



Agenda Date: 9/11/15

Agenda Item: 2L

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

ENERGY

IN THE MATTER OF THE PETITION OF NEW JERSEY) ORDER
NATURAL GAS COMPANY FOR THE ANNUAL)
REVIEW AND REVISION OF ITS BASIC GAS SUPPLY)
SERVICE (BGSS) AND CONSERVATION INCENTIVE)
PROGRAM (CIP) FACTORS FOR F/Y 2016) DOCKET NO. GR15060644

Parties of Record:

Andrew K. Dembia, Esq., for New Jersey Natural Gas Company
Stefanie A. Brand, Esq., Director, New Jersey Division of Rate Counsel

BY THE BOARD:

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

In accordance with the January Order, on May 29, 2015, New Jersey Natural Gas Company ("the Company" or "NJNG") filed with the Board its annual BGSS petition proposing to maintain the June 1, 2015 per therm rate¹ of \$0.4804 and stating its intention to provide a bill credit of \$0.2238 per therm over the months of November 2015 through February 2016, reducing BGSS revenues by \$63.7 million (including SUT) over the bill-credit period. According to the Company, the average residential customer could realize a total credit of approximately \$141.00 against BGSS costs, translating to a 14.3% reduction on an annual basis.

¹ All rates quoted include sales and use tax ("SUT").

The Company is also proposing to decrease its balancing charge rate by \$0.0071 per therm, from \$0.0750 to \$0.0679 per therm, to reflect up-dated costs. Supply imbalances occur when transportation customers use more or less gas than the amount they agreed to take from a third party supplier. The balancing charge represents the cost to NJNG's transportation customers for NJNG providing gas from its BGSS portfolio to adjust for transportation customers' over/under consumption. All balancing charge revenues from transportation customers are credited to the BGSS. For sales customers, the balancing charge is included as a component of the delivery charge and deducted from the BGSS charge to provide a BGSS "Price-to-Compare." There is no balancing charge related impact on sales customers' bills, as the balancing charge is deducted from the BGSS price and added to the delivery price.

The petition also includes a Conservation Incentive Program ("CIP")² proposal seeking approval for the following per therm CIP rates to be effective October 1, 2015: Residential Heating – a credit of \$0.0224, Residential Non-Heating – a credit of \$0.0403, Small General Service – a charge of \$0.0128, and Large General Service – a charge of \$0.0339.

The proposed CIP rates would yield a net increase of \$1.181 million in NJNG's CIP revenues, comprised of the following elements:

(\$000)	CIP Deficiency/(Credit) - 2014-2015			Prior Period Under/ (Over) Recovery	Totals
	Non-Weather	Weather	Total		
Group I - Res. No Heat	(\$158)	\$0	(\$158)	\$46	(\$112)
Group II - Res. Heat	(\$2,030)	(\$8,626)	(\$10,656)	\$981	(\$9,675)
Group III - G. S. Small	\$795	(\$673)	\$122	\$286	\$408
Group IV - G.S. Large	\$6,625	(\$1,854)	\$4,771	(\$325)	\$4,446
Total	\$5,232	(\$11,153)	(\$5,921)	\$988	(\$4,933)
CIP Revenues at existing rates					(\$6,114)
Difference					\$1,181

Pursuant to the Board's October 12, 2006 and January 20, 2010 Orders in Docket No. GR05121020, any non-weather related CIP surcharges must be offset by reductions in BGSS related costs. According to the Company's filing, the non-weather related CIP value subject to the BGSS savings comparison is \$5.232 million. As this amount is less than the Company-identified BGSS related reductions of \$13.165 million, the Company maintains that it has met the BGSS savings test. In addition, as the Company's estimated return on equity at September 30, 2015 of 8.8% is less than the 10.3% ceiling, the Company looks to refund to customers the net weather and non-weather margin CIP surplus of \$5.921 million. The Company's proposal, if approved, translates into an annual increase of \$.80 for a residential heating customer using 1,000 therms.

² The CIP was approved by the Board in Docket No. GR05120120 in Board Orders dated October 12 and December 12, 2006 ("CIP Order"). The CIP encourages the Company to foster customer conservation by allowing it to share in energy related savings due to conservation. The non-weather related CIP surcharges are limited to corresponding decreases in specific supply related costs incorporated in the Company's BGSS rates and subject to return on equity limits.

After publication of notice in newspapers in general circulation in the Company's service territory, on August 24 and 25, 2015, public hearings regarding this docket were held in Freehold and Rockaway, respectively. No members of the public appeared at either of the hearings or submitted written comments on the petition.

THE STIPULATION³

Following a review by, and subsequent discussions among, representatives of the Company, Rate Counsel and Board Staff (collectively, "the Parties"), determined that additional time is needed to complete a comprehensive review of the Company's proposed BGSS, CIP and balancing charge rates. However, as indicated in a stipulation ("Stipulation") signed by the Parties on August 26, 2015, they also agreed that approval of the proposed rates on a provisional basis, subject to refund, is reasonable at this time.

The Parties recommend the following proposed per-therm rates be effective on a provisional basis for service rendered on and after October 1, 2015:

Proposed Rates Per Therm	
BGSS	\$0.4804
Balancing Charge	\$0.0679
CIP:	
Residential – Heat	(\$0.0224)
Residential - No Heat	(\$0.0403)
Small General Service	\$0.0128
Large General Service	\$0.0339

Exhibit A to the Stipulation provides the bill impacts of the agreed-to rates. The proposed tariff sheets are attached as Exhibit B. The Parties agree that these rates will be subject to refund with interest, an opportunity for a full review at the Office of Administrative Law ("OAL") and final approval by the Board.

DISCUSSION AND FINDING

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

The Board **HEREBY APPROVES** on a provisional basis the following:

- (1) the Company's maintenance of its per therm BGSS rate at \$0.4804;
- (2) a decrease in the Company's balancing charge rate to \$0.0679; and

³ Although summarized in this Order, the detailed terms of the stipulation are controlling, subject to the findings and conclusions of this Order.

(3) the implementation of the following per therm CIP rates:

- a credit of \$0.0403 for residential non-heating customers,
- a credit of \$0.0224 for residential heating customers,
- a charge of \$0.0128 for small general service customers, and
- a charge of \$0.0339 for large general service customers.

Any net over-recovery on the BGSS and CIP at the end of the BGSS period is subject to refund with interest. All rate changes shall be effective for service rendered on and after October 1, 2015.

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

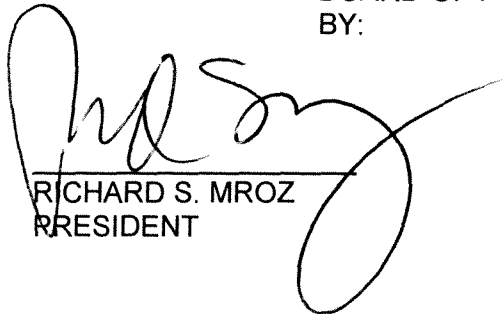
The Board **HEREBY ORDERS** that this matter be transmitted to the OAL for full review and an Initial Decision, and then returned to the Board.

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

The effective date of this Order is September 21, 2015.

DATED: 9-11-15

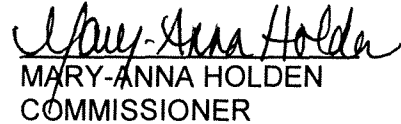
BOARD OF PUBLIC UTILITIES
BY:



RICHARD S. MROZ
PRESIDENT



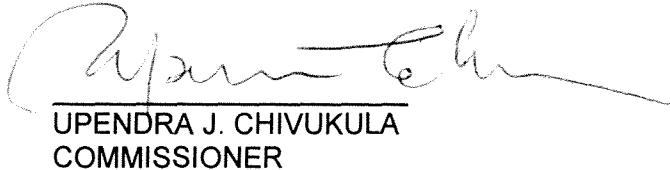
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COMMISSIONER



MARY-ANNA HOLDEN
COMMISSIONER

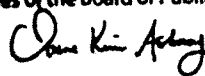


DIANNE SOLOMON
COMMISSIONER



UPENDRA J. CHIVUKULA
COMMISSIONER

ATTEST: 
IRENE KIM ASBURY
SECRETARY

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


IN THE MATTER OF THE PETITION OF NEW JERSEY NATURAL GAS COMPANY FOR THE
ANNUAL REVIEW AND REVISION OF ITS BASIC GAS SUPPLY SERVICE (BGSS) AND
CONSERVATION INCENTIVE PROGRAM (CIP) FACTORS FOR FISCAL YEAR 2016
DOCKET NO. GR15060644

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**STATE OF NEW JERSEY
BOARD OF PUBLIC UTILITIES**

**IN THE MATTER OF THE PETITION OF)
NEW JERSEY NATURAL GAS COMPANY)
FOR THE ANNUAL REVIEW AND) BPU DOCKET NO. GR15060644
REVISION OF ITS BASIC GAS SUPPLY)
SERVICE (BGSS) AND ITS)
CONSERVATION INCENTIVE PROGRAM)
(CIP) FACTORS FOR F/Y 2016)**

STIPULATION FOR PROVISIONAL RATES

APPEARANCES:

Andrew Dembia, Esq., New Jersey Natural Gas Company for the Petitioner, New Jersey Natural Gas Company

Felicia Thomas-Friel, Deputy Rate Counsel, Sarah H. Steindel, Esq. and Maura Caroselli, Esq., Assistant Deputy Rate Counsels, New Jersey Division of Rate Counsel (Stefanie Brand, Esq., Director)

Alex Moreau and Christopher M. Psihoules, Deputy Attorneys General, for the Staff of the New Jersey Board of Public Utilities (John J. Hoffman, Acting Attorney General of New Jersey)

TO: THE NEW JERSEY BOARD OF PUBLIC UTILITIES

BACKGROUND

1. New Jersey Natural Gas Company (“NJNG” or the “Company”) filed a petition in Docket No. GR15060644 on June 1, 2015 (“2016 Annual Filing”), requesting that the New Jersey Board of Public Utilities (the “BPU” or “Board”) approve NJNG’s 2016 Annual Filing to: 1) maintain the Company’s Periodic Basic Gas Supply Service (“BGSS”) rate for the period October 1, 2015 through September 30, 2016; 2) approve a decrease to the Company’s Balancing Charge effective October 1, 2015; and 3) approve the following changes to the Company’s Conservation Incentive Program (“CIP”) factors effective October 1, 2015: a decrease to its CIP recovery rate

for Group I Residential Non-Heat customers, and increases in the CIP recovery rates for -Group II Residential Heat , Group III General Service – Small, and Group IV General Service – Large .

2. Specifically, the petition in the 2016 Annual Filing requested that the BPU maintain the existing per therm after-tax Periodic BGSS rate of \$0.4804 that is applicable to residential and small commercial customers subject to the Periodic BGSS Pricing Mechanism. As requested by Board Staff, NJNG's filing reflected market conditions as of May 11, 2015 and was based on a one-year BGSS recovery period. For the October 2015 through September 2016 BGSS year, NJNG's filing included an estimated beginning over recovery of \$5.8 million. The Company's filing further indicated an estimated ending over-recovery balance of approximately \$63.7 million with no change in the Company's BGSS rates. In lieu of a BGSS rate decrease, the Company intends to implement bill credits to its BGSS customers estimated at approximately \$63.7 million during the months of November 2015, December 2015, January 2016, and February 2016, resulting in an estimated ending under recovery of \$9,000.

3. The petition also requested a \$0.0071 per therm decrease to the NJNG after-tax balancing charge, thereby decreasing it from \$0.0750 to \$0.0679. As approved by the Board on October 3, 2008 in BPU Docket No. GR07110889 ("Base Case Order"), NJNG is to adjust its balancing charge in the annual BGSS filing to reflect updated costs. For transportation customers, the balancing charge is a component of the delivery charge and all balancing charge revenues from transportation customers are credited to BGSS. In order to provide a "Price-to-Compare" for sales customers, the balancing charge is deducted from the BGSS charge and included as a component of the delivery charge in order to provide a "Price-to-Compare." Since the balancing charge is deducted from the BGSS price, and added to the delivery price, there is no balancing-related impact on a sales customer's bill.

4. Within the 2016 Annual Filing, as authorized by the Board in Docket Nos. GR05121020 and GR13030185, the Company also submitted its annual CIP rate filing for CIP year 2016, October 1, 2015 through September 30, 2016, requesting that the BPU approve the implementation of updated CIP factors effective October 1, 2015. The requested changes result in an overall increase of after-tax revenue of approximately \$1.2 million to the current estimated annual CIP revenue of (\$6.5) million. Specifically, the Company is seeking approval for the following changes to its after-tax per therm CIP factors: 1) a \$0.0076 increase in the current credit rate of (\$0.0327) for Group I Residential Non-Heat customers resulting in the proposed credit of (\$0.0403); 2) a \$0.0008 decrease in the current credit rate of (\$0.0232) resulting in the proposed credit of (\$0.0224) for Group II Residential Heat customers; 3) an increase of \$0.0026 to the current rate of \$0.0102 for Group III Small Commercial customers resulting in the proposed rate of \$0.0128; and 4) an increase of \$0.0053 to the current rate of \$0.0286 resulting in the proposed rate of \$0.0339 for Group IV Large Commercial customers, all effective as of October 1, 2015.

5. Pursuant to the Board's May 21, 2014 Order in Docket No. GR13030185, recovery of any non-weather related CIP surcharges are subject to a BGSS Savings Test under which the Company must have BGSS savings of at least 75 percent of the non-weather related margin deficiency and a Variable Margin Test under which the non-weather related margin deficiency must be less than or equal to 6.5 percent of aggregate variable margins. The Company reported total estimated CIP related margin credit for CIP year 2015, October 1, 2014 through September 30, 2015, of (\$5.9) million with (\$11.2) million margin credit related to weather and \$5.2 million related to non-weather factors. The amount of the BGSS Savings required to meet the BGSS Savings test is 75 percent of the non-weather change or \$3.9 million. Under the Variable Margin Test, the recovery limitation is \$12.8 million. The Company has identified approximately \$13.2

million in BGSS savings available to offset non-weather related CIP margin deficiency and charges for the October 2015 through September 2016 recovery period. Since the non-weather related CIP margin deficiency is less than the BGSS Savings and the Variable Margin Test recovery limitation, the Company has met both tests. The Company also provided testimony that the margin deficiency will not result in a return on equity in excess of 10.3 percent.

6. Modifying the CIP rates will result in a requested overall increase of approximately \$0.08 per month, or 0.08 percent, to the average residential heating customer (Group II) using 100 therms per month. The impact to the average residential non-heat customer (Group I) using 25 therms per month from these requested rate changes will be a decrease of 0.63 percent per month, to the average small commercial customer (Group III) using 100 therms a month will be an increase of 0.23 percent per month, and to the average large commercial customer (Group IV) using 1200 therms a month will be a 0.57 percent increase. The above CIP changes result in an increase of after-tax CIP revenues of approximately \$1.2 million.

7. Public hearings on this petition were held on August 24, 2015 in Freehold Township and on August 25, 2015 in Rockaway Borough. No members of the public appeared at either hearing nor were any written comments received by the BPU, NJNG or Rate Counsel.

STIPULATED ISSUES

8. NJNG, Board Staff, and Rate Counsel (collectively, the “Parties”), the only Parties to this proceeding, have discussed certain matters at issue herein. As a result of those discussions, the Parties have determined that additional time is needed to complete the final review of NJNG’s proposed BGSS rate, balancing charge, and CIP rates. However, the Parties have agreed that maintaining the BGSS rate and implementing the requested changes to the balancing charge and CIP rates, on a provisional basis and subject to the terms below, would be reasonable at this time.

9. Accordingly, the Parties stipulate and agree that pending the conclusion of any further review and discussions among the Parties, it is both reasonable and in the public interest for the Board to authorize the following: 1) maintain the Company's periodic BGSS rate at \$0.4804 per therm after-tax; 2) decrease the Company's balancing charge to \$0.0679 per therm after-tax; and 3) adjust the following CIP rates all on an after-tax basis to: (\$0.0403) per therm for Group I Residential Non-Heat customers; (\$0.0224) per therm for Group II Residential Heat customers; \$0.0128 per therm for Group III Small Commercial customers; and, \$0.0339 per therm for Group IV Large Commercial customers.

10. It is agreed by the Parties that these rates will be effective as of the later of October 1, 2015 or the effective date of the Board Order adopting this Stipulation. These changes are on a provisional basis, subject to refund with interest, an opportunity for a full review at the Office of Administrative Law ("OAL"), if necessary, and final approval by the Board.

11. This Stipulation results in an overall increase of approximately 0.08 percent, or \$0.08 per month for a typical residential heat sales customer using 100 therms per month. The components of the agreed-upon rates are as follows: BGSS rate reflects no change and the CIP rate reflects an increase of 0.08 percent. The overall impact to the average residential non-heat sales customer using 25 therms per month is a decrease of (0.63) percent or (\$0.19) per month and to the average small commercial sales customer using 100 therms per month these changes represent an increase of approximately 0.23 percent or \$0.26 per month. The total bill for large commercial sales customers are increasing by approximately 0.57 percent or \$6.36 per month for a customer using 1200 therms a month. These rate changes represent an increase in annual after-tax revenue to NJNG of approximately \$1.2 million. Exhibit A to this Stipulation provides the impacts of the above rate changes.

12. The Company will submit final tariff sheets within five (5) business days of the effective date of the Board's Order in this docket conforming to the agreed upon rates and terms set-forth in the above paragraphs. Proposed tariff sheets are attached as Exhibit B.

13. This Stipulation represents a mutual balancing of interests, contains interdependent provisions, and, therefore, is intended to be accepted and approved in its entirety. In the event any particular aspect of this Stipulation is not accepted and approved in its entirety by the Board, any Party aggrieved thereby shall not be bound to proceed with this Stipulation and shall have the right to litigate all issues addressed herein to a conclusion. More particularly, in the event this Stipulation is not adopted in its entirety by the Board, in any applicable Order(s), then any Party hereto is free to pursue its then available legal remedies with respect to all issues addressed in this Stipulation as though this Stipulation had not been signed.

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

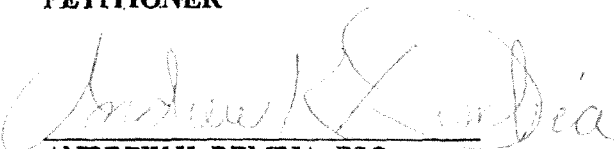
15. It is specifically understood and agreed that this Stipulation represents a negotiated agreement and has been made exclusively for the purpose of these proceedings. Except as expressly provided herein, NJNG, Board Staff, and Rate Counsel shall not be deemed to have approved, agreed to, or consented to any principle or methodology underlying or supposed to underlie any agreement provided herein. All rates are subject to audit by the Board. The Parties recommend that the Board transmit this proceeding to the OAL for an opportunity for a full review of all issues in this matter. The Parties further acknowledge that a Board Order approving this Stipulation will become effective upon the service of said Board Order, or upon such date after the service thereof as the Board may specify, in accordance with N.J.S.A. 48:2-40.

such date after the service thereof as the Board may specify, in accordance with N.J.S.A. 48:2-40.

WHEREFORE, the Parties hereto do respectfully submit this Stipulation and request that the Board issue a Decision and Order approving it in its entirety, in accordance with the terms hereof, as soon as reasonably possible in order to implement these rates as of the later of October 1, 2015 or the effective date of the Board Order approving this Stipulation.

**NEW JERSEY NATURAL GAS
PETITIONER**

By:


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New Jersey Natural Gas

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

By:


SARAH H. STEINDEL, ESQ.
ASSISTANT DEPUTY RATE COUNSEL

**JOHN J. HOFFMAN
ACTING ATTORNEY GENERAL OF NEW JERSEY
Attorney for the Staff of the Board of Public Utilities**

By:


CHRISTOPHER M. PSIHOULES
DEPUTY ATTORNEY GENERAL

Date:

8/26/15

New Jersey Natural Gas Company
Net impact of Proposed Rate Changes
BPU Docket No. GR1506
FY 2016

(\$/therm)

Price Impact for Group I - Residential Non-Heating Customers							
	Component of	Current		Proposed		Change	
		Pre-tax	Post-tax	Pre-tax	Post-tax	Pre-tax	Post-tax
BGSS	BGSS	\$0.4490	\$0.4804	\$0.4490	\$0.4804	\$0.0000	\$0.0000
CIP	Delivery Price	(0.0306)	(0.0327)	(0.0377)	(0.0403)	(0.0071)	(0.0076)
NET IMPACT		<u>\$0.4184</u>	<u>\$0.4477</u>	<u>\$0.4113</u>	<u>\$0.4401</u>	<u>(\$0.0071)</u>	<u>(\$0.0076)</u>

Price Impact for Group II - Residential Heating Customers							
	Component of	Current ¹		Proposed		Change	
		Pre-tax	Post-tax	Pre-tax	Post-tax	Pre-tax	Post-tax
BGSS	BGSS	\$0.4490	\$0.4804	\$0.4490	\$0.4804	\$0.0000	\$0.0000
CIP	Delivery Price	(0.0217)	(0.0232)	(0.0209)	(0.0224)	0.0008	0.0008
NET IMPACT		<u>\$0.4273</u>	<u>\$0.4572</u>	<u>\$0.4281</u>	<u>\$0.4580</u>	<u>\$0.0008</u>	<u>\$0.0008</u>

Price Impact for Group III - General Service Small Customers							
	Component of	Current		Proposed		Change	
		Pre-tax	Post-tax	Pre-tax	Post-tax	Pre-tax	Post-tax
BGSS	BGSS	\$0.4490	\$0.4804	\$0.4490	\$0.4804	\$0.0000	\$0.0000
CIP	Delivery Price	0.0095	0.0102	0.0120	0.0128	0.0025	0.0026
NET IMPACT		<u>\$0.4585</u>	<u>\$0.4906</u>	<u>\$0.4610</u>	<u>\$0.4932</u>	<u>\$0.0025</u>	<u>\$0.0026</u>

Price Impact for Group IV - General Service Large Customers							
	Component of	Current		Proposed		Change	
		Pre-tax	Post-tax	Pre-tax	Post-tax	Pre-tax	Post-tax
BGSS	BGSS	Changes Monthly					
CIP	Delivery Price	0.0267	0.0286	0.0317	0.0339	0.0050	0.0053
NET IMPACT		<u>\$0.0267</u>	<u>\$0.0286</u>	<u>\$0.0317</u>	<u>\$0.0339</u>	<u>\$0.0050</u>	<u>\$0.0053</u>

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

Periodic BGSS projected annual therms	451,626 (000s)
CIP Group I projected annual therms	2,969 (000s)
CIP Group II projected annual therms	465,589 (000s)
CIP Group III projected annual therms	34,047 (000s)
CIP Group IV projected annual therms	140,687 (000s)

	Projected Revenue at Current Rates \$million	Projected Revenue at Proposed Rates \$million	Change \$million
BGSS	\$216.96	\$216.96	\$0.00
CIP Group I	(\$0.10)	(\$0.12)	(\$0.02)
CIP Group II	(\$10.80)	(\$10.43)	\$0.37
CIP Group III	\$0.35	\$0.44	\$0.09
CIP Group IV	\$4.02	\$4.77	\$0.75
IMPACT	<u>\$210.43</u>	<u>\$211.62</u>	<u>\$1.19</u>

New Jersey Natural Gas Company
Net impact of Proposed Rate Changes
BPU Docket No. GR1506
FY 2016

(\$/therm)

	Current			Proposed		
	Residential Non-Heat	Residential Heat	GSS	Residential Non-Heat	Residential Heat	GSS
Pre-tax Periodic BGSS	\$0.4490	\$0.4490	\$0.4490	\$0.4490	\$0.4490	\$0.4490
After-tax Periodic BGSS	\$0.4804	\$0.4804	\$0.4804	\$0.4804	\$0.4804	\$0.4804
Less: Balancing						
BGSS Price To Compare	\$0.4054	\$0.4054	\$0.4054	\$0.4125	\$0.4125	\$0.4125

<u>Impact on Residential Non-Heating Customers</u>			
25 therm bill			
Current Prices			
Customer Charge	\$8.25	\$8.25	
Delivery	\$0.4694	\$11.74	
BGSS	\$0.4054	\$10.14	
Total	\$0.8748	\$30.12	
Proposed prices- effective 10/1/15			
Customer Charge	\$8.25	\$8.25	
Delivery	\$0.4547	\$11.37	
BGSS	\$0.4125	\$10.31	
Total	\$0.8672	\$29.93	
Decrease		(\$0.19)	
Decrease as a percent		(0.63%)	
<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	\$0.4789	\$47.89	\$478.90
BGSS	\$0.4054	\$40.54	\$405.40
Total	\$0.8843	\$96.68	\$983.30
Proposed prices- effective 10/1/15			
Customer Charge	\$8.25	\$8.25	\$99.00
Delivery	\$0.4726	\$47.26	\$472.60
BGSS	\$0.4125	\$41.25	\$412.50
Total	\$0.8851	\$96.76	\$984.10
Increase		\$0.08	\$0.80
Increase as a percent		0.08%	0.08%
<u>Impact on Commercial GSS Customers</u>			
100 therm bill			
Current Prices			
Customer Charge	\$25.00	\$25.00	
Delivery	\$0.4711	\$47.11	
BGSS	\$0.4054	\$40.54	
Total	\$0.8765	\$112.65	
Proposed prices- effective 10/1/15			
Customer Charge	\$25.00	\$25.00	
Delivery	\$0.4666	\$46.66	
BGSS	\$0.4125	\$41.25	
Total	\$0.8791	\$112.91	
Increase		\$0.26	
Increase as a percent		0.23%	
<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	\$0.4255	\$510.60	
BGSS (May 2015)	\$0.3234	\$388.08	
Total	\$0.7489	\$1,114.18	
Proposed prices- effective 10/1/15			
Customer Charge	\$40.00	\$40.00	
Demand Charge	\$1.50	\$175.50	
Delivery	\$0.4237	\$508.44	
BGSS (May 2015)	\$0.3305	\$396.60	
Total	\$0.7542	\$1,120.54	
Increase		\$6.36	
Increase as a percent		0.57%	

NEW JERSEY NATURAL GAS COMPANY

BPU No. 8 - Gas

*Twenty-Fifth Revised Sheet No. 51
Superseding Twenty-Fourth Revised Sheet No. 51*

SERVICE CLASSIFICATION - RS

RESIDENTIAL SERVICE

AVAILABILITY

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

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

CHARACTER OF SERVICE

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

MONTHLY RATES

Customer Charge:

Customer Charge per meter per month \$8.25

Delivery Charge:

Residential Heating

Delivery Charge per therm \$0.4726

Residential Non-Heating

Delivery Charge per therm \$0.4547

BGSS Charge:

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

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

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NEW JERSEY NATURAL GAS COMPANY

*Twenty-Second Revised Sheet No. 54
Superseding Twenty-First Revised Sheet No. 54*

BPU No. 8 - Gas

SERVICE CLASSIFICATION – DGR

DISTRIBUTED GENERATION SERVICE - RESIDENTIAL

AVAILABILITY

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

CHARACTER OF SERVICE

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

MONTHLY RATES

Customer Charge:

Customer Charge per meter per month \$8.25

Delivery Charge:

November - April \$0.3487

May - October \$0.2916

BGSS Charge:

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

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

MINIMUM MONTHLY CHARGE

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

BALANCING CHARGE ADJUSTMENTS

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

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NEW JERSEY NATURAL GAS COMPANY

BPU No. 8 - Gas

*Twenty-Fifth Revised Sheet No. 56
Superseding Twenty-Fourth Revised Sheet No. 56*

SERVICE CLASSIFICATION – GSS

GENERAL SERVICE - SMALL

AVAILABILITY

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

CHARACTER OF SERVICE

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

MONTHLY RATES

Customer Charge:

Customer Charge per meter per month \$25.00

Delivery Charge:

Delivery Charge per therm \$0.4666

BGSS Charge:

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

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

MINIMUM MONTHLY CHARGE

The minimum monthly charge shall be the Customer Charge.

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

BALANCING CHARGE ADJUSTMENTS

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

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NEW JERSEY NATURAL GAS COMPANY

Twenty-Fifth Revised Sheet No. 59

BPU No. 8 - Gas

Superseding Twenty-Fourth Revised Sheet No. 59

SERVICE CLASSIFICATION - GSL

GENERAL SERVICE - LARGE

AVAILABILITY

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

CHARACTER OF SERVICE

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

MONTHLY RATES

Customer Charge:

Customer Charge per meter per month \$40.00

Demand Charge:

Demand Charge per therm applied to HMAD \$1.50

Delivery Charge:

Delivery Charge per therm \$0.4237

BGSS Charge:

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

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

MINIMUM MONTHLY CHARGE

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

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

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NEW JERSEY NATURAL GAS COMPANY

Twenty-Fifth Revised Sheet No. 65

BPU No. 8 - Gas

Superseding Twenty-Fourth Revised Sheet No. 65

SERVICE CLASSIFICATION - DGC

DISTRIBUTED GENERATION SERVICE - COMMERCIAL

AVAILABILITY

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

CONDITIONS PRECEDENT

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

MONTHLY RATES

	<u>DGC-Balancing</u>	<u>DGC-FT</u>
<u>Customer Charge:</u>		
Customer Charge per meter per month	\$40.00	\$40.00
<u>Demand Charge:</u>		
Demand Charge per therm applied to PBQ	\$0.60	\$0.60
<u>Delivery Charge per therm:</u>		
November - April	\$0.2584	\$0.1905
May - October	\$0.2256	\$0.1577

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

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

MINIMUM MONTHLY CHARGE

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

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NEW JERSEY NATURAL GAS COMPANY

BPU No. 8 - Gas

**Nineteenth Revised Sheet No. 71
Superseding Eighteenth Revised Sheet No. 71**

SERVICE CLASSIFICATION - FC

FIRM COGENERATION

AVAILABILITY

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

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

CHARACTER OF SERVICE

Firm gas sales or transportation service.

MONTHLY RATES

Customer Charge:

Customer Charge per meter per month \$49.49

Demand Charge:

Demand Charge per therm applied to MDQ \$1.00

Delivery Charge:

Delivery Charge per therm \$0.2907

BGSS Charge:

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

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

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NEW JERSEY NATURAL GAS COMPANY

Eighty-Ninth Revised Sheet No. 155

BPU No. 8 - Gas

Superseding Eighty-Eighth Revised Sheet No. 155

RIDER "A"

BASIC GAS SUPPLY SERVICE - BGSS(Continued)

PERIODIC BASIC GAS SUPPLY SERVICE (BGSS) CHARGE¹

<u>CLASS</u>	<u>APPLICATION</u>	<u>CHARGE</u>
RS, GSS, and ED sales customers using less than 5,000 therms annually	Included in the Basic Gas Supply Charge	\$0.4804 per therm

BALANCING CHARGE

<u>CLASS</u>	<u>APPLICATION</u>	<u>CHARGE</u>
RS, GSS, GSL, DGC, ED	Included in the Delivery Charge	\$0.0679 per therm

MONTHLY BASIC GAS SUPPLY SERVICE (BGSS) CHARGE¹

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

<u>Effective Date</u>	<u>Charge Per Therm</u>
May 1, 2014	\$0.7809
June 1, 2014	\$0.7611
July 1, 2014	\$0.7366
August 1, 2014	\$0.6706
September 1, 2014	\$0.6873
October 1, 2014	\$0.4747
November 1, 2014	\$0.4860
December 1, 2014	\$0.6126
January 1, 2015	\$0.4781
February 1, 2015	\$0.4686
March 1, 2015	\$0.4921
April 1, 2015	\$0.4034
May 1, 2015	\$0.3984

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

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NEW JERSEY NATURAL GAS COMPANY

BPU No. 8 - Gas

*Fourteenth Revised Sheet No. 156
Superseding Thirteenth Revised Sheet No. 156*

RIDER "A"

BASIC GAS SUPPLY SERVICE - BGSS(Continued)

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

<u>CLASS</u>	<u>APPLICATION</u>	<u>CREDIT</u>
RS, GSS, GSL, FC, and ED sales customers	Embedded within the Periodic Basic Gas Supply Charge and the Monthly Basic Gas Supply Charge	(\$0.0270) per therm

TEMPORARY BGSS RATE CREDIT ADJUSTMENT

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

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NEW JERSEY NATURAL GAS COMPANY

BPU No. 8 - Gas

*Eighth Revised Sheet No. 182
Superseding Seventh Revised Sheet No. 182*

RIDER "I"

CONSERVATION INCENTIVE PROGRAM – CIP (Continued)

The annual filing for the adjustment to the CIP rate shall be concurrent with the annual filing for BGSS. The CIP factor shall be credited/collected on a basis within the Delivery Charge for all service classifications stated above.

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

Group I (RS non-heating):	(\$0.0403)
Group II (RS heating):	(\$0.0224)
Group III (GSS, ED using less than 5,000 therms annually):	\$0.0128
Group IV (GSL, ED using 5,000 therms or greater annually):	\$0.0339

For the recovery of the October 2014 through September 2015 CIP margin deficiency, the recovery of the margin deficiency associated with non-weather related change in customer usage included in the above factors are offset by the BGSS savings component, as set forth in Rider A. The BGSS savings component is embedded within the Periodic BGSS Charge and the Monthly BGSS Charge.

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NEW JERSEY NATURAL GAS COMPANY

BPU No. 8 - Gas

Thirtieth Revised Sheet No. 252
Superseding Twenty- Revised Sheet No. 252

SUMMARY OF RESIDENTIAL RATE COMPONENTS

Residential Heating Customers

		<u>Bundled Sales</u>	<u>Transport Sales</u>	<u>Reference</u>
<u>Customer Charge</u>				
Customer Charge per meter per month		8.25	8.25	
<u>Delivery Charge ("DEL") per therm</u>				
<i>Transport Rate:</i>				
Pre-tax Base Rate		0.3163	0.3163	
SUT		<u>0.0221</u>	<u>0.0221</u>	Rider B
After-tax Base Rate		0.3384	0.3384	
WNC		0.0000	0.0000	Rider D
CIP		(0.0224)	(0.0224)	Rider I
EE		0.0327	0.0327	Rider F
CNGC		<u>0.0000</u>	<u>0.0000</u>	Rider G
<i>Total Transport Rate</i>	a	<i>0.3487</i>	<i>0.3487</i>	
<i>Balancing Charge</i>	b	<i>0.0679</i>	<i>0.0679</i>	Rider A
<i>Societal Benefits Charge ("SBC"):</i>				
NJ's Clean Energy		0.0257	0.0257	Rider E
RA		0.0134	0.0134	Rider C
USF		<u>0.0169</u>	<u>0.0169</u>	Rider H
<i>Total SBC</i>	c	<i><u>0.0560</u></i>	<i><u>0.0560</u></i>	
Delivery Charge (DEL)	a+b+c=d	<u>0.4726</u>	<u>0.4726</u>	
<u>Basic Gas Supply Charge ("BGS")</u>				
Periodic BGSS	e	0.4804	x	Rider A
Less: Balancing	f	<u>0.0679</u>	x	
BGS	e-f=g	<u>0.4125</u>	x	

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

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

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NEW JERSEY NATURAL GAS COMPANY

BPU No. 8 - Gas

**Thirtieth Revised Sheet No. 253
Superseding Twenty-Ninth Revised Sheet No. 253**

SUMMARY OF RESIDENTIAL RATE COMPONENTS

Residential Non-Heating Customers

		<u>Bundled Sales</u>	<u>Transport Sales</u>	<u>Reference</u>
<u>Customer Charge</u>				
Customer Charge per meter per month		8.25	8.25	
<u>Delivery Charge ("DEL") per therm</u>				
<i>Transport Rate:</i>				
Pre-tax Base Rate		0.3163	0.3163	
SUT		<u>0.0221</u>	<u>0.0221</u>	Rider B
After-tax Base Rate		0.3384	0.3384	
CIP		(0.0403)	(0.0403)	Rider I
EE		0.0327	0.0327	Rider F
CNGC		<u>0.0000</u>	<u>0.0000</u>	Rider G
<i>Total Transport Rate</i>	a	<i>0.3308</i>	<i>0.3308</i>	
<i>Balancing Charge</i>	b	<i>0.0679</i>	<i>0.0679</i>	Rider A
<i>Societal Benefits Charge ("SBC"):</i>				
NJ's Clean Energy		0.0257	0.0257	Rider E
RA		0.0134	0.0134	Rider C
USF		<u>0.0169</u>	<u>0.0169</u>	Rider H
<i>Total SBC</i>	c	<i><u>0.0560</u></i>	<i><u>0.0560</u></i>	
Delivery Charge (DEL)	a+b+c=d	<u>0.4547</u>	<u>0.4547</u>	
<u>Basic Gas Supply Charge ("BGS")</u>				
Periodic BGSS	e	0.4804	x	Rider A
Less: Balancing	f	<u>0.0679</u>	x	
BGS	e-f=g	<u>0.4125</u>	x	

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

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

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NEW JERSEY NATURAL GAS COMPANY

Twenty-Eighth Revised Sheet No. 254

BPU No. 8 - Gas

Superseding Twenty-Seventh Revised Sheet No. 254

SUMMARY OF RESIDENTIAL RATE COMPONENTS

Residential Distributed Generation Service

		<u>Nov - Apr</u>	<u>May - Oct</u>	<u>Reference</u>
<u>Customer Charge</u>				
Customer Charge per meter per month		8.25	8.25	
<u>Delivery Charge ("DEL") per therm</u>				
<i>Transport Rate:</i>				
Pre-tax Base Rate		0.1795	0.1262	
SUT		<u>0.0126</u>	<u>0.0088</u>	Rider B
After-tax Base Rate		0.1921	0.1350	
EE		<u>0.0327</u>	<u>0.0327</u>	Rider F
<i>Total Transport Rate</i>	a	<i>0.2248</i>	<i>0.1677</i>	
<i>Balancing Charge</i>	b	0.0679	0.0679	Rider A
<i>Societal Benefits Charge ("SBC"):</i>				
NJ's Clean Energy		0.0257	0.0257	Rider E
RA		0.0134	0.0134	Rider C
USF		<u>0.0169</u>	<u>0.0169</u>	Rider H
<i>Total SBC</i>	c	<i>0.0560</i>	<i>0.0560</i>	
Delivery Charge (DEL)	a+b+c=d	<u>0.3487</u>	<u>0.2916</u>	
<u>Basic Gas Supply Charge ("BGS")</u>				
Periodic BGSS	e	0.4804	0.4804	Rider A
Less: Balancing	f	<u>0.0679</u>	<u>0.0679</u>	
BGS	e-f=g	<u>0.4125</u>	<u>0.4125</u>	

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

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

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NEW JERSEY NATURAL GAS COMPANY

BPU No. 8 - Gas

*Thirty-First Revised Sheet No. 255
Superseding Thirtieth Revised Sheet No. 255*

SUMMARY OF FIRM COMMERCIAL RATE COMPONENTS

General Service - Small (GSS)

		<u>Bundled Sales</u>	<u>Transport Sales</u>	<u>Reference</u>
<u>Customer Charge</u>				
Customer Charge per meter per month		25.00	25.00	
<u>Delivery Charge ("DEL") per therm</u>				
<i>Transport Rate:</i>				
Pre-tax Base Rate		0.2778	0.2778	
SUT		<u>0.0194</u>	<u>0.0194</u>	Rider B
After-tax Base Rate		0.2972	0.2972	
WNC		0.0000	0.0000	Rider D
CIP		0.0128	0.0128	Rider I
EE		0.0327	0.0327	Rider F
CNGC		<u>0.0000</u>	<u>0.0000</u>	Rider G
<i>Total Transport Rate</i>	a	<i>0.3427</i>	<i>0.3427</i>	
<i>Balancing Charge</i>	b	<i>0.0679</i>	<i>0.0679</i>	Rider A
<i>Societal Benefits Charge ("SBC"):</i>				
NJ's Clean Energy		0.0257	0.0257	Rider E
RA		0.0134	0.0134	Rider C
USF		<u>0.0169</u>	<u>0.0169</u>	Rider H
<i>Total SBC</i>	c	<i><u>0.0560</u></i>	<i><u>0.0560</u></i>	
Delivery Charge (DEL)	a+b+c=d	<u>0.4666</u>	<u>0.4666</u>	
<u>Basic Gas Supply Charge ("BGS")</u>				
Periodic BGSS	e	0.4804	x	Rider A
Less: Balancing	f	<u>0.0679</u>	x	
BGS	e-f=g	<u>0.4125</u>	x	

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

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

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NEW JERSEY NATURAL GAS COMPANY

One Hundred Fourth Revised Sheet No. 256

Superseding One Hundred Third Revised Sheet No. 256

BPU No. 8 - Gas

SUMMARY OF FIRM COMMERCIAL RATE COMPONENTS

General Service - Large (GSL)

		<u>Bundled</u> <u>Sales</u>	<u>Transport</u> <u>Sales</u>	<u>Reference</u>
<u>Customer Charge</u>				
Customer Charge per meter per month		40.00	40.00	
<u>Demand Charge</u>				
Demand Charge per month applied to HMAD		1.50	1.50	
<u>Delivery Charge ("DEL") per therm</u>				
<i>Transport Rate:</i>				
Pre-tax Base Rate		0.2179	0.2179	
SUT		<u>0.0153</u>	<u>0.0153</u>	Rider B
After-tax Base Rate		0.2332	0.2332	
WNC		0.0000	0.0000	Rider D
CIP		0.0339	0.0339	Rider I
EE		0.0327	0.0327	Rider F
CNGC		<u>0.0000</u>	<u>0.0000</u>	Rider G
<i>Total Transport Rate</i>	a	<i>0.2998</i>	<i>0.2998</i>	
<i>Balancing Charge</i>	b	<i>0.0679</i>	<i>0.0679</i>	Rider A
<i>Societal Benefits Charge ("SBC"):</i>				
NJ's Clean Energy		0.0257	0.0257	Rider E
RA		0.0134	0.0134	Rider C
USF		<u>0.0169</u>	<u>0.0169</u>	Rider H
<i>Total SBC</i>	c	<i><u>0.0560</u></i>	<i><u>0.0560</u></i>	
Delivery Charge (DEL)	a+b+c=d	<u>0.4237</u>	<u>0.4237</u>	
<u>Basic Gas Supply Charge ("BGS")</u>				
Monthly BGSS	e	0.3984	X	Rider A
Less: Balancing	f	<u>0.0679</u>	X	
BGS	e-f=g	<u>0.3305</u>	X	

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

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

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Wall, NJ 07719

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NEW JERSEY NATURAL GAS COMPANY

BPU No. 8 - Gas

*Twenty-Sixth Revised Sheet No. 258
Superseding Twenty-Fifth Revised Sheet No. 258*

SUMMARY OF FIRM COMMERCIAL RATE COMPONENTS

Commercial Distributed Generation Service

		<u>Nov - Apr</u>	<u>May - Oct</u>	<u>Reference</u>
<u>Customer Charge</u>				
Customer Charge per meter per month		40.00	40.00	
<u>Demand Charge</u>				
Demand Charge per therm per month applied to PBQ		0.60	0.60	
<u>Delivery Charge ("DEL") per therm</u>				
<i>Transport Rate:</i>				
Pre-tax Base Rate		0.0951	0.0645	
SUT		<u>0.0067</u>	<u>0.0045</u>	Rider B
After-tax Base Rate		0.1018	0.0690	
EE		0.0327	0.0327	Rider F
CNGC		<u>0.0000</u>	<u>0.0000</u>	Rider G
<i>Total Transport Rate</i>	a	0.1345	0.1017	
<i>Societal Benefits Charge ("SBC"):</i>				
NJ's Clean Energy		0.0257	0.0257	Rider E
RA		0.0134	0.0134	Rider C
USF		<u>0.0169</u>	<u>0.0169</u>	Rider H
<i>Total SBC</i>	c	<u>0.0560</u>	<u>0.0560</u>	
DGC-FT Delivery Charge (DEL)	a+b=c	0.1905	0.1577	
Balancing Charge	b	<u>0.0679</u>	<u>0.0679</u>	
DGC-Balancing Delivery Charge (DEL)	a+b+c=d	<u>0.2584</u>	<u>0.2256</u>	

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

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

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

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NEW JERSEY NATURAL GAS COMPANY

Ninety-Eighth Revised Sheet No. 259

BPU No. 8 - Gas

Superseding Ninety-Seventh Revised Sheet No. 259

SUMMARY OF FIRM COMMERCIAL RATE COMPONENTS

Firm Cogeneration (FC)

		<u>Sales</u>	<u>Transport</u>	<u>Reference</u>
<u>Customer Charge</u>				
Customer Charge per meter per month		49.49	49.49	
<u>Demand Charge</u>				
Demand Charge per therm per month applied to MDQ		1.00	1.00	
<u>Delivery Charge ("DEL") per therm</u>				
<i>Transport Rate:</i>				
Pre-tax Base Rate		0.1253	0.1253	
SUT		<u>0.0088</u>	<u>0.0088</u>	Rider B
After-tax Base Rate		0.1341	0.1341	
EE		<u>0.0327</u>	<u>0.0327</u>	Rider F
<i>Total Transport Rate</i>	a	<i>0.1668</i>	<i>0.1668</i>	
<i>Balancing Charge</i>	b	<i>0.0679</i>	<i>0.0679</i>	Rider A
<i>Societal Benefits Charge ("SBC"):</i>				
NJ's Clean Energy		0.0257	0.0257	Rider E
RA		0.0134	0.0134	Rider C
USF		<u>0.0169</u>	<u>0.0169</u>	Rider H
<i>Total SBC</i>	c	<u><i>0.0560</i></u>	<u><i>0.0560</i></u>	
Delivery Charge (DEL)	a+b+c=d	<u>0.2907</u>	<u>0.2907</u>	
<u>Basic Gas Supply Charge ("BGS")</u>				
Monthly BGSS	e	0.3984	X	Rider A
Less: Balancing	f	<u>0.0679</u>	X	
BGS	e-f=g	<u>0.3305</u>	X	

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

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

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