



April 10, 2014

Honorable 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 Petition of New Jersey Natural Gas Company For Approval of Rates and Certain Tariff Modifications Related To Natural Gas Vehicles Set Forth In The Company's Tariff For Gas Service.

BPU Docket No. GR1404 _____

Dear Secretary Izzo:

Enclosed for filing please find an original and ten (10) copies of the petition of New Jersey Natural Gas Company for approval for rates and changes to its Tariff regarding Natural Gas Vehicles. Included in this filing are several exhibits in support of the petition.

Copies of the 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 in the self-addressed, stamped envelope.

Respectfully submitted,

A handwritten signature in black ink that reads 'Andrew K. Dembia'. The signature is written in a cursive style with a large, looped 'D' at the end.

Andrew K. Dembia

Regulatory Affairs Counsel

Enclosures

C:Service List

**IN THE MATTER OF THE PETITION OF NEW JERSEY NATURAL GAS COMPANY
FOR APPROVAL OF RATES AND CERTAIN TARIFF MODIFICATIONS
RELATED TO NATURAL GAS VEHICLES SET FORTH IN
THE COMPANY'S TARIFF FOR GAS SERVICE
DOCKET NO. GR1404 _____**

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**IN THE MATTER OF THE PETITION OF NEW JERSEY NATURAL GAS COMPANY
FOR APPROVAL OF RATES AND CERTAIN TARIFF MODIFICATIONS
RELATED TO NATURAL GAS VEHICLES SET FORTH IN
THE COMPANY'S TARIFF FOR GAS SERVICE
DOCKET NO. GR1404 _____**

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

IN THE MATTER OF THE PETITION OF)	
NEW JERSEY NATURAL GAS COMPANY)	PETITION
FOR APPROVAL OF RATES AND CERTAIN TARIFF)	
MODIFICATIONS RELATED TO NATURAL GAS)	
VEHICLES SET FORTH IN THE COMPANY’S TARIFF)	
FOR GAS SERVICE)	DOCKET NO.
		GR1404_____

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

New Jersey Natural Gas Company (the “Company” or “NJNG”) respectfully petitions the New Jersey Board of Public Utilities (the “Board” or “BPU”) pursuant to N.J.S.A. 48:2-21, 48:2-23 and N.J.A.C. 14:1-5.12 for certain modifications to the Company’s Tariff for Gas Service (“Tariff) related to Natural Gas Vehicles (“NGVs”) as follows:

1. NJNG is a corporation duly organized under the laws of the State of New Jersey, with a principal business office located at 1415 Wyckoff Road, Wall, New Jersey 07719, and is a public utility engaged in the distribution and transportation of natural gas subject to the jurisdiction of the Board. As a local natural gas distribution company, NJNG provides regulated retail natural gas service to more than 500,000 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, Senior Vice President Regulatory Affairs
and
Andrew K. Dembia, Esq., Regulatory Affairs Counsel
New Jersey Natural Gas Company
1415 Wyckoff Road
P. O. Box 1464
Wall, New Jersey 07719
Phone: (732) 938-1214 (Sperduto)
Phone: (732) 938-1073 (Dembia)
Fax: (732) 938-2620

3. This Petition is accompanied by the following supporting schedules and Exhibits that are attached hereto and made part of this Petition:

Exhibit 1: Proposed Tariff Sheets (red-lined and clean)

Exhibit 2: Draft Public Notice

Exhibit 3: Schedules and data required pursuant to N.J.A.C. § 14:1-5.12 for Tariff filings or petitions which propose increases in charges to customers: 1) a comparative balance sheet for the most recent three-year period including the most recent date available; 2) a revenue statement for fiscal year 2013; 3) a pro forma income statement; and 4) an itemized schedule of payments or accruals to affiliated companies or organizations and to those who own in excess of five percent of the utility's capital stock.

Background

4. NJNG is subject to regulation by the Board for the purpose of setting its retail rates necessary to assure safe, adequate and proper natural gas service, pursuant to N.J.S.A. 48:2-21 et seq. The Company also is subject to regulation by the Board for the purpose of assuring that safe,

adequate and proper natural gas service pursuant to N.J.S.A. 48:2-23 is provided to its customers. As such, the Company is obligated to, and does, maintain its public utility infrastructure in such condition as to enable it to meet its regulated obligations to provide the requisite service. That same legal mandate requires NJNG to ensure that such service is provided in a manner supporting energy conservation and the preservation of the environment. The purpose of this filing is to amend the Company's Tariff to provide the Company with the ability to offer services to respond to the needs of the emerging NGV market.

5. The interest in NGVs has been growing from both the private and public sectors in New Jersey, especially for organizations with large fleets, as well as public and private transportation companies and refuse haulers. Fleets composed of both original equipment manufacturer and after-market conversion systems are replacing older, highly polluting diesel and gasoline vehicles.

6. The 2011 New Jersey Energy Master Plan ("2011 EMP") recognizes the need to take advantage of emerging technologies for transportation and stresses the importance of natural gas infrastructure investments to support increased use of CNG as a transportation fuel. Specifically, the 2011 EMP encourages investments in infrastructure needed to induce heavy vehicle class conversion from "expensive and polluting diesel fuel to less costly and clean CNG." *Id.* at 9-10. The 2011 EMP further encourages gas utilities to provide guidance on the "construction, operation and maintenance of CNG refueling stations." *Id.* at 135.

7. The proposed NGV Tariff modifications, including the updated rates and charges, are necessary and proper for the provision of NGV re-fueling services to NJNG's residential and commercial customers. The Company's current Tariff provisions relating to the provision of NGV re-fueling services do not reflect the needs of the expanding NGV marketplace, the increase in

NGVs and the increased need for customer re-fueling capability. Additionally, the Tariff does not take into account the assortment of purchase and refueling options available to customers.

8. The proposed NGV Tariff modifications provide customers with refueling opportunities at Company-owned and operated CNG facilities (“Gas Available at Company Facilities”). In addition, the proposed rates and modifications will allow customers to install CNG facilities at their own locations (“Customer who uses Customer Facilities”). The proposed rates and modifications will also provide for the Company to install CNG facilities to be operated by the customer at a customer location (“Customer who uses Company Facilities at Customer Location”). The proposed rates and Tariff modifications will allow those residential and commercial customers interested in taking advantage of the CNG refueling opportunities in the Company’s service territory to more easily evaluate possible vehicle fueling options and determine the best approach to manage the refueling of NGV’s based upon their particular circumstances. The proposed rates and Tariff modifications provide the necessary information for customers to evaluate the various refueling service options, installation costs and the requirements for owning and/or operating CNG refueling facilities.

9. The proposed rates and Tariff modifications will have no adverse impact on the rates charged or services provided to NJNG customers served under other service classifications. The requested effective date of the Company’s proposed rates and Tariff modifications is June 1, 2014.

Proposed Gas Tariff Amendments

10. The following proposed amendments to the Company’s Tariff are necessary for the safe, adequate and proper provision of this service, namely re-fueling of NGVs:

BPU No. 8-Gas - First Revised Sheet 74

The proposed amendments to the Company's Tariff, First Revised Sheet 74, set forth availability of the service, the conditions precedent, the character of service, and licensing, permits and legal requirements. Additionally, Sheet 74 sets forth the charges for those customers who fuel their NGV(s) under the following options: (i) Gas Available at Company Facilities; (ii) Customer who uses Customer Facilities; or (iii) Customer who uses Company Facilities at Customer Location.

BPU No. 8-Gas - First Revised Sheet 75

The proposed amendments to the Tariff, First Revised Sheet 75, sets forth: (i) the Maintenance Charge for a customer who fuels NGV(s) at a Company facility at a customer location; (ii) the BGSS charge and the minimum monthly charge; (iii) the applicable taxes, assessments and surcharges; and (iv) the calculation of the extension cost for the re-fueling facilities.

BPU No. 8-Gas - First Revised Sheet 76

The proposed amendments to the Tariff, First Revised Sheet 76, set forth: (i) the specifications for metering of the service; (ii) the reimbursement of the Company's incremental costs associated with rendering this service; and (iii) the requirements and obligations of a customer regarding the installation of the requisite facilities for a Company facility at a customer's location;

BPU No. 8-Gas - Original Sheets 76a - 76b

The proposed Tariff sets forth: (i) the calculation of the extension cost for the Company facility at a customer's location; (ii) the requirements and obligations of a customer who contracts with a Marketer or Broker for the supply of natural gas for NGV re-fueling purposes; and (iii) daily balancing limitations and charges.

BPU No. 8-Gas - Original Sheets 263 - 265

- The proposed Tariff Sheet 263 sets forth the components and rates for NGV service for Gas Available at Company Facilities.
- The proposed Tariff Sheet 264 sets forth the components and rates for NGV service for Customers who use Customer Facilities.
- The proposed Tariff Sheet 265 sets forth the components and rates for NGV service for Customers who use Company Facilities at Customer Location.

The rates contained therein are on a per-therm basis, except for the customer charge which is a fixed, per meter per customer amount. The per therm rates are also shown as prices per Gasoline Gallon Equivalent (GGE).

BPU No. 8-Gas – First Revised Sheets 80, 82, 85, 87, 89 & 100

The proposed miscellaneous amendments to the Tariff contain minor revisions for consistency.

Public Notice

11. NJNG's NGV rates and Tariff modifications set forth the customer charges for those customers who fuel their NGV(s) under one of the following options:

- (i) Gas available at Company facilities;
- (ii) Customer who uses customer facilities; and
- (iii) Customer who uses Company facilities at customer location.

NJNG will provide notice of this filing to all of its customers through the publication of a notice in newspapers of general circulation in the Company's Service Territory and the scheduling of public hearings. A copy of the draft Public Notice is provided in Exhibit 2, attached hereto and made part of this filing.


12. Copies of the Company's filing will be available at each of NJNG's Customer Service Centers. NJNG has served notice and a copy of this filing, together with a copy of the annexed exhibits and schedules being filed herewith, upon The New Jersey Division of Rate Counsel, 140 East Front Street, Trenton, New Jersey.

WHEREFORE, New Jersey Natural Gas Company requests that the Board:

- (1) Accept the petition for filing;
- (2) Retain this matter at the Board for review;
- (3) Approve the proposed modifications to the Company's Tariff as described herein; and
- (3) Grant such other and further relief as may be required.

Respectfully submitted,

New Jersey Natural Gas Company

By 

Andrew K. Dembia Esq.
Regulatory Affairs Counsel
New Jersey Natural Gas Company

AD:fk

c: Service List

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 Senior Vice President, Regulatory 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 and belief.


Mark R. Sperduto

Sworn and subscribed to
before me this 17th day
of April 2014



JILL DEPHILLIPS
A Notary Public of New Jersey
My Commission Expires May 29, 2018



EXHIBIT 1
PROPOSED TARIFF
SHEETS

(RED-LINED &
CLEAN)

NEW JERSEY NATURAL GAS COMPANY

BPU No. 8 - Gas

~~Second First~~ Revised Sheet No. 2
~~First Revised Original~~ Sheet No. 2

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Service Classifications

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Date of Issue: ~~January 23, 2012~~
Issued by: Mark R. Spurduto, Senior Vice President
Wall, NJ 07719

**Effective for service rendered on
and after April 1, 2012**

NEW JERSEY NATURAL GAS COMPANY

BPU No. 8 - Gas

***First Revised Sheet No. 74
Superseding Original Sheet No. 74***

SERVICE CLASSIFICATION - NGV

NATURAL GAS VEHICLE SERVICE

AVAILABILITY

This service is available to any residential or commercial cCustomer for the purpose of fueling natural gas vehicles at Company owned and operated compressed natural gas (“CNG”) re-fueling facilities (“Company facilities”), at separately metered Customer owned and operated CNG re-fueling facilities (“Customer facilities”) or at separately metered Company owned CNG re-fueling facilities operated by the Customer at its location (“Company facilities at Customer location”).

CONDITIONS PRECEDENT

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

DEFINITION OF TERM USED HEREIN

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

CHARACTER OF SERVICE

Non firm gas sales service. Firm sales gas service where Customer who uses Company facilities purchases gas supply pursuant to the Company’s Rider “A” for Basic Gas Supply Service (“BGSS”). Firm sales or transportation gas service where Customer who uses Customer facilities or Company facilities at Customer location purchases gas supply pursuant to the Company’s Rider “A” for BGSS or from a Marketer or Broker, respectively.

LICENSING, PERMITS AND LEGAL REQUIREMENTS

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

MONTHLY RATES SERVICE OPTIONS

The Customer will have the choice to be served under the following service options:

Options

	<u>Gas Available at Company Facilities</u>	<u>Customer who uses Customer Facilities</u>	<u>Customer who uses Company Facilities at Customer Location</u>
<u>Customer Charge:</u>			
<u>Customer Charge per meter per month</u>	<u>N/A</u>	<u>\$50.00</u>	<u>\$50.00</u>
<u>Delivery Charge:</u>			
<u>Delivery Charge per therm</u>	<u>\$0.2724 (\$0.3405 per GGE)</u>	<u>\$0.2724 (\$0.3405 per GGE)</u>	<u>\$0.2724 (\$0.3405 per GGE)</u>
<u>Compression Charge:</u>			
<u>Compression Charge per therm</u>	<u>\$0.4976</u>	<u>N/A</u>	<u>See “Special Provision</u>

Date of Issue: ***October 6, 2008***
Issued by: ***Mark R. Sperduto, Senior Vice President
Wall, NJ 07719***

**Effective for service rendered on
and after *October 3, 2008***

NEW JERSEY NATURAL GAS COMPANY

BPU No. 8 - Gas

First Revised Sheet No. 74
Superseding Original Sheet No. 74

(\$0.6220 per GGE)

III" of this Service
Classification

~~Monthly BGSS Charge per therm for Sales Customers~~

~~See "Rate Summaries" at the end of this Tariff~~

~~A. Transportation Service~~

~~NGV Customers are eligible for IS and FT transportation services.~~

~~B. Natural Gas Sales Service~~

~~Option B Rates~~

Monthly Customer Charge	\$25.00
Commodity Charge	"IS" Monthly BGSS
	and
	Delivery
	Charges

~~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.~~

Date of Issue: ~~October 6, 2008~~
Issued by: ~~Mark R. Spurduto, Senior Vice President~~
~~Wall, NJ 07719~~

Effective for service rendered on
and after ~~October 3, 2008~~

NEW JERSEY NATURAL GAS COMPANY

BPU No. 8 - Gas

First Revised Sheet No. 75
Superseding Original Sheet No. 75

SERVICE CLASSIFICATION - NGV

NATURAL GAS VEHICLE SERVICE (continued)

Maintenance Charge:

Maintenance Charge per therm	N/A	N/A	\$0.2247 (\$0.2809 per GGE)
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BGSS Charge:

Monthly BGSS Charge per therm for Sales Customers	See "Summary of Rate Components" at the end of this Tariff
---	--

These rates are inclusive of all applicable taxes and riders with the exception of the State of New Jersey Motor Vehicle fuel tax and Federal excise tax. These rates are subject to adjustment for all other applicable riders, taxes, assessments or similar charges lawfully imposed by the Company. See "Summary of Rate Components" 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.

SPECIAL PROVISIONS

I. Applicable to All Customers in this Service Classification

1. Taxes, Assessments and Surcharges

The Customer shall pay all riders, taxes, assessments and surcharges that are lawfully imposed upon the Company in providing service under this classification.

II. Applicable to All Customers Who Use Customer Facilities or Company Facilities at Customer Location

1. Facilities

The Company shall install gas main extensions, service line connections, and, for Customers who use Company Facilities at Customer Location, compressed natural gas refueling facilities at the Customer's location (collectively, the "Extension Cost") to serve the customer free of charge where the Extension Cost does not exceed ten (10) times the annual distribution revenue.

An applicant who intends to use their own facilities shall be required to provide an Extension Cost Deposit for the value of any Extension Cost that is greater than ten (10) times the annual distribution revenue.

The determination of the Extension Cost Deposit for an applicant who intends to use Company Facilities at the applicant's location is detailed in Section III of this Service Classification.

The Extension Cost for which the Company receives a deposit shall include the tax consequences incurred by the Company.

1. Separately Metered

Date of Issue: ~~October 6, 2008~~
Issued by: Mark R. Sperduto, Senior Vice President
Wall, NJ 07719

**Effective for service rendered on
and after ~~October 3, 2008~~**

NEW JERSEY NATURAL GAS COMPANY

BPU No. 8 - Gas

First Revised Sheet No. 75
Superseding Original Sheet No. 75

SERVICE CLASSIFICATION - NGV

NATURAL GAS VEHICLE SERVICE (continued)

~~Gas delivered hereunder will be separately metered and shall not be used interchangeably with gas supplied under any other service classification.~~

~~2. **Maximum Quantities**~~

~~The maximum monthly and hourly quantities of gas to be delivered shall be specified in the service agreement and may be changed only with approval of the Company.~~

~~3. **Service Interruption**~~

~~The Customer agrees to discontinue the use of gas service at any time, and from time to time upon notice from the Company. The manner and time period of such notice shall be specified in the written service agreement. The Company's determination to discontinue service or to reinstate service following a discontinuance shall be conclusive.~~

~~4. **Unauthorized Use**~~

~~In the event the Company notifies the Customer to discontinue the use of gas service at any time and the Customer fails to do so, the Company shall have the right to terminate service and/or to bill the Customer for usage occurring after the expiration of the period of notice specified in the service agreement at ten (10) times the Commodity Charge.~~

~~5. **Service Nominations**~~

~~Upon request by the Company on any day, the Customer shall furnish an estimate of the amount of gas to be taken under this rate schedule during the next 24 hour period. The Customer must notify the Company at least 24 hours before it plans to discontinue the use of gas service.~~

~~6. **Incremental Gas Service**~~

~~During periods of gas service interruption, Customers in need of gas may request service under the Incremental Gas Service (IGS) Classification.~~

~~7. **Taxes, Assessments and Surcharges**~~

~~The Customer shall pay all riders, taxes, assessments and surcharges that are lawfully imposed upon the Company in providing service under this classification.~~

Date of Issue: ~~October 6, 2008~~
Issued by: Mark R. Sperduto, Senior Vice President
Wall, NJ 07719

**Effective for service rendered on
and after ~~October 3, 2008~~**

NEW JERSEY NATURAL GAS COMPANY

BPU No. 8 - Gas

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

SERVICE CLASSIFICATION - NGV

NATURAL GAS VEHICLE SERVICE (continued)

2. Separately Metered

Gas delivered hereunder will be separately metered and shall not be used interchangeably with gas supplied under any other service classification.

3. Automated Meter Reading Device

Metering shall include an automated meter recording device (AMR), which shall be furnished and installed by the Company at the Customer's expense. The Customer shall furnish an electrical supply and phone line for the operation of the device, in an area acceptable to the Company. The Company shall provide technical assistance in order to minimize the Customer's expense for such installation.

The Customer may reimburse the Company for the AMR expense, either in a lump sum payment when service is initiated or over the life of the initial NGV agreement with the prime interest rate used to calculate carrying costs on the unpaid balance. Payments made by the Customer shall not give the Customer ownership of the AMR equipment. The AMR equipment is and shall remain the sole property of the Company.

4. Maximum Quantities

The maximum monthly and hourly quantities of gas to be delivered shall be specified in the service agreement and may be changed only with approval of the Company.

5. Incremental Expenses

The Customer shall reimburse the Company for any out-of-pocket expenses (including, but not limited to, permitting, licensing, and legal expenses) incurred in connection with the initiation and rendering of service under this service classification. The Company shall provide an estimate of such expenses prior to their incurrence and may include these expenses as part of the Facilities cost referenced in Section I of this Service Classification.

6. Resale of Vehicle Fuel

If the Customer provides natural gas for resale as a vehicle fuel, the Customer will be responsible for collecting and paying all applicable taxes on the gas compressed for resale and for the metering of such sale in accordance with all applicable standards and regulations.

III. Applicable to All Customers Who Use Company Facilities at Customer Location

1. Facilities

The Company shall install gas main extensions, service line connections, and compressed natural gas re-fueling facilities at the Customer's location (collectively, the "Extension Cost") to serve the Customer free of charge where the Extension Cost does not exceed ten (10) times the annual distribution revenue. The Company shall own and maintain the compressed natural gas re-fueling facilities at the Customer's location. The Customer is required to monitor and operate these facilities at its own expense. The dispensing of CNG into NGVs shall be the sole responsibility of the Customer.

Date of Issue: ~~October 6, 2008~~
Issued by: Mark R. Sperduto, **Senior Vice President**
Wall, NJ 07719

**Effective for service rendered on
and after October 3, 2008**

NEW JERSEY NATURAL GAS COMPANY

BPU No. 8 - Gas

Original Sheet No. 76a

SERVICE CLASSIFICATION - NGV

NATURAL GAS VEHICLE SERVICE (continued)

2. Compression Charge

If the Extension Cost exceeds ten (10) times the annual distribution revenue, the customer shall pay a monthly compression charge. The monthly compression charge per \$1 million of the Extension Cost that exceeds ten (10) times the annual distribution revenue is as follows:

<u>Term of Agreement</u>	<u>Monthly Compression Charge per \$1 million</u>
<u>60 months</u>	<u>\$24,777</u>
<u>120 months</u>	<u>\$14,453</u>
<u>180 months</u>	<u>\$11,137</u>
<u>240 months</u>	<u>\$9,569</u>

The Customer's monthly Compression Charge shall be the actual cost of the facilities rounded to the nearest thousand, divided by \$1 million, times the above Monthly Compression Charge per \$1 million.

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

1. Customer Responsibility

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. In the event the Customer designates a Marketer or Broker in accordance with Service Classification MBR, the Customer will remain responsible for a pro rata share of any Charges which such Marketer or Broker fails to pay to the Company including payments for Unauthorized Use or for Monthly Imbalance.

2. Billing

Customers purchasing gas supply from a Marketer or Broker can only be billed through Billing Option 1 as defined in Service Classification-MBR.

3. Daily Balancing

The Company reserves the right to require at any time that a Customer shall limit its takes to no more than the quantity of gas delivered to the city gate by Customer's transporters, less the adjustment for fuel use and unaccounted for gas.

If a Customer takes more gas than allowed pursuant to the preceding paragraph, after notification that this daily balancing limitation is in effect, the Customer shall be charged for the excess at a rate equal to the highest price of daily ranges for delivery in Texas Eastern zone M-3 which are published in Gas Daily on the table, "Daily Price Survey". This rate shall not be lower than any penalty charge incurred by the Company on the same day for unauthorized daily overruns on the interstate pipelines which deliver gas into New Jersey.

There will be no daily or monthly penalties charged to the Shipper for delivering gas in excess of the daily balancing limitation specified volume.

Date of Issue:

Issued by: Mark R. Sperduto, Senior Vice President
Wall, NJ 07719

Effective for service rendered on
and after

NEW JERSEY NATURAL GAS COMPANY

BPU No. 8 - Gas

Original Sheet No. 76b

SERVICE CLASSIFICATION - NGV

NATURAL GAS VEHICLE SERVICE (continued)

4. Additional Requirements

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

PAYMENT

Bills are due within 10 days after the Company sends the bill and subject to a late payment charge as set forth in Paragraph 8.9 of the Standard Terms and Conditions of this Tariff.

CONTRACT

A written service agreement ~~on the Company's Standard Application Form for a minimum one year period~~ shall be required for Natural Gas Vehicle Customers. ~~Successive one year terms will be in effect unless terminated by written notice at least two (2) months prior to the expiration of the service agreement.~~

TERMS AND CONDITIONS

Service is subject to the Standard Terms and Conditions of this Tariff and the service agreement.

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NEW JERSEY NATURAL GAS COMPANY

BPU No. 8 - Gas

Original Sheet No. 76b

SERVICE CLASSIFICATION - NGV

NATURAL GAS VEHICLE SERVICE (continued)

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NEW JERSEY NATURAL GAS COMPANY

BPU No. 8 - Gas

First Revised Sheet No. 80
Superseding Original Sheet No. 80

SERVICE CLASSIFICATION - IS

INTERRUPTIBLE SERVICE (continued)

3. **BGSS**

Customers will be supplied under the Monthly BGSS service which will be applied to all therms billed each month. See "Rate Summaries" for the current price.

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

1. **Return to Sales Classification**

Upon a Customer's election to take service under the IS Service Classification, it shall be required to provide the Company with no less than 30 days notice of the Customer's intention to return to sales service under Service Classification IS ~~or NGV~~. The Company may accept less than thirty (30) days notice if gas is available to serve the Customer.

2. **Incremental Expenses**

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

3. **Service Charge Waiver**

The Customer charge for IS sales ~~or NGV~~ service will be waived in months when a Customer uses IS transportation service to meet all its gas needs.

4. **Customer Responsibility**

In the event the Customer designates a Marketer or Broker in accordance with Service Classification MBR, the Customer will remain responsible for a pro rata share of any Charges which such Marketer or Broker fails to pay to the Company including payments for Unauthorized Use or for Monthly Imbalances.

5. **Additional Requirements**

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

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NEW JERSEY NATURAL GAS COMPANY

BPU No. 8 - Gas

First Revised Sheet No. 82
Superseding Original Sheet No. 82

SERVICE CLASSIFICATION - IGS

INCREMENTAL GAS SERVICE

AVAILABILITY

This service is available when requested by a Customer, and when the Company has the capability to deliver incrementally purchased gas supplies. The service will be available for a limited term to Customers served under Service Classifications IS ~~and NGV~~.

CONDITIONS PRECEDENT

The Customer shall execute a service agreement with the Company. The service agreement will contain the time period of the agreement, charges for the gas service, and the estimated volume of sales. These provisions may be amended as necessary; such amendments may be made by telephone and agreed to in writing (fax, e-mail, etc. are acceptable).

CHARACTER OF SERVICE

Gas service will be provided only to the extent that gas supplies may be incrementally purchased and are offered for sale by the Company.

The Company reserves the right to curtail or interrupt this service immediately if, in the Company's sole discretion, continuance of this service would adversely affect service to other Customers.

OFFERING OF SERVICE

This service will be offered to customer classes as follows:

Non-Firm

December through March - rates must be above otherwise applicable tariff rates.

April through November - rates may be below otherwise applicable tariff rates.

When rates are offered below otherwise applicable tariff rates, this service is offered only for volumes of gas that are incremental and which would not be used except for the existence of this offer.

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NEW JERSEY NATURAL GAS COMPANY

BPU No. 8 - Gas

**~~Second~~First Revised Sheet No. 85
Superseding ~~First Revised~~Original Sheet No. 85**

SERVICE CLASSIFICATIONS - MBR

MARKETERS AND BROKERS REQUIREMENTS

AVAILABILITY

This service classification is for marketers and brokers who have been engaged by transportation customers using RS, GSS, GSL, FT, DGC, CNG, NGV or IS Services to be responsible for delivering natural gas to the Company's Citygates on behalf of those Customers. All marketers or brokers who wish to act on behalf of Customers will be required to be certified by the Company as meeting minimum standards. Pursuant to this certification, the marketers or brokers will be required to sign a service agreement and post a deposit or letter of credit in order to have the Company accept its natural gas at the citygate.

CONDITIONS PRECEDENT

The Marketer or Broker shall execute a service agreement with the Company.

The Marketer or Broker shall provide a written notification to the Company of the identity of Customer(s) on whose behalf they are acting.

For customers using Billing Option 1, 2, or 3, the Marketer or Broker shall post a cash deposit or letter of credit equal to at least three (3) times the estimated usage for one (1) day in January times the most current January's price for Texas Eastern zone M-3 for any and all customers on whose behalf the Marketer or Broker is acting. For customers using Billing Option 3, the Marketer or Broker shall also post a cash deposit or letter of credit equal to at least two (2) times the January delivery charges for each service classification for any and all Customers on whose behalf the Marketer or Broker is acting. The Marketer or Broker shall agree the Company has the right to access and apply the cash deposit or letter of credit to any payment obligations which are deemed to be late. In lieu of a cash deposit or letter of credit from a Marketer or Broker, the Company may, in its sole discretion, agree to accept a guaranty from such financially responsible parent or parent companies of the Marketer or Broker for the payment of any liabilities or obligations to be incurred by the Marketer or Broker. In lieu of a cash deposit or letter of credit from a Marketer or Broker, the Company may, in its sole discretion, agree to accept a surety bond for the payment of any liabilities or obligations to be incurred by the Marketer or Broker.

RATES

Basic Service	\$65.00 per month	includes administration of nominations, balancing, inquiry, security review and FT & IS volumes provided twice per month
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NEW JERSEY NATURAL GAS COMPANY

BPU No. 8 - Gas

**Superseding ~~Second~~ ~~First~~ Revised Sheet No. 87
~~First Revised~~ ~~Original~~ Sheet No. 87**

SERVICE CLASSIFICATIONS - MBR

MARKETERS AND BROKERS REQUIREMENTS (continued)

Option 3

The Marketer will send the total bill to each customer and remit to the Company the transportation charges associated with the customer. Marketer shall receive a total annual credit of \$3.60 per customer for each FT, GSL, RS and GSS customer billed according to this option. Such credit shall be applied monthly on a pro-rated basis.

DELIVERIES TO COMPANY'S CITYGATE

1. **FT and DGC-FT, CNG and NGV Service**

The Marketer or Broker shall use its best efforts to achieve a balance between its deliveries and its aggregate customer requirements on a monthly basis. The Company reserves the right to require a Marketer or Broker to balance deliveries and takes of transported gas.

2. **IS Service**

The Marketer or Broker shall use its best efforts to achieve a balance between its deliveries and its aggregate customer requirements on a monthly basis. The Company reserves the right to require a Marketer or Broker to balance deliveries and takes of transported gas.

The Company reserves the right to curtail IS Service at any time upon notice to the Customer(s) receiving the service.

3. **RS, GSS, GSL and DGC-Balancing Service**

The Marketer or Broker agrees to deliver to the Company's citygate a volume of gas for each day of the month equal to the average daily usage for that month for each Customer on whose behalf it is operating as specified by the Company. The Company will provide the Customer and the Marketer or Broker with the minimum daily delivery requirement by month in advance during the year.

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NEW JERSEY NATURAL GAS COMPANY

BPU No. 8 - Gas

**Superseding ~~SecondFirst~~ Revised Sheet No. 89
~~First RevisedOriginal~~ Sheet No. 89**

SERVICE CLASSIFICATIONS - MBR

MARKETERS AND BROKERS REQUIREMENTS (continued)

SPECIAL PROVISIONS (continued)

SPECIAL PROVISIONS

1. Monthly Imbalances

a. FT, DGC-FT, CNG, NGV and IS Transportation Services

The Customer shall use its best efforts to achieve a balance between its deliveries and its requirements on a monthly basis. Imbalances in the volumes of gas delivered for the aggregate Customers' accounts (net of Special Provision 3, Fuel Use and Unaccounted for Gas) and the volumes of gas used in the aggregate by the Customers, will be cashed-out each month so that no imbalances will be carried into the next month. The cashout will be charged to the Marketer or Broker each month. The Company will use the weekly spot index price for New York City citygate, as published by Natural Gas Week's "Major Market Prices".

If the imbalance is negative (in aggregate the Customers used more gas than was delivered in aggregate by the Marketer or Broker), the Marketer or Broker will purchase gas from the Company at the rates below:

Imbalance Level

0% - ≤ 5%
>5% - ≤ 10%
>10% - ≤ 15%
>15% - ≤ 20%
>20% - ≤ 25%
>25%

Calculation

quantity * Highest Weekly Index Price
quantity >5% * Highest Weekly * 1.1 + level above
quantity >10% * Highest Weekly * 1.2 + levels above
quantity >15% * Highest Weekly * 1.3 + levels above
quantity >20% * Highest Weekly * 1.4 + levels above
quantity >25% * Highest Weekly * 1.5 + levels above

If the imbalance is positive (the Customer delivered more gas than was used by the Customer), the Company will purchase gas from the Customer at the rates below:

Imbalance Level

0% - ≤ 5%
>5% - ≤ 10%
>10% - ≤ 15%
>15% - ≤ 20%
>20% - ≤ 25%
>25%

Calculation

quantity * Lowest Weekly Index Price
quantity >5% * Lowest Weekly * .90 + level above
quantity >10% * Lowest Weekly * .80 + levels above
quantity >15% * Lowest Weekly * .70 + levels above
quantity >20% * Lowest Weekly * .60 + levels above
quantity >25% * Lowest Weekly * .50 + levels above

All revenues and purchases derived from imbalances will be credited to the BGSS.

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NEW JERSEY NATURAL GAS COMPANY

BPU No. 8 - Gas

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

SERVICE CLASSIFICATIONS - CNG

COMPRESSED NATURAL GAS (Continued)

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

1. Customer Responsibility

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. In the event the Customer designates a Marketer or Broker in accordance with Service Classification MBR, the Customer will remain responsible for a pro rata share of any Charges which such Marketer or Broker fails to pay to the Company including payments for Unauthorized Use or for Monthly Imbalance.

2. Billing

Customers purchasing gas supply from a Marketer or Broker can only be billed through Billing Option 1 as defined in Service Classification-MBR.

3. Daily Balancing

The Company reserves the right to require at any time that a Customer shall limit its takes to no more than the quantity of gas delivered to the city gate by Customer's transporters, less the adjustment for fuel use and unaccounted for gas.

If a Customer takes more gas than allowed pursuant to the preceding paragraph, after notification that this daily balancing limitation is in effect, the Customer shall be charged for the excess at a rate equal to the highest price of daily ranges for delivery in Texas Eastern zone M-3 which are published in Gas Daily on the table, "Daily Price Survey". This rate shall not be lower than any penalty charge incurred by the Company on the same day for unauthorized daily overruns on the interstate pipelines which deliver gas into New Jersey.

There will be no daily or monthly penalties charged to the Shipper for delivering gas in excess of the daily balancing limitation specified volume.

4.3. Additional Requirements

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

PAYMENT

Bills are due within 10 days after the Company sends the bill and is subject to a late payment charge as set forth in Paragraph 8.9 of the Standard Terms and Conditions of this Tariff.

CONTRACT

A written agreement shall be required for Compressed Natural Gas Host Customers and non-Host Customers Fleets.

TERMS AND CONDITIONS

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

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NEW JERSEY NATURAL GAS COMPANY

BPU No. 8 - Gas

Original Sheet No. 263

SUMMARY OF RESIDENTIAL AND FIRM COMMERCIAL RATE COMPONENTS

Natural Gas Vehicles (NGV)

Gas Available at Company Facilities

		<u>\$ per therm</u>	<u>\$ per GGE</u>	<u>Reference</u>
<u>Delivery Charge ("DEL")</u>				
<u>Transport Rate:</u>				
<u>Pre-tax Base Rate</u>		<u>0.1448</u>		
<u>SUT</u>		<u>0.0101</u>		<u>Rider B</u>
<u>After-tax Base Rate</u>		<u>0.1549</u>		
<u>EE</u>		<u>0.0327</u>		<u>Rider F</u>
<u>Total Transport Rate</u>	<u>a</u>	<u>0.1876</u>		
<u>Societal Benefits Charge ("SBC"):</u>				
<u>NJ's Clean Energy</u>		<u>0.0422</u>		<u>Rider E</u>
<u>RA</u>		<u>0.0300</u>		<u>Rider C</u>
<u>USF</u>		<u>0.0126</u>		<u>Rider H</u>
<u>Total SBC</u>	<u>b</u>	<u>0.0848</u>		
<u>Delivery Charge (DEL)</u>	<u>a+b=c</u>	<u>0.2724</u>	<u>0.3405</u>	
<u>Compression Charge</u>		<u>0.4976</u>	<u>0.6220</u>	
<u>Monthly Basic Gas Supply Charge ("BGS")</u>		<u>0.7572</u>	<u>0.9465</u>	<u>Rider A</u>
<u>Total Variable Charge</u>		<u>1.5272</u>	<u>1.9090</u>	
<u>New Jersey Motor Vehicle Fuel Tax</u>			<u>0.0000</u>	
<u>Federal Excise Fuel Tax</u>			<u>0.1830</u>	
<u>Total Price</u>			<u>2.0920</u>	

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NEW JERSEY NATURAL GAS COMPANY

- BPU No. 8 - Gas

Original Sheet No. 264

SUMMARY OF RESIDENTIAL AND FIRM COMMERCIAL RATE COMPONENTS

Natural Gas Vehicles (NGV)

Customer Who Uses Customer Facilities

<u>Customer Charge</u>			<u>Reference</u>
Customer Charge per meter per month		\$50.00	
<u>Delivery Charge ("DEL")</u>		<u>\$ per therm</u>	<u>\$ per GGE</u>
<u>Transport Rate:</u>			
Pre-tax Base Rate		0.1448	
SUT		0.0101	Rider B
After-tax Base Rate		0.1549	
EE		0.0327	Rider F
<u>Total Transport Rate</u>	<u>a</u>	<u>0.1876</u>	
<u>Societal Benefits Charge ("SBC"):</u>			
NJ's Clean Energy		0.0422	Rider E
RA		0.0300	Rider C
USF		0.0126	Rider H
<u>Total SBC</u>	<u>b</u>	<u>0.0848</u>	
<u>Delivery Charge (DEL)</u>	<u>a+b=</u> <u>c</u>	<u>0.2724</u>	<u>0.3405</u>
<u>Monthly Basic Gas Supply Charge ("BGS")</u>		<u>0.7572</u>	<u>0.9465</u>
			Rider A
<u>Total Variable Charge</u>		<u>1.0296</u>	<u>1.2870</u>

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

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NEW JERSEY NATURAL GAS COMPANY

- BPU No. 8 - Gas

Original Sheet No. 265

SUMMARY OF RESIDENTIAL AND FIRM COMMERCIAL RATE COMPONENTS

Natural Gas Vehicles (NGV)

Customer Who Uses Company Facilities at Customer Location

<u>Customer Charge</u>			<u>Reference</u>
Customer Charge per meter per month		<u>\$50.00</u>	
<u>Delivery Charge ("DEL")</u>		<u>\$ per therm</u>	<u>\$ per GGE</u>
<u>Transport Rate:</u>			
Pre-tax Base Rate		<u>0.1448</u>	
SUT		<u>0.0101</u>	<u>Rider B</u>
After-tax Base Rate		<u>0.1549</u>	
EE		<u>0.0327</u>	<u>Rider F</u>
<u>Total Transport Rate</u>	<u>a</u>	<u>0.1876</u>	
<u>Societal Benefits Charge ("SBC"):</u>			
NJ's Clean Energy		<u>0.0422</u>	<u>Rider E</u>
RA		<u>0.0300</u>	<u>Rider C</u>
USF		<u>0.0126</u>	<u>Rider H</u>
<u>Total SBC</u>	<u>b</u>	<u>0.0848</u>	
<u>Delivery Charge (DEL)</u>	<u>a+b=</u>	<u>0.2724</u>	<u>0.3405</u>
	<u>c</u>		
<u>Compression Charge</u>		<u>See Special Provision III of Service Classification NGV</u>	
<u>Maintenance Charge</u>		<u>0.2247</u>	<u>0.2809</u>
<u>Monthly Basic Gas Supply Charge ("BGS")</u>		<u>0.7572</u>	<u>0.9465</u>
			<u>Rider A</u>
<u>Total Variable Charge</u>		<u>1.2543</u>	<u>1.5679</u>

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

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

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NEW JERSEY NATURAL GAS COMPANY

Second Revised Sheet No. 2
First Revised Sheet No. 2

BPU No. 8 - Gas

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NEW JERSEY NATURAL GAS COMPANY

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BPU No. 8 - Gas

SERVICE CLASSIFICATION - NGV

NATURAL GAS VEHICLE SERVICE

AVAILABILITY

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

CONDITIONS PRECEDENT

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

DEFINITION OF TERM USED HEREIN

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

CHARACTER OF SERVICE

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

LICENSING, PERMITS AND LEGAL REQUIREMENTS

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

MONTHLY RATES

	Gas Available at Company Facilities	Customer who uses Customer Facilities	Customer who uses Company Facilities at Customer Location
<u>Customer Charge:</u>			
Customer Charge per meter per month	N/A	\$50.00	\$50.00
<u>Delivery Charge:</u>			
Delivery Charge per therm	\$0.2724 (\$0.3405 per GGE)	\$0.2724 (\$0.3405 per GGE)	\$0.2724 (\$0.3405 per GGE)
<u>Compression Charge:</u>			
Compression Charge per therm	\$0.4976 (\$0.6220_per GGE)	N/A	See “Special Provision III” of this Service Classification

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NEW JERSEY NATURAL GAS COMPANY

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BPU No. 8 - Gas

SERVICE CLASSIFICATION - NGV

NATURAL GAS VEHICLE SERVICE (continued)

Maintenance Charge:

Maintenance Charge per therm	N/A	N/A	\$0.2247 ____ (\$0.2809 per GGE)
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BGSS Charge:

Monthly BGSS Charge per therm for Sales Customers	See "Summary of Rate Components" at the end of this Tariff
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These rates are inclusive of all applicable taxes and riders with the exception of the State of New Jersey Motor Vehicle fuel tax and Federal excise tax. These rates are subject to adjustment for all other applicable riders, taxes, assessments or similar charges lawfully imposed by the Company. See "Summary of Rate Components" 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.

SPECIAL PROVISIONS

I. Applicable to All Customers in this Service Classification

1. Taxes, Assessments and Surcharges

The Customer shall pay all riders, taxes, assessments and surcharges that are lawfully imposed upon the Company in providing service under this classification.

II. Applicable to All Customers Who Use Customer Facilities or Company Facilities at Customer Location

1. Facilities

The Company shall install gas main extensions, service line connections, and, for Customers who use Company Facilities at Customer Location, compressed natural gas refueling facilities at the Customer's location (collectively, the "Extension Cost") to serve the customer free of charge where the Extension Cost does not exceed ten (10) times the annual distribution revenue.

An applicant who intends to use their own facilities shall be required to provide an Extension Cost Deposit for the value of any Extension Cost that is greater than ten (10) times the annual distribution revenue.

The determination of the Extension Cost Deposit for an applicant who intends to use Company Facilities at the applicant's location is detailed in Section III of this Service Classification.

The Extension Cost for which the Company receives a deposit shall include the tax consequences incurred by the Company.

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BPU No. 8 - Gas

SERVICE CLASSIFICATION - NGV

NATURAL GAS VEHICLE SERVICE (continued)

2. **Separately Metered**

Gas delivered hereunder will be separately metered and shall not be used interchangeably with gas supplied under any other service classification.

3. **Automated Meter Reading Device**

Metering shall include an automated meter recording device (AMR), which shall be furnished and installed by the Company at the Customer's expense. The Customer shall furnish an electrical supply and phone line for the operation of the device, in an area acceptable to the Company. The Company shall provide technical assistance in order to minimize the Customer's expense for such installation.

The Customer may reimburse the Company for the AMR expense, either in a lump sum payment when service is initiated or over the life of the initial NGV agreement with the prime interest rate used to calculate carrying costs on the unpaid balance. Payments made by the Customer shall not give the Customer ownership of the AMR equipment. The AMR equipment is and shall remain the sole property of the Company.

4. **Maximum Quantities**

The maximum monthly and hourly quantities of gas to be delivered shall be specified in the service agreement and may be changed only with approval of the Company.

5. **Incremental Expenses**

The Customer shall reimburse the Company for any out-of-pocket expenses (including, but not limited to, permitting, licensing, and legal expenses) incurred in connection with the initiation and rendering of service under this service classification. The Company shall provide an estimate of such expenses prior to their incurrence and may include these expenses as part of the Facilities cost referenced in Section I of this Service Classification.

6. **Resale of Vehicle Fuel**

If the Customer provides natural gas for resale as a vehicle fuel, the Customer will be responsible for collecting and paying all applicable taxes on the gas compressed for resale and for the metering of such sale in accordance with all applicable standards and regulations.

III. *Applicable to All Customers Who Use Company Facilities at Customer Location*

1. **Facilities**

The Company shall install gas main extensions, service line connections, and compressed natural gas re-fueling facilities at the Customer's location (collectively, the "Extension Cost") to serve the Customer free of charge where the Extension Cost does not exceed ten (10) times the annual distribution revenue. The Company shall own and maintain the compressed natural gas re-fueling facilities at the Customer's location. The Customer is required to monitor and operate these facilities at its own expense. The dispensing of CNG into NGVs shall be the sole responsibility of the Customer.

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

*Effective for service rendered on
and after*

NEW JERSEY NATURAL GAS COMPANY

BPU No. 8 - Gas

Original Sheet No. 76a

SERVICE CLASSIFICATION - NGV

NATURAL GAS VEHICLE SERVICE (continued)

2. **Compression Charge**

If the Extension Cost exceeds ten (10) times the annual distribution revenue, the customer shall pay a monthly compression charge. The monthly compression charge per \$1 million of the Extension Cost that exceeds ten (10) times the annual distribution revenue is as follows:

Term of Agreement	Monthly Compression Charge per \$1 million
60 months	\$24,777
120 months	\$14,453
180 months	\$11,137
240 months	\$9,569

The Customer's monthly Compression Charge shall be the actual cost of the facilities rounded to the nearest thousand, divided by \$1 million, times the above Monthly Compression Charge per \$1 million.

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

1. **Customer Responsibility**

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. In the event the Customer designates a Marketer or Broker in accordance with Service Classification MBR, the Customer will remain responsible for a pro rata share of any Charges which such Marketer or Broker fails to pay to the Company including payments for Unauthorized Use or for Monthly Imbalance.

2. **Billing**

Customers purchasing gas supply from a Marketer or Broker can only be billed through Billing Option 1 as defined in Service Classification-MBR.

3. **Daily Balancing**

The Company reserves the right to require at any time that a Customer shall limit its takes to no more than the quantity of gas delivered to the city gate by Customer's transporters, less the adjustment for fuel use and unaccounted for gas.

If a Customer takes more gas than allowed pursuant to the preceding paragraph, after notification that this daily balancing limitation is in effect, the Customer shall be charged for the excess at a rate equal to the highest price of daily ranges for delivery in Texas Eastern zone M-3 which are published in Gas Daily on the table, "Daily Price Survey". This rate shall not be lower than any penalty charge incurred by the Company on the same day for unauthorized daily overruns on the interstate pipelines which deliver gas into New Jersey.

There will be no daily or monthly penalties charged to the Shipper for delivering gas in excess of the daily balancing limitation specified volume.

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NEW JERSEY NATURAL GAS COMPANY

BPU No. 8 - Gas

Original Sheet No. 76b

SERVICE CLASSIFICATION - NGV

NATURAL GAS VEHICLE SERVICE (continued)

4. Additional Requirements

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

PAYMENT

Bills are due within 10 days after the Company sends the bill and subject to a late payment charge as set forth in Paragraph 8.9 of the Standard Terms and Conditions of this Tariff.

CONTRACT

A written service agreement shall be required for Natural Gas Vehicle Customers. .

TERMS AND CONDITIONS

Service is subject to the Standard Terms and Conditions of this Tariff and the service agreement.

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***Issued by: Mark R. Sperduto, Senior Vice President
Wall, NJ 07719***

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and after***

NEW JERSEY NATURAL GAS COMPANY

*First Revised Sheet No. 80
Superseding Original Sheet No. 80*

BPU No. 8 - Gas

SERVICE CLASSIFICATION - IS

INTERRUPTIBLE SERVICE (continued)

3. **BGSS**

Customers will be supplied under the Monthly BGSS service which will be applied to all therms billed each month. See "Rate Summaries" for the current price.

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

1. **Return to Sales Classification**

Upon a Customer's election to take service under the IS Service Classification, it shall be required to provide the Company with no less than 30 days notice of the Customer's intention to return to sales service under Service Classification IS. The Company may accept less than thirty (30) days notice if gas is available to serve the Customer.

2. **Incremental Expenses**

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

3. **Service Charge Waiver**

The Customer charge for IS sales service will be waived in months when a Customer uses IS transportation service to meet all its gas needs.

4. **Customer Responsibility**

In the event the Customer designates a Marketer or Broker in accordance with Service Classification MBR, the Customer will remain responsible for a pro rata share of any Charges which such Marketer or Broker fails to pay to the Company including payments for Unauthorized Use or for Monthly Imbalances.

5. **Additional Requirements**

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

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NEW JERSEY NATURAL GAS COMPANY

BPU No. 8 - Gas

***First Revised Sheet No. 82
Superseding Original Sheet No. 82***

SERVICE CLASSIFICATION - IGS

INCREMENTAL GAS SERVICE

AVAILABILITY

This service is available when requested by a Customer, and when the Company has the capability to deliver incrementally purchased gas supplies. The service will be available for a limited term to Customers served under Service Classifications IS.

CONDITIONS PRECEDENT

The Customer shall execute a service agreement with the Company. The service agreement will contain the time period of the agreement, charges for the gas service, and the estimated volume of sales. These provisions may be amended as necessary; such amendments may be made by telephone and agreed to in writing (fax, e-mail, etc. are acceptable).

CHARACTER OF SERVICE

Gas service will be provided only to the extent that gas supplies may be incrementally purchased and are offered for sale by the Company.

The Company reserves the right to curtail or interrupt this service immediately if, in the Company's sole discretion, continuance of this service would adversely affect service to other Customers.

OFFERING OF SERVICE

This service will be offered to customer classes as follows:

Non-Firm

December through March - rates must be above otherwise applicable tariff rates.

April through November - rates may be below otherwise applicable tariff rates.

When rates are offered below otherwise applicable tariff rates, this service is offered only for volumes of gas that are incremental and which would not be used except for the existence of this offer.

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Wall, NJ 07719***

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NEW JERSEY NATURAL GAS COMPANY

BPU No. 8 - Gas

**Second Revised Sheet No. 85
Superseding First Revised Sheet No. 85**

SERVICE CLASSIFICATIONS - MBR

MARKETERS AND BROKERS REQUIREMENTS

AVAILABILITY

This service classification is for marketers and brokers who have been engaged by transportation customers using RS, GSS, GSL, FT, DGC, CNG, NGV or IS Services to be responsible for delivering natural gas to the Company's Citygates on behalf of those Customers. All marketers or brokers who wish to act on behalf of Customers will be required to be certified by the Company as meeting minimum standards. Pursuant to this certification, the marketers or brokers will be required to sign a service agreement and post a deposit or letter of credit in order to have the Company accept its natural gas at the citygate.

CONDITIONS PRECEDENT

The Marketer or Broker shall execute a service agreement with the Company.

The Marketer or Broker shall provide a written notification to the Company of the identity of Customer(s) on whose behalf they are acting.

For customers using Billing Option 1, 2, or 3, the Marketer or Broker shall post a cash deposit or letter of credit equal to at least three (3) times the estimated usage for one (1) day in January times the most current January's price for Texas Eastern zone M-3 for any and all customers on whose behalf the Marketer or Broker is acting. For customers using Billing Option 3, the Marketer or Broker shall also post a cash deposit or letter of credit equal to at least two (2) times the January delivery charges for each service classification for any and all Customers on whose behalf the Marketer or Broker is acting. The Marketer or Broker shall agree the Company has the right to access and apply the cash deposit or letter of credit to any payment obligations which are deemed to be late. In lieu of a cash deposit or letter of credit from a Marketer or Broker, the Company may, in its sole discretion, agree to accept a guaranty from such financially responsible parent or parent companies of the Marketer or Broker for the payment of any liabilities or obligations to be incurred by the Marketer or Broker. In lieu of a cash deposit or letter of credit from a Marketer or Broker, the Company may, in its sole discretion, agree to accept a surety bond for the payment of any liabilities or obligations to be incurred by the Marketer or Broker.

RATES

Basic Service	\$65.00 per month	includes administration of nominations, balancing, inquiry, security review and FT & IS volumes provided twice per month
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Date of Issue:
Issued by: *Mark R. Sperduto, Senior Vice President*
Wall, NJ 07719

**Effective for service rendered on
and after**

NEW JERSEY NATURAL GAS COMPANY

Second Revised Sheet No. 87

BPU No. 8 - Gas

Superseding First Revised Sheet No. 87

SERVICE CLASSIFICATIONS - MBR

MARKETERS AND BROKERS REQUIREMENTS (continued)

Option 3

The Marketer will send the total bill to each customer and remit to the Company the transportation charges associated with the customer. Marketer shall receive a total annual credit of \$3.60 per customer for each FT, GSL, RS and GSS customer billed according to this option. Such credit shall be applied monthly on a pro-rated basis.

DELIVERIES TO COMPANY'S CITYGATE

1. **FT DGC-FT, CNG and NGV Service**

The Marketer or Broker shall use its best efforts to achieve a balance between its deliveries and its aggregate customer requirements on a monthly basis. The Company reserves the right to require a Marketer or Broker to balance deliveries and takes of transported gas.

2. **IS Service**

The Marketer or Broker shall use its best efforts to achieve a balance between its deliveries and its aggregate customer requirements on a monthly basis. The Company reserves the right to require a Marketer or Broker to balance deliveries and takes of transported gas.

The Company reserves the right to curtail IS Service at any time upon notice to the Customer(s) receiving the service.

3. **RS, GSS, GSL and DGC-Balancing Service**

The Marketer or Broker agrees to deliver to the Company's citygate a volume of gas for each day of the month equal to the average daily usage for that month for each Customer on whose behalf it is operating as specified by the Company. The Company will provide the Customer and the Marketer or Broker with the minimum daily delivery requirement by month in advance during the year.

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Wall, NJ 07719

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NEW JERSEY NATURAL GAS COMPANY

*Second Revised Sheet No. 89
Superseding First Revised Sheet No. 89*

BPU No. 8 - Gas

SERVICE CLASSIFICATIONS - MBR

MARKETERS AND BROKERS REQUIREMENTS (continued)

SPECIAL PROVISIONS (continued)

SPECIAL PROVISIONS

1. Monthly Imbalances

a. FT, DGC-FT, CNG, NGV and IS Transportation Services

The Customer shall use its best efforts to achieve a balance between its deliveries and its requirements on a monthly basis. Imbalances in the volumes of gas delivered for the aggregate Customers' accounts (net of Special Provision 3, Fuel Use and Unaccounted for Gas) and the volumes of gas used in the aggregate by the Customers, will be cashed-out each month so that no imbalances will be carried into the next month. The cashout will be charged to the Marketer or Broker each month. The Company will use the weekly spot index price for New York City citygate, as published by Natural Gas Week's "Major Market Prices".

If the imbalance is negative (in aggregate the Customers used more gas than was delivered in aggregate by the Marketer or Broker), the Marketer or Broker will purchase gas from the Company at the rates below:

Imbalance Level

0% - ≤ 5%
>5% - ≤ 10%
>10% - ≤ 15%
>15% - ≤ 20%
>20% - ≤ 25%
>25%

Calculation

quantity * Highest Weekly Index Price
quantity >5% * Highest Weekly * 1.1 + level above
quantity >10% * Highest Weekly * 1.2 + levels above
quantity >15% * Highest Weekly * 1.3 + levels above
quantity >20% * Highest Weekly * 1.4 + levels above
quantity >25% * Highest Weekly * 1.5 + levels above

If the imbalance is positive (the Customer delivered more gas than was used by the Customer), the Company will purchase gas from the Customer at the rates below:

Imbalance Level

0% - ≤ 5%
>5% - ≤ 10%
>10% - ≤ 15%
>15% - ≤ 20%
>20% - ≤ 25%
>25%

Calculation

quantity * Lowest Weekly Index Price
quantity >5% * Lowest Weekly * .90 + level above
quantity >10% * Lowest Weekly * .80 + levels above
quantity >15% * Lowest Weekly * .70 + levels above
quantity >20% * Lowest Weekly * .60 + levels above
quantity >25% * Lowest Weekly * .50 + levels above

All revenues and purchases derived from imbalances will be credited to the BGSS.

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NEW JERSEY NATURAL GAS COMPANY

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

BPU No. 8 - Gas

SERVICE CLASSIFICATIONS - CNG

COMPRESSED NATURAL GAS (Continued)

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

1. Customer Responsibility

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. In the event the Customer designates a Marketer or Broker in accordance with Service Classification MBR, the Customer will remain responsible for a pro rata share of any Charges which such Marketer or Broker fails to pay to the Company including payments for Unauthorized Use or for Monthly Imbalance.

2. Billing

Customers purchasing gas supply from a Marketer or Broker can only be billed through Billing Option 1 as defined in Service Classification-MBR.

3. Daily Balancing

The Company reserves the right to require at any time that a Customer shall limit its takes to no more than the quantity of gas delivered to the city gate by Customer's transporters, less the adjustment for fuel use and unaccounted for gas.

If a Customer takes more gas than allowed pursuant to the preceding paragraph, after notification that this daily balancing limitation is in effect, the Customer shall be charged for the excess at a rate equal to the highest price of daily ranges for delivery in Texas Eastern zone M-3 which are published in Gas Daily on the table, "Daily Price Survey". This rate shall not be lower than any penalty charge incurred by the Company on the same day for unauthorized daily overruns on the interstate pipelines which deliver gas into New Jersey.

There will be no daily or monthly penalties charged to the Shipper for delivering gas in excess of the daily balancing limitation specified volume.

4. Additional Requirements

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

PAYMENT

Bills are due within 10 days after the Company sends the bill and is subject to a late payment charge as set forth in Paragraph 8.9 of the Standard Terms and Conditions of this Tariff.

CONTRACT

A written agreement shall be required for Compressed Natural Gas Host Customers and non-Host Customers Fleets.

TERMS AND CONDITIONS

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

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Wall, NJ 07719*

*Effective for service rendered on
and after*

NEW JERSEY NATURAL GAS COMPANY

- BPU No. 8 - Gas

Original Sheet No. 263

SUMMARY OF RESIDENTIAL AND FIRM COMMERCIAL RATE COMPONENTS

Natural Gas Vehicles (NGV)

Gas Available at Company Facilities

				<u>Reference</u>
<u>Delivery Charge ("DEL")</u>		\$ per therm	\$ per GGE	
<i>Transport Rate:</i>				
Pre-tax Base Rate		0.1448		
SUT		<u>0.0101</u>		Rider B
After-tax Base Rate		0.1549		
EE		<u>0.0327</u>		Rider F
<i>Total Transport Rate</i>	a	<i>0.1876</i>		
<i>Societal Benefits Charge ("SBC"):</i>				
NJ's Clean Energy		0.0422		Rider E
RA		0.0300		Rider C
USF		<u>0.0126</u>		Rider H
<i>Total SBC</i>	b	<i>0.0848</i>		
Delivery Charge (DEL)	a+b=c	<u>0.2724</u>	0.3405	
Compression Charge		0.4976	0.6220	
Monthly Basic Gas Supply Charge ("BGS")		0.7572	0.9465	Rider A
Total Variable Charge		1.5272	1.9090	
New Jersey Motor Vehicle Fuel Tax			0.0000	
Federal Excise Fuel Tax			0.1830	
Total Price			2.0920	

Date of Issue:

Issued by: Mark R. Sperduto, Senior Vice President
Wall, NJ 07719

Effective for service rendered on and after, 2014

NEW JERSEY NATURAL GAS COMPANY

- BPU No. 8 - Gas

Original Sheet No. 264

SUMMARY OF RESIDENTIAL AND FIRM COMMERCIAL RATE COMPONENTS

Natural Gas Vehicles (NGV)

Customer Who Uses Customer Facilities

<i>Customer Charge</i>			<u>Reference</u>
— Customer Charge per meter per month		\$50.00	
<u>Delivery Charge (“DEL”)</u>		\$ per therm	\$ per GGE
<i>Transport Rate:</i>			
Pre-tax Base Rate		0.1448	
SUT		<u>0.0101</u>	Rider B
After-tax Base Rate		0.1549	
EE		<u>0.0327</u>	Rider F
<i>Total Transport Rate</i>	a	<i>0.1876</i>	
<i>Societal Benefits Charge (“SBC”):</i>			
NJ’s Clean Energy		0.0422	Rider E
RA		0.0300	Rider C
USF		<u>0.0126</u>	Rider H
<i>Total SBC</i>	b	<i><u>0.0848</u></i>	
Delivery Charge (DEL)	a+b= c	<u>0.2724</u>	0.3405
Monthly Basic Gas Supply Charge (“BGS”)		0.7572	0.9465
			Rider A
Total Variable Charge		1.0296	1.2870

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

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

*Effective for service rendered on
and after, 2014*

NEW JERSEY NATURAL GAS COMPANY

- BPU No. 8 - Gas

Original Sheet No. 265

SUMMARY OF RESIDENTIAL AND FIRM COMMERCIAL RATE COMPONENTS

Natural Gas Vehicles (NGV)

Customer Who Uses Company Facilities at Customer Location

<i>Customer Charge</i>			<u>Reference</u>
— Customer Charge per meter per month		\$50.00	
<u>Delivery Charge (“DEL”)</u>		\$ per therm	\$ per GGE
<i>Transport Rate:</i>			
Pre-tax Base Rate		0.1448	
SUT		<u>0.0101</u>	Rider B
After-tax Base Rate		0.1549	
EE		<u>0.0327</u>	Rider F
<i>Total Transport Rate</i>	a	<i>0.1876</i>	
<i>Societal Benefits Charge (“SBC”):</i>			
NJ’s Clean Energy		0.0422	Rider E
RA		0.0300	Rider C
USF		<u>0.0126</u>	Rider H
<i>Total SBC</i>	b	<i><u>0.0848</u></i>	
Delivery Charge (DEL)	a+b= c	<u>0.2724</u>	0.3405
Compression Charge		See Special Provision III of Service Classification NGV	
Maintenance Charge		0.2247	0.2809
Monthly Basic Gas Supply Charge (“BGS”)		0.7572	0.9465 Rider A
Total Variable Charge		1.2543	1.5679

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

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

Date of Issue:

Issued by: Mark R. Sperduto, Senior Vice President
Wall, NJ 07719

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

EXHIBIT 2

DRAFT PUBLIC NOTICE

NOTICE TO NEW JERSEY NATURAL GAS CUSTOMERS
Docket No. GR1404_____
NOTICE OF FILING AND PUBLIC HEARINGS

TO OUR CUSTOMERS:

PLEASE TAKE NOTICE that on April XX, 2014, New Jersey Natural Gas (NJNG or the Company) filed with the New Jersey Board of Public Utilities (BPU) for approval of certain modifications to the Company's current Tariff related to Natural Gas Vehicles (NGVs).

The proposed NGV rates and Tariff modifications provide customers with refueling opportunities at Company-owned Compressed Natural Gas (CNG) facilities located at Company locations. In addition, the proposed rates and Tariff modifications will allow a customer to install CNG facilities at Customer-owned locations. The proposed rates and Tariff modifications also provide for the Company to install CNG facilities to be operated by the customer at a customer location. These proposed rates and Tariff modifications will allow those customers interested in taking advantage of the CNG re-fueling opportunities in the Company's service territory to be able to evaluate their options and determine the best approach to refuel NGV's based upon their particular circumstances. The proposed rates and Tariff modifications provide the necessary information for customers to evaluate the various refueling service options, installation costs and the requirements for owning and/or operating CNG re-fueling facilities.

At this time, the Company is requesting BPU approval of the proposed Tariff modifications, including updated rates and charges. Specifically, NJNG's proposed NGV Tariff rates and modifications set forth the new customer charges for those customers who fuel their NGV(s) under one of the following options:

- (i) Gas available at Company facilities
- (ii) Customer who uses customer facilities, or
- (iii) Customer who uses Company facilities at customer location.

The proposed NGV rates and Tariff modifications also include the monthly minimum customer charge; the applicable taxes, assessments and surcharges; the specifications for metering of the CNG service; and, the reimbursement of the Company's incremental costs associated with rendering this service. In addition, the rates and Tariff modifications include:

- (i) the requirements for and obligations of a customer regarding the installation of the requisite facilities for a Company-owned and Customer operated CNG facility
- (ii) the calculation of the main extension cost for the Customer-owned re-fueling facilities and:
- (iii) the requirements for and obligations of a customer who contracts with a Marketer or Broker for the supply of natural gas for NGV re-fueling purposes, as well as the daily balancing limitations and charges.

The proposed rates and Tariff modifications will have no adverse impact on the rates charged or services provided to NJNG customers served under other service classifications.

The proposed Tariff rates for NGV Service are as follows:

	Gas Available at Company Facilities	Customer who uses Customer Facilities	Customer who uses Company Facilities at Customer Location
Customer Charge per month	N/A	\$50.00	\$50.00
Delivery Charge per therm	\$0.2724	\$0.2724	\$0.2724
Compression Charge per therm	\$0.4976	N/A	N/A(See below for Compression Charge
Maintenance Fee	N/A	N/A	\$0.2247

For a customer using company facilities at the customer's location, the customer shall pay a monthly compression charge if their extension cost exceeds ten (10) times the annual distribution revenue. The monthly compression charge per \$1 million of the Extension Cost that exceeds ten (10) times the annual distribution revenue is as follows:

Term of Agreement	Monthly Compression Charge per \$1 million
60 months	\$24,777
120 months	\$14,453
180 months	\$11,137
240 months	\$9,569

Tariff rates will be adjusted to include applicable state and federal fuel and excise taxes. Customers who purchase gas supply from the Company will be charged the Monthly Basic Gas Supply Service (BGSS) Charge pursuant to the Company's Tariff.

PLEASE TAKE FURTHER NOTICE that the Board has scheduled public hearings on this petition at the following date, times and place:

XXXXXX, 2014 at 4:30 and 5:30 pm
 Rockaway Township Municipal Bldg
 65 Mt. Hope Road
 Rockaway, NJ 07866

XXXXXXXXX, 2014 at 4:30 and 5:30 pm
 Freehold Township Municipal Building
 One Municipal Plaza, Schank Road
 Freehold, NJ 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 rates and tariff modifications. 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 these hearings 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, 44 South Clinton Avenue, 9th Floor, P.O. Box 350, Trenton, New Jersey, 08625-0350. Copies of the NJNG filing can be reviewed at the NJNG Customer Service Centers, the addresses of which are located on the NJNG bill, or at the New Jersey Board of Public Utilities, 7th Floor, 44 South Clinton Avenue, P.O. Box 350, Trenton, New Jersey, 08625-0350. A copy of the filing is available at www.njng.com/regulatory.

EXHIBIT 3

Schedules and data required pursuant to N.J.A.C. § 14:1-5.12 for Tariff filings or petitions which propose increases in charges to customers

NEW JERSEY NATURAL GAS COMPANY
PAYMENTS AND ACCRUALS TO AFFILIATE COMPANIES

THE ATTACHED WORKSHEETS INCLUDES THE PAYMENTS AND ACCRUALS
TO THE FOLLOWING AFFILIATE COMPANIES OF NEW JERSEY RESOURCES (NJR):

	<u>FISCAL YEAR</u>		
	<u>2009</u>	<u>2008</u>	<u>2007</u>
NJR SERVICE COMPANY TO NJNG	\$ 18,097,414	\$ 18,627,648	\$ 18,275,808
NJR SERVICE COMPANY TO NJR ENERGY SERVICES, INCLUDING NJNG TO NJR ENERGY SERVICES	\$ 5,585,753	\$ 5,867,797	\$ 4,545,418
NJR SERVICE COMPANY TO NJR HOME SERVICES, INCLUDING NJNG TO NJR HOME SERVICES	\$ 4,277,784	\$ 4,077,479	\$ 3,612,305
NJR SERVICE COMPANY TO NJR CR&R INCLUDING NJNG TO COMMERCIAL REALITY & RESOURCES	\$ 183,296	\$ 155,262	\$ 78,581
NJR SERVICE COMPANY TO NJR ENERGY	\$ 213,299	\$ 284,881	\$ 320,993
Total	<u>\$28,357,546</u>	<u>\$ 29,013,067</u>	<u>\$ 26,833,105</u>

**NEW JERSEY NATURAL GAS COMPANY
PAYMENTS AND ACCRUALS TO AFFILIATE COMPANIES**

THE ATTACHED WORKSHEETS INCLUDES THE PAYMENTS AND ACCRUALS TO THE FOLLOWING AFFILIATE COMPANIES OF NEW JERSEY RESOURCES (NJR):

	FISCAL YEAR		
	2013	2012	2011
NJR SERVICE COMPANY TO NJNG	\$19,902,181	\$ 20,166,869	\$ 19,232,296
NJR SERVICE COMPANY TO NJR ENERGY SERVICES, INCLUDING NJNG TO NJR ENERGY SERVICES	\$ 3,595,207	\$ 3,854,594	\$ 3,540,096
NJR SERVICE COMPANY TO NJR HOME SERVICES, INCLUDING NJNG TO NJR HOME SERVICES	\$ 5,314,856	\$ 4,839,331	\$ 4,935,960
NJR SERVICE COMPANY TO NJR CR&R INCLUDING NJNG TO COMMERCIAL REALITY & RESOURCES	\$ 66,800	\$ 98,452	\$ 90,024
NJR SERVICE COMPANY TO NJR CLEAN ENERGY VENTURES INCLUDING NJNG TO NJR CLEAN ENERGY VENTURES	\$ 1,607,398	\$ 1,389,845	\$ 793,451
NJR SERVICE COMPANY TO MIDSTREAM	\$ 140,497	\$ 170,680	\$ 94,657
Total	<u>\$30,626,939</u>	<u>\$ 30,519,771</u>	<u>\$ 28,686,484</u>

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

Billing Units	Present Rates		Proposed Rates			
	Rate	Revenue	Rate	Revenue	Increase	
Residential Service						
		RS		RS		
Customer	5,562,581	\$ 7.71	\$ 42,887,500	\$ 7.71	\$ 42,887,500	
Distribution Service						
Residential Sales	422,805,291	\$ 0.2981	\$ 126,038,257	\$ 0.3057	\$ 129,251,577	
Residential Transport	28,255,866	\$ 0.2981	8,423,074	\$ 0.3057	8,637,818	
Subtotal	451,061,157		\$ 177,348,830		\$ 180,776,895	
<u>Adjustments</u>						
Air Conditioning Discount	19,517	\$ (0.2350)	\$ (4,586)	\$ (0.2494)	\$ (4,868)	
Total Class Base Revenues			\$ 177,344,244		\$ 180,772,028	1.9%
Other Revenues						
Total Class Revenues			\$ 177,344,244		\$ 180,772,028	1.9%

General Service - Small						
		GS - Small		GS - Small		
Less than 5,000 Annual Therms						
Customer	321,146	\$ 23.36	\$ 7,501,971	\$ 23.36	\$ 7,501,971	
Distribution Service						
Sales	25,977,035	\$ 0.2555	\$ 6,637,132	\$ 0.2648	\$ 6,878,719	
Transport	7,010,441	\$ 0.2555	1,791,168	\$ 0.2648	1,856,365	
Subtotal	32,987,476		\$ 15,930,271		\$ 16,237,054	1.9%
Total Class Base Revenues			\$ 15,930,271		\$ 16,237,054	1.9%
Other Revenues				\$ -		
Total Class Revenues			\$ 15,930,271		\$ 16,237,054	1.9%

General Service - Large		0.9861					
		GS - Large		GS - Large			
Greater than 5,000 Annual Therms							
Customer	106,176	\$ 37.38	\$ 3,968,859	\$ 37.38	\$ 3,968,859		
Demand	12,742,075	\$ 1.4019	\$ 17,863,115	\$ 1.4019	\$ 17,863,115		
Distribution Service							
Sales	63,271,646	\$ 0.2009	\$ 12,711,274	\$ 0.2078	\$ 13,147,848		
Transport	<u>72,424,651</u>	\$ 0.2009	<u>14,550,112</u>	\$ 0.2078	<u>15,049,842</u>		
Subtotal	135,696,297		\$ 49,093,360		\$ 50,029,664	1.9%	
Total Class Base Revenues			\$ 49,093,360		\$ 50,029,664	1.9%	
Other Revenues					\$ -		
Total Class Revenues			\$ 49,093,360		\$ 50,029,664	1.9%	

General Service - CAC							
		CAC		GS - Small			
Less than 5,000 Annual Therms							
Customer	451	\$ 23.36	\$ 10,535	\$ 23.36	\$ 10,535		
Distribution Service							
Winter Therms	59,802	\$ 0.2555	\$ 15,279	\$ 0.2648	\$ 15,836		
All summer therms	<u>47,736</u>	\$ 0.0563	<u>2,688</u>	\$ 0.0563	<u>2,688</u>		
Subtotal	107,538		\$ 28,502		\$ 29,058		
Greater than 5,000 Annual Therms							
Customer	312	\$ 37.38	\$ 11,663	\$ 37.38	\$ 11,663		
Demand	36,445	\$ 1.4019	\$ 51,092	\$ 1.4019	\$ 51,092		
Distribution Service							
Winter Therms	264,133	\$ 0.2009	\$ 53,064	\$ 0.2078	\$ 54,887		
All summer therms	<u>96,875</u>	\$ 0.0563	<u>5,454</u>	\$ 0.0563	<u>5,454</u>		
Subtotal	361,008		\$ 121,273		\$ 123,096		
Total Class Base Revenues			\$ 149,775		\$ 152,154	1.6%	
Other Revenues					\$ -		
Total Class Revenues			\$ 149,775		\$ 152,154	1.6%	

Firm Transportation					
Customer	2,184	<u>FT</u>		<u>FT</u>	
		\$ 46.73	\$ 102,058	\$ 46.73	\$ 102,058
Demand	1,128,408	\$ 1.2776	\$ 1,441,654	\$ 1.2776	\$ 1,441,654
Distribution Service					
High Load Factor therms	6,148,275	\$ 0.1028	\$ 632,043	\$ 0.1028	\$ 632,043
Low Load Factor therms	5,098,809	\$ 0.1325	675,592	\$ 0.1325	<u>675,592</u>
Total Class Base Revenues	<u>11,247,084</u>		\$ 2,851,347	\$ 2,851,347	0.0%
Other Revenues				\$ -	
Total Class Revenues			\$ 2,851,347	\$ 2,851,347	0.0%

Distributed Generation - Commercial					
Customer	48	<u>DGC</u>		<u>DGC</u>	
		\$ 37.38	\$ 1,794	\$ 37.38	\$ 1,794
Demand	195,601	\$ 0.56	\$ 109,537	\$ 0.56	\$ 109,537
Distribution Service					
Winter therms	1,590,133	\$ 0.0901	\$ 143,271	\$ 0.0922	\$ 146,610
Summer therms	1,806,870	\$ 0.0595	107,509	\$ 0.0616	<u>111,303</u>
Total Class Base Revenues	<u>3,397,003</u>		\$ 362,111	\$ 369,244	1.97%
Other Revenues				\$ -	
Total Class Revenues			\$ 362,111	\$ 369,244	2.0%

TOTAL BASE REVENUES	<u><u>245,731,108</u></u>	<u><u>250,411,492</u></u>	1.9%
		INCREASE \$ 4,680,384	
		TARGET INCREASE \$ 4,669,656	1.9%
		Difference \$ 10,728	

NEW JERSEY NATURAL GAS COMPANY
BALANCE SHEET
AS OF DECEMBER 31, 2012

<u>CAPITALIZATION AND LIABILITIES</u>	12/31/2013	12/31/2012	12/31/2011
<u>CAPITALIZATION</u>			
COMMON STOCK EQUITY	\$ 707,903	\$ 682,801	\$ 658,241
LONG-TERM DEBT	368,049	329,845	329,845
TOTAL CAPITALIZATION	<u>1,075,952</u>	<u>1,012,646</u>	<u>988,086</u>
<u>CURRENT AND ACCRUED LIABILITIES</u>			
NOTES PAYABLE	180,500	204,800	74,700
CURRENT MATURITIES OF L/T DEBT	60,000	-	-
CAPITAL LEASE OBLIGATIONS	28,893	58,801	59,887
ACCOUNTS PAYABLE ASSOC COMPANIES	3,126	3,902	2,664
ACCOUNTS PAYABLE AND OTHER	77,893	98,267	86,042
MISC CURRENT AND ACCRUED LIAB	16,537	50,582	58,649
CUSTOMERS DEPOSITS	7,912	7,299	7,021
DIVIDENDS DECLARED	17,649	-	15,744
ACCRUED TAXES AND INTEREST	9,888	13,518	(5,964)
TOTAL CURRENT LIABILITIES	<u>402,398</u>	<u>437,168</u>	<u>298,743</u>
<u>NONCURRENT LIABILITIES</u>			
DEFERRED INCOME TAXES	338,287	320,891	295,479
DEFERRED INVESTMENT TAX CREDITS	2,491	2,642	2,793
CUSTOMER ADVANCES FOR CONSTRUCTION	2,244	2,623	2,271
OTHER DEFERRED CREDITS	128,531	60,793	48,561
OTHER REGULATORY LIABILITY	183,600	182,000	182,900
TOTAL NONCURRENT LIABILITIES	<u>655,153</u>	<u>568,949</u>	<u>532,004</u>
TOTAL CAPITALIZATION AND LIABILITIES	<u>\$ 2,133,503</u>	<u>\$ 2,018,763</u>	<u>\$ 1,818,833</u>

NEW JERSEY NATURAL GAS COMPANY
BALANCE SHEET
AS OF DECEMBER 31, 2013

<u>ASSETS</u>	12/31/2013	12/31/2012	12/31/2011
<u>PROPERTY, PLANT & EQUIPMENT</u>			
UTILITY PLANT, AT COST	\$ 1,730,018	\$ 1,602,315	\$ 1,512,646
CONSTRUCTION WORK IN PROGRESS	117,910	122,777	99,595
TOTAL UTILITY PLANT	1,847,928	1,725,092	1,612,241
ACCUMULATED DEPRECIATION AND AMORTIZATION	(419,177)	(466,349)	(461,407)
NET UTILITY PLANT	1,428,751	1,258,743	1,150,834
<u>CURRENT AND ACCRUED ASSETS</u>			
CASH AND TEMPORARY INVESTMENTS	8,952	1,203	2,418
ACCOUNTS RECEIVABLE	93,076	80,803	68,203
ACCRUED UTILITY REVENUE	56,718	53,957	33,335
ALLOWANCE FOR DOUBTFUL ACCOUNTS	(5,381)	(5,191)	(4,473)
GAS IN STORAGE, AT AVG COST	80,789	123,624	134,994
MATERIALS AND SUPPLIES	11,805	10,659	6,384
DERIVATIVE ASSETS	6,586	2,712	2,669
PREPAYMENTS	5,241	6,489	36,219
	257,786	274,256	279,750
<u>DEFERRED DEBITS</u>			
UNAMORTIZED DEBT EXPENSE	7,393	7,381	7,810
REGULATORY ASSETS	426,252	471,761	410,250
UNRECOVERED PURCHASED GAS COSTS	(6,016)	5,513	(31,078)
ACCUMULATED DEFERRED TAXES	-	-	-
MISC DEFERRED DEBITS	19,337	1,109	1,267
TOTAL NONCURRENT ASSETS	446,966	485,764	388,249
TOTAL ASSETS	\$ 2,133,503	\$ 2,018,763	\$ 1,818,833

NEW JERSEY NATURAL GAS COMPANY
BALANCE SHEET
AS OF FEBRUARY 28, 2014

<u>ASSETS</u>	<u>2/28/2014</u>
<u>PROPERTY, PLANT & EQUIPMENT</u>	
UTILITY PLANT, AT COST	\$ 1,719,693
CONSTRUCTION WORK IN PROGRESS	118,614
TOTAL UTILITY PLANT	<u>1,838,307</u>
ACCUMULATED DEPRECIATION AND AMORTIZATION	(393,986)
NET UTILITY PLANT	<u>1,444,321</u>
 <u>CURRENT AND ACCRUED ASSETS</u>	
CASH AND TEMPORARY INVESTMENTS	(608)
ACCOUNTS RECEIVABLE	159,744
ACCRUED UTILITY REVENUE	68,684
ALLOWANCE FOR DOUBTFUL ACCOUNTS	(5,381)
GAS IN STORAGE, AT AVG COST	34,584
MATERIALS AND SUPPLIES	11,106
DERIVATIVE ASSETS	18,374
PREPAYMENTS	6,430
	<u>292,933</u>
 <u>DEFERRED DEBITS</u>	
UNAMORTIZED DEBT EXPENSE	7,355
REGULATORY ASSETS	398,064
UNRECOVERED PURCHASED GAS COSTS	6,733
ACCUMULATED DEFERRED TAXES	12,332
MISC DEFERRED DEBITS	11,546
TOTAL NONCURRENT ASSETS	<u>436,030</u>
 TOTAL ASSETS	 <u>\$ 2,173,284</u>

NEW JERSEY NATURAL GAS COMPANY
BALANCE SHEET
AS OF FEBRUARY 28, 2014

<u>CAPITALIZATION AND LIABILITIES</u>	<u>2/28/2014</u>
<u>CAPITALIZATION</u>	
COMMON STOCK EQUITY	\$ 743,487
LONG-TERM DEBT	366,134
TOTAL CAPITALIZATION	<u>1,109,621</u>
 <u>CURRENT AND ACCRUED LIABILITIES</u>	
NOTES PAYABLE	139,000
CURRENT MATURITIES OF L/T DEBT	60,000
CAPITAL LEASE OBLIGATIONS	9,549
ACCOUNTS PAYABLE ASSOC COMPANIES	2,464
ACCOUNTS PAYABLE AND OTHER	89,469
MISC CURRENT AND ACCRUED LIAB	17,165
CUSTOMERS DEPOSITS	7,915
DIVIDENDS DECLARED	-
ACCRUED TAXES AND INTEREST	37,859
TOTAL CURRENT LIABILITIES	<u>363,421</u>
 <u>NONCURRENT LIABILITIES</u>	
DEFERRED INCOME TAXES	303,969
DEFERRED INVESTMENT TAX CREDITS	2,438
CUSTOMER ADVANCES FOR CONSTRUCTION	2,210
OTHER DEFERRED CREDITS	67,831
OTHER REGULATORY LIABILITY	323,794
TOTAL NONCURRENT LIABILITIES	<u>700,242</u>
TOTAL CAPITALIZATION AND LIABILITIES	<u>\$ 2,173,284</u>

NEW JERSEY NATURAL GAS COMPANY
STATEMENT OF INCOME

	12/31/2013	12/31/2012	12/31/2011
<u>OPERATING REVENUE</u>	<u>\$ 804,128</u>	<u>\$ 661,116</u>	<u>\$ 885,553</u>
<u>OPERATING EXPENSES</u>			
GAS PURCHASES	419,498	305,417	514,276
OPERATION AND MAINTENANCE	168,968	151,027	155,396
DEPRECIATION	38,557	35,892	33,550
TAXES - OTHER THAN INCOME	52,618	43,845	55,693
INCOME TAXES	35,075	36,565	41,173
<u>TOTAL OPERATING EXPENSES</u>	<u>714,716</u>	<u>572,745</u>	<u>800,088</u>
OPERATING INCOME	89,412	88,371	85,465
OTHER INCOME, NET	1,976	(878)	2,070
INTEREST CHARGES, NET	15,395	14,737	14,596
<u>NET INCOME</u>	<u>\$ 75,993</u>	<u>\$ 72,756</u>	<u>\$ 72,939</u>