



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)
NATURAL GAS COMPANY FOR THE ANNUAL REVIEW)
AND REVISION OF ITS BASIC GAS SUPPLY SERVICE)
AND CONSERVATION INCENTIVE PROGRAM)
FACTORS FOR THE FISCAL YEAR 2014)
DECISION AND ORDER)
APPROVING STIPULATION)
FOR FINAL RATES)
DOCKET NO. GR13050425)

Parties of Record:

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

BY THE BOARD:

Pursuant to the generic Order of the New Jersey Board of Public Utilities ("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 days' notice to the Board and Rate Counsel.

On May 24, 2013, New Jersey Natural Gas Company ("NJNG" or "the Company") notified the Board and Rate Counsel of its intent to decrease its BGSS after-tax per therm rate applicable to residential and small commercial customers, effective June 1, 2013, from its then current level of \$0.6681 to \$0.6056, translating into a monthly bill reduction of \$6.25 (5.2%) for a residential heating customer using 100 therms per month.

In accordance with the January Order, on May 29, 2013, the Company filed with the Board its annual BGSS petition proposing to a.) maintain the June 1, 2013 per therm after-tax rate of \$0.6056; b.) decrease the Company's after-tax per therm balancing charge rate from \$0.0898 to

\$0.0863; and c.) decrease the Conservation Incentive Program (“CIP”)¹ rates² effective October 1, 2013, to reflect a net overall after-tax revenue decrease of \$7.44 million, with \$5.00 million tracked to residential heat customers, translating to a monthly bill reduction of \$1.12 for a residential heat customer using 100 therms.

After publication of notice in newspapers in general circulation in the Company’s service territory, public hearings in this matter were conducted on September 10, 2013 in Rockaway Borough and on September 11, 2013 in Freehold Township. No members of the public appeared at any of the public hearings and no written comments were received by the Board, NJNG or Rate Counsel.

On October 16, 2013, the Board issued an Order³ (“October Order”) implementing the 2014 annual filing rates on a provisional basis.

On November 21, 2013, the Company, in accordance with the January Order, notified the Board and Rate Counsel of its intent to decrease its after-tax per therm BGSS rate from \$0.6056 to \$0.5356 rate effective December 1, 2013, which amounted to a monthly bill reduction of \$7.00 for a residential heat customer using 100 therms.

STIPULATION⁴ FOR FINAL RATES⁵

On June 13, 2014, the Company, Rate Counsel and Staff (collectively, “the Parties”) agreed that the current Periodic BGSS rate and the previously approved after-tax per therm provisional rates, as described in Paragraphs 8, 9 and 10 of the Stipulation, should be made final by the Board. Specifically the Parties agreed that the following provisional rates should be made final:

- (1) the Company’s BGSS rate of \$0.6056 effective June 1, 2013 through November 30, 2013 and \$0.5356 effective as of December 1, 2013;
- (2) the Company’s balancing charge rate of \$0.0863; and
- (3) the following CIP rates: \$0.0049 for Residential Non-Heat customers; \$0.0240 for Residential Heat customers; \$0.0581 for Small Commercial customers; and \$0.0568 for Large Commercial customers.

¹ The CIP was approved by the Board in Docket No. GR05120120 in Board Orders dated October 12 and December 12, 2006 (“CIP Orders”). The CIP encourages the Company to foster customer conservation by allowing it to share in energy related savings due to conservation. The non-weather 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.

² Refer to Paragraph 5 of the Stipulation for details.

³ In re the Petition of New Jersey Natural Gas Company for the Annual Review and Revision of its Basic Gas Supply Service (BGSS) and Conservation Incentive (CIP) Program Factors for Fiscal Year 2014, Docket No. GR13050425 (October 16, 2013).

⁴ Although summarized in this Order, the detailed terms of the Stipulation control, subject to the findings and conclusions of this Order.

⁵ While the Order approving the provisional rates directed that the matter be transmitted to the Office of Administrative Law for review, because the Parties agreed that settlement was likely, the case was retained at the Board.

As a result of this Stipulation, the rates approved in the October Order on a provisional basis and the Company's self-implemented BGSS rate decrease as of December 1, 2013, will be final and remain in effect until further Board Order or further action by the Company in accordance with the January Order.

Rate Counsel and Staff have reviewed the BGSS transactions and savings calculations as referenced in Paragraph 5 of the Stipulation, and are in agreement that the savings are eligible to offset non-weather related CIP recoveries as provided in the Board-approved Stipulations in the CIP Orders.

The Company agrees to continue to provide electronically to the Board and Rate Counsel, on a monthly basis, the following updated information:

- (1) the BGSS NYMEX Update Report attached to the Stipulation as Exhibit A; and
- (2) a report reflecting the calculation of net gas cost per therm, attached to the Stipulation as Exhibit B.

The Exhibit A chart is to be completed using information from the first Friday of the month and submitted to the Board and Rate Counsel the following Tuesday. The Exhibit B chart is to be submitted to the Board and Rate Counsel on or about the 15th of the following month.

Pursuant to the Stipulation, the Company agrees to provide the following additional information as part of the minimum filing requirements in future BGSS filings: documentation of the evaluation of capacity portfolio changes; extensions of the terms of existing contracts, and releases of capacity to an affiliate, and the decisions associated with such evaluations. Such documentation will be provided under separate cover pursuant to an executed confidentiality agreement.

The Company further agrees to evaluate the Company's Storage Incentive program by initiating, no later August 1, 2014, a collaborative process to assure that the incentives reflect benefits to ratepayers. The process will include the methodologies for determining the benchmark cost of storage injections, and adding new storage to the program when the storage is acquired after the start of the applicable storage injection season.

DISCUSSION AND FINDING

The Board, having reviewed the record 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, reflecting a thorough review of the BGSS and CIP rates at issue. Accordingly, the Board **HEREBY ADOPTS** the Stipulation as its own, as if fully set forth herein.

The Board **HEREBY APPROVES** as final the Company's after-tax per therm Periodic BGSS rate of \$0.6056 effective June 1, 2013 through November 30, 2013, and \$0.5356 effective as of December 1, 2013; the Company's balancing charge rate of \$0.0863 as well as the following CIP rates: \$0.0049 for Group I - Residential Non-Heat customers; \$0.0240 for Group II - Residential Heat customers; \$0.0581 for Group III - Small Commercial customers; and \$0.0568 for Group IV - Large Commercial customers.

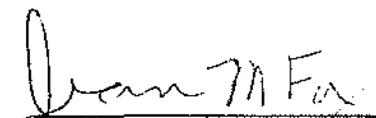
The Company's gas costs will remain subject to audit by the Board. This Decision and Order shall not preclude nor prohibit the Board from taking any actions determined to be appropriate as a result of any such audit.

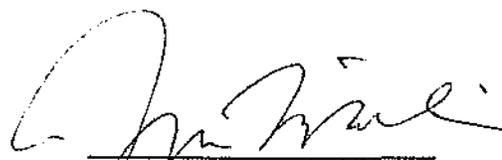
This Order shall become effective August 1, 2014.

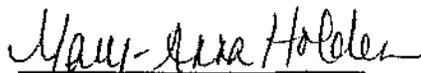
DATED: 7/23/14

BOARD OF PUBLIC UTILITIES
BY:

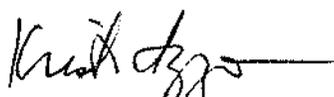

DIANNE SOLOMON
PRESIDENT


JEANNE M. FOX
COMMISSIONER

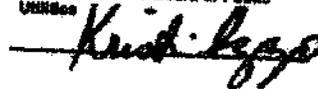

JOSEPH L. FIORDALISO
COMMISSIONER


MARY-ANNA HOLDEN
COMMISSIONER

ATTEST:


KRISTI IZZO
SECRETARY

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



IN THE MATTER OF THE PETITION OF NEW JERSEY NATURAL GAS COMPANY FOR THE
ANNUAL REVIEW AND REVISION OF ITS BASIC GAS SUPPLY SERVICE AND
CONSERVATION INCENTIVE PROGRAM FACTORS FOR THE FISCAL YEAR 2014
DOCKET NO. GR13050425

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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. GR13050425
REVISION OF ITS BASIC GAS SUPPLY)
SERVICE (BGSS) AND ITS)
CONSERVATION INCENTIVE PROGRAM)
(CIP) FACTORS FOR F/Y 2014)
)**

STIPULATION FOR FINAL RATES

APPEARANCES:

Tracey Thayer, 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 Christina Juarez, Esq., Assistant Deputy Rate Counsels, New Jersey Division of Rate Counsel (Stefanie Brand, Esq., Director)

Veronica Beke and Alex Moreau, 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. GR13050425 on May 29, 2013 (“2014 Annual Filing”), requesting that the New Jersey Board of Public Utilities (the “BPU” or “Board”) approve NJNG’s 2014 Annual Filing to:

1) maintain the June 1, 2013 Periodic Basic Gas Supply Service (“BGSS”) rate for the period October 1, 2013 through September 30, 2014; 2) approve a decrease to the Company’s Balancing

Charge; and 3) approve decreases to the Conservation Incentive Program (“CIP”) factors effective October 1, 2013.

2. On May 24, 2013, the Company had submitted notification to the Board and to the New Jersey Division of Rate Counsel (“Rate Counsel”) in BPU Docket Nos. GR12060472 and GX01050304 (the “Generic BGSS Order”) of its intent to decrease its Periodic BGSS rate effective June 1, 2013 from the then-current level of \$0.6681 per therm (\$0.6244 on a pre-tax basis) to \$0.6056 per therm inclusive of sales tax (\$0.5660 on a pre-tax basis). On June 1, 2013, the reduced BGSS rate went into effect. The price decrease, pursuant to the terms of the Generic BGSS Order, resulted in a 5.2 percent decrease for a residential heating customer using 100 therms per month.

3. Specifically, the petition in the 2014 Annual Filing requested that the BPU maintain the June 1, 2013 per therm after-tax Periodic BGSS rate of \$0.6056 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 10, 2013 based on a one-year BGSS recovery period. For the October 2013 through September 2014 BGSS year, NJNG’s filing included an estimated beginning under recovery balance of \$46,000 and an estimated ending under recovery balance of \$1.8 million.

4. The petition also requested approval of a \$0.0035 per therm decrease to the NJNG after-tax balancing charge, thereby decreasing the per therm after-tax balancing charge from \$0.0898 to \$0.0863. 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.

5. As part of the 2014 Annual Filing, as authorized by the Board in Docket No. GR05121020, the Company also submitted its annual CIP rate filing for CIP year 2014 (October 1, 2013 through September 30, 2014) requesting that the BPU approve the implementation of updated CIP factors. The requested changes resulted in an overall decrease of after-tax revenue of approximately \$7.44 million to the current estimated annual CIP revenue of \$27.7 million. Specifically, the Company sought approval for the following changes to its after-tax per therm CIP factors: 1) a decrease of \$0.0103 from the rate of \$0.0152 for Group I Residential Non-Heat customers resulting in the proposed charge of \$0.0049; 2) a decrease of \$0.0112 to the rate of \$0.0352 resulting in the proposed charge of \$0.0240 for Group II Residential Heat customers; 3) a decrease of \$0.0269 to the charge of \$0.0850 for Group III Small Commercial customers resulting in the proposed charge of \$0.0581; and 4) a decrease of \$0.0113 to the charge of \$0.0681 resulting in the proposed charge of \$0.0568 for Group IV Large Commercial customers. 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 at least offset by reductions in related BGSS costs. The Company reported total estimated CIP related revenue deficiency for CIP year 2013 (October 1, 2012 through September 30, 2013) of \$15.7 million with \$4.4 million related to weather and \$11.3 million non-weather related. The Company has identified approximately \$13.5 million in BGSS savings available to offset non-weather related CIP charges for the October 2013 through September 2014 recovery period. The Company provided testimony that the \$15.7 million margin deficiency does not result in a return on equity in excess of 10.3 percent.

6. The BGSS rate put into effect June 1, 2013 and approved on a provisional basis by the Board on October 16, 2013, along with a decrease in the CIP rates has resulted in an overall decrease of approximately \$1.12 per month, or 1.0 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 was a decrease of 0.7 percent per month, to the average small commercial customer (Group III) using 100 therms a month a decrease of 2.0 percent per month, and to the average large commercial customer (Group IV) a decrease of 0.9 percent based upon using 1,200 therms per month. The above changes resulted in an overall decrease of after-tax revenue of approximately \$7.44 million.

7. Public hearings on this petition were held on September 10, 2013 in Rockaway Borough and on September 11, 2013 in Freehold Township and no members of the public appeared at any of the public hearings and no written comments were received by the BPU, NJNG or Rate Counsel.

8. NJNG, Board Staff, and the New Jersey Division of Rate Counsel ("Rate Counsel") (collectively, the "Signatory Parties"), the only Parties to these proceedings, discussed certain matters at issue in this proceeding and determined that additional time was needed to complete the review of NJNG's proposed BGSS rate, balancing charge, and CIP rates. The Signatory Parties also agreed that maintaining the June 2013 BGSS rate, implementing the requested changes to the balancing charge, and implementing the above modifications to the CIP rates, on a provisional basis would be reasonable. Accordingly, on October 16, 2013, the Board issued an Order ("October 2013 Order") in this proceeding authorizing the Company to: 1) maintain the Company's periodic BGSS rate of \$0.6056 per therm after-tax; 2) decrease the

Company's balancing charge to \$0.0863 per therm after-tax; and 3) adjust the following CIP rates to (after-tax basis): \$0.0049 per therm for Group I Residential Non-Heat customers; \$0.0240 per therm for Group II Residential Heat customers; \$0.0581 per therm for Group III Small Commercial customers; and, \$0.0568 per therm for Group IV Large Commercial customers. The provisional rates represented an overall decrease of \$0.0112 per therm after-tax from the rates previously in effect, approximately 1.0 percent, or \$1.12 per month for a typical residential heat sales customer using 100 therms per month.

9. The components of the provisionally approved rates are as follows: BGSS rate had no change and the CIP rate reflected a decrease of 1.0 percent. The overall impact to the average residential non-heat sales customer was a decrease of 0.7 percent or \$0.26 per month and to the average small commercial sales customer these changes represented a decrease of approximately 2.0 percent or \$2.69 per month. The total bill for large commercial sales customers decreased due to the CIP rate change noted above by approximately 0.9 percent or \$13.96 per month for a customer using 1200 therms a month. These rate changes represented a decrease in annual after-tax revenue to NJNG of approximately \$7.44 million. Those rates, effective as of November 1, 2013, were on a provisional basis, subject to refund with interest, with an opportunity for a full review at the Office of Administrative Law ("OAL"), if necessary, and final approval by the Board.¹

10. On November 21, 2013, the Company submitted notification to the Board and to Rate Counsel in BPU Docket Nos. GR13050425 and GX01050304 (the Generic BGSS Order)²

¹ This instant Stipulation was negotiated and executed prior to a transfer of this case to the OAL.

² Pursuant to the terms of an Order in BPU Docket No. GX01050304, dated January 6, 2003, approving the BGSS Pricing Mechanism and the Stipulation adopted within that order, the Company can implement a rate reduction with

of its intent to decrease its Periodic BGSS rate effective December 1, 2013 resulting in a rate reduction of \$0.0700 per therm in the provisionally-approved periodic BGSS rate of \$0.6056 per therm, effective December 1, 2013. This decrease resulted in a Periodic BGSS rate of \$0.5356 per therm inclusive of sales tax (\$0.5006 on a pre-tax basis). The price decrease, pursuant to the terms of the Generic BGSS Order, amounted to a decrease of \$7.00 or 6 percent for a residential heating customer using 100 therms per month. On December 1, 2013, the reduced Periodic BGSS rate went into effect and is the current rate.

STIPULATED ISSUES

11. The "Signatory Parties" have reached an agreement that the current Periodic BGSS rate and the previously approved provisional rates, as described above in Paragraphs 8, 9 and 10, should be deemed by the Board to be final rates. Those rates are: 1) the Company's provisional Periodic BGSS rate of \$0.6056 per therm after tax effective June 1, 2013 through November 30, 2013 and \$0.5356 per therm after-tax effective as of December 1, 2013; 2) the Company's provisional balancing charge of \$0.0863 per therm after-tax; and 3) the following provisional CIP rates all on an after-tax basis: \$0.0049 per therm for Group I Residential Non-Heat customers; \$0.0240 per therm for Group II Residential Heat customers; \$0.0581 per therm for Group III Small Commercial customers; and \$0.0568 per therm for Group IV Large Commercial customers. As a result of this Stipulation, the rates approved in the October 2013 Order on a provisional basis and the Company's self-implemented BGSS rate decrease as of December 1, 2013 will be final and remain in effect until further Board Order or further action

five days notice to the Staff of the New Jersey Board of Public Utilities ("BPU") and the New Jersey Division of Rate Counsel.

by the Company in accordance with the Generic Order. The tariff sheets reflecting these rates, which will remain in effect, are attached hereto as Exhibit C.

12. Rate Counsel and Staff have reviewed the BGSS transactions and savings calculations as referenced in Paragraph 5 above and are in agreement that the savings are eligible to offset non-weather related CIP recoveries as provided in the Board-approved Stipulations in Docket No. GR05121020.

13. The Company agrees to continue to provide electronically to the Signatory Parties in this proceeding, on a monthly basis, the following updated information: 1) the BGSS NYMEX Update Report attached to the Stipulation as Exhibit A, and 2) a monthly report reflecting the calculation of net gas cost per therm, attached to the Stipulation as Exhibit B. The chart reflected on Exhibit A is to be completed using information from the first Friday of the month and submitted to the Signatory Parties the following Tuesday. The chart reflected on Exhibit B is to be submitted to the Signatory Parties on approximately the 15th of the following month.

14. The Company agreed to include the following additional minimum filing requirement in future BGSS filings:

Provide documentation of evaluation of capacity portfolio changes, extensions of the terms of existing contracts, and releases of capacity to an affiliate, and the decisions associated with such evaluations. Such documentation will be provided under separate cover pursuant to an executed confidentiality agreement.

15. The parties agree to the initiation of a collaborative process to evaluate the Company's Storage Incentive program to assure that the incentives reflect benefits to ratepayers. This process will include (1) the methodology for determining the benchmark cost of storage injections, and (2) the methodology for adding new storage to the program when the

storage is acquired after the start of the applicable storage injection season. NJNG agrees to initiate the collaborative process by no later than August 1, 2014.

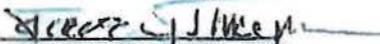
16. This Stipulation represents a mutual balancing of interests, contains interdependent provisions, and, therefore, is intended to be accepted and approved in its entirety. In the event any particular aspect of this Stipulation is not accepted and approved in its entirety by the Board, any Party aggrieved 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.

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

18. 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 Signatory Parties 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.

WHEREFORE, the Signatory Parties 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 make the currently provisional rates final as of the later of June 1, 2014 or the effective date of the Board Order approving this Stipulation.

**NEW JERSEY NATURAL GAS
PETITIONER**

By: 
TRACEY THAYER, ESQ.
New Jersey Natural Gas

**DIVISION OF RATE COUNSEL
STEFANIE A. BRAND, ESQ.
DIRECTOR**

By: 
SARAH H. STEINDEL, ESQ.
ASSISTANT DEPUTY RATE COUNSEL

**STAFF OF THE NEW JERSEY BOARD OF PUBLIC UTILITIES
JOHN J. HOFFMAN
ACTING ATTORNEY GENERAL OF NEW JERSEY**

By: 
ALEX MOREAU
DEPUTY ATTORNEY GENERAL

Date: 6/13/14

SAMPLE NJNG
BGSS Nymex Update Report
as of 9/6/13

<u>Month</u>	<u>a</u> <u>Nymex</u> <u>5/8/13</u>	<u>b</u> <u>NYMEX</u> <u>9/6/13</u>	<u>c = b - a</u> <u>Incr/</u> <u>(Decr)</u>	<u>% Chg</u>	<u>d</u> <u>Sales</u> <u>forecast (dths)</u>	<u>e</u> <u>Hedged</u> <u>volume (dths)</u>	<u>f = d - e</u> <u>Unhedged</u> <u>volume (dths)</u>	<u>g = c x f</u> <u>Change in</u> <u>value unhedged</u>
Jun-13	\$ 3.978	\$ 4.148	\$ 0.170					
Jul-13	\$ 4.030	\$ 3.707	\$ (0.323)					
Aug-13	\$ 4.057	\$ 3.459	\$ (0.598)					
Sep-13	\$ 4.059	\$ 3.567	\$ (0.492)		971,882	800,000	171,882	(\$84,566)
Avg Total \$	\$ 4.031	\$ 3.720	\$ (0.311)	-7.7%	971,882	800,000	171,882	(\$84,566)
Oct-13	\$ 4.081	\$ 3.530	\$ (0.551)		1,922,707	900,000	1,022,707	(\$563,512)
Nov-13	\$ 4.165	\$ 3.617	\$ (0.548)		3,979,036	1,146,486	2,832,551	(\$1,552,238)
Dec-13	\$ 4.339	\$ 3.781	\$ (0.558)		7,103,207	5,322,658	1,780,549	(\$993,546)
Jan-14	\$ 4.423	\$ 3.866	\$ (0.557)		8,553,081	6,828,463	1,724,617	(\$960,612)
Feb-14	\$ 4.399	\$ 3.867	\$ (0.532)		7,206,881	5,913,020	1,293,861	(\$688,334)
Mar-14	\$ 4.336	\$ 3.832	\$ (0.504)		5,772,083	3,487,391	2,284,692	(\$1,151,485)
Apr-14	\$ 4.106	\$ 3.770	\$ (0.336)		3,013,308	-	3,013,308	(\$1,012,471)
May-14	\$ 4.104	\$ 3.788	\$ (0.316)		1,468,490	-	1,468,490	(\$464,043)
Jun-14	\$ 4.135	\$ 3.817	\$ (0.318)		1,005,231	-	1,005,231	(\$319,663)
Jul-14	\$ 4.168	\$ 3.849	\$ (0.319)		1,015,156	-	1,015,156	(\$323,835)
Aug-14	\$ 4.189	\$ 3.866	\$ (0.323)		987,743	-	987,743	(\$319,041)
Sep-14	\$ 4.188	\$ 3.867	\$ (0.321)		986,947	-	986,947	(\$316,810)
Avg Total \$	\$ 4.219	\$ 3.788	\$ (0.432)	-10.2%	43,013,870	23,598,019	19,415,851	(\$8,665,589)

a: Nymex rate used for annual BGSS periodic rate filing on June 1, 2013

b: Nymex rate as of date of the report

c: Increase/Decrease in the Nymex rate compared to rate used in the 2014 BGSS filing

d: Sales forecast (includes fuel requirement) used in the 2014 BGSS filing

e: 'Hedged' volume consists of all fixed price contracts (financial or physical), purchased call option positions, and tentative storage withdrawal volumes (reduced by fuel required for delivery to citygate)

f: 'Unhedged' volume consists of sales volume forecast less 'hedged' volume

g: Not necessarily representative of a change in under/over-recovery value

New Jersey Natural Gas Company
Calculation of Net Cost of Gas Per Therm

	Actual Oct-12	Actual Nov-12	Actual Dec-12	Actual Jan-13	Actual Feb-13	Actual Mar-13	Actual Apr-13	Actual May-13	Actual Jun-13	Actual Jul-13	Actual Aug-13	Estimate Sep-13	12 Month Weighted Average
1 NYMEX - 5/10/12 - Included in BGSS Filing	\$2.7570	\$3.0330	\$3.9740	\$3.5250	\$3.5380	\$3.5200	\$3.5000	\$3.5360	\$3.5840	\$3.6320	\$3.6500	\$3.6530	
2 NYMEX - Actual Settlement	\$3.0230	\$3.4710	\$3.8960	\$3.3540	\$3.2260	\$3.4270	\$3.9760	\$4.1620	\$4.1480	\$3.7070	\$3.4590	\$3.5670	
<u>Breakdown of Gross Cost of Gas Per Therm:</u>													
13 Flowing Gas Cost	\$0.3844	\$0.3810	\$0.3295	\$0.2534	\$0.2618	\$0.4293	\$0.4008	\$0.1183	\$0.0385	\$0.0143	-\$0.0075	\$0.0970	\$0.2977
14 Gas Withdrawn From Storage Cost	\$0.0000	\$0.1943	\$0.2816	\$0.3577	\$0.4013	\$0.2442	\$0.0071	\$0.0948	\$0.0117	\$0.0246	\$0.0000	\$0.0000	\$0.2400
15 Hedged Volumes Delivered Cost													
16 Pipeline Demand Cost	\$0.4368	\$0.1705	\$0.1411	\$0.1057	\$0.1134	\$0.1260	\$0.2755	\$0.5401	\$0.7830	\$0.8211	\$0.8503	\$0.7230	\$0.2248
17 Storage Demand Cost													
18 Peaking Cost	\$0.0216	\$0.0069	\$0.0076	\$0.0355	\$0.0137	\$0.0044	\$0.0071	\$0.0279	\$0.0201	\$0.0220	\$0.0265	\$0.0186	\$0.0158
19 Weighted Average Fuel Cost													
20 Variable Pipeline Cost													
21 Other Costs													
22 Total Gross Cost of Gas Per Therm	\$0.8428	\$0.7528	\$0.7598	\$0.7524	\$0.7802	\$0.8039	\$0.6903	\$0.7810	\$0.8534	\$0.8820	\$0.8692	\$0.8386	\$0.7782
	Actual Oct-11	Actual Nov-11	Actual Dec-11	Actual Jan-12	Actual Feb-12	Actual Mar-12	Actual Apr-12	Actual May-12	Actual Jun-12	Actual Jul-12	Actual Aug-12	Actual Sep-12	Weighted Average
23 NYMEX - Actual Settlement	\$3.7590	\$3.5240	\$3.3840	\$3.0840	\$2.6780	\$2.4460	\$2.1910	\$2.0380	\$2.4290	\$2.7740	\$3.0100	\$2.6340	
<u>Breakdown of Gross Cost of Gas Per Therm:</u>													
24 Flowing Gas Cost	\$0.3417	\$0.9274	\$0.2503	\$0.2216	\$0.3400	-\$0.1820	\$0.4521	\$0.0967	\$0.1156	-\$0.0559	\$0.1169	\$0.1688	\$0.2763
25 Gas Withdrawn From Storage Cost	\$0.0871	\$0.0206	\$0.3512	\$0.3976	\$0.2415	\$0.7078	\$0.0004	\$0.0017	\$0.0000	\$0.2065	\$0.0272	\$0.0003	\$0.2657
26 Hedged Volumes Delivered Cost													
27 Pipeline Demand Cost	\$0.4412	\$0.2109	\$0.1280	\$0.1005	\$0.1292	\$0.2057	\$0.2733	\$0.7136	\$0.6744	\$0.7288	\$0.7849	\$0.7982	\$0.2488
28 Storage Demand Cost													
29 Peaking Cost	\$0.0115	\$0.0100	\$0.0044	\$0.0216	\$0.0060	\$0.0102	\$0.0092	\$0.0174	\$0.0332	\$0.0365	\$0.0283	\$0.0416	\$0.0138
30 Weighted Average Fuel Cost													
31 Variable Pipeline Cost													
32 Other Costs													
33 Total Gross Cost of Gas Per Therm	\$0.8815	\$1.1689	\$0.7340	\$0.7413	\$0.7168	\$0.7416	\$0.7351	\$0.8293	\$0.8232	\$0.8160	\$0.9572	\$0.9489	\$0.8047

Footnotes:

Flowing Gas Cost = Gas purchased for delivery to city gate during month - not injected into storage

- Flowing Gas includes the net effect of WACOG cost accounting.

Gas Withdrawn From Storage Cost = Gas withdrawn from storage - includes cost of injection, withdrawal, fees, line loss

- Withdrawals include NJNG inventoried costs only. Pipeline delivery charges are included in total costs; storage fees are not tracked separately.

Hedged Volumes Delivered Cost = Hedged Volumes delivered to city gate - not injected into storage

- Nov-Mar storage withdrawals are part of NJNG's supply hedging; Hedged costs are included in total costs, not tracked separately.

Pipeline Demand Cost = Fixed Pipeline costs

Storage Demand Cost = Fixed Storage related costs

- Storage & Transport demand charges are reported as a combined total on the Pipeline Demand Cost row.

Peaking Cost = Peaking Cost includes peaking services, LNG, Propane, etc..

Weighted Average Fuel Cost = Commodity x fuel % for each pipeline - represents portion of gas shipped that is retained by pipeline

- Delivery & fuel costs are included in total costs; not tracked separately.

Variable Pipeline Cost = Pipeline Charge per therm shipped

- Delivery & fuel costs are included in total costs; not tracked separately.

New Jersey Natural Gas Company
Calculation of Net Cost of Gas Per Therm

	Actual Oct-12	Actual Nov-12	Actual Dec-12	Actual Jan-13	Actual Feb-13	Actual Mar-13	Actual Apr-13	Actual May-13	Actual Jun-13	Actual Jul-13	Actual Aug-13	Estimate Sep-13	12 Month Weighted Average
<u>Credits, Refunds, & Recoveries Per Therm:</u>													
1 Assot Management Credits													
2 Off-system sales	\$0.0222	\$0.0062	\$0.0094	\$0.0281	\$0.0239	\$0.0079	\$0.0111	\$0.0020	\$0.0068	\$0.0157	\$0.0272	\$0.0059	\$0.0155
3 Capacity release	\$0.0981	\$0.0392	\$0.0313	\$0.0241	\$0.0236	\$0.0290	\$0.0649	\$0.1324	\$0.1848	\$0.2030	\$0.2047	\$0.1799	\$0.0523
4 On System Credits to BGSS-P Customers	-\$0.0091	\$0.0323	\$0.0295	\$0.0277	\$0.0280	\$0.0304	\$0.0315	\$0.0310	\$0.0242	\$0.0023	-\$0.0145	\$0.0514	\$0.0268
5 Supplier Refunds	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0039	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0006
6 Gas for Company Use	\$0.0007	\$0.0002	\$0.0001	\$0.0002	\$0.0002	\$0.0002	\$0.0004	\$0.0007	\$0.0012	\$0.0012	\$0.0013	\$0.0000	\$0.0003
7 Line Loss													
8 Transfer to Non BGSS-P Customers	\$0.0919	\$0.0757	\$0.0760	\$0.0687	\$0.0691	\$0.0731	\$0.0885	\$0.1034	\$0.1144	\$0.1199	\$0.1139	\$0.1017	\$0.0787
9 Over / Under Recovery & Interest to Customers	\$0.0146	-\$0.0253	-\$0.0109	-\$0.0208	\$0.0209	\$0.0350	-\$0.1305	-\$0.1129	-\$0.0439	-\$0.0262	-\$0.0294	-\$0.0663	-\$0.0151
10 Other	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000
11 Total Credits, Refunds, & Recoveries per Therm	\$0.2184	\$0.1284	\$0.1354	\$0.1280	\$0.1658	\$0.1795	\$0.0659	\$0.1566	\$0.2874	\$0.3160	\$0.3032	\$0.2726	\$0.1592
12 Total Net Cost Per Therm (Pg 1 Line 22 - Pg 2 Line 11)	\$0.6244	\$0.6244	\$0.6244	\$0.6244	\$0.6244	\$0.6244	\$0.6244	\$0.6244	\$0.5660	\$0.5660	\$0.5660	\$0.5660	\$0.6191

	Actual Oct-11	Actual Nov-11	Actual Dec-11	Actual Jan-12	Actual Feb-12	Actual Mar-12	Actual Apr-12	Actual May-12	Actual Jun-12	Actual Jul-12	Actual Aug-12	Actual Sep-12	Weighted Average
<u>Credits, Refunds, & Recoveries Per Therm:</u>													
13 Assot Management Credits													
14 Off-system sales	\$0.0231	\$0.0420	\$0.0495	\$0.0394	\$0.0292	\$0.0352	\$0.0087	\$0.0457	\$0.0305	\$0.0636	\$0.0696	\$0.0581	\$0.0379
15 Capacity release	\$0.0801	\$0.0577	\$0.0304	\$0.0240	\$0.0287	\$0.0492	\$0.0585	\$0.1593	\$0.1450	\$0.1706	\$0.1834	\$0.1734	\$0.0566
16 On System Credits to BGSS-P Customers	\$0.0201	\$0.0223	\$0.0182	\$0.0205	\$0.0156	\$0.0108	\$0.0266	\$0.0311	\$0.0229	\$0.0475	\$0.0509	\$0.0397	\$0.0209
17 Supplier Refunds	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0038	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0004
18 Gas for Company Use	\$0.0005	\$0.0003	\$0.0001	\$0.0001	\$0.0001	\$0.0002	\$0.0003	\$0.0007	\$0.0009	\$0.0010	\$0.0000	\$0.0009	\$0.0002
19 Line Loss													
20 Transfer to Non BGSS-P Customers	\$0.0967	\$0.0804	\$0.0747	\$0.0687	\$0.0667	\$0.0656	\$0.0652	\$0.0804	\$0.0857	\$0.0948	\$0.0988	\$0.0892	\$0.0742
21 Over / Under Recovery & Interest to Customers	-\$0.0040	-\$1.3156	\$0.3091	\$0.3868	\$0.3247	\$0.1382	-\$0.0209	-\$0.1123	-\$0.0961	-\$0.0859	-\$0.6543	-\$0.0368	\$0.0338
22 Other	\$0.0000	\$1.6167	\$0.0000	\$0.0000	\$0.0000	\$0.0000	-\$0.0350	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000
23 Total Credits, Refunds, & Recoveries per Therm	\$0.2185	\$0.5039	\$0.4820	\$0.4893	\$0.4648	\$0.3030	\$0.0975	\$0.2049	\$0.1988	\$0.2916	-\$0.2517	\$0.3245	\$0.2240
24 Total Net Cost Per Therm (Pg 1 Line 33 - Pg 2 Line 23)	\$0.6650	\$0.6650	\$0.2520	\$0.2520	\$0.2520	\$0.4385	\$0.6377	\$0.6244	\$0.6244	\$0.6244	\$1.2089	\$0.6244	\$0.5807

Footnotes:

On System Credits to BGSS-P Customers = Interruptible Sales, Cogeneration, Electric Plant Transfers, Sayreville, Forked River, Ocean Power, etc.

Line Loss = Gross Cost of Gas per Therm x Line Loss Percentage

Indicate that Line 12 equals the projected BGSS-P rate or provide a calculation below that reconciles the two numbers

NEW JERSEY NATURAL GAS COMPANY

BPU No. 8 - Gas

***Twenty-First Revised Sheet No. 51
Superseding Twentieth 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 \$0.5662

Residential Non-Heating

Delivery Charge per therm \$0.5471

BGSS Charge:

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

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

***Date of Issue: December 19, 2013
Issued by: Mark R. Sperduto, Senior Vice President
Wall, NJ 07719***

***Effective for service rendered on
and after January 1, 2014***

***Filed pursuant to the Board's Secretary letter dated December 18, 2013 I/M/O the Phase Out of the Transitional Energy Facility Assessment ("TEFA") Pursuant to N.J.S.A. 48:2-21.34 (5) and N.J.S.A. 54:30A-102 in
Docket No. EO11110800***

NEW JERSEY NATURAL GAS COMPANY

BPU No. 8 - Gas

*Eighteenth Revised Sheet No. 54
Superseding Seventeenth 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 \$0.3959

May - October \$0.3388

BGSS Charge:

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

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

MINIMUM MONTHLY CHARGE

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

BALANCING CHARGE ADJUSTMENTS

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

Date of Issue: December 19, 2013
Issued by: Mark R. Spurduto, Senior Vice President
Wall, NJ 07719

*Effective for service rendered on
and after January 1, 2014*

*Filed pursuant to the Board's Secretary letter dated December 18, 2013 I/M/O the Phase Out of the Transitional Energy Facility Assessment ("TEFA") Pursuant to N.J.S.A. 48:2-21.34 (5) and N.J.S.A. 54:30A-102 in
Docket No. E011110800*

NEW JERSEY NATURAL GAS COMPANY

BPU No. 8 - Gas

*Twenty-First Revised Sheet No. 56
Superseding Twentieth 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 \$0.5591

BGSS Charge:

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

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

MINIMUM MONTHLY CHARGE

The minimum monthly charge shall be the Customer Charge.

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

BALANCING CHARGE ADJUSTMENTS

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

Date of Issue: December 19, 2013
Issued by: Mark R. Spurduto, Senior Vice President
Wall, NJ 07719

*Effective for service rendered on
and after January 1, 2014*

*Filed pursuant to the Board's Secretary letter dated December 18, 2013 I/M/O the Phase Out of the Transitional Energy Facility Assessment ("TEFA") Pursuant to N.J.S.A. 48:2-21.34 (5) and N.J.S.A. 54:30A-102 in
Docket No. EO11110800*

NEW JERSEY NATURAL GAS COMPANY

BPU No. 8 - Gas

*Twenty-First Revised Sheet No. 59
Superseding Twentieth 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 \$0.4938

BGSS Charge:

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

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

MINIMUM MONTHLY CHARGE

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

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

*Date of Issue: December 19, 2013
Issued by: Mark R. Sperduto, Senior Vice President
Wall, NJ 07719*

*Effective for service rendered on
and after January 1, 2014*

*Filed pursuant to the Board's Secretary letter dated December 18, 2013 I/M/O the Phase Out of the Transitional Energy Facility Assessment ("TEFA") Pursuant to N.J.S.A. 48:2-21.34 (5) and N.J.S.A. 54:30A-102 in
Docket No. EO11110800*

NEW JERSEY NATURAL GAS COMPANY

BPU No. 8 - Gas

*Twenty-First Revised Sheet No. 65
Superseding Twentieth 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	\$0.3056	\$0.2193
May - October	\$0.2728	\$0.1865

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.

*Date of Issue: December 19, 2013
Issued by: Mark R. Sperduto, Senior Vice President
Wall, NJ 07719*

*Effective for service rendered on
and after January 1, 2014*

*Filed pursuant to the Board's Secretary letter dated December 18, 2013 I/M/O the Phase Out of the Transitional Energy Facility Assessment ("TEFA") Pursuant to N.J.S.A. 48:2-21.34 (5) and N.J.S.A. 54:30A-102 in
Docket No. E011110800*

NEW JERSEY NATURAL GAS COMPANY

BPU No. 8 - Gas

Fifteenth Revised Sheet No. 71
Superseding Fourteenth 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 \$0.3379

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: November 26, 2013
Issued by: Mark R. Spaduto, Senior Vice President
Wall, NJ 07719

Effective for service rendered on
and after December 1, 2013

Filed pursuant to Order of the Board of Public Utilities entered in
Docket No. GR13070674

NEW JERSEY NATURAL GAS COMPANY

BPU No. 8 - Gas

*Seventy-Seventh Revised Sheet No. 155
Superseding Seventy-Sixth 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	\$0.5356 per therm

BALANCING CHARGE

<u>CLASS</u>	<u>APPLICATION</u>	<u>CHARGE</u>
RS, GSS, GSL, DGC, ED	Included in the Delivery Charge	\$0.0863 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>
June 1, 2013	\$0.7084
July 1, 2013	\$0.6592
August 1, 2013	\$0.6303
September 1, 2013	\$0.6423
October 1, 2013	\$0.6324
November 1, 2013	\$0.6322
December 1, 2013	\$0.6744
January 1, 2014	\$0.7409
February 1, 2014	\$0.8704
March 1, 2014	\$0.7912
April 1, 2014	\$0.7572
May 1, 2014	\$0.7809
June 1, 2014	\$0.7611

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.

*Date of Issue: May 29, 2014
Issued by: Mark R. Spurduto, Senior Vice President
Wall, NJ 07719*

*Effective for service rendered on
and after June 1, 2014*

NEW JERSEY NATURAL GAS COMPANY

BPU No. 8 - Gas

*Twelfth Revised Sheet No. 156
Superseding Eleventh 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	(\$0.0299) 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

*Date of Issue: October 24, 2013
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Wall, NJ 07719*

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NEW JERSEY NATURAL GAS COMPANY

BPU No. 8 - Gas

**Fifth Revised Sheet No. 182
Superseding Fourth Revised Sheet No. 182**

RIDER "I"

CONSERVATION INCENTIVE PROGRAM – CIP (Continued)

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

Group I (RS non-heating):	\$0.0049
Group II (RS heating):	\$0.0240
Group III (GSS, ED using less than 5,000 therms annually):	\$0.0581
Group IV (GSL, ED using 5,000 therms or greater annually):	\$0.0568

For the recovery of the October 2012 through September 2013 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

Twenty-Fifth Revised Sheet No. 252

BPU No. 8 - Gas

Superseding Twenty-Fourth Revised Sheet No. 252

SUMMARY OF RESIDENTIAL RATE COMPONENTS

Residential Heating Customers

<u>Customer Charge</u>		<u>Bundled Sales</u>	<u>Transport Sales</u>	<u>Reference</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		0.0240	0.0240	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>0.3951</i>	<i>0.3951</i>	
<i>Balancing Charge</i>	b	<i>0.0863</i>	<i>0.0863</i>	Rider A
<i>Societal Benefits Charge ("SBC"):</i>				
NJ's Clean Energy		0.0422	0.0422	Rider E
RA		0.0300	0.0300	Rider C
USF		<u>0.0126</u>	<u>0.0126</u>	Rider H
<i>Total SBC</i>	c	<i>0.0848</i>	<i>0.0848</i>	
Delivery Charge (DEL)	a+b+c=d	<u>0.5662</u>	<u>0.5662</u>	
 <u>Basic Gas Supply Charge ("BGS")</u>				
Periodic BGSS	e	0.5356	x	Rider A
Less: Balancing	f	<u>0.0863</u>	x	
BGS	e-f=g	<u>0.4493</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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Docket No. EO11110800

NEW JERSEY NATURAL GAS COMPANY

BPU No. 8 - Gas

**Twenty-Fifth Revised Sheet No. 253
Superseding Twenty-Fourth 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		0.0049	0.0049	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>0.3760</i>	<i>0.3760</i>	
<i>Balancing Charge</i>	b	<i>0.0863</i>	<i>0.0863</i>	Rider A
<i>Societal Benefits Charge ("SBC"):</i>				
NJ's Clean Energy		0.0422	0.0422	Rider E
RA		0.0300	0.0300	Rider C
USF		<u>0.0126</u>	<u>0.0126</u>	Rider H
<i>Total SBC</i>	c	<u><i>0.0848</i></u>	<u><i>0.0848</i></u>	
Delivery Charge (DEL)	a+b+c=d	<u>0.5471</u>	<u>0.5471</u>	
<u>Basic Gas Supply Charge ("BGS")</u>				
Periodic BGSS	e	0.5356	x	Rider A
Less: Balancing	f	<u>0.0863</u>	x	
BGS	e-f=g	<u>0.4493</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-Third Revised Sheet No. 254

BPU No. 8 - Gas

Superseding Twenty-Second 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	0.0863	0.0863	Rider A
<i>Societal Benefits Charge ("SBC"):</i>				
NJ's Clean Energy		0.0422	0.0422	Rider E
RA		0.0300	0.0300	Rider C
USF		<u>0.0126</u>	<u>0.0126</u>	Rider H
<i>Total SBC</i>	c	<u><i>0.0848</i></u>	<u><i>0.0848</i></u>	
Delivery Charge (DEL)	a+b+c=d	<u>0.3959</u>	<u>0.3388</u>	
<u>Basic Gas Supply Charge ("BGS")</u>				
Periodic BGSS	e	0.5356	0.5356	Rider A
Less: Balancing	f	<u>0.0863</u>	<u>0.0863</u>	
BGS	e-f=g	<u>0.4493</u>	<u>0.4493</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

*Twenty-Sixth Revised Sheet No. 255
Superseding Twenty-Fifth 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		0.0581	0.0581	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	<u>0.3880</u>	<u>0.3880</u>	
<i>Balancing Charge</i>	b	<u>0.0863</u>	<u>0.0863</u>	Rider A
<i>Societal Benefits Charge ("SBC"):</i>				
NJ's Clean Energy		0.0422	0.0422	Rider E
RA		0.0300	0.0300	Rider C
USF		<u>0.0126</u>	<u>0.0126</u>	Rider H
<i>Total SBC</i>	c	<u>0.0848</u>	<u>0.0848</u>	
Delivery Charge (DEL)	a+b+c=d	<u>0.5591</u>	<u>0.5591</u>	
<u>Basic Gas Supply Charge ("BGS")</u>				
Periodic BGSS	e	0.5356	x	Rider A
Less: Balancing	f	<u>0.0863</u>	x	
BGS	e-f=g	<u>0.4493</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

*Eighty-Ninth Revised Sheet No. 256
Superseding Eighty-Eighth Revised Sheet No. 256*

BPU No. 8 - Gas

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		0.2179	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		0.0568	0.0568	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>0.3227</i>	<i>0.3227</i>	
<i>Balancing Charge</i>	b	<i>0.0863</i>	<i>0.0863</i>	Rider A
<i>Societal Benefits Charge ("SBC"):</i>				
NJ's Clean Energy		0.0422	0.0422	Rider E
RA		0.0300	0.0300	Rider C
USF		<u>0.0126</u>	<u>0.0126</u>	Rider H
<i>Total SBC</i>	c	<i><u>0.0848</u></i>	<i><u>0.0848</u></i>	
Delivery Charge (DEL)	a+b+c=d	<u>0.4938</u>	<u>0.4938</u>	
<u>Basic Gas Supply Charge ("BGS")</u>				
Monthly BGSS	e	0.7611	X	Rider A
Less: Balancing	f	<u>0.0863</u>	X	
BGS	e-f=g	<u>0.6748</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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NEW JERSEY NATURAL GAS COMPANY

*Twenty-First Revised Sheet No. 258
Superseding Twentieth Revised Sheet No. 258*

BPU No. 8 - Gas

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		0.0422	0.0422	Rider E
RA		0.0300	0.0300	Rider C
USF		<u>0.0126</u>	<u>0.0126</u>	Rider H
<i>Total SBC</i>	c	<u>0.0848</u>	<u>0.0848</u>	
DGC-FT Delivery Charge (DEL)	a+b=c	0.2193	0.1865	
Balancing Charge	b	<u>0.0863</u>	<u>0.0863</u>	
DGC-Balancing Delivery Charge (DEL)	a+b+c=d	<u>0.3056</u>	<u>0.2728</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

BPU No. 8 - Gas

*Eighty-Third Revised Sheet No. 259
Superseding Eighty-Second 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>0.0863</i>	<i>0.0863</i>	Rider A
<i>Societal Benefits Charge ("SBC"):</i>				
NJ's Clean Energy		0.0422	0.0422	Rider E
RA		0.0300	0.0300	Rider C
USF		<u>0.0126</u>	<u>0.0126</u>	Rider H
<i>Total SBC</i>	c	<i>0.0848</i>	<i>0.0848</i>	
Delivery Charge (DEL)	a+b+c=d	<u>0.3379</u>	<u>0.3379</u>	
<u>Basic Gas Supply Charge ("BGS")</u>				
Monthly BGSS	e	0.7611	X	Rider A
Less: Balancing	f	<u>0.0863</u>	X	
BGS	e-f=g	<u>0.6748</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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