\$	(0.126)		1,524,990	-	1,524,990	(\$192,149)
Jun-13	\$ 3,584	\$	3,452	\$	(0.132)		1,042,172	-	1,042,172	(\$137,567)
Jul-13	\$ 3,632	\$	3,497	\$	(0.135)		1,053,535	-	1,053,535	(\$142,227)
Aug-13	\$ 3,650	\$	3,520	\$	(0.130)		1,025,883	-	1,025,883	(\$133,365)
Sep-13	\$ 3,653	\$	3,526	\$	(0.127)		1,027,355	-	1,027,355	(\$130,474)
Avg Total	\$ 3,442	\$	3,350	\$	(0.091)	-2.7%	44,612,878	25,611,281	19,001,597	(\$1,480,684)

a: Nymex rate used for annual BGSS periodic rate filing on June 1, 2012

b: Nymex rate as of date of the report

c: Increase/Decrease in the Nymex rate compared to rate used in the 2013 BGSS filing

d: Sales forecast (includes fuel requirement)

e: 'Hedged' volume consists of all fixed price contracts (financial or physical), purchased call option positions, and tentative storage withdrawal volumes (reduced by fuel required for delivery to citygate)

f: 'Unhedged' volume consists of sales volume forecast less 'hedged' volume

g: Not necessarily representative of a change in under/over-recovery value

New Jersey Natural Gas Company
Calculation of Net Cost of Gas Per Therm

	Actual Oct-11	Actual Nov-11	Actual Dec-11	Actual Jan-12	Actual Feb-12	Actual Mar-12	Actual Apr-12	Actual May-12	Actual Jun-12	Actual Jul-12	Actual Aug-12	Actual Sep-12	12 Month Weighted Average
1 NYMEX - 5/10/11 - Included in BGSS Pricing	\$4,4130	\$4,5770	\$4,7920	\$4,9080	\$4,8970	\$4,8370	\$4,7070	\$4,7300	\$4,7690	\$4,8140	\$4,8990	\$4,8460	\$0,2837
2 NYMEX - Actual Settlement	\$3,7590	\$3,5240	\$3,3640	\$3,0840	\$2,6780	\$2,4460	\$2,1910	\$2,0360	\$2,4290	\$0,1451	\$0,1633	\$0,1721	\$0,2573
<u>Breakdown of Gross Cost of Gas Per Therm:</u>													
13 Flowing Gas Cost	\$0,8417	\$0,9274	\$0,2503	\$0,2216	\$0,3400	-\$0,1020	\$0,4518	\$0,0967	\$0,1156	\$0,1451	\$0,1633	\$0,1721	\$0,2837
14 Gas Withdrawn From Storage Cost	\$0,0871	\$0,0205	\$0,3512	\$0,3976	\$0,2415	\$0,7076	\$0,0604	\$0,0017	\$0,0000	\$0,0000	\$0,0000	\$0,0000	\$0,0000
15 Hedged Volumes Delivered Cost	\$0,4412	\$0,2103	\$0,1280	\$0,1005	\$0,1292	\$0,2057	\$0,2733	\$0,7136	\$0,6744	\$0,7147	\$0,7342	\$0,7390	\$0,2494
16 Pipeline Demand Cost	\$0,0115	\$0,0100	\$0,0044	\$0,0218	\$0,0060	\$0,0102	\$0,0096	\$0,0174	\$0,0332	\$0,0171	\$0,0176	\$0,0186	\$0,0125
17 Storage Demand Cost													
18 Peaking Cost													
19 Weighted Average Fuel Cost													
20 Variable Pipeline Cost													
21 Other Costs													
22 Total Gross Cost of Gas Per Therm	\$0,8615	\$1,1689	\$0,7340	\$0,7413	\$0,7168	\$0,7416	\$0,7351	\$0,8293	\$0,8232	\$0,8769	\$0,9150	\$0,9297	\$0,8029
	Actual Oct-10	Actual Nov-10	Actual Dec-10	Actual Jan-11	Actual Feb-11	Actual Mar-11	Actual Apr-11	Actual May-11	Actual Jun-11	Actual Jul-11	Actual Aug-11	Actual Sep-11	Weighted Average
23 NYMEX - Actual Settlement	\$3,8370	\$3,2920	\$4,2670	\$4,2160	\$4,3160	\$3,7930	\$4,2400	\$4,3770	\$4,3260	\$4,3570	\$4,3700	\$3,8570	
<u>Breakdown of Gross Cost of Gas Per Therm:</u>													
24 Flowing Gas Cost	\$0,4406	\$0,4856	\$0,3296	\$0,3734	\$0,4498	\$0,2476	\$0,4573	\$0,2331	\$0,0690	\$0,0105	\$0,0610	\$0,0533	\$0,3479
25 Gas Withdrawn From Storage Cost	\$0,0093	\$0,1626	\$0,4455	\$0,4054	\$0,2958	\$0,4762	\$0,0596	\$0,0368	-\$0,0042	\$0,0000	\$0,0006	\$0,0164	\$0,2998
26 Hedged Volumes Delivered Cost	\$0,4570	\$0,2069	\$0,0967	\$0,0888	\$0,1232	\$0,1513	\$0,2712	\$0,5695	\$0,8312	\$0,8781	\$0,8647	\$0,8378	\$0,2202
27 Pipeline Demand Cost	\$0,0089	\$0,0072	\$0,0044	\$0,0222	\$0,0227	\$0,0064	\$0,0099	\$0,0271	\$0,0370	\$0,0312	\$0,0235	\$0,0288	\$0,0150
28 Storage Demand Cost													
29 Peaking Cost													
30 Weighted Average Fuel Cost													
31 Variable Pipeline Cost													
32 Other Costs													
33 Total Gross Cost of Gas Per Therm	\$0,9157	\$0,8623	\$0,8763	\$0,8949	\$0,8903	\$0,8816	\$0,7980	\$0,8665	\$0,9329	\$0,9197	\$0,9498	\$0,9372	\$0,8629

Footnotes:

- Flowing Gas Cost = Gas purchased for delivery to city gate during month - not injected into storage
- ~ Flowing Gas includes the net effect of WACOG cost accounting.
- Gas Withdrawn From Storage Cost = Gas withdrawn from storage - includes cost of injection, withdrawal fees, line loss
- ~ Withdrawals include NING inventories costs only. Pipeline delivery charges are included in total costs; storage fees are not tracked separately.
- Hedged Volumes Delivered Cost = Hedged Volumes delivered to city gate - not injected into storage
- ~ Nov-Mar storage withdrawals are part of NING's supply hedging; Hedged costs are included in total costs, not tracked separately.
- Pipeline Demand Cost = Fixed Pipeline costs
- Storage Demand Cost = Fixed Storage related costs
- ~ Storage & Transport demand charges are reported as a combined total on the Pipeline Demand Cost row.
- Peaking Cost = Peaking Cost includes peaking services, LNG, Propane, etc.
- Weighted Average Fuel Cost = Commodity x fuel % for each pipeline - represents portion of gas shipped that is retained by pipeline
- ~ Delivery & fuel costs are included in total costs; not tracked separately.
- Variable Pipeline Cost = Pipeline Charge per therm shipped
- ~ Delivery & fuel costs are included in total costs; not tracked separately.

**New Jersey Natural Gas Company
Calculation of Net Cost of Gas Per Therm**

	Actual Oct-11	Actual Nov-11	Actual Dec-11	Actual Jan-12	Actual Feb-12	Actual Mar-12	Actual Apr-12	Actual May-12	Actual Jun-12	Actual Jul-12	Estimate Aug-12	Estimate Sep-12	12 Month Weighted Average
1 Credits, Refunds, & Recoveries Per Therm:													
2 Asset Management Credits	\$0.0231	\$0.0420	\$0.0485	\$0.0394	\$0.0292	\$0.0352	\$0.0087	\$0.0457	\$0.0305	\$0.0140	\$0.0143	\$0.0143	\$0.0339
3 Off-system sales	\$0.0801	\$0.0577	\$0.0304	\$0.0240	\$0.0267	\$0.0492	\$0.0585	\$0.1593	\$0.1450	\$0.1549	\$0.1591	\$0.1538	\$0.0558
4 Capacity release	\$0.0201	\$0.0223	\$0.0182	\$0.0205	\$0.0155	\$0.0168	\$0.0206	\$0.0311	\$0.0229	\$0.0413	\$0.0508	\$0.0483	\$0.0211
5 On System Credits to BGSS-P Customers	\$0.0050	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0038	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0004
6 Supplier Refunds	\$0.0005	\$0.0003	\$0.0001	\$0.0001	\$0.0001	\$0.0002	\$0.0003	\$0.0007	\$0.0009	\$0.0006	\$0.0000	\$0.0000	\$0.0002
7 Gas for Company Use													
8 Line Loss	\$0.0967	\$0.0604	\$0.0747	\$0.0687	\$0.0697	\$0.0656	\$0.0652	\$0.0804	\$0.0857	\$0.0873	\$0.0839	\$0.0914	\$0.0740
9 Transfer to Non BGSS-P Customers	-\$0.0040	-\$1.3156	\$0.3091	\$0.3368	\$0.3247	\$0.1382	-\$0.0209	-\$0.1123	-\$0.0861	-\$0.0450	-\$0.0276	-\$0.0025	\$0.0513
10 Over / Under Recovery & Interest to Customers	\$0.0000	\$1.6167	\$0.0000	\$0.0000	\$0.0000	\$0.0000	-\$0.0350	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000
11 Total Credits, Refunds, & Recoveries per Therm	\$0.2165	\$0.5039	\$0.4920	\$0.4893	\$0.4648	\$0.3060	\$0.0975	\$0.2049	\$0.1988	\$0.2525	\$0.2906	\$0.3053	\$0.2387
12 Total Net Cost Per Therm (Pg. 1 Line 22 - Pg. 2 Line 11)	\$0.6650	\$0.6650	\$0.2520	\$0.2520	\$0.2520	\$0.4385	\$0.6377	\$0.6244	\$0.6244	\$0.6244	\$0.6244	\$0.6244	\$0.5952
13 Credits, Refunds, & Recoveries Per Therm:													
14 Asset Management Credits	\$0.0470	\$0.0560	\$0.0498	\$0.0840	\$0.0847	\$0.0410	\$0.0151	\$0.0252	\$0.0865	\$0.0745	\$0.0630	\$0.0369	\$0.0602
15 Off-system sales	\$0.0437	\$0.0284	\$0.0141	\$0.0097	\$0.0120	\$0.0165	\$0.0344	\$0.0800	\$0.1125	\$0.1248	\$0.1322	\$0.1236	\$0.0281
16 Capacity release	\$0.0299	\$0.0102	\$0.0222	\$0.0184	\$0.0209	\$0.0235	\$0.0207	\$0.0241	\$0.0292	\$0.0311	\$0.0251	\$0.0265	\$0.0210
17 On System Credits to BGSS-P Customers	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000
18 Supplier Refunds	\$0.0005	\$0.0002	\$0.0001	\$0.0003	\$0.0003	\$0.0003	\$0.0004	\$0.0005	\$0.0009	\$0.0010	\$0.0009	\$0.0009	\$0.0003
19 Gas for Company Use													
20 Line Loss	\$0.1026	\$0.0787	\$0.0854	\$0.0778	\$0.0800	\$0.0779	\$0.0853	\$0.1058	\$0.1188	\$0.1096	\$0.1208	\$0.1116	\$0.0863
21 Transfer to Non BGSS-P Customers	-\$0.0879	-\$0.0922	-\$0.0754	-\$0.0753	-\$0.0877	-\$0.0575	-\$0.1378	-\$0.1481	-\$0.1950	-\$0.2013	-\$0.1786	-\$0.1423	-\$0.0922
22 Over / Under Recovery & Interest to Customers													
23 Other	\$0.1357	\$0.0923	\$0.0863	\$0.1149	\$0.1103	\$0.1016	\$0.0180	\$0.0865	\$0.1529	\$0.1397	\$0.1632	\$0.1573	\$0.1027
24 Total Net Cost Per Therm (Pg. 1 Line 33 - Pg. 2 Line 23)	\$0.7800	\$0.7800	\$0.7800	\$0.7800	\$0.7800	\$0.7800	\$0.7800	\$0.7800	\$0.7800	\$0.7800	\$0.7800	\$0.7800	\$0.7801

Footnotes:
 On System Credits to BGSS-P Customers = Intangible Sales, Cogeneration, Electric Plant Transfers, Sayreville, Forked River, Ocean Power, etc...
 Line Loss = Gross Cost of Gas per Therm x Line Loss Percentage
 Indicate that Line 12 equals the projected BGSS-P rate or provide a calculation below that reconciles the two numbers.

NEW JERSEY NATURAL GAS COMPANY

*Thirteenth Revised Sheet No. 51
Superseding Twelfth Revised Sheet No. 51*

BPU No. 8 - Gas

SERVICE CLASSIFICATION - RS

RESIDENTIAL SERVICE

AVAILABILITY

This service is available to any residential Customer in the territory served by the Company using gas for any domestic purpose. This rate is applicable to individually-metered apartments and to rooming and boarding houses where the number of rental bedrooms is not more than twice the number of bedrooms used by the Customer.

Gas delivered under this schedule may not be used for other than domestic purposes except when such use is incidental to domestic use.

CHARACTER OF SERVICE

Firm gas service where Customer may either purchase gas supply from the Company's Rider "A" for Basic Gas Supply Service ("BGSS") or from a Marketer or Broker.

MONTHLY RATES

Customer Charge:

Customer Charge per meter per month	\$8.25
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Delivery Charge:

Residential Heating

Delivery Charge per therm	\$0.5495
---------------------------	----------

Residential Non-Heating

Delivery Charge per therm	\$0.5295
---------------------------	----------

BGSS Charge:

BGSS Charge per therm for Sales Customers	See "Rate Summaries" at the end of this Tariff
-------------------------------------------	------------------------------------------------

These rates are inclusive of all applicable taxes and riders and are subject to adjustment for all other applicable riders, taxes, assessments or similar charges lawfully imposed by the Company. See Rate Summaries at the end of this Tariff for a summary of components incorporated in these rates.

Date of Issue:
Issued by: Mark R. Sperduto, Vice President
Wall, NJ 07719

*Effective for service rendered on
and after October 1, 2012*

NEW JERSEY NATURAL GAS COMPANY

*Eleventh Revised Sheet No. 54
Superseding Tenth Revised Sheet No. 54*

BPU No. 8 - Gas

SERVICE CLASSIFICATION – DGR

DISTRIBUTED GENERATION SERVICE - RESIDENTIAL

AVAILABILITY

This service is available to any residential customer using distributed generation technologies including, but not limited to, microturbines and fuel cells to generate electricity for domestic purposes.

CHARACTER OF SERVICE

Firm gas service where Customer may either purchase gas supply from the Company's Rider "A" for Basic Gas Supply Service ("BGSS") or from a Marketer or Broker.

MONTHLY RATES

Customer Charge:

Customer Charge per meter per month \$8.25

Delivery Charge:

November - April \$0.3791

May - October \$0.3221

BGSS Charge:

BGSS Charge per therm for Sales Customers See "Rate Summaries" at the end of this Tariff

These rates are inclusive of all applicable taxes and riders and are subject to adjustment for all other applicable riders, taxes, assessments or similar charges lawfully imposed by the Company. See Rate Summaries at the end of this Tariff for a summary of components incorporated in these rates.

MINIMUM MONTHLY CHARGE

The minimum monthly charge shall be the Customer Charge. Where service is taken for less than one month, the minimum charge will be prorated.

BALANCING CHARGE ADJUSTMENTS

The Balancing Charge is included in the Delivery Charge and is subject to adjustment in the Company's annual BGSS proceeding. All revenues derived from this Charge will be credited to the BGSS. See Rider "A" for the current Balancing Charge.

Date of Issue:

*Issued by: Mark R. Spurduto, Vice President
Wall, NJ 07719*

*Effective for service rendered on
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NEW JERSEY NATURAL GAS COMPANY

*Thirteenth Revised Sheet No. 56
Superseding Twelfth Revised Sheet No. 56*

BPU No. 8 - Gas

SERVICE CLASSIFICATION – GSS

GENERAL SERVICE - SMALL

AVAILABILITY

This service is available to any Customer in the entire territory served by the Company who uses less than 5,000 therms annually and uses gas for all purposes other than residential service and interruptible service. Where the Customer uses the Cooling, Air Conditioning and Pool Heating service (“CAC”), the Company will, upon application by the Customer, meter the space heating and CAC use separately. Street Lighting Service also will be supplied under this schedule.

CHARACTER OF SERVICE

Firm gas service where Customer may either purchase gas supply from the Company’s Rider “A” for Basic Gas Supply Service (“BGSS”) or from a Marketer or Broker.

MONTHLY RATES

Customer Charge:

Customer Charge per meter per month \$25.00

Delivery Charge:

Delivery Charge per therm \$0.5540

BGSS Charge:

BGSS Charge per therm for Sales Customers See “Rate Summaries” at the end of this Tariff

These rates are inclusive of all applicable taxes and riders and are subject to adjustment for all other applicable riders, taxes, assessments or similar charges lawfully imposed by the Company. See Rate Summaries at the end of this Tariff for a summary of components incorporated in these rates.

MINIMUM MONTHLY CHARGE

The minimum monthly charge shall be the Customer Charge.

Where service is taken for less than one month, the minimum charge will be prorated.

BALANCING CHARGE ADJUSTMENTS

The Balancing Charge is included in the Delivery Charge and is subject to adjustment in the Company's annual BGSS proceeding. All revenues derived from this Charge will be credited to the BGSS. See Rider “A” for the current Balancing Charge.

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Wall, NJ 07719*

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NEW JERSEY NATURAL GAS COMPANY

Thirteenth Revised Sheet No. 59

BPU No. 8 - Gas

Superseding Twelfth Revised Sheet No. 59

SERVICE CLASSIFICATION - GSL

GENERAL SERVICE - LARGE

AVAILABILITY

This service is available to any Customer in the entire territory served by the Company who uses greater than or equal to 5,000 therms annually and uses gas for all purposes other than residential service and interruptible service. Where the Customer uses the Cooling, Air Conditioning and Pool Heating service ("CAC") under Special Provision 1 applicable to customers purchasing gas supply under Rider "A", the Company will, upon application by the Customer, meter the space heating and CAC use separately.

CHARACTER OF SERVICE

Firm gas service where Customer may either purchase gas supply from the Company's Rider "A" for Basic Gas Supply Service ("BGSS") or from a Marketer or Broker.

MONTHLY RATES

Customer Charge:

Customer Charge per meter per month \$40.00

Demand Charge:

Demand Charge per therm applied to HMAD \$1.50

Delivery Charge:

Delivery Charge per therm \$0.4746

BGSS Charge:

BGSS Charge per therm for Sales Customers See "Rate Summaries" at the end of this Tariff

These rates are inclusive of all applicable taxes and riders and are subject to adjustment for all other applicable riders, taxes, assessments or similar charges lawfully imposed by the Company. See Rate Summaries at the end of this Tariff for a summary of components incorporated in these rates.

MINIMUM MONTHLY CHARGE

The minimum monthly charge shall be the Customer Charge and the Demand Charge.

Where service is taken for less than one month, the minimum charge will be prorated.

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Wall, NJ 07719*

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NEW JERSEY NATURAL GAS COMPANY

*Thirteenth Revised Sheet No. 65
Superseding Twelfth Revised Sheet No. 65*

BPU No. 8 - Gas

SERVICE CLASSIFICATION - DGC

DISTRIBUTED GENERATION SERVICE - COMMERCIAL

AVAILABILITY

This service is available to any commercial customer using distributed generation technologies including, but not limited to, microturbines and fuel cells.

CONDITIONS PRECEDENT

If the Customer is served by a Marketer or Broker, the Marketer or Broker assumes the responsibility for all delivery requirements. The Customer also must have clear and marketable title of gas with firm transportation capacity to the Company's distribution systems. If the Company so requests, the Customer must provide such proof. The Customer is responsible for payment of any costs if additional facilities, exclusive of metering facilities, are necessary to provide service. The Company reserves the right to limit new customers served under this service, if it determines that service expansion is detrimental to existing firm customers. The Customer must demonstrate that qualifying electric generation equipment has been installed at its location.

MONTHLY RATES

	<u>DGC-Balancing</u>	<u>DGC-FT</u>
<u>Customer Charge:</u>		
Customer Charge per meter per month	\$40.00	\$40.00
<u>Demand Charge:</u>		
Demand Charge per therm applied to PBQ	\$0.60	\$0.60
<u>Delivery Charge per therm:</u>		
November - April	\$0.2847	\$0.1949
May - October	\$0.2519	\$0.1621

The Delivery Charges for DGC-Balancing above include the Balancing Charge as reflected in Rider "A" of this Tariff for customers whose Marketer or Broker deliver gas on their behalf pursuant to paragraph (1) under Minimum Daily Delivery Volumes section of this Service Classification. For DGC-FT customers whose Marketer or Broker deliver gas on their behalf pursuant to paragraph (2) under Minimum Daily Delivery Volumes section of this Service Classification, the DGC-FT Delivery Charges above exclude the Balancing Charge reflected in Rider "A" of this Tariff.

These rates are inclusive of all applicable taxes and riders and are subject to adjustment for all other applicable riders, taxes, assessments or similar charges lawfully imposed by the Company. See Rate Summaries at the end of this Tariff for a summary of components incorporated in these rates.

MINIMUM MONTHLY CHARGE

The minimum monthly charge shall be the sum of the Customer Charge and the Demand Charge.

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Wall, NJ 07719

*Effective for service rendered on
and after October 1, 2012*

NEW JERSEY NATURAL GAS COMPANY

Tenth Revised Sheet No. 71

BPU No. 8 - Gas

Superseding Ninth Revised Sheet No. 71

SERVICE CLASSIFICATION - FC

FIRM COGENERATION

AVAILABILITY

This service is applicable to commercial and industrial Customers using gas for the sequential production of electrical and/or mechanical energy and useful thermal energy from the same fuel source as defined in Section 201 of The Public Utility Regulatory Policies Act (PURPA) of 1978.

The Customer must 1) certify that the cogeneration facility is approved by FERC as a "Qualifying Facility"; 2) sign a Service Agreement; and 3) be in compliance with the terms of N.J.S.A. 54:30A-50 to receive service under this classification.

CHARACTER OF SERVICE

Firm gas sales or transportation service.

MONTHLY RATES

Customer Charge:

Customer Charge per meter per month \$49.49

Demand Charge:

Demand Charge per therm applied to MDQ \$1.00

Delivery Charge:

Delivery Charge per therm \$0.3078

BGSS Charge:

BGSS Charge per therm for Sales Customers See "Rate Summaries" at the end of this Tariff

These rates are inclusive of all applicable taxes and riders and are subject to adjustment for all other applicable riders, taxes, assessments or similar charges lawfully imposed by the Company. See Rate Summaries at the end of this Tariff for a summary of components incorporated in these rates.

Date of Issue:

*Issued by: Mark R. Sperduto, Vice President
Wall, NJ 07719*

*Effective for service rendered on
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NEW JERSEY NATURAL GAS COMPANY

Fifty-Third Revised Sheet No. 155

BPU No. 8 - Gas

Superseding Fifty-Second Revised Sheet No. 155

RIDER "A"

BASIC GAS SUPPLY SERVICE - BGSS(Continued)

PERIODIC BASIC GAS SUPPLY SERVICE (BGSS) CHARGE¹

<u>CLASS</u>	<u>APPLICATION</u>	<u>CHARGE</u>
RS, GSS, and ED sales customers using less than 5,000 therms annually	Included in the Basic Gas Supply Charge	\$0.6681 per therm

BALANCING CHARGE

<u>CLASS</u>	<u>APPLICATION</u>	<u>CHARGE</u>
RS, GSS, GSL, DGC, ED	Included in the Delivery Charge	\$0.0898 per therm

MONTHLY BASIC GAS SUPPLY SERVICE (BGSS) CHARGE¹

<u>CLASS</u>	<u>APPLICATION</u>
GSL, FC and ED sales customers using 5,000 therms or greater annually	Included in the Basic Gas Supply Charge

<u>Effective Date</u>	<u>Charge Per Therm</u>
September 1, 2011	\$0.6622
October 1, 2011	\$0.6578
November 1, 2011	\$0.6314
December 1, 2011	\$0.6206
January 1, 2012	\$0.5887
February 1, 2012	\$0.5440
March 1, 2012	\$0.5176
April 1, 2012	\$0.4859
May 1, 2012	\$0.4684
June 1, 2012	\$0.5127
July 1, 2012	\$0.5515
August 1, 2012	\$0.5769
September 1, 2012	\$0.5347

¹ For billing purposes, the Periodic BGSS and Monthly BGSS charges are adjusted for Balancing Charges as presented in the Rate Summaries at the end of this Tariff.

Date of Issue:
Issued by: Mark R. Spurduto, Vice President
Wall, NJ 07719

Effective for service rendered on
and after October 1, 2012

NEW JERSEY NATURAL GAS COMPANY

BPU No. 8 - Gas

Eleventh Revised Sheet No. 156
Superseding Tenth Revised Sheet No. 156

RIDER "A"

BASIC GAS SUPPLY SERVICE - BGSS(Continued)

BGSS SAVINGS COMPONENT RELATED TO THE CONSERVATION INCENTIVE PROGRAM (CIP)
IN RIDER "I"

<u>CLASS</u>	<u>APPLICATION</u>	<u>CREDIT</u>
RS, GSS, GSL, FC, and ED sales customers	Embedded within the Periodic Basic Gas Supply Charge and the Monthly Basic Gas Supply Charge	(\$0.0297) per therm

TEMPORARY BGSS RATE CREDIT ADJUSTMENT

<u>CLASS</u>	<u>APPLICATION</u>	<u>CREDIT</u>
RS, GSS, and ED sales customers using less than 5,000 therms annually	Rate Credit Adjustment effective January 1, 2009 through February 28, 2009	(\$0.1996) per therm
RS, GSS, and ED sales customers using less than 5,000 therms annually	Rate Credit Adjustment effective March 1, 2009 through March 31, 2009	(\$0.2510) per therm
RS, GSS, and ED sales customers using less than 5,000 therms annually	Rate Credit Adjustment effective February 1, 2010 through March 31, 2010	(\$0.2745) per therm
RS, GSS, and ED sales customers using less than 5,000 therms annually	Rate Credit Adjustment effective April 1, 2010 through April 30, 2010	(\$0.6572) per therm
RS, GSS, and ED sales customers using less than 5,000 therms annually	Rate Credit Adjustment effective December 1, 2011 through February 29, 2012 and March 15, 2012 through March 31, 2012	(\$0.4419) per therm

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NEW JERSEY NATURAL GAS COMPANY

Fourth Revised Sheet No. 182

BPU No. 8 - Gas

Superseding Third Revised Sheet No. 182

RIDER "I"

CONSERVATION INCENTIVE PROGRAM – CIP (Continued)

The currently effective CIP factor by Customer Class Group are as follows:

Group I (RS non-heating):	\$0.0152
Group II (RS heating):	\$0.0352
Group III (GSS, ED using less than 5,000 therms annually):	\$0.0850
Group IV (GSL, ED using 5,000 therms or greater annually):	\$0.0681

For the recovery of the October 2011 through September 2012 CIP margin deficiency, the recovery of the margin deficiency associated with non-weather related change in customer usage included in the above factors are offset by the BGSS savings component, as set forth in Rider A. The BGSS savings component is embedded within the Periodic BGSS Charge and the Monthly BGSS Charge.

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NEW JERSEY NATURAL GAS COMPANY

BPU No. 8 - Gas

Sixteenth Revised Sheet No. 252
Superseding Fifteenth Revised Sheet No. 252

SUMMARY OF RESIDENTIAL RATE COMPONENTS

Residential Heating Customers

		<u>Bundled Sales</u>	<u>Transport Sales</u>	<u>Reference</u>
<u>Customer Charge</u>				
Customer Charge per meter per month		8.25	8.25	
<u>Delivery Charge ("DEL") per therm</u>				
<i>Transport Rate:</i>				
Pre-tax Base Rate		0.3058	0.3058	
TEFA		0.0125	0.0125	Rider B
SUT		<u>0.0223</u>	<u>0.0223</u>	Rider B
After-tax Base Rate		0.3406	0.3406	
WNC		0.0000	0.0000	Rider D
CIP		0.0352	0.0352	Rider I
EE		0.0127	0.0127	Rider F
CNGC		<u>0.0000</u>	<u>0.0000</u>	Rider G
<i>Total Transport Rate</i>	a	0.3885	0.3885	
<i>Balancing Charge</i>	b	0.0898	0.0898	Rider A
<i>Societal Benefits Charge ("SBC"):</i>				
NJ's Clean Energy		0.0203	0.0203	Rider E
RA		0.0324	0.0324	Rider C
USF		<u>0.0185</u>	<u>0.0185</u>	Rider H
<i>Total SBC</i>	c	<u>0.0712</u>	<u>0.0712</u>	
Delivery Charge (DEL)	a+b+c=d	<u>0.5495</u>	<u>0.5495</u>	
<u>Basic Gas Supply Charge ("BGS")</u>				
Periodic BGSS	e	0.6681	x	Rider A
Less: Balancing	f	<u>0.0898</u>	x	
BGS	e-f=g	<u>0.5783</u>	x	

With the exception of the Customer Charge, these rates are on a per-therm basis.

Customer Charge, DEL rate and BGS rate are presented on customer bills.

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NEW JERSEY NATURAL GAS COMPANY

BPU No. 8 - Gas

Fifteenth Revised Sheet No. 253
Superseding Fourteenth Revised Sheet No. 253

SUMMARY OF RESIDENTIAL RATE COMPONENTS

Residential Non-Heating Customers

		<u>Bundled</u>	<u>Transport</u>	<u>Reference</u>
		<u>Sales</u>	<u>Sales</u>	
<u>Customer Charge</u>				
Customer Charge per meter per month		8.25	8.25	
<u>Delivery Charge ("DEL") per therm</u>				
<i>Transport Rate:</i>				
Pre-tax Base Rate		0.3058	0.3058	
TEFA		0.0125	0.0125	Rider B
SUT		<u>0.0223</u>	<u>0.0223</u>	Rider B
After-tax Base Rate		0.3406	0.3406	
CIP		0.0152	0.0152	Rider I
EE		0.0127	0.0127	Rider F
CNGC		<u>0.0000</u>	<u>0.0000</u>	Rider G
<i>Total Transport Rate</i>	a	0.3685	0.3685	
<i>Balancing Charge</i>	b	0.0898	0.0898	Rider A
<i>Societal Benefits Charge ("SBC"):</i>				
NJ's Clean Energy		0.0203	0.0203	Rider E
RA		0.0324	0.0324	Rider C
USF		<u>0.0185</u>	<u>0.0185</u>	Rider H
<i>Total SBC</i>	c	<u>0.0712</u>	<u>0.0712</u>	
Delivery Charge (DEL)	a+b+c=d	<u>0.5295</u>	<u>0.5295</u>	
<u>Basic Gas Supply Charge ("BGS")</u>				
Periodic BGSS	e	0.6681	x	Rider A
Less: Balancing	f	<u>0.0898</u>	x	
BGS	e-f=g	<u>0.5783</u>	x	

With the exception of the Customer Charge, these rates are on a per-therm basis.

Customer Charge, DEL rate and BGS rate are presented on customer bills.

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NEW JERSEY NATURAL GAS COMPANY

Fourteenth Revised Sheet No. 254

BPU No. 8 - Gas

Superseding Thirteenth Revised Sheet No. 254

SUMMARY OF RESIDENTIAL RATE COMPONENTS

Residential Distributed Generation Service

		Nov - Apr	May - Oct	Reference
<u>Customer Charge</u>				
Customer Charge per meter per month		8.25	8.25	
<u>Delivery Charge ("DEL") per therm</u>				
<i>Transport Rate:</i>				
Pre-tax Base Rate		0.1795	0.1262	
TEFA		0.0125	0.0125	
SUT		<u>0.0134</u>	<u>0.0097</u>	Rider B
After-tax Base Rate		0.2054	0.1484	
EE		<u>0.0127</u>	<u>0.0127</u>	Rider F
<i>Total Transport Rate</i>	a	<i>0.2181</i>	<i>0.1611</i>	
<i>Balancing Charge</i>	b	0.0898	0.0898	Rider A
<i>Societal Benefits Charge ("SBC"):</i>				
NJ's Clean Energy		0.0203	0.0203	Rider E
RA		0.0324	0.0324	Rider C
USF		<u>0.0185</u>	<u>0.0185</u>	Rider H
<i>Total SBC</i>	c	<i>0.0712</i>	<i>0.0712</i>	
Delivery Charge (DEL)	a+b+c=d	<u>0.3791</u>	<u>0.3221</u>	
<u>Basic Gas Supply Charge ("BGS")</u>				
Periodic BGSS	e	0.6681	0.6681	Rider A
Less: Balancing	f	<u>0.0898</u>	<u>0.0898</u>	
BGS	e-f=g	<u>0.5783</u>	<u>0.5783</u>	

With the exception of the Customer Charge, these rates are on a per-therm basis.

Customer Charge, DEL rate and BGS rate are presented on customer bills.

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NEW JERSEY NATURAL GAS COMPANY

BPU No. 8 - Gas

Sixteenth Revised Sheet No. 255
Superseding Fifteenth Revised Sheet No. 255

SUMMARY OF FIRM COMMERCIAL RATE COMPONENTS

General Service - Small (GSS)

		<u>Bundled</u> <u>Sales</u>	<u>Transport</u> <u>Sales</u>	<u>Reference</u>
<u>Customer Charge</u>				
Customer Charge per meter per month		25.00	25.00	
<u>Delivery Charge ("DEL") per therm</u>				
<i>Transport Rate:</i>				
Pre-tax Base Rate		0.2649	0.2649	
TEFA		0.0111	0.0111	Rider B
SUT		<u>0.0193</u>	<u>0.0193</u>	Rider B
After-tax Base Rate		0.2953	0.2953	
WNC		0.0000	0.0000	Rider D
CIP		0.0850	0.0850	Rider I
EE		0.0127	0.0127	Rider F
CNGC		<u>0.0000</u>	<u>0.0000</u>	Rider G
<i>Total Transport Rate</i>	a	<i>0.3930</i>	<i>0.3930</i>	
<i>Balancing Charge</i>	b	<i>0.0898</i>	<i>0.0898</i>	Rider A
<i>Societal Benefits Charge ("SBC"):</i>				
NJ's Clean Energy		0.0203	0.0203	Rider E
RA		0.0324	0.0324	Rider C
USF		<u>0.0185</u>	<u>0.0185</u>	Rider H
<i>Total SBC</i>	c	<i><u>0.0712</u></i>	<i><u>0.0712</u></i>	
Delivery Charge (DEL)	a+b+c=d	<u>0.5540</u>	<u>0.5540</u>	
<u>Basic Gas Supply Charge ("BGS")</u>				
Periodic BGSS	e	0.6681	x	Rider A
Less: Balancing	f	<u>0.0898</u>	x	
BGS	e-f=g	<u>0.5783</u>	x	

With the exception of the Customer Charge, these rates are on a per-therm basis.

Customer Charge, DEL rate and BGS rate are presented on customer bills.

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NEW JERSEY NATURAL GAS COMPANY

Sixtieth Revised Sheet No. 256

BPU No. 8 - Gas

Superseding Fifty-Ninth Revised Sheet No. 256

SUMMARY OF FIRM COMMERCIAL RATE COMPONENTS

General Service - Large (GSL)

		<u>Bundled Sales</u>	<u>Transport Sales</u>	<u>Reference</u>
<u>Customer Charge</u>				
Customer Charge per meter per month		40.00	40.00	
<u>Demand Charge</u>				
Demand Charge per month applied to HMAD		1.50	1.50	
<u>Delivery Charge ("DEL") per therm</u>				
<i>Transport Rate:</i>				
Pre-tax Base Rate		0.2080	0.2080	
TEFA		0.0096	0.0096	Rider B
SUT		<u>0.0152</u>	<u>0.0152</u>	Rider B
After-tax Base Rate		0.2328	0.2328	
WNC		0.0000	0.0000	Rider D
CIP		0.0681	0.0681	Rider I
EE		0.0127	0.0127	Rider F
CNGC		<u>0.0000</u>	<u>0.0000</u>	Rider G
<i>Total Transport Rate</i>	a	<u>0.3136</u>	<u>0.3136</u>	
<i>Balancing Charge</i>	b	<u>0.0898</u>	<u>0.0898</u>	Rider A
<i>Societal Benefits Charge ("SBC"):</i>				
NJ's Clean Energy		0.0203	0.0203	Rider E
RA		0.0324	0.0324	Rider C
USF		<u>0.0185</u>	<u>0.0185</u>	Rider H
<i>Total SBC</i>	c	<u>0.0712</u>	<u>0.0712</u>	
Delivery Charge (DEL)	a+b+c=d	<u>0.4746</u>	<u>0.4746</u>	
<u>Basic Gas Supply Charge ("BGS")</u>				
Monthly BGSS	e	0.5347	X	Rider A
Less: Balancing	f	<u>0.0898</u>	X	
BGS	e-f=g	<u>0.4449</u>	X	

With the exception of the Customer Charge and Demand charges, these rates are on a per-therm basis.

Customer, Demand, DEL, and BGSS charges are presented on customer bills.

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NEW JERSEY NATURAL GAS COMPANY

Thirteenth Revised Sheet No. 258

BPU No. 8 - Gas

Superseding Twelfth Revised Sheet No. 258

SUMMARY OF FIRM COMMERCIAL RATE COMPONENTS

Commercial Distributed Generation Service

		<u>Nov - Apr</u>	<u>May - Oct</u>	<u>Reference</u>
<u>Customer Charge</u>				
Customer Charge per meter per month		40.00	40.00	
<u>Demand Charge</u>				
Demand Charge per therm per month applied to PBQ		0.60	0.60	
<u>Delivery Charge ("DEL") per therm</u>				
<i>Transport Rate:</i>				
Pre-tax Base Rate		0.0922	0.0616	
TEFA		0.0115	0.0115	
SUT		<u>0.0073</u>	<u>0.0051</u>	Rider B
After-tax Base Rate		0.1110	0.0782	
EE		0.0127	0.0127	Rider F
CNGC		<u>0.0000</u>	<u>0.0000</u>	Rider G
<i>Total Transport Rate</i>	a	<i>0.1237</i>	<i>0.0909</i>	
<i>Societal Benefits Charge ("SBC"):</i>				
NJ's Clean Energy		0.0203	0.0203	Rider E
RA		0.0324	0.0324	Rider C
USF		<u>0.0185</u>	<u>0.0185</u>	Rider H
<i>Total SBC</i>	c	<i><u>0.0712</u></i>	<i><u>0.0712</u></i>	
DGC-FT Delivery Charge (DEL)	a+b=c	0.1949	0.1621	
Balancing Charge	b	<u>0.0898</u>	<u>0.0898</u>	
DGC-Balancing Delivery Charge (DEL)	a+b+c=d	<u>0.2847</u>	<u>0.2519</u>	

The Delivery Charges for DGC-Balancing above include the Balancing Charge as reflected in Rider "A" of this Tariff for customers whose Marketer or Broker deliver gas on their behalf pursuant to paragraph (1) under Minimum Daily Delivery Volumes section of Service Classification DGC. For DGC-FT customers whose Marketer or Broker deliver gas on their behalf pursuant to paragraph (2) under Minimum Daily Delivery Volumes section of Service Classification DGC, the DGC-FT Delivery Charges above exclude the Balancing Charge reflected in Rider "A" of this Tariff.

With the exception of the Customer Charge and Demand Charge, these rates are on a per-therm basis.

Customer Charge, Demand Charge, and DEL rate are presented on customer bills.

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NEW JERSEY NATURAL GAS COMPANY

Fifty-Seventh Revised Sheet No. 259

BPU No. 8 - Gas

Superseding Fifty-Sixth Revised Sheet No. 259

SUMMARY OF FIRM COMMERCIAL RATE COMPONENTS

Firm Cogeneration (FC)

		<u>Sales</u>	<u>Transport</u>	<u>Reference</u>
<u>Customer Charge</u>				
Customer Charge per meter per month		49.49	49.49	
<u>Demand Charge</u>				
Demand Charge per therm per month applied to MDQ		1.00	1.00	
<u>Delivery Charge ("DEL") per therm</u>				
<i>Transport Rate:</i>				
Pre-tax Base Rate		0.1253	0.1253	
SUT		<u>0.0088</u>	<u>0.0088</u>	Rider B
After-tax Base Rate		0.1341	0.1341	
EE		<u>0.0127</u>	<u>0.0127</u>	Rider F
<i>Total Transport Rate</i>	a	<i>0.1468</i>	<i>0.1468</i>	
<i>Balancing Charge</i>	b	<i>0.0898</i>	<i>0.0898</i>	Rider A
<i>Societal Benefits Charge ("SBC"):</i>				
NJ's Clean Energy		0.0203	0.0203	Rider E
RA		0.0324	0.0324	Rider C
USF		<u>0.0185</u>	<u>0.0185</u>	Rider H
<i>Total SBC</i>	c	<i>0.0712</i>	<i>0.0712</i>	
Delivery Charge (DEL)	a+b+c=d	<u>0.3078</u>	<u>0.3078</u>	
<u>Basic Gas Supply Charge ("BGS")</u>				
Monthly BGSS	e	0.5347	X	Rider A
Less: Balancing	f	<u>0.0898</u>	X	
BGS	e-f=g	<u>0.4449</u>	X	

With the exception of the Customer Charge and Demand Charge, these rates are on a per-therm basis.

Customer Charge, Demand Charge, DEL rate and BGS rate are presented on customer bills.

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