



Agenda Date: 9/16/09

Agenda Item: 2H

STATE OF NEW JERSEY

Board of Public Utilities

Two Gateway Center

Newark, NJ 07102

www.nj.gov/bpu/

ENERGY

IN THE MATTER OF THE PETITION OF NEW)	DECISION AND ORDER
JERSEY NATURAL GAS COMPANY FOR THE)	APPROVING STIPULATION
ANNUAL REVIEW AND REVISION OF ITS)	FOR PROVISIONAL RATES
BASIC GAS SUPPLY SERVICE (BGSS), ITS		
CONSERVATION INCENTIVE PROGRAM (CIP))	
FACTORS AND FOR MODIFICATION TO ITS		
WEATHER NORMALIZATION CLAUSE (WNC))	
FACTOR FOR FISCAL YEAR 2010)	DOCKET NO. GR09060432

(SERVICE LIST ATTACHED)

BY THE BOARD:

BACKGROUND

Per the generic Order of the Board of Public Utilities ("Board" or "BPU") dated January 6, 2003, in Docket No. GX01050304 ("January BGSS Order"), each of New Jersey's four gas distribution companies ("GDCs"), by June 1, submits to the Board its annual Basic Gas Supply Service ("BGSS") gas cost filing for the BGSS year beginning October 1. In addition, the January BGSS Order authorizes, with one month's advance notice to the Board and the Department of the Public Advocate, Division of Rate Counsel ("Rate Counsel"), each GDC to self-implement up to a 5% BGSS increase effective December 1 of the current year and February 1 of the following year.

In accordance with the above noted Order, on June 1, 2009, New Jersey Natural Gas Company ("Petitioner" or "Company," or "NJNG") filed its annual Basic Gas Supply Service ("BGSS") petition to establish new BGSS rates for the period October 1, 2009 through September 30, 2010 with the Board. The Company's petition sought to decrease its Periodic BGSS rate applicable to residential and small commercial customers subject to the Periodic BGSS Pricing Mechanism from \$1.1770 per therm to \$0.9095 per therm including taxes, generating a \$121.8 million annual decrease in BGSS revenues to Petitioner based on market conditions as of the filing date. The Company's request translates into a decrease of approximately \$26.75 per month, or approximately 15.7 percent, for the average residential customer using 100 therms per month.

Petitioner also seeks an increase in its balancing charge from \$0.0762 per therm to \$0.0789 per therm including taxes. All balancing charge revenues from transportation customers are credited to 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."

The June 1, 2009 petition also included a Conservation Incentive Program (CIP)¹ proposal that seeks approval of the following changes to its after-tax per therm CIP rates: (a) an increase from a credit of \$0.0265 to a charge of \$0.0435 for Group I Residential Non-Heat customers, (b) a decrease in the charge from \$0.0378 to \$0.0079 for Group II Residential Heat customers, (c) a decrease in the charge from \$0.0424 to \$0.0184 for Group III Small Commercial customers, and (d) a decrease in the charge from \$0.0424 to \$0.0260 for Group IV Large Commercial customers effective as of October 1, 2009. The Company seeks to (1) revise the level of the Company's CIP recovery rates for the CIP year, October 1, 2009 through September 30, 2010 resulting in a \$15.6 million decrease in revenues to NJNG which translates into a decrease of approximately \$2.99 per month or 1.8%, to the average residential heating customer using 100 therms per month and (2) decrease its Weather Normalization Clause ("WNC") rate from \$0.0015 per therm to \$0.0001 per therm including taxes. As proposed the decrease in annual revenue to NJNG is approximately \$0.8 million, which translates into a decrease of \$0.14 per month or 0.08 percent for the average residential heating customer using 100 therms per month.

Pursuant to the Board's October 12, 2006 Order in Docket No. GR05121020, any non-weather related CIP surcharges must be offset by reductions in capacity related BGSS costs. The Company reported total CIP related revenue of \$4.1 million with a \$1.1 million loss in weather related revenue, and \$5.2 million in non-weather related revenue. According to the Company, total reductions in capacity based BGSS costs were \$12.6 million.

As proposed the net annual revenue decrease to the Company from the BGSS decrease, the WNC decrease and the CIP revisions is approximately \$138.2 million (including taxes). The combined proposed changes in the Company's BGSS, CIP, and WNC rates would result in a net decrease of approximately 17.6% or \$29.88 per month after tax to the total bill of an average residential heating customer utilizing 100 therms per month.

On August 10, 11, and 17, 2009, public hearings in this matter were presided over by a Board appointed hearing officer in Rockaway, Freehold, and Toms River, New Jersey. The public notice also advised customers that the Board's January BGSS Order granted the Company the discretion to self-implement an increase in its BGSS rates to be effective December 1st of this year and/or February 1st of next year after prior notice to the Board and Rate Counsel, with each increase capped at 5% of the total NJNG residential bill. The public notice also stated that the Company is permitted to decrease its BGSS rate at any time upon two weeks notice to the Board and Rate Counsel. No members of the public appeared at any of the hearings to provide comments related to the Company's request to decrease its periodic BGSS rates, revise its CIP rates, and decrease its WNC rates.

¹The CIP was approved by the Board in Docket No. GR05120120 in Board Orders dated October 12, 2006 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. The CIP surcharge is also subject to a ROE cap of 10.5%.

THE STIPULATION

Following a review by, and subsequent discussions among representatives of NJNG, Rate Counsel, and Board Staff, the only parties to this proceeding at this time (collectively, "the Parties"), entered into the attached Stipulation for Provisional BGSS, CIP and WNC Rates ("Stipulation") dated September 4, 2009. The attached Stipulation for Provisional Rates solely addresses establishing new provisional BGSS, CIP, and WNC rates for the Company. As stated in the Stipulation, the Parties recognize that additional time is needed to allow for a complete review of the Company's 2009 BGSS, CIP, and WNC filing. During discussions it was determined that, based on current natural gas market conditions, a further decrease in BGSS rates is possible. The Parties recommend that, pending their review and a final determination by the Board, the Board should authorize on a provisional basis, subject to refund and interest on any net over-recovered BGSS balance, a decrease in the Company's BGSS rates, a revision of its CIP rates, an increase in its balancing charge, and a decrease in its WNC rates, effective for service rendered in and after September 16, 2009. The Stipulation provides for BGSS/CIP/WNC rates that would produce a net decrease in the Company's annual revenue in the amount of approximately \$150.4 million.

The key provisions of the Stipulation are as follows:

- 1) The Parties have determined that additional time is needed to complete the review of NJNG's proposed BGSS rate, CIP rates, WNC rate, and related issues. However, the Parties also agree that the implementation of the most recently proposed BGSS price decrease, the proposed CIP rates, proposed balancing charge and proposed WNC rate decrease on a provisional basis, are reasonable at this time.
- 2) The Parties stipulate and agree that pending the conclusion of any further review and discussions among the Parties, it would be both reasonable and in the public interest for the Board to authorize the following:
 - a) a decrease in the periodic BGSS rate to \$0.8828 per therm including taxes,
 - b) an increase to \$0.0789 per therm including taxes in the Company's balancing charge
 - c) the implementation of the filed for CIP rates, on a per therm after tax basis, of a charge of \$0.0435 for Group I Residential Non-Heat Customers, a charge of \$0.0079 for Group II Residential Heat Customers, a charge of \$0.0184 for Group III General Service - Small Customers, and a charge of \$0.0260 for Group IV General Service - Large Customers; and
 - d) the filed for decrease in the WNC rate to \$0.0001 per therm including taxes

The BGSS, CIP, and WNC price changes would be charged on a provisional basis, subject to refund with interest on any net BGSS over-recovery, an opportunity for a full review at the Office of Administrative Law ("OAL"), if necessary, and final approval by the Board. The stipulated change represents an overall decrease from current rates of approximately 19.0% or \$32.55 per month, for a typical residential sales service customer using 100 therms per month. This action will lead to a decrease in annual revenue to NJNG of approximately \$150.4 million.

DISCUSSION AND FINDING

The Board, having carefully 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 implementation of a decrease in the Company's after-tax per-therm BGSS rate to \$0.8828 effective as of the date of this Order. The Board HEREBY APPROVES on a provisional basis, the Company's implementation of an increase in the Company's pre tax balancing charge to \$0.0737 per therm. The Board HEREBY APPROVES on a provisional basis, the Company's implementation of after-tax per-therm CIP rates of a charge of \$0.0435 for Group I Residential Non-Heat Customers, a charge of \$0.0079 for Group II Residential Heat Customers, a charge of \$0.0184 for Group III General Service - Small Customers, and a charge of \$0.0260 for Group IV General Service - Large Customers, effective October 1, 2009. The Board HEREBY APPROVES on a provisional basis, the Company's implementation of a decrease in the Company's after-tax per-therm WNC rate to \$0.0001 effective October 1, 2009. Any net over-recovery on the BGSS at the end of the BGSS period shall be subject to refund with interest.


The Board HEREBY ACCEPTS the revised tariff sheets as conforming to the agreement of the Parties to be effective for service rendered on and after the date of this Order.

The Board HEREBY ORDERS that this docketed matter be transmitted to the OAL for review, and evidentiary hearings if necessary.

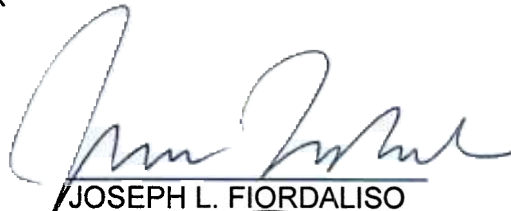
The Company's gas costs will remain subject to audit by the Board. This decision and Order shall not preclude nor prohibit the Board from taking any actions determined to be appropriate as a result of any such audit.


DATED: 9/16/09

BOARD OF PUBLIC UTILITIES
BY:


JEANNE M. FOX
PRESIDENT


FREDERICK F. BUTLER
COMMISSIONER


JOSEPH L. FIORDALISO
COMMISSIONER

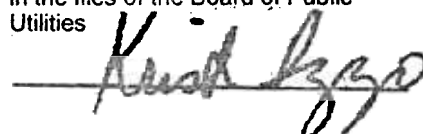

NICHOLAS ASSELTA
COMMISSIONER


ELIZABETH RANDALL
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 Approval of Its Basic Gas Supply
Service (BGSS), Its Conservation Incentive Program
(CIP) Factors, And for Modification to its Weather Normalization Clause (WNC)
Factor, for Fiscal Year 2010 Docket No. GR09060432

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**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. GR09060432
REVISION OF ITS BASIC GAS SUPPLY)
SERVICE (BGSS) AND ITS
CONSERVATION INCENTIVE PROGRAM)
(CIP) FACTORS AND FOR)
MODIFICATION TO ITS WEATHER)
NORMALIZATION CLAUSE (WNC)
FACTOR FOR F/Y 2010**

STIPULATION FOR PROVISIONAL BGSS, CIP AND WNC RATES

APPEARANCES:

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

Judith B. Appel, Esq. and Henry M. Ogden, Esq., Assistant Deputy Public Advocates, Department of the Public Advocate, Division of Rate Counsel (Ronald K. Chen, Esq., Public Advocate, Stefanie A. Brand, Esq., Director)

Alex Moreau, Deputy Attorney General, for the Staff of the New Jersey Board of Public Utilities (Anne Milgram, Attorney General of New Jersey)

TO: THE NEW JERSEY BOARD OF PUBLIC UTILITIES

BACKGROUND

New Jersey Natural Gas Company ("NJNG" or the "Company") filed a petition in Docket No. GR09060432 on June , 2009 ("June Filing"), requesting that the New Jersey Board of Public Utilities ("BPU" or the "Board") approve NJNG's annual filing to establish new Basic Gas Supply Service ("BGSS") rates for the period October 1, 2009 through September 30.

2010, approve the implementation of updated CIP factors, and decrease the WNC rate related to recovery from the 2005-2006 winter period.

2. Specifically, the petition requested that the BPU approve a decrease of \$0.2675 per therm after-tax in NJNG's periodic BGSS rate applicable to residential and small commercial customers subject to the Periodic BGSS Pricing Mechanism, effective October 1, 2009, thereby decreasing NJNG's annual BGSS after-tax rate from \$1 770 per therm to \$0.9095 per therm. This requested change represents a decrease of approximately \$26.75 per month, or 15.7 percent, for the average residential sales heating customer using 100 therms per month. The projection of NJNG's under-/over-recovery of natural gas costs included in the above-mentioned filing was based on market conditions as of the June Filing based on a one-year BGSS recovery period. This proposal would decrease after-tax BGSS revenues by \$121.8 million.

3 The petition also requested a \$0.0027 per therm increase to the NJNG after-tax balancing charge, thereby increasing the per therm after-tax balancing charge from \$0.0762 to \$0.0789. 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. All Balancing Charge revenues from transportation customers are credited to 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."

4. Within the June filing, the Company submitted its annual Conservation Incentive Program ("CIP") filing for CIP year 2010, October 1, 2009 through September 30,

¹ The June 1 filing also included testimony, schedules and data that are responsive to and consistent with the Minimum Filing Requirements (MFRs) for annual BGSS filings, pursuant to the Board's generic BGSS Order in Docket No. GX01050304.

2010, requesting that the BPU approve the implementation of updated CIP factors and the implementation of a decrease in the Company's Weather Normalization Clause ("WNC") rate related to recovery from the 2005-2006 winter period. In this filing, the Company is seeking approval for the following changes to its after-tax per therm CIP factors: (i) an increase from a credit of \$0.0265 to a charge of \$0.0435 for Group I Residential Non-Heat customers, (ii) a decrease in the charge from \$0.0378 to \$0.0079 for Group II Residential Heat customers, (iii) a decrease in the charge from \$0.0424 to \$0.0184 for Group III Small Commercial customers, and (iv) a decrease in the charge from \$0.0424 to \$0.0260 for Group IV Large Commercial customers effective as of October 1, 2009. This proposal will result in an overall after-tax decrease of \$15.6 million to annual CIP-related revenues, which have been offset by reductions in gas costs, as described below. The CIP changes represent a decrease of approximately \$2.99 per month, or 1.8 percent, for the average residential sales heating customer using 100 therms per month. Pursuant to the Board's October 12, 2006 Order in Docket No. GR05121020, any non-weather related CIP surcharges must be at least offset by reductions in capacity related BGSS costs. The Company reported total CIP related revenue of \$4.1 million with (\$1.1) million related to colder than normal weather and \$5.2 million non-weather related. Total reductions in capacity based BGSS costs were \$12.6 million.

5. Additionally, based upon actual and projected volumes of natural gas sold between October 2008 and April 2009 and projected volumes for May 2009 through September 2009, the Company estimated that it will not have collected the authorized funds related to the WNC 2005-2006 Winter Period as of September 30, 2009. Through a proposal to reduce the current WNC factor from \$0.0015 per therm after-tax to \$0.0001 per therm after-tax, the

Company anticipates recovering the remaining WNC balance over the period ending September 30, 2010. This proposal will result in an after-tax decrease in revenue of \$0.8 million

6. The changes to the BGSS, CIP and WNC rates would result in a requested overall decrease of approximately \$29.88 per month, or 7.6 percent, to the average residential heating customer using 100 therms per month. The impact to the average residential non-heat customer from this request would be a decrease of 10.5 percent per month and to the average small commercial customer a decrease of 16.1 percent per month. The resulting overall decrease in annual after-tax revenue resulting from the proposed BGSS decrease, WNC modifications and CIP-related revenues is approximately \$138.2 million.

7. Public hearings on these petitions were held on August 10, 2009 in Rockaway Township, August 11, 2009 in Freehold Borough and in Toms River on August 17, 2009. There were no members of the public in attendance at the public hearings.

STIPULATED ISSUES

8. NJNG, Board Staff, and the Department of the Public Advocate, 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 rates, the proposed balancing charge, the proposed CIP rates, the proposed modification to the WNC factor and other aspects of the Company's BGSS and CIP filings. However, the Parties also agree that the implementation of the decrease to the Company's BGSS prices, the increase to the balancing charge, the modifications to the CIP factors and a decrease to the WNC, on a provisional basis, is reasonable at this time. Additionally, based on the current natural gas markets, NJNG has determined that a further decrease in BGSS rates is possible 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 implementation of a decrease of \$0.2942 in the Company's periodic BGSS rate, thus establishing the rate of \$0.8828 per therm after-tax, an increase of \$0.0027 to the Company's balancing charge, the implementation of the proposed CIP rates all on an after-tax basis as follows: an increase of \$0.07 to the rate for Group I Residential Non-Heat customers, a decrease of \$0.0299 to the rates for Group II Residential Heat customers, a decrease of \$0.0240 to the rates for Group III Small Commercial customers, a decrease of \$.0164 on the rates for Group IV Large Commercial customers and a decrease of \$0.0014 to the WNC factor, effective as of October 1, 2009, or as of such date that the Board so decides. These price changes are on a provisional basis, subject to refund with interest on any net BGSS and/or CIP over-recovery, an opportunity for a full review at the Office of Administrative Law (OAL), if necessary, and final approval by the Board. This Stipulation represents an overall decrease of \$0.3255 per therm after-tax from the rates currently in effect, approximately 19.0 percent, or \$32.55 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 7.2 percent decrease, CIP 1.7 percent decrease and WNC 0.1 percent decrease.² The overall impact to the average residential non-heat sales customer is a decrease of 11.8 percent (\$5.61/month) and to the average small commercial sales customer these changes represent a decrease of approximately 17.4 percent (\$31.96/month). Large commercial sales customers are not affected by changes in the BGSS charge because they are subject to monthly BGSS market pricing for their natural gas supply.

² NJNG rates changed slightly as of August 1, 2009 based upon a Board Order dated July 17, 2009 in Docket Numbers EO09010056 and GO09010057, approving Energy Efficiency Programs and an associated cost recovery mechanism. The impact of that changed the original CIP-related decrease of 1.8 percent to 1.7 percent.

However, delivery rates for these customers are decreasing due to the CIP and WNC rate changes noted above approximately 1.6 percent or \$21.36/month for a customer using 1200 therms a month. These rate changes will lead to a decrease in annual after-tax revenue to NJNG of approximately \$150.4 million. Attachment A to this Stipulation provides an update of Exhibit F from the June filing, showing the impacts of the agreed-upon rate changes.

10. The Company has provided updated tariff sheets reflecting the provisional rates agreed to by the Parties in this Stipulation.

11 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.

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

13. 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, the Board, its 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.

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.

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.

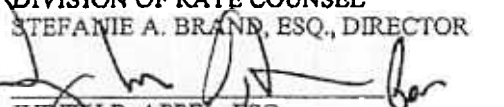
NEW JERSEY NATURAL GAS
PETITIONER

By:


TRACEY THAYER, ESQ.
New Jersey Natural Gas


DEPARTMENT OF THE PUBLIC ADVOCATE
RONALD K. CHEN, ESQ., PUBLIC ADVOCATE
DIVISION OF RATE COUNSEL
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By:


JUDITH B. APPEL, ESQ.
ASSISTANT DEPUTY PUBLIC ADVOCATE

STAFF OF THE NEW JERSEY BOARD OF PUBLIC UTILITIES
ANNE MILGRAM
ATTORNEY GENERAL OF NEW JERSEY

By:


ALEX MOREAU, DAG
DEPUTY ATTORNEY GENERAL

Date:

9/4/09

Updated 8/31/09

New Jersey Natural Gas Company
Net Impact of Proposed Rate Changes
BPU Docket No. GR09060432
F/Y 2010

(\$/therm)

Price Impact for Group I - Residential Non-Heating Customers

	Component of	Current		Proposed		Change	
		Pre-tax	Post-tax	Pre-tax	Post-tax	Pre-tax	Post-tax
BGSS	BGSS	\$1.1000	\$1.1770	\$0.8250	\$0.8828	(\$0.2750)	(\$0.2942)
CIP	Delivery Price	(0.0248)	(0.0265)	0.0407	0.0435	0.0655	0.0700
NET IMPACT		\$1.0752	\$1.1505	\$0.8657	\$0.9263	(\$0.2095)	(\$0.2242)

Price Impact for Group II - Residential Heating Customers

	Component of	Current		Proposed		Change	
		Pre-tax	Post-tax	Pre-tax	Post-tax	Pre-tax	Post-tax
BGSS	BGSS	\$1.1000	\$1.1770	\$0.8250	\$0.8828	(\$0.2750)	(\$0.2942)
CIP	Delivery Price	0.0353	0.0378	0.0074	0.0079	(0.0279)	(0.0299)
WNC	Delivery Price	0.0014	0.0015	0.0001	0.0001	(0.0013)	(0.0014)
NET IMPACT		\$1.1367	\$1.2163	\$0.8325	\$0.8908	(\$0.3042)	(\$0.3255)

Price Impact for Group III - General Service Small Customers

	Component of	Current		Proposed		Change	
		Pre-tax	Post-tax	Pre-tax	Post-tax	Pre-tax	Post-tax
BGSS	BGSS	\$1.1000	\$1.1770	\$0.8250	\$0.8828	(\$0.2750)	(\$0.2942)
CIP	Delivery Price	0.0396	0.0424	0.0172	0.0184	(0.0224)	(0.0240)
WNC	Delivery Price	0.0014	0.0015	0.0001	0.0001	(0.0013)	(0.0014)
NET IMPACT		\$1.1410	\$1.2209	\$0.8423	\$0.9013	(\$0.2987)	(\$0.3196)

Price Impact for Group IV - General Service Large Customers

	Component of	Current		Proposed		Change	
		Pre-tax Changes Monthly	Post-tax	Pre-tax	Post-tax	Pre-tax	Post-tax
BGSS	BGSS						
CIP	Delivery Price	0.0396	0.0424	0.0243	0.0260	(0.0153)	(0.0164)
WNC	Delivery Price	0.0014	0.0015	0.0001	0.0001	(0.0013)	(0.0014)
NET IMPACT		\$0.0410	\$0.0439	\$0.0244	\$0.0261	(\$0.0166)	(\$0.0178)

Projected Annual Therms

BGSS projected annual therms	455,449 (000s)
CIP Group I projected annual therms	3,493 (000s)
CIP Group II projected annual therms	433,659 (000s)
CIP Group III projected annual therms	33,815 (000s)
CIP Group IV projected annual therms	122,810 (000s)
WNC projected annual therms	590,284 (000s)

Projected Annual Post-tax BGSS, CIP, and WNC revenue

	Projected Revenue at Current Rates \$million	Projected Revenue at Proposed Rates \$million	Change \$million
BGSS	\$538.1	\$402.1	(\$134.0)
CIP Group I	(\$0.1)	\$0.2	0.2
CIP Group II	\$16.4	\$3.4	(13.0)
CIP Group III	\$1.4	\$0.6	(0.8)
CIP Group IV	\$5.2	\$3.2	(2.0)
WNC	\$0.9	\$0.1	(0.8)
IMPACT	\$559.9	\$409.5	(\$150.4)

New Jersey Natural Gas Company
Net Impact of Proposed Rate Changes
BPU Docket No. GR09060432
F/Y 2010

Updated 8/24/09

	Current (\$/therm)			Proposed		
	Residential Non-Heat	Residential Heat	GSS	Residential Non-Heat	Residential Heat	GSS
Pre-tax Periodic BGSS	\$1.1000	\$1.1000	\$1.1000	\$0.8250	\$0.8250	\$0.8250
After-tax Periodic BGSS	\$1.1770	\$1.1770	\$1.1770	\$0.8828	\$0.8828	\$0.8828
Less: Balancing	(\$0.0762)	(\$0.0762)	(\$0.0762)	(\$0.0769)	(\$0.0769)	(\$0.0769)
BGSS Price To Compare	\$1.1008	\$1.1008	\$1.1008	\$0.8039	\$0.8039	\$0.8039

<u>Impact on Residential Non-Heating Customers</u>			
		25 therm bill	
Current Prices			
Customer Charge		\$8.25	\$8.25
Delivery		\$0.4641	\$11.60
BGSS		\$1.1008	\$27.52
Total		\$1.5649	\$47.37
Proposed prices- effective 10/1/09			
Customer Charge		\$8.25	\$8.25
Delivery		\$0.5368	\$13.42
BGSS		\$0.8039	\$20.10
Total		\$1.3407	\$41.77
Decrease			(\$5.61)
Decrease as a percent			(11.8%)

<u>Impact on Residential Heating Customers</u>				
		1000 therm annual bill per BPU Report Card		
Current Prices				
Customer Charge		\$8.25	\$8.25	\$99.00
Delivery		\$0.5299	\$52.99	\$529.90
BGSS		\$1.1008	\$110.08	\$1,100.80
Total		\$1.6307	\$171.32	\$1,729.70
Proposed prices- effective 10/1/09				
Customer Charge		\$8.25	\$8.25	\$99.00
Delivery		\$0.5013	\$50.13	\$501.30
BGSS		\$0.8039	\$80.39	\$803.90
Total		\$1.3052	\$138.77	\$1,404.20
Decrease			(\$32.55)	(\$325.50)
Decrease as a percent			(19.0%)	(18.8%)

<u>Impact on Commercial GSS Customers</u>			
		100 therm bill	
Current Prices			
Customer Charge		\$25.00	\$25.00
Delivery		\$0.4852	\$48.52
BGSS		\$1.1008	\$110.08
Total		\$1.5860	\$183.60
Proposed prices- effective 10/1/09			
Customer Charge		\$25.00	\$25.00
Delivery		\$0.4625	\$46.25
BGSS		\$0.8039	\$80.39
Total		\$1.2664	\$151.64
Decrease			(\$31.96)
Decrease as a percent			(17.4%)

<u>Impact on Commercial GSL Customers</u>			
		1200 therm bill	
Current Prices			
Customer Charge		\$40.00	\$40.00
Demand Charge		\$1.50	\$175.50
Delivery		\$0.4270	\$512.40
BGSS (August 2009)		\$0.4977	\$597.24
Total		\$0.9247	\$1,325.14
Proposed prices- effective 10/1/09			
Customer Charge		\$40.00	\$40.00
Demand Charge		\$1.50	\$175.50
Delivery		\$0.4119	\$494.28
BGSS (August 2009)		\$0.4950	\$594.00
Total		\$0.9069	\$1,303.78
Decrease			(\$21.36)
Decrease as a percent			(1.6%)

Updated 8/24/09

**NEW JERSEY NATURAL GAS COMPANY
SUMMARY OF PERIODIC BGSS COMPONENTS
BPU DOCKET NO GR09060432**

**October 1, 2009
through
September 30, 2010
\$000**

ESTIMATED UNDER/(OVER) RECOVERED GAS COSTS AT 10/1/09
(Exhibit B, Schedule 1)

(\$25,914) A

ESTIMATED NET COSTS APPLICABLE TO BGSS
(Exhibit B, Schedule 2a)

\$447,166 B

ESTIMATED ADJUSTMENTS

Interruptible (Sch.4a)	\$0
Sayreville (Sch.4b)	(\$94)
Forked River (Sch.4c)	(\$141)
Transportation(Sch.4d)	(\$1,303)
FRM Program (Sch 4i)	\$0
Storage Incentive (Sch. 4k)	\$0
Off-System Sales (Sch.4e)	(\$17,051)
Capacity Rel. (Sch.4f)	(\$3,032)
Supplier Ref. and Miscellaneous Adj. (Sch.5)	\$20,000
Balancing Credits and Penalty Charges (Sch.4g)	(\$5,970)
Ocean Peaking Power (Sch. 4h)	(\$990)

TOTAL ADJUSTMENTS

(\$8,580) C

ESTIMATED UNDER/(OVER) RECOVERY AT 9/30/2010
(Exhibit B Schedule 1)

(\$16,221) D

A/C Sales Recovery
Monthly BGSS Sales Recovery
ESTIMATED OTHER RECOVERY
(Exhibit B Schedule 2b)

\$204

\$48,931

\$49,134 E

ESTIMATED TOTAL EXCESS COSTS TO BE RECOVERED
(Exhibit B Schedule 2b)

\$379,759 A+B+C-D-E=F

BGSS Sales
A/C Sales {May - Sep}
Monthly BGSS Sales
ESTIMATED PERIODIC BGSS THERM SALES
(Exhibit B Schedule 2b)

524,472

324

63,834

460,314 G

PRE-TAX PERIODIC BGSS FACTOR PER THERM FOR FY2010

\$0.8250 F/G=H

NEW JERSEY NATURAL GAS COMPANY

BPU No. 8 - Gas

***Third Revised Sheet No. 51
Superseding Second Revised Sheet No. 51***

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
-------------------------------------	--------

Delivery Charge:

Residential Heating

Delivery Charge per therm	\$0.5013
---------------------------	----------

Residential Non-Heating

Delivery Charge per therm	\$0.5368
---------------------------	----------

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: August 28, 2009
Issued by: Mark R. Spurduto, Vice President
Wall, NJ 07719***

***Effective for service rendered on
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Docket No. GR09060432***

NEW JERSEY NATURAL GAS COMPANY

BPU No. 8 - Gas

**Third Revised Sheet No. 54
Superseding Second Revised Sheet No. 54**

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 \$0.3736

May - October \$0.3166

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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NEW JERSEY NATURAL GAS COMPANY

BPU No. 8 - Gas

**Third Revised Sheet No. 56
Superseding Second Revised Sheet No. 56**

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 \$0.4625

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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NEW JERSEY NATURAL GAS COMPANY

BPU No. 8 - Gas

Third Revised Sheet No. 59

Superseding Second 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 \$0.4119

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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NEW JERSEY NATURAL GAS COMPANY

BPU No. 8 - Gas

**Third Revised Sheet No. 65
Superseding Second Revised Sheet No. 65**

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

Customer Charge:

Customer Charge per meter per month	\$40.00
-------------------------------------	---------

Demand Charge:

Demand Charge per therm applied to PBQ	\$0.60
--	--------

Delivery Charge:

November - April	\$0.2746
------------------	----------

May - October	\$0.2418
---------------	----------

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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NEW JERSEY NATURAL GAS COMPANY

Third Revised Sheet No. 71

BPU No. 8 - Gas

Superseding Second 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	\$0.2978
---------------------------	----------

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.

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NEW JERSEY NATURAL GAS COMPANY

BPU No. 8 - Gas

Twelfth Revised Sheet No. 155
Superseding Eleventh 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	\$0.8828 per therm

BALANCING CHARGE

<u>CLASS</u>	<u>APPLICATION</u>	<u>CHARGE</u>
RS, GSS, GSL, ED	Included in the Delivery Charge	\$0.0789 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>
October 1, 2008	\$1.0308
November 1, 2008	\$0.9183
December 1, 2008	\$0.9724
January 1, 2009	\$0.8874
February 1, 2009	\$0.7000
March 1, 2009	\$0.6525
April 1, 2009	\$0.6012
May 1, 2009	\$0.5665
June 1, 2009	\$0.5909
July 1, 2009	\$0.6370
August 1, 2009	\$0.5739
September 1, 2009	\$0.5138

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.

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NEW JERSEY NATURAL GAS COMPANY

BPU No. 8 - Gas

**Third Revised Sheet No. 156
Superseding Second 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	(\$0.0260) 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

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NEW JERSEY NATURAL GAS COMPANY

First Revised Sheet No. 169

BPU No. 8 - Gas

Superseding Original Sheet No. 169

RIDER "D"

WEATHER NORMALIZATION CLAUSE (continued)

III. TRACKING THE OPERATION OF THE WEATHER NORMALIZATION CLAUSE

The revenues billed, or credits applied, net of taxes and assessments, through the application of the Weather Normalization Rate shall be accumulated for each month of the Winter Period when this rate is in effect and applied against the margin revenue excess or deficiency from the immediately preceding Winter Period and any cumulative balances remaining from prior Winter Periods.

In accordance with P.L. 1997, c. 162, as amended by P.L. 2006, c. 44, the charges applicable under this Rider include provision for the New Jersey Sales and Use Tax ("SUT") and when billed to customers exempt from this tax, as set forth in Rider "B", shall be reduced by the amount of such tax included therein.

The annual filing for the adjustment to the weather normalization rate shall be concurrent with the annual filing for the Societal Benefits Charge ("SBC"). The WNC factor shall be credited/collected on a basis within the Delivery Charge for all service classifications to which Rider "D" applies.

Applicable to Gas Used
Under Service Classifications
RS Heating, GSS, GSL and ED

\$0.0001

IV. DEGREE DAYS AND CONSUMPTION FACTORS DURING THE TERM OF THE CONSERVATION INCENTIVE PROGRAM (CIP) PILOT

The normal degree days and degree day consumption factors to be used for the calculation of the weather related change in customer usage during the term of the CIP Pilot, included in Rider "I", are set forth below:

Month	Degree Days	Consumption Factors (therms per degree day)		
		Group II-Residential Heating	Group III- GSS	Group IV- GSL
October	291	47,501	4,405	13,070
November	534	62,849	4,224	16,930
December	857	72,822	6,086	18,299
January	963	77,499	6,879	19,152
February	854	71,612	6,918	17,801
March	702	69,254	6,235	17,305
April	393	66,260	4,667	14,840
May	150	53,528	4,010	13,831

The weather related change in customer usage shall be calculated as the difference between actual degree days and these normal degree days multiplied by these consumption factors, and multiplying the result by the margin revenue factors as defined in Rider "I".

NOTE:

SECTION II ABOVE SHALL BE SUSPENDED AS OF OCTOBER 1, 2006. SECTION III ABOVE SHALL BE SUSPENDED UPON COMPLETION OF RECOVERY OF THE WNC MARGIN DEFICIENCY FOR THE 2005-2006 WINTER PERIOD. SUCH SUSPENSIONS SHALL REMAIN IN EFFECT FOR THE DURATION OF THE CONSERVATION INCENTIVE PROGRAM, "RIDER I."

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NEW JERSEY NATURAL GAS COMPANY

BPU No. 8 - Gas

***First Revised Sheet No. 182
Superseding Original 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):	\$0.0435
Group II (RS heating):	\$0.0079
Group III (GSS, ED using less than 5,000 therms annually):	\$0.0184
Group IV (GSL, ED using 5,000 therms or greater annually):	\$0.0260

For the recovery of the October 2008 through September 2009 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

*Third Revised Sheet No. 252
Superseding Second 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		
<u>Delivery Charge ("DEL") per therm</u>				
<i>Transport Rate:</i>				
Pre-tax Base Rate		0.2913	0.2913	
TEFA		0.0167	0.0167	Rider B
SUT		<u>0.0216</u>	<u>0.0216</u>	Rider B
After-tax Base Rate		0.3296	0.3296	
WNC		0.0001	0.0001	Rider D
CIP		0.0079	0.0079	Rider I
EE		<u>0.0127</u>	<u>0.0127</u>	Rider F
<i>Total Transport Rate</i>	a	<i>0.3503</i>	<i>0.3503</i>	
<i>Balancing Charge</i>	b	<i>0.0789</i>	<i>0.0789</i>	Rider A
<i>Societal Benefits Charge ("SBC")</i>				
NJ's Clean Energy		0.0185	0.0185	Rider E
RA		0.0260	0.0260	Rider C
USF		<u>0.0276</u>	<u>0.0276</u>	Rider H
<i>Total SBC</i>	c	<i><u>0.0721</u></i>		
Delivery Charge (DEL)	a+b+c=d	<u>0.5013</u>		
<u>Basic Gas Supply Charge ("BGS")</u>				
Periodic BGSS	e	0.8828	x	Rider A
Less: Balancing	f	<u>0.0789</u>	x	
BGS	e+f=g	<u>0.8039</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

*Third Revised Sheet No. 253
Superseding Second Revised Sheet No. 253*

SUMMARY OF RESIDENTIAL RATE COMPONENTS

Residential Non-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		0.2913	0.2913	
TEFA		0.0167	0.0167	Rider B
SUT		<u>0.0216</u>	<u>0.0216</u>	Rider B
After-tax Base Rate		0.3296	0.3296	
CIP		0.0435	0.0435	Rider I
EE		<u>0.0127</u>	<u>0.0127</u>	Rider F
<i>Total Transport Rate</i>	a	<i>0.3858</i>	<i>0.3858</i>	
<i>Balancing Charge</i>	b	<i>0.0789</i>	<i>0.0789</i>	Rider A
<i>Societal Benefits Charge ("SBC")</i>				
NJ's Clean Energy		0.0185	0.0185	Rider E
RA		0.0260	0.0260	Rider C
USF		<u>0.0276</u>	<u>0.0276</u>	Rider H
<i>Total SBC</i>	c	<i><u>0.0721</u></i>	<i><u>0.0721</u></i>	
Delivery Charge (DEL)	a+b+c=d	<u>0.5368</u>	<u>0.5368</u>	
<u>Basic Gas Supply Charge ("BGS")</u>				
Periodic BGSS	e	0.8828	x	Rider A
Less: Balancing	f	<u>0.0789</u>	x	
BGS	e+f=g	<u>0.8039</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

*Third Revised Sheet No. 254
Superseding Second Revised Sheet No. 254*

SUMMARY OF RESIDENTIAL RATE COMPONENTS

Residential Distributed Generation Service

<u>Customer Charge</u>		<u>Nov - Apr</u>	<u>May - Oct</u>	<u>Reference</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		0.0167	0.0167	
SUT		<u>0.0137</u>	<u>0.0100</u>	Rider B
After-tax Base Rate		0.2099	0.1529	
EE		<u>0.0127</u>	<u>0.0127</u>	Rider F
<i>Total Transport Rate</i>	a	0.2226	0.1656	
<i>Balancing Charge</i>	b	0.0789	0.0789	Rider A
<i>Societal Benefits Charge ("SBC").</i>				
NJ's Clean Energy		0.0185	0.0185	Rider E
RA		0.0260	0.0260	Rider C
USF		<u>0.0276</u>	<u>0.0276</u>	Rider H
<i>Total SBC</i>	c	<u>0.0721</u>	<u>0.0721</u>	
<i>Delivery Charge (DEL)</i>	a+b+c=d	<u>0.3736</u>	<u>0.3166</u>	
<u>Basic Gas Supply Charge ("BGS")</u>				
Periodic BGSS	e	0.8828	0.8828	Rider A
Less: Balancing	f	<u>0.0789</u>	<u>0.0789</u>	
BGS	e+f=g	<u>0.8039</u>	<u>0.8039</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

**Third Revised Sheet No. 255
Superseding Second Revised Sheet No. 255**

SUMMARY OF FIRM COMMERCIAL RATE COMPONENTS

General Service - Small (GSS)

		<u>Bundled Sales</u>	<u>Transport 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		0.2472	0.2472	
TEFA		0.0148	0.0148	Rider B
SUT		<u>0.0183</u>	<u>0.0183</u>	Rider B
After-tax Base Rate		0.2803	0.2803	
WNC		0.0001	0.0001	Rider D
CIP		0.0184	0.0184	Rider I
EE		<u>0.0127</u>	<u>0.0127</u>	Rider F
<i>Total Transport Rate</i>	<i>a</i>	<i>0.3115</i>	<i>0.3115</i>	
<i>Balancing Charge</i>	<i>b</i>	<i>0.0789</i>	<i>0.0789</i>	Rider A
<i>Societal Benefits Charge ("SBC"):</i>				
NJ's Clean Energy		0.0185	0.0185	Rider E
RA		0.0260	0.0260	Rider C
USF		<u>0.0276</u>	<u>0.0276</u>	Rider H
<i>Total SBC</i>	<i>c</i>	<i>0.0721</i>	<i>0.0721</i>	
Delivery Charge (DEL)	a+b+c=d	<u>0.4625</u>	<u>0.4625</u>	
<u>Basic Gas Supply Charge ("BGS")</u>				
Periodic BGSS	<i>e</i>	0.8828	x	Rider A
Less: Balancing	<i>f</i>	<u>0.0789</u>		
BGS	e+f=g	<u>0.8039</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

**Third Revised Sheet No. 258
Superseding Second 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		
<u>Demand Charge</u>				
Demand Charge per therm per month applied to PBQ		0.60	0.60	
<u>Delivery Charge ("DEL") per therm</u>				
Transport Rate:				
Pre-tax Base Rate		0.0883	0.0577	
TEFA		0.0153	0.0153	
SUT		<u>0.0073</u>	<u>0.0051</u>	Rider B
After-tax Base Rate		0.1109	0.0781	
EE		<u>0.0127</u>	<u>0.0127</u>	Rider F
Total Transport Rate	a	0.1236	0.0908	
Balancing Charge	b	0.0789	0.0789	Rider A
Societal Benefits Charge ("SBC").				
NJ's Clean Energy		0.0185	0.0185	Rider E
RA		0.0260	0.0260	Rider C
USF		<u>0.0276</u>	<u>0.0276</u>	Rider H
Total SBC	c	<u>0.0721</u>	<u>0.0721</u>	
Delivery Charge (DEL)	a+b+c=d	<u>0.2746</u>		

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

BPU No. 8 - Gas

Fourteenth Revised Sheet No. 259
Superseding Thirteenth 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		.00	.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
Total Transport Rate	a	0.1468	0.1468	
Balancing Charge	b	0.0789	0.0789	Rider A
<i>Societal Benefits Charge ("SBC").</i>				
NJ's Clean Energy		0.0185	0.0185	Rider E
RA		0.0260	0.0260	Rider C
USF		<u>0.0276</u>	<u>0.0276</u>	Rider H
Total SBC	c	<u>0.0721</u>	<u>0.0721</u>	
Delivery Charge (DEL)	a+b+c=d	<u>0.2978</u>	<u>0.2978</u>	
<u>Basic Gas Supply Charge ("BGS")</u>				
Monthly BGSS	e	0.5138	X	Rider A
Less: Balancing	f	<u>0.0789</u>	X	
BGS	e+f=g	<u>0.4349</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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