



Agenda Date: 05/29/13
Agenda Item: 2Q

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 NEW JERSEY NATURAL GAS)	STIPULATION FOR
COMPANY TO ESTABLISH THE RATES NECESSARY)	FINAL RATES
TO RECOVER CAPITAL INVESTMENT COSTS)	
ASSOCIATED WITH THE ACCELERATED ENERGY)	
INFRASTRUCTURE INVESTMENT PROGRAMS AND)	DOCKET NO. GR12111035
FOR APPROVAL OF NECESSARY RELATED)	
CHANGES TO GAS RATES IN THE COMPANY'S)	
TARIFF)	

Parties of Record:

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

BY THE BOARD:

Background

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 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 Company ("NJNG" or "Company").¹

The rate of return on projected construction costs of \$70.8 million, prior to capitalized allowance for funds used during construction ("AFUDC"), was to be recovered through two annual adjustments to the Company's base rates, with filings to be made in 2010 and 2011 coincident with but separate from its annual June 1, Basic Gas Supply Service filings.

NJNG submitted its 2010 annual (June 1) filing as later revised, seeking recovery of \$4.17 million in base rates tied to actual AIP investments through August 27, 2010 of \$36.35 million. Board approval of this request on a provisional basis resulted in bill increases of 0.5 percent for the average residential heat customer. Recovery of the \$4.17 million through base rates was made final in an Order dated June 15, 2011.

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 Investment Programs and for Approval of Necessary Related Changes to Gas Rates in the Company's Tariff. EO09010049, GO09010052, GR07110889.

On October 20, 2010, in Docket Nos. GR10100793 and GR07110889, NJNG filed a petition for authority to extend the AIP by adding nine new infrastructure projects ("AIP II"). On March 30, 2011, the Board issued an Order adopting the terms of a stipulation entered into among Rate Counsel, NJNG and Board Staff (collectively, "the Parties") to extend the AIP treatment to an estimated investment of \$60.15 million for the nine AIP II infrastructure projects.

The Company submitted its 2011 annual (June 1) filing seeking to recover \$4.725 million related to the capital investment costs associated with both AIP I and AIP II actual investment balances through April 30, 2011 and estimated activity through August 2011.

In an Order dated September 22, 2011, the Board adopted the terms of a stipulation for a provisional rate increase resulting from an incremental revenue requirement of \$4.725 million for both AIP I and AIP II investments, subject to refund with interest. The Stipulation resulted in an after-tax per therm rate increase of \$0.0083 (0.6%). By an Order dated August 5, 2012, this rate was made final.

On November 20, 2012, NJNG submitted its final AIP filing – the docket at issue - seeking Board approval to recover \$6.9 million in base rates, translating to an after-tax per therm increase of \$0.0112 for the average residential heating customer. Upon Board approval, typical residential heating customers using 100 therms would see a \$1.12 increase in their monthly bills.

Public hearings on the November filing were held on December 19 and December 20, 2012, in Freehold Borough and Rockaway Township, respectively. These hearings were noticed in newspapers of general circulation in the Company's service territory, and no members of the public appeared or provided written comments to the Board on this filing.

Representatives of NJNG, Rate Counsel and Board Staff (the "Signatory Parties"), subsequent to an extensive discovery period, have met and discussed the matters at issue in this proceeding, and, as a result of those discussions, on or about May 13, 2013, the Signatory Parties agreed to the following:

Base rate recovery in the amount of \$ 6.451 million is appropriate. The resulting per therm after-tax increase of \$0.0112 related to the recovery of AIP capital investments results in a less than 1.0% billing increase for the average residential heat customer. Docket No. GR07110889 should be closed as it relates to the base rate recovery associated with AIP projects.

DISCUSSION AND FINDINGS

Having reviewed the Stipulation and supporting attachments, and being persuaded that the AIP costs covered by the Stipulation have been thoroughly reviewed resulting in rates that are just and reasonable, the Board **FINDS** that the attached Stipulation for Final Rates is reasonable and in accordance with the law. Accordingly, the Board **HEREBY ADOPTS** the Stipulation for Final Rates as its own and approves as final the AIP rates identified in Attachment I of the Stipulation.

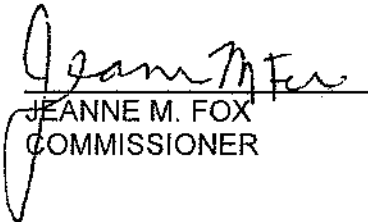
The Company is **HEREBY DIRECTED** to file revised tariff sheets conforming to the terms of this Order within five (5) business days of the date of service of this Order.

This Order shall be effective on the date on which this Order is served as required by N.J.S.A. 48:2-40.

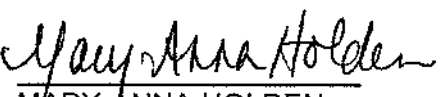
DATED: 5/29/13

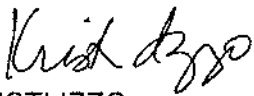
BOARD OF PUBLIC UTILITIES
BY:



ROBERT M. HANNA
PRESIDENT


JEANNE M. FOX
COMMISSIONER


JOSEPH L. FIORDALISO
COMMISSIONER


MARY-ANNA HOLDEN
COMMISSIONER

ATTEST:

KRISTI IZZO
SECRETARY

I HEREBY CERTIFY that the within document is a true copy of the original in the files of the Board of Public Utilities


IN THE MATTER OF 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. GR12111035
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May 13, 2013

VIA ELECTRONIC AND REGULAR MAIL

Hon. Kristi Izzo, Secretary
New Jersey Board of Public Utilities
44 South Clinton Avenue, 9th Floor
Trenton, NJ 08625-0350

Re: 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. GR12111035

Dear Secretary Izzo:

Enclosed with this letter is a fully executed Stipulation for Final Rates in the above captioned matter. Once New Jersey Natural Gas has received the original signature pages, they will be provided to you for your files.

Please do not hesitate to contact me at (732) 919-8025 if you need any additional information.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'Tracey Thayer', is written over a horizontal line.

Tracey Thayer, Esq.
Director, Regulatory Affairs Counsel

C: Service List (electronically only)

**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. GR12111035**

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**IN THE MATTER OF THE PETITION OF NEW JERSEY NATURAL GAS COMPANY
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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. GR12111035

**STIPULATION FOR FINAL
RATES**

APPEARANCES:

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

Felicia Thomas-Friel, Esq., Deputy Rate Counsel, **Sarah H. Steindel, Esq.** and **Christina Juarez, Esq.**, Assistant Deputy Rate Counsels, Division of Rate Counsel (**Stefanie A. Brand**, Director)

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

TO: THE NEW JERSEY BOARD OF PUBLIC UTILITIES

1. New Jersey Natural Gas Company ("NJNG" or the "Company") filed a petition

in this Docket on November 20, 2012 (the "November 2012 Petition"), seeking approval from the New Jersey Board of Public Utilities (the "BPU" or "Board") for a base rate increase to recover the prudently incurred costs associated with the Company's Accelerated Energy Infrastructure Investment Program ("AIP"), and for approval of the necessary changes to the Company's Tariff to implement the requested rate increase, pursuant to N.J.S.A. 48:2-21, 48:2-21.1 and 48:2-23.

BACKGROUND

2. On January 20, 2009, NJNG filed a petition in Docket Nos. GR09010052 and GR07110889 requesting that the Board approve fourteen capital projects ("Qualifying Projects") as part of its AIP, and simultaneously approve the recovery of the associated investments and costs through NJNG's base rates ("January 2009 Filing"). The fourteen Qualifying Projects for inclusion in the AIP were to commence construction no later than December 31, 2010 and be in service no later than August 31, 2011. The Company also proposed that the associated estimated 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 and with new base rates proposed to be effective in October 2010 and October 2011, respectively (the "Annual Filing"). Through the Annual Filing, NJNG would seek Board 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.

3. On April 28, 2009, the Board issued an Order (the “April 2009 Order”) approving a Stipulation (the “AIP Stipulation”) entered into among NJNG, the New Jersey Division of Rate Counsel¹ (“Rate Counsel”) and the Staff of the BPU (“Staff”) (collectively, the “Parties”). That order approved the preliminary design and construction of the 14 Qualifying Projects, which, based on then-current Capital Investment Cost levels and available estimates, the Company projected would result in overall construction costs, prior to any capitalization of AFUDC, of approximately \$70.8 million. The April 2009 Order further approved the base rate cost recovery mechanism proposed by NJNG, with modifications as detailed in the AIP Stipulation and the April 2009 Order. It was also agreed in the AIP Stipulation that the base rate increases approved in each Annual Filing would be implemented through an across-the-board adjustment to customer classes that will impact natural gas revenues for each class of service by the same percentage, in a manner consistent with the Board’s Order dated October 3, 2008, adopting the terms of a settlement in the Company’s last base rate case (Docket No. GR07110889) (the “October 2008 Order”). Based on the April 2009 Order, NJNG submitted its first Annual Filing, seeking recovery of \$5.24 million in base rates in June 2010. That filing was later revised to include AIP investments through August 27, 2010 seeking to recover \$4.17 million in base rates. This resulted in an increase of approximately 0.5 percent to the average residential heat customer based on actual AIP investments of \$36.35 million. The revised base rate change of \$4.17 million was approved by the Board on a provisional basis in an Order dated September 16, 2010 and then in an Order dated June 15, 2011, the rates were made final.

¹ Previously, the Division of Rate Counsel was within the Department of the Public Advocate.

4. On October 20, 2010, in Docket Nos. GR10100793 and GR07110889, NJNG filed with the BPU for authority to extend the AIP work by adding nine new infrastructure projects with an anticipated investment level, excluding AFUDC, of \$52.2 million (“AIP II”). Following conversations among the Parties, NJNG submitted an amended filing on January 24, 2011 that included nine infrastructure projects with an estimated investment level of \$60.15 million, exclusive of capitalized AFUDC. Those projects were proposed to be started by December 31, 2011 and in service by October 31, 2012. The Company also proposed employing the same recovery mechanism as that approved for AIP in the April 2009 Order. On March 30, 2011, the Board issued an Order (“March 2011 Order”) adopting the terms of a Stipulation entered into among the Parties to extend the AIP treatment to an estimated investment of \$60.15 million for the nine AIP II infrastructure projects.

5. On June 1, 2011, NJNG submitted an Annual Filing (“June 2011 Filing”) seeking Board approval to recover \$4.725 million related to the capital investment costs associated with actual AIP I and AIP II investments through April 30, 2011 and estimated balances through August 31, 2011. As proposed, the base rate requested would result in an increase of \$0.0083 per therm after-tax on a residential heating customer’s delivery charge, an increase of 0.6 percent to the total bill.

6. In an Order dated September 22, 2011 (the “September 2011 Order”), the Board adopted the terms of a Stipulation among the Parties agreeing that the proposed base rate changes reflecting both AIP I and AIP II investments would be implemented on a provisional basis, subject to refund with interest, an opportunity for full review at the Office of Administrative Law, if necessary, and final approval by the Board. Accordingly, the Board approved the Parties’ agreement that a provisional base rate change reflecting a base rate revenue

requirement in the amount of \$4.725 million would be allocated to each customer class in a manner consistent with the rate design approved by the Board in the October 2008 Order. The Stipulation for provisional rates resulted in an increase of \$0.0083 per therm after tax as of October 1, 2011, an increase of approximately 0.6 percent, to the average residential NJNG heating customer. In an Order dated August 5, 2012 (“August 2012 Order”) the rates were made final by the Board.

7. On November 20, 2012, NJNG submitted the final Annual Filing seeking Board approval to recover \$6.9 million in base rates (“November 2012 filing”), which represents an increase of approximately 0.99 percent (and increase of \$0.0112/therm on a after-tax basis) for the average residential heating customer.

8. The August 2012 Order and the Stipulation approved therein did not address the unanticipated incurrence of costs by the Company for certain AIP I projects that exceeded the Company’s 2008 original estimate of \$70.8 million. In that Stipulation, the Parties agreed that the determination of other issues related to the AIP I costs that exceeded the original estimate of \$70.8 million (exclusive of capitalized AFUDC), such as the recoverability of such additional costs, was not addressed. In the November 2012 filing, the Company requested recovery of revenue requirement related to the AIP I investment in excess of the revenue requirement approved in the August 2012 Order. In the pre-filed testimony of Craig A. Lynch, the Company explained that the changes from the original estimate were associated with AIP I costs the Company incurred due to unknown and unforeseen impediments, including unanticipated environmental, geological, and water infiltration issues that arose during the construction of certain AIP I projects.

9. Public hearings on the November 2012 filing were held on December 19 and December 20, 2012 in Freehold Borough and Rockaway Township, respectively. These hearings were duly noticed in newspapers of general circulation and no members of the public appeared or provided written comments to the BPU.

10. Representatives of NJNG, Rate Counsel and BPU Staff (the "Signatory Parties") have met and discussed the matters at issue in this proceeding, and, as a result of those discussions, hereby **STIPULATE AND AGREE** as follows:

STIPULATED MATTERS

11. The Signatory Parties now agree that it would be appropriate for the Board to authorize NJNG to implement new base rates, as identified on Attachment 1 hereto and reflecting the agreements reached in settlement discussions. As such, the Signatory Parties agree that the overall base rate change in the amount of \$ 6.451 million is appropriate. The resulting increase of \$0.0105 per therm on a pre-tax basis (\$0.0112 per therm on an after tax basis) related to the recovery of AIP capital investments results in an annual increase of approximately 0.92 percent for the average residential heat customer. The parties also agree that Docket No. GR07110889 will be closed as it relates to the base rate recovery associated with AIP projects.

12. 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 Signatory 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 Signatory 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.

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

14. 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, BPU 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 Signatory 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 with an effective date for the approved rates the later of the date of service of the Order approving this Stipulation or June 1, 2013.

**NEW JERSEY NATURAL GAS
PETITIONER**

By: 
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Director, Regulatory Affairs Counsel

**NEW JERSEY DIVISION OF RATE COUNSEL
STEFANIE A. BRAND, DIRECTOR**

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

**JEFFREY S. CHIESA
ATTORNEY GENERAL OF NEW JERSEY
Attorney for the Staff of the New Jersey Board of Public Utilities**

By: 
ALEX MOREAU
Deputy Attorney General

Date:

AIP REVENUE REQUIREMENT

	<u>AIP I</u>	<u>AIP II</u>	<u>Total</u>
Capital Expenditures	\$ 74,975,825	\$ 60,150,000	\$ 135,125,825
Accumulated Depreciation	(878,895)	(733,258)	(1,612,153)
AFUDC	2,579,082	2,521,602	5,100,684
	<u>76,676,011</u>	<u>61,938,344</u>	<u>138,614,356</u>
Deferred Income Tax	(19,394,476)	(10,909,418)	(30,303,894)
	<u>57,281,536</u>	<u>51,028,926</u>	<u>108,310,462</u>
Rate of Return - net	6.74%	6.37%	
	<u>3,860,776</u>	<u>3,250,543</u>	<u>7,111,318</u>
Depreciation Exp, net	<u>1,039,733</u>	<u>867,444</u>	<u>1,907,177</u>
	<u>4,900,508</u>	<u>4,117,987</u>	<u>9,018,495</u>
Revenue Factor	<u>1.7016</u>	<u>1.7016</u>	<u>1.7016</u>
Total Revenue Requirement	<u>\$ 8,338,705</u>	<u>\$ 7,007,166</u>	<u>\$ 15,345,871</u>
Less: Amount in Base Rates	<u>(8,190,551)</u>	<u>(704,057)</u>	<u>(8,894,608)</u>
Revenue Requirement	<u>\$ 148,154</u>	<u>\$ 6,303,109</u>	<u>\$ 6,451,263</u>
<u>Depreciation Expense</u>			
Depreciable Balance	75,119,245	62,671,602	
Depreciation Rate per Board Order	2.34%	2.34%	
Depreciation Expense	<u>\$ 1,757,790</u>	<u>\$ 1,466,515</u>	

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

Billing Units	Present Rates		Proposed Rates		
	Rate	Revenue	Rate	Revenue	Increase
Residential Service					
		RS		RS	
Customer	5,628,699	\$ 7.71 \$ 43,397,268	\$ 7.71 \$ 43,397,268		
Distribution Service					
Residential Sales	411,650,326	\$ 0.3058 \$ 125,882,670	\$ 0.3163 \$ 130,204,998		
Residential Transport	37,296,230	\$ 0.3058 11,405,187	\$ 0.3163 11,796,798		
Subtotal	448,946,556	\$ 180,685,125	\$ 185,399,064		
<u>Adjustments</u>					
Air Conditioning Discount	19,517	\$ (0.2495) \$ (4,869)	\$ (0.2600) \$ (5,074)		
Total Class Base Revenues		\$ 180,680,256	\$ 185,393,990		2.61%

General Service - Small					
		GS - Small		GS - Small	
Less than 5,000 Annual Therms					
Customer	318,819	\$ 23.35 \$ 7,447,615	\$ 23.35 \$ 7,447,615		
Distribution Service					
Sales	25,014,627	\$ 0.2649 \$ 6,626,375	\$ 0.2778 \$ 6,949,063		
Transport	7,416,591	\$ 0.2649 1,964,655	\$ 0.2778 2,060,329		
Subtotal	32,431,218	\$ 16,038,644	\$ 16,457,007		2.61%
Total Class Base Revenues		\$ 16,038,644	\$ 16,457,007		2.61%

General Service - Large					
		GS - Large		GS - Large	
Greater than 5,000 Annual Therms					
Customer	107,670	\$ 37.38 \$ 4,024,694	\$ 37.38 \$ 4,024,694		
Demand	13,071,854	\$ 1.4019 \$ 18,325,432	\$ 1.4019 \$ 18,325,432		
Distribution Service					
Sales	58,439,211	\$ 0.2080 \$ 12,155,356	\$ 0.2179 \$ 12,733,904		
Transport	74,497,099	\$ 0.2080 15,495,397	\$ 0.2179 16,232,918		
Subtotal	132,936,311	\$ 50,000,879	\$ 51,316,949		2.63%
Total Class Base Revenues		\$ 50,000,879	\$ 51,316,949		2.63%

General Service - CAC		CAC		GS - Small	
Less than 5,000 Annual Therms					
Customer	443	\$ 23.36	\$ 10,348	\$ 23.36	\$ 10,348
Distribution Service					
Winter Therms	58,808	\$ 0.2649	\$ 15,578	\$ 0.2778	\$ 16,337
All summer therms	46,644	\$ 0.0563	2,626	\$ 0.0563	2,626
Subtotal	105,451		\$ 28,553		\$ 29,311
Greater than 5,000 Annual Therms					
Customer	240	\$ 37.38	\$ 8,971	\$ 37.38	\$ 8,971
Demand	27,406	\$ 1.4019	\$ 38,421	\$ 1.4019	\$ 38,421
Distribution Service					
Winter Therms	226,411	\$ 0.2080	\$ 47,094	\$ 0.2179	\$ 49,335
All summer therms	104,009	\$ 0.0563	5,856	\$ 0.0563	5,856
Subtotal	330,420		\$ 100,341		\$ 102,583
Total Class Base Revenues			\$ 128,894		\$ 131,894 2.3%

Firm Transportation		FT		FT	
Customer	2,304	\$ 46.73	\$ 107,666	\$ 46.73	\$ 107,666
Demand	1,205,504	\$ 1.2776	\$ 1,540,152	\$ 1.2776	\$ 1,540,152
Distribution Service					
High Load Factor therms	6,203,814	\$ 0.1028	\$ 637,752	\$ 0.1028	\$ 637,752
Low Load Factor therms	5,443,896	\$ 0.1325	721,316	\$ 0.1325	721,316
Total Class Base Revenues	11,647,710		\$ 3,006,887		\$ 3,006,887 0.0%

Distributed Generation - Commercial					
		DGC		DGC	
Customer	36	\$ 37.38	\$ 1,346	\$ 37.38	\$ 1,346
Demand	196,706	\$ 0.56	\$ 110,155	\$ 0.56	\$ 110,155
Distribution Service					
Winter terms	1,809,902	\$ 0.0922	\$ 166,873	\$ 0.0951	\$ 172,122
Summer terms	1,801,670	\$ 0.0616	\$ 110,983	\$ 0.0645	\$ 116,208
Total Class Base Revenues	3,611,571		\$ 389,357		\$ 399,830 2.69%

TOTAL BASE REVENUES

	<u>250,244,916</u>		<u>256,708,556</u>	2.6%
		INCREASE \$	6,461,640	
		TARGET INCREASE \$	6,451,263	2.6%
		Difference \$	10,377	

New Jersey Natural Gas Company
 Accelerated Energy Infrastructure Investment Program (AIP I and AIP II)
 Net Impact of Proposed Rate Changes
 BPU Docket No. GR12111035
 C/Y 2013

(\$/therm)

<u>Impact on Residential Non-Heating Customers</u>			
		25 therm bill	
Current Prices			
Customer Charge	\$8.25	\$8.25	
Delivery	\$0.5250	\$13.13	
BGSS	\$0.5783	\$14.46	
Total	\$1.1033	\$35.83	
Proposed prices			
Customer Charge	\$8.25	\$8.25	
Delivery	\$0.5362	\$13.41	
BGSS	\$0.5783	\$14.46	
Total	\$1.1145	\$36.11	
Increase		\$0.28	
Increase as a percent		0.78%	
<u>Impact on Residential Heating Customers</u>			
		100 therm bill	1000 therm annual bill
Current Prices			
Customer Charge	\$8.25	\$8.25	\$99.00
Delivery	\$0.5460	\$54.50	\$545.00
BGSS	\$0.5783	\$57.83	\$578.30
Total	\$1.1233	\$120.58	\$1,222.30
Proposed prices			
Customer Charge	\$8.25	\$8.25	\$99.00
Delivery	\$0.5562	\$55.62	\$556.20
BGSS	\$0.5783	\$57.83	\$578.30
Total	\$1.1345	\$121.70	\$1,233.50
Increase		\$1.12	\$11.20
Increase as a percent		0.93%	0.92%
<u>Impact on Commercial GSS Customers</u>			
		100 therm bill	
Current Prices			
Customer Charge	\$25.00	\$25.00	
Delivery	\$0.5500	\$55.00	
BGSS	\$0.5783	\$57.83	
Total	\$1.1283	\$137.83	
Proposed prices			
Customer Charge	\$25.00	\$25.00	
Delivery	\$0.5638	\$56.38	
BGSS	\$0.5783	\$57.83	
Total	\$1.1421	\$139.21	
Increase		\$1.38	
Increase as a percent		1.00%	
<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	\$0.4711	\$565.32	
BGSS (Apr 2013)	\$0.5994	\$719.28	
Total	\$1.0705	\$1,500.10	
Proposed prices			
Customer Charge	\$40.00	\$40.00	
Demand Charge	\$1.50	\$175.50	
Delivery	\$0.4817	\$578.04	
BGSS (Apr 2013)	\$0.5994	\$719.28	
Total	\$1.0811	\$1,512.82	
Increase		\$12.72	
Increase as a percent		0.85%	