



STATE OF NEW JERSEY  
Board of Public Utilities  
44 South Clinton Avenue, 9<sup>th</sup> Floor  
Post Office Box 350  
Trenton, NJ 08625-0350  
[www.nj.gov/bpu](http://www.nj.gov/bpu)

ENERGY

- IN THE MATTER OF PUBLIC SERVICE ELECTRIC )  
AND GAS COMPANY COMPLIANCE WITH ) DOCKET NO. GR11080492  
P.L. 2001 c.9 SBC CHARGES TO ELECTRIC )  
GENERATORS )
  
- IN THE MATTER OF NEW JERSEY NATURAL GAS )  
COMPANY COMPLIANCE WITH ) DOCKET NO. GR11090523  
P.L. 2001 c.9 SBC CHARGES TO ELECTRIC )  
GENERATORS )
  
- IN THE MATTER OF PIVOTAL UTILITY HOLDINGS )  
d/b/a ELIZABETHTOWN GAS COMPANY ) DOCKET NO. GR11080491  
COMPLIANCE WITH P.L. 2001 c.9 SBC CHARGES TO )  
ELECTRIC GENERATORS )  
)
  
- IN THE MATTER OF SOUTH JERSEY GAS COMPANY )  
COMPLIANCE WITH P.L. 2001 c.9 SBC CHARGES TO ) DOCKET NO. GR11090524  
ELECTRIC GENERATORS )  
)  
)

Tracey Thayer, Esq. for New Jersey Natural Gas Company  
David K. Richter, Esq. for Public Service Electric & Gas Company  
Mary P. Keefe, Esq. for Elizabethtown Gas Company  
Ira Megdal, Esq. for South Jersey Natural Gas Company  
Stefanie A. Brand, Esq. Director, New Jersey Division of Rate Counsel

**BY THE BOARD:**

On January 28, 2011, Governor Christie signed Senate Bill 2381, L. 2011, c.9 into law. That section, subsequently codified as N.J.S.A. 48:3-60.1, prohibits gas public utilities from imposing the societal benefits charge ("SBC") "...or any other charge designed to recover the

costs for societal, energy efficiency, conservation, environmental or renewable energy” on natural gas delivery service or commodity “that is used to generate electricity that is sold for resale.” This exemption was effective immediately.

By joint letter dated June 2, 2011, Public Service Electric and Gas Company, New Jersey Natural Gas Company, South Jersey Gas Company and Pivotal Utility Holdings, Inc., d/b/a Elizabethtown Gas (collectively, “GDCs”) submitted a proposal for implementing this exemption. The GDCs proposed that customers utilizing gas service to generate electricity for resale (“Qualifying Customers”) be required to annually certify the percentage of gas use that should be exempted from the charges specified in N.J.S.A. 48:3-60.1 with the certified percentage serving as the percentage of the customer’s throughput that would be exempt since the effective date of the section. In future years, the GDCs proposed forwarding annual certification forms to Qualifying Customers by January 15 of each year to be effective for bills rendered in February of that year. The GDCs requested that the Board issue a Secretary’s letter directing the GDCs to issue a proposed form of annual certification and require the GDCs to file tariffs authorizing them to implement the procedures, and to make refunds of any over-recovered charges to Qualifying Customers by way of bill credits, deferring for future recovery any eligible amounts that must be refunded by law.

On June 21, 2011, Kristi Izzo, Secretary of the Board, issued a letter directing the GDCs to follow the procedures proposed in the June 2 letter requiring Qualifying Customers to certify to their respective utilities the percentage of gas used since January 28, 2011 to generate electricity that was sold for re-sale. Additionally, the Secretary’s letter included a proposed form of certification, and directed the GDCs to make compliance tariff filings outlining the procedures for claiming the exemption.


The GDCs filed tariff sheets outlining the procedures for Qualifying Customers to claim exemption from the charges identified in N.J.S.A. 48:3-60.1. Board Staff has reviewed the proposed tariff sheets and has found them to comply with the directives in the Secretary’s letter.


DISCUSSION AND FINDING


After review of the proposed tariff sheets, and based on the recommendation of Board Staff, the Board **FINDS** that the tariff sheets filed by Public Service Electric and Gas Company, New Jersey Natural Gas Company, Elizabethtown Gas Company and South Jersey Gas Company appropriately implement the exemption for Qualifying Customers enacted through N.J.S.A. 48:3-60.1, and are in compliance with the directives of the Board Secretary's Letter of June 21, 2011. The GDCs are **HEREBY AUTHORIZED** to make appropriate refunds by way of bill credits to affected customers, and to defer for future recovery in an appropriate proceeding any SBC or other eligible amounts that are refunded to Qualifying Customers. Accordingly, the Board **HEREBY DIRECTS** the GDCs to file final tariff sheets including their customer exemption procedures within 10 days of service of this Board Order.


DATED: 11/9/11  
November 9, 2011


BOARD OF PUBLIC UTILITIES  
BY:

  
LEE A. SOLOMON  
PRESIDENT

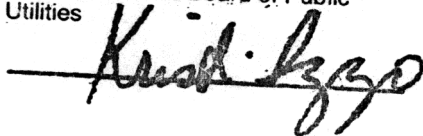
  
JEANNE M. FOX  
COMMISSIONER

  
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 Gas Utility Compliance Filings  
P.L. 2011 c.9 (The LCAPP Legislation)  
SBC Charges to Electric Generators  
Docket Nos. GR11080491, GR11080492, GR11090523, GR11090524

SERVICE LIST

<p>Sheila DeLucia, Chief  Board of Public Utilities  44 South Clinton Avenue, 9<sup>th</sup> Floor  P.O. Box 350  Trenton, New Jersey 08625-0350</p>	<p>Alex Moreau, DAG  Department of Law &amp; Public Safety  124 Halsey Street, 5<sup>th</sup> Floor  P.O. Box 45029  Newark, NJ 07101</p>
<p>Henry Rich  Board of Public Utilities  44 South Clinton Avenue, 9<sup>th</sup> Floor  P.O. Box 350  Trenton, New Jersey 08625-0350</p>	<p>Felicia Thomas-Friel, Esq.  Division of Rate Counsel  31 Clinton Street, 11<sup>th</sup> Fl  P.O. Box 46005  Newark, NJ 07101</p>
<p>Robert Schultheis  Board of Public Utilities  44 South Clinton Avenue, 9<sup>th</sup> Fl  P.O. Box 350  Trenton, NJ 08625</p>	<p>Sarah Steindel, Esq.  Division of Rate Counsel  31 Clinton Street, 11<sup>th</sup> Floor  P.O. Box 46005  Newark, NJ 07101</p>
<p>Jerome May  Director, Energy Division  Board of Public Utilities  44 South Clinton Avenue, 9<sup>th</sup> Floor  P.O. Box 350  Trenton, New Jersey 08625-0350</p>	<p>Stefanie Brand, Esq.  Director, Division of Rate Counsel  31 Clinton Street, 11<sup>th</sup> Floor  P.O. Box 46005  Newark, NJ 07101</p>
<p>Babette Tenzer, DAG  Department of Law &amp; Public Safety  124 Halsey Street, 5<sup>th</sup> Floor  P.O. Box 45029  Newark, NJ 07101</p>	<p>Tracey Thayer, Esq.  New Jersey Natural Gas Company  1415 Wyckoff Road  P.O. Box 1464  Wall, NJ 07719</p>
<p>Mary P. Keefe, Esq.  Vice President of Regulatory Affairs  Pivotal Utility Holdings, Inc.  d/b/a Elizabethtown Gas Company  300 Connell Drive Suite 3000  Berkeley Heights, NJ 07922</p>	<p>David K. Richter, Esq.  PSEG Services Corporation  80 Park Plaza, T5C  Newark, New Jersey 07102</p>
<p>Ira Megdal, Esq.  Cozen O'Connor  457 Haddonfield Road, Suite 300  Cherry Hill, NJ 08002</p>	



# CULLEN and DYKMAN LLP

---

NAME: KENNETH T. MALONEY  
Title: Partner  
kmaloney@cullenanddykman.com

1101 14<sup>th</sup> Street, N.W.  
Suite 550  
Washington, D.C. 20005-5600  
Telephone: 202-223-8890 • Fax: 202-457-1405

June 2, 2011

**VIA ELECTRONIC AND OVERNIGHT MAIL**

Honorable Kristi Izzo, Secretary  
New Jersey Board of Public Utilities  
Two Gateway Center, 8<sup>th</sup> Floor  
Newark, NJ 07102

Re: Compliance Filings  
P.L. 2011 c. 9 (The LCAPP Legislation)  
SBC Charges to Electric Generators

Dear Secretary Izzo:

On January 28, 2011, Governor Christie signed Senate Bill 2381, P.L. 2011, c.9 (“the LCAPP Legislation”) which, inter alia, exempts electric generators who generate electricity that is sold for resale from paying the societal benefits charge (“SBC”) or similar charges. Specifically, the LCAPP Legislation states in relevant part:

Notwithstanding the provisions of any other law or rule, regulation, or order to the contrary, gas public utilities shall not impose a societal benefits charge pursuant to N.J.S.A. 48:3-60 or any other charge designed to recover the costs for societal, energy efficiency, conservation, environmental or renewable energy on natural gas delivery service or commodity that is used to generate electricity that is sold for resale.

The LCAPP Legislation further provides that it is to take effect immediately. As a consequence, the public utilities who provide gas service to electric generators must develop appropriate procedures to implement the LCAPP Legislation and update their tariffs to reflect those procedures.

Public Service Electric and Gas Company, New Jersey Natural Gas Company, South Jersey Gas Company and Pivotal Utility Holdings, Inc., d/b/a Elizabethtown Gas (collectively hereinafter the “Gas Utilities”), respectfully submit this proposal to implement the relevant provisions of the LCAPP Legislation as of January 28, 2011. The Gas Utilities propose to request their customers that utilize gas service to generate electricity for resale to complete the enclosed Annual Certification form to determine and certify the percentage of each customer’s usage that should be exempted from the SBC and any other charges addressed by the LCAPP Legislation. Specifically, the Gas Utilities propose that each of their customers that generate

electricity for resale certify the percentage of gas used at their New Jersey generation facilities during calendar year 2010 to generate electricity that was sold for resale. This certified percentage will serve as the percentage of the customer's throughput that will be exempt from the SBC and any other charges from which the customer may be exempt beginning January 28, 2011. In future years, the Gas Utilities will forward the Annual Certification forms to their customers in December with instructions to return the completed forms by January 15<sup>th</sup> of each year to be effective for bills rendered in February. If the customer fails to return the form, then the SBC and other charges will be assessed on all of the customer's usage until a completed Annual Certification form is received to be effective after the next subsequent meter reading. Thus, for example, if a customer provides an updated Annual Certification form by January 15<sup>th</sup> 2012, setting forth its actual percentage usage of gas for electric generation in 2011, the revised percentage will be used to allocate SBC cost responsibility beginning with bills for meter readings in February 2012.

The Gas Utilities propose that the Board of Public Utilities ("Board") issue a Secretary's letter, enclosed in draft form, that will direct the Gas Utilities to (i) issue the Annual Certification form to their affected customers and request those customers to complete and return the forms within thirty days of the date of the Secretary's letter; (ii) require the Gas Utilities to make compliance tariff filings authorizing them to implement the LCAPP Legislation as of January 28, 2011 and to make refunds of any over-recovered SBC or other charges for the period beginning January 28, 2011 to such customers by means of bill credits, and (iii) defer for future recovery any SBC or other eligible charge amounts that are required to be refunded to electric generation customers as a result of implementing the LCAPP Legislation.

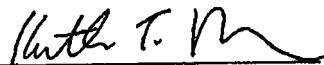
Copies of this letter and the enclosures are being served on the Director of the Division of Rate Counsel. Please contact the undersigned if you require further information. Thank you for your consideration in this matter.

Respectfully Submitted,

Public Service Electric and Gas Company

Cullen and Dykman LLP  
Attorneys For  
Pivotal Utility Holdings, Inc.  
d/b/a Elizabethtown Gas

By: /s/ David K. Richter  
David K. Richter  
Assistant General Regulatory Counsel

By:   
Kenneth T. Maloney

New Jersey Natural Gas Company

COZEN O'CONNOR  
Attorneys for South Jersey Gas

By: /s/ Tracey Thayer  
Tracey Thayer  
Director, Regulatory Affairs Counsel

By: /s/ Ira G. Megdal  
Ira G. Megdal, Esq.  
Stacey A. Mitchell, Esq.

Honorable Kristi Izzo, Secretary  
June 2, 2011

Page 3

cc: Stefanie Brand, Director of Rate Counsel  
Paul Flanagan  
Jerome May  
Kenneth Sheehan

(Draft Secretary's Letter)

June \_\_, 2011

David K. Richter  
Assistant General Regulatory Counsel  
PSEG Services Corporation  
80 Park Plaza, T5C  
Newark, New Jersey 07102  
[David.Richter@pseg.com](mailto:David.Richter@pseg.com)

Tracey Thayer  
Director, Regulatory Affairs  
Counsel  
New Jersey Natural Gas  
1415 Wyckoff Road  
PO Box 1464  
Wall, NJ 07719  
[tthayer@njng.com](mailto:tthayer@njng.com)

Mary Patricia Keefe  
Vice President of Regulatory Affairs  
Pivotal Utility Holdings, Inc.  
d/b/a Elizabethtown Gas  
300 Connell Drive  
Suite 3000  
Berkeley Heights, NJ 07922  
[mkeefe@aglresources.com](mailto:mkeefe@aglresources.com)

Ira Megdal  
Cozen O'Connor  
A Pennsylvania Professional Corporation  
457 Haddonfield Road, Suite 300  
Cherry Hill, NJ, 08002  
[IMegdal@cozen.com](mailto:IMegdal@cozen.com)

**Re: Utility Compliance Filings  
P.L. 2011 c.9 (The LCAPP Legislation)  
SBC Charges to Electric Generators**

To The Parties Addressed:

On January 28, 2011, Governor Christie signed Senate Bill 2381, P.L. 2011 c.9 ("the LCAPP Legislation") which, *inter alia*, exempts electric generators that use natural gas and/or natural gas delivery service to generate electricity that is sold for resale from paying the societal benefits charge ("SBC") and certain other charges.

Specifically, the LCAPP Legislation states in relevant part:

Notwithstanding the provisions of any other law or rule, regulation, or order to the contrary, gas public utilities shall not impose a societal benefits charge pursuant to N.J.S.A. 48:3-60 or any other charge designed to recover the costs for societal, energy efficiency, conservation, environmental or renewable energy on natural



gas delivery service or commodity that is used to generate electricity that is sold for resale.

The LCAPP Legislation further provides that it is to take effect "immediately." In an effort to implement the LCAPP Legislation, Public Service Electric and Gas Company, New Jersey Natural Gas Company, Pivotal Utility Holdings, Inc. d/b/a Elizabethtown Gas and South Jersey Gas (collectively "the Gas Utilities") filed with the Board of Public Utilities ("Board") a form of Annual Certification that the Gas Utilities propose will be completed annually by their customers that use gas service to generate electricity for resale for the purpose of determining the percentage of their usage that will be exempt from the SBC and other charges. The Gas Utilities propose that this exemption will take effect January 28, 2011, the effective date of the LCAPP Legislation.

Under the Gas Utilities' proposal, each utility will provide Annual Certification forms to its customers that use gas service to generate electricity for resale to be completed and returned within thirty days of this letter. The Annual Certification forms request the customers to certify the percentage of gas used at their New Jersey generation facilities during calendar year 2010 to generate electricity that was sold for resale. This certified percentage will serve as the percentage of the customer's throughput that will be exempt from the SBC and any other charges from which the customer may be exempt beginning January 28, 2011. In future years, the Gas Utilities will forward the forms to their customers in December to be updated for each subsequent calendar year's actual experience. The customer will be instructed to return the completed form by January 15. If the customer fails to return the form, then the SBC and other charges will be assessed on all of the customer's usage. If the customer returns a completed Annual Certificate form on or before January 15, then adjustments to customer bills to reflect

changes in the percentage of gas used to generate electricity for resale will be made on a prospective basis beginning in February of the subsequent year.<sup>1</sup>

The Gas Utilities' proposal would permit the implementation of the LCAPP Legislation in a reasonable and appropriate manner. Accordingly, the Gas Utilities are directed to each make compliance tariff filings no later than 30 days from the date of this letter setting forth the procedures they have outlined. The Gas Utilities are directed to exempt eligible customers from the SBC and any other charges exempted by the LCAPP Legislation from and after January 28, 2011. To the extent that the Gas Utilities have billed SBC or other charges exempted by the LCAPP Legislation from and after January 28, 2011, they are directed to make appropriate refunds by means of bill credits to the affected customers. The Gas Utilities are permitted to defer for future recovery any SBC or other eligible charge amounts that are refunded to electric generation customers pursuant to this letter.

Yours truly,

Kristi Izzo  
Secretary  
Board of Public Utilities

---

<sup>1</sup> Thus, if a customer provides an updated certification form in January 2012, showing a change in the percentage of gas used for electric generation that is based on the percentage of gas used for electric generation in 2011, the revised percentage will be used to allocate SBC cost responsibility beginning in February 2012.

# ANNUAL CERTIFICATION

I, [INSERT NAME OF AUTHORIZED AGENT], of full age, being duly sworn according to law, upon my oath, depose and say:

1. I am [INSERT TITLE OF AUTHORIZED AGENT] of [INSERT CUSTOMER NAME] and I am authorized to make this certification on behalf of [INSERT CUSTOMER NAME].

2. [INSERT CUSTOMER NAME] owns/is an electric power generator that:

a) purchases natural gas or natural gas delivery service from [INSERT NAME OF UTILITY];

b) which natural gas service is used to generate electricity; and

c) which electricity is sold for resale.

3. I hereby certify that \_\_\_\_ % of the natural gas purchased by [INSERT CUSTOMER NAME], which passes through [INSERT NAME OF UTILITY] meter No. \_\_\_\_\_, is used to generate electricity sold for resale.

---

Sworn to and subscribed  
before me this \_\_\_\_ day  
of June, 2011.

---

Notary Public



**STATE OF NEW JERSEY**  
**Board of Public Utilities**  
**Two Gateway Center -- Suite 801**  
**Newark, NJ 07102**  
**[www.nj.gov/bpu/](http://www.nj.gov/bpu/)**

**Chris Christie**  
**Governor**

**Kim Guadagno**  
**Lt. Governor**

**Kristi Izzo**  
**Secretary of the Board**  
**Tel. # (973) 648-3426**

June 21, 2011

David E. Richter  
Assistant General Regulatory Counsel  
PSEG Services Corporation  
80 Park Plaza, T5C  
Newark, New Jersey 07102  
[David.Richter@pseg.com](mailto:David.Richter@pseg.com)

Tracey Thayer  
Director, Regulatory Affairs  
Counsel  
New Jersey Natural Gas  
1415 Wyckoff Road  
PO Box 1464  
Wall, NJ 07719  
[tthayer@njng.com](mailto:tthayer@njng.com)

Mary Patricia Keefe  
Vice President of Regulatory Affairs  
Pivotal Utility Holdings, Inc.  
d/b/a Elizabethtown Gas  
300 Connell Drive  
Suite 3000  
Berkeley Heights, NJ 07922  
[mkeefe@aglresources.com](mailto:mkeefe@aglresources.com)

Ira Megdal  
Cozen O'Connor  
A Pennsylvania Professional Corporation  
457 Haddonfield Road, Suite 300  
Cherry Hill, NJ 08602  
[IMegdal@cozen.com](mailto:IMegdal@cozen.com)

**Re: Utility Compliance Filings**  
**P.L. 2011 c.9 (The LCAPP Legislation)**  
**SBC Charges to Electric Generators**

To the Parties Addressed:

On January 28, 2011, Governor Christie signed Senate Bill 2381, P.L. 2011 c.9 ("the LCAPP Legislation") which, inter alia, exempts electric generators that use natural gas and/or natural gas delivery service to generate electricity that is sold for resale from paying the societal benefits charge ("SBC") and certain other charges. The relevant provision has been codified in N.J.S.A. 48:3-60.1 which states:

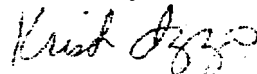
Notwithstanding the provisions of any other law or rule, regulation, or order to the contrary, gas public utilities shall not impose a societal benefits charge pursuant to N.J.S.A. 48:3-60 or any other charge designed to recover the costs for societal, energy efficiency, conservation, environmental or renewable energy or natural gas delivery service or commodity that is used to generate electricity that is sold for resale.

The LCAPP Legislation further provides that it is to take effect "immediately." In an effort to implement the LCAPP Legislation, Public Service Electric and Gas Company, New Jersey Natural Gas Company, Pivotal Utility Holdings, Inc. d/b/a Elizabethtown Gas and South Jersey Gas (collectively "the Gas Utilities") filed with the Board of Public Utilities ("Board") a form of Annual Certification to be completed by their customers using gas service to generate electricity for resale for the purpose of determining the percentage of their usage that will be exempt from the SBC and other charges as identified in N.J.S.A 48:3-60.1. The Gas Utilities propose that this exemption take effect as of January 28, 2011, the effective date of the LCAPP Legislation.

Under the Gas Utilities' proposal, each utility will provide Annual Certification forms to its customers that use gas service to generate electricity for resale to be completed and returned within thirty days of this letter. The Annual Certification forms request the customers to certify the percentage of gas used at their New Jersey generation facilities during calendar year 2010 to generate electricity that was sold for resale. The form of Annual Certification is included with this letter. This certified percentage will serve as the percentage of the customer's throughput that will be exempt from the SBC and any other of the identified charges from which the customer may be exempt beginning as of January 28, 2011. In future years, the Gas Utilities will forward the forms to their customers in December to be updated for each subsequent calendar year's actual experience. The customer will be instructed to return the completed form by January 15. If the customer fails to return the form, then the SBC and other charges will be assessed on all of the customer's usage. If the customer returns a completed Annual Certificate form on or before January 15, then adjustments to customer's bills to reflect changes in the percentage of gas used to generate electricity for resale will be made on a prospective basis beginning in February of the subsequent year.

The Gas Utilities' proposal would permit the implementation of the LCAPP Legislation in a reasonable and appropriate manner. Accordingly, the Gas Utilities are directed to each make compliance tariff filings no later than 30 days from the date of this letter setting forth the procedures they have outlined. The Gas Utilities are directed to exempt eligible customers from the SBC and any other charges identified in N.J.S.A. 48:60.1 from and after January 28, 2011. To the extent that the Gas Utilities have billed SBC or other charges exempted by the LCAPP Legislation from and after January 28, 2011, they are directed to make appropriate refunds by means of bill credits to the affected customers. The Gas Utilities are permitted to defer for future recovery in an appropriate proceeding any SBC or other eligible charge amounts that are refunded to electric generation customers pursuant to this letter.

Yours truly,



Kristi Izzo

Secretary of the Board

<sup>1</sup> Thus, if a customer provides an updated certification form in January 2012, showing a change in the percentage of gas used for electric generation that is based on the percentage of gas used for electric generation in 2011, the revised percentage will be used to allocate SBC cost responsibility beginning in February 2012.

# ANNUAL CERTIFICATION

I, [INSERT NAME OF AUTHORIZED AGENT], of full age, being duly sworn according to law, upon my oath, depose and say:

1. I am [INSERT TITLE OF AUTHORIZED AGENT] of [INSERT CUSTOMER NAME] and I am authorized to make this certification on behalf of [INSERT CUSTOMER NAME].

2. [INSERT CUSTOMER NAME] owns/is an electric power generator that:

a) purchases natural gas or natural gas delivery service from [INSERT NAME OF UTILITY];

b) which natural gas service is used to generate electricity; and

c) which electricity is sold for resale.

3. I hereby certify that \_\_\_\_ % of the natural gas purchased by [INSERT CUSTOMER NAME], which passes through [INSERT NAME OF UTILITY] meter No. \_\_\_\_\_, is used to generate electricity sold for resale.

4. I hereby certify that the foregoing statements made me are true. I am aware that if any of the foregoing statements are willfully false, I am subject to punishment.

Sworn to and subscribed  
before me this \_\_\_\_ day  
of \_\_\_\_, 201\_\_.

Notary Public

Re: LCAPP

①



New Jersey  
Natural Gas

July 7, 2011

Ms. Kristi Izzo, Secretary  
N.J. Board of Public Utilities  
Two Gateway Center, Suite 801  
Newark, NJ 07102

Re: New Jersey Natural Gas Company  
The June 21, 2011 Board of Public Utilities' Secretary's Letter  
re: N.J.S.A. 48:3-60.1

Dear Ms. Izzo:

In accordance with the Board's June 21, 2011 Secretary's Letter regarding N.J.S.A. 48:3-60.1, New Jersey Natural Gas Company, hereby files tariff sheets reflecting the implementation of the LCAPP legislation effective January 28, 2011.

If there is any additional information needed by the Board, please feel free to contact me at 732-919-8025.

Very truly yours,

A handwritten signature in black ink, appearing to read "Tracey Thayer".

Tracey Thayer  
Director - Regulatory Affairs Counsel

Enclosure

C: Sheila DeLucia, BPU  
Stacy Peterson, BPU  
Eloisa Flores, BPU  
Jerome May, BPU  
Stephanie Brand, RC  
Sarah Steindel, RC

Alice Bator, BPU  
Henry Rich, BPU  
Scott Sumliner, BPU  
Nnajindu Ugoji, BPU  
Felicia Thomas-Friel, RC

BC M. Harrell  
M. Moscufo  
T Sinks  
Sperduto



RIDER "C"REMEDIATION ADJUSTMENT (RA)

Applicable to the following service classifications:

RS	Residential Service	ED	Economic Development
DGR	Distributed Generation Residential	FC	Firm Cogeneration
GSS	General Service - Small	NGV	Natural Gas Vehicle
GSL	General Service - Large	IS	Interruptible Service
FT	Firm Transportation	IGS	Incremental Gas Service
DGC	Distributed Generation Commercial		

In accordance with P.L. 2011, c. 9, societal benefits charges pursuant to section 12 of P.L. 1999, c.23 (C.48:3-60), or any other charge designed to recover the costs for societal, energy efficiency, conservation, environmental or renewable energy programs, are not applicable to natural gas delivery service or commodity that is used to generate electricity that is sold for resale. Natural gas used to generate electricity that is sold for resale by customers served under the above Service Classifications is exempt from costs associated with the Remediation Adjustment ("RA") and shall not be billed for such charges. In order to qualify for this exemption, a customer who uses natural gas to generate electricity for resale must complete an Annual Certification form, provided by the Company, to certify the percentage of natural gas used at the customer's New Jersey generation facilities during the previous calendar year to generate electricity that was sold for resale.

Ninety days prior to October 1 of each year, the Company shall file with the Board a Remediation Adjustment factor based on remediation costs and third party expenses/claims in the preceding remediation year.

The RA Factor will be determined as follows:

**I. DEFINITION OF TERMS USED HEREIN**

1. "Remediation Costs" are all investigation, testing, land acquisition if appropriate, remediation and/or litigation costs/expenses or other liabilities excluding personal injury claims and specifically relating to former gas manufacturing facility sites, disposal sites, or sites to which material may have migrated, as a result of the earlier operation or decommissioning of gas manufacturing facilities.
2. "Recovery Year" is each October 1 to September 30 year and is the time period over which the amortized expenses shall be received from Customers.
3. "Remediation Year" is each July 1 to June 30 year and is the time period over which the remediation costs are incurred.

Date of Issue: July 7, 2011  
 Issued by: Mark R. Sperduto, Vice President  
 Wall, NJ 07719

Effective for service rendered on  
 and after January 28, 2011

RIDER "C"

**REMEDIATION ADJUSTMENT (RA) (continued)**

**DEFINITIONS OF TERMS USED HEREIN (continued)**

4. **"Third Party Claims"** are all claims by New Jersey Natural Gas Company against any entity including insurance companies, from which recoveries may be received and will be charged through the RA factor as follows:
  - a) Fifty percent of the reasonable transaction costs and expenses in pursuing Third Party Claims shall be included as Remediation Costs and shall be recovered as part of the RA clause. The remaining 50% shall be deferred until such time as the specific claim is resolved.
  - b) In the event that the Company is successful in obtaining a reimbursement from any Third Party, the Company shall be permitted to retain the deferred 50% as specified in 4a. The balance of the reimbursement, if any, shall be applied against the Remediation Costs in the year it is received and will be amortized over seven years.
  
5. **Sale of Property** shall be calculated by taking the proceeds of any sale of a former manufacturing gas plant site, less all reasonable expenses associated with selling the site, and subtracting the total costs that were incurred in cleaning up the site and amortized through rates. The proceeds associated with the total costs that were incurred in cleaning up the site will be included as a credit to the remediation costs incurred in the year of the sale. The remainder shall be equally shared between the Company and ratepayers.

---

**Date of Issue:** July 7, 2011  
**Issued by:** Mark R. Spurduto, Vice President  
Wall, NJ 07719

*Effective for service rendered on  
and after January 28, 2011*

RIDER "E"

NEW JERSEY'S CLEAN ENERGY PROGRAM

AVAILABILITY

Applicable to the following service classifications:

RS	Residential Service	ED	Economic Development
DGR	Distributed Generation Residential	FC	Firm Cogeneration
GSS	General Service - Small	NGV	Natural Gas Vehicle
GSL	General Service - Large	IS	Interruptible Service
FT	Firm Transportation	IGS	Incremental Gas Service
DGC	Distributed Generation Commercial		

In accordance with P.L. 2011, c. 9, societal benefits charges pursuant to section 12 of P.L. 1999, c.23 (C.48:3-60), or any other charge designed to recover the costs for societal, energy efficiency, conservation, environmental or renewable energy programs, are not applicable to natural gas delivery service or commodity that is used to generate electricity that is sold for resale. Natural gas used to generate electricity that is sold for resale by customers served under the above Service Classifications is exempt from costs associated with NJ's Clean Energy Program and shall not be billed for such charges. In order to qualify for this exemption, a customer who uses natural gas to generate electricity for resale must complete an Annual Certification form, provided by the Company, to certify the percentage of natural gas used at the customer's New Jersey generation facilities during the previous calendar year to generate electricity that was sold for resale.

The Company shall file with the Board, an annual NJ's Clean Energy Program factor concurrent with the Company's SBC filing, which shall be derived in the following manner:

1. The Company's funding obligation based upon the most recently BPU approved Clean Energy Program, previously referred to as the Comprehensive Resource Analysis ("CRA") Plan.
2. The difference between the approved funding obligation for the preceding year and the actual recovery of the NJ's Clean Energy Program costs plus appropriate carrying costs.
3. An estimate shall be made of the total volume of prospective jurisdictional therm sales of gas for the ~~applicable service classifications for the twelve~~ (12) months of the recovery year.
4. The total NJ's Clean Energy Program costs to be recovered, as determined per paragraphs (1), (2) and (3) shall then be divided by the total volume of prospective jurisdictional therm sales (per paragraph (3)), and the result carried to four (4) decimal places. Such result shall constitute the NJ's Clean Energy Program factor effective for service rendered commencing the effective date of approval, and continuing in effect until the effective date of any subsequent annual or other filing of a revision of modification thereof.

Date of Issue: July 7, 2011  
 Issued by: Mark R. Sperduto, Vice President  
 Wall, NJ 07719

Effective for service rendered on  
 and after January 28, 2011

**RIDER "E"**

**NEW JERSEY'S CLEAN ENERGY PROGRAM (Continued)**

The net amount shall be maintained in a separate deferred account. In the event that the Company determines that an existing NJ's Clean Energy Program rate, if left unchanged, would result in a material over- or under-collection of amounts incurred or expected to be incurred during the current NJ's Clean Energy Program Recovery Year, the Company may file with the BPU for approval of an interim revision of the NJ's Clean Energy Program rate. Such interim revision shall be designed to minimize or eliminate the over- or under-collection expected to result absent such revision either over: (a) the remaining billing months of the current NJ's Clean Energy Program Recovery Year or (b) over such other time period as the BPU shall determine.

Interest shall be computed monthly, at the RAC interest rate as authorized by the Board in Docket No. GX99030123, on the average monthly balances of over- or under-recovery of deferred NJ's Clean Energy costs.

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 SUT, shall be reduced by the amount of such tax included therein.

The NJ's Clean Energy Program factor shall be collected through [added to] the SBC on a basis for all service classifications to which this Rider "E" applies. The NJ's Clean Energy Program factor is as set forth below:

\$0.0203

---

**Date of Issue:** July 7, 2011  
**Issued by:** Mark R. Spurduto, Vice President  
Wall, NJ 07719

**Effective for service rendered on  
and after January 28, 2011**

*Filed pursuant to Order of the Board of Public Utilities entered in Docket No. GR09010076  
And to the June 21, 2011 Board of Public Utilities' Secretary's letter re: N.J.S.A. 48:3-60.1*

**NEW JERSEY NATURAL GAS COMPANY**

*Third Revised Sheet No. 172*

BPU No. 8 - Gas

Superseding Second Revised Sheet No. 172

**RIDER "F"**

**ENERGY EFFICIENCY AND RENEWABLE ENERGY - EERE**

**AVAILABILITY**

Applicable to the following service classifications:

RS	Residential Service	ED	Economic Development
DGR	Distributed Generation Residential	FC	Firm Cogeneration
GSS	General Service - Small	NGV	Natural Gas Vehicle
GSL	General Service - Large	IS	Interruptible Service
FT	Firm Transportation	IGS	Incremental Gas Service
DGC	Distributed Generation Commercial		

In accordance with P.L. 2011, c. 9, societal benefits charges pursuant to section 12 of P.L. 1999, c.23 (C.48:3-60), or any other charge designed to recover the costs for societal, energy efficiency, conservation, environmental or renewable energy programs, are not applicable to natural gas delivery service or commodity that is used to generate electricity that is sold for resale. Natural gas used to generate electricity that is sold for resale by customers served under the above Service Classifications is exempt from costs associated with the Energy Efficiency and Renewable Energy ("EERE") and shall not be billed for such charges. In order to qualify for this exemption, a customer who uses natural gas to generate electricity for resale must complete an Annual Certification form, provided by the Company, to certify the percentage of natural gas used at the customer's New Jersey generation facilities during the previous calendar year to generate electricity that was sold for resale.

The EERE rate is for recovering authorized expenditures related to the energy efficiency and renewable energy programs as approved in BPU Docket Nos. GO09010057 and GO10030225.

**DETERMINATION OF THE EERE**

The Company shall file an annual request with the Board for implementation of an EERE charge, which shall be applicable to customers on all service classifications to which Rider "F" applies. The EERE recovery year is intended to run from October 1<sup>st</sup> to September 30<sup>th</sup> of each year.

*Date of Issue: July 7, 2011*  
*Issued by: Mark R. Sperduto, Vice President*  
*Wall, NJ 07719*

*Effective for service rendered on*  
*and after January 28, 2011*

*Filed pursuant to the June 21, 2011 Board of Public Utilities' Secretary's Letter re:*  
*N.J.S.A. 48:3-60-1*

**RIDER "F"**

**ENERGY EFFICIENCY AND RENEWABLE ENERGY - EERE**

**I. Determination of the Rate**

The EERE rate shall be derived in the following manner:

1. An estimate shall be made of the total annual cost related to the programs. This rider will include only expenses for energy efficiency and renewable energy programs approved by the Board in BPU Docket Nos. GO09010057 and GO10030225, unless modified further by Board Order.
2. An estimate shall be made of the total annual volume of prospective jurisdictional sales of gas (in therms) to NJNG's sales and transportation customers.
3. The prospective costs (per paragraph (1)) shall be adjusted upward or downward to the extent of the amount of any prior under-recovery or over-recovery to determine the total costs to be recovered and then shall be divided by the estimated total volume of prospective sales (per paragraph (2)), to determine the per unit cost recovery rate.

**II. Tracking the Operation of the EERE**

The Company shall calculate carrying costs on the average monthly balances of under-or over-recovery of deferred costs based upon the Company's monthly commercial paper rate. The carrying cost calculation shall be based on the net of tax beginning and end average monthly balance. The carrying costs shall accrue on a monthly basis and shall be rolled into the balance at the end of each EERE recovery year.

In accordance with P.L., 1997 c. 162, 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 EERE factor shall be credited/collected on a per therm basis within the Delivery Charge for all service classifications to which Rider "F" applies. The EERE factor is as set forth below:

\$0.0127

---

*Date of Issue:* July 7, 2011  
*Issued by:* Mark R. Sperduto, Vice President  
Wall, NJ 07719

*Effective for service rendered on  
and after January 28, 2011*

**NEW JERSEY NATURAL GAS COMPANY**

*First Revised Sheet No. 176*

*BPU No. 8 - Gas*

*Superseding Original Sheet No. 176*

**RIDER "H"**

**UNIVERSAL SERVICE FUND – USF**

**AVAILABILITY**

Applicable to the following service classifications:

RS	Residential Service	ED	Economic Development
DGR	Distributed Generation Residential	FC	Firm Cogeneration
GSS	General Service - Small	NGV	Natural Gas Vehicle
GSL	General Service - Large	IS	Interruptible Service
FT	Firm Transportation	IGS	Incremental Gas Service
DGC	Distributed Generation Commercial		

In accordance with P.L. 2011, c. 9, societal benefits charges pursuant to section 12 of P.L. 1999, c.23 (C.48:3-60), or any other charge designed to recover the costs for societal, energy efficiency, conservation, environmental or renewable energy programs, are not applicable to natural gas delivery service or commodity that is used to generate electricity that is sold for resale. Natural gas used to generate electricity that is sold for resale by customers served under the above Service Classifications is exempt from costs associated with the Universal Service Fund (“USF”) and shall not be billed for such charges. In order to qualify for this exemption, a customer who uses natural gas to generate electricity for resale must complete an Annual Certification form, provided by the Company, to certify the percentage of natural gas used at the customer’s New Jersey generation facilities during the previous calendar year to generate electricity that was sold for resale.

The USF is a fund established by the New Jersey Board Public Utilities (“NJBP”) to provide affordable access for electric and natural gas service to all residential customers in the State. The Electric Discount and Energy Competition Act mandated the establishment of the USF in New Jersey.

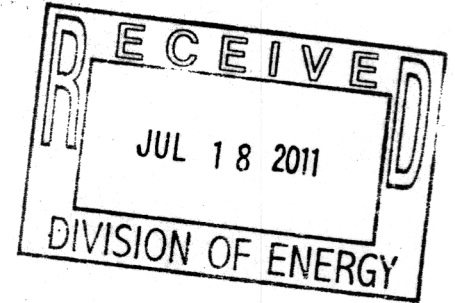
Revenues collected through this rider are used to fund the State’s percentage of income payment plan (“PIPP”) for qualified low-income customers and the Lifeline Credit program, a special program for qualified low-income elderly and disable citizens. Both programs are administered by the New Jersey State Department of Health and Senior Services. The USF program Year is intended to run from October 1<sup>st</sup> to September 30<sup>th</sup> of each year.

*Date of Issue: July 7, 2011*  
*Issued by: Mark R. Sperduto, Vice President*  
*Wall, NJ 07719*

*Effective for service rendered on*  
*and after January 28, 2011*



July 14, 2011



In the Matter of Utility Compliance Filings  
P.L. 2011 c.9 (The LCAPP Legislation)  
SBC Charges to Electric Generators

Via UPS Express Mail

Kristi Izzo, Secretary  
Board of Public Utilities  
Two Gateway Center, Suite 801  
Newark, New Jersey 07102

Dear Secretary Izzo:

Enclosed for filing by Public Service Electric and Gas Company (Public Service, the Company) please find an original and ten copies of the Company's compliance tariff sheets of its Tariff for Gas Service, B.P.U.N.J., No. 15 Gas, provided in accordance with the terms of your letter dated June 21, 2011 in the above referenced matter.

- Revised Sheet No. 8, Standard Terms and Conditions-Index
- Revised Sheet No. 35, Standard Terms and Conditions
- Revised Sheet No. 36, Standard Terms and Conditions
- Revised Sheets No. 37-40, Reserved for Future Use
- Revised Sheet No. 41, Societal Benefits Charge
- Revised Sheet No. 44, RGGI Recovery Charge

Public Service respectfully requests that the Board create a Docket Number for this matter and accept the revised tariff pages. As this is a compliance filing, the Company would have no objection to it being placed on the Consent Agenda at the next scheduled Board meeting and to the subsequent issuance of a Secretary's Letter confirming the Board's acceptance.

In accordance with your letter dated June 21, 2011, Annual Certification forms are being provided to all known affected customers and those customers are being requested to complete and return the forms within thirty days. Upon receipt of their Annual

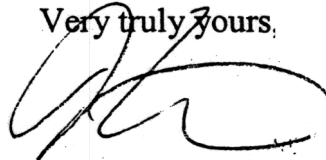


Certification form for 2010, to the extent that they have been billed SBC or RGGI on and after January 28, 2011, refunds by means of bill credits will be applied to the affected customers' bills. This certified percentage for 2010 will serve as the percentage of the customer's throughput that will be exempt from the SBC and RGGI for 2011 in accordance with the proposed Tariff. As directed in the Board's Letter, Public Service will require the customer to complete an Annual Certification each January in order to continue to receive this exemption.

Pursuant to your letter, Public Service will defer for future recovery in an appropriate proceeding any SBC or other eligible charge amounts that are refunded to electric generation customers.

Thank you for your consideration of this matter. As always, please feel free to contact me if you have any questions or concerns.

Very truly yours,



David K. Richter

Enclosures

cc: Jerome May – BPU Director of Division of Energy  
Ken Sheehan – BPU Chief Counsel

STANDARD TERMS AND CONDITIONS – INDEX

(Continued)

	Sheet No.
14.2. Enrollment.....	29
14.3. Selection or Change of Third Party Supplier .....	30
14.4. Return to Public Service Basic Gas Supply Service Default Service.....	30
14.5. Emergency Sales Service.....	31
14.6. Customer Billing Process.....	32
14.7. Third Party Supplier's Termination of Customer's Gas Supply .....	33
14.8. Continuity of Service .....	33
14.9. Regulatory Requirements .....	33
14.10. Delivery Liability .....	33
14.11. Delivery Control and Possession .....	33
<b>15. New Jersey Authorized Taxes .....</b>	<b>33</b>
15.1. New Jersey Sales and Use Tax.....	33
15.2. Transitional Energy Facility Assessment .....	34
15.3. New Jersey Corporation Business Tax .....	35
<b><u>16. New Jersey Authorized Exemptions .....</u></b>	<b><u>36</u></b>
<b><u>16</u> Termination, Change, or Modification</b>	
<b><u>17.</u> of Provisions of Tariff.....</b>	<b><u>35</u></b>
	<b><u>36</u></b>

Date of Issue:

Issued by ROSE M. CHERNICK, Vice President Finance – PSE&G  
80 Park Plaza, Newark, New Jersey 07102  
Filed pursuant to Order of Board of Public Utilities dated  
in Docket No.

Effective:

## STANDARD TERMS AND CONDITIONS

(Continued)

**15.2.1. Exemptions due to the Energy Tax Reform Statute:** The Energy Tax Reform Statute exempts the following customers from the TEFA provision, and when billed to such customers, the charges otherwise applicable shall be reduced by the amount of the TEFA included therein:

- a) Franchised providers of utility services (gas, electricity, water, wastewater and telecommunications services provided by local exchange carriers) within the State of New Jersey.
- b) Cogenerators in operation, or which had filed an application for an operating permit or a construction permit and a certificate of operation in order to comply with air quality standards under P.L. 1954, c. 212 (C.26:2C-1 *et seq.*) with the New Jersey Department of Environmental Protection, on or before March 10, 1997.
- c) Special contract customers for which a customer-specific tax classification was approved by a written Order of the New Jersey Board of Public Utilities prior to January 1, 1998.
- d) Additional customers as authorized by the State of New Jersey Department of Treasury in accordance with the provisions of P.L. 1997, c. 162.

**15.3. New Jersey Corporation Business Tax:** In accordance with P.L. 1997, c. 162, provision for the New Jersey Corporation Business Tax (CBT) has been included in the Service Charge, Distribution Charge, and the Demand Charge:

**15.3.1. Exemptions due to the Energy Tax Reform Statute:** The Energy Tax Reform Statute exempts the following customers from the CET provision, and when billed to such customers, the above tariff charges otherwise applicable shall be reduced by the provision for the CBT (and related SUT) included therein:

- a) Franchised providers of utility services (gas, electricity, water, wastewater and telecommunications services provided by local exchange carriers) within the State of New Jersey.
- b) Cogenerators in operation, or which had filed an application for an operating permit or a construction permit and a certificate of operation in order to comply with air quality standards under P.L. 1954, c. 212 (C.26:2C-1 *et seq.*) with the New Jersey Department of Environmental Protection, on or before March 10, 1997.
- c) Special contract customers for which a customer-specific tax classification was approved by a written Order of the New Jersey Board of Public Utilities prior to January 1, 1998.
- d) Additional customers as authorized by the State of New Jersey Department of Treasury in accordance with the provisions of P.L. 1997, c. 162.

Date of Issue:

Issued by ROSE M. CHERNICK, Vice President Finance – PSE&G  
80 Park Plaza, Newark, New Jersey 07102  
Filed pursuant to Order of Board of Public Utilities  
in Docket No.

Effective:

## STANDARD TERMS AND CONDITIONS

(Continued)

**16. NEW JERSEY AUTHORIZED EXEMPTIONS**

The following exemptions are authorized by the State of New Jersey and are applied in accordance with P.L. 2011, c.9 (the "Long Term Capacity Agreement Pilot Program", "LCAPP Legislation"). The exemptions take effect January 28, 2011.

**16.1 Exemptions due to LCAPP Legislation:** Electric generators who use natural gas to generate electricity that is sold for resale will be exempt from a societal benefits charge pursuant to N.J.S.A. 48:3-60 or any other charge designed to recover the costs for social, energy efficiency, conservation, environmental or renewable energy or natural gas delivery service or commodity that is used to generate electricity that is sold for resale. This exemption includes the Societal Benefits Charge (SBC) and the RGGI Recovery Charge (RRC). Each customer's exemption will be effective upon completion of an Annual Certification form.

- a)** The Annual Certification form shall be a prerequisite for the exemption and shall be furnished to customers of record in December and returned to Public Service by the customer no later than January 15<sup>th</sup> of each year. The Annual Certification form shall certify the percentage of gas used at their New Jersey generation facilities during the immediately preceding calendar year to generate electricity that was sold for resale. This Certification will serve as the percentage of the customers' throughput that will be exempt from the SBC and the RGGI charge. This Certification will then be used for the succeeding annual period commencing in February. If the customer fails to return the form, then the SBC and the RGGI charge will be assessed on all the customer's usage until a completed Annual Certification form is received to be effective after the next subsequent meter reading. If the customer returns a completed Annual Certification Form on or before January 15, then adjustments to customer's bills to reflect changes in the percentage of gas used to generate electricity for resale will be made on a prospective basis beginning in February.

**16.17. TERMINATION, CHANGE OR MODIFICATION OF PROVISIONS OF TARIFF**

This tariff is subject to the lawful orders of the Board of Public Utilities of the State of New Jersey.

Public Service may at any time and in any manner permitted by law, and the applicable rules and regulations of the Board of Public Utilities of the State of New Jersey, terminate, or change or modify by revision, amendment, supplement, or otherwise, this Tariff or any part thereof, or any revision or amendment hereof or supplement hereto.

Date of Issue:

Issued by ROSE M. CHERNICK, Vice President Finance – PSE&G  
80 Park Plaza, Newark, New Jersey 07102  
Filed pursuant to Order of Board of Public Utilities  
in Docket No.

Effective:

**PUBLIC SERVICE ELECTRIC AND GAS COMPANY**  
**B.P.U.N.J. No. 15 GAS**

**XXX Revised Sheet Nos. 37 to 40**  
**Superseding**  
**XXX Sheet Nos. 37 to 40**

**RESERVED FOR FUTURE USE**

**Date of Issue:**

**Issued by ROSE M. CHERNICK, Vice President Finance – PSE&G**  
**80 Park Plaza, Newark, New Jersey 07102**  
**Filed pursuant to Order of Board of Public Utilities**  
**in Docket No.**

**Effective:**

**SOCIETAL BENEFITS CHARGE**

**CHARGE APPLICABLE TO  
RATE SCHEDULES RSG, GSG, LVG, SLG,  
TSG-F, TSG-NF, CIG  
(Per Therm)**

Social Programs .....	\$ 0.000000
Energy Efficiency and Renewables Programs .....	0.022843
Manufactured Gas Plant Remediation .....	0.010497
Universal Service Fund - Permanent .....	0.013300
Universal Service Fund - Lifeline .....	<u>0.004900</u>
Societal Benefits Charge .....	\$ 0.051540
Societal Benefits Charge including New Jersey Sales and Use Tax (SUT) .....	<u>\$ 0.055148</u>

Societal Benefits Charge

This mechanism is designed to insure recovery of costs associated with activities that are required to be accomplished to achieve specific public policy determinations mandated by Government. Actual costs incurred by the Company for each of these cost components will be subject to deferred accounting. Interest at the two-year constant maturity treasury rate plus 60 basis points will be accrued monthly on any under-over recovered balances for all components other than Manufactured Gas Plant Remediation. Interest at the seven-year constant maturity treasury rate plus 60 basis points will be accrued monthly on any under- or over-recovered balances for the Manufactured Gas Plant Remediation. The interest rates for all components other than USF and Lifeline shall change each August 1. The interest rates for the USF and Lifeline components shall be reset each month.

See Section 16 of the Standard Terms and Conditions for exemptions from this charge.

Date of Issue:

Issued by ROSE M. CHERNICK, Vice President Finance – PSE&G  
80 Park Plaza, Newark, New Jersey 07102  
Filed pursuant to Order of Board of Public Utilities dated  
in Docket No.

Effective:

**RGGI RECOVERY CHARGE**

**CHARGE APPLICABLE TO  
RATE SCHEDULES RSG, GSG, LVG, SLG,  
TSG-F, TSG-NF, CIG  
(per Therm)**

**Component:**

Carbon Abatement Program .....	\$0.000731
Energy Efficiency Economic Stimulus Program .....	<u>0.002390</u>
RGGI Recovery Charge .....	\$0.003121
RGGI Recovery Charge Including New Jersey Sales and Use Tax (SUT) ...	<u>\$0.003339</u>

RGGI Recovery Charge

This charge is designed to recover the revenue requirements associated with the PSE&G Regional Greenhouse Gas Initiative (RGGI) programs. The charge will be reset nominally on an annual basis. Interest at the weighted average of the interest rates on PSE&G's commercial paper and bank credit lines utilized in the prior month will be accrued monthly on any under- or over- recovered balances. The interest rate shall be reset each month.

See Section 16 of the Standard Terms and Conditions for exemptions from this charge.

Date of Issue:

Issued by ROSE M. CHERNICK, Vice President Finance – PSE&G  
80 Park Plaza, Newark, New Jersey 07102  
Filed pursuant to Order of Board of Public Utilities dated  
in Docket No.

Effective:

STANDARD TERMS AND CONDITIONS - INDEX

(Continued)

	<b>Sheet No.</b>
14.2. Enrollment.....	29
14.3. Selection or Change of Third Party Supplier .....	30
14.4. Return to Public Service Basic Gas Supply Service Default Service.....	30
14.5. Emergency Sales Service.....	31
14.6. Customer Billing Process.....	32
14.7. Third Party Supplier's Termination of Customer's Gas Supply .....	33
14.8. Continuity of Service.....	33
14.9. Regulatory Requirements .....	33
14.10. Delivery Liability .....	33
14.11. Delivery Control and Possession .....	33
<b>15. New Jersey Authorized Taxes .....</b>	<b>33</b>
15.1. New Jersey Sales and Use Tax.....	33
15.2. Transitional Energy Facility Assessment .....	34
15.3. New Jersey Corporation Business Tax .....	35
<b>16. New Jersey Authorized Exemptions .....</b>	<b>36</b>
<b>17. Termination, Change, or Modification of Provisions of Tariff.....</b>	<b>36</b>

Date of Issue:

Issued by ROSE M. CHERNICK, Vice President Finance – PSE&G  
80 Park Plaza, Newark, New Jersey 07102  
Filed pursuant to Order of Board of Public Utilities dated  
in Docket No.

Effective:



STANDARD TERMS AND CONDITIONS

(Continued)

**15.2.1. Exemptions due to the Energy Tax Reform Statute:** The Energy Tax Reform Statute exempts the following customers from the TEFA provision, and when billed to such customers, the charges otherwise applicable shall be reduced by the amount of the TEFA included therein:

- a) Franchised providers of utility services (gas, electricity, water, wastewater and telecommunications services provided by local exchange carriers) within the State of New Jersey.
- b) Cogenerators in operation, or which had filed an application for an operating permit or a construction permit and a certificate of operation in order to comply with air quality standards under P.L. 1954, c. 212 (C.26:2C-1 *et seq.*) with the New Jersey Department of Environmental Protection, on or before March 10, 1997.
- c) Special contract customers for which a customer-specific tax classification was approved by a written Order of the New Jersey Board of Public Utilities prior to January 1, 1998.
- d) Additional customers as authorized by the State of New Jersey Department of Treasury in accordance with the provisions of P.L. 1997, c. 162.

**15.3. New Jersey Corporation Business Tax:** In accordance with P.L. 1997, c. 162, provision for the New Jersey Corporation Business Tax (CBT) has been included in the Service Charge, Distribution Charge, and the Demand Charge:

**15.3.1. Exemptions due to the Energy Tax Reform Statute:** The Energy Tax Reform Statute exempts the following customers from the CBT provision, and when billed to such customers, the above tariff charges otherwise applicable shall be reduced by the provision for the CBT (and related SUT) included therein.

- a) Franchised providers of utility services (gas, electricity, water, wastewater and telecommunications services provided by local exchange carriers) within the State of New Jersey.
- b) Cogenerators in operation, or which had filed an application for an operating permit or a construction permit and a certificate of operation in order to comply with air quality standards under P.L. 1954, c. 212 (C.26:2C-1 *et seq.*) with the New Jersey Department of Environmental Protection, on or before March 10, 1997.
- c) Special contract customers for which a customer-specific tax classification was approved by a written Order of the New Jersey Board of Public Utilities prior to January 1, 1998.
- d) Additional customers as authorized by the State of New Jersey Department of Treasury in accordance with the provisions of P.L. 1997, c. 162.

Date of Issue:

Issued by ROSE M. CHERNICK, Vice President Finance – PSE&G  
80 Park Plaza, Newark, New Jersey 07102  
Filed pursuant to Order of Board of Public Utilities  
in Docket No.

Effective:

## STANDARD TERMS AND CONDITIONS

(Continued)

## 16. NEW JERSEY AUTHORIZED EXEMPTIONS

The following exemptions are authorized by the State of New Jersey and are applied in accordance with P.L. 2011, c.9 (the "Long Term Capacity Agreement Pilot Program", "LCAPP Legislation"). The exemptions take effect January 28, 2011.

**16.1 Exemptions due to LCAPP Legislation:** Electric generators who use natural gas to generate electricity that is sold for resale will be exempt from a societal benefits charge pursuant to N.J.S.A. 48:3-60 or any other charge designed to recover the costs for social, energy efficiency, conservation, environmental or renewable energy on natural gas delivery service or commodity that is used to generate electricity that is sold for resale. This exemption includes the Societal Benefits Charge (SBC) and the RGGI Recovery Charge (RRC). Each customer's exemption will be effective upon completion of an Annual Certification form.

- a) The Annual Certification form shall be a prerequisite for the exemption and shall be furnished to customers of record in December and returned to Public Service by the customer no later than January 15<sup>th</sup> of each year. The Annual Certification form shall certify the percentage of gas used at their New Jersey generation facilities during the immediately preceding calendar year to generate electricity that was sold for resale. This Certification will serve as the percentage of the customers' throughput that will be exempt from the SBC and the RGGI charge. This Certification will then be used for the succeeding annual period commencing in February. If the customer fails to return the form, then the SBC and the RGGI charge will be assessed on all the customer's usage until a completed Annual Certification form is received to be effective after the next subsequent meter reading. If the customer returns a completed Annual Certification Form on or before January 15, then adjustments to customer's bills to reflect changes in the percentage of gas used to generate electricity for resale will be made on a prospective basis beginning in February.

## 17. TERMINATION, CHANGE OR MODIFICATION OF PROVISIONS OF TARIFF

This tariff is subject to the lawful orders of the Board of Public Utilities of the State of New Jersey.

Public Service may at any time and in any manner permitted by law, and the applicable rules and regulations of the Board of Public Utilities of the State of New Jersey, terminate, or change or modify by revision, amendment, supplement, or otherwise, this Tariff or any part thereof, or any revision or amendment hereof or supplement hereto.

Date of Issue:

Issued by ROSE M. CHERNICK, Vice President Finance – PSE&G  
80 Park Plaza, Newark, New Jersey 07102  
Filed pursuant to Order of Board of Public Utilities  
in Docket No.

Effective:

**PUBLIC SERVICE ELECTRIC AND GAS COMPANY**  
**B.P.U.N.J. No. 15 GAS**

**XXX Revised Sheet Nos. 37 to 40**  
**Superseding**  
**XXX Sheet Nos. 37 to 40**

**RESERVED FOR FUTURE USE**

Date of Issue:

Issued by ROSE M. CHERNICK, Vice President Finance – PSE&G  
80 Park Plaza, Newark, New Jersey 07102  
Filed pursuant to Order of Board of Public Utilities  
in Docket No.

Effective:

**SOCIETAL BENEFITS CHARGE**

**CHARGE APPLICABLE TO  
RATE SCHEDULES RSG, GSG, LVG, SLG,  
TSG-F, TSG-NF, CIG  
(Per Therm)**

Social Programs .....	\$ 0.000000
Energy Efficiency and Renewables Programs .....	0.022843
Manufactured Gas Plant Remediation .....	0.010497
Universal Service Fund - Permanent .....	0.013300
Universal Service Fund - Lifeline .....	<u>0.004900</u>
Societal Benefits Charge	\$ 0.051540
Societal Benefits Charge including New Jersey Sales and Use Tax (SUT).	<u>\$ 0.055148</u>

Societal Benefits Charge

This mechanism is designed to insure recovery of costs associated with activities that are required to be accomplished to achieve specific public policy determinations mandated by Government. Actual costs incurred by the Company for each of these cost components will be subject to deferred accounting. Interest at the two-year constant maturity treasury rate plus 60 basis points will be accrued monthly on any under-over recovered balances for all components other than Manufactured Gas Plant Remediation. Interest at the seven-year constant maturity treasury rate plus 60 basis points will be accrued monthly on any under- or over-recovered balances for the Manufactured Gas Plant Remediation. The interest rates for all components other than USF and Lifeline shall change each August 1. The interest rates for the USF and Lifeline components shall be reset each month.

See Section 16 of the Standard Terms and Conditions for exemptions from this charge.

Date of Issue:

Issued by ROSE M. CHERNICK, Vice President Finance – PSE&G  
80 Park Plaza, Newark, New Jersey 07102  
Filed pursuant to Order of Board of Public Utilities dated  
in Docket No.

Effective:

**RGGI RECOVERY CHARGE**

**CHARGE APPLICABLE TO  
RATE SCHEDULES RSG, GSG, LVG, SLG,  
TSG-F, TSG-NF, CIG  
(per Therm)**

**Component:**

Carbon Abatement Program .....	\$0.000731
Energy Efficiency Economic Stimulus Program.....	<u>0.002390</u>
RGGI Recovery Charge.....	\$0.003121
RGGI Recovery Charge including New Jersey Sales and Use Tax (SUT) .....	<u><del>\$0.003339</del></u>

RGGI Recovery Charge

This charge is designed to recover the revenue requirements associated with the PSE&G Regional Greenhouse Gas Initiative (RGGI) programs. The charge will be reset nominally on an annual basis. Interest at the weighted average of the interest rates on PSE&G's commercial paper and bank credit lines utilized in the prior month will be accrued monthly on any under- or over- recovered balances. The interest rate shall be reset each month.

See Section 16 of the Standard Terms and Conditions for exemptions from this charge.

Date of Issue:

Issued by ROSE M. CHERNICK, Vice President Finance – PSE&G  
80 Park Plaza, Newark, New Jersey 07102  
Filed pursuant to Order of Board of Public Utilities dated  
in Docket No.

Effective:

Re: LCAPP

3

**COZEN**  
**O'CONNOR**

A PENNSYLVANIA PROFESSIONAL CORPORATION

SUITE 300 LIBERTYVIEW 457 HADDONFIELD ROAD P.O. BOX 5459 CHERRY HILL, NJ 08002-2220  
856.910.5000 800.989.0499 856.910.5075 FAX www.cozen.com

THOMAS MCKAY, III  
ATTORNEY RESPONSIBLE  
FOR NJ PRACTICE

**Stacy A. Mitchell**  
Direct Phone 856.910.5006  
Direct Fax 877.295.6880  
smitchell@cozen.com

July 21, 2011

**VIA E-MAIL**  
**VIA REGULAR MAIL**

Kristi Izzo, Board Secretary  
Board of Public Utilities  
44 South Clinton Avenue  
P.O. Box 350  
Trenton, NJ 08625

**Re: Utility Compliance Filings**  
**P.L. 2011 c.9 (The LCAPP Legislation)**  
**SBC Charges to Electric Generators**

~~Dear Secretary Izzo:~~

This firm represents South Jersey Gas Company ("SJG") in the above-referenced matter. In accordance with your letter dated June 21, 2011, enclosed please find SJG's:

- (1) compliance tariff filing; and
- (2) a Public Copy of the three (3) SJG electric generation customer Annual Certification forms.

The "Confidential" Annual Certification forms have been filed with the Custodian of Records in accordance with the Board's regulations governing confidentiality.

Kristi Izzo, Board Secretary  
July 21, 2011  
Page 2

---

Should you have any questions regarding this matter, please feel free to contact me directly.

Very truly yours,

COZEN O'CONNOR

  
By: Stacy A. Mitchell

SAM/bab  
Enclosures

cc: Samuel Pignatelli, South Jersey Gas Company  
Renee Farmer, South Jersey Gas Company

PUBLIC COPY  
REDACTED

## ANNUAL CERTIFICATION

I, Frank E. DiCola, of full age, being duly sworn according to law, upon my oath, depose and say:

1. I am Chief Executive Officer of ACB Energy Partners, LLC and I am authorized to make this certification on behalf of ACB Energy Partners, LLC.


2. ACB Energy Partners, LLC owns/is an electric power generator that:

a) purchases natural gas or natural gas delivery service from South Jersey Gas Company which natural gas service is used to generate electricity; and

c) which electricity is sold for resale.

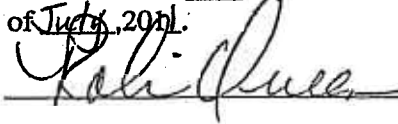
3. I hereby certify that      % of the natural gas purchased by ACB Energy Partners, LLC, which passes through South Jersey Gas Company meter No.      is used to generate electricity sold for resale.

4. I hereby certify that the foregoing statements made me are true. I am aware that if any of the foregoing statements are willfully false, I am subject to punishment.



Frank E. DiCola

Sworn to and subscribed  
before me this 15<sup>th</sup> day  
of July, 2011.



Notary Public

ROBIN D. QUEEN  
NOTARY PUBLIC OF NEW JERSEY  
My Commission Expires 12/8/2014

CHERRY\_HILL626758\1 278438.000



PUBLIC COPY  
REDACTED  
**ANNUAL CERTIFICATION**

I, William Stokes, of full age, being duly sworn according to law, upon my oath, depose and say:

1. I am Vice President of Calpine Energy Services, L.P. and I am authorized to make this certification on behalf of Calpine Energy Services, L.P.

2. Calpine Energy Services, L.P. owns/is an electric power generator that:

a) purchases natural gas or natural gas delivery service from South Jersey Gas Company

b) which natural gas service is used to generate electricity; and

c) which electricity is sold for resale.

3. I hereby certify that % of the natural gas purchased by Calpine Energy Services, L.P., which passes through South Jersey Gas Company meter No. is used to generate electricity sold for resale.

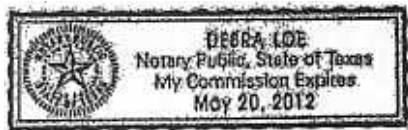
4. I hereby certify that the foregoing statements made me are true. I am aware that if any of the foregoing statements are willfully false, I am subject to punishment.

*William Stokes*

KA

Sworn to and subscribed  
before me this 20<sup>th</sup> day  
of July, 2011.

*Debra Loe*



Notary Public

PUBLIC COPY  
REDACTED

## ANNUAL CERTIFICATION

I, David F. Hughes, of full age, being duly sworn according to law, upon my oath, depose and say:

1. I am Vice President of Pedricktown Management Company, LLC and I am authorized to make this certification on behalf of Pedricktown Cogeneration Company Limited Partnership.

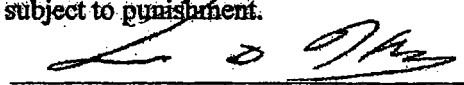
2. Pedricktown Cogeneration Company Limited Partnership owns/is an electric power generator that:

a) purchases natural gas or natural gas delivery service from **SOUTH JERSEY GAS COMPANY**) which natural gas service is used to generate electricity; and

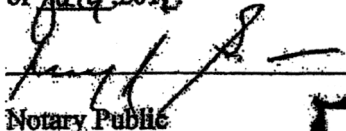
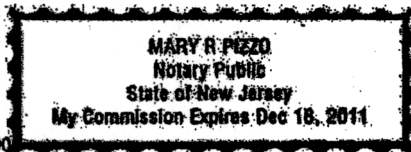
c) which electricity is sold for resale.

3. I hereby certify that % of the natural gas purchased by Pedricktown Cogeneration Company Limited partnership, which passes through **SOUTH JERSEY GAS COMPANY** meter No. is used to generate electricity sold for resale.

4. I hereby certify that the foregoing statements made me are true. I am aware that if any of the foregoing statements are willfully false, I am subject to punishment.



Sworn to and subscribed  
before me this 21<sup>st</sup> day  
of July, 2011.

  
Notary Public

CHERRY\_HILL\626758\1 278438.000

STATE OF NEW JERSEY  
BOARD OF PUBLIC UTILITIES

IN RE UTILITY COMPLIANCE FILINGS  
P.L. 2011 c.9 (THE LCAPP LEGISLATION)  
SBC CHARGES TO ELECTRIC  
GENERATORS

:  
:  
:  
:  
:  
:  
:  
:  
:  
:  
:

AFFIDAVIT OF  
JOHN F. STANZIOLA

STATE OF NEW JERSEY            )  
  : ss.  
COUNTY OF ATLANTIC          ).

John F. Stanziola, upon his oath, deposes and says:

1. I am of full age. I am the Director of Regulatory Affairs of South Jersey Gas Company (“South Jersey”) and am authorized to make this Affidavit on behalf of South Jersey Gas Company (hereinafter referred to as “South Jersey” or “Company”).
2. By way of background, on January 28, 2011 Governor Christie signed Senate Bill 2381, P.L. 2011 c.9 (the “LCAPP Legislation”) which, *inter alia*, exempts electric generators that use natural gas and/or natural gas delivery service to generate electricity that is sold for resale from paying the Societal Benefits Charge (“SBC”) and certain other charges.
3. In order to implement the LCAPP Legislation, the Company has provided an Annual Certification form to its electric generation customers so that each may certify the percentage of the customers throughput that will be exempt from the SBC.
4. I offer this Affidavit in support of the Company’s claim that certain terms of the Annual Certification forms executed by three (3) electric generation customers of South Jersey, to which the SBC exemption applies pursuant to the LCAPP Legislation, *N.J.S.A.* 48:3-60.1, are confidential and should be treated as confidential by the Board.

5. By way of correspondence dated June 21, 2011, the Board's Secretary required that each gas utility provide a copy of the Annual Certification forms completed by its customers.

6. The information contained in the Annual Certifications includes confidential data which is not routinely available to the general public in any manner.

7. If other customers of South Jersey became aware of the information contained in the Annual Certifications, this would redound in harm to South Jersey and to its customers.

8. The disclosure of such commercially sensitive information to others would directly harm South Jersey's future competitive or bidding position in connection with negotiated agreements.

9. The information contained in the Annual Certifications has been and will continue to be maintained as confidential by South Jersey.

  
JOHN F. STANZIOLA

Sworn to and subscribed  
before me this 21 day  
of July, 2011.

  
Notary Public

BARBARA A. BOYLE  
NOTARY PUBLIC OF NEW JERSEY  
My Commission Expires July 25, 2012

I certify that the affiant has acknowledged the genuineness of the above facsimile signature and that the document or a copy with original signature affixed will be filed if requested by the Board of Public Utilities or a party.

By:   
Stacy A. Mitchell, Esquire

**SOUTH JERSEY GAS COMPANY**

Second Revised Sheet No. 76  
Superseding First Sheet No. 76

**B.P.U.N.J. No. 10 - GAS**

**RIDER "E"  
SOCIETAL BENEFITS CLAUSE (SBC)  
(Continued)**

**UNIVERSAL SERVICE FUND:**

Pursuant to the "Electric Discount and Energy Competition Act", N.J.S.A. 48:3-49, the Board established the Permanent Universal Service Fund ("USF") and the Lifeline Credit and Tenants Assistance Program ("Lifeline") both of which will be collected from Rate Schedules RSG, GSG, GSG-LV, EGS, EGS-LV, CTS, LVS, FES, IGS, ITS and NGV. The USF and Lifeline factors established in this Rider "E" were set forth by the Board.

Pursuant to Section 12b of the "Electric Discount and Energy Competition Act", N.J.S.A. 48:3-60b, the Board established an Interim Universal Service Fund. All gas consumed under Rate Schedules RSG, GSG, GSG-LV, EGS, EGS-LV, CTS, LVS and FES shall recover the Company's contributions toward the Universal Service Fund (over a twelve month period on a forecasted basis in accordance with this Rider "E").

Pursuant to Section 12b of the "Electric Discount and Energy Competition Act", N.J.S.A. 48:3-60.1, electric generators that use natural gas and/or natural gas delivery service to generate electricity that is sold for resale are exempt from paying the Societal Benefits Charge (SBC) on the throughput used to generate electricity that is sold for resale. In order to determine the percentage of the throughput exempt from the SBC, a customer must complete the form Annual Certification which provides the percentage of the customer's throughput that is used to generate electricity that is sold for resale. South Jersey Gas will forward the form Annual Certification to each customer in December. The Annual Certification must be returned to South Jersey Gas on or before January 15<sup>th</sup>. Adjustments to the customer's bills will be made on a prospective basis beginning in February of the subsequent year. That is, commencing in February, the customer's SBC charge will be adjusted based on the percentage of the customer's throughput from the prior calendar year that was used to generate electricity that was sold for resale. If the customer fails to return the completed Annual Certification by January 15<sup>th</sup>, then the subsequent year's SBC charges will be assessed on 100% of the customer's total usage.

The interest rate on USF under and over recoveries shall be the interest rate based on a two-year constant maturity Treasuries as published in the Federal Reserve Statistical Release on the first day of each month (or the closest day thereafter on which the rates are published), plus sixty basis points, but shall not exceed the Company's overall rate of return as authorized by the Board.

Rates subject to this Rider have been adjusted to recover the following Societal Benefit Charges:

Rate Schedule and Appropriate Rate		RAC	CLEP	USF (Including Lifeline)	SBC
Rate Schedule RSG	Delivery	.0118	.0129	.0194	.0441
Rate Schedule GSG	Delivery	.0118	.0129	.0194	.0441
Rate Schedule GSG-LV	Delivery	.0118			.0441
Rate Schedule EGS	Delivery	.0118			.0441

Issued July 22, 2011  
by South Jersey Gas Company,  
E. Graham, President

Effective with service rendered  
on and after \_\_\_\_\_

Filed pursuant to Order in Docket No. \_\_\_\_\_ of the Board of  
Public Utilities, State of New Jersey, dated \_\_\_\_\_

**SOUTH JERSEY GAS COMPANY**

**B.P.U.N.J. No. 10 - GAS**

**Second Revised Sheet No. 76  
Superseding First Sheet No. 76**

Rate Schedule EGS-LV	C-1	.0118	.0129	.0194 <sup>(1)</sup>	.0441
Rate Schedule CTS	C-1FT	.0118	.0129	.0194	.0441
Rate Schedule LVS	C-1/C-1FT	.0118	.0129	.0194	.0441
Rate Schedule FES	C-1FT	.0118	.0129	.0194	.0441
Rate Schedule IGS	Monthly Rate	.0118	N/A	.0194	.0312
Rate Schedule ITS	Monthly Rate	.0118	.0129	.0194	.0441
Rate Schedule NGV	Delivery	.0118	.0129	.0194	.0441

<sup>(1)</sup> This element of the Societal Benefits Charge will not be applicable to those customers with special existing contracts limiting their rate exposure, until the expiration of those contracts, in accordance with the Orders of the Board of Public Utilities in Docket No. EX00020091.

**Issued July 22, 2011  
by South Jersey Gas Company,  
E. Graham, President**

**Effective with service rendered  
on and after \_\_\_\_\_**

**Filed pursuant to Order in Docket No. \_\_\_\_\_ of the Board of  
Public Utilities, State of New Jersey, dated \_\_\_\_\_**

Re LCAPP



Elizabethtown Gas™

An AGL Resources Company

300 Connell Drive, Suite 3000  
Berkeley Heights, NJ 07922

908 289 5000 phone  
www.elizabethtowngas.com

*Via FedEx & Electronic Mail*

August 10, 2011

Kristi Izzo, Secretary  
New Jersey Board of Public Utilities  
44 South Clinton Avenue, 9<sup>th</sup> Floor  
P.O. Box 350  
Trenton, New Jersey 08625-0350

**Re: Pivotal Utility Holdings, Inc., d/b/a Elizabethtown Gas  
Compliance with P.L. 2011 c. 9 (The LCAPP Legislation)**

Dear Secretary Izzo:

Enclosed for filing are an original and ten copies of the following revised tariff sheets, in redline and clean format, to Pivotal Utility Holdings, Inc. d/b/a Elizabethtown Gas's ("Elizabethtown" or "the Company") Tariff – BPU No. 14:

**Sheet Nos. 109, 116, 117 and 120**

The revised tariff sheets are being submitted in belated compliance<sup>1</sup> with your letter dated June 21, 2011 in which you directed the State's gas utilities to make compliance tariff filings setting forth the procedures they would use to determine whether a customer's usage qualifies for an exemption from the Company's Societal Benefits Charge ("SBC") or other charges pursuant to P.L. 2011 c. 9 ("the LCAPP Legislation").<sup>2</sup> Under the LCAPP Legislation, gas public utilities are prohibited from assessing societal benefits or similar charges on natural gas service or commodity that is used to generate electricity that is sold for resale.

<sup>1</sup> Due to the press of regulatory and other business matters, Elizabethtown did not comply with the June 21, 2011 letter in a timely manner. Elizabethtown respectfully requests such waivers of the June 21, 2011 letter as may be needed to accept this filing at this time.

<sup>2</sup> N.J.S.A. 48:3-60.1.

Under the procedures proposed herein, a customer seeking to obtain an exemption from Elizabethtown's SBC and the Regional Greenhouse Gas Initiative Rider rate<sup>3</sup> must complete an Annual Certification form certifying the percentage of gas used at the customer's meter(s) to generate electricity for resale. The certified percentage will serve to determine the level of exemption that each customer will receive. Customers may begin receiving an exemption as of January 28, 2011 by submitting an Annual Certification form based on usage data for 2010.<sup>4</sup> In future years, Elizabethtown will forward the Annual Certification forms to identified customers in December to be updated for each subsequent calendar year's actual experience. If the customer fails to return the form, then the SBC will be assessed on all of the customer's usage. If a customer returns the completed form on or before January 15, then the revised percentage for each customer will take effect February 1.

Elizabethtown requests that the Board of Public Utilities act to approve these tariff sheets as soon as possible. Elizabethtown requests any waivers of the Board's regulations or orders that may be necessary to allow the enclosed tariff sheets to become effective as filed.

Please contact the undersigned if you have any questions. Thank you for your attention in this matter.

Yours truly,

*/s/ Mary Patricia Keefe*

Mary Patricia Keefe, Esq.  
Vice President, Regulatory Affairs

cc: Jerome May  
Stefanie Brand  
Paul Flanagan  
Felicia Thomas-Friel

<sup>3</sup> Elizabethtown does not assess any other types of charges to electric generation customers that recover the types of costs that may not be assessed to customers that use gas to generate electricity under *N.J.S.A. 48:3-60.1*.

<sup>4</sup> Customers that do not have twelve months of consumption data may rely on usage estimates supported by engineering and operational plans.



RIDER "D"

SOCIETAL BENEFITS CHARGE ("SBC")

Applicable to all tariff Service Classifications except those customers under special contracts that explicitly do not permit the Company to apply increased charges or assessments as filed and approved by the NJBPU and those customers exempted pursuant to the Long-Term Capacity Agreement Pilot Program ("LCAPP"), P.L. 2011 c.9. See the LCAPP Exemption Procedures at the end of this Rider.

The SBC is designed to recover the (1) cost of Comprehensive Resource Analysis Programs that were approved by the Board pursuant to its Comprehensive Resource Analysis regulations prior to April 30, 1997, (2) cost of Manufactured Gas Plant Remediation, and (3) cost of Consumer Education and any other new programs which the Board determines should be recovered through the Societal Benefits Charge.

<u>SBC Rate Components:</u>		<u>Per Therm</u>
	New Jersey Clean Energy Program ("CEP")	\$0.0158
II.	Remediation Adjustment Charge ("RAC")	(\$0.0020)
III.	<u>Universal Service Fund and Lifeline:</u>	
	1. Universal Service Fund ("USF")	\$0.0142
	2. Lifeline	\$0.0052
	TOTAL	<u>\$0.0332</u>

In accordance with P.L. 1997, c. 162, the charges applicable under this Rider include provision for the New Jersey Sales and Use Tax, and when billed to customers exempt from this tax shall be reduced by the amount of such tax included therein.

New Jersey Clean Energy Program Component ("CEP")

The Comprehensive Resource Analysis ("CRA") name was changed to the Clean Energy Program - CEP per Board Order dated January 22, 2003 in Docket No. EX99050347 *et al.* The CEP is a mechanism that will (1) establish a rate to recover the costs of the Core and Standard Offer Programs in the Company's CEP Plan which was approved by the Board of Public Utilities ("BPU") in Docket No. GE92020104, and (2) compensate the Company for the revenue erosion resulting from conservation savings created by the Standard Offer Program. The annual recovery period for the CEP is from October 1 through September 30. The CEP recovers program costs and revenue erosion incurred during the previous CEP year ended June 30.

- 1 CEP program costs include the costs of core programs, standard offer payments and any administrative costs not recovered directly from standard offer providers.

Date of Issue	<del>October 20, 2010</del>	Effective: Service Rendered on and after <u>January 28, 2011</u> <u>November 1, 2010</u>
---------------	-----------------------------	---

Issued by: Jodi Gidley  
Sr. Vice President, Mid-Atlantic Operations  
300 Connell Drive, Suite 3000  
Berkeley Heights, New Jersey 07922

Filed Pursuant to Senate Bill 2381, P.L. 2011 c.9 – The LCAPP Legislation Order of the Board of Public Utilities

Signed January 28, 2011 ~~Dated October 20, 2010 in Docket No. ER10060436~~

RIDER "D"

SOCIETAL BENEFITS CHARGE ("SBC")  
(continued)

III Universal Service Fund ("USF") and Lifeline Components (continued)

C. Carrying Costs

Per Board Order dated October 21, 2008 in Docket No. ER08060455, the interest rate on USF under and over recoveries shall be the interest rate based on a two-year constant maturity Treasuries as published in the Federal Reserve Statistical Release on the first day of each month (or the closest day thereafter on which rates are published), plus sixty basis points, but shall not exceed the overall rate of return for each utility as authorized by the Board. The calculation shall be based on the net of tax beginning and end average monthly balance, accruing simple interest with an annual roll-in at the end of each reconciliation period.

IV. LCAPP Exemption Procedures

The following procedures to obtain the LCAPP exemption from the SBC charge shall apply:

A customer seeking an SBC rate exemption for all or part of its usage must submit an Annual Certification form, provided by the Company, declaring and certifying, for any applicable meter, the percentage of natural gas purchased and used for the generation of electricity sold for resale during the previous calendar year. For facilities with less than twelve months of history, estimates supported by engineering and operational plans may be used.

A. Annual Procedures

In December of each year the Company will mail an Annual Certification form to customers currently receiving the exemption, addressed to the customer's designated representative, to be returned to the Company's designated representative by the following January 15<sup>th</sup>.

The certified percentage will be used to determine the SBC rate to be charged for the twelve (12) month period beginning February 1<sup>st</sup>, for example:

Date of Issue: ~~December 17, 2009~~

Effective: Service Rendered  
on and after January 28, 2011  
~~December 17, 2009~~

Issued by: Jodi Gidley  
Sr. Vice President, Mid-Atlantic Operations  
300 Connell Drive, Suite 3000  
Berkeley Heights, New Jersey 07922

Filed Pursuant to Senate Bill 2381, P.L. 2011 c.9 – The LCAPP Legislation ~~Order of the Board of Public Utilities~~

Signed January 28, 2011 ~~Dated December 17, 2009 in Docket No. GR09030195~~

RIDER "E"  
AVAILABLE FOR FUTURE USE

RIDER "D"  
SOCIETAL BENEFITS CHARGE ("SBC")  
(continued)

IV. LCAPP Exemption Procedures (continued)

A. Annual Procedures (continued)

If the full SBC rate to be charged equaled \$0.0400 per therm pre tax and assessments and the certified percentage was seventy-five percent (75%) then the rate charged and applied to the metered volume would be calculated as:  $\$0.0400 * (1.00 - .75) = \$0.0100$  per therm before any applicable taxes and assessments.

If the customer fails to return the form by January 15<sup>th</sup> then the full SBC rate will be assessed on all of the customer's natural gas usage until a completed Annual Certification form is received. Any exemption will become effective after the customer's next subsequent meter reading.

Notwithstanding the foregoing, the Company will provide customers that it reasonably believes may be eligible for the exemption with a certification form for the period of January 28, 2011 through January 31, 2012 on which the customer may certify the percentage of natural gas purchased and used for the generation of electricity sold for resale during the calendar year 2010. Any adjustments to the customer's bill associated with this exemption period shall be billed or credited to the customer in the billing period following the adjustment determination.

B. Interim Period Procedures

Customers may obtain the exemption at any time during a year by obtaining and submitting to the Company's designated representative a completed Annual Certification form. The certified percentage will be used to determine the exemption which will become effective after the next subsequent meter reading. Customers will be required to re-certify for the subsequent period beginning February 1 in accordance with the Annual Procedures.

Date of Issue: ~~December 17, 2009~~

Effective: Service Rendered  
on and after January 28,  
~~2011~~December 17, 2009

Issued by: Jodi Gidley  
Sr. Vice President, Mid-Atlantic Operations  
300 Connell Drive, Suite 3000  
Berkeley Heights, New Jersey 07922

Filed Pursuant to Senate Bill 2381, P.L. 2011 c.9 – The LCAPP Legislation ~~Order of the~~  
~~Board of Public Utilities~~  
Signed January 28, 2011 ~~Dated December 17, 2009 in Docket No. GR09030195~~

RIDER "G"

REGIONAL GREENHOUSE GAS INITIATIVE ("RGGI")

Applicable to all customers except those customers under special contracts as filed and approved by the NJBPU and those customers exempted pursuant to the Long-Term Capacity Agreement Pilot Program ("LCAPP"), P.L. 2011 c.9. See the LCAPP Exemption Procedures at the end of the Societal Benefits Charge ("SBC") Rider "D."

The RGGI shall be collected on a per therm basis and shall remain in effect until changed by order of the NJBPU. The applicable RGGI unit charges are as follows:

\$0.0000 per therm

In accordance with P.L. 1997, c. 162, the charges applicable under this Rider include provision for the New Jersey Sales and Use Tax, and when billed to customers exempt from this tax shall be reduced by the amount of such tax included therein.

In the "Global Warming Act," *N.J.S.A.26-2C-45*, or "RGGI Legislation" the State Legislature determined that global warming is a pervasive and dangerous threat that should be addressed through the establishment of a statewide greenhouse gas emissions reduction program. On May 8, 2008, the Board issued an Order (the "RGGI Order") pursuant to *N.J.S.A. 48:3-98.1(c)*. The RGGI Order allows electric and gas public utilities to offer energy efficiency and conservation programs on a regulated basis.

The RGGI program will enhance or supplement existing Clean Energy Program ("CEP") incentives with programs such as:

1. Whole-house energy efficiency programs which encourage all residential customers to implement a combination of energy efficiency improvements (*i.e.*, air sealing and duct leaks, insulation and high-efficient equipment) rather than just a single improvement;
2. Expanded gas HVAC and hot water heater incentive programs for residential customers;
3. Large and small commercial customer energy efficiency programs which enhance CEP SmartStart incentives;
4. A Combined Heat & Power which supplements existing CEP incentives;

Date of Issue: February 1, 2011

Effective: Service Rendered  
on and after January 28, 2011  
February 1, 2011

Issued by: Jodi Gidley  
Sr. Vice President, Mid-Atlantic Operations  
300 Connell Drive, Suite 3000  
Berkeley Heights, New Jersey 07922

Filed Pursuant to Senate Bill 2381, P.L. 2011 c.9 – The LCAPP Legislation Order of the  
Board of Public Utilities

Signed January 28, 2011 Dated January 19, 2011 in Docket No. GO10100735