



June 1, 2010

VIA FEDERAL EXPRESS

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

Re: NEW JERSEY NATURAL GAS COMPANY
FOR APPROVAL OF ENERGY EFFICIENCY
PROGRAMS WITH AN ASSOCIATED COST
RECOVERY MECHANISM
BPU DOCKET NO. GR1006 ____

Dear Ms. Izzo:

Enclosed herewith for filing please find an original and ten (10) copies of the petition of New Jersey Natural Gas Company (NJNG) in the annual filing for the approval of the rates associated with the Company's energy efficiency programs approved by the New Jersey Board of Public Utilities on July 17, 2009 in BPU Docket No. GO09010057.

Copies of the petition, including the supporting Exhibits, are also being served electronically upon the Department of the Public Advocate, 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 that reads 'Tracey Thayer'.

Tracey Thayer
Director, Regulatory Affairs Counsel

Enclosures

C: Service List

**IN THE MATTER OF THE PETITION OF NEW JERSEY NATURAL GAS
COMPANY FOR APPROVAL OF THE COST RECOVERY ASSOCIATED
WITH ENERGY EFFICIENCY PROGRAMS
BPU DOCKET NO. GR1006_____**

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**IN THE MATTER OF THE PETITION OF NEW JERSEY NATURAL GAS
COMPANY FOR APPROVAL OF THE COST RECOVERY ASSOCIATED
WITH ENERGY EFFICIENCY PROGRAMS
BPU DOCKET NO. GR1006_____**

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

IN THE MATTER OF THE PETITION)	
OF NEW JERSEY NATURAL GAS)	PETITION
COMPANY FOR APPROVAL OF THE)	
COST RECOVERY ASSOCIATED)	BPU DOCKET NO. GR1006_____
WITH ENERGY EFFICIENCY)	
PROGRAMS)	

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

New Jersey Natural Gas Company (“NJNG” or the “Company”) respectfully petitions the New Jersey Board of Public Utilities (the “Board” or “BPU”) pursuant to a Board Order issued on July 17, 2009 in Docket Nos. EO09010056 and GO09010057 and 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 short-term (12-16 months) in order 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 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 addressing the reduction of energy consumption in New Jersey.

4. In an Order dated July 17, 2009 (the "July 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 Department of the Public Advocate, Division of Rate Counsel ("Rate Counsel"). Accordingly, NJNG is authorized to defer and recover all EE Program costs, including rebate costs, customer incentive payments, customer financing costs and associated reasonable and prudent incremental operation and maintenance ("O&M") expenses. It was agreed that the rebate costs, customer incentive costs, customer financing costs and associated O&M expenses 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 in Rider F was established as \$0.0127 (\$0.0119 pre-tax).

5. Additionally, 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 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 (11.44 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 addressing the aggressive statewide goals for reducing greenhouse gas emissions ("GHG"). Additionally, there is a focus in the EE programs towards stimulating workforce development in light of the existing economic conditions. Those same economic conditions have the potential to impact customer participation in energy efficiency programs and policy changes within the state. That reality was noted in the July Order wherein the Board recognized that there were many factors impacting participation and investment levels that are outside of the Company's control.

7. Pursuant to the July Order, the Company is to submit annual EE Program cost recovery filings by June 1st to establish future Rider F rates, 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 initial BPU approved EE Program investment levels and operating costs, reconciling the estimates to actual results.

8. Attached hereto and made a part of this Petition are the following Schedules providing the information listed in the Minimum Filing Requirements approved in the July Order:

- Schedule NJNG-1 Information on NJNG's direct FTE employment impacts.
- Schedule NJNG-2 Monthly revenue requirement calculation.

Schedule NJNG-3	Actual clause revenues, by month and by rate class.
Schedule NJNG-4	Monthly beginning and ending clause deferred balances and the average deferred balance, net of tax, for the reconciliation period.
Schedule NJNG-5	Interest rate used for over/under deferred balance recoveries.
Schedule NJNG-6	Interest expense to be charged or credited each month.
Schedule NJNG-7	Budgeted versus actual EE Program costs.
Schedule NJNG-8	Monthly journal entries for regulatory asset and deferred O&M expenses for the EE Program for the reconciliation period.
Schedule NJNG-9	Supporting details for all administrative costs related to the EE Program included in the revenue requirement.
Schedule NJNG-10	Carrying cost used for the unamortized costs of the EE Program.
Schedule NJNG-11	Number of participants in each EE program.
Schedule NJNG-12	Estimated demand and energy savings for each EE program.
Schedule NJNG-13	Estimated emissions reductions for each EE program.

9. Based on the foregoing and the information provided in the attached Schedules, NJNG proposes to maintain the current after-tax EE rate at \$0.0127 (\$0.0119 pre-tax), the same level approved in the July Order. As such, there will be no change in the rate or to the impact on customers. In NJNG's pending Regional Greenhouse Gas Initiative ("RGGI") filing, BPU Docket No. GR10030225, it is proposed that the costs and investments associated with those programs be recovered through Rider F with no change to the currently approved rate until October 2011. Maintaining the current EE rate for Rider F ensures consistency and avoids multiple rate changes for NJNG's customers.

10. NJNG has served notice and a copy of this Filing, together with a copy of the annexed exhibits being filed herewith, upon the Department of the Public Advocate, Division of Rate Counsel and upon the Division of Law.


WHEREFORE, NJNG requests that the Board issue an Order:

1. Approving the Company's continued recovery of the costs associated with the EE program as shown in the attached Schedules:
2. Approving NJNG's request that the current after-tax EE rate of \$0.0127 per therm on an after tax basis (\$0.0119 pre-tax) remain in place until the Company submits its next annual EE filing or the Board issues an Order changing such rate; and
3. 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

May 28, 2010

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:

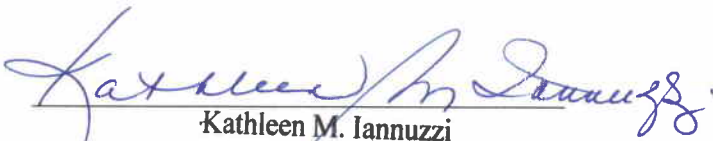
1. I am Vice President, Regulatory and External Affairs for New Jersey Natural Gas Company, the Petitioner in the foregoing Petition.

2. I have read the annexed 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

Sworn and subscribed to
before me this 28 day
of May, 2010



Kathleen M. Iannuzzi
Notary Public
State of New Jersey
My Commission Expires 04/26/2014



NEW JERSEY NATURAL GAS COMPANY

The direct full time employee equivalent (FTE) impact for the Energy Efficiency Programs is detailed in the attached spreadsheets. Each spreadsheet includes the impact of 22 full time employees.

NEW JERSEY NATURAL GAS COMPANY
Energy Efficiency Program Budget
Total Estimated 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
Residential Programs								
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
Sub-Total: Residential Programs	\$17,855,527.00	\$233,249.00	\$1,191,797.00	\$30,975.00	\$14,895,000.00	\$1,504,506.00	\$0.00	\$0.00
COMMERCIAL & INDUSTRIAL PROGRAMS								
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
Sub-Total: C&I Programs	\$665,108.00	\$34,565.00	\$214,279.00	\$2,025.00	\$400,000.00	\$14,239.00	\$0.00	\$0.00
TOTAL Energy Efficiency Programs	\$18,520,635.00	\$267,814.00	\$1,406,076.00	\$33,000.00	\$15,295,000.00	\$1,518,745.00	\$0.00	\$0.00

Full Time Employees 22

NEW JERSEY NATURAL GAS COMPANY

Investment, Rebates and O&M Expense
Actual through March 31, 2010

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
RESIDENTIAL PROGRAMS								
Enhanced WARMAdvantage (NJNG)	\$0.00	\$148,643.89	\$462,403.58	\$0.00	\$1,368,000.00	\$492,413.00	\$0.00	\$0.00
HPwES Enhancements (NJNG)	\$0.00	\$51,442.00	\$187,502.37	\$200.00	\$144,908.00	\$0.00	\$0.00	\$0.00
Sub-Total: Residential EE Programs	\$0.00	\$200,085.89	\$649,905.95	\$200.00	\$1,512,908.00	\$492,413.00	\$0.00	\$0.00
COMMERCIAL & INDUSTRIAL PROGRAMS								
Commercial Direct Install (NJNG)	\$0.00	\$22,231.77	\$10,140.85	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Sub-Total: C&I Programs	\$0.00	\$22,231.77	\$10,140.85	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
TOTAL Energy Efficiency Programs	\$2,887,885.46	\$222,317.66	\$660,046.80	\$200.00	\$1,512,908.00	\$492,413.00	\$0.00	\$0.00

NEW JERSEY NATURAL GAS COMPANY

Investment, Rebates and O&M Expense
Estimated through September 30, 2010

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
RESIDENTIAL PROGRAMS								
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
Sub-Total: Residential EE Programs	\$14,555,747.00	\$233,249.00	\$1,191,797.00	\$30,975.00	\$11,800,425.00	\$1,299,301.00	\$0.00	\$0.00
COMMERCIAL & INDUSTRIAL PROGRAMS								
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
Sub-Total: C&I Programs	\$685,108.00	\$34,565.00	\$214,279.00	\$2,025.00	\$420,000.00	\$14,239.00	\$0.00	\$0.00
TOTAL Energy Efficiency Programs	\$15,240,855.00	\$267,814.00	\$1,406,076.00	\$33,000.00	\$12,220,425.00	\$1,313,540.00	\$0.00	\$0.00

Full Time Employees 22

NEW JERSEY NATURAL GAS COMPANY

The monthly revenue requirement calculation for the period August 2009 through September 2010 is detailed in the attached spreadsheet. The information includes actual financial information through April 2010 and estimated data for the period May 2010 through September 2010.

NEW JERSEY NATURAL GAS COMPANY

Period	Year	Actual/ Estimate	Net Investment to determine Debt, Equity and Taxes	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	(1,525)	36,248,401	\$ 0.0119	431,356
Nov	2009	A	1,434,563	229,650	(7,580)	50,916,538	\$ 0.0119	605,907
Dec	2009	A	1,655,550	451,085	(19,570)	104,193,568	\$ 0.0119	1,239,903
Jan	2010	A	1,908,622	707,148	(38,531)	122,450,841	\$ 0.0119	1,457,165
Feb	2010	A	2,157,838	1,008,923	(65,809)	106,772,436	\$ 0.0119	1,270,592
Mar	2010	A	2,514,606	1,427,996	(104,656)	68,495,594	\$ 0.0119	815,098
Apr	2010	A	2,783,688	1,786,342	(153,728)	35,048,338	\$ 0.0119	417,075
May	2010	e	3,130,154	2,312,284	(217,635)	26,733,720	\$ 0.0119	318,131
Jun	2010	e	5,041,582	4,370,334	(336,873)	21,966,173	\$ 0.0119	261,278
Jul	2010	e	6,940,620	6,415,316	(512,275)	23,208,025	\$ 0.0119	276,175
Aug	2010	e	9,405,588	9,013,489	(759,542)	22,630,858	\$ 0.0119	269,307
Sep	2010	e	11,604,141	11,349,582	(1,073,332)	20,354,921	\$ 0.0119	242,224
						639,009,415		\$ 7,604,212

NEW JERSEY NATURAL GAS COMPANY

The actual clause revenue for the period August 2009 through September 2010 is detailed in the attached spreadsheet. The information includes actual financial information through April 2010 and estimated data for the period May 2010 through September 2010.

NEW JERSEY NATURAL GAS COMPANY

Period	Year	Actual/ Estimate	Volumes	Rider Rate	Revenue
Aug	2009	A	20,387,400	\$ 0.0119	\$ 242,610
Sep	2009	A	18,989,126	\$ 0.0119	225,971
			<u>39,376,526</u>		<u>468,581</u>
Oct	2009	A	36,248,401	\$ 0.0119	431,356
Nov	2009	A	50,916,538	\$ 0.0119	605,907
Dec	2009	A	104,193,568	\$ 0.0119	1,239,903
Jan	2010	A	122,450,841	\$ 0.0119	1,457,165
Feb	2010	A	106,772,436	\$ 0.0119	1,270,592
Mar	2010	A	68,495,594	\$ 0.0119	815,098
Apr	2010	A	35,048,338	\$ 0.0119	417,075
May	2010	e	26,733,720	\$ 0.0119	318,131
Jun	2010	e	21,956,173	\$ 0.0119	261,278
Jul	2010	e	23,208,025	\$ 0.0119	276,175
Aug	2010	e	22,630,858	\$ 0.0119	269,307
Sep	2010	e	20,354,921	\$ 0.0119	242,224
			<u>639,009,415</u>		<u>\$ 7,604,212</u>

NEW JERSEY NATURAL GAS COMPANY
REVENUE BY CLASS OF SERVICE

Customer Class	Aug-09		Sep-09		Oct-09		Nov-09		Dec-09	
	THERMS	REVENUE	THERMS	REVENUE	THERMS	REVENUE	THERMS	REVENUE	THERMS	REVENUE
Residential Nonheat Sales	314,481	\$ 3,742	368,579	\$ 4,386	328,646	\$ 3,911	304,198	\$ 3,620	418,850	\$ 4,984
Residential Heat Sales	9,292,966	110,586	9,753,865	116,071	21,280,085	253,233	31,866,630	379,213	69,602,798	828,273
GSS Sales	500,251	5,953	628,492	7,479	1,064,537	12,668	1,881,435	22,389	4,354,991	51,824
GSL Sales	1,504,191	17,900	1,861,289	22,149	3,737,715	44,479	5,134,526	61,101	10,135,982	120,618
Firm Cogeneration	148	2	690	8	1,027	12	621	7	888	11
Total Sales	11,612,037	\$ 138,183	12,612,915	\$ 150,094	26,412,010	\$ 314,303	39,187,410	\$ 466,330	84,513,509	\$ 1,005,711
Residential Nonheat Transport	5,628	\$ 67	5,872	\$ 70	10,740	\$ 128	11,710	\$ 139	18,039	\$ 215
Residential Heat Transport	290,314	3,455	330,471	3,933	790,053	9,402	1,223,140	14,555	2,603,029	30,976
GSS Transport	115,087	1,370	152,321	1,813	266,765	3,175	427,149	5,083	1,223,146	14,555
GSL Transport	2,119,519	25,222	2,271,614	27,032	4,890,364	58,195	6,277,179	74,698	11,408,961	135,767
FT LLF	119,355	1,420	129,074	1,536	337,251	4,013	430,012	5,117	705,542	8,396
FT HLF	472,075	5,618	446,725	5,316	502,125	5,975	457,039	5,439	472,473	5,622
DG	202,660	2,412	199,291	2,372	293,207	3,489	357,499	4,254	354,510	4,219
Interruptible Transport	2,057,885	24,489	2,746,289	32,681	2,557,115	30,430	2,470,855	29,403	2,690,208	32,013
Ocean Peaking Power	3,392,841	40,375	94,554	1,125	188,770	2,246	74,546	887	204,151	2,429
Total Transport	8,775,364	\$ 104,427	6,376,211	\$ 75,877	9,836,390	\$ 117,053	11,729,129	\$ 139,577	19,680,059	\$ 234,193
Total	20,387,400	\$ 242,610	18,989,126	\$ 225,971	36,248,401	\$ 431,356	50,916,538	\$ 605,907	104,193,568	\$ 1,239,903

NEW JERSEY NATURAL GAS COMPANY
REVENUE BY CLASS OF SERVICE

Customer Class	Jan-10		Feb-10		Mar-10		Apr-10	
	THERMS	REVENUE	THERMS	REVENUE	THERMS	REVENUE	THERMS	REVENUE
Residential Nonheat Sales	440,818	\$ 5,246	376,966	\$ 4,486	236,608	\$ 2,816	155,231	\$ 1,847
Residential Heat Sales	84,667,393	1,007,542	73,691,691	876,931	45,918,514	546,430	21,842,391	259,924
GSS Sales	6,285,317	74,795	5,433,507	64,659	2,896,571	34,469	1,075,546	12,799
GSL Sales	10,849,917	129,114	9,069,004	107,921	6,373,509	75,845	3,063,109	36,451
Firm Cogeneration	560	7	411	5	186	2	496	6
Total Sales	102,244,005	\$ 1,216,704	88,571,579	\$ 1,054,002	55,425,388	\$ 659,562	26,136,773	\$ 311,028
Residential Nonheat Transport	17,780	\$ 212	15,361	\$ 183	9,332	\$ 111	6,629	\$ 79
Residential Heat Transport	3,201,291	38,095	2,806,265	33,395	1,786,497	21,259	883,213	10,510
GSS Transport	1,021,946	12,161	1,092,261	12,998	596,599	7,100	253,837	3,021
GSL Transport	11,849,303	141,007	10,375,151	123,464	6,835,732	81,345	3,906,792	46,491
FT LLLF	837,020	9,961	752,912	8,960	550,872	6,555	321,622	3,827
FT HLF	510,314	6,073	474,605	5,648	494,028	5,879	474,055	5,641
DG	334,874	3,985	185,661	2,209	21,014	250	20,437	243
Interruptible Transport	2,372,500	28,233	2,427,618	28,889	2,713,312	32,288	2,979,769	35,459
Ocean Peaking Power	61,809	736	71,023	845	62,821	748	65,212	776
Total Transport	20,206,837	\$ 240,461	18,200,857	\$ 216,590	13,070,207	\$ 155,535	8,911,566	\$ 106,048
Total	122,450,841	\$ 1,457,165	106,772,436	\$ 1,270,592	68,495,594	\$ 815,098	35,048,338	\$ 417,075

NEW JERSEY NATURAL GAS COMPANY

Please see Schedule NJNG-2 for the monthly Energy Efficiency Program deferred balances for the period August 2009 through September 2010. The information includes actual financial information through April 2010 and estimated data for the period May 2010 through September 2010.

NEW JERSEY NATURAL GAS COMPANY

Please see Schedule NJNG-2 for the interest rate used for the over/under Energy Efficiency Program deferred balances for the period August 2009 through September 2010. The information includes actual financial information through April 2010 and estimated data for the period May 2010 through September 2010.

The interest rate is based on NJNG's commercial paper rate at 0.4 percent.

NEW JERSEY NATURAL GAS COMPANY

Please see Schedule NJNG-2 which details the interest expense for the over/under Energy Efficiency Program deferred balances for the period August 2009 through September 2010. The information includes actual financial information through April 2010 and estimated data for the period May 2010 through September 2010.

NEW JERSEY NATURAL GAS COMPANY

Please see Schedule NJNG-1 which includes (1) the Energy Efficiency (EE) Program budget as filed with the BPU; (2) the actual EE Program investment, rebates and O&M expenses as of March 31, 2010 and (3) the EE Program estimated investments, rebates and O&M expenses as of September 30, 2010. Each spreadsheet includes the impact of 22 full time employees.

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**

	<u>DATE POSTED</u>	<u>AMOUNT</u>		<u>DATE POSTED</u>	<u>AMOUNT</u>
Summary Revenue	08/31/09	\$ 242,610	HVAC	8/31/2009	\$ -
998.45716.08000	09/30/09	214,533	Summary Rebates	9/30/2009	-
	10/31/09	418,042	620.47010.03003	10/31/2009	59,400.00
	10/31/09	(552)		11/30/2009	176,400.00
	11/30/2009	592,355		12/31/2009	225,900.00
	12/31/2009	1,224,309		1/31/2010	262,800.00
	12/31/2009	50		2/28/2010	264,600.00
	1/31/2010	1,439,340		3/31/2010	378,900.00
	2/28/2010	1,876		4/30/2010	300,600.00
	2/28/2010	1,250,651			
	2/28/2010	(100)			
	3/31/2010	792,127			
	4/30/2010	392,007			
	TOTAL	\$ 6,567,248		TOTAL	\$ 1,668,600
Summary Expenses	<u>DATE POSTED</u>	<u>AMOUNT</u>	Summary Rebates	<u>DATE POSTED</u>	<u>AMOUNT</u>
620.47030.07000	8/31/2009	\$ 305,077	Amortization	8/31/2009	\$ -
	9/30/2009	1,326,266	000.15852.00000	9/30/2009	-
	10/31/2009	152,538		10/31/2009	1,237.50
	11/30/2009	208,165		11/30/2009	4,912.50
	12/31/2009	110,794		12/31/2009	9,728.40
	1/31/2010	174,400		1/31/2010	15,383.55
	2/28/2010	169,949		2/28/2010	22,131.59
	3/31/2010	127,790		3/31/2010	31,518.92
	4/30/2010	151,481		4/30/2010	39,813.93
	TOTAL	\$ 2,726,460		TOTAL	\$ 124,726

NEW JERSEY NATURAL GAS COMPANY

Please see Schedule NJNG-1 for the The administrative costs associated with the Energy Efficiency Program. Schedule NJNG-1 includes (1) the Energy Efficiency (EE) Program budget as filed with the BPU; (2) the actual EE Program investment, rebates and O&M expenses as of March 31, 2010 and (3) the EE Program estimated investments, rebates and O&M expenses as of September 30, 2010. Schedule NJNG-1 includes the impact of 22 full time employees.

NEW JERSEY NATURAL GAS COMPANY

The carrying costs associated with the unamortized deferred asset balances for the Energy Efficiency Program are detailed in Schedule NJNG-2.

NEW JERSEY NATURAL GAS COMPANY

The number of participants included in the Energy Efficiency Program is detailed in the attached Schedule.

**NJNG SAVEGREEN PROJECT REPORT
Through March 31, 2010**

Market Programs	Customers	Program Incentives
	Actual	Actual
Residential		
Audits	1631	
Rebates-Vouchered	1530	\$ 1,377,000
0% Buy downs	88	\$ 249,654
*HPES Rebate (Tier II & III)	0	\$ -
*HPES Seal-Up	0	\$ -
**Commercial-Direct Install	0	\$ -
		\$ 1,626,654

* HPES Rebate Payment begins after NJBPU approval

** Direct Install Rebate Payments begin after the NJCEP program completes first 50 p

NEW JERSEY NATURAL GAS COMPANY

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

NJNG SAVEGREEN PROJECT REPORT
As of March 31, 2010

Market Programs	Customers				
	Actual Participants	Annual Energy Savings (Therms)	CO2 Emissions reductions (lbs)	NOx Emissions reductions (lbs)	
Residential					
HPES					
Seal-Up	0	0	0	0	
Rebate (Tier II & III)	0	0	0	0	
0% Buy downs	90	0	0	0	
Audits	1631	0	0	0	
HVAC Rebates	1530	266,220	3,114,774	2,449	
Commercial-Direct Install Rebate	0	0	0	0	

NEW JERSEY NATURAL GAS COMPANY

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