



July 14, 2011

***VIA FEDERAL EXPRESS***

Ms. Kristi Izzo, Secretary  
New Jersey Board of Public Utilities  
Two Gateway Center  
Newark, NJ 07102

Re: IN THE MATTER OF THE PETITION OF  
NEW JERSEY NATURAL GAS COMPANY  
FOR APPROVAL OF THE COST RECOVERY  
ASSOCIATED WITH ENERGY EFFICIENCY AND  
PRELIMINARY GREENHOUSE GAS INITIATIVE PROGRAMS  
BPU DOCKET NO. GR11060333

Dear Secretary Izzo:

Enclosed herewith for filing please find an original and ten (10) copies of the **Amended** Petition of New Jersey Natural Gas Company (NJNG) for approval of the Cost Recover associated with Energy Efficiency and Preliminary Greenhouse Gas Initiative Programs. This petition and the supporting schedules will supersede those included in the NJNG filing of June 1, 2011.

Copies of the **Amended** Petition, including the supporting Exhibits, are also being served upon the New Jersey Division of Rate Counsel and the Division of Law.

Kindly acknowledge receipt of this filing by date stamping the enclosed copy of this letter and returning same in the self-addressed, stamped envelope.

Very truly yours,

A handwritten signature in blue ink, appearing to read 'Tracey Thayer', is written over a faint, larger blue ink signature.

Tracey Thayer  
Director, Regulatory Affairs Counsel

Enclosures

C: Service List

**IN THE MATTER OF THE AMENDED PETITION OF NEW JERSEY  
NATURAL GAS COMPANY FOR APPROVAL OF THE COST RECOVERY  
ASSOCIATED WITH ENERGY EFFICIENCY AND PRELIMINARY  
GREENHOUSE GAS INITIATIVE PROGRAMS  
BPU DOCKET NO. GR11060333**

**SERVICE LIST**

NJNG

Mark R. Sperduto  
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NJ BOARD OF PUBLIC UTILITIES

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**IN THE MATTER OF THE AMENDED PETITION OF NEW JERSEY  
NATURAL GAS COMPANY FOR APPROVAL OF THE COST RECOVERY  
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GREENHOUSE GAS INITIATIVE PROGRAMS  
BPU DOCKET NO. GR11060333**

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

<b>IN THE MATTER OF THE PETITION</b>	)	<b>AMENDED</b>
<b>OF NEW JERSEY NATURAL GAS</b>	)	<b>PETITION</b>
<b>COMPANY FOR APPROVAL OF THE</b>	)	
<b>COST RECOVERY ASSOCIATED WITH</b>	)	<b>BPU DOCKET NO. GR11060333</b>
<b>ENERGY EFFICIENCY AND</b>	)	
<b>PRELIMINARY REGIONAL</b>	)	
<b>GREENHOUSE GAS INITIATIVE</b>	)	
<b>PROGRAMS</b>		

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

New Jersey Natural Gas Company (“NJNG” or the “Company”) respectfully submits this amended petition to the New Jersey Board of Public Utilities (the “Board” or “BPU”) pursuant to Board Orders issued on July 17, 2009, in Docket Nos. EO09010056 and GO09010057 and on September 24, 2010, in Docket No. GO10030225, as well as N.J.S.A. 48:3-98.1, stating as follows:

1. NJNG is a corporation duly organized under the laws of the State of New Jersey and is a public utility engaged in the sale, distribution and transportation of natural gas subject to the jurisdiction of the Board. The Company’s principal business office is located at 1415 Wyckoff Road, Wall Township, New Jersey 07719. NJNG is a local natural gas distribution company providing regulated natural gas service to over 490,000 customers within Monmouth and Ocean counties, as well as portions of Burlington, Middlesex and Morris counties.

2. Communications and correspondence relating to this filing should be sent to:

Mark R. Sperduto, Vice President, Regulatory & External Affairs  
and  
Tracey Thayer, Esq., Director, Regulatory Affairs Counsel  
New Jersey Natural Gas Company  
1415 Wyckoff Road, P.O. Box 1464  
Wall, N.J. 07719  
(732) 938-1214 (Sperduto)  
(732) 919-8025 (Thayer)  
(732) 938-2620 (fax)

3. On January 19, 2009, NJNG filed a petition with the Board in Docket Nos. EO09010056 and GR09010057 seeking approval to develop and implement a number of economic stimulus programs that were to be made available to NJNG customers over the next twelve to sixteen months to promote energy efficiency and conservation while stimulating the state's economy ("EE filing"). At the same time, the Company sought Board approval for an associated cost recovery rider mechanism. The programs proposed were designed to complement and supplement then-existing aspects of New Jersey's Clean Energy Program ("NJCEP") in an attempt to encourage higher levels of customer participation in NJNG's service territory. The NJNG proposals did not duplicate or eliminate any of the NJCEP programs, intended instead to increase customer awareness, enhance participation in and support utilization of NJCEP efforts throughout the State, while promoting a "Whole Building" approach to energy-efficiency measures. It was intended that this approach would avoid duplicative administrative structures and spur additional economic activity within the State while contributing to the reduction of energy consumption in New Jersey.

4. In an Order dated July 17, 2009 (the "July 2009 Order"), the Board approved the EE programs for NJNG and the recovery of costs incurred by adopting the terms of the Stipulation entered into among NJNG, BPU Staff and the New Jersey Division of Rate Counsel

(“Rate Counsel”)<sup>1</sup>. Accordingly, NJNG was authorized to establish a rate through which it can recover or return to customers all deferred EE Program costs, including rebate costs, customer incentive payments, customer financing costs and associated reasonable and prudent incremental operation and maintenance (“O&M”) expenses (“Program Costs”) that differ from the amount generated by the EE rate noted above. It was agreed that such Program Costs are subject to recovery pursuant to the terms of NJNG’s Tariff Sheet Rider F (“Rider F”). Pursuant to the July Order, the initial after-tax Energy Efficiency rate (“EE”) in Rider F was established as \$0.0127 (\$0.0119 pre-tax).

5. As part of the authorized cost recovery mechanism, the Company is authorized to amortize for recovery its EE investments in customer rebates, incentive payments and customer financing over a four (4) year period on a straight line basis, with the return on the unamortized investments based upon the Company’s adjusted overall weighted average cost of capital (“WACC”), inclusive of income taxes as authorized by the BPU in NJNG’s most recent base rate case, BPU Docket No. GR07110889 (11.40<sup>2</sup> percent pre-tax and 7.76 percent after-tax). NJNG computes the return component of its costs, in addition to the amortization of its investments, by deducting the applicable deferred income taxes related to the amortization of rebates, incentives and financing costs over a four-year period for book purposes and over a one year period for tax purposes.

6. As noted above, the EE Programs were proposed to provide short-term, large-scale investments by NJNG to improve energy efficiency while also stimulating workforce development in light of the existing economic conditions. NJNG implemented three energy-efficiency programs that were offered to customers through The SAVEGREEN™ Project: 1)

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<sup>1</sup> Rate Counsel was formerly designated as New Jersey Department of the Public Advocate, Division of Rate Counsel.

<sup>2</sup> The previously Board-approved return of 11.44 percent was adjusted to 11.40 percent to account for a reduction in state income taxes.

Home Performance with Energy Star (“HPES”) enhancements; 2) enhanced WARMAdvantage rebates; and 3) Commercial Customer Direct Install Program.

7. Prior to the conclusion of the initially approved term of the EE Programs, NJNG submitted a filing to the Board, seeking approval of a number of energy-efficiency programs, including those encompassed within SAVEGREEN, and a renewable energy program, pursuant to N.J.S.A. 26:2C-45 and N.J.S.A. 48:3-98.1 (the “Filing”). The Board issued an Order dated September 24, 2010 (“September 2010 Order”) in that case adopting the terms of a Stipulation entered into by NJNG, BPU Staff and Rate Counsel (the “Parties”) in which NJNG agreed to continue the SAVEGREEN programs with minor modifications and implement two of the newly proposed programs. The Parties also agreed that NJNG could reserve several other proposals for consideration should the Company decide to seek Board approval for those programs in the future.<sup>3</sup> The two intervenors, Jersey Central Power & Light Company and Atlantic Electric Company, submitted letters to the Board of Public utilities stating no objection to the stipulation. In the September 2010 Order, the Board approved the deferral and recovery of all program costs. The Board also approved the Company’s request to maintain the current after-tax EE rate in Rider F of \$0.0127 per therm, to then be designated as the EERE rate, pending the next annual rate filing to establish future EERE rates. Finally, the Board authorized NJNG to make annual filings for the recovery of the program costs, June 2011 and June 2012.

8. The Company is authorized to defer and amortize for recovery its investments in customer rebates, incentive payments and customer financing over the appropriate amortization period on a straight line basis, with the return on the unamortized investments based upon the Company’s adjusted overall weighted average cost of capital (“WACC”), inclusive of income

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<sup>3</sup> On January 7, 2011, NJNG submitted a letter officially withdrawing the Solar Energy Program from being considered in the future.

taxes as authorized by the BPU in NJNG's most recent base rate case, BPU Docket No. GR07110889 (11.40 percent pre-tax and 7.76 percent after-tax)<sup>4</sup>. NJNG computes the return component of its costs, in addition to its investments, by deducting the applicable deferred income taxes related to the amortization of rebates, incentives and financing costs over the appropriate amortization period for book purposes and over a one year period for tax purposes.

9. In both the July 2009 Order and the September 2010 Order, the Board ordered that the Company is to submit an annual EE and Preliminary RGGI Program cost recovery filing by June 1 to establish future Rider F rates ("Annual EE Filing"), targeting an effective date of the immediately following October 1. That filing is to be made coincident with but separate from NJNG's annual Basic Gas Supply Service filings and is to include updates to the investment levels, operating costs, and reconciled rate recoveries to actual cost results. This Amended Annual EE Filing is being made in compliance with those Orders.

10. On June 1, 2011, NJNG submitted its annual filing to establish Rider F rates. At that time, the Company proposed to reduce the rate from \$0.0127 per therm after-tax to \$0.0052. Subsequently, NJNG prepared and filed a petition for BPU approval to continue, with modifications, the SAVEGREEN programs through December 31, 2012. To avoid a rate increase associated with the continuation of these programs, NJNG is amending the June 1, 2011 filing, seeking BPU approval to maintain the currently approved after-tax rate of \$0.0127 per therm.

11. For clarity purposes, NJNG is also proposing to designate the charge included in Rider F as the Energy Efficiency Rate ("EE") as previously used.<sup>5</sup>

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<sup>4</sup> Pursuant to the September 2010 Order, the costs associated with the Combined Heat and Power program are amortized over five years but NJNG does not earn a return on those investments.

<sup>5</sup> In the September 2010 Order, the Board approved the designation EERE for Rider F in light of the potential for NJNG to offer renewable energy ("RE") programs. Since the Company withdrew its request for an RE program, that designation is no longer appropriate.



12. Attached hereto and made a part of this Amended Petition are the following Schedules providing the information listed in the Minimum Filing Requirements approved in the July 2009 Order with information provided for the programs approved in the July 2009 and September 2010 Orders, as well as the proposed Amended NJNG Tariff sheets.<sup>6</sup>

Amended Schedule NJNG-1	Information on NJNG's direct FTE employment impacts.
Amended Schedule NJNG-2	Rate Change and Monthly revenue requirement calculation.
Amended Schedule NJNG-3	Actual clause revenues, by month and by rate class.
Amended Schedule NJNG-4	Monthly beginning and ending clause deferred balances and the average deferred balance, net of tax, for the reconciliation period.
Amended Schedule NJNG-5	Interest rate used for over/under deferred balance recoveries.
Amended Schedule NJNG-6	Interest expense to be charged or credited each month.
Schedule NJNG-7	Budgeted versus actual program costs.
Schedule NJNG-8	Monthly journal entries for regulatory asset and deferred O&M expenses for the programs for the reconciliation period.
Schedule NJNG-9	Supporting details for all administrative costs related to the programs included in the revenue requirement.
Amended Schedule NJNG-10	Carrying cost used for the unamortized costs of the programs.
Schedule NJNG-11	Number of participants in each program.
Schedule NJNG-12	Estimated demand and energy savings for each program.
Schedule NJNG-13	Estimated emissions reductions for each program.
Amended Schedule NJNG-14	Proposed Tariff Sheets.
Amended Schedule NJNG-15	Proposed Notice for Public Hearings.
Amended Schedule NJNG-16	Impact on Customers of Proposed Rate Decrease

13. Based on the foregoing and the information provided in the attached Amended Schedules, NJNG proposes to maintain the current after-tax EE rate of \$0.0127, for recovery of program costs. This rate represents no change from the current

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<sup>6</sup> For simplicity, NJNG is providing with this Amended Petition, all schedules originally filed with the necessary changes to those noted as "Amended".

rate. As such, there will be no change to the overall bill of the average residential heating customer using 1000 therms annually, as shown on Amended Schedule NJNG-16. Proposed Tariff Sheet 173 showing the unchanged rate is attached as part of Schedule NJNG-14.

12. NJNG has served notice and a copy of this Amended Filing, together with a copy of the annexed exhibits being filed herewith, upon the New Jersey Division of Rate Counsel and upon the Division of Law. NJNG will schedule public hearings related to this filing and publish a notice about those hearings in newspapers of general circulation in the Company's service territory. A copy of that noticed is attached hereto as Schedule NJNG-15.

**WHEREFORE, NJNG** requests that the Board issue an Order:

1. Approving NJNG's Tariff Pages 172-173 herein with the EE rate for Rider F maintained at \$0.0127 after-tax; and
2. Granting such other relief as the Board deems just, reasonable and necessary.

Respectfully submitted,

**NEW JERSEY NATURAL GAS COMPANY**

By:



Tracey Thayer, Esq.

Attorney for New Jersey Natural Gas Company

STATE OF NEW JERSEY )  
:  
COUNTY OF MONMOUTH)

### VERIFICATION

MARK R. SPERDUTO of full age, being duly sworn according to law, on his oath  
deposes and says:

1. I am Vice President, Regulatory and External Affairs for New Jersey Natural Gas  
Company, the Petitioner in the foregoing Petition.

2. I have read the annexed Amended Petition, along with the Exhibits attached thereto,  
and the matters and things contained therein are true to the best of my knowledge, information and  
belief.



Mark R. Spurduto  
Vice-President, Regulatory and External Affairs

Sworn and subscribed to  
before me this 14 day  
of July, 2011



LISA HAMILTON  
NOTARY PUBLIC FOR NEW JERSEY  
Commission Expires January 4, 2015



NEW JERSEY NATURAL GAS COMPANY

The direct full time employee equivalent (FTE) impact for the Energy Efficiency Programs is detailed in the attached spreadsheet. Each spreadsheet includes the impact of 27 full time employees.

**NEW JERSEY NATURAL GAS COMPANY**  
**Energy Efficiency Program Budget**  
**Total Investment, Rebates and O&M Expenses**

Energy Efficiency Programs	Proposed 2009 Budget	Administration, IT and Program Development	Sales and Marketing	Training	Rebates, Grants, and Other Direct Incentives	Rebate Processing, Inspections and Other Quality Control	Performance Incentives	Evaluation and Related Research
<b>Residential Programs</b>								
Enhanced WARMAdvantage (NJNG)	\$8,566,501.00	\$191,680.00	\$940,427.00	\$28,275.00	\$5,985,000.00	\$1,421,119.00	\$0.00	\$0.00
HPwES Enhancements (NJNG)	\$9,289,026.00	\$41,569.00	\$251,370.00	\$2,700.00	\$8,910,000.00	\$83,387.00	\$0.00	\$0.00
<b>Sub-Total: Residential EE Programs</b>	<b>\$17,855,527.00</b>	<b>\$233,249.00</b>	<b>\$1,191,797.00</b>	<b>\$30,975.00</b>	<b>\$14,895,000.00</b>	<b>\$1,504,506.00</b>	<b>\$0.00</b>	<b>\$0.00</b>
<b>COMMERCIAL &amp; INDUSTRIAL PROGRAMS</b>								
Commercial Direct Install (NJNG)	\$665,108.00	\$34,565.00	\$214,279.00	\$2,025.00	\$400,000.00	\$14,239.00	\$0.00	\$0.00
<b>Sub-Total: C&amp;I Programs</b>	<b>\$665,108.00</b>	<b>\$34,565.00</b>	<b>\$214,279.00</b>	<b>\$2,025.00</b>	<b>\$400,000.00</b>	<b>\$14,239.00</b>	<b>\$0.00</b>	<b>\$0.00</b>
<b>TOTAL Energy Efficiency Programs</b>	<b>\$18,520,635.00</b>	<b>\$267,814.00</b>	<b>\$1,406,076.00</b>	<b>\$33,000.00</b>	<b>\$15,295,000.00</b>	<b>\$1,518,745.00</b>	<b>\$0.00</b>	<b>\$0.00</b>

Full Time Employees 27

NEW JERSEY NATURAL GAS COMPANY

Investment, Rebates and O&M Expense  
Actual through April 30, 2011

Program	Total Actual Expenditures	Administration & Program Development	Sales and Marketing	Training	Rebates, Grants, and Other Direct Incentives	Rebate Processing, Inspections, and Other Quality Control	Performance Incentives	Evaluation and Related Research
<b>RESIDENTIAL PROGRAMS</b>								
Enhanced WARMAdvantage (NJNG)	\$0.00	\$0.00	\$0.00	\$0.00	\$1,368,000.00	\$492,413.00	\$0.00	\$0.00
HPwES Enhancements (NJNG)	\$0.00	\$0.00	\$0.00	\$0.00	\$144,908.00	\$0.00	\$0.00	\$0.00
<b>Sub-Total: Residential EE Programs</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$1,512,908.00</b>	<b>\$492,413.00</b>	<b>\$0.00</b>	<b>\$0.00</b>
<b>COMMERCIAL &amp; INDUSTRIAL PROGRAMS</b>								
Commercial Direct Install (NJNG)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
<b>Sub-Total: C&amp;I Programs</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>
<b>TOTAL Energy Efficiency Programs</b>	<b>\$2,005,321.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$1,512,908.00</b>	<b>\$492,413.00</b>	<b>\$0.00</b>	<b>\$0.00</b>

Full Time Employees

NEW JERSEY NATURAL GAS COMPANY

Investment, Rebates and O&M Expense  
Estimated through September 30, 2011

Program	Total Actual Expenditures	Administration & Program Development	Sales and Marketing	Training	Rebates, Grants, and Other Direct Incentives	Rebate Processing, Inspections, and Other Quality Control	Performance Incentives	Evaluation and Related Research
<b>RESIDENTIAL PROGRAMS</b>								
Enhanced WARMAdvantage (NJNG)	\$5,976,721.00	\$191,680.00	\$940,427.00	\$28,275.00	\$3,600,425.00	\$1,215,914.00	\$0.00	\$0.00
HPwES Enhancements (NJNG)	\$8,579,026.00	\$41,569.00	\$251,370.00	\$2,700.00	\$8,200,000.00	\$83,387.00	\$0.00	\$0.00
<b>Sub-Total: Residential EE Programs</b>	<b>\$14,555,747.00</b>	<b>\$233,249.00</b>	<b>\$1,191,797.00</b>	<b>\$30,975.00</b>	<b>\$11,800,425.00</b>	<b>\$1,299,301.00</b>	<b>\$0.00</b>	<b>\$0.00</b>
<b>COMMERCIAL &amp; INDUSTRIAL PROGRAMS</b>								
Commercial Direct Install (NJNG)	\$685,108.00	\$34,565.00	\$214,279.00	\$2,025.00	\$420,000.00	\$14,239.00	\$0.00	\$0.00
<b>Sub-Total: C&amp;I Programs</b>	<b>\$685,108.00</b>	<b>\$34,565.00</b>	<b>\$214,279.00</b>	<b>\$2,025.00</b>	<b>\$420,000.00</b>	<b>\$14,239.00</b>	<b>\$0.00</b>	<b>\$0.00</b>
<b>TOTAL Energy Efficiency Programs</b>	<b>\$15,240,855.00</b>	<b>\$267,814.00</b>	<b>\$1,406,076.00</b>	<b>\$33,000.00</b>	<b>\$12,220,425.00</b>	<b>\$1,313,540.00</b>	<b>\$0.00</b>	<b>\$0.00</b>

Full Time Employees



**NEW JERSEY NATURAL GAS COMPANY**  
**Sep-2011**  
**RGGI Investment, Rebates and O&M Expense(Estimate)**

New Jersey Natural Gas Co.  
Reporting Period: April 2011 - September 2011 Estimate

Program	Total Actual Expenditures	Administration & Program Development	Sales and Marketing	Training	Rebates, Grants, and Other Direct Incentives	Rebate Processing, Inspections, and Other Quality Control	Performance Incentives	Evaluation and Related Research
<b>RESIDENTIAL PROGRAMS</b>								
<i>IMS program 108/109 Enhanced Residential Rebate Programs</i>								
Enhanced WARM Advantage (NJNG) RGGI	\$1,874,504.00	\$426,504.25	\$1,069,779.00			\$378,220.75		
	\$4,001,400.00				\$4,001,400.00			
RGGI Seal UP	\$1,406,000.00				\$1,406,000.00			
RGGI On Bill Repayment Program	\$2,726,700.00				\$2,726,700.00			
RGGI Tier III Rebate	\$1,162,200.00				\$1,162,200.00			
<b>TOTAL Energy Efficiency Programs</b>	<b>\$11,170,804.00</b>	<b>\$426,504.25</b>	<b>\$1,069,779.00</b>	<b>\$0.00</b>	<b>\$9,296,300.00</b>	<b>\$378,220.75</b>	<b>\$0.00</b>	<b>\$0.00</b>

Total Labor \$804,725.00  
Total Expenses \$1,069,779.00  
Total Rebates \$9,296,300.00  
  
TOTAL \$11,170,804.00

NEW JERSEY NATURAL GAS COMPANY

A summary of the revenue requirement for the period through September 2012 and the rate calculation for the period October 2011 through September 2012 is attached.

The monthly revenue requirement calculation for the period August 2009 through September 2012 is detailed in the attached spreadsheet. The information includes actual financial information through April 2011 and estimated data for the period May 2011 through September 2012.

**New Jersey Natural Gas  
E3 And RGGI Recovery Rates  
Through September 2012  
(\$000)**

	<b>June 1, 2011 Rate Filing</b>	<b>July 15, 2011 Amended Rate Filing</b>
Actual Under/(Over) recovery at 4/30/11	\$ (7,304)	\$ (7,304)
Estimated E3 Revenue Requirements (May 2011 through Sep 2011)	1,794	1,794
Estimated RGGI Revenue Requirements (May 2011 through Sep 2011)	1,920	1,920
Estimated Recovery May 2011 through Sep 2011	(1,226)	(1,226)
Estimated Interest May 2011 through Sep 2011	(7)	(7)
Estimated Under/(Over) recovery at 9/30/11	(4,823)	(4,823)
Estimated E3 Revenue Requirements (Oct 2011 through Sep 2012)	3,999	3,999
Estimated Revenue Requirements Docket No. GO10030225 (Oct 2011 through Sep 2012)	4,122	4,122
Estimated Revenue Requirements July 15, 2011 Filing (Jan 2012 through Sep 2012) <sup>1</sup>	-	4,105
Total Amount to be Recovered	<b>\$ 3,299</b>	<b>\$ 7,403</b>
<b><u>Per Therm Recovery</u></b>		
Firm Throughput (000 therms)	666,760	666,760
Proposed Pre-tax EE Recovery Rate \$ per Therm	\$ 0.0049	\$ 0.0111
<b>Proposed After-tax EE Recovery Rate \$ per Therm</b>	<b>\$ 0.0052</b>	<b>\$ 0.0119</b>
Current Pre-tax EE Recovery Rate \$ per Therm	\$ 0.0119	\$ 0.0119
Current After-tax EE Recovery Rate \$ per Therm	\$ 0.0127	\$ 0.0127
Pre-tax EE Recovery Rate \$ per Therm Increase/ (Decrease)	\$ (0.0070)	\$ (0.0008)
After-tax EE Recovery Rate \$ per Therm Increase/ (Decrease)	\$ (0.0075)	\$ (0.0008)

<sup>1</sup> Estimate of Revenue Requirements from Company's recent filing to extend programs through December 31, 2012 with modifications.

Period	Actual/ Estimate	Net Investment to determine Debt, Equity and Taxes		E3		Net Investment to determine Debt, Equity and Taxes		Preliminary RGCI		Net Investment to determine Debt, Equity and Taxes		SaveGreen		
		Actual/ Estimate		E3		Net Investment to determine Debt, Equity and Taxes		Preliminary RGCI		Net Investment to determine Debt, Equity and Taxes		SaveGreen		
		Unamort Reg Asset	Accumulated Deferred FIT	Unamort Reg Asset	Accumulated Deferred FIT	Unamort Reg Asset	Accumulated Deferred FIT	Unamort Reg Asset	Accumulated Deferred FIT	Unamort Reg Asset	Accumulated Deferred FIT	Volumes	Rider Rate	Revenue
Aug 2009	A	-	-	-	-	-	-	-	-	-	-	20,387,400	\$ 0.0119	\$ 242,610
Sep 2009	A	1,200,000	-	-	-	-	-	-	-	-	-	18,989,126	\$ 0.0119	\$ 225,971
												39,376,526		\$ 468,581
Oct 2009	A	1,259,400	58,163	(1,517)	(1,517)	-	-	-	-	-	-	36,248,401	\$ 0.0119	\$ 431,356
Nov 2009	A	1,434,563	229,650	(7,537)	(7,537)	-	-	-	-	-	-	50,916,538	\$ 0.0119	\$ 605,907
Dec 2009	A	1,655,550	451,085	(19,459)	(19,459)	-	-	-	-	-	-	104,193,903	\$ 0.0119	\$ 1,239,903
Jan 2010	A	1,908,622	707,148	(38,312)	(38,312)	-	-	-	-	-	-	122,450,841	\$ 0.0119	\$ 1,457,165
Feb 2010	A	2,157,838	1,008,923	(65,434)	(65,434)	-	-	-	-	-	-	106,772,436	\$ 0.0119	\$ 1,270,592
Mar 2010	A	2,514,606	1,427,996	(104,060)	(104,060)	-	-	-	-	-	-	68,495,594	\$ 0.0119	\$ 815,098
Apr 2010	A	2,793,688	1,786,342	(152,852)	(152,852)	-	-	-	-	-	-	35,048,338	\$ 0.0119	\$ 417,075
May 2010	A	3,032,774	2,104,811	(210,986)	(210,986)	-	-	-	-	-	-	27,031,188	\$ 0.0119	\$ 321,671
Jun 2010	A	5,356,137	2,489,874	(280,397)	(280,397)	-	-	-	-	-	-	20,769,426	\$ 0.0119	\$ 247,156
Jul 2010	A	6,150,298	2,893,426	(361,808)	(361,808)	-	-	-	-	-	-	24,755,280	\$ 0.0119	\$ 294,588
Aug 2010	A	8,571,667	3,912,612	(471,525)	(471,525)	-	-	-	-	-	-	22,331,970	\$ 0.0119	\$ 265,750
Sep 2010	A	8,972,639	5,536,176	(625,910)	(625,910)	-	-	-	-	-	-	18,436,168	\$ 0.0119	\$ 219,390
												637,449,749		\$ 7,585,652
Oct 2010	A	9,222,861	5,945,854	(792,241)	(792,241)	-	-	-	-	-	-	30,935,673	\$ 0.0119	\$ 368,135
Nov 2010	A	11,003,987	7,498,534	(996,633)	(996,633)	-	-	-	-	-	-	61,308,345	\$ 0.0119	\$ 729,569
Dec 2010	A	12,212,254	8,957,470	(1,235,717)	(1,235,717)	-	-	-	-	-	-	121,711,080	\$ 0.0119	\$ 1,448,362
Jan 2011	A	12,667,492	10,162,012	(1,502,393)	(1,502,393)	-	-	-	-	-	-	130,359,913	\$ 0.0119	\$ 1,551,283
Feb 2011	A	13,041,374	10,958,414	(1,785,018)	(1,785,018)	-	-	-	-	-	-	97,814,746	\$ 0.0119	\$ 1,163,995
Mar 2011	A	12,998,146	11,366,004	(2,069,714)	(2,069,714)	-	-	-	-	-	-	82,011,051	\$ 0.0119	\$ 975,932
Apr 2011	A	12,723,811	11,386,070	(2,348,532)	(2,348,532)	-	-	-	-	-	-	44,805,756	\$ 0.0119	\$ 533,188
May 2011	e	12,240,011	11,474,995	(2,614,894)	(2,614,894)	-	-	-	-	-	-	26,272,722	\$ 0.0119	\$ 312,645
Jun 2011	e	11,474,995	11,194,396	(2,866,220)	(2,866,220)	-	-	-	-	-	-	19,289,483	\$ 0.0119	\$ 229,664
Jul 2011	e	11,194,396	10,913,797	(3,101,547)	(3,101,547)	-	-	-	-	-	-	19,484,774	\$ 0.0119	\$ 231,869
Aug 2011	e	10,913,797	10,633,198	(3,299,132)	(3,299,132)	-	-	-	-	-	-	19,095,526	\$ 0.0119	\$ 227,237
Sep 2011	e	10,633,198	10,352,599	(3,437,159)	(3,437,159)	-	-	-	-	-	-	18,837,104	\$ 0.0119	\$ 224,162
				(26,049,198)	(26,049,198)	-	-	-	-	-	-	671,936,173		\$ 7,996,040
Oct 2011	e	10,352,599	10,072,000	(3,556,563)	(3,556,563)	-	-	-	-	-	-	33,232,977	\$ 0.0119	\$ 395,472
Nov 2011	e	10,072,000	9,791,400	(3,617,212)	(3,617,212)	-	-	-	-	-	-	61,472,939	\$ 0.0119	\$ 731,528
Dec 2011	e	9,791,400	9,510,801	(3,621,112)	(3,621,112)	-	-	-	-	-	-	103,452,427	\$ 0.0119	\$ 1,231,084
Jan 2012	e	9,510,801	9,230,202	(3,575,903)	(3,575,903)	-	-	-	-	-	-	123,812,179	\$ 0.0119	\$ 1,473,365
Feb 2012	e	9,230,202	8,949,603	(3,494,727)	(3,494,727)	-	-	-	-	-	-	107,315,534	\$ 0.0119	\$ 1,277,055
Mar 2012	e	8,949,603	8,669,004	(3,390,337)	(3,390,337)	-	-	-	-	-	-	85,852,874	\$ 0.0119	\$ 1,021,649
Apr 2012	e	8,669,004	8,388,405	(3,275,713)	(3,275,713)	-	-	-	-	-	-	47,603,072	\$ 0.0119	\$ 566,477
May 2012	e	8,388,405	8,107,806	(3,161,088)	(3,161,088)	-	-	-	-	-	-	26,547,337	\$ 0.0119	\$ 315,913
Jun 2012	e	8,107,806	7,827,206	(3,046,463)	(3,046,463)	-	-	-	-	-	-	19,495,733	\$ 0.0119	\$ 231,999
Jul 2012	e	7,827,206	7,546,607	(2,931,838)	(2,931,838)	-	-	-	-	-	-	19,673,331	\$ 0.0119	\$ 234,113
Aug 2012	e	7,546,607	7,266,008	(2,817,214)	(2,817,214)	-	-	-	-	-	-	19,281,588	\$ 0.0119	\$ 229,451
Sep 2012	e	7,266,008	6,985,409	(2,702,589)	(2,702,589)	-	-	-	-	-	-	19,020,154	\$ 0.0119	\$ 226,340
				(39,190,759)	(39,190,759)	-	-	-	-	-	-	666,760,146		\$ 7,934,446

Period	Actual/ Estimate	E3 Costs										Total Costs
		Amortization	Debt	Taxes	Equity	Total Margin	HPES				O&M	
							Audit Expenses					
Aug 2009	A	\$ -	-	-	-	\$ -	\$ 14,719	\$ -	\$ 290,358	\$ 305,077		
Sep 2009	A	\$ -	-	3,680	5,278	\$ 11,438.22	\$ 29,267.31	\$ -	\$ 96,999.21	\$ 137,705		
				3,680	5,278	\$ 11,438	\$ 43,986	\$ -	\$ 387,357	\$ 442,782		
Oct 2009	A	\$ 1,238	2,599	3,821	5,532	\$ 11,953	\$ 35,676.90	\$ -	\$ 116,860.71	\$ 165,728		
Nov 2009	A	\$ 4,913	2,949	4,335	6,276	\$ 13,560	\$ 37,115.44	\$ -	\$ 171,050	\$ 226,638		
Dec 2009	A	\$ 9,728	3,381	4,970	7,196	\$ 15,547	\$ 32,521.03	\$ -	\$ 78,273	\$ 136,089		
Jan 2010	A	\$ 15,384	3,865	5,681	8,226	\$ 17,772	\$ 53,423.16	\$ -	\$ 120,976	\$ 207,555		
Feb 2010	A	\$ 22,132	4,324	6,356	9,203	\$ 19,883	\$ 35,615.44	\$ -	\$ 134,334	\$ 211,963		
Mar 2010	A	\$ 31,519	4,982	7,322	10,602	\$ 22,906	\$ 36,703.08	\$ -	\$ 91,087	\$ 182,215		
Apr 2010	A	\$ 39,814	5,437	7,991	11,571	\$ 24,989	\$ 36,097.45	\$ -	\$ 115,384	\$ 216,294		
May 2010	A	\$ 47,437	5,831	8,571	12,411	\$ 26,814	\$ 39,461.60	\$ -	\$ 106,576	\$ 220,288		
Jun 2010	A	\$ 56,639	10,489	15,418	22,324	\$ 48,231	\$ 31,544.15	\$ -	\$ 116,569	\$ 252,983		
Jul 2010	A	\$ 66,430	11,962	17,583	25,459	\$ 55,004	\$ 39,461.60	\$ -	\$ 92,509	\$ 253,405		
Aug 2010	A	\$ 89,529	16,739	24,604	35,626	\$ 76,970	\$ 59,192.40	\$ -	\$ 106,503	\$ 332,194		
Sep 2010	A	\$ 125,977	17,249	25,353	36,711	\$ 79,313	\$ 35,616.82	\$ -	\$ 81,757.55	\$ 322,665		
		\$ 510,739	89,808	132,004	191,139	\$ 412,951.61	\$ 472,429	\$ -	\$ 1,331,878	\$ 2,727,998		
Oct 2010	A	\$ 137,374	17,422	25,608	37,080	\$ 80,110	\$ 34,175	\$ -	\$ 160,006	\$ 411,686		
Nov 2010	A	\$ 173,333	20,681	30,397	44,015	\$ 95,093	\$ 41,341	\$ -	\$ 424,199	\$ 733,966		
Dec 2010	A	\$ 208,062	22,684	33,341	48,278	\$ 104,303	\$ 42,962	\$ -	\$ 215,395	\$ 570,721		
Jan 2011	A	\$ 238,117	23,073	33,914	49,107	\$ 106,094	\$ 70,433	\$ -	\$ 228,066	\$ 642,710		
Feb 2011	A	\$ 260,128	23,262	34,191	49,508	\$ 106,961	\$ 44,270	\$ -	\$ 159,271	\$ 569,631		
Mar 2011	A	\$ 274,335	22,584	33,195	48,066	\$ 103,845	\$ 43,308	\$ -	\$ 71,914	\$ 493,402		
Apr 2011	A	\$ 280,599	21,441	31,515	45,633	\$ 98,589.21	\$ -	\$ -	\$ -	\$ 379,188		
May 2011	e	\$ 280,599	19,891	29,236	42,334	\$ 91,461	\$ -	\$ -	\$ -	\$ 372,060		
Jun 2011	e	\$ 280,599	17,791	26,149	37,864	\$ 81,803	\$ -	\$ -	\$ -	\$ 362,402		
Jul 2011	e	\$ 280,599	16,724	24,582	35,594	\$ 76,901	\$ -	\$ -	\$ -	\$ 357,500		
Aug 2011	e	\$ 280,599	15,736	23,130	33,491	\$ 72,357	\$ -	\$ -	\$ -	\$ 352,956		
Sep 2011	e	\$ 280,599	14,871	21,858	31,650	\$ 68,379	\$ -	\$ -	\$ -	\$ 346,976		
		\$ 2,974,945	236,160	347,118	502,620	\$ 1,085,898	\$ 276,488	\$ -	\$ 1,257,850	\$ 5,595,181		
Oct 2011	e	\$ 280,599	14,044	20,643	29,891	\$ 64,578	\$ -	\$ -	\$ -	\$ 345,177		
Nov 2011	e	\$ 280,599	13,339	19,606	28,390	\$ 61,335	\$ -	\$ -	\$ -	\$ 341,935		
Dec 2011	e	\$ 280,599	12,751	18,742	27,138	\$ 58,632	\$ -	\$ -	\$ -	\$ 339,231		
Jan 2012	e	\$ 280,599	12,265	18,027	26,103	\$ 56,395	\$ -	\$ -	\$ -	\$ 336,994		
Feb 2012	e	\$ 280,599	11,853	17,422	25,226	\$ 54,500	\$ -	\$ -	\$ -	\$ 335,099		
Mar 2012	e	\$ 280,599	11,489	16,886	24,451	\$ 52,826	\$ -	\$ -	\$ -	\$ 333,425		
Apr 2012	e	\$ 280,599	11,146	16,382	23,721	\$ 51,249	\$ -	\$ -	\$ -	\$ 331,848		
May 2012	e	\$ 280,599	10,803	15,878	22,991	\$ 49,672	\$ -	\$ -	\$ -	\$ 330,271		
Jun 2012	e	\$ 280,599	10,460	15,374	22,261	\$ 48,094	\$ -	\$ -	\$ -	\$ 328,694		
Jul 2012	e	\$ 280,599	10,117	14,870	21,531	\$ 46,517	\$ -	\$ -	\$ -	\$ 327,116		
Aug 2012	e	\$ 280,599	9,774	14,366	20,801	\$ 44,940	\$ -	\$ -	\$ -	\$ 325,539		
Sep 2012	e	\$ 280,599	9,431	13,861	20,071	\$ 43,363	\$ -	\$ -	\$ -	\$ 323,962		
		\$ 3,367,190	137,469	202,058	292,576	\$ 632,103	\$ -	\$ -	\$ -	\$ 3,999,292		



Period	Actual/ Estimate	Amortization	Debt	Taxes	Equity	SaveGreen Costs			HPES Audit Expenses	O&M	Total Costs
						0% Repayment Plan	Return	Total Margin			
Aug 2009	A					Taxes					
Sep 2009	A										
Oct 2009	A										
Nov 2009	A										
Dec 2009	A										
Jan 2010	A										
Feb 2010	A										
Mar 2010	A										
Apr 2010	A										
May 2010	A										
Jun 2010	A										
Jul 2010	A										
Aug 2010	A										
Sep 2010	A										
Oct 2010	A										
Nov 2010	A										
Dec 2010	A										
Jan 2011	A										
Feb 2011	A										
Mar 2011	A										
Apr 2011	A										
May 2011	e										
Jun 2011	e										
Jul 2011	e										
Aug 2011	e										
Sep 2011	e										
Oct 2011	e										
Nov 2011	e										
Dec 2011	e										
Jan 2012	e	7,450	899	1,321	1,912	2,584	5,501	\$ 12,217		330,580	350,247
Feb 2012	e	16,842	1,991	2,926	4,237	5,820	12,388	\$ 27,362		330,580	374,784
Mar 2012	e	29,040	3,370	4,954	7,173	9,993	21,268	\$ 46,758		330,580	406,378
Apr 2012	e	41,238	4,684	6,884	9,968	14,129	30,072	\$ 65,738		330,580	437,556
May 2012	e	51,172	5,657	8,315	12,041	17,455	37,151	\$ 80,619		330,580	462,371
Jun 2012	e	59,863	6,427	9,447	13,679	20,321	43,251	\$ 93,125		330,580	483,569
Jul 2012	e	68,495	7,142	10,498	15,201	23,146	49,263	\$ 105,252		330,580	504,327
Aug 2012	e	78,970	8,033	11,807	17,097	26,581	56,573	\$ 120,092		330,580	529,642
Sep 2012	e	89,882	8,919	13,110	18,983	30,142	64,151	\$ 135,305		330,580	555,767
		442,952	47,123	69,263	100,292	150,173	319,616	686,468		2,975,220	4,104,639





NEW JERSEY NATURAL GAS COMPANY

The clause revenue for the period August 2009 through September 2012 is detailed in the attached spreadsheet. The information includes actual financial information through April 2011 and estimated data for the period May 2011 through September 2012.

Period	Actual/ Estimate	Net Investment to determine Debt, Equity and Taxes				Preliminary RGdI				SaveGreen				
		Net Investment to determine Debt, Equity and Taxes				Net Investment to determine Debt, Equity and Taxes				Net Investment to determine Debt, Equity and Taxes				
		Unamort Reg Asset	Accumulated Deferred FIT	Unamort Reg Asset	Accumulated Deferred FIT	Unamort Reg Asset	Accumulated Deferred FIT	Unamort Reg Asset	Accumulated Deferred FIT	Volumes	Rider Rate	Revenue		
Aug 2009	A	-	-	-	-	-	-	-	-	20,387,400	\$	0.0119	\$	242,610
Sep 2009	A	1,200,000	-	-	-	-	-	-	-	18,989,126	\$	0.0119	\$	225,971
										39,376,526	\$		\$	468,581
Oct 2009	A	1,259,400	58,163	(1,517)						36,248,401	\$	0.0119	\$	431,356
Nov 2009	A	1,434,563	229,650	(7,537)						50,916,538	\$	0.0119	\$	605,907
Dec 2009	A	1,655,550	451,085	(19,459)						104,193,568	\$	0.0119	\$	1,239,903
Jan 2010	A	1,908,622	707,148	(38,312)						122,450,841	\$	0.0119	\$	1,457,165
Feb 2010	A	2,157,838	1,008,923	(65,434)						106,772,436	\$	0.0119	\$	1,270,592
Mar 2010	A	2,514,606	1,427,986	(104,060)						68,495,594	\$	0.0119	\$	815,098
Apr 2010	A	2,783,688	1,786,342	(152,852)						35,048,338	\$	0.0119	\$	417,075
May 2010	A	3,032,774	2,104,811	(210,986)						27,031,188	\$	0.0119	\$	321,671
Jun 2010	A	5,356,137	2,489,874	(280,397)						20,769,426	\$	0.0119	\$	247,156
Jul 2010	A	6,150,298	2,893,426	(361,808)						24,755,280	\$	0.0119	\$	294,588
Aug 2010	A	8,571,667	3,912,612	(471,525)						22,331,970	\$	0.0119	\$	265,750
Sep 2010	A	8,972,639	5,536,176	(625,910)						18,436,168	\$	0.0119	\$	219,390
										637,449,749	\$		\$	7,585,652
Oct 2010	A	9,222,861	5,945,854	(792,241)						30,935,673	\$	0.0119	\$	368,135
Nov 2010	A	11,003,987	7,498,534	(996,633)						61,308,345	\$	0.0119	\$	729,569
Dec 2010	A	12,212,254	8,957,470	(1,235,717)						121,711,080	\$	0.0119	\$	1,448,362
Jan 2011	A	12,667,492	10,162,012	(1,502,393)		-				130,359,913	\$	0.0119	\$	1,551,283
Feb 2011	A	13,041,374	10,958,414	(1,785,018)		123,367				97,814,746	\$	0.0119	\$	1,163,995
Mar 2011	A	12,988,146	11,366,004	(2,069,714)		664,371				82,011,051	\$	0.0119	\$	975,932
Apr 2011	A	12,723,811	11,386,070	(2,348,532)		1,402,175				44,805,756	\$	0.0119	\$	533,188
May 2011	e	12,240,011	11,474,995	(2,614,894)		2,294,586				26,272,722	\$	0.0119	\$	312,645
Jun 2011	e	11,474,995	11,194,396	(2,866,220)		3,223,731				19,299,684	\$	0.0119	\$	229,684
Jul 2011	e	11,194,396	10,913,797	(3,101,547)		4,247,742				19,484,774	\$	0.0119	\$	231,869
Aug 2011	e	10,913,797	10,633,198	(3,299,132)		5,245,769				19,095,526	\$	0.0119	\$	227,237
Sep 2011	e	10,633,198	10,352,599	(3,437,159)		6,269,447				18,837,104	\$	0.0119	\$	224,162
				(26,049,198)			(1,995,318)			671,936,173	\$		\$	7,996,040
Oct 2011	e	10,352,599	10,072,000	(3,556,563)		7,234,050				33,232,977	\$	0.0119	\$	395,472
Nov 2011	e	10,072,000	9,791,400	(3,617,212)		8,195,752				61,472,939	\$	0.0119	\$	731,528
Dec 2011	e	9,791,400	9,510,801	(3,621,112)		8,873,405				103,452,427	\$	0.0119	\$	1,231,084
Jan 2012	e	9,510,801	9,230,202	(3,575,903)		8,812,573				123,812,179	\$	0.0119	\$	1,473,365
Feb 2012	e	9,230,202	8,949,603	(3,494,727)		8,651,741				97,315,534	\$	0.0119	\$	1,277,055
Mar 2012	e	8,949,603	8,669,004	(3,390,337)		8,490,908				85,852,874	\$	0.0119	\$	1,021,649
Apr 2012	e	8,669,004	8,388,405	(3,275,713)		8,330,076				47,603,072	\$	0.0119	\$	566,477
May 2012	e	8,388,405	8,107,806	(3,161,088)		8,169,244				2,379,730	\$	0.0119	\$	315,913
Jun 2012	e	8,107,806	7,827,206	(3,046,463)		8,008,411				26,547,337	\$	0.0119	\$	231,999
Jul 2012	e	7,827,206	7,546,607	(2,931,838)		7,847,579				19,673,331	\$	0.0119	\$	234,113
Aug 2012	e	7,546,607	7,266,008	(2,817,214)		7,686,747				19,281,598	\$	0.0119	\$	229,451
Sep 2012	e	7,266,008	6,985,409	(2,702,589)		7,525,914				19,020,154	\$	0.0119	\$	226,340
				(39,190,759)			(25,112,657)			686,760,146	\$		\$	7,934,446

NEW JERSEY NATURAL GAS COMPANY  
REVENUE BY CLASS OF SERVICE

Customer Class	Apr-10		May-10		Jun-10		Jul-10		Aug-10		Sep-10		Oct-10	
	REVENUE	TERMS	REVENUE	TERMS	REVENUE	TERMS	REVENUE	TERMS	REVENUE	TERMS	REVENUE	TERMS	REVENUE	TERMS
Residential Nonheat Sales	155,231	\$ 1,847	156,968	\$ 1,868	218,557	\$ 2,601	239,867	\$ 2,854	255,124	\$ 3,036	318,168	\$ 3,786	350,948	\$ 4,176
Residential Heat Sales	21,842,391	259,924	14,632,808	174,130	9,104,129	108,339	8,340,616	99,253	8,956,619	106,584	8,998,417	107,081	17,151,923	204,108
GSS Sales	1,075,546	12,799	599,177	7,130	342,362	4,074	375,080	4,463	389,556	4,636	385,544	4,588	666,748	7,934
GSL Sales	3,063,109	36,451	2,185,285	26,005	1,961,375	23,340	1,439,115	17,125	1,649,917	19,634	1,696,618	20,190	3,025,870	36,008
Firm Cogeneration	496	6	540	6	338	4	-	-	-	-	-	-	-	-
Total Sales	26,136,773	311,028	17,574,778	209,140	11,626,761	138,358	10,394,678	123,697	11,251,216	133,889	11,398,747	135,645	21,195,489	252,226
Residential Nonheat Transport	6,629	79	6,692	80	6,072	72	5,883	70	7,434	88	8,325	99	11,259	134
Residential Heat Transport	883,213	10,510	592,631	7,052	361,054	4,297	321,737	3,829	355,964	4,236	366,801	4,365	807,302	9,607
GSS Transport	253,837	3,021	186,975	2,225	98,291	1,170	119,082	1,417	133,081	1,584	125,990	1,499	239,805	2,854
GSL Transport	3,906,792	46,491	3,001,838	35,722	2,037,459	24,246	2,119,832	25,226	2,280,028	27,132	2,270,904	27,024	4,648,486	55,317
FT LLF	342,059	4,071	178,182	2,120	119,608	1,423	202,864	2,414	394,550	4,695	274,062	3,261	381,396	4,539
FT HLF	474,055	5,641	477,781	5,686	496,887	5,913	467,425	5,562	523,639	6,231	465,983	5,545	459,655	5,470
DG	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interruptible Transport	2,979,769	35,459	2,765,575	32,910	2,822,759	33,591	2,717,796	32,342	2,324,022	27,656	2,461,079	29,287	3,022,284	35,965
Ocean Peaking Power	65,212	776	2,246,736	26,736	3,200,535	38,086	8,405,983	100,031	5,062,035	60,238	1,064,268	12,665	169,997	2,023
Total Transport	8,911,566	106,048	9,456,410	112,531	9,142,665	108,798	14,360,602	170,891	11,080,753	131,861	7,037,422	83,745	9,740,184	115,908
Total	35,048,338	\$ 417,075	27,031,188	\$ 321,671	20,769,426	\$ 247,156	24,755,280	\$ 294,588	22,331,970	\$ 265,750	18,436,168	\$ 219,390	30,935,673	\$ 368,135

NEW JERSEY NATURAL GAS COMPANY  
REVENUE BY CLASS OF SERVICE

Customer Class	Nov-10 THERMS	REVENUE	Dec-10 THERMS	REVENUE	Jan-11 THERMS	REVENUE	Feb-11 THERMS	REVENUE	Mar-11 THERMS	REVENUE	Apr-11 THERMS	REVENUE
Residential Nonheat Sales	314,744	\$ 3,745	418,766	\$ 4,983	399,214	\$ 4,751	291,661	\$ 3,471	258,535	\$ 3,077	159,820	\$ 1,902
Residential Heat Sales	38,204,237	454,630	80,240,363	954,860	89,366,607	1,063,463	65,560,431	780,169	53,041,879	631,198	27,900,268	332,013
GSS Sales	1,687,882	20,086	4,593,255	54,660	5,692,540	67,741	4,155,981	49,456	3,186,787	37,923	1,475,636	17,560
GSL Sales	5,730,583	68,194	10,982,737	130,695	11,289,236	134,342	8,392,789	99,874	7,185,077	85,502	3,838,155	45,674
Firm Cogeneration	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Sales</b>	<b>45,937,446</b>	<b>546,656</b>	<b>96,235,121</b>	<b>1,145,198</b>	<b>106,747,597</b>	<b>1,270,296</b>	<b>78,400,862</b>	<b>932,970</b>	<b>63,672,278</b>	<b>757,700</b>	<b>33,373,879</b>	<b>397,149</b>
Residential Nonheat Transport	16,554	197	24,654	293	20,645	246	15,919	189	17,146	204	10,332	123
Residential Heat Transport	1,990,306	23,685	4,422,321	52,626	5,206,173	61,953	4,126,349	49,104	3,721,286	44,283	2,028,064	24,134
GSS Transport	505,523	6,016	1,178,497	14,024	1,455,052	17,315	1,108,377	13,190	879,713	10,469	451,672	5,375
GSL Transport	8,059,419	95,907	14,552,490	173,175	12,687,802	150,985	9,785,241	116,444	9,565,560	113,830	4,992,339	59,409
FT LLF	661,967	7,877	1,115,279	13,272	1,158,911	13,791	993,469	11,822	957,998	11,400	588,158	6,999
FT HLF	509,214	6,060	501,163	5,964	583,946	6,949	515,400	6,133	365,050	4,344	493,708	5,875
DG	-	-	-	-	-	-	-	-	-	-	-	-
Interruptible Transport	2,813,731	33,483	3,227,010	38,401	2,443,408	29,077	2,869,129	34,143	2,832,020	33,701	2,867,604	34,124
Ocean Peaking Power	814,186	9,689	454,545	5,409	56,380	671	62,915	-	59,962	-	113,420	-
<b>Total Transport</b>	<b>15,370,900</b>	<b>182,914</b>	<b>25,475,959</b>	<b>303,164</b>	<b>23,612,317</b>	<b>280,987</b>	<b>19,476,799</b>	<b>231,025</b>	<b>18,398,735</b>	<b>218,231</b>	<b>11,545,297</b>	<b>136,039</b>
<b>Total</b>	<b>61,308,345</b>	<b>\$ 729,569</b>	<b>121,711,080</b>	<b>\$ 1,448,362</b>	<b>130,359,913</b>	<b>\$ 1,551,283</b>	<b>97,877,661</b>	<b>\$ 1,163,995</b>	<b>82,071,013</b>	<b>\$ 975,932</b>	<b>44,919,176</b>	<b>\$ 533,188</b>

NEW JERSEY NATURAL GAS COMPANY

Please see Schedule NJNG-2 for the monthly Energy Efficiency and RGGI Program deferred balances for the period August 2009 through September 2012. The information includes actual financial information through April 2011 and estimated data for the period May 2011 through September 2012.

NEW JERSEY NATURAL GAS COMPANY

Please see Schedule NJNG-2 for the interest rate used for the over/under Energy Efficiency and RGGI Program deferred balances for the period August 2009 through September 2012. The information includes actual financial information through April 2011 and estimated data for the period May 2011 through September 2012.

NEW JERSEY NATURAL GAS COMPANY

Please see Schedule NJNG-2 which details the interest expense for the over/under Energy Efficiency and RGGI Program deferred balances for the period August 2009 through September 2012. The information includes actual financial information through April 2011 and estimated data for the period May 2011 through September 2012.

NEW JERSEY NATURAL GAS COMPANY

Please see Schedule NJNG-1 for the administrative costs associated with the Energy Efficiency (EE) and RGGI Programs. Schedule NJNG-1 includes (1) the actual EE and RGGI Program investments, rebates and O&M expenses as of April 30, 2011 and (2) the EE and RGGI Program estimated investments, rebates and O&M expenses through September 30, 2011.



NEW JERSEY NATURAL GAS COMPANY

The Journal Entries to record the monthly accounting activity for the Energy Efficiency Program are detailed in the attached spreadsheet.



**NEW JERSEY NATURAL GAS COMPANY  
MONTHLY JOURNAL ENTRIES**

Summary RGGI Sealups, Rebates (3K, 4K) 620.47010.03005 620.47010.03008	DATE POSTED	AMOUNT	Summary RGGI PROGRAM REBATES Amort 000.15853.00001	DATE POSTED	AMOUNT
	8/31/2009	-		8/31/2009	-
	9/30/2009	-		9/30/2009	-
	10/31/2009	-		10/31/2009	-
	11/30/2009	-		11/30/2009	-
	12/31/2009	-		12/31/2009	-
	1/31/2010	-		1/31/2010	-
	2/28/2010	-		2/28/2010	-
	3/31/2010	-		3/31/2010	-
	4/30/2010	-		4/30/2010	-
	5/31/2010	-		5/31/2010	-
	6/30/2010	-		6/30/2010	-
	7/31/2010	-		7/31/2010	-
	8/31/2010	-		8/31/2010	-
	9/30/2010	-		9/30/2010	-
	10/31/2010	-		10/31/2010	-
	11/30/2010	-		11/30/2010	-
	12/31/2010	-		12/31/2010	-
	1/31/2011	-		1/31/2011	-
	2/28/2011	\$ 98,166.70		2/28/2011	\$ 1,636.11
	3/31/2011	168,660.45		3/31/2011	4,447.12
	4/30/2011	198,111.40		4/30/2011	7,748.98
	<b>TOTAL</b>	<b>\$ 464,938.55</b>		<b>TOTAL</b>	<b>\$ 13,832.21</b>

RGGI Loan REPAYMENT 620.47010.03007	DATE POSTED	AMOUNT
	8/31/2009	-
	9/30/2009	-
	10/31/2009	-
	11/30/2009	-
	12/31/2009	-
	1/31/2010	-
	2/28/2010	-
	3/31/2010	-
	4/30/2010	-
	5/31/2010	-
	6/30/2010	-
	7/31/2010	-
	8/31/2010	-
	9/30/2010	-
	10/31/2010	-
	11/30/2010	-
	12/31/2010	-
	1/31/2011	-
	2/28/2011	-
	3/31/2011	\$ 94,000.00
	4/30/2011	117,400.00
	<b>TOTAL</b>	<b>\$ 211,400.00</b>

NEW JERSEY NATURAL GAS COMPANY

Please see Schedule NJNG-1 for the administrative costs associated with the Energy Efficiency (EE) and RGGI Programs. Schedule NJNG-1 includes (1) the actual EE Program and RGGI investments, rebates and O&M expenses as of April 30, 2011 and (2) the EE and RGGI Program estimated investments, rebates and O&M expenses through September 30, 2011.

NEW JERSEY NATURAL GAS COMPANY

The carrying costs associated with the Net Investment for the Energy Efficiency and RGGI Programs are detailed in Schedule NJNG-2.

NEW JERSEY NATURAL GAS COMPANY

The number of participants included in the Energy Efficiency and RGGI Programs are detailed in the attached spreadsheet.

**NJNG SAVEGREEN PROJECT REPORT**  
**Actual as of April 30, 2011**



Market Programs	Customers	Program Incentives
	Actual	Actual
<b>Residential E3</b>		
<b>Audits</b>	6,695	
<b>Rebates-Vouchered</b>	7,051	\$ 6,345,900
<b>O% Buy downs</b>	449	\$ 1,429,108
<b>*HPES Rebate (Tier II &amp; III)</b>	655	\$ 4,203,813
<b>*HPES Seal-Up</b>	1558	\$ 1,513,322
<b>**Commercial-Direct Install</b>	10	\$ 276,911
		\$ 13,769,053

**RGGI Programs**

<b>*NJNG EE Rebates-RGGI</b>	<b>1,056</b>	\$ 950,400
<b>Audits</b>	<b>1,432</b>	\$ -
<b>RGGI Seal Up</b>	<b>381</b>	\$ 373,939
<b>RGGI OBRP</b>	<b>23</b>	\$ 211,400
<b>RGGI-HPES REBATES</b>	<b>24</b>	\$ 91,000
<b>RGGI OPOWER</b>		
		\$ 1,626,739

NEW JERSEY NATURAL GAS COMPANY

The estimated demand and energy savings associated with the Energy Efficiency and RGGI Programs are detailed in the attached spreadsheet.



**NJNG SAVEGREEN PROJECT REPORT**  
**As of April 30, 2011**

Market Programs	Customers				
	Actual Participants	Annual Energy Savings (Therms)	CO2 Emissions reductions (lbs)	NOx Emissions reductions (lbs)	
<b>Residential</b>					
<b>Audits</b>	6,695				
<b>Rebates-Vouchered</b>	7,051	1,226,874	14,354,426	11,287	
<b>O% Buy downs</b>	449	-	-	-	
<b>HPES Rebate (Tier II &amp; III)</b>	655	197,810	2,314,377	1,820	
<b>HPES Seal-Up</b>	1,558	132,430	1,549,431	1,218	
<b>Commercial-Direct Install</b>	10	-	-	-	

**RGGI Programs**

<b>*NJNG EE Rebates-RGGI</b>	1,056	183,744	2,149,805	1,690	
<b>Audits</b>	1,432				
<b>RGGI Seal Up</b>	381	32,385	378,905	298	
<b>RGGI OBRP</b>	23		-	-	
<b>RGGI-HPES REBATES</b>	24	7,248	84,802	67	
<b>RGGI OPOWER</b>	0	-	-	-	

NEW JERSEY NATURAL GAS COMPANY

The estimated emission reductions associated with the Energy Efficiency and RGGI Programs are detailed in Schedule NJNG-12.

**NEW JERSEY NATURAL GAS COMPANY**

**BPU No. 8 - Gas**

~~Third~~~~Second~~ Revised Sheet No. 3  
Superseding ~~Second~~~~First~~ Revised Sheet No. 3

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Date of Issue: ~~January 28, 2011~~  
Issued by: Mark R. Sperduto, Vice President  
2011  
Wall, NJ 07719

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

NEW JERSEY NATURAL GAS COMPANY

BPU No. 8 - Gas

~~Fourth~~<sup>Third</sup> Revised Sheet No. 172  
Superseding ~~Third~~<sup>Second</sup> Revised Sheet No. 172

RIDER "F"

ENERGY EFFICIENCY ~~AND RENEWABLE ENERGY~~ - ~~EERE~~

AVAILABILITY

Applicable to the following service classifications:

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

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

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

DETERMINATION OF THE ~~EERE~~

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

Date of Issue: ~~July 7, 2011~~  
Issued by: Mark R. Spurduto, Vice President  
~~128~~, 2011  
Wall, NJ 07719

Effective for service rendered on  
and after ~~October~~<sup>January</sup>

NEW JERSEY NATURAL GAS COMPANY

BPU No. 8 - Gas

~~Fourth~~~~Third~~ Revised Sheet No. 173  
Superseding ~~Third~~~~Second~~ Revised Sheet No. 173

**RIDER "F"**

**ENERGY EFFICIENCY ~~AND RENEWABLE ENERGY~~ - EERE**

**I. Determination of the Rate**

The EERE rate shall be derived in the following manner:

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

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

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

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

The EERE factor shall be credited/collected on a per therm basis within the Delivery Charge for all service classifications to which Rider "F" applies. The EERE factor is as set forth below:

\$0.0127

Date of Issue: ~~July 7~~, 2011  
Issued by: Mark R. Sperduto, Vice President  
~~1~~, 2011  
Wall, NJ 07719

Effective for service rendered on  
and after ~~October~~~~January~~ 28

**NOTICE TO NEW JERSEY NATURAL GAS CUSTOMERS**  
**Petition for Approval of Cost Recovery Associated with the Energy Efficiency and**  
**Provisional Regional Greenhouse Gas Initiative Programs**  
**Docket No. GR11060333**

**NOTICE OF AMENDED FILING AND PUBLIC HEARINGS**

**TO OUR CUSTOMERS:**

**PLEASE TAKE NOTICE** that on June 1, 2011, New Jersey Natural Gas Company (NJNG or the Company) filed a Petition with the New Jersey Board of Public Utilities (Board) seeking approval to implement a change to its Energy Efficiency Rider (EERE) in Rider F to the Company's tariff through which it recovers costs associated with Energy Efficiency Programs and Preliminary RGGI Programs. The programs target various customer segments and fully complement or supplement existing New Jersey Clean Energy programs, through financial enhancements to or further support of WARMAdvantage, COOLAdvantage, Home Performance with Energy Star (HPES), Commercial Direct Install and SmartStart Building programs. These programs provide customers with increased incentives for participation in New Jersey Clean Energy Programs through enhanced rebates, and also provide expanded outreach efforts and the provision of certain HPES audits by NJNG. Pursuant to Board Orders dated July 17, 2009 (Docket Nos. EO09010056 and EO09010057) and September 24, 2010 (Docket No. GO10030225), NJNG is authorized to recover all costs associated with the Energy Efficiency and Preliminary RGGI Programs. Those costs include funds for rebates, customer incentives and the associated incremental Operations and Maintenance expenses, along with associated carrying costs.

On July 15, 2011, NJNG submitted to the Board an Amended Petition with supporting schedules seeking approval to maintain the current Rider F rate for the above mentioned programs at \$0.0127 per therm after-tax and to change the designation of the rate in Rider F to Energy Efficiency rate (EE).

The recovery charge is applied in a manner consistent with existing components and processes of the Board-approved Societal Benefits Charge applicable to all jurisdictional throughput. The Company has requested that the Board approve the Company's request to maintain the current after-tax rate of **\$0.0127** per therm. As such, there is no impact on customers' bills.

The impact of the Company's filing, requested to be effective on October 1, 2011 or as of the date of the Final Board Order in this proceeding, on a typical residential customer (both heat and non-heat), a typical general service small customer and a typical general service large customer on a monthly basis is estimated to be as follows based on the usage levels shown below:

Customer Type	Therm Level (Usage)	Total Bill		Net Dollar Change	Percent Change
		Monthly Bill as of July 1, 2011	Proposed After-tax Monthly Bill		
<b>Residential Heat Sales</b>	100	\$135.66	\$135.66	\$0.00	0.0%
<b>Residential Non-Heat Sales</b>	25	\$39.57	\$39.57	\$0.00	0.0%
<b>General Service Small</b>	100	\$149.25	\$149.25	\$0.00	0.0%
<b>General Service Large</b>	1200	\$1,485.22	\$1,485.22	\$0.00	00%

The Board has the statutory authority to establish the EE at levels it finds just and reasonable pursuant to *N.J.S.A.* 48:2-21. Therefore, the Board may establish the new rate at levels other than those proposed by NJNG and the impact on a customer's bill may vary from the information provided above.

**PLEASE TAKE NOTICE** that public hearings on the Energy Efficiency rate in Rider F have been scheduled at the following dates, times and places:

???

Rockaway Township Municipal Building  
Conference Room  
65 Mt. Hope Road  
Rockaway Township, NJ 07866-1698

???

Freehold Township Municipal Building  
One Municipal Plaza-Schanck Road  
Freehold, New Jersey 07728-2195

The public is invited to attend, and interested persons will be permitted to testify and/or make a statement of their views on the proposed rate changes. In order to encourage full participation in this opportunity for public comment, please submit any requests for needed accommodations, including interpreter, listening devices or mobility assistance, 48 hours prior to this hearing to the Board Secretary at the address below. Regardless of whether they attend the hearing, members of the public may submit written comments concerning the petition to the Board by addressing them to: Kristi Izzo, Secretary, New Jersey Board of Public Utilities, Two Gateway Center, Newark, New Jersey 07102. Copies of NJNG's June 1, 2011 and July 15, 2011 filings can be reviewed either at the NJNG Customer Service Centers or at the New Jersey Board of Public Utilities, Two Gateway Center, Newark, New Jersey 07102.

Tracey Thayer, Esq.  
**New Jersey Natural Gas**

New Jersey Natural Gas Company  
Energy Efficiency (EE)  
Net Impact of Proposed Rate Changes  
BPU Docket No. GR11060333  
F/Y 2012

	Component of	(\$/therm)		Proposed		Change	
		Current	Post-tax	Pre-tax	Post-tax	Pre-tax	Post-tax
EERE	Delivery Price	0.0119	0.0127	0.0119	0.0127	0.0000	0.0000

<b>Impact on Residential Non-Heating Customers</b>						25 therm bill
<b>Current Prices</b>						
	Customer Charge			\$8.25	\$8.25	
	Delivery			\$0.5069	\$12.67	
	BGSS			\$0.7460	\$18.65	
	Total			\$1.2529	\$39.57	
<b>Proposed prices- effective 10/1/11</b>						
	Customer Charge			\$8.25	\$8.25	
	Delivery			\$0.5069	\$12.67	
	BGSS			\$0.7460	\$18.65	
	Total			\$1.2529	\$39.57	
	Decrease				\$0.00	
	Decrease as a percent				0.0%	
<b>Impact on Residential Heating Customers</b>						100 therm bill      1000 therm annual bill
<b>Current Prices</b>						
	Customer Charge			\$8.25	\$8.25	\$99.00
	Delivery			\$0.5281	\$52.81	\$528.10
	BGSS			\$0.7460	\$74.60	\$746.00
	Total			\$1.2741	\$135.66	\$1,373.10
<b>Proposed prices- effective 10/1/11</b>						
	Customer Charge			\$8.25	\$8.25	\$99.00
	Delivery			\$0.5281	\$52.81	\$528.10
	BGSS			\$0.7460	\$74.60	\$746.00
	Total			\$1.2741	\$135.66	\$1,373.10
	Decrease				\$0.00	\$0.00
	Decrease as a percent				0.0%	0.0%
<b>Impact on Commercial GSS Customers</b>						100 therm bill
<b>Current Prices</b>						
	Customer Charge			\$25.00	\$25.00	
	Delivery			\$0.4965	\$49.65	
	BGSS			\$0.7460	\$74.60	
	Total			\$1.2425	\$149.25	
<b>Proposed prices- effective 10/1/11</b>						
	Customer Charge			\$25.00	\$25.00	
	Delivery			\$0.4965	\$49.65	
	BGSS			\$0.7460	\$74.60	
	Total			\$1.2425	\$149.25	
	Decrease				\$0.00	
	Decrease as a percent				0.0%	
<b>Impact on Commercial GSL Customers</b>						1200 therm bill
<b>Current Prices</b>						
	Customer Charge			\$40.00	\$40.00	
	Demand Charge			\$1.50	\$175.50	
	Delivery			\$0.4299	\$515.88	
	BGSS (July 2011)			\$0.6282	\$753.84	
	Total			\$1.0581	\$1,485.22	
<b>Proposed prices- effective 10/1/11</b>						
	Customer Charge			\$40.00	\$40.00	
	Demand Charge			\$1.50	\$175.50	
	Delivery			\$0.4299	\$515.88	
	BGSS (July 2011)			\$0.6282	\$753.84	
	Total			\$1.0581	\$1,485.22	
	Decrease				\$0.00	
	Decrease as a percent				0.0%	

Projected Annual Post-tax Revenue

Projected annual therms 666,760 (000s)

	Projected Revenue at Current Rates \$million	Projected Revenue at Proposed Rates \$million	Change \$million
IMPACT	\$8.5	\$8.5	\$0.0