



June 22, 2012

FEDERAL EXPRESS

Kristi Izzo, Secretary
New Jersey Board of Public Utilities
44 South Clinton Avenue, 9th Floor
P.O. Box 350
Trenton, NJ 08625-0350

**RE: IN THE MATTER OF THE ESTABLISHMENT OF
A UNIVERSAL SERVICE FUND PURSUANT TO
SECTION 12 OF THE ELECTRIC DISCOUNT AND
ENERGY COMPETITION ACT OF 1999
BPU DOCKET NO. EX00020091**

**NEW JERSEY NATURAL GAS COMPANY
2012/2013 ANNUAL COMPLIANCE FILING FOR
THE UNIVERSAL SERVICE FUND PROGRAM FACTOR
WITHIN THE SOCIETAL BENEFITS CHARGE RATE
BPU DOCKET NO. ER1206 ____**

Dear Ms. Izzo:

Please accept for filing in the Universal Service Fund ("USF") proceeding captioned above an original and 10 copies of the 2012/2013 USF/Lifeline Compliance Filing ("Compliance Filing") submitted by New Jersey Natural Gas Company ("NJNG" or the "Company"). Pursuant to Orders of the New Jersey Board of Public Utilities ("Board") dated April 30, 2003, July 16, 2003, and June 22, 2005, an annual compliance filing for prospective USF rates is required on or before July 1st of each year.

In order to streamline the Board's review of the required Compliance Filings from each New Jersey electric and natural gas company (collectively, the "Utilities"), the Utilities agreed to jointly submit one primary document containing the detailed rationale and supporting documentation for joint recommendations regarding the statewide USF/Lifeline rates. That information has been provided within the compliance filing of Public Service Electric and Gas Company ("PSE&G") ("Joint Compliance Filing"). The individual companies then submit abbreviated Compliance Filings supporting their individual positions and relying on the overall submission and positions included within the PSE&G filing.

Therefore, NJNG accepts and relies on the 2012/2013 rate calculation template submitted by PSE&G for natural gas, including the requested statewide after-tax USF/Lifeline natural gas recovery rate of \$0.0184 per therm. The USF component is increasing by \$0.0002 per therm and the Lifeline component is decreasing by \$0.0003 per therm. These rates, resulting in an

after-tax decrease of (\$0.0001) per therm (from the current recovery rate of \$0.0185 per therm), represent a decrease of 0.01 percent on the average monthly bill for a residential heating customer, as shown on Exhibit NJNG-A attached hereto. Proposed tariff sheets are attached hereto as Exhibit NJNG-B. Although this filing proposes an overall decrease in the combined USF/Lifeline rate, NJNG intends to publish a public notice because the overall rate incorporates an increase in the USF component. A proposed public notice is attached hereto as Exhibit NJNG-C.

In the June 21, 2010 Order in Docket No. EO09090771, the Board granted approval for the Utilities to defer and seek recovery of future administrative costs within certain categories of appropriate costs. Accordingly, Attachment A of the compliance filing submitted by PSE&G includes NJNG's deferred administrative costs. Within the Joint Compliance Filing, the Utilities request full recovery of their deferred administrative costs in 2012/2013 USF rates and Lifeline rates in the month following Board approval of such rates from funds disbursed to the Utilities by the USF Trust Fund clearinghouse maintained by the New Jersey State Department of Treasury.

NJNG requests that the Board accept its Compliance filing in conjunction with the Joint Compliance Filing submitted by PSE&G and issue an Order granting the following relief:

1. Approval of a new statewide after-tax natural gas USF/Lifeline recovery rate of \$0.0184 per therm (an after-tax decrease of \$0.0001 per therm to the current statewide natural gas USF/Lifeline rate of \$0.0185 per therm) for natural gas service effective October 1, 2012 and
2. Authority to recover the deferred administrative costs included in the Joint Compliance Filing and to include those costs in rates.

Kindly acknowledge receipt of this Compliance Filing by date-stamping the enclosed copy of this letter and returning the same in the stamped, self-addressed envelope. Copies are being provided electronically to all individuals listed on the attached service list.

If you have any questions regarding this filing, I can be reached at (732) 919-8025.

Respectfully submitted,



Tracey Thayer, Esq.

Director, Regulatory Affairs Counsel

C: Service List (electronically)

In the Matter of the Establishment of a Universal Service Fund
Pursuant to Section 12 of the Electric Discount and Energy Competition Act of 1999
Docket Nos. EX00020091 and ER1206_____

Service List

BPU Staff

Jerome May
Board of Public Utilities
44 South Clinton Avenue, 9th Floor
Post Office Box 350
Trenton, NJ 08625-0350

Dennis Moran
Board of Public Utilities
44 South Clinton Avenue, 9th Floor
Post Office Box 350
Trenton, NJ 08625-0350

Robert Catona
Board of Public Utilities
44 South Clinton Avenue, 9th Floor
Post Office Box 350
Trenton, NJ 08625-0350

Maureen Clerc
Board of Public Utilities
44 South Clinton Avenue, 9th Floor
Post Office Box 350
Trenton, NJ 08625-0350

Eliosia Flores
Board of Public Utilities
44 South Clinton Avenue, 9th Floor
Post Office Box 350
Trenton, NJ 08625-0350

Julie Ford-Williams
Board of Public Utilities
44 South Clinton Avenue, 9th Floor
Post Office Box 350
Trenton, NJ 08625-0350

Eric Hartsfield
Board of Public Utilities
44 South Clinton Avenue, 9th Floor
Post Office Box 350
Trenton, NJ 08625-0350

Peter Hilerio, Esq.
Board of Public Utilities
44 South Clinton Avenue, 9th Floor
Post Office Box 350
Trenton, NJ 08625-0350

Alice Bator
Board of Public Utilities
44 South Clinton Avenue, 9th Floor
Post Office Box 350
Trenton, NJ 08625-0350

Sheila DeLucia
Board of Public Utilities
44 South Clinton Avenue, 9th Floor
Post Office Box 350
Trenton, NJ 08625-0350

Al Weierman
Board of Public Utilities
44 South Clinton Avenue, 9th Floor
Post Office Box 350
Trenton, NJ 08625-0350

Nnajindu Ugoji
Board of Public Utilities
44 South Clinton Avenue, 9th Floor
Post Office Box 350
Trenton, NJ 08625-0350

Division of Law

Caroline Vachier
Dept. of Law & Public Safety
124 Halsey Street
PO Box 45029
Newark, NJ 07102

Geoffrey Gersten
Dept. of Law & Public Safety
124 Halsey Street
PO Box 45029
Newark, NJ 07102

In the Matter of the Establishment of a Universal Service Fund
Pursuant to Section 12 of the Electric Discount and Energy Competition Act of 1999
Docket Nos. EX00020091 and ER1206_____

Service List

Rate Counsel

Stefanie A. Brand, Director
Division of Rate Counsel
31 Clinton St., 11th Floor
PO Box 46005
Newark, NJ 07102

Paul Flanagan, Litigation Manager
Division of Rate Counsel
31 Clinton St., 11th Floor
PO Box 46005
Newark, NJ 07102

Felicia Thomas Friel, Esq.
Division of Rate Counsel
31 Clinton St., 11th Floor
PO Box 46005
Newark, NJ 07102

Lisa Gurkas, Esq.
Division of Rate Counsel
31 Clinton St., 11th Floor
PO Box 46005
Newark, NJ 07102

Atlantic City Electric Co.

Philip J. Passanante, Esq.
Pepco Holding/Atlantic City Electric Co.
800 King St., 5th Flr
PO Box 231
Wilmington, DE 19899-0231

JCP&L

Michael J. Connolly, Esq.
Thelen Reid Brown Raysman & Steiner LLP
200 Campus Dr., Suite 210
Florham Park, NJ 07932

Sally Cheong
JCP&L
300 Madison Ave
Morristown, NJ
07962

NJ Natural Gas Co.

Tina Trebino
New Jersey Natural Gas Co.
1415 Wyckoff Rd.
PO Box 1464
Wall, NJ 07719

Tracey Thayer, Esq.
1415 Wyckoff Rd.
PO Box 1464
Wall, NJ 07719

Elizabethtown Gas

Mary Patricia Keefe, Esq.
Elizabethtown Gas
300 Connell Drive
Suite 3000
Berkeley Heights, NJ 07922

Deborah M. Franco, Esq.
Cullen and Dykman LLP
Garden City Center
100 Quentin Roosevelt Blvd.
Garden City, NY 11530-4850

Kenneth T. Maloney, Esq.
Cullen and Dykman LLP
1101 Fourteenth Street, NW
Washington, DC 20005

PSE&G

Mally Becker, Esq.
Public Service Electric & Gas
80 Park Plaza, T08C
PO Box 570
Newark, NJ 07102

Rockland

John L. Carley, Esq.
Consolidated Edison Co. of NY
Law Dept., Room 1815-S
4 Irving Place
New York, NY 10003

In the Matter of the Establishment of a Universal Service Fund
Pursuant to Section 12 of the Electric Discount and Energy Competition Act of 1999
Docket Nos. EX00020091 and ER1206_____

Service List

South Jersey Gas Co.

Renee Farmer
South Jersey Gas Company
1 South Jersey Plaza
Folsom, NJ 08037

Daniel Bitonti
Cozen O'Connor
Libertyview St., Suite 300
457 Haddonfield Rd.
PO Box 5459
Cherry Hill, NJ 08002-2220

New Jersey Natural Gas Company
Net impact of Proposed Rate Changes
BPU Docket Nos. EX00020091 & ER1206
USF Year 2012/13

(\$/therm)

	Component of	Current		10/1/2012 Proposed		Change	
		Pre-tax	Post-tax	Pre-tax	Post-tax	Pre-tax	Post-tax
USF	Delivery Price	0.0125	0.0134	0.0127	0.0136	0.0002	0.0002
Lifeline	Delivery Price	0.0048	0.0051	0.0045	0.0048	(0.0003)	(0.0003)
NET IMPACT		0.0173	0.0185	0.0172	0.0184	(0.0001)	(0.0001)

Impact on Residential Non-Heating Customers					25 therm bill	
Current Prices						
	Customer Charge		\$8.25		\$8.25	
	Delivery		\$0.5344		\$13.36	
	BGSS		\$0.5837		\$14.59	
	Total		\$1.1181		\$36.20	
Proposed prices- effective 10/1/12						
	Customer Charge		\$8.25		\$8.25	
	Delivery		\$0.5343		\$13.36	
	BGSS		\$0.5837		\$14.59	
	Total		\$1.1180		\$36.20	
	Decrease				\$0.00	
	Decrease as a percent				0.00%	
Impact on Residential Heating Customers					100 therm bill 1000 therm annual bill	
Current Prices						
	Customer Charge		\$8.25		\$8.25	\$99.00
	Delivery		\$0.5155		\$51.55	\$515.50
	BGSS		\$0.5837		\$58.37	\$583.70
	Total		\$1.0992		\$118.17	\$1,198.20
Proposed prices- effective 10/1/12						
	Customer Charge		\$8.25		\$8.25	\$99.00
	Delivery		\$0.5154		\$51.54	\$515.40
	BGSS		\$0.5837		\$58.37	\$583.70
	Total		\$1.0991		\$118.16	\$1,198.10
	Decrease				(\$0.01)	(\$0.10)
	Decrease as a percent				(0.01%)	(0.01%)
Impact on Commercial GSS Customers					100 therm bill	
Current Prices						
	Customer Charge		\$25.00		\$25.00	
	Delivery		\$0.5100		\$51.00	
	BGSS		\$0.5837		\$58.37	
	Total		\$1.0937		\$134.37	
Proposed prices- effective 10/1/12						
	Customer Charge		\$25.00		\$25.00	
	Delivery		\$0.5099		\$50.99	
	BGSS		\$0.5837		\$58.37	
	Total		\$1.0936		\$134.36	
	Decrease				(\$0.01)	
	Decrease as a percent				(0.01%)	
Impact on Commercial GSL Customers					1200 therm bill	
Current Prices						
	Customer Charge		\$40.00		\$40.00	
	Demand Charge		\$1.50		\$175.50	
	Delivery		\$0.4402		\$528.24	
	BGSS (June 2012)		\$0.4283		\$513.96	
	Total		\$0.8685		\$1,257.70	
Proposed prices- effective 10/1/12						
	Customer Charge		\$40.00		\$40.00	
	Demand Charge		\$1.50		\$175.50	
	Delivery		\$0.4401		\$528.12	
	BGSS (June 2012)		\$0.4283		\$513.96	
	Total		\$0.8684		\$1,257.58	
	Decrease				(\$0.12)	
	Decrease as a percent				(0.01%)	

Projected Annual Revenue

Projected SBC annual therms 661,628 (000s)

Projected Annual Revenue \$ million

	Current Rates	Proposed Rates	Change
Pre-tax	\$11.45	\$11.38	(\$0.07)
Post-tax	\$12.24	\$12.17	(\$0.07)

NEW JERSEY NATURAL GAS COMPANY

BPU No. 8 - Gas

~~Thirteenth~~~~Twelfth~~ Revised Sheet No. 51
Superseding ~~Twelfth~~~~Eleventh~~ Revised Sheet No. 51

SERVICE CLASSIFICATION - RS

RESIDENTIAL SERVICE

AVAILABILITY

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

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

CHARACTER OF SERVICE

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

MONTHLY RATES

Customer Charge:

Customer Charge per meter per month \$8.25

Delivery Charge:

Residential Heating

Delivery Charge per therm \$~~0.5155~~0.5154

Residential Non-Heating

Delivery Charge per therm \$~~0.5344~~0.5343

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 20, 2011~~
Issued by: Mark R. Sperduto, Vice President
2012
Wall, NJ 07719

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

NEW JERSEY NATURAL GAS COMPANY

BPU No. 8 - Gas

~~Eleventh~~^{Tenth} Revised Sheet No. 54
~~Tenth~~^{Ninth} Revised Sheet No. 54

SERVICE CLASSIFICATION – DGR

DISTRIBUTED GENERATION SERVICE - RESIDENTIAL

AVAILABILITY

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

CHARACTER OF SERVICE

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

MONTHLY RATES

Customer Charge:

Customer Charge per meter per month \$8.25

Delivery Charge:

November - April ~~\$0.37370~~ 0.3736

May - October ~~\$0.31670~~ 0.3166

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 20, 2011~~
Issued by: Mark R. Sperduto, Vice President
2012
Wall, NJ 07719

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

NEW JERSEY NATURAL GAS COMPANY

BPU No. 8 - Gas

~~Thirteenth~~~~Twelfth~~ Revised Sheet No. 56
Superseding ~~Twelfth~~~~Eleventh~~ Revised Sheet No. 56

SERVICE CLASSIFICATION – GSS

GENERAL SERVICE - SMALL

AVAILABILITY

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

CHARACTER OF SERVICE

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

MONTHLY RATES

Customer Charge:

Customer Charge per meter per month \$25.00

Delivery Charge:

Delivery Charge per therm \$~~0.51000~~0.5099

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 20, 2011~~
Issued by: Mark R. Spurduto, Vice President
2012
Wall, NJ 07719

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

NEW JERSEY NATURAL GAS COMPANY

BPU No. 8 - Gas

~~Thirteenth~~~~Twelfth~~ Revised Sheet No. 59
Superseding ~~Twelfth~~~~Eleventh~~ Revised Sheet No. 59

SERVICE CLASSIFICATION - GSL

GENERAL SERVICE - LARGE

AVAILABILITY

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

CHARACTER OF SERVICE

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

MONTHLY RATES

Customer Charge:

Customer Charge per meter per month \$40.00

Demand Charge:

Demand Charge per therm applied to HMAD \$1.50

Delivery Charge:

Delivery Charge per therm ~~\$0.44020~~ 0.4401

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 20, 2011~~
Issued by: Mark R. Sperduto, Vice President
2012
Wall, NJ 07719

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

NEW JERSEY NATURAL GAS COMPANY

BPU No. 8 - Gas

~~Eighth~~~~Seventh~~ Revised Sheet No. 62
Superseding ~~Seventh~~~~Sixth~~ Revised Sheet No. 62

SERVICE CLASSIFICATION - FT

FIRM TRANSPORTATION SERVICE

AVAILABILITY

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

MONTHLY RATES

Customer Charge:

Customer Charge per meter per month \$50.00

Demand Charge:

Demand Charge per therm applied to MDQ \$1.37

Delivery Charge:

Delivery Charge per therm for High Load Factor ("HLF") customers ~~\$0.2007~~0.2006

Delivery Charge per therm for Low Load Factor ("LLF") customers ~~\$0.2325~~0.2324

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

MINIMUM MONTHLY CHARGE

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

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

DETERMINATION OF LOAD FACTOR

1. Calculation of Load Factor

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

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

Date of Issue: ~~December 20, 2011~~
Issued by: Mark R. Sperduto, Vice President
2012
Wall, NJ 07719

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

NEW JERSEY NATURAL GAS COMPANY

BPU No. 8 - Gas

~~Thirteenth~~~~Twelfth~~ Revised Sheet No. 65
Superseding ~~Twelfth~~~~Eleventh~~ Revised Sheet No. 65

SERVICE CLASSIFICATION - DGC

DISTRIBUTED GENERATION SERVICE - COMMERCIAL

AVAILABILITY

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

CONDITIONS PRECEDENT

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

MONTHLY RATES

	<u>DGC-Balancing</u>	<u>DGC-FT</u>
<u>Customer Charge:</u>		
Customer Charge per meter per month	\$40.00	\$40.00
<u>Demand Charge:</u>		
Demand Charge per therm applied to PBQ	\$0.60	\$0.60
<u>Delivery Charge per therm:</u>		
November - April	\$0.2793 <u>0.2792</u>	\$0.1949 <u>0.1948</u>
May - October	\$0.2465 <u>0.2464</u>	\$0.1624 <u>0.1620</u>

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

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

MINIMUM MONTHLY CHARGE

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

Date of Issue: ~~June 4, 2012~~
Issued by: Mark R. Sperduto, Vice President
Wall, NJ 07719

Effective for service rendered on
and after ~~October~~~~June~~ 1, 2012

NEW JERSEY NATURAL GAS COMPANY

BPU No. 8 - Gas

~~Tenth Ninth~~ Revised Sheet No. 71
Superseding ~~Ninth Eighth~~ Revised Sheet No. 71

SERVICE CLASSIFICATION - FC

FIRM COGENERATION

AVAILABILITY

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

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

CHARACTER OF SERVICE

Firm gas sales or transportation service.

MONTHLY RATES

Customer Charge:

Customer Charge per meter per month \$49.49

Demand Charge:

Demand Charge per therm applied to MDQ \$1.00

Delivery Charge:

Delivery Charge per therm \$~~0.3024~~0.3023

BGSS Charge:

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

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

Date of Issue: ~~October 19, 2011~~
Issued by: Mark R. Spurduto, Vice President
201~~2~~1
Wall, NJ 07719

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

NEW JERSEY NATURAL GAS COMPANY

BPU No. 8 - Gas

~~Eighth~~~~Seventh~~ Revised Sheet No. 77
Superseding ~~Seventh~~~~Sixth~~ Revised Sheet No. 77

SERVICE CLASSIFICATION - IS

INTERRUPTIBLE SERVICE

AVAILABILITY

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

CHARACTER OF SERVICE

Interruptible gas sales and transportation service.

MONTHLY RATES

Customer Charge:

Customer Charge per meter per month \$575.00

Delivery Charge:

Customers with Alternate Fuel

Delivery Charge per therm ~~\$0.13850~~ 1.1384

Customers without Alternate Fuel

Delivery Charge per therm ~~\$0.38020~~ 1.3801

BGSS Charge:

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

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

MINIMUM MONTHLY CHARGE

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

Date of Issue: ~~December 20, 2011~~
Issued by: Mark R. Sperduto, Vice President
2012
Wall, NJ 07719

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

NEW JERSEY NATURAL GAS COMPANY

BPU No. 8 - Gas

~~Fifth~~~~Fourth~~ Revised Sheet No. 177
~~Superseding Fourth~~~~Third~~ Revised Sheet No. 177

RIDER "H"

UNIVERSAL SERVICE FUND – USF

DETERMINATION OF THE USF

On an annual basis, the NJBPU shall consider the following: estimated USF benefits for upcoming USF program Year; estimated administrative expenses; the projected current year under/over recovery position, and annual forecasted volumes in order to establish a USF rate for the upcoming USF program year. This state wide rate shall be adjusted for all applicable taxes and assessments and shall be provided to all utilities to be included in their annual SBC filings for notice and public hearing purposes.

The Company shall calculate carrying costs on any under-or over-recovered USF balances based upon the two-year constant maturity Treasury rate, as published in the Federal Reserve Statistical Release on the first day of each month, or the closest day thereafter on which rates are published, plus sixty (60) basis points; provided, however, that this interest rate does not exceed the overall rate of return as authorized by the Board. The interest rate shall be reset each month. 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 USF balance at the end of each USF year.

The USF shall be collected on a per therm basis and shall remain in effect until changed by order of the NJBPU:

Lifeline	\$0.0051 <u>\$0.0048</u>
PIPP	\$0.0134 <u>\$0.0136</u>
USF Billing Factor	\$0.0185 <u>\$0.0184</u>

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

Date of Issue: ~~October 19, 2011~~
Issued by: Mark R. Sperduto, Vice President
2012
Wall, NJ 07719

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

NEW JERSEY NATURAL GAS COMPANY

BPU No. 8 - Gas

~~Fourteenth~~^{Thirteenth} Revised Sheet No. 252
Superseding ~~Thirteenth~~^{Twelfth} Revised Sheet No. 252

SUMMARY OF RESIDENTIAL RATE COMPONENTS

Residential Heating Customers

		<u>Bundled Sales</u>	<u>Transport Sales</u>	<u>Reference</u>
<u>Customer Charge</u>				
Customer Charge per meter per month		8.25	8.25	
<u>Delivery Charge ("DEL") per therm</u>				
<i>Transport Rate:</i>				
Pre-tax Base Rate		0.3058	0.3058	
TEFA		0.0125	0.0125	Rider B
SUT		<u>0.0223</u>	<u>0.0223</u>	Rider B
After-tax Base Rate		0.3406	0.3406	
WNC		0.0000	0.0000	Rider D
CIP		0.0066	0.0066	Rider I
EE		<u>0.0127</u>	<u>0.0127</u>	Rider F
<i>Total Transport Rate</i>	a	0.3599	0.3599	
<i>Balancing Charge</i>	b	0.0844	0.0844	Rider A
<i>Societal Benefits Charge ("SBC"):</i>				
NJ's Clean Energy		0.0203	0.0203	Rider E
RA		0.0324	0.0324	Rider C
USF		0.01850.0 <u>184</u>	0.01850.0184	Rider H
<i>Total SBC</i>	c	0.07120.0 <u>711</u>	0.07120.0711	
Delivery Charge (DEL)	a+b+c=d	0.51550.5 <u>154</u>	0.51550.5154	
<u>Basic Gas Supply Charge ("BGS")</u>				
Periodic BGSS	e	0.6681	x	Rider A
Less: Balancing	f	<u>0.0844</u>	x	
BGS	e-f=g	<u>0.5837</u>	x	

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

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

Date of Issue: ~~March 9, 2012~~
Issued by: Mark R. Spurduto, Vice President
2012
Wall, NJ 07719

Effective for service rendered on
and after ~~October~~^{April} 1,

NEW JERSEY NATURAL GAS COMPANY

BPU No. 8 - Gas

~~Thirteenth~~^{Twelfth} Revised Sheet No. 253
Superseding ~~Twelfth~~^{Eleventh} Revised Sheet No. 253

SUMMARY OF RESIDENTIAL RATE COMPONENTS

Residential Non-Heating Customers

		<u>Bundled Sales</u>	<u>Transport Sales</u>	<u>Reference</u>
<u>Customer Charge</u>				
Customer Charge per meter per month		8.25	8.25	
<u>Delivery Charge ("DEL") per therm</u>				
<i>Transport Rate:</i>				
Pre-tax Base Rate		0.3058	0.3058	
TEFA		0.0125	0.0125	Rider B
SUT		<u>0.0223</u>	<u>0.0223</u>	Rider B
After-tax Base Rate		0.3406	0.3406	
CIP		0.0255	0.0255	Rider I
EE		<u>0.0127</u>	<u>0.0127</u>	Rider F
<i>Total Transport Rate</i>	a	0.3788	0.3788	
<i>Balancing Charge</i>	b	0.0844	0.0844	Rider A
<i>Societal Benefits Charge ("SBC"):</i>				
NJ's Clean Energy		0.0203	0.0203	Rider E
RA		0.0324	0.0324	Rider C
USF		<u>0.01850.0</u> <u>184</u>	<u>0.01850.0184</u>	Rider H
<i>Total SBC</i>	c	<u>0.07120.0</u> <u>711</u>	<u>0.07120.0711</u>	
Delivery Charge (DEL)	a+b+c=d	<u>0.53440.5</u> <u>343</u>	<u>0.53440.5343</u>	
<u>Basic Gas Supply Charge ("BGS")</u>				
Periodic BGSS	e	0.6681	x	Rider A
Less: Balancing	f	<u>0.0844</u>	x	
BGS	e-f=g	<u>0.5837</u>	x	

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

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

Date of Issue: ~~March 9, 2012~~
Issued by: Mark R. Sperduto, Vice President
2012
Wall, NJ 07719

Effective for service rendered on
and after ~~October~~^{April} 1,

NEW JERSEY NATURAL GAS COMPANY

BPU No. 8 - Gas

~~Thirteenth~~~~Twelfth~~ Revised Sheet No. 254
Superseding ~~Twelfth~~~~Eleventh~~ Revised Sheet No. 254

SUMMARY OF RESIDENTIAL RATE COMPONENTS

Residential Distributed Generation Service

		Nov - Apr	May - Oct	Reference
<u>Customer Charge</u>				
Customer Charge per meter per month		8.25	8.25	
<u>Delivery Charge ("DEL") per therm</u>				
<u>Transport Rate:</u>				
Pre-tax Base Rate		0.1795	0.1262	
TEFA		0.0125	0.0125	
SUT		<u>0.0134</u>	<u>0.0097</u>	Rider B
After-tax Base Rate		0.2054	0.1484	
EE		<u>0.0127</u>	<u>0.0127</u>	Rider F
Total Transport Rate	a	0.2181	0.1611	
Balancing Charge	b	0.0844	0.0844	Rider A
<u>Societal Benefits Charge ("SBC"):</u>				
NJ's Clean Energy		0.0203	0.0203	Rider E
RA		0.0324	0.0324	Rider C
USF		0.0185 0.0184	0.0185 0.0184	Rider H
Total SBC	c	0.0712 0.0711	0.0712 0.0711	
Delivery Charge (DEL)	a+b+c=d	0.3737 0.3736	0.3167 0.3166	
<u>Basic Gas Supply Charge ("BGS")</u>				
Periodic BGSS	e	0.6681	0.6681	Rider A
Less: Balancing	f	<u>0.0844</u>	<u>0.0844</u>	
BGS	e-f=g	<u>0.5837</u>	<u>0.5837</u>	

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

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

Date of Issue: ~~March 9, 2012~~
Issued by: Mark R. Sperduto, Vice President
2012
Wall, NJ 07719

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

NEW JERSEY NATURAL GAS COMPANY

BPU No. 8 - Gas

~~Fourteenth~~~~Thirteenth~~ Revised Sheet No. 255
Superseding ~~Thirteenth~~~~Twelfth~~ Revised Sheet No. 255

SUMMARY OF FIRM COMMERCIAL RATE COMPONENTS

General Service - Small (GSS)

		<u>Bundled Sales</u>	<u>Transport Sales</u>	<u>Reference</u>
<u>Customer Charge</u>				
Customer Charge per meter per month		25.00	25.00	
<u>Delivery Charge ("DEL") per therm</u>				
<i>Transport Rate:</i>				
Pre-tax Base Rate		0.2649	0.2649	
TEFA		0.0111	0.0111	Rider B
SUT		<u>0.0193</u>	<u>0.0193</u>	Rider B
<i>After-tax Base Rate</i>				
WNC		0.2953	0.2953	
CIP		0.0000	0.0000	Rider D
EE		0.0464	0.0464	Rider I
		<u>0.0127</u>	<u>0.0127</u>	Rider F
<i>Total Transport Rate</i>	a	0.3544	0.3544	
<i>Balancing Charge</i>	b	0.0844	0.0844	Rider A
<i>Societal Benefits Charge ("SBC"):</i>				
NJ's Clean Energy		0.0203	0.0203	Rider E
RA		0.0324	0.0324	Rider C
USF		<u>0.01850.0</u>	<u>0.01850.0184</u>	Rider H
		184		
<i>Total SBC</i>	c	<u>0.07120.0</u>	<u>0.07120.0711</u>	
		711		
Delivery Charge (DEL)	a+b+c=d	<u>0.51000.5</u>	<u>0.51000.5099</u>	
		099		
<u>Basic Gas Supply Charge ("BGS")</u>				
Periodic BGSS	e	0.6681	x	Rider A
Less: Balancing	f	<u>0.0844</u>	x	
BGS	e-f=g	<u>0.5837</u>	x	

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

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

Date of Issue: ~~March 9, 2012~~
Issued by: Mark R. Sperduto, Vice President
2012
Wall, NJ 07719

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

NEW JERSEY NATURAL GAS COMPANY

BPU No. 8 - Gas

Fifty-~~Sixth~~^{Fifth} Revised Sheet No. 256
Superseding Fifty-~~Fifth~~^{Fourth} Revised Sheet No. 256

SUMMARY OF FIRM COMMERCIAL RATE COMPONENTS

General Service - Large (GSL)

		<u>Bundled Sales</u>	<u>Transport Sales</u>	<u>Reference</u>
<u>Customer Charge</u>				
Customer Charge per meter per month		40.00	40.00	
<u>Demand Charge</u>				
Demand Charge per month applied to HMAAD		1.50	1.50	
<u>Delivery Charge ("DEL") per therm</u>				
<i>Transport Rate:</i>				
Pre-tax Base Rate		0.2080	0.2080	
TEFA		0.0096	0.0096	Rider B
SUT		<u>0.0152</u>	<u>0.0152</u>	Rider B
After-tax Base Rate		0.2328	0.2328	
WNC		0.0000	0.0000	Rider D
CIP		0.0391	0.0391	Rider I
EE		<u>0.0127</u>	<u>0.0127</u>	Rider F
<i>Total Transport Rate</i>	a	0.2846	0.2846	
<i>Balancing Charge</i>	b	0.0844	0.0844	Rider A
<i>Societal Benefits Charge ("SBC"):</i>				
NJ's Clean Energy		0.0203	0.0203	Rider E
RA		0.0324	0.0324	Rider C
USF		<u>0.01850.0</u>	<u>0.01850.0184</u>	Rider H
		184		
<i>Total SBC</i>	c	<u>0.07120.0</u>	<u>0.07120.0711</u>	
		711		
Delivery Charge (DEL)	a+b+c=d	<u>0.44020.4</u>	<u>0.44020.4401</u>	
		401		
<u>Basic Gas Supply Charge ("BGSS")</u>				
Monthly BGSS	e	0.5127	X	Rider A
Less: Balancing	f	<u>0.0844</u>	X	
BGS	e-f=g	<u>0.4283</u>	X	

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

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

Date of Issue: ~~May 30, 2012~~
Issued by: Mark R. Sperduto, Vice President
Wall, NJ 07719

Effective for service rendered on
and after ~~October June~~ 1, 2012

NEW JERSEY NATURAL GAS COMPANY

BPU No. 8 - Gas

~~EighthSeventh~~ Revised Sheet No. 257
Superseding ~~SeventhSixth~~ Revised Sheet No. 257

SUMMARY OF FIRM COMMERCIAL RATE COMPONENTS

FIRM TRANSPORTATION (FT)

		<u>HLF</u>	<u>LLF</u>	<u>Reference</u>
<u>Customer Charge</u>				
Customer Charge per meter per month		50.00	50.00	
<u>Demand Charge</u>				
Demand Charge per therm per month applied to MDQ		1.37	1.37	
<u>Delivery Charge ("DEL") per therm</u>				
<i>Transport Rate:</i>				
Pre-tax Base Rate		0.1028	0.1325	
TEFA		0.0064	0.0064	Rider B
SUT		<u>0.0076</u>	<u>0.0097</u>	Rider B
After-tax Base Rate		0.1168	0.1486	
EE		<u>0.0127</u>	<u>0.0127</u>	Rider F
Total Transport Rate	a	0.1295	0.1613	
<i>Societal Benefits Charge ("SBC"):</i>				
NJ's Clean Energy		0.0203	0.0203	Rider E
RA		0.0324	0.0324	Rider C
USF		<u>0.01850.018</u>	<u>0.01850.01</u>	Rider H
		<u>4</u>	<u>84</u>	
Total SBC	b	<u>0.07120.071</u>	<u>0.07120.07</u>	
		<u>1</u>	<u>11</u>	
Delivery Charge (DEL)	a+b=c	<u>0.20070.200</u>	<u>0.23250.23</u>	
		<u>6</u>	<u>24</u>	

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

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

Date of Issue: ~~December 20, 2011~~
Issued by: Mark R. Spurduto, Vice President
2012
Wall, NJ 07719

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

NEW JERSEY NATURAL GAS COMPANY

BPU No. 8 - Gas

**~~EleventhTenth~~ Revised Sheet No. 258
Superseding ~~TenthNinth~~ Revised Sheet No. 258**

SUMMARY OF FIRM COMMERCIAL RATE COMPONENTS

Commercial Distributed Generation Service

		<u>Nov - Apr</u>	<u>May - Oct</u>	<u>Reference</u>
<u>Customer Charge</u>				
Customer Charge per meter per month		40.00	40.00	
<u>Demand Charge</u>				
Demand Charge per therm per month applied to PBQ		0.60	0.60	
<u>Delivery Charge ("DEL") per therm</u>				
<i>Transport Rate:</i>				
Pre-tax Base Rate		0.0922	0.0616	
TEFA		0.0115	0.0115	
SUT		<u>0.0073</u>	<u>0.0051</u>	Rider B
After-tax Base Rate		0.1110	0.0782	
EE		<u>0.0127</u>	<u>0.0127</u>	Rider F
<i>Total Transport Rate</i>	a	0.1237	0.0909	
<i>Societal Benefits Charge ("SBC"):</i>				
NJ's Clean Energy		0.0203	0.0203	Rider E
RA		0.0324	0.0324	Rider C
USF		<u>0.01850.0184</u>	<u>0.01850.0184</u>	Rider H
<i>Total SBC</i>	c	<u>0.07120.0711</u>	<u>0.07120.0711</u>	
DGC-FT Delivery Charge (DEL)	a+b=c	<u>0.19490.1948</u>	<u>0.16210.1620</u>	
Balancing Charge	b	<u>0.0844</u>	<u>0.0844</u>	
DGC-Balancing Delivery Charge (DEL)	a+b+c=d	<u>0.27930.2792</u>	<u>0.24650.2464</u>	

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

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

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

Date of Issue: ~~June 4, 2012~~
Issued by: Mark R. Sperduto, Vice President
Wall, NJ 07719

**Effective for service rendered on
and after ~~October~~ June 1, 2012**

NEW JERSEY NATURAL GAS COMPANY

BPU No. 8 - Gas

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

SUMMARY OF FIRM COMMERCIAL RATE COMPONENTS

Firm Cogeneration (FC)

		<u>Sales</u>	<u>Transport</u>	<u>Reference</u>
<u>Customer Charge</u>				
Customer Charge per meter per month		49.49	49.49	
<u>Demand Charge</u>				
Demand Charge per therm per month applied to MDQ		1.00	1.00	
<u>Delivery Charge ("DEL") per therm</u>				
<i>Transport Rate:</i>				
Pre-tax Base Rate		0.1253	0.1253	
SUT		<u>0.0088</u>	<u>0.0088</u>	Rider B
After-tax Base Rate		0.1341	0.1341	
EE		<u>0.0127</u>	<u>0.0127</u>	Rider F
Total Transport Rate	a	0.1468	0.1468	
Balancing Charge	b	0.0844	0.0844	Rider A
<i>Societal Benefits Charge ("SBC"):</i>				
NJ's Clean Energy		0.0203	0.0203	Rider E
RA		0.0324	0.0324	Rider C
USF		0.0185 0.0184	0.0185 0.0184	Rider H
Total SBC	c	0.0712 0.0711	0.0712 0.0711	
Delivery Charge (DEL)	a+b+c=d	0.3024 0.3023	0.3024 0.3023	
<u>Basic Gas Supply Charge ("BGS")</u>				
Monthly BGSS	e	0.5127	X	Rider A
Less: Balancing	f	<u>0.0844</u>	X	
BGS	e-f=g	<u>0.4283</u>	X	

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

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

Date of Issue: ~~May 30, 2012~~
Issued by: Mark R. Sperduto, Vice President
Wall, NJ 07719

Effective for service rendered on
and after ~~October June~~ 1, 2012

NEW JERSEY NATURAL GAS COMPANY

BPU No. 8 - Gas

~~Fifty-First~~~~Fiftieth~~ Revised Sheet No. 260
Superseding ~~Fiftieth~~~~Forty-Ninth~~ Revised Sheet No. 260

SUMMARY OF INTERRUPTIBLE RATE COMPONENTS

INTERRUPTIBLE SALES AND TRANSPORTATION

With Alternate Fuel

		<u>Bundled Sales</u>	<u>Transport Sales</u>	<u>Reference</u>
<u>Customer Charge</u>				
Customer Charge per meter per month		575.00	575.00	
<u>Delivery Charge ("DEL") per therm</u>				
<i>Transport Rate:</i>				
Pre-tax Base Rate		0.0494	0.0494	
TEFA		0.0016	0.0016	Rider B
SUT		<u>0.0036</u>	<u>0.0036</u>	Rider B
After-tax Base Rate		0.0546	0.0546	
EE		<u>0.0127</u>	<u>0.0127</u>	Rider F
Total Transport Rate	a	0.0673	0.0673	
<i>Societal Benefits Charge ("SBC"):</i>				
NJ's Clean Energy		0.0203	0.0203	Rider E
RA		0.0324	0.0324	Rider C
USF		<u>0.01850.0</u> <u>184</u>	<u>0.01850.0184</u>	Rider H
Total SBC	b	<u>0.07120.0</u> <u>711</u>	<u>0.07120.0711</u>	
Delivery Charge (DEL)	a+b=c	<u>0.13850.1</u> <u>384</u>	<u>0.13850.1384</u>	
<u>Basic Gas Supply Charge ("BGS")</u>				
Monthly BGSS	d	0.5127	X	Rider A
BGS	d	<u>0.5127</u>	X	

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

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

Date of Issue: ~~May 30, 2012~~
Issued by: Mark R. Sperduto, Vice President
Wall, NJ 07719

Effective for service rendered on
and after ~~October June~~ 1, 2012

NEW JERSEY NATURAL GAS COMPANY

BPU No. 8 - Gas

~~Fifty-First~~~~Fiftieth~~ Revised Sheet No. 261
Superseding ~~Fiftieth~~~~Forty-Ninth~~ Revised Sheet No. 261

SUMMARY OF INTERRUPTIBLE RATE COMPONENTS

INTERRUPTIBLE SALES AND TRANSPORTATION

Without Alternate Fuel

		<u>Bundled Sales</u>	<u>Transport Sales</u>	<u>Reference</u>
<u>Customer Charge</u>				
Customer Charge per meter per month		575.00	575.00	
<u>Delivery Charge ("DEL") per therm</u>				
<i>Transport Rate:</i>				
Pre-tax Base Rate		0.2753	0.2753	
TEFA		0.0016	0.0016	Rider B
SUT		<u>0.0194</u>	<u>0.0194</u>	Rider B
After-tax Base Rate		0.2963	0.2963	
EE		<u>0.0127</u>	<u>0.0127</u>	Rider F
Total Transport Rate	a	0.3090	0.3090	
<i>Societal Benefits Charge ("SBC"):</i>				
NJ's Clean Energy		0.0203	0.0203	Rider E
RA		0.0324	0.0324	Rider C
USF		<u>0.01850.0</u>	<u>0.01850.0184</u>	Rider H
		184		
Total SBC	b	<u>0.07120.0</u>	<u>0.07120.0711</u>	
		711		
Delivery Charge (DEL)	a+b=c	<u>0.38020.3</u>	<u>0.38020.3801</u>	
		801		
<u>Basic Gas Supply Charge ("BGS")</u>				
Monthly BGSS	d	0.5127	X	Rider A
BGS	d	<u>0.5127</u>	X	

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

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

Date of Issue: ~~May 30, 2012~~
Issued by: Mark R. Sperduto, Vice President
Wall, NJ 07719

Effective for service rendered on
and after ~~October June~~ 1, 2012

NEW JERSEY NATURAL GAS COMPANY
NOTICE OF FILING AND PUBLIC HEARING

**IN THE MATTER OF THE ESTABLISHMENT OF
A UNIVERSAL SERVICE FUND PURSUANT TO
SECTION 12 OF THE ELECTRIC DISCOUNT AND
ENERGY COMPETITION ACT OF 1999
BPU DOCKET NO. EX00020091**

**IN THE MATTER OF THE PETITION OF
NEW JERSEY NATURAL GAS COMPANY
2012/2013 ANNUAL COMPLIANCE FILING FOR
THE UNIVERSAL SERVICE FUND PROGRAM FACTOR
WITHIN THE SOCIETAL BENEFITS CHARGE RATE
BPU DOCKET NO. ER1206_____**

TO OUR CUSTOMERS:

PLEASE TAKE NOTICE that, pursuant to the Electric Discount and Energy Competition Act, N.J.S.A. 48:3-49, et seq., the Universal Service Fund (“USF”) program was established by the New Jersey Board of Public Utilities (the “Board”), to provide funds to assist qualifying low-income individuals in paying their energy bills. Pursuant to Orders of the Board dated April 30, 2003, July 16, 2003 and June 22, 2005, the State’s electric and gas public utilities’ Societal Benefits Charge includes recovery of funding for the USF program through uniform statewide rates. The Societal Benefits Charge also includes funding for the Lifeline Program. The State of New Jersey’s Department of Community Affairs is the Administrator of the USF Program and the New Jersey Department of Health and Senior Services is the Administrator of the Lifeline programs and authorizes the disbursement of benefits to eligible customers in the respective programs.

New Jersey Natural Gas Company (“NJNG” or the “Company”) made a compliance filing with the Board on June 22, 2012, requesting authority to implement a decrease related to the statewide USF/Lifeline program charge, as described below, to be effective on October 1, 2012. The current after-tax USF/Lifeline program charge for natural gas customers is \$0.0185 per therm. The USF component is increasing by \$0.0002 per therm and the Lifeline component is decreasing by \$0.0003 per therm. The proposed after-tax USF/Lifeline program charge will decrease to \$0.0184 to recover approximately \$57.5 million for the statewide natural gas USF program and \$20.4 million for the Lifeline programs. The above request will not result in any profit to the Company. The revenues received under the proposed USF charge are designed to permit the Company to recover only its costs for the USF and Lifeline program. Actual program costs will be reconciled with the revenues received through the USF program charge in the next annual filing scheduled to be made no later than July 1, 2013.

The proposed statewide charges for natural gas customers are as follows:

Universal Service/Lifeline Fund Components of Societal Benefits Charge				
	Present	Present (Incl. Sales and Use Tax)	Proposed	Proposed (Incl. Sales and Use Tax)
USF- per therm	\$0.0125	\$0.0134	\$0.0127	\$0.0136

Lifeline- per therm	\$0.0048	\$0.0051	\$0.0045	\$0.0048
Total USF/Lifeline	\$0.0173	\$0.0185	\$0.0172	\$0.0184

If approved by the Board, the impact of the proposed changes in the USF/Lifeline Charge on typical natural gas bills is illustrated below:

Customer Type	Therm Level	Rates		Decrease	
		Bill as of June 1, 2012	Proposed Bill as of October 1, 2012	Amount	Percent
Residential Heat Sales	100	\$118.17	\$118.16	(\$0.01)	(0.01%)
Residential Non-Heat Sales	25	\$36.20	\$36.20	(\$0.00)	0.00%
General Service Small	100	\$134.37	\$134.36	(\$0.01)	(0.01%)
General Service Large	1200	\$1,257.70	\$1,257.58	(\$0.12)	(0.01%)

Based on this filing, a typical residential natural gas customer using 100 therms per month would see a decrease in their monthly bill from \$118.17 to \$118.16, or (\$0.01) or approximately (0.01) percent.

The Board has the statutory authority to establish the USF and Lifeline charges at levels it finds just and reasonable. Therefore, the Board may establish the USF and Lifeline charges at levels other than those proposed by NJNG.

Copies of the Company's June 22, 2012 filing can be reviewed either at the NJNG Customer Service Centers listed on the Company Web site, www.njng.com, or at the New Jersey Board of Public Utilities, 44 South Clinton Avenue P.O. Box 350 Trenton, NJ 08625-0350.

The following date, time and location for a public hearing have been scheduled on the above filing so that members of the public may present their views:

July ??, 2012 at 3:30 and 5:30 P.M.
Rockaway Township Municipal Building
Conference Room
65 Mt. Hope Road
Rockaway Township, New Jersey 07866-1698

July ??, 2012 at 3:30 and 5:30 P.M.
Freehold Township Municipal Building
Conference Room
One Municipal Plaza, Schanck Road
Freehold, New Jersey 07728-3099

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 increases. **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.** Regardless of whether they attend the hearing, members of the public may submit written comments concerning the petition to the BPU by addressing them to: Kristi Izzo, Secretary, New Jersey Board of Public Utilities, 44 South Clinton Avenue P.O. Box 350 Trenton, NJ 08625-0350.

New Jersey Natural Gas Company
Tracey Thayer, Esq.