



Agenda Date: 4/28/10
Agenda Item: 2C

STATE OF NEW JERSEY
Board of Public Utilities
Two Gateway Center
Newark, NJ 07102
www.nj.gov/bpu/

ENERGY

IN THE MATTER OF THE PETITION OF NEW JERSEY)	DECISION AND ORDER
NATURAL GAS COMPANY FOR THE ANNUAL REVIEW)	APPROVING STIPULATION
AND REVISION OF SOCIETAL BENEFITS CLAUSE)	AND INITIAL DECISION
(SBC) FACTORS FOR CALENDAR YEAR 2009)	
)	DOCKET NO. GR09010076

Tracey Thayer, Esq., New Jersey Natural Gas Company, and **Frederick W. Peters**, Esq., law Offices of Frederick W. Peters, for the Petitioner, New Jersey Natural Gas Company

Sarah H. Steindel, Esq., Assistant Deputy Public Advocate and **Henry M. Ogden**, Esq., Assistant Deputy Public Advocate, Department of the Public Advocate, Division of Rate Counsel (**Stefanie A. Brand**, Esq., Acting Public Advocate, Director, Division of Rate Counsel)

Jessica Campbell, Deputy Attorney General and **Alex Moreau**, Deputy Attorney General, for the Staff of the New Jersey Board of Public Utilities (**Paula T. Dow**, Attorney General of New Jersey)

BY THE BOARD:

On January 26 2009, New Jersey Natural Gas Company ("NJNG" or the "Company") filed its annual petition seeking approval from the New Jersey Board of Public Utilities ("Board") for the Societal Benefits Clause ("SBC") factors for calendar year 2009 (the "2009 SBC"). By this Order, the Board considers the Initial Decision recommending adoption of the Stipulation of Settlement ("Stipulation") executed by the Company, the Department of the Public Advocate, Division of Rate Counsel ("Rate Counsel") and Board Staff ("Staff"), setting an overall SBC billing factor of \$0.0719 per therm on an after-tax basis, effective upon Board approval, which is an increase of \$0.0082 per therm from the current after-tax rate of \$0.0637 per therm.

The SBC was established by the Electric Discount and Energy Competition Act ("EDECA"), N.J.S.A. 48:3-49 et seq., and its application to NJNG was approved by the Board as a non-bypassable charge applicable to all of the Company's customers by Board Order dated March 30, 2001, approving a stipulation in BPU Docket Nos. GX99030121 and GO99030123.¹

¹ I/M/O New Jersey Natural Gas Company's Rate Unbundling Filing Pursuant to Section 10, Subsection A of the Electric Discount and Energy Competition Act of 1999.

The SBC factors include the Remediation Adjustment ("RA") factor, for the recovery of costs incurred by the Company associated with the clean-up of former Manufactured Gas Plant ("MGP") sites; the statewide Universal Service Fund ("USF"), which is a fund established by the Board to make the cost of electricity and natural gas more affordable to qualifying residential customers in New Jersey; the statewide Lifeline Credit ("Lifeline") program, which provides assistance with heating costs to qualifying low-income elderly and disabled persons; and the New Jersey Clean Energy Program ("NJCEP") charge, which is designed to recover costs incurred for the Company's allocated share of statewide energy efficiency and renewable energy expenditures.

The Company proposed in its SBC 2009 petition to increase its overall SBC rate to \$0.0803 per therm on an after-tax basis from the current after-tax rate of \$0.0721 per therm, and to modify each individual SBC rate/factor as follows: to increase the RA factor of \$0.0260 per therm, after-tax, as previously approved by the Board on October 3, 2007 in BPU Docket No. GR06100746 to \$0.0324 per therm, after-tax, based on costs incurred for the twelve months ended June 30, 2008; to maintain the then current USF/Lifeline rate of \$0.0276 per therm after-tax, as previously approved by the Board on October 3, 2008 in BPU Docket No. ER08060455; and to increase the NJCEP factor of \$0.0185 per therm after-tax to \$0.0203 per therm after-tax to reflect increased NJCEP statewide funding levels for January 2009 through March 2010 as previously approved and established by the Board on August 7, 2008 in BPU Docket No. EO07030203.

Public hearings on this matter were held on August 4, 2009 in Rockaway Township, New Jersey, on August 11, 2009 in Freehold Township, New Jersey and on August 17, 2009 in Toms River Township. No members of the public appeared at any of the public hearings. On January 27, 2010, the Company's 2009 SBC was transmitted to the Office of Administrative Law as a contested case. The Honorable Mumtaz Bari-Brown, Administrative Law Judge ("ALJ") was assigned to this case.

Following discovery and settlement discussions, NJNG, Staff and Rate Counsel (collectively, the "Parties"), entered into the attached Stipulation dated March 23, 2010 resolving all issues raised in or relating to the 2009 SBC Filing. The Stipulation provides for the following:

STIPULATION FOR SBC RATES

The key provisions of the Stipulation are as follows:

- The Company's overall SBC billing factor shall be \$0.0719 per therm on an after-tax basis, effective upon Board approval, which is an increase of \$0.0082 per therm from the current after-tax rate of \$0.0637 per therm. This overall SBC billing factor shall continue to remain in effect until changed by further order of the Board. The impact of this rate change on a typical residential natural gas customer using 1000 therms per year is approximately \$8.20 per year, which is an approximate increase of 0.59%.
- The Company's RA factor within the SBC rate shall be \$0.0324 per therm, after-tax, effective upon Board approval, which is an increase of \$0.0064 per therm from the current after-tax rate of \$0.0260 per therm.
- The Company's USF/Lifeline statewide rate shall continue to be \$0.0192 per therm, after-tax.

- The Company's NJCEP factor shall be \$0.0203 per therm, after-tax, which is an increase of \$0.0018 per therm from the current after-tax rate of \$0.0185 per therm.
- The Company will calculate the interest applicable to its unamortized RA balance and will accrue on a monthly basis for the twelve months ended September 30 of each RA year. The accrued interest for the twelve months ended September 30 of each year shall be rolled into the RA balance at the beginning of the next RA recovery year, commencing on October 1.
- The Company agrees to provide a final reconciliation of its annual RA factor recovery within (90) days of the completion of each RA recovery year, which reconciliation will include the calculation of actual volumes that recovered the RA factor and the resultant net expense or credit amount which is to be carried over to the next recovery year. Recovery and adjustment of the RA factor is subject to the Parties' review of NJNG's RA expenditures and reconciliation thereof in NJNG's 2010 SBC proceeding.
- The Company agrees that expenditures it recovers through the RA factor are subject to audit. Such audit may be through a review of the Company's Internal Audits conducted in relation to the costs associated with this proceeding, or through any other audit mechanism determined to be appropriate by the Board.
- The Company represents that its RA filing in this 2009 SBC does not include the recovery of any administrative, legal, consulting or other costs associated with Natural Resource Damage ("NRD") claims currently being investigated by the New Jersey Department of Environmental Protection. The Parties accordingly stipulate and agree that the Board should make no determination in this proceeding as to the reasonableness, or the recoverability under the Company's RA clause, of NRD damages or related costs, if any.

On April 16, 2010, ALJ Bari-Brown issued an Initial Decision approving the Stipulation finding that the Parties had voluntarily agreed to the Stipulation and that the Stipulation fully disposes of all issues and is consistent with the law.

DISSUSSION AND FINDING

The Board has carefully reviewed the file to date in this proceeding including the Initial Decision and the attached Stipulation of the Parties. The Board HEREBY FINDS the Initial Decision and the Stipulation to be reasonable, in the public interest, and in accordance with the law. Accordingly, subject to the terms and conditions herein, the Board HEREBY ADOPTS the Initial Decision in its entirety and HEREBY INCORPORATES the terms of the Stipulation as its own, as it fully set forth herein.

The Board HEREBY APPROVES the terms of the attached tariff sheets for service rendered on and after May 1, 2010.

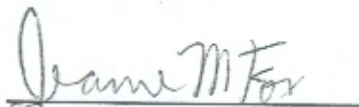
The Company is HEREBY DIRECTED to file the appropriate tariff sheets conforming to the terms and conditions of this Order within seven (7) business days from the date of this Order.

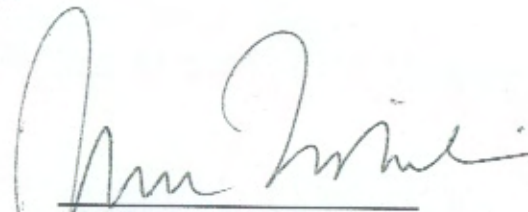
The Board HEREBY ORDERS that the Company's SBC costs shall remain subject to on-going audit, and that this Decision and Order shall not preclude the Board from taking any actions deemed to be appropriate as a result of any such audit.

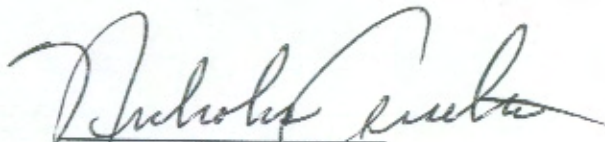
DATED: 4/28/10

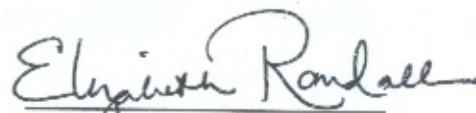
BOARD OF PUBLIC UTILITIES
BY:


LEE A. SOLOMON
PRESIDENT

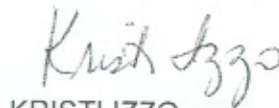

JEANNE M. FOX
COMMISSIONER


JOSEPH L. FIORDALISO
COMMISSIONER

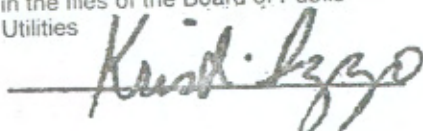

NICHOLAS ASSELTA
COMMISSIONER


ELIZABETH RANDALL
COMMISSIONER

ATTEST:


KRISTI IZZO
SECRETARY

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



IN THE MATTER OF THE PETITION OF NEW JERSEY
NATURAL GAS COMPANY FOR THE ANNUAL REVIEW
AND REVISION OF SOCIETAL BENEFITS CLAUSE
(SBC) FACTORS FOR CALENDAR YEAR 2009
DOCKET NO. GR09010076

Service List

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Division of Energy
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Newark, NJ 07101



State of New Jersey
OFFICE OF ADMINISTRATIVE LAW

INITIAL DECISION

SETTLEMENT

OAL DKT. NO. PUC 01609-10

AGENCY DKT. NO. GR09010076

IN THE MATTER OF NEW JERSEY
NATURAL GAS COMPANY ANNUAL
REVIEW AND REVISION OF SOCIETAL
BENEFITS CHARGE FACTORS FOR 2009.

Tracey Thayer, Esq., and Frederick W. Peters, Esq., for petitioner New Jersey
Natural Gas Company (Law Offices of Frederick W. Peters)

Sarah H. Steindel, Assistant Deputy Public Advocate and **Henry M. Ogden,**
Assistant Deputy Public Advocate, Department of Public Advocate,
Division of Rate Counsel (Stefanie A. Brand, Acting Public Advocate,
Director Division of Rate Counsel)

Jessica Campbell, Deputy Attorney General and **Alex Moreau,** Deputy Attorney
General, for the Staff of New Jersey Board of Public Utilities (Paula T.
Dow, Attorney General of New Jersey)

Record Closed: April 1, 2010

Decided: April 16, 2010

BEFORE **MUMTAZ BARI-BROWN, ALJ:**

This matter was transmitted to the Office of Administrative Law (OAL) on February 9, 2010, for resolution as a contested case pursuant to N.J.S.A. 52:14B-1 to -15 and N.J.S.A. 52:14F1 to -13.

A prehearing conference was scheduled for April 8, 2010. On April 1, 2010, the parties submitted the attached Stipulation of Settlement, indicating the terms of agreement which are incorporated herein by reference.

Having reviewed the record and the settlement terms, I **FIND**:

1. The parties have voluntarily agreed to the settlement as evidenced by their signatures and/or the signatures of their representatives.
2. The settlement fully disposes of all issues in controversy and is consistent with the law.

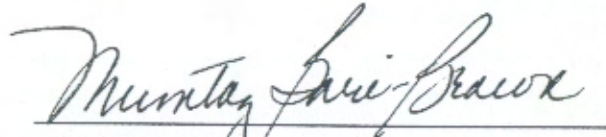
I **CONCLUDE** that this agreement meets the requirements of N.J.A.C. 1:1-19.1 and that the settlement should be approved. I approve the settlement and, therefore, **ORDER** that the parties comply with the settlement terms and that these proceedings be concluded.

I hereby **FILE** my initial decision with the **BOARD OF PUBLIC UTILITIES** for consideration.

This recommended decision may be adopted, modified or rejected by the **BOARD OF PUBLIC UTILITIES**, which by law is authorized to make a final decision in this matter. If the Board of Public Utilities does not adopt, modify or reject this decision within forty-five days and unless such time limit is otherwise extended, this recommended decision shall become a final decision in accordance with N.J.S.A. 52:14B-10.

April 16, 2010

DATE


MUMTAZ BARI-BROWN, ALJ

Date Received at Agency:

Date Mailed to Parties:

dr



March 29, 2010

VIA REGULAR U.S. POSTAL SERVICE MAIL

Mumtaz Bari-Brown, Administrative Law Judge
Office of Administrative Law
33 Washington Street
Newark, NJ 07102

Re: IN THE MATTER OF NEW JERSEY NATURAL
GAS COMPANY ANNUAL REVIEW AND
REVISION OF SOCIETAL BENEFITS CHARGE FACTORS
FOR 2009.
DOCKET NO. GR09010076
OAL Dkt. No. PUC 01609-10

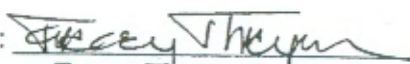
Dear Judge Bari-Brown:

New Jersey Natural Gas, the Staff of the New Jersey Board of Public Utilities and the Department of the Public Advocate, Division of Rate Counsel have reached an agreement on the issues in the above captioned matters. I have enclosed the fully executed Stipulation in this proceeding with an original signature page for each signatory. We look forward to receiving your Initial Decision in this matter.

Please feel free to contact me at (732) 919-8025 if you have any questions.

Respectfully submitted,

NEW JERSEY NATURAL GAS COMPANY

By: 
Tracey Thayer, Esq.
Director, Regulatory Affairs Counsel

C: Kristi Izzo, Esq., BPU
Sarah Steindel, ADPA
Alex Moreau, DAG

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

IN THE MATTER OF THE PETITION OF	)	
NEW JERSEY NATURAL GAS COMPANY	)	BPU DKT.NO. GR09010076
FOR THE ANNUAL REVIEW AND	)	
REVISION OF SOCIETAL BENEFITS	)	
CLAUSE (SBC) FACTORS FOR	)	OAL DKT.NO. PUC 01609-10
CALENDAR YEAR 2009	)	

STIPULATION

APPEARANCES:

Tracey Thayer, Esq., New Jersey Natural Gas Company, and **Frederick W. Peters, Esq.**, Law Offices of Frederick W. Peters, for the Petitioner, New Jersey Natural Gas Company

Sarah H. Steindel, Esq., Assistant Deputy Public Advocate and **Henry M. Ogden, Esq.**, Assistant Deputy Public Advocate, Department of the Public Advocate, Division of Rate Counsel (Stefanie A. Brand, Esq., Acting Public Advocate, Director, Division of Rate Counsel)

Jessica Campbell, Deputy Attorney General and **Alex Moreau**, Deputy Attorney General, for the Staff of the New Jersey Board of Public Utilities (**Paula T. Dow**, Attorney General of New Jersey)

**TO: THE HONORABLE MUMTAZ BARI-BROWN
PRESIDING ADMINISTRATIVE LAW JUDGE**

1. On January 26, 2009, New Jersey Natural Gas Company ("NJNG" or the "Company") filed its annual petition in Docket No. GR09010076 seeking approval from the New Jersey Board of Public Utilities ("BPU" or the "Board") for the Societal Benefits Clause ("SBC") factors for calendar year 2009 (the "2009 SBC"). In its 2009 SBC petition, the Company proposed to increase its overall SBC rate, including increases to both the Remediation

Adjustment ("RA") factor and to the New Jersey Clean Energy Program ("NJCEP") factor. No change was proposed to the Universal Service Fund/Lifeline Credit Program ("USF/Lifeline") rate which remains at the current BPU-approved statewide rate.

2. The SBC was established within the Electric Discount and Energy Competition Act ("EDECA"), N.J.S.A. 48:3-49 et seq. and approved by the Board as a non-bypassable charge applicable to the Company's customers by Board Order dated March 30, 2001, approving a stipulation in BPU Docket Nos. GX99030121 and GO99030123 (the "Unbundling Order").

3. The SBC factors include the RA factor, created for the recovery of costs incurred by the Company associated with the clean-up of former Manufactured Gas Plant ("MGP") sites; the statewide USF fund, which is a fund established by the Board to make the cost of electricity and natural gas more affordable to qualifying residential customers in New Jersey; the Lifeline program, which provides assistance with heating costs to qualifying low-income elderly and disabled persons; and the NJCEP charge, which is designed to recover costs incurred for the Company's allocated share of statewide energy efficiency and renewable energy expenditures.

4. As noted, the Company proposed in its SBC 2009 petition to increase its overall SBC rate to \$0.0803 per therm on an after-tax basis from the current after-tax rate of \$0.0721 per therm, and to modify each individual SBC rate/factor, effective April 1, 2009 or as of the date of the Board Order in this proceeding, as follows: to increase the RA factor of \$0.0260 per therm, after-tax, as previously approved by the Board on October 3, 2007 in BPU Docket No. GR06100746 to \$0.0324 per therm, after-tax, based on costs incurred for the twelve months ended June 30, 2008; to maintain the then current USF/Lifeline rate of \$0.0276 per therm after-

tax, as previously approved by the Board on October 3, 2008 in BPU Docket No. ER08060455¹; and to increase the NJCEP factor of \$0.0185 per therm after-tax to \$0.0203 per therm after-tax to reflect increased NJCEP statewide funding levels for January 2009 through March 2010 as previously approved and established by the Board on August 7, 2008 in BPU Docket No. EO07030203.

5. Public hearings on this proceeding were held on August 4, 2009 in Rockaway Township, New Jersey at 3:30 p.m. and 5:30 p.m. at which Suzanne Patnaude, BPU Legal Specialist, presided. Public hearings were also held on August 11, 2009 in Freehold Township, New Jersey and on August 17, 2009 in Toms River Township at 3:30 p.m. and 5:30 p.m. at which Bethany Rocque-Romaine, BPU Legal Specialist, presided. No members of the public appeared at any of the public hearings. In January 2010, the Company's 2009 SBC was transmitted to the Office of Administrative Law as a contested case. The Honorable Mumtaz Bari-Brown has been assigned to this case.

6. NJNG, the Staff of the Board ("Staff") and the Department of the Public Advocate, Division of Rate Counsel ("Rate Counsel") (collectively, the "Parties"), the only parties to these proceedings, have conducted extensive discovery and met to discuss the matters at issue in this proceeding. Based upon those discussions, the Parties have reached an agreement and enter into this Stipulation in resolution of all issues raised in or relating to the 2009 SBC and the Company's overall SBC billing factor, including its related RA, USF/Lifeline and NJCEP rates and factors.

¹ On October 8, 2009, the BPU Docket No. EO09060506, the Board approved a \$0.0084 reduction to the USF/Lifeline after-tax rate of to \$0.0192 effective October 12, 2009. As a result, NJNG's current after-tax SBC factor is \$0.0637 per therm

7. Specifically, based upon and subject to the terms and conditions set forth herein, the Parties **STIPULATE AND AGREE** as follows:

(a) **Overall SBC Rate.** The Company's overall SBC billing factor shall be \$0.0719 per therm on an after-tax basis, effective upon Board approval, which is an increase of \$0.0082 per therm from the current after-tax rate of \$0.0637 per therm. This overall SBC billing factor shall continue to remain in effect until changed by further Order of the Board. The impact of this rate change on a typical residential natural gas customer using 1000 therms per year is approximately \$8.20 per year, which is an approximate increase of 0.59%. Attached hereto as Exhibit A is a summary of the SBC components and the calculation of the resulting price impact.

(b) **RA Factor.**

(i) The Company's RA factor within the SBC rate shall be \$0.0324 per therm, after-tax, effective upon Board approval, which is an increase of \$0.0064 per therm from the current after-tax rate of \$0.0260 per therm. This RA factor shall continue to remain in effect until changed by further Order of the Board. Attached hereto as Exhibit B, are tariff sheets setting forth this RA Factor including tariff sheets for Rider "C".

(ii) Except as provided below, all issues raised by the Company's filing herein relating to the Company's SBC, including RA expenditures incurred by the Company during the period July 1, 2007 through June 30, 2008, have been examined and shall be deemed fully resolved.

(iii) The RA factor set forth above is based upon and reflects recoverable RA costs of approximately \$20.65 million, which amount includes interest for the period beginning October 1, 2007 through September 30, 2008.

(c) USF/Lifeline. The Company's USF/Lifeline statewide rate shall continue to be \$0.0192 per therm, after-tax, which is the same rate approved by the Board in an Order dated October 8, 2009 in BPU Docket No. EO09060506, which rate shall remain in effect until changed by further Order of the Board. Exhibit B, attached hereto, includes applicable tariff sheets setting forth the continuation of the USF/Lifeline factor.

(d) NJCEP. The Company's NJCEP factor shall be \$0.0203 per therm, after-tax, which is an increase of \$0.0018 per therm from the current after-tax rate of \$0.0185 per therm. This NJCEP factor is designed to recover the statewide NJCEP funding levels established by the Board in BPU Docket No. EO07030203 for January 2009 through March 2010. This NJCEP factor shall remain in effect until changed by further Order of the Board. Exhibit B, attached hereto, includes applicable tariff sheets setting forth this NJCEP factor including tariff sheets for Rider "E".

8. The Company agrees to incorporate in all future RA filings as Exhibit A, Schedule 7, an analysis to include a monthly interest calculation supported by the monthly activity associated with remediation expenditures, revenue recovery and the deferred income tax provision.

9. Interest applicable to the Company's unamortized RA balance shall be calculated and will accrue on a monthly basis for the twelve months ended September 30 of each RA year. The accrued interest for the twelve months ended September 30 of each year shall be rolled into the RA balance at the beginning of the next RA recovery year, commencing on October 1.

10. The Company agrees to provide a final reconciliation of its annual RA factor recovery within ninety (90) days of the completion of each RA recovery year, which reconciliation will include the calculation of actual volumes that recovered the RA factor and the

resultant net expense or credit amount which is to be carried over to the next recovery year. Recovery and adjustment of the RA factor is subject to the Parties' review of NJNG's RA expenditures and reconciliation thereof in NJNG's 2010 SBC proceeding. Recovery of RA Factor costs shall also continue to be subject to the same conditions as set forth in the Stipulations approved by the Board in its December 21, 1994 Order Adopting Initial Decision in BPU Docket No. GR94070333, and its November 22, 1995 Decision and Order Adopting Initial Decision and Stipulation in BPU Docket No. GR95090409.

11. As part of this Stipulation, the Parties agree that expenditures the Company recovers through the RA factor are subject to audit. Such audit may be through a review of the Company's Internal Audits conducted in relation to the costs associated with this proceeding, or through any other audit mechanism determined to be appropriate by the Board.

12. The Company represents that its RA filing in this 2009 SBC does not include the recovery of any administrative, legal, consulting or other costs associated with Natural Resource Damage ("NRD") claims currently being investigated by the New Jersey Department of Environmental Protection. The Parties accordingly stipulate and agree that the Board should make no determination in this proceeding as to the reasonableness, or the recoverability under the Company's RA clause, of NRD damages or related costs, if any. The Parties expressly reserve their rights to argue their respective positions on these and related issues in future proceedings, as appropriate.

13. The Parties stipulate and agree that this Stipulation disposes of issues in controversy, is consistent with the law, and is in the public interest. 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.

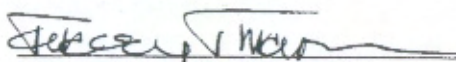
14. It is the intent of the Parties that the provisions hereof be approved by the Board as being in the public interest. The Parties further agree that they consider the Stipulation to be binding on them for all purposes herein.

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, or Rate Counsel shall not be deemed to have approved, agreed to, or consented to any principle or methodology underlying or supposed to underlie any agreement provided herein.

WHEREFORE, the Parties hereto do respectfully submit this Stipulation to the Presiding Administrative Law Judge for inclusion in an Initial Decision and request that the Board issue a Decision and Order approving the Initial Decision and this Stipulation in their entirety, in accordance with the terms hereof, as soon as reasonably possible.

NEW JERSEY NATURAL GAS
PETITIONER

By:


TRACEY THAYER, ESQ.
New Jersey Natural Gas Company

STEFANIE A. BRAND, ESQ.
ACTING PUBLIC ADVOCATE
DIRECTOR, DIVISION OF RATE COUNSEL

By:


SARAH H. STEINDEL, ESQ.
ASSISTANT DEPUTY PUBLIC ADVOCATES

STAFF OF THE NEW JERSEY BOARD OF PUBLIC UTILITIES
PAULA T. DOW, ATTORNEY GENERAL OF NEW JERSEY

By:

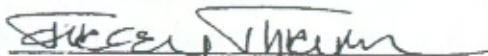

ALEX MOREAU, DAG
JESSICA CAMPBELL, DAG

Date: March _____, 2010

WHEREFORE, the Parties hereto do respectfully submit this Stipulation to the Presiding Administrative Law Judge for inclusion in an Initial Decision and request that the Board issue a Decision and Order approving the Initial Decision and this Stipulation in their entirety, in accordance with the terms hereof, as soon as reasonably possible.

NEW JERSEY NATURAL GAS
PETITIONER

By:


TRACEY THAYER, ESQ.
New Jersey Natural Gas Company

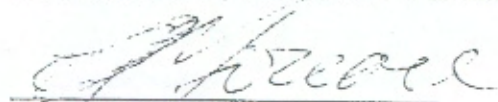
STEFANIE A. BRAND, ESQ.
ACTING PUBLIC ADVOCATE
DIRECTOR, DIVISION OF RATE COUNSEL

By:


SARAH H. STEINDEL, ESQ.
ASSISTANT DEPUTY PUBLIC ADVOCATES

STAFF OF THE NEW JERSEY BOARD OF PUBLIC UTILITIES
PAULA T. DOW, ATTORNEY GENERAL OF NEW JERSEY

By:

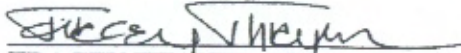

ALEX MOREAU, DAG
JESSICA CAMPBELL, DAG

Date: March 23, 2010

WHEREFORE, the Parties hereto do respectfully submit this Stipulation to the Presiding Administrative Law Judge for inclusion in an Initial Decision and request that the Board issue a Decision and Order approving the Initial Decision and this Stipulation in their entirety, in accordance with the terms hereof, as soon as reasonably possible.

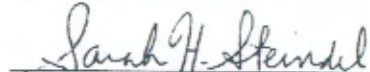
NEW JERSEY NATURAL GAS
PETITIONER

By:


TRACEY THAYER, ESQ.
New Jersey Natural Gas Company

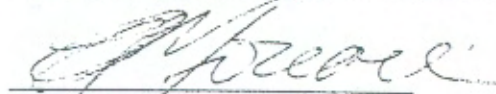
STEFANIE A. BRAND, ESQ.
ACTING PUBLIC ADVOCATE
DIRECTOR, DIVISION OF RATE COUNSEL

By:


SARAH H. STEINDEL, ESQ.
ASSISTANT DEPUTY PUBLIC ADVOCATES

STAFF OF THE NEW JERSEY BOARD OF PUBLIC UTILITIES
PAULA T. DOW, ATTORNEY GENERAL OF NEW JERSEY

By:


ALEX MOREAU, DAG
JESSICA CAMPBELL, DAG

Date: March 23, 2010

New Jersey Natural Gas Company
Societal Benefits Charge (SBC)
Net Impact of Proposed Rate Change
BPU. DOCKET NO. GR09010076

(\$/therm)

	Component of	Current		Proposed		Change	
		Pre-tax	Post-tax	Pre-tax	Post-tax	Pre-tax	Post-tax
RAC	Delivery Price	0.0243	0.0260	0.0303	0.0324	0.0060	0.0064
NJ Clean Energy	Delivery Price	0.0173	0.0185	0.0190	0.0203	0.0017	0.0018
USF ¹	Delivery Price	<u>0.0179</u>	<u>0.0192</u>	<u>0.0179</u>	<u>0.0192</u>	<u>0.0000</u>	<u>0.0000</u>
NET IMPACT		0.0595	0.0637	0.0672	0.0719	0.0077	0.0082

Impact on Residential Heating Customers- Assume 100 therm bill

				1000 therm annual bill per BPU Report Card	
Current Prices				Monthly	
	Customer Charge		\$8.25	\$8.25	\$99.00
	Delivery	100	\$0.4929	\$49.29	\$492.90
	BGSS	100	\$0.8039	\$80.39	\$803.90
	Total		<u>\$1.2968</u>	<u>\$137.93</u>	<u>\$1,395.80</u>
Proposed Prices					
	Customer Charge		\$8.25	\$8.25	\$99.00
	Delivery	100	\$0.5011	\$50.11	\$501.10
	BGSS	100	\$0.8039	\$80.39	\$803.90
	Total		<u>\$1.3050</u>	<u>\$138.75</u>	<u>\$1,404.00</u>
Additional Increase in Monthly bill				\$0.82	\$8.20
Increase as a %				0.59%	0.59%

Projected Annual Revenue

Projected SBC annual therms 680,591 (000s)

Projected Annual Pre-tax Revenue

	Projected Revenue at Current Rates \$million	Projected Revenue at Proposed Rates \$million	Change \$million
RAC	\$16.5	\$20.6	\$4.1
NJ Clean Energy	11.8	12.9	1.2
USF statewide	12.2	12.2	0.0
IMPACT	<u>\$40.5</u>	<u>\$45.7</u>	<u>\$5.2</u>

Projected Annual Post-tax Revenue

	Projected Revenue at Current Rates \$million	Projected Revenue at Proposed Rates \$million	Change \$million
RAC	\$17.7	\$22.1	\$4.4
NJ Clean Energy	12.6	13.8	1.2
USF statewide	13.1	13.1	0.0
IMPACT	<u>\$43.4</u>	<u>\$48.9</u>	<u>\$5.6</u>

¹ On October 8, 2009, the Board approved the USF billing factor of \$0.0192 per therm in BPU Docket No. EO09060506. The rate was effective October 12, 2009.

NEW JERSEY NATURAL GAS COMPANY

BPU No. 8 - Gas

Fifth-Fourth Revised Sheet No. 51
Superseding Fourth-Third 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 \$0.5011 \$0.4929

Residential Non-Heating

Delivery Charge per therm \$0.5366 \$0.5284

BGSS Charge:

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

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

Date of Issue: October 7, 2009
Issued by: Mark R. Spurduto, Vice President
Wall, NJ 07719

Effective for service rendered on
and after October 12, 2009

NEW JERSEY NATURAL GAS COMPANY

BPU No. 8 - Gas

Fifth Fourth Revised Sheet No. 54
Superseding Fourth Third Revised Sheet No. 54

SERVICE CLASSIFICATION - DGR

DISTRIBUTED GENERATION SERVICE - RESIDENTIAL

AVAILABILITY

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

CHARACTER OF SERVICE

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

MONTHLY RATES

Customer Charge:

Customer Charge per meter per month \$8.25

Delivery Charge:

November - April \$0.3734 \$0.3652

May - October \$0.3164 \$0.3082

BGSS Charge:

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

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

MINIMUM MONTHLY CHARGE

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

BALANCING CHARGE ADJUSTMENTS

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

Date of Issue: ~~October 7, 2009~~
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Wall, NJ 07719

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NEW JERSEY NATURAL GAS COMPANY

BPU No. 8 - Gas

*Fifth ~~Fourth~~ Revised Sheet No. 56
Superseding Fourth ~~Third~~-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 \$0.4623 \$0.4541

BGSS Charge:

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

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

MINIMUM MONTHLY CHARGE

The minimum monthly charge shall be the Customer Charge.

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

BALANCING CHARGE ADJUSTMENTS

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

Date of Issue: ~~October 7, 2009~~
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Wall, NJ 07719

Effective for service rendered on
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NEW JERSEY NATURAL GAS COMPANY

BPU No. 8 - Gas

Fifth Fourth Revised Sheet No. 59
Superseding Fourth Third 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 \$0.4117 ~~\$0.4035~~

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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Issued by: Mark R. Sperduto, Vice President
Wall, NJ 07719

Effective for service rendered on
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NEW JERSEY NATURAL GAS COMPANY

BPU No. 8 - Gas

Fourth Third Revised Sheet No. 62
Superseding Third Second Revised Sheet No. 62

SERVICE CLASSIFICATION - FT

FIRM TRANSPORTATION SERVICE

AVAILABILITY

This service is available to any customer who would otherwise qualify for service under Service Classifications GSS, GSL, FC, IS, or NGV. The Customer must provide to the Company's satisfaction, a firm gas supply having marketable title of gas with firm transportation capacity to the Company's distribution system.

MONTHLY RATES

Customer Charge:

Customer Charge per meter per month \$50.00

Demand Charge:

Demand Charge per therm applied to MDQ \$1.37

Delivery Charge:

Delivery Charge per therm for High Load Factor ("HLF") customers ~~\$0.2037~~ ~~\$0.1955~~

Delivery Charge per therm for Low Load Factor ("LLF") customers ~~\$0.2355~~ ~~\$0.2273~~

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.

DETERMINATION OF LOAD FACTOR

1. Calculation of Load Factor

Each Customer's load factor will be equal to the result of dividing the total annual usage by the highest single month's usage times twelve (12). The formula to be used is:

$$\text{Load Factor} = \frac{\text{Total Annual Use}}{\text{Highest Month's Use} \times 12}$$

Date of Issue: ~~October 7, 2009~~
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Wall, NJ 07719

Effective for service rendered on
and after ~~October 12, 2009~~

NEW JERSEY NATURAL GAS COMPANY

BPU No. 8 - Gas

~~Fifth~~Fourth Revised Sheet No. 65
Superseding Fourth-Third Revised Sheet No. 65

SERVICE CLASSIFICATION - DGC

DISTRIBUTED GENERATION SERVICE - COMMERCIAL

AVAILABILITY

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

CONDITIONS PRECEDENT

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

MONTHLY RATES

Customer Charge:

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

Demand Charge:

Demand Charge per therm applied to PBQ	\$0.60
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Delivery Charge:

November - April	\$0.2744 \$0.2662
------------------	-------------------

May - October	\$0.2416 \$0.2334
---------------	-------------------

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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Wall, NJ 07719

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NEW JERSEY NATURAL GAS COMPANY

BPU No. 8 - Gas

Fifth Fourth Revised Sheet No. 71
Superseding Fourth Third 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 \$0.2976 \$0.2894

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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Wall, NJ 07719

Effective for service rendered on
and after October 12, 2009

NEW JERSEY NATURAL GAS COMPANY

BPU No. 8 - Gas

Fourth Third Revised Sheet No. 77
Superseding Third Second Revised Sheet No. 77

SERVICE CLASSIFICATION - IS

INTERRUPTIBLE SERVICE

AVAILABILITY

This service is applicable to Commercial and Industrial Customers whose minimum connected load is not less than 150 therms per hour and who sign a service agreement, providing gas is used only at locations where the Company has 1) adequate distribution facilities and 2) an adequate supply of natural gas. Customers will be required to specify that they have alternate fuel facilities installed in operating condition with an adequate fuel supply, as discussed in Special Provision 1.

CHARACTER OF SERVICE

Interruptible gas sales and transportation service.

MONTHLY RATES

Customer Charge:

Customer Charge per meter per month \$575.00

Delivery Charge:

Customers with Alternate Fuel

Delivery Charge per therm \$0.1397 ~~\$0.1315~~

Customers without Alternate Fuel

Delivery Charge per therm \$0.3814 ~~\$0.3732~~

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

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Wall, NJ 07719

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NEW JERSEY NATURAL GAS COMPANY

BPU No. 8 - Gas

First Revised Sheet No. 165
Superseding Original Sheet No. 165

RIDER "C"

REMEDIAL ADJUSTMENT (RA) (continued)

III. TRACKING THE OPERATION OF THE REMEDIAL ADJUSTMENT CLAUSE

The revenues billed, net of taxes and assessments through the application of the Remedial Adjustment factor shall be accumulated for each month and be applied against the total amortized Remedial Costs calculated for that year. Any over or under collection at the end of the Recovery Year will be included in the determination of the following year's RA factor.

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

The RA factor shall be collected through the SBC on a per-therm basis within the Delivery Charge for all service classifications to which Rider "A" applies. The RA factor for Service Classifications RAC, CAC, IS, NGV, IGS, RS, FT, GSL, and GSS shall be collected as set forth in the respective tariff sheets for each service classification. The RA factor is set forth below:

\$0.0324 \$0.0260

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Wall, NJ 07719

Effective for service rendered on
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NEW JERSEY NATURAL GAS COMPANY

BPU No. 8 - Gas

*First Revised Sheet No. 171
Superseding Original Sheet No. 171*

RIDER "E"

NEW JERSEY'S CLEAN ENERGY PROGRAM (Continued)

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 ~~\$0.0185~~

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Wall, NJ 07719*

*Effective for service rendered on
and after ~~October 3, 2008~~*

NEW JERSEY NATURAL GAS COMPANY

BPU No. 8 - Gas

~~Fifth Fourth-Revised Sheet No. 252~~
~~Superseding Fourth Third-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>				
<u>Transport Rate:</u>				
Pre-tax Base Rate		0.2913	0.2913	
TEFA		0.0167	0.0167	Rider B
SUT		<u>0.0216</u>	<u>0.0216</u>	Rider B
After-tax Base Rate		0.3296	0.3296	
WNC		0.0001	0.0001	Rider D
CIP		0.0079	0.0079	Rider I
EE		<u>0.0127</u>	<u>0.0127</u>	Rider F
Total Transport Rate	a	0.3503	0.3503	
Balancing Charge	b	0.0789	0.0789	Rider A
<u>Societal Benefits Charge ("SBC"):</u>				
NJ's Clean Energy		<u>0.0203</u>	<u>0.0203</u>	Rider E
		<u>0.0185</u>	<u>0.0185</u>	
RA		<u>0.0324</u>	<u>0.0324</u>	Rider C
		<u>0.0260</u>	<u>0.0260</u>	
USF		<u>0.0192</u>	<u>0.0192</u>	Rider H
Total SBC	c	<u>0.0719</u>	<u>0.0719</u>	
		<u>0.0637</u>	<u>0.0637</u>	
Delivery Charge (DEL)	a+b+c=d	<u>0.5011</u>	<u>0.5011</u>	
		<u>0.4929</u>	<u>0.4929</u>	
<u>Basic Gas Supply Charge ("BGS")</u>				
Periodic BGSS	e	0.8828	x	Rider A
Less: Balancing	f	<u>0.0789</u>	x	
BGS	e+f=g	<u>0.8039</u>	x	

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

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

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Wall, NJ 07719

Effective for service rendered on
and after October 13, 2009

NEW JERSEY NATURAL GAS COMPANY

BPU No. 8 - Gas

Fifth Fourth Revised Sheet No. 253
Superseding Fourth Third 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>				
<u>Transport Rate:</u>				
Pre-tax Base Rate		0.2913	0.2913	
TEFA		0.0167	0.0167	Rider B
SUT		0.0216	0.0216	Rider B
After-tax Base Rate		0.3296	0.3296	
CIP		0.0435	0.0435	Rider I
EE		0.0127	0.0127	Rider F
Total Transport Rate	a	0.3858	0.3858	
Balancing Charge	b	0.0789	0.0789	Rider A
<u>Societal Benefits Charge ("SBC"):</u>				
NJ's Clean Energy		0.0203	0.0203	Rider E
		0.0185	0.0185	
RA		0.0324	0.0324	Rider C
		0.0260	0.0260	
USF		0.0192	0.0192	Rider H
Total SBC	c	0.0719	0.0719	
		0.0637	0.0637	
Delivery Charge (DEL)	a+b+c=d	0.5366	0.5366	
		0.5284	0.5284	
<u>Basic Gas Supply Charge ("BGS")</u>				
Periodic BGSS	e	0.8828	x	Rider A
Less: Balancing	f	0.0789	x	
BGS	e+f=g	0.8039	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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Wall, NJ 07719

Effective for service rendered on
and after October 12, 2009

NEW JERSEY NATURAL GAS COMPANY

BPU No. 8 - Gas

Fifth Fourth-Revised Sheet No. 254
Superseding Fourth Third-Revised Sheet No. 254

SUMMARY OF RESIDENTIAL RATE COMPONENTS

Residential Distributed Generation Service

		Nov - Apr	May - Oct	Reference
<u>Customer Charge</u>				
Customer Charge per meter per month		8.25	8.25	
<u>Delivery Charge ("DEL") per therm</u>				
<u>Transport Rate:</u>				
Pre-tax Base Rate		0.1795	0.1262	
TEFA		0.0167	0.0167	
SUT		0.0137	0.0100	Rider B
After-tax Base Rate		0.2099	0.1529	
EE		0.0127	0.0127	Rider F
Total Transport Rate	a	0.2226	0.1656	
Balancing Charge	b	0.0789	0.0789	Rider A
<u>Societal Benefits Charge ("SBC"):</u>				
NJ's Clean Energy		0.0203	0.0203	Rider E
		0.0185	0.0185	
RA		0.0324	0.0324	Rider C
		0.0260	0.0260	
USF		0.0192	0.0192	Rider H
Total SBC	c	0.0719	0.0719	
		0.0637	0.0637	
Delivery Charge (DEL)	a+b+c=d	0.3734	0.3164	
		0.3652	0.3082	
<u>Basic Gas Supply Charge ("BGS")</u>				
Periodic BGSS	e	0.8828	0.8828	Rider A
Less: Balancing	f	0.0789	0.0789	
BGS	e+f=g	0.8039	0.8039	

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.

Date of Issue: ~~October 7, 2009~~
Issued by: Mark R. Spurduto, Vice President
Wall, NJ 07719

Effective for service rendered on
and after October 12, 2009

NEW JERSEY NATURAL GAS COMPANY

BPU No. 8 - Gas

Fifth Fourth Revised Sheet No. 255
Superseding Fourth Third Revised Sheet No. 255

SUMMARY OF FIRM COMMERCIAL RATE COMPONENTS

General Service - Small (GSS)

		<u>Bundled Sales</u>	<u>Transport Sales</u>	<u>Reference</u>
<u>Customer Charge</u>				
Customer Charge per meter per month		25.00	25.00	
<u>Delivery Charge ("DEL") per therm</u>				
<i>Transport Rate:</i>				
Pre-tax Base Rate		0.2472	0.2472	
TEFA		0.0148	0.0148	Rider B
SUT		<u>0.0183</u>	<u>0.0183</u>	Rider B
<i>After-tax Base Rate</i>				
WNC		0.2803	0.2803	
CIP		0.0001	0.0001	Rider D
EE		0.0184	0.0184	Rider I
		<u>0.0127</u>	<u>0.0127</u>	Rider F
Total Transport Rate	a	0.3115	0.3115	
Balancing Charge	b	0.0789	0.0789	Rider A
<i>Societal Benefits Charge ("SBC"):</i>				
NJ's Clean Energy		<u>0.0203</u>	<u>0.0203</u>	Rider E
		<u>0.0185</u>	<u>0.0185</u>	
RA		<u>0.0324</u>	<u>0.0324</u>	Rider C
		<u>0.0260</u>	<u>0.0260</u>	
USF		<u>0.0192</u>	<u>0.0192</u>	Rider H
Total SBC	c	<u>0.0719</u>	<u>0.0719</u>	
		<u>0.0637</u>	<u>0.0637</u>	
Delivery Charge (DEL)	a+b+c=d	<u>0.4623</u>	<u>0.4623</u>	
		<u>0.4541</u>	<u>0.4541</u>	
<u>Basic Gas Supply Charge ("BGS")</u>				
Periodic BGSS	e	0.8828	x	Rider A
Less: Balancing	f	<u>0.0789</u>	x	
BGS	e+f=g	<u>0.8039</u>	x	

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

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NEW JERSEY NATURAL GAS COMPANY

BPU No. 8 - Gas

*Twenty-First Twentieth Revised Sheet No. 256
Superseding Twentieth Nineteenth Revised Sheet No. 256*

SUMMARY OF FIRM COMMERCIAL RATE COMPONENTS

General Service - Large (GSL)

		<u>Bundled Sales</u>	<u>Transport Sales</u>	<u>Reference</u>
<u>Customer Charge</u>				
Customer Charge per meter per month		40.00	40.00	
<u>Demand Charge</u>				
Demand Charge per month applied to HMAD		1.50	1.50	
<u>Delivery Charge ("DEL") per therm</u>				
<i>Transport Rate:</i>				
Pre-tax Base Rate		0.1948	0.1948	
TEFA		0.0128	0.0128	Rider B
SUT		<u>0.0145</u>	<u>0.0145</u>	Rider B
<i>After-tax Base Rate</i>				
WNC		0.2221	0.2221	
CIP		0.0001	0.0001	Rider D
EE		0.0260	0.0260	Rider I
		<u>0.0127</u>	<u>0.0127</u>	Rider F
Total Transport Rate	a	0.2609	0.2609	
Balancing Charge	b	0.0789	0.0789	Rider A
<i>Societal Benefits Charge ("SBC"):</i>				
NJ's Clean Energy		0.0203	0.0203	Rider E
		0.0185	0.0185	
RA		<u>0.0324</u>	<u>0.0324</u>	Rider C
		0.0260	0.0260	
USF		<u>0.0192</u>	<u>0.0192</u>	Rider H
Total SBC	c	<u>0.0719</u>	<u>0.0719</u>	
		<u>0.0637</u>	<u>0.0637</u>	
Delivery Charge (DEL)	a+b+c=d	<u>0.4117</u>	<u>0.4117</u>	
		<u>0.4035</u>	<u>0.4035</u>	
<u>Basic Gas Supply Charge ("BGS")</u>				
Monthly BGSS	e	0.7982	X	Rider A
Less: Balancing	f	<u>0.0789</u>	X	
BGS	e+f=g	<u>0.7193</u>	X	

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NEW JERSEY NATURAL GAS COMPANY

BPU No. 8 - Gas

FourthThird Revised Sheet No. 257
Superseding ThirdSecond Revised Sheet No. 257

SUMMARY OF FIRM COMMERCIAL RATE COMPONENTS

FIRM TRANSPORTATION (FT)

		<u>HLF</u>	<u>LLF</u>	<u>Reference</u>
<u>Customer Charge</u>				
Customer Charge per meter per month		50.00	50.00	
<u>Demand Charge</u>				
Demand Charge per therm per month applied to MDQ		1.37	1.37	
<u>Delivery Charge ("DEL") per therm</u>				
<u>Transport Rate:</u>				
Pre-tax Base Rate		0.1028	0.1325	
TEFA		0.0085	0.0085	Rider B
SUT		0.0078	0.0099	Rider B
After-tax Base Rate		0.1191	0.1509	
EE		0.0127	0.0127	Rider F
Total Transport Rate	a	0.1318	0.1636	
<u>Societal Benefits Charge ("SBC"):</u>				
NJ's Clean Energy		0.0203	0.0203	Rider E
		0.0185	0.0185	
RA		0.0324	0.0324	Rider C
		0.0260	0.0260	
USF		0.0192	0.0192	Rider H
Total SBC	b	0.0719	0.0719	
		0.0637	0.0637	
Delivery Charge (DEL)	a+b=c	0.2037	0.2355	
		0.1955	0.2273	

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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NEW JERSEY NATURAL GAS COMPANY

BPU No. 8 - Gas

Fifth Fourth Revised Sheet No. 258
Superseding Fourth Third 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>				
<u>Transport Rate:</u>				
Pre-tax Base Rate		0.0883	0.0577	
TEFA		0.0153	0.0153	
SUT		<u>0.0073</u>	<u>0.0051</u>	Rider B
After-tax Base Rate		0.1109	0.0781	
EE		<u>0.0127</u>	<u>0.0127</u>	Rider F
Total Transport Rate	a	0.1236	0.0908	
Balancing Charge	b	0.0789	0.0789	Rider A
<u>Societal Benefits Charge ("SBC"):</u>				
NJ's Clean Energy		0.0203	0.0203	Rider E
		0.0185	0.0185	
RA		0.0324	0.0324	Rider C
		0.0260	0.0260	
USF		0.0192	0.0192	Rider H
Total SBC	c	0.0719	0.0719	
		<u>0.0637</u>	<u>0.0637</u>	
Delivery Charge (DEL)	a+b+c=d	0.2744	0.2416	
		<u>0.2662</u>	<u>0.2334</u>	

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

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

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NEW JERSEY NATURAL GAS COMPANY

BPU No. 8 - Gas

Twenty-First Twentieth Revised Sheet No. 259
Superseding Twentieth Nineteenth 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>				
<u>Transport Rate:</u>				
Pre-tax Base Rate		0.1253	0.1253	
SUT		0.0088	0.0088	Rider B
After-tax Base Rate		0.1341	0.1341	
EE		0.0127	0.0127	Rider F
Total Transport Rate	a	0.1468	0.1468	
Balancing Charge	b	0.0789	0.0789	Rider A
<u>Societal Benefits Charge ("SBC"):</u>				
NJ's Clean Energy		0.0203	0.0203	Rider E
		0.0185	0.0185	
RA		0.0324	0.0324	Rider C
		0.0260	0.0260	
USF		0.0192	0.0192	Rider H
Total SBC	c	0.0719	0.0719	
		0.0637	0.0637	
Delivery Charge (DEL)	a+b+c=d	0.2976	0.2976	
		0.2894	0.2894	
<u>Basic Gas Supply Charge ("BGS")</u>				
Monthly BGSS	e	0.7982	X	Rider A
Less: Balancing	f	0.0789	X	
BGS	e+f=g	0.7193	X	

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

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NEW JERSEY NATURAL GAS COMPANY

BPU No. 8 - Gas

Twentieth Nineteenth Revised Sheet No. 260
Superseding Nineteenth Eighteenth Revised Sheet No. 260

SUMMARY OF INTERRUPTIBLE RATE COMPONENTS

INTERRUPTIBLE SALES AND TRANSPORTATION

<u>With Alternate Fuel</u>			
	<u>Bundled</u>	<u>Transport</u>	<u>Reference</u>
<u>Customer Charge</u>	<u>Sales</u>	<u>Sales</u>	
Customer Charge per meter per month	575.00	575.00	
<u>Delivery Charge ("DEL") per therm</u>			
Transport Rate:			
Pre-tax Base Rate	0.0494	0.0494	
TEFA	0.0021	0.0021	Rider B
SUT	<u>0.0036</u>	<u>0.0036</u>	Rider B
After-tax Base Rate	0.0551	0.0551	
EE	<u>0.0127</u>	<u>0.0127</u>	Rider F
Total Transport Rate	a 0.0678	0.0678	
Societal Benefits Charge ("SBC"):			
NJ's Clean Energy	<u>0.0203</u>	<u>0.0203</u>	Rider E
	0.0185	0.0185	
RA	<u>0.0324</u>	<u>0.0324</u>	Rider C
	0.0260	0.0260	
USF	<u>0.0192</u>	<u>0.0192</u>	Rider H
Total SBC	b <u>0.0719</u>	<u>0.0719</u>	
	0.0637	0.0637	
Delivery Charge (DEL)	a+b=c <u>0.1397</u>	<u>0.1397</u>	
	<u>0.1315</u>	<u>0.1315</u>	
<u>Basic Gas Supply Charge ("BGS")</u>			
Monthly BGSS	d 0.7982	X	Rider A
BGS	d <u>0.7982</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

Twentieth Nineteenth-Revised Sheet No. 261
Superseding Nineteenth Eighteenth-Revised Sheet No. 261

SUMMARY OF INTERRUPTIBLE RATE COMPONENTS

INTERRUPTIBLE SALES AND TRANSPORTATION

Without Alternate Fuel

		<u>Bundled Sales</u>	<u>Transport Sales</u>	<u>Reference</u>
<u>Customer Charge</u>				
Customer Charge per meter per month		575.00	575.00	
<u>Delivery Charge ("DEL") per therm</u>				
<u>Transport Rate:</u>				
Pre-tax Base Rate		0.2753	0.2753	
TEFA		0.0021	0.0021	Rider B
SUT		0.0194	0.0194	Rider B
After-tax Base Rate		0.2968	0.2968	
EE		0.0127	0.0127	Rider F
Total Transport Rate	a	0.3095	0.3095	
<u>Societal Benefits Charge ("SBC"):</u>				
NJ's Clean Energy		0.0203	0.0203	Rider E
		0.0185	0.0185	
RA		0.0324	0.0324	Rider C
		0.0260	0.0260	
USF		0.0192	0.0192	Rider H
Total SBC	b	0.0719	0.0719	
		0.0637	0.0637	
Delivery Charge (DEL)	a+b=c	0.3814	0.3814	
		0.3732	0.3732	
<u>Basic Gas Supply Charge ("BGS")</u>				
Monthly BGSS	d	0.7982	X	Rider A
BGS	d	0.7982	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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