



Agenda Date: 9/22/17  
Agenda Item: 21

**STATE OF NEW JERSEY**  
**Board of Public Utilities**  
44 South Clinton Avenue, 3rd Floor, Suite 314  
Post Office Box 350  
Trenton, New Jersey 08625-0350  
[www.nj.gov/bpu/](http://www.nj.gov/bpu/)

ENERGY

IN THE MATTER OF THE PETITION OF NEW )  
JERSEY NATURAL GAS COMPANY FOR ) DECISION AND ORDER  
APPROVAL OF BASE RATE ADJUSTMENTS ) APPROVING STIPULATION  
PURSUANT TO ITS NJ RISE AND SAFE II )  
PROGRAMS ) DOCKET NO. GR17030326

**Parties of Record:**

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

By the Board:

On March 30, 2017, New Jersey Natural Gas Company ("NJNG" or "Company") filed a petition ("March 2017 Petition") with the New Jersey Board of Public Utilities ("Board") seeking authority to establish rates to recover annualized increases in the revenue requirements associated with its New Jersey Reinvestment in System Enhancement program ("NJ RISE Program"), and the extension of its Safety Acceleration and Facility Enhancement ("SAFE") program ("SAFE II Program"). By this Order, the Board considers a Stipulation of Settlement ("Stipulation") executed by NJNG, Board Staff, and the New Jersey Division of Rate Counsel (collectively, "Parties") intended to resolve the Company's requests related to the March 2017 Petition.

**BACKGROUND**

By Order<sup>1</sup> dated July 23, 2014, the Board authorized NJNG to invest up to \$102.5 million in its NJ RISE Program designed to bolster its utility infrastructure so that it may be better able to withstand the effects of future Major Storm Events.<sup>2</sup> The NJ RISE Order also authorized NJ RISE Program expenditures to be recovered through future base rate adjustments. The following Program investments are to be made over a five year period:

<sup>1</sup> In re the Board's Establishment of a Generic Proceeding to Review the Costs, Benefits and Reliability Impacts of Major Storm Event Mitigation Efforts and In re the Petition of New Jersey Natural Gas Company for Approval of the NJ RISE Program and Associated Rate Recovery Mechanism; Docket Nos. AX13030197 and GR13090828 (July 23, 2014). ("NJ RISE Order")

<sup>2</sup> "Major Storm Event" is defined as sustained impact on or interruption of utility service resulting from conditions beyond the control of the utility that affect at least ten percent of the customers in area.

|                                     | \$<br>millions |
|-------------------------------------|----------------|
| Sea Bright Project                  | 3.5            |
| North Seaside Project               | 6.0            |
| South Seaside Project               | 25.0           |
| Long Beach Island Project           | 30.0           |
| Long Beach Island Regulator Station | 3.0            |
| Excess Flow Valve ("EFV") Project   | <u>35.0</u>    |
| Total NJ RISE Program               | 102.5          |

By Order dated September 23, 2016,<sup>3</sup> the Board authorized NJNG to recover investments associated with the Company's NJ RISE Program, as well as NJNG's Safety Acceleration and Facility Enhancement ("SAFE") Program.

Additionally, pursuant to the September 2016 Order, NJNG was to invest up to \$157.5 million<sup>4</sup> in the extension of its SAFE Program<sup>5</sup> ("SAFE II"), to be recovered through future base rate adjustments. These investments are to be completed on or before September 30, 2021.

The September 2016 Order also approved a cost recovery mechanism that allowed for annual rate adjustments for spending related to the NJ RISE Program and SAFE II Program investments. In addition, the September 2016 Order required that NJNG file a base rate case with the Board no later than November 2019.

### **March 2017 Petition**

The Company filed the March 2017 Petition seeking Board approval to recover \$1.184 million in revenue related to NJ RISE Program expenditures through June 30, 2017 for NJ RISE Program costs not previously placed in base rates. The March 2017 Petition also sought Board approval to recover \$3.101 million in revenue related to SAFE II Program costs through June 30, 2017 for SAFE II Program costs not previously placed in base rates. The March 2017 Petition was based on actual costs from October 1, 2016 through February 28, 2017 and projected program expenditures from March 1, 2017 through June 30, 2017.

On July 20, 2017, NJNG updated the March 2017 Petition to include actual NJ RISE and SAFE II Program expenditures through June 30, 2017. The update reflected a reduction in the proposed revenue requirements to \$0.769 million for the NJ RISE Program and an increase in the proposed revenue requirements to \$3.302 million for the SAFE II Program. The revenue requirements reflected in the July 20, 2017 update were calculated as follows:

<sup>3</sup> In re the Petition of New Jersey Natural Gas Company For Approval of an Increase in Gas Base Rates and for Changes in its Tariff for Gas Service, Approval of the SAFE Program Extension, and Approval of SAFE Extension and NJ RISE Rate Recovery Mechanisms Pursuant to N.J.S.A. 48:2-21, 48:2-21.1 and for Changes to Depreciation Rates for Gas Property Pursuant to N.J.S.A. 48:2-18, BPU Docket No. GR15111304 and OAL PUC 00738-16 (September 23, 2016). ("September 2016 Order")

<sup>4</sup> According to the September 2016 Order, the total cost of the SAFE II Program is estimated at \$200 million. However, \$42.5 million of that amount is not recoverable through SAFE II. The remaining amount of \$157.5 million is recoverable through the SAFE II mechanism.

<sup>5</sup> Includes capital investments in the Company's gas distribution system for the replacement of existing unprotected steel mains and services.

| NJ RISE/SAFE II - Revenue Requirements – Roll-In at 6/30/17 |                                |             |               |
|---|--------------------------------|-------------|---------------|
|   |                                | NJ RISE     | SAFE II       |
|   |                                | Roll-In #1  | Roll-In #1    |
| 1   | Gross Plant                    | \$6,721,785 | \$23,772,412  |
| 2   | Accumulated Depreciation       | (\$11,587)  | \$7,364,115   |
| 3   | Net Plant                      | \$6,710,198 | \$31,136,527  |
| 4   | Accumulated Deferred Taxes     | (\$213,032) | (\$1,597,677) |
| 5   | Rate Base                      | \$6,497,166 | \$29,538,851  |
| 6   | Rate of Return - After Tax     | 6.17%       | 6.17%         |
| 7   | Return Requirement - After Tax | \$400,970   | \$1,822,979   |
| 8   | Depreciation Exp., net         | \$51,964    | \$165,661     |
| 9   | O&M Credit – Leak Repair, net  | \$0         | (\$ 44,168)   |
| 10  | Sub-total [lines 7 + 8 + 9]    | \$452,934   | \$1,944,472   |
| 11  | Revenue Factor                 | 1.6981      | 1.6981        |
| 12  | Roll-In Revenue Requirement    | \$769,126   | \$3,301,909   |

After publication of notice in newspapers of general circulation in the Company's service territory, public hearings were held at 4:30 p.m. and 5:30 p.m. in Freehold and Rockaway on September 5 and 7, 2017, respectively. No members of the public provided comments at any of the hearings.

**STIPULATION**

Upon review of the filing and updates thereto, and subsequent to conducting and reviewing responses to discovery, on September 11, 2017, the Parties executed the Stipulation, which provides as follows:<sup>6</sup>

12. The Company shall implement the base rates associated with the updated annualized increase in the revenue requirement of \$4.07 million and the associated rate design which was provided in the July 20, 2017 update, as detailed in Attachment A of the Stipulation. The Company shall implement the rates specified in Attachment A of the Stipulation effective October 1, 2017.
13. The annual impact of the increased rates, which reflect Sales and Use Tax ("SUT") at the current rate, to the typical residential heating customer using 100 therms in a month is \$0.65 or approximately 0.62%. Calculations showing the annual rate impact for typical residential and other customers are summarized in Attachment B of the Stipulation.
14. The Parties agree that pursuant to the terms of the September 2016 Base Rate Order, NJNG may implement these rates effective October 1, 2017. The rate adjustments established herein shall be provisional and subject to refund as set forth in the September 2016 Base Rate Order. Nothing in the Stipulation will preclude any party from raising in the next base rate case any objection relating to the prudence of the NJ RISE and SAFE II projects and the related expenditures.

<sup>6</sup> Although summarized in this Order, the detailed terms of the stipulation are controlling, subject to the findings and conclusions of this Order.

- 15. The Company will submit final tariff sheets within five business days of the effective date of the Board's Order in this docket conforming to the agreed-upon rates and terms set forth in the above paragraphs. Proposed tariff sheets are attached as Attachment C of the Stipulation.

**DISCUSSION AND FINDING**

After review of the record in this matter including the March 2017 Petition, the July Update and the Stipulation, the Board **HEREBY FINDS** the Stipulation to be reasonable, in the public interest, and in accordance with the law. Therefore, the Board **HEREBY ADOPTS** the Stipulation in its entirety, and **HEREBY INCORPORATES** its terms and conditions as though fully set forth herein.

The Board **HEREBY APPROVES** the rate adjustments reflected in the Stipulation on a provisional basis, subject to refund and review for prudence in the base rate case that the Company has committed to file by November 2019 under the terms of the September 2016 Order. As a result of the Stipulation, a typical residential heating customer using 100 therms in a winter month will see an increase in their annual bill of \$0.65 or approximately 0.62%.

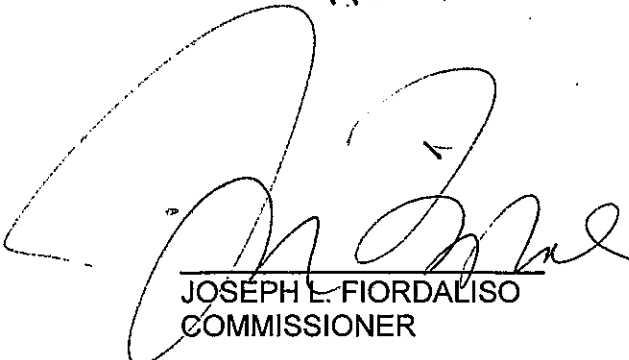
The Company is **HEREBY DIRECTED** to file the appropriate tariff sheets conforming to the terms and conditions of this Order by October 1, 2017.

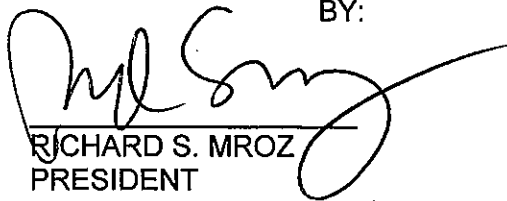
The Company's costs, including those related to the NJ RISE Program and SAFE II Program, remain subject to audit by the Board. This Decision and Order shall not preclude, nor prohibit, the Board from taking any actions determined to be appropriate as a result of any such audit.

This Order shall be effective on September 29, 2017.

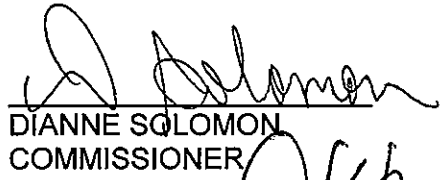
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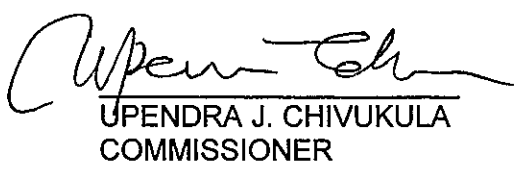
BOARD OF PUBLIC UTILITIES  
BY:

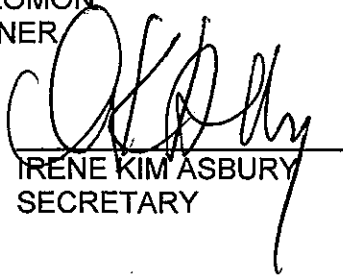
  
 \_\_\_\_\_  
 JOSEPH L. FIORDALISO  
 COMMISSIONER

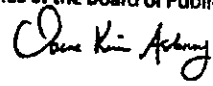
  
 \_\_\_\_\_  
 RICHARD S. MROZ  
 PRESIDENT

  
 \_\_\_\_\_  
 MARY-ANNA HOLDEN  
 COMMISSIONER

  
 \_\_\_\_\_  
 DIANNE SOLOMON  
 COMMISSIONER

  
 \_\_\_\_\_  
 UPENDRA J. CHIVUKULA  
 COMMISSIONER

ATTEST:   
 \_\_\_\_\_  
 IRENE KIM ASBURY  
 SECRETARY

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


IN THE MATTER OF THE PETITION OF NEW JERSEY NATURAL GAS COMPANY FOR  
APPROVAL OF BASE RATE ADJUSTMENTS PURSUANT TO ITS NJ RISE AND SAFE II  
PROGRAMS - DOCKET NO. GR17030326

SERVICE LIST

**NJNG:**

New Jersey Natural Gas Company  
1415 Wyckoff Road  
Post Office Box 1464  
Wall, NJ 07719

Andrew Dembia, Esq.  
[adembia@NJNG.com](mailto:adembia@NJNG.com)

Mark G. Kahrer  
[mkahrer@NJNG.com](mailto:mkahrer@NJNG.com)

Frances Karras  
[fkarras@NJNG.com](mailto:fkarras@NJNG.com)

James Corcoran  
[jcorcoran@NJNG.com](mailto:jcorcoran@NJNG.com)

**Board of Public Utilities:**

44 South Clinton Avenue, 3rd floor, Suite 314  
Post Office Box 350  
Trenton, NJ 08625-0350

**Secretary of the Board**  
Irene Kim Asbury, Esq.  
[irene.asbury@bpu.nj.gov](mailto:irene.asbury@bpu.nj.gov)

**Executive Director**  
Paul Flanagan, Esq.  
[paul.flanagan@bpu.nj.gov](mailto:paul.flanagan@bpu.nj.gov)

**Division of Energy**  
Thomas Walker, Director  
[thomas.walker@bpu.nj.gov](mailto:thomas.walker@bpu.nj.gov)

Stacy Peterson, Deputy Director  
[stacy.peterson@bpu.nj.gov](mailto:stacy.peterson@bpu.nj.gov)

Scott Sumliner  
[scott.sumliner@bpu.nj.gov](mailto:scott.sumliner@bpu.nj.gov)

**Rate Counsel:**

Division of Rate Counsel  
140 East Front Street, 4<sup>th</sup> Floor  
Post Office Box 003  
Trenton, NJ 08625

Stefanie A. Brand, Esq., Director  
[sbrand@rpa.nj.gov](mailto:sbrand@rpa.nj.gov)

Sarah Steindel, Esq.  
[ssteinde@rpa.nj.gov](mailto:ssteinde@rpa.nj.gov)

Brian Lipman, Esq., Litigation Manager  
[blipman@rpa.nj.gov](mailto:blipman@rpa.nj.gov)

Felicia Thomas-Friel, Esq.  
[ftthomas@rpa.nj.gov](mailto:ftthomas@rpa.nj.gov)

Maura Caroselli, Esq.  
[mcaroselli@rpa.nj.gov](mailto:mcaroselli@rpa.nj.gov)

Shelly Massey  
[smassey@rpa.nj.gov](mailto:smassey@rpa.nj.gov)

Robert J. Henkes  
Henkes Consulting  
7 Sunset Road  
Old Greenwich, CT 06870  
[rhenkes@optonline.net](mailto:rhenkes@optonline.net)

Acadian Consulting Group  
5800 One Perkins Place Drive  
Building 5, Suite F  
Baton Rouge, LA 70808

David Dismukes, Ph.D  
[daviddismukes@acadianconsulting.com](mailto:daviddismukes@acadianconsulting.com)

Kimberly Dismukes  
[kimdismukes@acadianconsulting.com](mailto:kimdismukes@acadianconsulting.com)

Alex Aguila  
[alexaguila@acadianconsulting.com](mailto:alexaguila@acadianconsulting.com)

**Reliability & Security**

Michael Stonack  
[michael.stonack@bpu.nj.gov](mailto:michael.stonack@bpu.nj.gov)

**Counsel's Office**

Megan Lupo, Esq.  
[megan.lupo@bpu.nj.gov](mailto:megan.lupo@bpu.nj.gov)

**Economist Office**

Mark Beyer  
[mark.beyer@bpu.nj.gov](mailto:mark.beyer@bpu.nj.gov)

Christine Lin  
[christine.lin@bpu.nj.gov](mailto:christine.lin@bpu.nj.gov)

Dr. Son Lin Lai  
[son.lai@bpu.nj.gov](mailto:son.lai@bpu.nj.gov)

Jackie O'Grady  
[jackie.ogrady@bpu.nj.gov](mailto:jackie.ogrady@bpu.nj.gov)

**Case Management**

Valerie Haynes, Chief  
[valerie.haynes@bpu.nj.gov](mailto:valerie.haynes@bpu.nj.gov)

**Deputy Attorneys General:**

Division of Law  
124 Halsey Street  
Post Office Box 45029  
Newark, New Jersey 07101

Alex Moreau, DAG  
[alex.moreau@law.njoag.gov](mailto:alex.moreau@law.njoag.gov)

Geoffrey Gersten, DAG  
[geoffrey.gersten@law.njoag.gov](mailto:geoffrey.gersten@law.njoag.gov)

Renee Greenberg, DAG  
[renee.greenberg@law.njoag.gov](mailto:renee.greenberg@law.njoag.gov)

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

IN THE MATTER OF THE PETITION OF            )  
NEW JERSEY NATURAL GAS                    )  
COMPANY FOR APPROVAL OF BASE            )     BPU Docket No. GR17030326  
RATE ADJUSTMENTS PURSUANT TO ITS       )  
NJ RISE AND SAFE II PROGRAMS            )

**STIPULATION**

**APPEARANCES:**

**Andrew K. Dembia, Esq.**, Regulatory Affairs Counsel for the Petitioner, New Jersey Natural Gas Company

**Felicia Thomas-Friel, Esq.**, Managing Attorney – Gas, **Sarah H. Steindel**, Assistant Deputy Rate Counsel, and **Maura Caroselli**, Assistant Deputy Rate Counsel, New Jersey Division of Rate Counsel (Stefanie A. Brand, Director)

**Alex Moreau** and **Renee Greenberg**, Deputy Attorneys General, for the Staff of the New Jersey Board of Public Utilities (Christopher S. Porrino, Attorney General of New Jersey)

**TO:            THE NEW JERSEY BOARD OF PUBLIC UTILITIES**

On March 30, 2017 New Jersey Natural Gas Company (“NJNG” or “Company”) filed a Petition (“March 2017 Petition”) with the New Jersey Board of Public Utilities (“Board” or “BPU”) seeking BPU approval to recover the revenue requirements associated with certain gas investment costs of the NJ Reinvestment in System Enhancement program (“NJ RISE Program”) and Safety Acceleration and Facility Enhancement Extension program (“SAFE II Program”) incurred through June 30, 2017.

**BACKGROUND**

1. NJ RISE: In an Order dated March 20, 2013, the BPU directed the State's energy utilities to investigate prudent, cost efficient and effective opportunities to enhance utility infrastructure against damage from major storm events. On July 23, 2014, the Board issued a decision and Order ("July 2014 Order") approving a stipulation concerning the NJ RISE Program in Docket Nos. AX13030197 and GR13090828. The July 2014 Order provided approval for NJNG to invest up to \$102.5 million, excluding Allowance for Funds Used During Construction ("AFUDC"), to be recovered through base rate adjustments in order to undertake six infrastructure projects that the Company maintained would make its distribution system more resilient in anticipation of future major storms. The NJ RISE Program is a series of capital investment projects to be completed over a period of five years. The projects include the installation of secondary gas distribution mains into the Sea Bright Peninsula, the Seaside Peninsula and Long Beach Island. Additionally, two regulator station reinforcement projects will be undertaken, the one in Mantoloking and the other in Ship Bottom on Long Beach Island. Also, an existing back-up regulator station will be relocated from Mantoloking to the mainland. Finally, the Company is installing excess flow valves ("EFVs") on all distribution services in waterfront communities that may be impacted by coastal and back-bay flooding and/or storm surge. The stipulation and July 2014 Order provided for the filing of the March 2017 Petition for cost recovery.
2. The Company's NJ RISE Program rate filing includes a request for recovery in base rates for the actual capital expenditures associated with the NJ RISE projects through June 30, 2017, including actual costs of engineering, design and construction, cost of removal (net of salvage), property acquisition, actual labor, materials overheads and capitalized



AFUDC. NJNG's March 2017 Petition in this matter sought Board approval for base rate changes to provide for cost recovery associated with the Company's NJ RISE Program.

3. SAFE II: On September 23, 2016, the Board issued a decision and Order approving a stipulation concerning the SAFE II Program in Docket No. GR15111304 ("September 2016 Base Rate Order"). The SAFE II Program is an extension of the Company's previously BPU approved Safety Acceleration and Facilities Enhancement program ("SAFE Program"). See, BPU Docket No. GO12030255. The September 2016 Base Rate Order, which included approval of the SAFE II Program, provided for NJNG to invest up to \$200 million, excluding AFUDC, to be recovered through base rate adjustments over the five year term of the SAFE II Program. The SAFE II Program is designed to replace all of the Company's existing unprotected steel mains and services throughout its service territory on or before September 30, 2021.
4. Under the September 2016 Base Rate Order the Company is required to maintain a Stipulated Base level of capital spending of \$8.5 million per year, not recoverable through the SAFE rate mechanism, for the replacement of unprotected steel mains and services. Additionally, if the Company does not replace at least 58.7 miles of main and associated services through the Stipulated Base expenditures by the end date of the program, the costs of completing the work will not be recoverable through the SAFE rate mechanism.
5. The Company's SAFE II Program rate filing includes a request for recovery in base rates for the actual capital expenditures associated with the SAFE II through June 30, 2017, including the replacement of existing unprotected steel mains and services. The SAFE II Program rate filing and updates included documentation that the Company expended

\$6.375 million in Stipulated Base capital spending during the 9-month period from October 1, 2016 through June 30, 2017.<sup>1</sup>

6. As agreed to by the parties and set forth in the September 2016 Base Rate Order, the rate design for the SAFE II Program and NJ RISE Program annual rate adjustments will be structured to reflect the same rate design methodology used to set rates in the Company's most recent base rate case.
7. NJNG's March 2017 Petition in this matter sought Board approval for base rate changes to provide for cost recovery associated with the Company's NJ RISE Program and SAFE II Program (collectively, "Programs"). These Programs were addressed in the September 2016 Base Rate Order that adopted a Stipulation that provided for the filing of requests for the recovery of revenue requirements associated with the both programs in March 2017.<sup>2</sup>
8. NJNG's March 2017 Petition sought authority to establish rates to recover an annualized increase in revenue requirement of \$4.29 million. The proposed revenue requirement increase is associated with the Programs' investment costs. The annualized increase in revenue requirement was supported by Schedule NJNG-NJ RISE-1 and Schedule NJNG-

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<sup>1</sup> The September 2016 Base Rate Order states in part at paragraph 22a: The required Stipulated Base level of capital spending through June 30, 2017 will reflect the pro-rata portion of the annual \$8.5 million dollars based upon the commencement date of the SAFE Extension. Assuming an October 1, 2016 effective date, the pro-rata portion would be \$6.375 million based on a 9 month proration.

<sup>2</sup> The September 2016 Base Rate Order provides at Paragraph 22a:

"Revenue Requirements associated with SAFE Extension investments that are placed into service from the commencement date through and including June 30, 2017 shall go into base rates effective October 1, 2017. NJNG shall make its initial filing for such rates in March 2017, and update such filing for actual data through June 30, 2017 by July 31, 2017, including actual data on the 'Stipulated Base' expenditures."

The September 2016 Base Rate Order provides at Paragraph 34 that: "The Parties agree that the NJ RISE incremental capital investments as authorized by Board Order in Docket Nos. AX13030197 and GR13090828 will be recovered in base rates in the same manner as the SAFE Extension Cost Recovery mechanism set forth above. The NJ RISE and SAFE Extension annual rate filings shall be combined for administrative ease."

SAFE II-1 attached to the March 2017 Petition, which was based upon actual expenditures through February 28, 2017 and projected expenditures through June 30, 2017, and was the basis for the proposed increased base rates.

9. Notice of the Company's March 2017 Petition, including the date, time and place of public hearings, was placed in newspapers having a circulation within the Company's service territory, and was served on the Clerks of the municipalities, the Clerks of the Board of Chosen Freeholders, and the County Executives within the Company's service territory. In accordance with that notice, public hearings on the Company's requests were held on the following dates at two locations in NJNG's service territory: two hearings on September 5, 2017 in Freehold, New Jersey and two hearings on September 7, 2017 in Rockaway, New Jersey. No members of the public provided comments on this matter at the hearings in Freehold and Rockaway nor were any written comments received by the BPU, NJNG or the New Jersey Division of Rate Counsel ("Rate Counsel").
10. On July 20, 2017, the Company provided updated schedules in this matter, which replaced the projected data in the original schedules with actual data through June 30, 2017. Updated Schedules NJNG-NJ RISE-1 and NJNG-SAFE II-1 reflect the updated annualized increase to revenue requirements associated with the Program investment costs. The updated annual increase in revenue requirement reflected in that schedule is lower than the increase in annual revenue requirement initially proposed in this matter. The Company proposed updated rates, as described below, are designed to recover the revenue requirement increases from the updated Schedules of \$4.07 million.
11. Upon reviewing the March 2017 Petition, conducting and reviewing responses to discovery, and discussing the facts and issues in settlement meetings, Staff of the New

Jersey Board of Public Utilities (“Board Staff”), Rate Counsel, and NJNG, the only parties to this proceeding (collectively, “Parties”), stipulate and agree as follows:

**STIPULATED ISSUES**

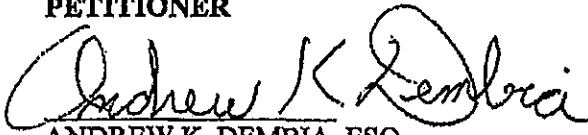
12. The Company shall implement the base rates associated with the updated annualized increase in the revenue requirement of \$4.07 million and the associated rate design which were provided in the July 20, 2017 update, as detailed in Attachment A. The Company shall implement the rates specified in Attachment A effective October 1, 2017.
13. The annual impact of the increased rates, which reflect Sales and Use Tax (“SUT”) at the current rate, to the typical residential heating customer using 100 therms in a month is \$0.65 or approximately 0.62%. Calculations showing the annual rate impact for typical residential and other customers are summarized in Attachment B.
14. The Parties agree that pursuant to the terms of the September 2016 Base Rate Order, NJNG may implement these rates effective October 1, 2017. The rate adjustments established herein shall be provisional and subject to refund as set forth in the September 2016 Base Rate Order. Nothing herein will preclude any party from raising in the next base rate case any objection relating to the prudence of the RISE and SAFE II projects and the related expenditures.
15. The Company will submit final tariff sheets within five business days of the effective date of the Board’s Order in this docket conforming to the agreed-upon rates and terms set forth in the above paragraphs. Proposed tariff sheets are attached as Attachment C.
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 that this Stipulation is not adopted in its entirety by the Board in any applicable Order, 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 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, in total or by specific item. The Parties further agree that this Stipulation is in no way binding upon them in any other proceeding, except to enforce the terms of this Stipulation.
19. The Parties further acknowledge that a Board Order approving this Stipulation will become effective upon the service of said Board Order, or upon such date after the service thereof as the Board may specify, in accordance with N.J.S.A. 48:2-40.

WHEREFORE, the Parties hereto do respectfully submit this Stipulation and request that the Board issue a Decision and Order approving it in its entirety, in accordance with the terms hereof, as soon as reasonably possible in order to implement these rates as of the later of October 1, 2017 or the effective date of the Board Order approving this Stipulation.

**NEW JERSEY NATURAL GAS  
PETITIONER**

By:   
ANDREW K. DEMBIA, ESQ.  
New Jersey Natural Gas

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

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

**CHRISTOPHER S. PORRINO  
ATTORNEY GENERAL OF NEW JERSEY  
Attorney for the Staff of the Board of Public Utilities**

By:   
ALEX MOREAU  
DEPUTY ATTORNEY GENERAL

Date: September , 2017

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

| <u>Component</u><br>(a)    | <u>Amount</u><br>(b) | <u>Units</u><br>(c) | <u>Present Rates</u> |                       | <u>Proposed Rates</u> |                       |                        |
|----------------------------|----------------------|---------------------|----------------------|-----------------------|-----------------------|-----------------------|------------------------|
|                            |                      |                     | <u>Rate</u><br>(d)   | <u>Revenue</u><br>(e) | <u>Rate</u><br>(f)    | <u>Revenue</u><br>(g) | <u>Increase</u><br>(h) |
|                            |                      |                     | <u>RS</u>            |                       | <u>RS</u>             |                       |                        |
| <u>Residential Service</u> |                      |                     |                      |                       |                       |                       |                        |
| Customer Charge            | 5,949,092            | Bills               | \$ 8.27              | \$ 49,198,990         | \$ 8.32               | \$ 49,496,445         |                        |
| Volumetric Charge          | 473,730,512          | Therms              | 0.3778               | 178,975,388           | 0.3834                | 181,628,278           |                        |
| <b>Total Base Revenues</b> |                      |                     |                      | <b>\$ 228,174,378</b> |                       | <b>\$ 231,124,723</b> | <b>1.3%</b>            |

|  |            |        | <u>GSS</u> |                      | <u>GSS</u> |                      |             |
|--|------------|--------|------------|----------------------|------------|----------------------|-------------|
| <u>General Service Small (0-5,000 Annual Therms)</u> |            |        |            |                      |            |                      |             |
| Customer Charge                                      | 354,480    | Bills  | \$ 25.06   | \$ 8,883,257         | \$ 25.21   | \$ 8,936,429         |             |
| Volumetric Charge                                    | 35,445,116 | Therms | 0.3516     | 12,462,503           | 0.3579     | 12,685,807           |             |
| Volumetric Charge - A/C                              | 53,294     | Therms | 0.0744     | 3,965                | 0.0754     | 4,018                |             |
| <b>Total Base Revenues</b>                           |            |        |            | <b>\$ 21,349,726</b> |            | <b>\$ 21,626,254</b> | <b>1.3%</b> |

|  |             |        | <u>GSL</u> |                      | <u>GSL</u> |                      |             |
|--|-------------|--------|------------|----------------------|------------|----------------------|-------------|
| <u>General Service Large (5,000 + Annual Therms)</u> |             |        |            |                      |            |                      |             |
| Customer Charge                                      | 102,863     | Bills  | \$ 51.40   | \$ 5,287,179         | \$ 52.55   | \$ 5,405,472         |             |
| Demand Charge  | 10,586,413  | Therms | 1.7290     | 18,303,908           | 1.7309     | 18,324,023           |             |
| Volumetric Charge                                    | 133,260,163 | Therms | 0.2729     | 36,366,699           | 0.2776     | 36,993,021           |             |
| Volumetric Charge - A/C                              | 263,739     | Therms | 0.0744     | 19,622               | 0.0754     | 19,866               |             |
| <b>Total Base Revenues</b>                           |             |        |            | <b>\$ 59,977,408</b> |            | <b>\$ 60,742,402</b> | <b>1.3%</b> |

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

| <u>Component</u><br>(a)                                     | <u>Amount</u><br>(b) | <u>Units</u><br>(c) | <u>Present Rates</u> |                       | <u>Proposed Rates</u> |                       |                        |
|---|----------------------|---------------------|----------------------|-----------------------|-----------------------|-----------------------|------------------------|
|   |                      |                     | <u>Rate</u><br>(d)   | <u>Revenue</u><br>(e) | <u>Rate</u><br>(f)    | <u>Revenue</u><br>(g) | <u>Increase</u><br>(h) |
|   |                      |                     | <u>FT</u>            |                       | <u>FT</u>             |                       |                        |
| <u>Firm Transportation Service*</u>                         |                      |                     |                      |                       |                       |                       |                        |
| Customer Charge   | 2,424                | Bills               | \$ 233.64            | \$ 566,343            | \$ 244.16             | \$ 591,844            |                        |
| Demand Charge   | 2,378,320            | Therms              | 1.8692               | 4,445,555             | 1.8964                | 4,510,245             |                        |
| Volumetric Charge   | 26,965,500           | Therms              | 0.0748               | 2,017,019             | 0.0748                | 2,017,019             |                        |
| <b>Total Base Revenues</b>                                  |                      |                     |                      | <b>\$ 7,028,918</b>   |                       | <b>\$ 7,119,109</b>   | <b>1.3%</b>            |
|   |                      |                     | <u>DGC</u>           |                       | <u>DGC</u>            |                       |                        |
| <u>Distributed Generation - Commercial*</u>                 |                      |                     |                      |                       |                       |                       |                        |
| Customer Charge   | 96                   | Bills               | \$ 51.40             | \$ 4,953              | \$ 51.92              | \$ 5,003              |                        |
| Demand Charge   | 284,681              | Therms              | 1.4019               | 399,094               | 1.4266                | 406,126               |                        |
| Volumetric Charge - Winter                                  | 1,688,833            | Therms              | 0.0604               | 102,006               | 0.0604                | 102,006               |                        |
| Volumetric Charge - Summer                                  | 1,566,961            | Therms              | 0.0298               | 46,695                | 0.0298                | 46,695                |                        |
| <b>Total Base Revenues</b>                                  |                      |                     |                      | <b>\$ 552,748</b>     |                       | <b>\$ 559,830</b>     | <b>1.3%</b>            |
|   |                      |                     | <u>NGV / CNG</u>     |                       | <u>NGV / CNG</u>      |                       |                        |
| <u>Natural Gas Vehicle / Compressed Natural Gas Service</u> |                      |                     |                      |                       |                       |                       |                        |
| Customer Charge   | 48                   | Bills               | \$ 51.40             | \$ 2,467              | \$ 51.66              | \$ 2,480              |                        |
| Volumetric Charge   | 611,200              | Therms              | 0.1703               | 104,087               | 0.1725                | 105,432               |                        |
| <b>Total Base Revenues</b>                                  |                      |                     |                      | <b>\$ 106,555</b>     |                       | <b>\$ 107,912</b>     | <b>1.3%</b>            |
| <b>TOTAL SYSTEM BASE DISTRIBUTION REVENUES</b>              |                      |                     |                      | <b>\$ 317,189,731</b> |                       | <b>\$ 321,280,229</b> | <b>1.3%</b>            |

|                 |           |
|-----------------|-----------|
| INCREASE        | 4,090,498 |
| TARGET INCREASE | 4,071,034 |
| Difference      | \$19,464  |

\* In BPU Docket No. GR15111304, the settlement rate design increased fixed charges for Firm Transportation and Distributed Generation - Commercial customers and decreased their volumetric charges. The rates above reflect the maintenance of the rate case volumetric charge and increase to the fixed charges.



New Jersey Natural Gas Company  
 Net Impact of Proposed Rate Changes

FY 2018

(\$/therm)

|  |          | 25 therm bill   |                        |
|--|----------|-----------------|------------------------|
| <b>Impact on Residential Non-Heating Customers</b> |          |                 |                        |
| <b>Current Rates</b>                               |          |                 |                        |
| Customer Charge                                    | \$8.84   | \$8.84          |                        |
| Delivery   | \$0.5851 | \$14.13         |                        |
| BGSS   | \$0.3654 | \$9.14          |                        |
| Total  | \$0.9305 | \$32.10         |                        |
| <b>Proposed Rates- effective 10/1/17</b>           |          |                 |                        |
| Customer Charge                                    | \$8.89   | \$8.89          |                        |
| Delivery   | \$0.5711 | \$14.28         |                        |
| BGSS   | \$0.3654 | \$9.14          |                        |
| Total  | \$0.9365 | \$32.30         |                        |
| Increase   |          | \$0.20          |                        |
| Increase as a percent                              |          | 0.62%           |                        |
| <b>Impact on Residential Heating Customers</b>     |          |                 |                        |
|  |          | 100 therm bill  | 1000 therm annual bill |
| <b>Current Rates</b>                               |          |                 |                        |
| Customer Charge                                    | \$8.84   | \$8.84          | \$106.08               |
| Delivery   | \$0.5987 | \$59.87         | \$598.70               |
| BGSS   | \$0.3654 | \$36.54         | \$365.40               |
| Total  | \$0.9641 | \$105.25        | \$1,070.18             |
| <b>Proposed Rates- effective 10/1/17</b>           |          |                 |                        |
| Customer Charge                                    | \$8.89   | \$8.89          | \$106.68               |
| Delivery   | \$0.6047 | \$60.47         | \$604.70               |
| BGSS   | \$0.3654 | \$36.54         | \$365.40               |
| Total  | \$0.9701 | \$105.90        | \$1,076.78             |
| Increase   |          | \$0.65          | \$6.60                 |
| Increase as a percent                              |          | 0.62%           | 0.62%                  |
| <b>Impact on Commercial GSS Customers</b>          |          |                 |                        |
|  |          | 100 therm bill  |                        |
| <b>Current Rates</b>                               |          |                 |                        |
| Customer Charge                                    | \$26.78  | \$26.78         |                        |
| Delivery   | \$0.6144 | \$61.44         |                        |
| BGSS   | \$0.3654 | \$36.54         |                        |
| Total  | \$0.9798 | \$124.76        |                        |
| <b>Proposed Rates- effective 10/1/17</b>           |          |                 |                        |
| Customer Charge                                    | \$26.94  | \$26.94         |                        |
| Delivery   | \$0.6211 | \$62.11         |                        |
| BGSS   | \$0.3654 | \$36.54         |                        |
| Total  | \$0.9865 | \$125.59        |                        |
| Increase   |          | \$0.83          |                        |
| Increase as a percent                              |          | 0.67%           |                        |
| <b>Impact on Commercial GSL Customers</b>          |          |                 |                        |
|  |          | 1200 therm bill |                        |
| <b>Current Rates</b>                               |          |                 |                        |
| Customer Charge                                    | \$54.93  | \$54.93         |                        |
| Demand Charge                                      | \$1.85   | \$177.60        |                        |
| Delivery   | \$0.5137 | \$616.44        |                        |
| BGSS (March 2017)                                  | \$0.3987 | \$478.44        |                        |
| Total  | \$0.9124 | \$1,327.41      |                        |
| <b>Proposed Rates- effective 10/1/17</b>           |          |                 |                        |
| Customer Charge                                    | \$56.16  | \$56.16         |                        |
| Demand Charge                                      | \$1.85   | \$177.60        |                        |
| Delivery   | \$0.5187 | \$622.44        |                        |
| BGSS (March 2017)                                  | \$0.3987 | \$478.44        |                        |
| Total  | \$0.9174 | \$1,334.64      |                        |
| Increase   |          | \$7.23          |                        |
| Increase as a percent                              |          | 0.54%           |                        |

**NEW JERSEY NATURAL GAS COMPANY**

**BPU No. 9 - Gas**

~~Second First Revised Sheet No. 51~~  
~~Superseding First Revised Original 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 \$~~8.84~~8.89

**Delivery Charge:**

**Residential Heating**

Delivery Charge per therm \$~~0.59870~~.6047

**Residential Non-Heating**

Delivery Charge per therm \$~~0.56510~~.5711

**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 6, 2016*  
**Issued by:** *Mark R. Spurduto G. Kahrer, Senior Vice President*  
*2017*  
*Wall, NJ 07719*

*Effective for service rendered on and after October ~~January~~ 1,*

**NEW JERSEY NATURAL GAS COMPANY**

**BPU No. 9 - Gas**

~~Second First Revised Sheet No. 53~~  
~~Superseding First Revised Original Sheet No. 53~~

**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 \$8-848.89

**Delivery Charge:**

November - April \$0.3305

May - October \$0.2736

**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 6, 2016*  
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2017

*Wall, NJ 07719*

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and after October January 1,*

**NEW JERSEY NATURAL GAS COMPANY**

**BPU No. 9 - Gas**

**~~Second~~First Revised Sheet No. 55  
Superseding First RevisedOriginal Sheet No. 55**

**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”) under Special Provision I.2, the Company may, upon application by the Customer, meter the space heating and CAC use separately. Street Lighting Service also will be supplied under this schedule (Special Provision II.1).

**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 \$26.7826.94

**Delivery Charge:**

Delivery Charge per therm \$0.61440.6211

**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 6, 2016*  
**Issued by:** *Mark G. KahrerR. Speduto, Senior-Vice President*  
*2017*  
*Wall, NJ 07719*

*Effective for service rendered on  
and after October January-1,*

**NEW JERSEY NATURAL GAS COMPANY**

**BPU No. 9 - Gas**

**SecondFirst Revised Sheet No. 56  
Superseding First RevisedOriginal Sheet No. 56**

**SERVICE CLASSIFICATION - GSS**

**GENERAL SERVICE - SMALL (continued)**

**SPECIAL PROVISIONS**

**I. Applicable to All Customers Under This Service Classification**

**1. Annual Review**

The Company shall review, at least once a year, each GSS Customer's annual usage based on the most recent twelve (12) months of billing information to determine if the General Service – Large ("GSL") Service Classification is applicable to the Customer. If the Customer's normalized annual usage is greater than or equal to 5,500 therms, the customer will be switched to GSL.

**2. Air Conditioning and Pool Heating**

Upon separate application, GSS Customers who have installed and are using gas air conditioning and pool heating equipment will be billed on the above Monthly Rates except that the delivery charge will be ~~\$0.2188~~\$0.2199 per therm for all monthly consumption of gas for services rendered between May 1 and September 30 of each year. The charge will include, ~~\$0.0744~~\$0.0754 per therm margin, and appropriate riders, taxes, assessments and surcharges.

Commercial Air Conditioning and Pool Heating ("CAC") customers will be separately metered, except, at the Company's sole discretion, existing Customers may use the same meter for their cooling, air conditioning or pool heating load and their space heating load as long as there is minimal base load during the period air conditioning rates are in effect.

Where a CAC Customer uses gas under this service classification in a direct-fired chiller/heater and the heating load is metered through the same meter as the cooling, air conditioning or pool heating load, and further, where the gas used for heating is billed separately, the GSS Customer Charge shall be waived, provided the Customer pays the Customer Charge under its heating service in all twelve (12) months of the year.

**Date of Issue:** ~~December 6, 2016~~  
**Issued by:** ~~Mark G. Kahrer~~R. Spurduto, Senior Vice President  
2017  
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**NEW JERSEY NATURAL GAS COMPANY**

**BPU No. 9 - Gas**

**~~Second~~First Revised Sheet No. 57  
Superseding ~~First Revised~~Original Sheet No. 57**

**SERVICE CLASSIFICATION - GSS**

**GENERAL SERVICE - SMALL (continued)**

**II. *Applicable to All Customers Purchasing Gas Supply Under Rider "A" BGSS***

**1. Street Lighting Service**

Street Lighting Service is not subject to Rider "I" of this Tariff. The delivery charge per therm for Street Lighting Service is \$0.51450.5212 per therm.

**III. *Applicable to All Customers Purchasing Gas Supply from a Marketer or Broker***

**1. Metering**

An Automated Meter Reading (AMR) device will not be required for this service.

**2. Additional Requirements**

Service is subject to the terms and conditions of the Marketer and Broker Requirements section of this Tariff (Service Classification – MBR) and Section 10 of the Company's Standard Terms and Conditions.

**TERMS AND CONDITIONS**

Service is subject to the Company's Standard Terms and Conditions of this Tariff.

**Date of Issue: ~~December 6, 2016~~  
Issued by: ~~Mark G. Kahrer~~R. Spurduto, Senior Vice President  
2017  
Wall, NJ 07719**

**Effective for service rendered on  
and after ~~October~~January 1,**

**NEW JERSEY NATURAL GAS COMPANY**

*Second First Revised Sheet No. 58*

*BPU No. 9 - Gas*

*Superseding First Revised Original Sheet No. 58*

**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 I.4, the Company may, 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 \$54,9356.16

**Demand Charge:**

Demand Charge per therm applied to HMAD \$1.85

**Delivery Charge:**

Delivery Charge per therm \$0,51370.5187

**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.

*Date of Issue: -December 6, 2016*  
*Issued by: Mark G. Kahrer R. Sperduto, Senior Vice President*  
*1, 2017*  
*Wall, NJ 07719*

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*and after October January*

**NEW JERSEY NATURAL GAS COMPANY**

Second~~First~~ Revised Sheet No. 60

BPU No. 9 - Gas

~~Superseding First Revised~~Original Sheet No. 60

**SERVICE CLASSIFICATION - GSL**

**GENERAL SERVICE - LARGE (continued)**

4. **Air Conditioning and Pool Heating**

Upon separate application, GSL Customers who have installed and are using gas air conditioning and pool heating equipment will be billed on the above Monthly Rates except that the delivery charge will be ~~\$0.2188~~\$0.2199 per therm for all monthly consumption of gas for services rendered between May 1 and September 30 of each year. The charge will include ~~\$0.0744~~\$0.0754 per therm margin, and appropriate riders, taxes, assessments and surcharges.

Commercial Air Conditioning and Pool Heating ("CAC") Customers will be separately metered, except, at the Company's sole discretion, existing Customers may use the same meter for their cooling, air conditioning or pool heating load and their space heating load as long as there is minimal base load during the period air conditioning rates are in effect.

Where a CAC Customer uses gas under this service classification in a direct-fired chiller/heater and the heating load is metered through the same meter as the cooling, air conditioning or pool heating load, and further, where the gas used for heating is billed separately, the GSL Customer Charge shall be waived, provided the Customer pays the Customer Charge under its heating service in all twelve (12) months of the year.

II. *Applicable to All Customers Purchasing Gas Supply from a Marketer or Broker*

1. **Incremental Expenses**

The Customer shall reimburse the Company for any out-of-pocket expenses (including, but not limited to, legal and travel expenses) incurred in connection with the initiation and rendering of service under this service classification. The Company shall provide an estimate of such expenses prior to their incurrence.

2. **Additional Requirements**

Service is subject to the terms and conditions of the Marketer and Broker Requirements section of this Tariff (Service Classification – MBR) and Section 10 of the Company's Standard Terms and Conditions.

**TERMS AND CONDITIONS**

Service is subject to the Company's Standard Terms and Conditions of this Tariff.

Date of Issue: ~~December 6, 2016~~  
Issued by: ~~Mark G. Kahrer~~R. Spurduto, Senior Vice President  
2017  
Wall, NJ 07719

Effective for service rendered on  
and after ~~October~~January 1,



**NEW JERSEY NATURAL GAS COMPANY**

~~Second~~First Revised Sheet No. 61

BPU No. 9 - Gas

Superseding First Revised Original Sheet No. 61

**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 \$249.70260.95

**Demand Charge:**

Demand Charge per therm applied to MDQ \$2.002.03

**Delivery Charge:**

Delivery Charge per therm \$0.1565

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 6, 2016~~  
Issued by: Mark G. Kahrer, ~~R. Spurduto~~, Senior-Vice President  
2017  
Wall, NJ 07719

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Filed pursuant to  
Order of the Board of Public Utilities entered in  
Docket No. GR17030326~~ER16111054~~

**NEW JERSEY NATURAL GAS COMPANY**

**BPU No. 9 - Gas**

~~Second First Revised Sheet No. 64~~  
 Superseding ~~First Revised Original Sheet No. 64~~

**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> |
|---|---|---------------|
| <b><u>Customer Charge:</u></b>            |   |               |
| Customer Charge per meter per month       | \$54.9355.49                                      | \$54.9355.49  |
| <b><u>Demand Charge:</u></b>              |   |               |
| Demand Charge per therm applied to PBQ    | \$1.501.52  | \$1.501.52    |
| <b><u>Delivery Charge per therm:</u></b>  |   |               |
| November - April                          | \$0.2033  | \$0.1412      |
| May - October                             | \$0.1705  | \$0.1084      |
| <b><u>BGSS Charge:</u></b>                |   |               |
| BGSS Charge per therm for Sales Customers | See "Rate Summaries" at<br>the end of this Tariff | N/A           |

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 delivers gas on their behalf pursuant to paragraph (3) under Deliveries to Company's Designated Delivery Meter section of Service Classification MBR. For DGC-FT customers whose Marketer or Broker delivers gas on their behalf pursuant to paragraph (1) under Deliveries to Company's Designated Delivery Meter section of Service Classification MBR, 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.

**Date of Issue:** ~~December 6, 2016~~  
**Issued by:** ~~Mark G. Kahrer~~ ~~R. Spurduto~~, Senior Vice President  
 2017  
 Wall, NJ 07719

*Effective for service rendered on  
 and after ~~October~~ January 1,*

**NEW JERSEY NATURAL GAS COMPANY**

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

~~Superseding First Revised~~Original Sheet No. 76

**BPU No. 9 - Gas**

**SERVICE CLASSIFICATION - NGV**

**NATURAL GAS VEHICLE SERVICE**

**AVAILABILITY**

This service is available to any residential or commercial customer for the purpose of fueling natural gas vehicles at Company owned and operated compressed natural gas ("CNG") re-fueling facilities ("Company facilities") and at separately metered Customer owned and operated CNG re-fueling facilities ("Customer owned facilities").

**CONDITIONS PRECEDENT**

The Customer must sign a service agreement which sets forth the vehicles to be served to be eligible for this service.

**DEFINITION OF TERM USED HEREIN**

"GGE" is the Gasoline Gallon Equivalent for converting a price per therm of natural gas to a price per gallon of gasoline. The GGE shall be determined in accordance with local standards.

**CHARACTER OF SERVICE**

Firm sales gas service where Customer who uses Company facilities purchases gas supply pursuant to the Company's Rider "A" for Basic Gas Supply Service ("BGSS"). Firm sales or transportation gas service where Customer who uses Customer owned facilities purchases gas supply pursuant to the Company's Rider "A" for BGSS or from a Marketer or Broker, respectively.

**LICENSING, PERMITS AND LEGAL REQUIREMENTS**

Customers installing CNG re-fueling facilities on their premises must meet all applicable licensing, permitting and other legal requirements associated with owning and operating CNG refueling facilities. The failure of the customer to comply with this provision may result in the Company suspending or terminating gas service to such facilities without further liability.

**MONTHLY RATES**

|   | Gas Available at<br>Company Facilities        | Customer Owned<br>Facilities                  |
|---|---|---|
| <b><u>Customer Charge:</u></b>                  |   |   |
| Residential Customer Charge per meter per month | N/A   | \$8,848.89                                    |
| Commercial Customer Charge per meter per month  | N/A   | \$54,935.21                                   |
| <b><u>Delivery Charge:</u></b>                  |   |   |
| Delivery Charge per therm                       | \$0.25860.2610<br>(\$0.32330.3263 per<br>GGE) | \$0.25860.2610<br>(\$0.32330.3263 per<br>GGE) |

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**NEW JERSEY NATURAL GAS COMPANY**

~~Second~~ **First Revised Sheet No. 100**

**BPU No. 9 - Gas**

~~Superseding First Revised~~ **Original Sheet No. 100**

**SERVICE CLASSIFICATIONS - CNG**

**COMPRESSED NATURAL GAS**

**AVAILABILITY**

This service is available to any customer who would otherwise qualify for service under Service Classifications RS, GSS, GSL, FT, IS, or NGV and who will utilize natural gas for the purpose of fueling natural gas vehicles at Company owned compressed natural gas re-fueling facilities operated by the Customer on its property ("Host Customer").

Availability of this Service Classification is subject to the terms and conditions approved in BPU Docket No. GR11060361. This Service Classification is closed.

**CONDITIONS PRECEDENT**

The Host Customer must sign an Agreement with the Company. The Host Customer must provide assurance that it will use initially at least twenty (20) percent of the re-fueling facility's capacity. The Host Customer must agree to provide the general public with reasonable access to a re-fueling facility for purposes of fueling the general public's natural gas vehicles.

**DEFINITION OF TERM USED HEREIN**

"GGE" is the Gasoline Gallon Equivalent for converting a price per therm of natural gas to a price per gallon of gasoline. The GGE shall be determined in accordance with local standards.

**CHARACTER OF SERVICE**

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

**MONTHLY RATES**

**Customer Charge:**

Customer Charge per meter per month \$54.9355.21

**Delivery Charge:**

Delivery Charge per therm \$0.47240.4747  
(\$0.59050.5934 per GGE)

**BGSS Charge:**

Monthly BGSS Charge per therm for Sales Customers without a gas supply contract 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.

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**NEW JERSEY NATURAL GAS COMPANY**

**BPU No. 9 - Gas**

**Superseding First Revised Original Sheet No. 100**  
**Second First Revised Sheet No. 100**

**SERVICE CLASSIFICATIONS - CNG**

**COMPRESSED NATURAL GAS**

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

**Date of Issue:** ~~December 6, 2016~~  
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Wall, NJ 07719

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Filed pursuant to  
Order of the Board of Public Utilities entered in  
Docket No. GR17030326ER16111054

**NEW JERSEY NATURAL GAS COMPANY**

*First Revised Sheet No. 179  
Superseding Original Sheet No. 179*

**BPU No. 9 - Gas**

**RIDER "I"**

**CONSERVATION INCENTIVE PROGRAM – CIP (Continued)**

7. **Customer Class Group** – For purposes of determining and applying the CIP, customers shall be aggregated into four separate recovery class groups. The Customer Class Groups shall be as follows:
- Group I: RS (non-heating customers only)
  - Group II: RS (heating customers only)
  - Group III: GSS, ED using less than 5,000 therms annually
  - Group IV: GSL, ED using 5,000 therms or greater annually
8. **Forecast Annual Usage** – the Forecast Annual Usage (“FAU”) shall be the projected total annual throughput for all customers within the applicable Customer Class Group. The FAU shall be estimated based on normal weather.
9. **Incremental Large Customer Count Adjustment** – the Company shall maintain a list of incremental commercial and industrial customers added to its system on or after July 1, 2016 whose connected load is greater than that typical for the Company’s average commercial and industrial customer. For purposes of the CIP, large incremental customers shall be those customers whose connected load exceeds 5,300 cubic feet per hour (“CFH”). A new customer at an existing location previously connected to NJNG’s facilities shall not be considered an incremental customer. The Actual Number of Customers for the Customer Class Group shall be adjusted to reflect the impact of all such incremental commercial or industrial customers. Specifically, the Incremental Large Customer Count Adjustment for the applicable month shall equal the aggregate connected load for all active customers that exceed the 5,300 CFH threshold divided by 2,650 CFH less the number of active customers, rounded to the nearest whole number.
10. **Margin Revenue Factor** – the Margin Revenue Factor (“MRF”) shall be the weighted-average margin rate as quoted in the individual service classes to which the CIP applies. The MRFs by Customer Class Group are as follows:

|   |                |
|---|----------------|
| Group I (RS non-heating):                                 | \$0.37780.3834 |
| Group II (RS heating):                                    | \$0.37780.3834 |
| Group III (GSS, ED using less than 5,000 therms annually) | \$0.35160.3579 |
| Group IV (GSL, ED using 5,000 therms or greater annually) | \$0.27290.2776 |

The MRF shall be reset each time new base rates are placed into effect.

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**NEW JERSEY NATURAL GAS COMPANY**

BPU No. 9 - Gas

~~Third~~ ~~Second~~ Revised Sheet No. 252  
 Superseding ~~Second~~ ~~First~~ Revised Sheet No. 252

**SUMMARY OF RESIDENTIAL RATE COMPONENTS**

**Residential Heating Customers**

|   |         | <u>Bundled</u>          | <u>Transport</u>    | <u>Reference</u> |
|---|---------|-------------------------|---------------------|------------------|
|   |         | <u>Sales</u>            |                     |                  |
| <b><u>Customer Charge</u></b>                   |         |                         |                     |                  |
| Customer Charge per meter per month             |         | 8.848.89                | 8.848.89            |                  |
| <b><u>Delivery Charge ("DEL") per therm</u></b> |         |                         |                     |                  |
| <i>Transport Rate:</i>                          |         |                         |                     |                  |
| Pre-tax Base Rate                               |         | 0.37780.3               | 0.37780.3834        |                  |
| SUT   |         | 834<br>0.02600.0<br>264 | 0.02600.0264        | Rider B          |
| After-tax Base Rate                             |         | 0.40380.4<br>098        | 0.40380.4098        |                  |
| CIP   |         | 0.0562                  | 0.0562              | Rider I          |
| EE  |         | 0.0327                  | 0.0327              | Rider F          |
| <i>Total Transport Rate</i>                     | a       | 0.49270.4<br>987        | 0.49270.4987        |                  |
| <i>Balancing Charge</i>                         | b       | 0.0621                  | 0.0621              | Rider A          |
| <i>Societal Benefits Charge ("SBC"):</i>        |         |                         |                     |                  |
| NJ's Clean Energy                               |         | 0.0167                  | 0.0167              | Rider E          |
| RA  |         | 0.0145                  | 0.0145              | Rider C          |
| USF   |         | 0.0127                  | 0.0127              | Rider H          |
| <i>Total SBC</i>                                | c       | 0.0439                  | 0.0439              |                  |
| <b>Delivery Charge (DEL)</b>                    | a+b+c=d | <b>0.59870.6</b><br>047 | <b>0.59870.6047</b> |                  |
| <b><u>Basic Gas Supply Charge ("BGS")</u></b>   |         |                         |                     |                  |
| BGS   | e       | <b>0.3654</b>           | x                   | Rider A          |

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. 9 - Gas**

**Third~~Second~~ Revised Sheet No. 253  
~~Superseding Second~~First Revised Sheet No. 253**

**SUMMARY OF RESIDENTIAL RATE COMPONENTS**

**Residential Non-Heating Customers**

|   |         | <u>Bundled</u><br><u>Sales</u> | <u>Transport</u>    | <u>Reference</u> |
|---|---------|--------------------------------|---------------------|------------------|
| <b><u>Customer Charge</u></b>                   |         |                                |                     |                  |
| Customer Charge per meter<br>per month          |         | 8.848.89                       | 8.848.89            |                  |
| <b><u>Delivery Charge ("DEL") per therm</u></b> |         |                                |                     |                  |
| <i>Transport Rate:</i>                          |         |                                |                     |                  |
| Pre-tax Base Rate                               |         | 0.37780.3<br>834               | 0.37780.3834        |                  |
| SUT   |         | 0.02600.0<br>264               | 0.02600.0264        | Rider B          |
| After-tax Base Rate                             |         | 0.40380.4<br>098               | 0.40380.4098        |                  |
| CIP   |         | 0.0226                         | 0.0226              | Rider I          |
| EE  |         | 0.0327                         | 0.0327              | Rider F          |
| <i>Total Transport Rate</i>                     | a       | 0.45910.4<br>651               | 0.45910.4651        |                  |
| <i>Balancing Charge</i>                         | b       | 0.0621                         | 0.0621              | Rider A          |
| <i>Societal Benefits Charge ("SBC"):</i>        |         |                                |                     |                  |
| NJ's Clean Energy                               |         | 0.0167                         | 0.0167              | Rider E          |
| RA  |         | 0.0145                         | 0.0145              | Rider C          |
| USF   |         | 0.0127                         | 0.0127              | Rider H          |
| <i>Total SBC</i>                                | c       | 0.0439                         | 0.0439              |                  |
| <b>Delivery Charge (DEL)</b>                    | a+b+c=d | <b>0.56510.5<br/>711</b>       | <b>0.56510.5711</b> |                  |
| <b><u>Basic Gas Supply Charge ("BGS")</u></b>   |         |                                |                     |                  |
| BGS   | e       | <b>0.3654</b>                  | x                   | Rider A          |

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. 9 - Gas**

***Third*Second Revised Sheet No. 254  
 Superseding ~~Second~~First Revised Sheet No. 254**

**SUMMARY OF RESIDENTIAL RATE COMPONENTS**

**Residential Distributed Generation Service**

|   |         | <u>Nov - Apr</u>     | <u>May - Oct</u>     | <u>Reference</u> |
|---|---------|----------------------|----------------------|------------------|
| <b><u>Customer Charge</u></b>                   |         |                      |                      |                  |
| Customer Charge per meter<br>per month          |         | <u>8.848.89</u>      | <u>8.848.89</u>      |                  |
| <b><u>Delivery Charge ("DEL") per therm</u></b> |         |                      |                      |                  |
| <i>Transport Rate:</i>                          |         |                      |                      |                  |
| Pre-tax Base Rate                               |         | 0.1795               | 0.1262               |                  |
| SUT   |         | <u>0.0123</u>        | <u>0.0087</u>        | Rider B          |
| After-tax Base Rate                             |         | 0.1918               | 0.1349               |                  |
| EE  |         | <u>0.0327</u>        | <u>0.0327</u>        | Rider F          |
| <i>Total Transport Rate</i>                     | a       | <u>0.2245</u>        | <u>0.1676</u>        |                  |
| <i>Balancing Charge</i>                         | b       | <u>0.0621</u>        | <u>0.0621</u>        | Rider A          |
| <i>Societal Benefits Charge ("SBC"):</i>        |         |                      |                      |                  |
| NJ's Clean Energy                               |         | 0.0167               | 0.0167               | Rider E          |
| RA  |         | 0.0145               | 0.0145               | Rider C          |
| USF   |         | <u>0.0127</u>        | <u>0.0127</u>        | Rider H          |
| <i>Total SBC</i>                                | c       | <u>0.0439</u>        | <u>0.0439</u>        |                  |
| <b>Delivery Charge (DEL)</b>                    | a+b+c=d | <u><b>0.3305</b></u> | <u><b>0.2736</b></u> |                  |
| <b><u>Basic Gas Supply Charge ("BGS")</u></b>   |         |                      |                      |                  |
| <b>BGS</b>                                      | e       | <u><b>0.3654</b></u> | <u><b>0.3654</b></u> | Rider A          |

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**

*Third*~~Second~~ Revised Sheet No. 255

~~Superseding Second~~*First* Revised Sheet No. 255

**BPU No. 9 - Gas**

**SUMMARY OF FIRM COMMERCIAL RATE COMPONENTS**

**General Service - Small (GSS)**

|   |         | <u>Bundled<br/>Sales</u>            | <u>Transport</u>                | <u>Reference</u> |
|---|---------|-------------------------------------|---------------------------------|------------------|
| <b><u>Customer Charge</u></b>                   |         |                                     |                                 |                  |
| Customer Charge per meter per month             |         | <u>26.78</u> <del>26.9</del><br>4   | <u>26.78</u> <del>26.94</del>   |                  |
| <b><u>Delivery Charge ("DEL") per therm</u></b> |         |                                     |                                 |                  |
| <i>Transport Rate:</i>                          |         |                                     |                                 |                  |
| Pre-tax Base Rate                               |         | <u>0.35160</u> <del>.3</del><br>579 | <u>0.35160</u> <del>.3579</del> |                  |
| SUT   |         | <u>0.02420</u> <del>.0</del><br>246 | <u>0.02420</u> <del>.0246</del> | Rider B          |
| After-tax Base Rate                             |         | <u>0.37580</u> <del>.3</del><br>825 | <u>0.37580</u> <del>.3825</del> |                  |
| CIP   |         | 0.0999                              | 0.0999                          | Rider I          |
| EE  |         | <u>0.0327</u>                       | <u>0.0327</u>                   | Rider F          |
| <i>Total Transport Rate</i>                     | a       | <u>0.50840</u> <del>.5</del><br>151 | <u>0.50840</u> <del>.5151</del> |                  |
| <i>Balancing Charge</i>                         | b       | 0.0621                              | 0.0621                          | Rider A          |
| <i>Societal Benefits Charge ("SBC"):</i>        |         |                                     |                                 |                  |
| NJ's Clean Energy                               |         | 0.0167                              | 0.0167                          | Rider E          |
| RA  |         | 0.0145                              | 0.0145                          | Rider C          |
| USF   |         | <u>0.0127</u>                       | <u>0.0127</u>                   | Rider H          |
| <i>Total SBC</i>                                | c       | <u>0.0439</u>                       | <u>0.0439</u>                   |                  |
| <b>Delivery Charge (DEL)</b>                    | a+b+c=d | <u>0.61440</u> <del>.6</del><br>211 | <u>0.61440</u> <del>.6211</del> |                  |
| <b><u>Basic Gas Supply Charge ("BGS")</u></b>   |         |                                     |                                 |                  |
| BGS   | e       | <u>0.3654</u>                       | x                               | Rider A          |

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**

~~Ninth Eighth~~ Revised Sheet No. 256

BPU No. 9 - Gas

~~Superseding Eighth Seventh~~ Revised Sheet No. 256

**SUMMARY OF FIRM COMMERCIAL RATE COMPONENTS**

**General Service - Large (GSL)**

|   |         | <u>Bundled</u><br><u>Sales</u>        | <u>Transport</u>    | <u>Reference</u> |
|---|---------|---------------------------------------|---------------------|------------------|
| <b><u>Customer Charge</u></b>                   |         |                                       |                     |                  |
| Customer Charge per meter per month             |         | 54.9356.1<br><u>6</u>                 | 54.9356.16          |                  |
| <b><u>Demand Charge</u></b>                     |         |                                       |                     |                  |
| Demand Charge per month applied to HMAD         |         | 1.85                                  | 1.85                |                  |
| <b><u>Delivery Charge ("DEL") per therm</u></b> |         |                                       |                     |                  |
| <i>Transport Rate:</i>                          |         |                                       |                     |                  |
| Pre-tax Base Rate                               |         | 0.27290.2<br><u>776</u>               | 0.27290.2776        |                  |
| SUT   |         | 0.01880.0<br><u>191</u>               | 0.01880.0191        | Rider B          |
| After-tax Base Rate                             |         | 0.29170.2<br><u>967</u>               | 0.29170.2967        |                  |
| CIP   |         | 0.0833                                | 0.0833              | Rider I          |
| EE  |         | 0.0327                                | 0.0327              | Rider F          |
| <i>Total Transport Rate</i>                     | a       | 0.40770.4<br><u>127</u>               | 0.40770.4127        |                  |
| <i>Balancing Charge</i>                         | b       | 0.0621                                | 0.0621              | Rider A          |
| <i>Societal Benefits Charge ("SBC"):</i>        |         |                                       |                     |                  |
| NJ's Clean Energy                               |         | 0.0167                                | 0.0167              | Rider E          |
| RA  |         | 0.0145                                | 0.0145              | Rider C          |
| USF   |         | 0.0127                                | 0.0127              | Rider H          |
| <i>Total SBC</i>                                | c       | 0.0439                                | 0.0439              |                  |
| <b>Delivery Charge (DEL)</b>                    | a+b+c=d | <b>0.51370.5</b><br><b><u>187</u></b> | <b>0.51370.5187</b> |                  |
| <b><u>Basic Gas Supply Charge ("BGS")</u></b>   |         |                                       |                     |                  |
| BGS   | e       | <b>0.3987</b>                         | X                   | Rider A          |

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

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

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**NEW JERSEY NATURAL GAS COMPANY**

*Third* ~~Second~~ Revised Sheet No. 257

~~Superseding Second~~ *First* Revised Sheet No. 257

**BPU No. 9 - Gas**

**SUMMARY OF FIRM COMMERCIAL RATE COMPONENTS**

**FIRM TRANSPORTATION (FT)**

|  |       | <u>Transport</u>                   | <u>Reference</u> |
|--|-------|------------------------------------|------------------|
| <b><u>Customer Charge</u></b>                    |       |                                    |                  |
| Customer Charge per meter per month              |       | <del>249.70</del><br><u>260.95</u> |                  |
| <b><u>Demand Charge</u></b>                      |       |                                    |                  |
| Demand Charge per therm per month applied to MDQ |       | <del>2.00</del><br><u>2.03</u>     |                  |
| <b><u>Delivery Charge ("DEL") per therm</u></b>  |       |                                    |                  |
| <i>Transport Rate:</i>                           |       |                                    |                  |
| Pre-tax Base Rate                                |       | 0.0748                             |                  |
| SUT  |       | <u>0.0051</u>                      | Rider B          |
| After-tax Base Rate                              |       | 0.0799                             |                  |
| EE   |       | <u>0.0327</u>                      | Rider F          |
| <i>Total Transport Rate</i>                      | a     | <u>0.1126</u>                      |                  |
| <i>Societal Benefits Charge ("SBC"):</i>         |       |                                    |                  |
| NJ's Clean Energy                                |       | 0.0167                             | Rider E          |
| RA   |       | 0.0145                             | Rider C          |
| USF  |       | <u>0.0127</u>                      | Rider H          |
| <i>Total SBC</i>                                 | b     | <u>0.0439</u>                      |                  |
| <b>Delivery Charge (DEL)</b>                     | a+b=c | <b><u>0.1565</u></b>               |                  |

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

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

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**NEW JERSEY NATURAL GAS COMPANY**

~~Eighth~~ ~~Seventh~~ Revised Sheet No. 258

~~Superseding Seventh~~ ~~Sixth~~ Revised Sheet No. 258

**BPU No. 9 - Gas**

**SUMMARY OF FIRM COMMERCIAL RATE COMPONENTS**

**Commercial Distributed Generation Service – DGC-Balancing**

|  |         | <u>Nov - Apr</u>     | <u>May - Oct</u>     | <u>Reference</u> |
|--|---------|----------------------|----------------------|------------------|
| <b><u>Customer Charge</u></b>                    |         |                      |                      |                  |
| Customer Charge per meter per month              |         | <u>54.9355.49</u>    | <u>54.9355.49</u>    |                  |
| <b><u>Demand Charge</u></b>                      |         |                      |                      |                  |
| Demand Charge per therm per month applied to PBQ |         | <u>1.501.52</u>      | <u>1.501.52</u>      |                  |
| <b><u>Delivery Charge ("DEL") per therm</u></b>  |         |                      |                      |                  |
| <i>Transport Rate:</i>                           |         |                      |                      |                  |
| Pre-tax Base Rate                                |         | 0.0604               | 0.0298               |                  |
| SUT  |         | <u>0.0042</u>        | <u>0.0020</u>        | Rider B          |
| After-tax Base Rate                              |         | 0.0646               | 0.0318               |                  |
| EE   |         | <u>0.0327</u>        | <u>0.0327</u>        | Rider F          |
| <i>Total Transport Rate</i>                      | a       | 0.0973               | 0.0645               |                  |
| <i>Societal Benefits Charge ("SBC"):</i>         |         |                      |                      |                  |
| NJ's Clean Energy                                |         | 0.0167               | 0.0167               | Rider E          |
| RA   |         | 0.0145               | 0.0145               | Rider C          |
| USF  |         | <u>0.0127</u>        | <u>0.0127</u>        | Rider H          |
| <i>Total SBC</i>                                 | b       | <u>0.0439</u>        | <u>0.0439</u>        |                  |
| Balancing Charge                                 | c       | <u>0.0621</u>        | <u>0.0621</u>        |                  |
| <b>DGC-Balancing Delivery Charge (DEL)</b>       | a+b+c=d | <u><b>0.2033</b></u> | <u><b>0.1705</b></u> |                  |
| <b><u>Basic Gas Supply Charge ("BGS")</u></b>    |         |                      |                      |                  |
| BGS  | e       | <u><b>0.3987</b></u> | <u><b>0.3987</b></u> | Rider A          |

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 delivers gas on their behalf pursuant to paragraph (3) under Deliveries to Company's Designated Delivery Meter section of Service Classification MBR.

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

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

Date of Issue: February 27, 2017  
 Issued by: Mark G. Kahrer, R. Sperduto, Senior-Vice President  
 2017  
 Wall, NJ 07719

Effective for service rendered on  
 and after October ~~March~~ 1,

**NEW JERSEY NATURAL GAS COMPANY**

**BPU No. 9 - Gas**

~~Third~~ ~~Second~~ Revised Sheet No. 259  
 Superseding ~~Second~~ ~~First~~ Revised Sheet No. 259

**SUMMARY OF FIRM COMMERCIAL RATE COMPONENTS**

**Commercial Distributed Generation Service – DGC-FT**

|  |       | <u>Nov - Apr</u>     | <u>May - Oct</u>     | <u>Reference</u> |
|--|-------|----------------------|----------------------|------------------|
| <b><u>Customer Charge</u></b>                    |       |                      |                      |                  |
| Customer Charge per meter per month              |       | <u>54.9355.49</u>    | <u>54.9355.49</u>    |                  |
| <b><u>Demand Charge</u></b>                      |       |                      |                      |                  |
| Demand Charge per therm per month applied to PBQ |       | <u>1.501.52</u>      | <u>1.501.52</u>      |                  |
| <b><u>Delivery Charge ("DEL") per therm</u></b>  |       |                      |                      |                  |
| <i>Transport Rate:</i>                           |       |                      |                      |                  |
| Pre-tax Base Rate                                |       | 0.0604               | 0.0298               |                  |
| SUT  |       | <u>0.0042</u>        | <u>0.0020</u>        | Rider B          |
| After-tax Base Rate                              |       | 0.0646               | 0.0318               |                  |
| EE   |       | <u>0.0327</u>        | <u>0.0327</u>        | Rider F          |
| <i>Total Transport Rate</i>                      | a     | 0.0973               | 0.0645               |                  |
| <i>Societal Benefits Charge ("SBC"):</i>         |       |                      |                      |                  |
| NJ's Clean Energy                                |       | 0.0167               | 0.0167               | Rider E          |
| RA   |       | 0.0145               | 0.0145               | Rider C          |
| USF  |       | <u>0.0127</u>        | <u>0.0127</u>        | Rider H          |
| <i>Total SBC</i>                                 | b     | <u>0.0439</u>        | <u>0.0439</u>        |                  |
| <b>DGC-FT Delivery Charge (DEL)</b>              | a+b=c | <b><u>0.1412</u></b> | <b><u>0.1084</u></b> |                  |

For DGC-FT customers whose Marketer or Broker delivers gas on their behalf pursuant to paragraph (1) under Deliveries to Company's Designated Delivery Meter section of Service Classification MBR, 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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 2017 **Wall, NJ 07719**

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**NEW JERSEY NATURAL GAS COMPANY**

~~Ninth~~ ~~Eighth~~ Revised Sheet No. 263

BPU No. 9 - Gas

Superseding Eighth ~~Seventh~~ Revised Sheet No. 263

**SUMMARY OF FIRM COMMERCIAL RATE COMPONENTS**

**Compressed Natural Gas (CNG)**

|   |       | <u>Bundled<br/>Sales</u> | <u>Transport</u> | <u>Reference</u> |
|---|-------|--------------------------|------------------|------------------|
| <b><u>Customer Charge</u></b>                   |       |                          |                  |                  |
| Customer Charge per meter per month             |       | 54.9355.2<br>1           | 54.9355.21       |                  |
| <b><u>Delivery Charge ("DEL") per therm</u></b> |       |                          |                  |                  |
| <i>Transport Rate:</i>                          |       |                          |                  |                  |
| Pre-tax Base Rate                               |       | 0.17030.1<br>725         | 0.17030.1725     |                  |
| CNG Charge                                      |       | 0.2000                   | 0.2000           |                  |
| SUT   |       | 0.02550.0<br>256         | 0.02550.0256     | Rider B          |
| After-tax Base Rate                             |       | 0.39580.3<br>981         | 0.39580.3981     |                  |
| EE  |       | 0.0327                   | 0.0327           | Rider F          |
| <i>Total Transport Rate</i>                     | a     | 0.42850.4<br>308         | 0.42850.4308     |                  |
| <i>Societal Benefits Charge ("SBC"):</i>        |       |                          |                  |                  |
| NJ's Clean Energy                               |       | 0.0167                   | 0.0167           | Rider E          |
| RA  |       | 0.0145                   | 0.0145           | Rider C          |
| USF   |       | 0.0127                   | 0.0127           | Rider H          |
| <i>Total SBC</i>                                | b     | 0.0439                   | 0.0439           |                  |
| <b>Delivery Charge (DEL)</b>                    | a+b=c | 0.47240.4<br>747         | 0.47240.4747     |                  |
| <b><u>Basic Gas Supply Charge ("BGS")</u></b>   |       |                          |                  |                  |
| Monthly BGSS                                    | d     | 0.4608                   | X                | Rider A          |
| BGS   | d     | 0.4608                   | X                |                  |

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

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

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**NEW JERSEY NATURAL GAS COMPANY**

~~Ninth~~<sup>Eighth</sup> Revised Sheet No. 264

**BPU No. 9 - Gas**

~~Superseding Eighth~~<sup>Seventh</sup> Revised Sheet No. 264

**SUMMARY OF RESIDENTIAL AND FIRM COMMERCIAL RATE COMPONENTS**

**Natural Gas Vehicles (NGV)**

**Gas Available at Company Facilities**

Reference

| <u>Delivery Charge ("DEL")</u>                 |         | \$ per therm       | \$ per GGE          |         |
|--|---------|--------------------|---------------------|---------|
| <i>Transport Rate:</i>                         |         |                    |                     |         |
| Pre-tax Base Rate                              |         | <u>0.17030.172</u> |                     |         |
|  |         | <u>5</u>           |                     |         |
| SUT  |         | <u>0.01170.011</u> |                     | Rider B |
|  |         | <u>9</u>           |                     |         |
| After-tax Base Rate                            |         | <u>0.18200.184</u> |                     |         |
|  |         | <u>4</u>           |                     |         |
| EE   |         | <u>0.0327</u>      |                     | Rider F |
| <i>Total Transport Rate</i>                    | a       | <u>0.21470.217</u> |                     |         |
|  |         | <u>1</u>           |                     |         |
| <i>Societal Benefits Charge ("SBC"):</i>       |         |                    |                     |         |
| NJ's Clean Energy                              |         | 0.0167             |                     | Rider E |
| RA   |         | 0.0145             |                     | Rider C |
| USF  |         | <u>0.0127</u>      |                     | Rider H |
| <i>Total SBC</i>                               | b       | <u>0.0439</u>      |                     |         |
| <b>Delivery Charge (DEL)</b>                   | a+b=c   | <u>0.25860.261</u> | <u>0.32330.3263</u> |         |
|  |         | <u>0</u>           |                     |         |
| <i>Compression Charge</i>                      | d       | 0.4970             | 0.6213              |         |
| <i>Monthly Basic Gas Supply Charge ("BGS")</i> | e       | <u>0.4608</u>      | <u>0.5760</u>       | Rider A |
| <i>Total Variable Charge</i>                   | c+d+e=f | <u>1.21641.218</u> | <u>1.52061.5236</u> |         |
|  |         | <u>8</u>           |                     |         |
| New Jersey Motor Vehicle Fuel Tax              | g       |                    | 0.0000              |         |
| Federal Excise Fuel Tax *                      | h       |                    | 0.1806              |         |
| Federal Excise Fuel Tax Credit *               | i       |                    | <u>0.0000</u>       |         |

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**NEW JERSEY NATURAL GAS COMPANY**

~~Ninth~~<sup>Eighth</sup> Revised Sheet No. 264

**BPU No. 9 - Gas**

~~Superseding Eighth~~<sup>Seventh</sup> Revised Sheet No. 264

**SUMMARY OF RESIDENTIAL AND FIRM COMMERCIAL RATE COMPONENTS**

**Natural Gas Vehicles (NGV)**

|                    |               |                            |
|--------------------|---------------|----------------------------|
| <b>Total Price</b> | f+g+h+i<br>=j | <b><u>1,70121.7042</u></b> |
|--------------------|---------------|----------------------------|

\*Adjusted to reflect Internal Revenue Service GGE Conversion.

**Date of Issue:** ~~February 27, 2017~~  
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Docket No. GR17030326~~GR16060482~~

**NEW JERSEY NATURAL GAS COMPANY**

~~Ninth~~<sup>Eighth</sup> Revised Sheet No. 265

~~Eighth~~<sup>Seventh</sup> Revised Sheet No. 265

**BPU No. 9 - Gas**

**SUMMARY OF RESIDENTIAL AND FIRM COMMERCIAL RATE COMPONENTS**

**Natural Gas Vehicles (NGV)**

**Customer Owned Facilities**

Reference

**Customer Charge**

|  |             |
|--|-------------|
| Residential Customer Charge per month          | \$8.848.89  |
| Commercial Customer Charge per meter per month | \$54.9355.2 |
|  | <u>1</u>    |

**Delivery Charge ("DEL")**

\$ per therm      \$ per GGE

*Transport Rate:*

|                   |            |
|-------------------|------------|
| Pre-tax Base Rate | 0.17030.17 |
|                   | <u>25</u>  |
| SUT               | 0.01170.01 |
|                   | <u>19</u>  |

Rider B

|                     |            |
|---------------------|------------|
| After-tax Base Rate | 0.18200.18 |
|                     | <u>44</u>  |

|    |        |
|----|--------|
| EE | 0.0327 |
|----|--------|

Rider F

|                             |   |            |
|-----------------------------|---|------------|
| <i>Total Transport Rate</i> | a | 0.21470.21 |
|                             |   | <u>71</u>  |

*Societal Benefits Charge ("SBC"):*

|                   |        |
|-------------------|--------|
| NJ's Clean Energy | 0.0167 |
| RA                | 0.0145 |
| USF               | 0.0127 |

Rider E

Rider C

Rider H

|                  |   |        |
|------------------|---|--------|
| <i>Total SBC</i> | b | 0.0439 |
|------------------|---|--------|

|                              |       |                   |                    |
|------------------------------|-------|-------------------|--------------------|
| <b>Delivery Charge (DEL)</b> | a+b=c | <b>0.25860.26</b> | <b>0.32330.326</b> |
|                              |       | <u>10</u>         | <u>3</u>           |

|  |   |               |               |         |
|--|---|---------------|---------------|---------|
| <b>Monthly Basic Gas Supply Charge ("BGS")</b> | d | <b>0.4608</b> | <b>0.5760</b> | Rider A |
|--|---|---------------|---------------|---------|

|                              |       |                   |                    |
|------------------------------|-------|-------------------|--------------------|
| <b>Total Variable Charge</b> | c+d=e | <b>0.71940.72</b> | <b>0.89930.902</b> |
|                              |       | <u>18</u>         | <u>3</u>           |

Customer, DEL, and BGS charges are presented on customer bills for Firm Sales Gas Service.  
 Customer and DEL charges are presented on customer bills for Firm Transport Gas Service.

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