



STATE OF NEW JERSEY
Board of Public Utilities
44 South Clinton Avenue, 9th Floor
Post Office Box 350
Trenton, New Jersey 08625-0350
www.nj.gov/bpu

ENERGY

IN THE MATTER OF THE PETITION OF NEW JERSEY)	DECISION AND ORDER
NATURAL GAS COMPANY TO ESTABLISH THE)	
RATES NECESSARY TO RECOVER CAPITAL)	APPROVING STIPULATION
INVESTMENT COSTS ASSOCIATED WITH THE)	FOR PROVISIONAL AIP
ACCELERATED ENERGY INFRASTRUCTURE)	RATES
INVESTMENT PROGRAMS AND FOR APPROVAL OF)	
NECESSARY RELATED CHANGES TO GAS RATES)	
IN THE COMPANY'S TARIFF)	DOCKET NO. GR11060332

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

BY THE BOARD:

In an effort to assist in promoting economic recovery in the State by accelerating planned investment in utility infrastructure, on April 28, 2009, the New Jersey Board of Public Utilities ("Board") issued an Order in Docket No. GR09010052 approving a stipulation that called for the preliminary design and construction of fourteen Accelerated Energy Infrastructure Investment ("AIP") qualifying projects, as well as the cost recovery mechanism proposed by New Jersey Natural Gas ("NJNG" or "the Company").

It was also agreed that a return on the construction costs, estimated at \$70.8 million, be recovered through adjustments to the Company's base rates via two annual filings to be made in June 2010 and June 2011, coincident with but separate from the annual June Basic Gas Supply Service ("BGSS") filings, with rates to be made effective October 1, 2010 and October 1, 2011, respectively. It was also agreed that returns on the AIP spending would be recovered through across-the-board adjustments to customer classes that would impact revenues for each class of service by the same percentage.

On June 1, 2010, NJNG submitted its first annual filing, and on September 16, 2010 the Board provisionally approved a stipulation in which the Company, BPU Staff and the Division of Rate Counsel ("the Parties") agreed on \$4.2 million in revenue recovery, translating to an after-tax increase of \$0.0072 per therm, an increase of approximately 0.5% to the total bill for a typical residential heating customer. The Board ordered the provisional rates "final" on June 15, 2011.¹

¹ In the Matter of the Petition of New Jersey Natural Gas Company to Establish the Rates Necessary to Recover Capital Investment Costs Associated with the Accelerated Energy Infrastructure Program and for Approval of Necessary Related Changes to Gas Rates in the Company's Tariff, GR07110889 and GR10060384

On March 30, 2011, the Board issued an Order in Docket No. GR10100793 approving a stipulation in support of a petition extending AIP rate treatment to an additional nine projects ("AIP II") at an estimated cost of \$60.15 million.

On June 1, 2011, NJNG submitted its petition in Docket No. GR11060332 seeking Board approval to increase rates by \$4.725 million to recover the return on the Company's investments on both the AIP and AIP II programs, based on the estimated remaining AIP construction costs of \$37.5 million, and AIP II program costs through August 2011 of \$6.4 million. The Company is to make an annual filing in October 2012 to accommodate recovery of the remaining AIP II investment costs.

After publication of notices in newspapers of general circulation throughout the Company's service territory, public hearings were held on July 26th and 27th in Rockaway Township and Freehold Township, respectively. No members of the public appeared and commented on the filing.

The Parties determined that additional time is needed to complete a comprehensive review of the Company's proposed AIP-related recovery. However, the Parties also agreed that in keeping with the terms of the Board's April 28, 2009 Order, implementation of an up-dated AIP rate on a provisional basis, subject to refund with interest, is appropriate at this time.

The Parties executed a Stipulation² on Provisional Rates ("Stipulation") dated September 2, 2011 agreeing to the following:

- 1) a base rate change reflecting an increased revenue requirement of \$4.725 million will be allocated to each customer class as identified in Attachment 1, consistent with the rate design approved by the Board in the Company's most recent base rate case³;
- 2) the after-tax base rate will result in an increase of \$0.0083 per therm, an increase of approximately 0.6% to the total bill for the typical residential heating customer;
- 3) the rate change will be effective as of October 1, 2011 or as of such date that the Board so decides;
- 4) the provisional rates are 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;
- 5) the Company has provided up-dated tariff sheets to the Parties reflecting the provisional rates agreed to in the Stipulation.

DISCUSSION AND FINDINGS

The Board FINDS that, subject to the terms and conditions set forth below, the attached 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.

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

³ In the Matter of the Petition of New Jersey Natural Gas Company for Approval of an Increase in Gas Rates, Depreciation Rates for Gas Property, and for Changes in the Tariff for Gas Service Pursuant to N.J.S.A. 48:2-18 and N.J.S.A. 48:2-21 , GR07110889

The Board HEREBY ORDERS that the Company's rates shall be provisionally established as effective October 1, 2011, subject to refund with interest and an opportunity for a full review of the prudence of the incurred costs of the AIP and AIP II projects.

DATED: 9/22/11

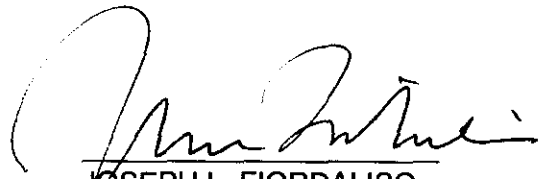
BOARD OF PUBLIC UTILITIES
BY:



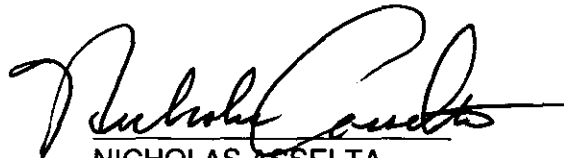
LEE A. SOLOMON
PRESIDENT



JEANNE M. FOX
COMMISSIONER



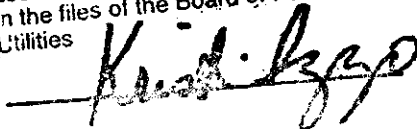
JOSEPH L. FIORDALISO
COMMISSIONER



NICHOLAS ASSELTA
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 to Establish
the Rates Necessary to Recover Capital Investment Costs Associated with
the Accelerated Energy Infrastructure Investment Programs and for Approval of
Necessary Related Changes to Gas Rates in the Company's Tariff
Docket No. GR11060332
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**STATE OF NEW JERSEY
BOARD OF PUBLIC UTILITIES**

**IN THE MATTER OF THE PETITION OF
NEW JERSEY NATURAL GAS COMPANY
TO ESTABLISH THE RATES NECESSARY
TO RECOVER CAPITAL INVESTMENT
COSTS ASSOCIATED WITH THE
ACCELERATED ENERGY
INFRASTRUCTURE INVESTMENT
PROGRAMS AND FOR APPROVAL OF
NECESSARY RELATED CHANGES TO
GAS RATES IN THE COMPANY'S TARIFF**

BPU DOCKET NO. GR11060332

**STIPULATION ON PROVISIONAL
RATES**

APPEARANCES:

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

Sarah H. Steindel, Esq. and Christina Juarez, Esq., Assistant Deputy Rate Counsels, Division of Rate Counsel (**Paul Flanagan**, Litigation Manager)

Alex Moreau and Veronica Beke, Deputy Attorneys General, for the Staff of the New Jersey Board of Public Utilities (**Paula T. Dow**, 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. GR11060332 on June 1, 2011, seeking approval from the New Jersey Board of Public Utilities ("BPU" or the "Board") to establish the rates necessary to recover capital

investment costs associated with the Accelerated Energy Infrastructure Investment Program ("AIP") and for approval of the necessary rate changes to the Company's Tariff, pursuant to N.J.S.A. 48:2-21, 48:2-21.1 and 48:2-23.

2. On January 20, 2009, NJNG filed a petition in Docket Nos. GR09010052 and GR07110889 requesting that the Board approve fourteen capital projects as part of its AIP and simultaneously approve the recovery of the associated investments and costs through NJNG's base rates. NJNG also requested that the filing be considered in conjunction with the most recent NJNG base rate case in which the Board issued an Order on October 3, 2008 (the "October 2008 Order").

3. In the January 20, 2009 filing, NJNG had proposed fourteen projects for inclusion in the AIP, seeking recovery through base rate treatment for those projects that commenced construction no later than December 31, 2010 to be completed no later August 31, 2011. The Company also proposed that the associated AIP costs through August 31, 2011 of approximately \$70.8 million, prior to the capitalization of Allowance for Funds Used During Construction ("AFUDC"), be recovered through two annual adjustments to the Company's base rates, based on filings to be made with the BPU in 2010 and 2011, coincident with but separate from the annual June 1 Basic Gas Supply Service filing with new base rates proposed to be effective in October 2010 and October 2011, respectively (the "Annual Filing"). Through the Annual Filing, NJNG is to seek BPU approval to recover through base rates all prudently incurred costs associated with the Qualifying Projects. Those costs, entitled "Capital Investment Costs," include the actual costs of engineering, design and construction, cost of removal (net of salvage) and property acquisition, including actual labor, materials, overheads and capitalized AFUDC related to the Qualifying Projects.

4. On April 28, 2009, the Board issued an Order (the "April 2009 Order") approving a Stipulation (the "Stipulation") entered into among NJNG, the New Jersey Division of Rate Counsel ("Rate Counsel") and the Staff of the BPU ("Staff") (the "Parties"). That order approved the preliminary design and eventual construction of the 14 AIP projects ("Qualifying Projects") as well as the cost recovery mechanism proposed by NJNG. It was also agreed in the Stipulation that the authorized investments will be recovered through an across the board adjustment to customer classes that will impact natural gas revenues for each class of service by the same percentage, consistent with the October 2008 Order.

5. NJNG filed on October 20, 2010 in docket nos. GR10100793 & GR07110889 to extend the AIP by adding 9 new infrastructure projects with an anticipated investment level, excluding AFUDC, of \$52.2 million ("AIP II"). Following conversations with BPU Staff and Rate Counsel (the "Parties"), NJNG submitted an amended filing on January 24, 2011 that includes 9 infrastructure projects with an expected investment level of \$60.15 million, excluding AFUDC. Those projects are to be started by December 31, 2011 and completed by October 31, 2012 for recovery purposes. The Company's proposal also proposed the same recovery mechanism as that approved for AIP. On March 30, 2011, the Board issued an Order (March 2011 Order) adopting the terms of a Stipulation entered into among the Parties and approving the 9 AIP II infrastructure projects.

6. Pursuant to the April 2009 and the March 2011 Orders, the requested revenue requirement related to AIP and AIP II investments in each of the above-mentioned Annual Filings is to reflect a rate of return calculated as follows: the Company's current CWIP balance associated with the Qualifying Projects as of August, including any previously capitalized AFUDC, and the Company's Qualifying Project plant-in-service investment balance as of August, multiplied by a

Weighted Average Cost of Capital (“WACC”) of 7.76 percent (6.74 percent tax-effected) for AIP and 7.12 percent for AIP II (6.37 percent tax-effected). The WACC for these purposes is based on the Board’s approved rate of return in the October 2008 Order with changes agreed to in the AIP II Stipulation.

7. The AIP and AIP II base rate adjustment will also include depreciation expense for Qualifying Projects placed into service as of August 2010 and August 2011 respectively, on a composite depreciation rate of 2.34 percent, as approved by the Board in the October 2008 Order.

8. On June 1, 2011, NJNG submitted the Annual Filing with the BPU in this docket seeking approval to recover \$4.725 million related to the capital investment costs associated with actual AIP and AIP II investments through April 30, 2011 and estimated investments through August 31, 2011. NJNG will provide an updated revenue requirement based on August 2011 financial information prior to the conclusion of this proceeding. In Schedules 1-14 appended to and made a part of the Petition, NJNG provided the information requested as Minimum Filing Requirements (“MFRs”) in the April 2009 and March 2011 Orders. As proposed, the rate requested would result in an increase of \$0.0083 per therm on a residential customer’s delivery charge, an increase of 0.6 percent to the total bill.

9. Public notice of this filing was provided and four public hearings on the AIP 2011 Rate filing were held on the following dates and locations in the NJNG service territory: two hearings on July 26, 2011, in Rockaway Township and two hearings on July 27, 2011, in Freehold Township. No members of the public appeared at any of the hearings.

10. Representatives of NJNG, Board Staff and Rate Counsel (the “Parties”), the only Parties to this proceeding have determined that additional time is needed to complete the review

of NJNG's proposed AIP 2011 rate. However, the Parties also agree that the implementation of this rate, on a provisional basis, is reasonable at this time.

STIPULATED MATTERS

11. 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 NJNG to implement the proposed base rate change that will reflect both AIP and AIP II investments. Based on information provided, the Parties agree that the base rate change in the amount of \$4.725 million will be allocated to each customer class as identified in Attachment 1, consistent with the rate design approved by the BPU in the October 2008 Order. The effect of the proposed rate will result in an increase of \$0.0083 per therm after tax, an increase of approximately 0.6 percent to the average residential NJNG heating customer.

12. This rate change will be effective as of October 1, 2011, or as of such date that the Board so decides. This rate is being implemented at this time 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. The Parties agree that best efforts will be made to resolve issues in this case, if any, in a reasonable time frame in order to make these rates final as soon as practicable.

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

14. 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.

15. It is the intent of the Parties that the provisions hereof be approved by the Board as being in the public interest. The Parties further agree that they consider the Stipulation to be binding on them for all purposes herein.


16. 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, or 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 and, in total or by specific item. This Stipulation is in no way binding upon them in any other proceeding, except to enforce the terms of this Stipulation.

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.
Director, Regulatory Affairs Counsel

**NEW JERSEY DIVISION OF RATE COUNSEL
PAUL FLANAGAN, LITIGATION MANAGER**

By: 
SARAH H. STEINDEL, ESQ.
Assistant Deputy Rate Counsel

**PAULA T. DOW
ATTORNEY GENERAL OF NEW JERSEY
Attorney for the Staff of the New Jersey Board of Public Utilities**

By: 
ALEX MOREAU
Deputy Attorney General

Date: September 7, 2011

AIP REVENUE REQUIREMENT AS OF AUGUST 2011

	<u>AIP</u>	<u>AIP II</u>	<u>Total</u>
Capital Expenditures - CWIP as of April 2011	\$ 61,272,886	\$ 319,441	\$ 61,592,327
Capital Expenditures - CWIP thru August 2011 (est)	12,592,000	6,094,498	18,686,498
Accumulated Depreciation	(861,121)	-	(861,121)
AFUDC - as of April 2011	1,543,430	-	1,543,430
AFUDC - thru August 2011 (est)	<u>627,445</u>	<u>81,534</u>	<u>708,979</u>
	75,174,640	6,495,474	81,670,114
Deferred Income Tax	<u>(18,872,938)</u>	-	<u>(18,872,938)</u>
	56,301,703	6,495,474	62,797,176
Rate of Return - net	<u>6.74%</u>	<u>6.37%</u>	
	3,794,735	413,762	4,208,496
Depreciation Exp, net	<u>1,018,706</u>	-	<u>1,018,706</u>
	4,813,441	413,762	5,227,203
Revenue Factor	<u>1.7016</u>	<u>1.7016</u>	<u>1.7016</u>
Total Revenue Requirement	<u>\$ 8,190,551</u>	<u>\$ 704,057</u>	<u>\$ 8,894,608</u>
Less: Amount in Base Rates			<u>(4,169,636)</u>
Revenue Requirement			<u>\$ 4,724,972</u>
<u>Depreciation Expense</u>			
Depreciable Balance as of 8/2011	73,600,099		
Depreciation Rate per Board Order	<u>2.34%</u>		
Depreciation Expense	<u>\$ 1,722,242</u>		

**New Jersey Natural Gas Company
Base Revenues at Present and Proposed Rates**

	<u>Billing Units</u>	<u>Present Rates</u>		<u>Proposed Rates</u>		
		<u>Rate</u>	<u>Revenue</u>	<u>Rate</u>	<u>Revenue</u>	<u>Increase</u>
Residential Service						
		<u>RS</u>		<u>RS</u>		
Customer	5,562,581	\$ 7.71	\$ 42,887,500	\$ 7.71	\$ 42,887,500	
Distribution Service						
Residential Sales	422,805,291	\$ 0.2981	\$ 126,038,257	\$ 0.3058	\$ 129,293,858	
Residential Transport	28,255,866	\$ 0.2981	8,423,074	\$ 0.3058	8,640,644	
Subtotal	451,061,157		\$ 177,348,830		\$ 180,822,001	
<u>Adjustments</u>						
Air Conditioning Discount	19,517	\$ (0.2418)	\$ (4,719)	\$ (0.2495)	\$ (4,869)	
Total Class Base Revenues			\$ 177,344,111		\$ 180,817,132	1.96%
General Service - Small						
		<u>GS - Small</u>		<u>GS - Small</u>		
Less than 5,000 Annual Therms						
Customer	321,146	\$ 23.36	\$ 7,501,971	\$ 23.36	\$ 7,501,971	
Distribution Service						
Sales	25,977,035	\$ 0.2555	\$ 6,637,132	\$ 0.2649	\$ 6,881,317	
Transport	7,010,441	\$ 0.2555	1,791,168	\$ 0.2649	1,857,066	
Subtotal	32,987,476		\$ 15,930,271		\$ 16,240,353	1.95%
Total Class Base Revenues			\$ 15,930,271		\$ 16,240,353	1.95%
General Service - Large						
			0.9861			
		<u>GS - Large</u>		<u>GS - Large</u>		
Greater than 5,000 Annual Therms						
Customer	106,176	\$ 37.38	\$ 3,968,859	\$ 37.38	\$ 3,968,859	
Demand	12,742,075	\$ 1.4019	\$ 17,863,115	\$ 1.4019	\$ 17,863,115	
Distribution Service						
Sales	63,271,646	\$ 0.2009	\$ 12,711,274	\$ 0.2080	\$ 13,160,502	
Transport	72,424,651	\$ 0.2009	14,550,112	\$ 0.2080	15,064,327	
Subtotal	135,696,297		\$ 49,093,360		\$ 50,056,804	1.96%
Total Class Base Revenues			\$ 49,093,360		\$ 50,056,804	1.96%

General Service - CAC		CAC		GS - Small	
Less than 5,000 Annual Therms					
Customer	451	\$ 23.36	\$ 10,535	\$ 23.36	\$ 10,535
Distribution Service					
Winter Therms	59,802	\$ 0.2555	\$ 15,279	\$ 0.2649	\$ 15,842
All summer therms	47,736	\$ 0.0563	2,688	\$ 0.0563	<u>2,688</u>
Subtotal	<u>107,538</u>		<u>\$ 28,502</u>		<u>\$ 29,064</u>
Greater than 5,000 Annual Therms					
Customer	312	\$ 37.38	\$ 11,663	\$ 37.38	\$ 11,663
Demand	36,445	\$ 1.4019	\$ 51,092	\$ 1.4019	\$ 51,092
Distribution Service					
Winter Therms	264,133	\$ 0.2009	\$ 53,064	\$ 0.2080	\$ 54,940
All summer therms	96,875	\$ 0.0563	5,454	\$ 0.0563	<u>5,454</u>
Subtotal	<u>361,008</u>		<u>\$ 121,273</u>		<u>\$ 123,149</u>
Total Class Base Revenues			\$ 149,775		\$ 152,213 1.6%

Firm Transportation		FT		FT	
Customer	2,184	\$ 46.73	\$ 102,058	\$ 46.73	\$ 102,058
Demand	1,128,408	\$ 1.2776	\$ 1,441,654	\$ 1.2776	\$ 1,441,654
Distribution Service					
High Load Factor therms	6,148,275	\$ 0.1028	\$ 632,043	\$ 0.1028	\$ 632,043
Low Load Factor therms	5,098,809	\$ 0.1325	675,592	\$ 0.1325	<u>675,592</u>
Total Class Base Revenues	<u>11,247,084</u>		<u>\$ 2,851,347</u>		<u>\$ 2,851,347</u> 0.0%

Distributed Generation - Commercial						
		DGC		DGC		
Customer	48	\$ 37.38	\$ 1,794	\$ 37.38	\$ 1,794	
Demand	195,601	\$ 0.56	\$ 109,537	\$ 0.56	\$ 109,537	
Distribution Service						
Winter therms	1,590,133	\$ 0.0901	\$ 143,271	\$ 0.0922	\$ 146,610	
Summer therms	1,806,870	\$ 0.0595	\$ 107,509	\$ 0.0616	\$ 111,303	
Total Class Base Revenues	3,397,003		\$ 362,111		\$ 369,244	1.97%

TOTAL BASE REVENUES	<u>245,730,975</u>	<u>250,487,093</u>	1.9%
		INCREASE \$ 4,756,118	
		TARGET INCREASE \$ 4,724,972	1.9%
		Difference \$ 31,146	

New Jersey Natural Gas Company
Accelerated Energy Infrastructure Investment Program (AIP I and AIP II)
Net Impact of Proposed Rate Changes
BPU Docket No. GR1106
FY 2012

(\$/therm)

Impact on Residential Non-Heating Customers			
		25 therm bill	
Current Prices			
Customer Charge	\$8.25	\$8.25	
Delivery	\$0.5069	\$12.67	
BGSS	\$0.7460	\$18.65	
Total	\$1.2529	\$39.57	
Proposed prices- effective 10/1/11			
Customer Charge	\$8.25	\$8.25	
Delivery	\$0.5152	\$12.88	
BGSS	\$0.7460	\$18.65	
Total	\$1.2612	\$39.78	
Increase		\$0.21	
Increase as a percent		0.5%	

Impact on Residential Heating Customers			
		100 therm bill	1000 therm annual bill
Current Prices			
Customer Charge	\$8.25	\$8.25	\$99.00
Delivery	\$0.5281	\$52.81	\$528.10
BGSS	\$0.7460	\$74.60	\$746.00
Total	\$1.2741	\$135.66	\$1,373.10
Proposed prices- effective 10/1/11			
Customer Charge	\$8.25	\$8.25	\$99.00
Delivery	\$0.5364	\$53.64	\$536.40
BGSS	\$0.7460	\$74.60	\$746.00
Total	\$1.2824	\$138.49	\$1,381.40
Increase		\$0.83	\$8.30
Increase as a percent		0.8%	0.6%

Impact on Commercial GSS Customers		
		100 therm bill
Current Prices		
Customer Charge	\$25.00	\$25.00
Delivery	\$0.4965	\$49.65
BGSS	\$0.7460	\$74.60
Total	\$1.2425	\$149.25
Proposed prices- effective 10/1/11		
Customer Charge	\$25.00	\$25.00
Delivery	\$0.5066	\$50.66
BGSS	\$0.7460	\$74.60
Total	\$1.2526	\$150.26
Increase		\$1.01
Increase as a percent		0.7%

Impact on Commercial GSI Customers		
		1200 therm bill
Current Prices		
Customer Charge	\$40.00	\$40.00
Demand Charge	\$1.50	\$175.50
Delivery	\$0.4299	\$515.88
BGSS (May 2011)	\$0.6304	\$756.48
Total	\$1.0603	\$1,487.86
Proposed prices- effective 10/1/11		
Customer Charge	\$40.00	\$40.00
Demand Charge	\$1.50	\$175.50
Delivery	\$0.4375	\$525.00
BGSS (May 2011)	\$0.6304	\$756.48
Total	\$1.0679	\$1,496.98
Increase		\$9.12
Increase as a percent		0.6%

NEW JERSEY NATURAL GAS COMPANY

BPU No. 8 - Gas

~~Tenth~~^{Ninth} Revised Sheet No. 51
Superseding ~~Ninth~~^{Eighth} 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 \$0.53640-5284

Residential Non-Heating

Delivery Charge per therm \$0.51520-5069

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: ~~December 10, 2010~~
Issued by: Mark R. Spurduto, Vice President
2011
Wall, NJ 07719

Effective for service rendered on
and after ~~October~~^{January} 1,

Filed pursuant to Order of the Board of Public Utilities entered in
Docket No. GR1106 ~~10040382~~

NEW JERSEY NATURAL GAS COMPANY

BPU No. 8 - Gas

*Tenth Ninth Revised Sheet No. 56
Superseding Ninth Eighth 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 \$0.506604965

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: ~~December 10, 2010~~
Issued by: Mark R. Spurduto, Vice President
2011
Wall, NJ 07719

*Effective for service rendered on
and after October/January 1,*

*Filed pursuant to Order of the Board of Public Utilities entered in
Docket No. GR1106 10060382*

NEW JERSEY NATURAL GAS COMPANY

BPU No. 8 - Gas

~~Tenth~~^{Ninth} Revised Sheet No. 59
~~Superseding Ninth~~^{Eighth} 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 \$0.43750-4299

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.

Date of Issue: ~~December 10, 2010~~
Issued by: ~~Mark R. Sperduto, Vice President~~
2011
Wall, NJ 07719

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

**Filed pursuant to Order of the Board of Public Utilities entered in
Docket No. GR1106 10060382**

NEW JERSEY NATURAL GAS COMPANY

BPU No. 8 - Gas

*Ninth~~Eighth~~ Revised Sheet No. 65
Superseding Eighth~~Seventh~~ 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 ~~\$0.28840~~ 2862

May - October ~~\$0.25570~~ 2534

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.

Date of Issue: ~~October 22, 2010~~
Issued by: Mark R. Spurduto, Vice President
20110
Wall, NJ 07719

*Effective for service rendered on
and after ~~October~~ November 1,*

*Filed pursuant to Order of the Board of Public Utilities entered in
Docket No. GR1106 ~~ER10060436~~*

NEW JERSEY NATURAL GAS COMPANY

BPU No. 8 - Gas

*Tenth Ninth Revised Sheet No. 252
Superseding Ninth Eighth 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		<u>0.30580-2</u> 984	<u>0.30580-2</u> 984	
TEFA		0.0167	0.0167	Rider B
SUT		<u>0.02260-0</u> 220	<u>0.02260-0</u> 220	Rider B
After-tax Base Rate		<u>0.34510-3</u> 368	<u>0.34510-3</u> 368	
WNC		0.0000	0.0000	Rider D
CIP		0.0179	0.0179	Rider I
EE		<u>0.0127</u>	<u>0.0127</u>	Rider F
Total Transport Rate	a	<u>0.37570-3</u> 674	<u>0.37570-3</u> 674	
Balancing Charge	b	0.0886	0.0886	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>0.0194</u>	<u>0.0194</u>	Rider H
Total SBC	c	<u>0.0721</u>	<u>0.0721</u>	
Delivery Charge (DEL)	a+b+c=d	<u>0.53640-5</u> 284	<u>0.53640-5</u> 284	
<u>Basic Gas Supply Charge ("BGS")</u>				
Periodic BGSS	e	0.8346	x	Rider A
Less: Balancing	f	<u>0.0886</u>	x	
BGS	e-f=g	<u>0.7460</u>	x	

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

Date of Issue: *December 10, 2010*
Issued by: *Mark R. Spurduto, Vice President*
2011
Wall, NJ 07719

*Effective for service rendered on
and after October/January 1,*

*Filed pursuant to Order of the Board of Public Utilities entered in
Docket No. GR1106 ~~10060383~~*

NEW JERSEY NATURAL GAS COMPANY

BPU No. 8 - Gas

**~~Tenth~~^{Ninth} Revised Sheet No. 252
~~Superseding Ninth~~^{Superseding} Revised Sheet No. 252**

SUMMARY OF RESIDENTIAL RATE COMPONENTS

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

Date of Issue: *December 10, 2010*
Issued by: *Mark R. Spurduto, Vice President*
2011
Wall, NJ 07719

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

*Filed pursuant to Order of the Board of Public Utilities entered in
Docket No. GR1106 10060382*

NEW JERSEY NATURAL GAS COMPANY

BPU No. 8 - Gas

*~~Ninth~~^{Eighth} Revised Sheet No. 253
Superseding ~~Eighth~~^{Seventh} 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		0.30580-2 984	0.30580-2984	
TEFA		0.0167	0.0167	Rider B
SUT		0.02260-0 220	0.02260-0220	Rider B
After-tax Base Rate		0.34510-3 368	0.34510-3368	
CIP		(0.0033)	(0.0033)	Rider I
EE		<u>0.0127</u>	<u>0.0127</u>	Rider F
<i>Total Transport Rate</i>	a	0.35450-3 462	0.35450-3462	
<i>Balancing Charge</i>	b	0.0886	0.0886	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>0.0194</u>	<u>0.0194</u>	Rider H
<i>Total SBC</i>	c	<u>0.0721</u>	<u>0.0721</u>	
Delivery Charge (DEL)	a+b+c=d	0.51520-5 <u>069</u>	0.51520-5069	
<u>Basic Gas Supply Charge ("BGS")</u>				
Periodic BGSS	e	0.8346	x	Rider A
Less: Balancing	f	<u>0.0886</u>	x	
BGS	e-f=g	<u>0.7460</u>	x	

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

Date of Issue: ~~October 22, 2010~~
Issued by: Mark R. Spurduto, Vice President
20110
Wall, NJ 07719

*Effective for service rendered on
and after ~~October~~^{November} 1,*

Filed pursuant to Order of the Board of Public Utilities entered in
Docket No. GR1106 ER10060436

NEW JERSEY NATURAL GAS COMPANY

BPU No. 8 - Gas

**~~Ninth~~^{Eighth} Revised Sheet No. 253
~~Superseding Eighth~~^{Seventh} Revised Sheet No. 253**

SUMMARY OF RESIDENTIAL RATE COMPONENTS

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

Date of Issue: ~~October 22, 2010~~
Issued by: **Mark R. Sperduto, Vice President**
20110
Wall, NJ 07719

**Effective for service rendered on
and after ~~October~~^{November} 1,**

**Filed pursuant to Order of the Board of Public Utilities entered in
Docket No. GR1106 ER10060436**

NEW JERSEY NATURAL GAS COMPANY

BPU No. 8 - Gas

*Tenth~~Ninth~~ Revised Sheet No. 255
Superseding Ninth~~Eighth~~ 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		0.26490-2 555	0.26490-2555	
TEFA		0.0148	0.0148	Rider B
SUT		0.01960-0 189	0.01960-0189	Rider B
After-tax Base Rate		0.29930-2 892	0.29930-2892	
WNC		0.0000	0.0000	Rider D
CIP		0.0339	0.0339	Rider I
EE		<u>0.0127</u>	<u>0.0127</u>	Rider F
<i>Total Transport Rate</i>	a	0.34590-3 358	0.34590-3358	
<i>Balancing Charge</i>	b	0.0886	0.0886	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>0.0194</u>	<u>0.0194</u>	Rider H
<i>Total SBC</i>	c	<u>0.0721</u>	<u>0.0721</u>	
Delivery Charge (DEL)	a+b+c=d	0.50660-4 <u>965</u>	0.50660-4965	
<u>Basic Gas Supply Charge ("BGS")</u>				
Periodic BGSS	e	0.8346	x	Rider A
Less: Balancing	f	<u>0.0886</u>	x	
BGS	e-f=g	<u>0.7460</u>	x	

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

Date of Issue: *December 10, 2010*
Issued by: *Mark R. Sperduto, Vice President*
 2011
 Wall, NJ 07719

*Effective for service rendered on
and after October/January 1,*

*Filed pursuant to Order of the Board of Public Utilities entered in
Docket No. GR1106 10060382*

NEW JERSEY NATURAL GAS COMPANY

BPU No. 8 - Gas

**~~Tenth~~^{Ninth} Revised Sheet No. 255
~~Superseding Ninth~~^{Superseding} ~~Eight~~^{Revised} Sheet No. 255**

SUMMARY OF FIRM COMMERCIAL RATE COMPONENTS

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

Date of Issue: ~~December 10, 2010~~
Issued by: ~~Mark R. Spurduto, Vice President~~
2011
Wall, NJ 07719

**Effective for service rendered on
and after ~~October~~^{January} 1,**

**Filed pursuant to Order of the Board of Public Utilities entered in
Docket No. GR1106 ~~10060382~~**

NEW JERSEY NATURAL GAS COMPANY

FortiethThirty-Ninth Revised Sheet No. 256

BPU No. 8 - Gas

Superseding Thirty-NinthEighth 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		0.20800 0.009	0.20800 0.009	
TEFA		0.0128	0.0128	Rider B
SUT		0.01550 +50	0.01550 +50	Rider B
After-tax Base Rate		0.23630 287	0.23630 287	
WNC		0.0000	0.0000	Rider D
CIP		0.0278	0.0278	Rider I
EE		<u>0.0127</u>	<u>0.0127</u>	Rider F
Total Transport Rate	a	0.27680 692	0.27680 692	
Balancing Charge	b	0.0886	0.0886	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>0.0194</u>	<u>0.0194</u>	Rider H
Total SBC	c	<u>0.0721</u>	<u>0.0721</u>	
Delivery Charge (DEL)	a+b+c=d	0.43750 299	0.43750 299	
<u>Basic Gas Supply Charge ("BGS")</u>				
Monthly BGSS	e	0.7190	X	Rider A
Less: Balancing	f	<u>0.0886</u>	X	
BGS	e-f=g	<u>0.6304</u>	X	

Date of Issue: *April 28, 2011*
Issued by: *Mark R. Spurduto, Vice President*
Wall, NJ 07719

*Effective for service rendered on
and after OctoberMay 1, 2011*

*Filed pursuant to Order of the Board of Public Utilities entered in
Docket No. GR1106 10060382*

NEW JERSEY NATURAL GAS COMPANY

BPU No. 8 - Gas

**~~Fortieth~~~~Thirty-Ninth~~ Revised Sheet No. 256
~~Superseding Thirty-Ninth~~~~Eight~~ Revised Sheet No. 256**

SUMMARY OF FIRM COMMERCIAL RATE COMPONENTS

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.

Date of Issue: *April 28, 2011*
Issued by: *Mark R. Sperduto, Vice President*
Wall, NJ 07719

*Effective for service rendered on
and after ~~October~~May 1, 2011*

*Filed pursuant to Order of the Board of Public Utilities entered in
Docket No. GR1106 ~~10060392~~*

NEW JERSEY NATURAL GAS COMPANY

BPU No. 8 - Gas

Ninth~~Eighth~~ Revised Sheet No. 258
Superseding ~~Eighth~~~~Seventh~~ 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		0.09220-0904	0.06160-0595	
TEFA		0.0153	0.0153	
SUT		0.00750-0074	0.00540-0052	Rider B
After-tax Base Rate		0.11500-1128	0.08230-0800	
EE		<u>0.0127</u>	<u>0.0127</u>	Rider F
<i>Total Transport Rate</i>	a	0.12770-1255	0.09500-0927	
<i>Balancing Charge</i>	b	0.0886	0.0886	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>0.0194</u>	<u>0.0194</u>	Rider H
<i>Total SBC</i>	c	<u>0.0721</u>	<u>0.0721</u>	
Delivery Charge (DEL)	a+b+c=d	0.28840-2862	0.25570-2534	

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.

Date of Issue: ~~October 22, 2010~~
Issued by: Mark R. Spurduto, Vice President
20110
Wall, NJ 07719

Effective for service rendered on and after ~~October~~ November 1,

Filed pursuant to Order of the Board of Public Utilities entered in
Docket No. GR1106 ER10060436