



June 30, 2011

FEDERAL EXPRESS

Kristi Izzo, Secretary
New Jersey Board of Public Utilities
Two Gateway Center, Suite 801
Newark, New Jersey 07102

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

**NEW JERSEY NATURAL GAS COMPANY
2011/2012 ANNUAL COMPLIANCE FILING FOR
THE UNIVERSAL SERVICE FUND PROGRAM FACTOR
WITHIN THE SOCIETAL BENEFITS CHARGE RATE
BPU DOCKET NO. ER1106_____**

Dear Ms. Izzo:

Please accept for filing in the Universal Service Fund ("USF") proceeding captioned above an original and 10 copies of the 2011/2012 USF/Lifeline Compliance Filing ("Compliance Filing") submitted by New Jersey Natural Gas Company ("NJNG" or the "Company"). Pursuant to Orders of the New Jersey Board of Public Utilities ("Board") dated April 30, 2003, July 16, 2003, and June 22, 2005, an annual compliance filing for prospective USF rates is required on or before July 1st of each year.

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

Therefore, NJNG accepts and relies on the 2011/2012 rate calculation template submitted by PSE&G for natural gas, including the requested statewide after-tax USF/Lifeline natural gas recovery rate of \$0.0180 per therm. This rate, resulting in an after-tax decrease of (\$0.0014) per therm (from the current recovery rate of \$0.0194 per therm), represents a decrease of 0.1

percent on the average monthly bill for a residential heating customer, as shown on Exhibit A attached hereto. Proposed tariff sheets are attached hereto as Exhibit B.

In the June 21, 2010 Order in Docket No. EO09090771, the Board granted approval for utilities to defer and seek recovery of future administrative costs within certain categories of appropriate costs. Accordingly, Attachment A of the compliance filing submitted by PSE&G includes NJNG's deferred administrative costs. Within the Joint Compliance Filing, the utilities request full recovery of their deferred administrative costs in 2011/2012 USF rates and Lifeline rates in the month following Board approval of such rates from funds disbursed to the utilities by the USF Trust Fund clearinghouse maintained by the New Jersey State Department of Treasury.

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

1. Approval of a new statewide after-tax natural gas USF/Lifeline recovery rate of \$0.0180 per therm (an after-tax decrease of \$0.0014 per therm to the current statewide natural gas USF/Lifeline rate of \$0.0194 per therm) for natural gas service effective October 1, 2011 and
2. Authority to recover the deferred administrative costs included in the Joint Compliance Filing and to include those costs in rates.

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

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

Respectfully submitted,

A handwritten signature in blue ink, appearing to read "Tracey Thayer".

Tracey Thayer, Esq.
Director, Regulatory Affairs Counsel

C: Service List (electronically)

In the Matter of the Establishment of a Universal Service Fund
Pursuant to Section 12 of the Electric Discount and Energy Competition Act of 1999
Docket Nos. EX00020091 and ER1106_____

Service List

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In the Matter of the Establishment of a Universal Service Fund
Pursuant to Section 12 of the Electric Discount and Energy Competition Act of 1999
Docket Nos. EX00020091 and ER1106_____

Service List

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Rockland

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In the Matter of the Establishment of a Universal Service Fund
Pursuant to Section 12 of the Electric Discount and Energy Competition Act of 1999
Docket Nos. EX00020091 and ER1106_____

Service List

South Jersey Gas Co.

Daniel Bitonti
Cozen O'Connor
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PO Box 5459
Cherry Hill, NJ 08002-2220

New Jersey Natural Gas Company
Net impact of Proposed Rate Changes for Residential Heat Customers
BPU Docket Nos. EX00020091 & ER1106
USF Year 2011/12

(\$/therm)

	Component of	Current		10/1/2011 Proposed		Change	
		Pre-tax	Post-tax	Pre-tax	Post-tax	Pre-tax	Post-tax
USF	Delivery Price	0.0133	0.0142	0.0121	0.0129	(0.0012)	(0.0013)
Lifeline	Delivery Price	0.0049	0.0052	0.0048	0.0051	(0.0001)	(0.0001)
NET IMPACT		0.0182	0.0194	0.0169	0.0180	(0.0013)	(0.0014)

Impact on Residential Heating Customers

Current Prices				Monthly	1000 therm annual bill
	Customer Charge		\$8.25	\$8.25	\$99.00
	Delivery	100	\$0.5281	\$52.81	\$528.10
	BGSS	100	\$0.7460	\$74.60	\$746.00
	Total		\$1.2741	\$135.66	\$1,373.10
Intended USF price change- 10/1/11					
	Customer Charge		\$8.25	\$8.25	\$99.00
	Delivery	100	\$0.5267	\$52.67	\$526.70
	BGSS	100	\$0.7460	\$74.60	\$746.00
	Total		\$1.2727	\$135.52	\$1,371.70
	Increase			(\$0.14)	(\$1.40)
	Increase as a %			(0.1%)	(0.1%)

Projected Annual Revenue

Projected SBC annual therms 666,760 (000s)

Projected Annual Pre-tax Revenue

	Current Rates \$million	Proposed Rates \$million	Change \$million
IMPACT	\$12.1	\$11.3	(\$0.9)

Projected Annual Post-tax Revenue

	Current Rates \$million	Proposed Rates \$million	Change \$million
IMPACT	\$12.9	\$12.0	(\$0.9)

EXHIBIT B

PROPOSED TARIFF SHEETS

NEW JERSEY NATURAL GAS COMPANY

BPU No. 8 - Gas

~~Tenth~~^{Ninth} Revised Sheet No. 51
Superseding ~~Ninth~~^{Eighth} Revised Sheet No. 51

SERVICE CLASSIFICATION - RS

RESIDENTIAL SERVICE

AVAILABILITY

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

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

CHARACTER OF SERVICE

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

MONTHLY RATES

Customer Charge:

Customer Charge per meter per month \$8.25

Delivery Charge:

Residential Heating

Delivery Charge per therm \$~~0.5284~~^{0.5267}

Residential Non-Heating

Delivery Charge per therm \$~~0.5069~~^{0.5055}

BGSS Charge:

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

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

Date of Issue: ~~December 10, 2010~~
Issued by: Mark R. Sperduto, Vice President
2011
Wall, NJ 07719

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

NEW JERSEY NATURAL GAS COMPANY

BPU No. 8 - Gas

~~Eighth~~~~Seventh~~ Revised Sheet No. 54
Superseding ~~Seventh~~~~Sixth~~ Revised Sheet No. 54

SERVICE CLASSIFICATION – DGR

DISTRIBUTED GENERATION SERVICE - RESIDENTIAL

AVAILABILITY

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

CHARACTER OF SERVICE

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

MONTHLY RATES

Customer Charge:

Customer Charge per meter per month \$8.25

Delivery Charge:

November - April ~~\$0.3833~~0.3819

May - October ~~\$0.3263~~0.3249

BGSS Charge:

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

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

MINIMUM MONTHLY CHARGE

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

BALANCING CHARGE ADJUSTMENTS

The Balancing Charge is included in the Delivery Charge and is subject to adjustment in the Company's annual BGSS proceeding. All revenues derived from this Charge will be credited to the BGSS. See Rider "A" for the current Balancing Charge.

Date of Issue: ~~October 22, 2010~~
Issued by: Mark R. Sperduto, Vice President
20110
Wall, NJ 07719

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

NEW JERSEY NATURAL GAS COMPANY

BPU No. 8 - Gas

~~Tenth~~^{Ninth} Revised Sheet No. 56
Superseding ~~Ninth~~^{Eighth} Revised Sheet No. 56

SERVICE CLASSIFICATION – GSS

GENERAL SERVICE - SMALL

AVAILABILITY

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

CHARACTER OF SERVICE

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

MONTHLY RATES

Customer Charge:

Customer Charge per meter per month \$25.00

Delivery Charge:

Delivery Charge per therm ~~\$0.4965~~\$0.4951

BGSS Charge:

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

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

MINIMUM MONTHLY CHARGE

The minimum monthly charge shall be the Customer Charge.

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

BALANCING CHARGE ADJUSTMENTS

The Balancing Charge is included in the Delivery Charge and is subject to adjustment in the Company's annual BGSS proceeding. All revenues derived from this Charge will be credited to the BGSS. See Rider “A” for the current Balancing Charge.

Date of Issue: ~~December 10, 2010~~
Issued by: Mark R. Sperduto, Vice President
2011
Wall, NJ 07719

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

NEW JERSEY NATURAL GAS COMPANY

BPU No. 8 - Gas

~~Tenth~~^{Ninth} Revised Sheet No. 59

Superseding ~~Ninth~~^{Eighth} Revised Sheet No. 59

SERVICE CLASSIFICATION - GSL

GENERAL SERVICE - LARGE

AVAILABILITY

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

CHARACTER OF SERVICE

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

MONTHLY RATES

Customer Charge:

Customer Charge per meter per month \$40.00

Demand Charge:

Demand Charge per therm applied to HMAD \$1.50

Delivery Charge:

Delivery Charge per therm \$~~0.42990~~0.4285

BGSS Charge:

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

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

MINIMUM MONTHLY CHARGE

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

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

Date of Issue: ~~December 10, 2010~~
Issued by: Mark R. Spurduto, Vice President
2011
Wall, NJ 07719

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

NEW JERSEY NATURAL GAS COMPANY

BPU No. 8 - Gas

~~Sixth Fifth~~ Revised Sheet No. 62
Superseding ~~Fifth Fourth~~ Revised Sheet No. 62

SERVICE CLASSIFICATION - FT

FIRM TRANSPORTATION SERVICE

AVAILABILITY

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

MONTHLY RATES

Customer Charge:

Customer Charge per meter per month \$50.00

Demand Charge:

Demand Charge per therm applied to MDQ \$1.37

Delivery Charge:

Delivery Charge per therm for High Load Factor ("HLF") customers ~~\$0.20390.2025~~

Delivery Charge per therm for Low Load Factor ("LLF") customers ~~\$0.23570.2343~~

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

MINIMUM MONTHLY CHARGE

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

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

DETERMINATION OF LOAD FACTOR

1. Calculation of Load Factor

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

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

Date of Issue: ~~October 22, 2010~~
Issued by: Mark R. Sperduto, Vice President
2011
Wall, NJ 07719

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

NEW JERSEY NATURAL GAS COMPANY

BPU No. 8 - Gas

~~Ninth~~~~Eighth~~ Revised Sheet No. 65
Superseding ~~Eighth~~~~Seventh~~ Revised Sheet No. 65

SERVICE CLASSIFICATION - DGC

DISTRIBUTED GENERATION SERVICE - COMMERCIAL

AVAILABILITY

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

CONDITIONS PRECEDENT

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

MONTHLY RATES

Customer Charge:

Customer Charge per meter per month	\$40.00
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Demand Charge:

Demand Charge per therm applied to PBQ	\$0.60
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Delivery Charge:

November - April	\$0.286 <u>0.2848</u>
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May - October	\$0.253 <u>0.2520</u>
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These rates are inclusive of all applicable taxes and riders and are subject to adjustment for all other applicable riders, taxes, assessments or similar charges lawfully imposed by the Company. See Rate Summaries at the end of this Tariff for a summary of components incorporated in these rates.

MINIMUM MONTHLY CHARGE

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

Date of Issue: ~~October 22, 2010~~
Issued by: Mark R. Spurduto, Vice President
20110
Wall, NJ 07719

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

NEW JERSEY NATURAL GAS COMPANY

BPU No. 8 - Gas

~~Eighth~~~~Seventh~~ Revised Sheet No. 71
Superseding ~~Seventh~~~~Sixth~~ Revised Sheet No. 71

SERVICE CLASSIFICATION - FC

FIRM COGENERATION

AVAILABILITY

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

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

CHARACTER OF SERVICE

Firm gas sales or transportation service.

MONTHLY RATES

Customer Charge:

Customer Charge per meter per month \$49.49

Demand Charge:

Demand Charge per therm applied to MDQ \$1.00

Delivery Charge:

Delivery Charge per therm ~~\$0.3075~~0.3061

BGSS Charge:

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

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

Date of Issue: ~~October 22, 2010~~
Issued by: Mark R. Sperduto, Vice President
20110
Wall, NJ 07719

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

NEW JERSEY NATURAL GAS COMPANY

BPU No. 8 - Gas

~~Sixth Fifth~~ Revised Sheet No. 77
Superseding ~~Fifth Fourth~~ Revised Sheet No. 77

SERVICE CLASSIFICATION - IS

INTERRUPTIBLE SERVICE

AVAILABILITY

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

CHARACTER OF SERVICE

Interruptible gas sales and transportation service.

MONTHLY RATES

Customer Charge:

Customer Charge per meter per month \$575.00

Delivery Charge:

Customers with Alternate Fuel

Delivery Charge per therm \$~~0.43990~~0.1385

Customers without Alternate Fuel

Delivery Charge per therm \$~~0.38160~~0.3802

BGSS Charge:

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

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

MINIMUM MONTHLY CHARGE

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

Date of Issue: ~~October 22, 2010~~
Issued by: Mark R. Spurduto, Vice President
20110
Wall, NJ 07719

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

NEW JERSEY NATURAL GAS COMPANY

BPU No. 8 - Gas

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

RIDER "H"

UNIVERSAL SERVICE FUND – USF

DETERMINATION OF THE USF

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

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

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

Lifeline	<u>\$0.00520.0051</u>
PIPP	<u>\$0.01420.0129</u>
USF Billing Factor	<u>\$0.01940.0180</u>

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

Date of Issue: ~~October 22, 2009~~
Issued by: Mark R. Spurduto, Vice President
201~~10~~
Wall, NJ 07719

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

NEW JERSEY NATURAL GAS COMPANY

BPU No. 8 - Gas

~~Tenth/Ninth~~ Revised Sheet No. 252
Superseding ~~Ninth/Eighth~~ Revised Sheet No. 252

SUMMARY OF RESIDENTIAL RATE COMPONENTS

Residential Heating Customers

		<u>Bundled Sales</u>	<u>Transport Sales</u>	<u>Reference</u>
<u>Customer Charge</u>				
Customer Charge per meter per month		8.25	8.25	
<u>Delivery Charge ("DEL") per therm</u>				
<i>Transport Rate:</i>				
Pre-tax Base Rate		0.2981	0.2981	
TEFA		0.0167	0.0167	Rider B
SUT		<u>0.0220</u>	<u>0.0220</u>	Rider B
<i>After-tax Base Rate</i>				
WNC		0.3368	0.3368	
CIP		0.0000	0.0000	Rider D
EE		0.0179	0.0179	Rider I
		<u>0.0127</u>	<u>0.0127</u>	Rider F
<i>Total Transport Rate</i>	a	0.3674	0.3674	
<i>Balancing Charge</i>	b	0.0886	0.0886	Rider A
<i>Societal Benefits Charge ("SBC"):</i>				
NJ's Clean Energy		0.0203	0.0203	Rider E
RA		0.0324	0.0324	Rider C
USF		<u>0.01940.0</u>	<u>0.01940.0180</u>	Rider H
		<u>180</u>		
<i>Total SBC</i>	c	<u>0.07210.0</u>	<u>0.07210.0707</u>	
		<u>707</u>		
Delivery Charge (DEL)	a+b+c=d	<u>0.52810.5</u>	<u>0.52810.5267</u>	
		<u>267</u>		
<u>Basic Gas Supply Charge ("BGS")</u>				
Periodic BGSS	e	0.8346	x	Rider A
Less: Balancing	f	<u>0.0886</u>	x	
BGS	e-f=g	<u>0.7460</u>	x	

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

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

Date of Issue: **December 10, 2010**
Issued by: **Mark R. Sperduto, Vice President**
2011
Wall, NJ 07719

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

NEW JERSEY NATURAL GAS COMPANY

BPU No. 8 - Gas

~~Ninth~~^{Eighth} Revised Sheet No. 253
Superseding ~~Eighth~~^{Seventh} Revised Sheet No. 253

SUMMARY OF RESIDENTIAL RATE COMPONENTS

Residential Non-Heating Customers

		<u>Bundled Sales</u>	<u>Transport Sales</u>	<u>Reference</u>
<u>Customer Charge</u>				
Customer Charge per meter per month		8.25	8.25	
<u>Delivery Charge ("DEL") per therm</u>				
<i>Transport Rate:</i>				
Pre-tax Base Rate		0.2981	0.2981	
TEFA		0.0167	0.0167	Rider B
SUT		<u>0.0220</u>	<u>0.0220</u>	Rider B
After-tax Base Rate		0.3368	0.3368	
CIP		(0.0033)	(0.0033)	Rider I
EE		<u>0.0127</u>	<u>0.0127</u>	Rider F
<i>Total Transport Rate</i>	a	0.3462	0.3462	
<i>Balancing Charge</i>	b	0.0886	0.0886	Rider A
<i>Societal Benefits Charge ("SBC"):</i>				
NJ's Clean Energy		0.0203	0.0203	Rider E
RA		0.0324	0.0324	Rider C
USF		0.01940.0 <u>180</u>	0.01940.0180	Rider H
<i>Total SBC</i>	c	0.07210.0 <u>707</u>	0.07210.0707	
Delivery Charge (DEL)	a+b+c=d	0.50690.5 <u>055</u>	0.50690.5055	
<u>Basic Gas Supply Charge ("BGS")</u>				
Periodic BGSS	e	0.8346	x	Rider A
Less: Balancing	f	<u>0.0886</u>	x	
BGS	e-f=g	<u>0.7460</u>	x	

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

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

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NEW JERSEY NATURAL GAS COMPANY

BPU No. 8 - Gas

~~Ninth~~~~Eighth~~ Revised Sheet No. 254
Superseding ~~Eighth~~~~Seventh~~ Revised Sheet No. 254

SUMMARY OF RESIDENTIAL RATE COMPONENTS

Residential Distributed Generation Service

		<u>Nov - Apr</u>	<u>May - Oct</u>	<u>Reference</u>
<u>Customer Charge</u>				
Customer Charge per meter per month		8.25	8.25	
<u>Delivery Charge ("DEL") per therm</u>				
<u>Transport Rate:</u>				
Pre-tax Base Rate		0.1795	0.1262	
TEFA		0.0167	0.0167	
SUT		<u>0.0137</u>	<u>0.0100</u>	Rider B
After-tax Base Rate		0.2099	0.1529	
EE		<u>0.0127</u>	<u>0.0127</u>	Rider F
Total Transport Rate	a	0.2226	0.1656	
Balancing Charge	b	0.0886	0.0886	Rider A
<u>Societal Benefits Charge ("SBC"):</u>				
NJ's Clean Energy		0.0203	0.0203	Rider E
RA		0.0324	0.0324	Rider C
USF		<u>0.0194</u> <u>0.0180</u>	<u>0.0194</u> <u>0.0180</u>	Rider H
Total SBC	c	<u>0.0721</u> <u>0.0707</u>	<u>0.0721</u> <u>0.0707</u>	
Delivery Charge (DEL)	a+b+c=d	<u><u>0.3833</u></u> <u>0.3819</u>	<u><u>0.3263</u></u> <u>0.3249</u>	
<u>Basic Gas Supply Charge ("BGS")</u>				
Periodic BGSS	e	0.8346	0.8346	Rider A
Less: Balancing	f	<u>0.0886</u>	<u>0.0886</u>	
BGS	e-f=g	<u><u>0.7460</u></u>	<u><u>0.7460</u></u>	

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

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

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NEW JERSEY NATURAL GAS COMPANY

BPU No. 8 - Gas

~~Tenth/Ninth~~ Revised Sheet No. 255
Superseding ~~Ninth/Eighth~~ Revised Sheet No. 255

SUMMARY OF FIRM COMMERCIAL RATE COMPONENTS

General Service - Small (GSS)

		<u>Bundled Sales</u>	<u>Transport Sales</u>	<u>Reference</u>
<u>Customer Charge</u>				
Customer Charge per meter per month		25.00	25.00	
<u>Delivery Charge ("DEL") per therm</u>				
<i>Transport Rate:</i>				
Pre-tax Base Rate		0.2555	0.2555	
TEFA		0.0148	0.0148	Rider B
SUT		<u>0.0189</u>	<u>0.0189</u>	Rider B
<i>After-tax Base Rate</i>				
WNC		0.2892	0.2892	
CIP		0.0000	0.0000	Rider D
EE		0.0339	0.0339	Rider I
		<u>0.0127</u>	<u>0.0127</u>	Rider F
Total Transport Rate	a	0.3358	0.3358	
Balancing Charge	b	0.0886	0.0886	Rider A
<i>Societal Benefits Charge ("SBC"):</i>				
NJ's Clean Energy		0.0203	0.0203	Rider E
RA		0.0324	0.0324	Rider C
USF		<u>0.01940.0</u>	<u>0.01940.0180</u>	Rider H
		<u>180</u>		
Total SBC	c	<u>0.07210.0</u>	<u>0.07210.0707</u>	
		<u>707</u>		
Delivery Charge (DEL)	a+b+c=d	<u>0.49650.4</u>	<u>0.49650.4951</u>	
		<u>951</u>		
<u>Basic Gas Supply Charge ("BGS")</u>				
Periodic BGSS	e	0.8346	x	Rider A
Less: Balancing	f	<u>0.0886</u>	x	
BGS	e-f=g	<u>0.7460</u>	x	

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

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

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NEW JERSEY NATURAL GAS COMPANY

BPU No. 8 - Gas

~~Forty-First~~ ~~Fortieth~~ Revised Sheet No. 256
Superseding ~~Fortieth~~ ~~Thirty-Ninth~~ Revised Sheet No. 256

SUMMARY OF FIRM COMMERCIAL RATE COMPONENTS

General Service - Large (GSL)

		<u>Bundled Sales</u>	<u>Transport Sales</u>	<u>Reference</u>
<u>Customer Charge</u>				
Customer Charge per meter per month		40.00	40.00	
<u>Demand Charge</u>				
Demand Charge per month applied to HMAD		1.50	1.50	
<u>Delivery Charge ("DEL") per therm</u>				
<i>Transport Rate:</i>				
Pre-tax Base Rate		0.2009	0.2009	
TEFA		0.0128	0.0128	Rider B
SUT		<u>0.0150</u>	<u>0.0150</u>	Rider B
After-tax Base Rate		0.2287	0.2287	
WNC		0.0000	0.0000	Rider D
CIP		0.0278	0.0278	Rider I
EE		<u>0.0127</u>	<u>0.0127</u>	Rider F
Total Transport Rate	a	0.2692	0.2692	
Balancing Charge	b	0.0886	0.0886	Rider A
<i>Societal Benefits Charge ("SBC"):</i>				
NJ's Clean Energy		0.0203	0.0203	Rider E
RA		0.0324	0.0324	Rider C
USF		<u>0.01940.0</u>	<u>0.01940.0180</u>	Rider H
		<u>180</u>		
Total SBC	c	<u>0.07240.0</u>	<u>0.07240.0707</u>	
		<u>707</u>		
Delivery Charge (DEL)	a+b+c=d	<u>0.42990.4</u>	<u>0.42990.4285</u>	
		<u>285</u>		
<u>Basic Gas Supply Charge ("BGS")</u>				
Monthly BGSS	e	0.7133	X	Rider A
Less: Balancing	f	<u>0.0886</u>	X	
BGS	e-f=g	<u>0.6247</u>	X	

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

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NEW JERSEY NATURAL GAS COMPANY

BPU No. 8 - Gas

~~SixthFifth~~ Revised Sheet No. 257
Superseding ~~FifthFourth~~ Revised Sheet No. 257

SUMMARY OF FIRM COMMERCIAL RATE COMPONENTS

FIRM TRANSPORTATION (FT)

		<u>HLF</u>	<u>LLF</u>	<u>Reference</u>
<u>Customer Charge</u>				
Customer Charge per meter per month		50.00	50.00	
<u>Demand Charge</u>				
Demand Charge per therm per month applied to MDQ		1.37	1.37	
<u>Delivery Charge ("DEL") per therm</u>				
<i>Transport Rate:</i>				
Pre-tax Base Rate		0.1028	0.1325	
TEFA		0.0085	0.0085	Rider B
SUT		<u>0.0078</u>	<u>0.0099</u>	Rider B
After-tax Base Rate		0.1191	0.1509	
EE		<u>0.0127</u>	<u>0.0127</u>	Rider F
Total Transport Rate	a	0.1318	0.1636	
<i>Societal Benefits Charge ("SBC"):</i>				
NJ's Clean Energy		0.0203	0.0203	Rider E
RA		0.0324	0.0324	Rider C
USF		0.0194 0.018	0.0194 0.01	Rider H
		<u>0</u>	<u>80</u>	
Total SBC	b	0.0724 0.070	0.0724 0.07	
		<u>7</u>	<u>07</u>	
Delivery Charge (DEL)	a+b=c	0.2039 0.202	0.2357 0.23	
		<u>5</u>	<u>43</u>	

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

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

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NEW JERSEY NATURAL GAS COMPANY

BPU No. 8 - Gas

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

SUMMARY OF FIRM COMMERCIAL RATE COMPONENTS

Commercial Distributed Generation Service

		<u>Nov - Apr</u>	<u>May - Oct</u>	<u>Reference</u>
<u>Customer Charge</u>				
Customer Charge per meter per month		40.00	40.00	
<u>Demand Charge</u>				
Demand Charge per therm per month applied to PBQ		0.60	0.60	
<u>Delivery Charge ("DEL") per therm</u>				
<i>Transport Rate:</i>				
Pre-tax Base Rate		0.0901	0.0595	
TEFA		0.0153	0.0153	
SUT		<u>0.0074</u>	<u>0.0052</u>	Rider B
After-tax Base Rate		0.1128	0.0800	
EE		<u>0.0127</u>	<u>0.0127</u>	Rider F
<i>Total Transport Rate</i>	a	<i>0.1255</i>	<i>0.0927</i>	
<i>Balancing Charge</i>	b	<i>0.0886</i>	<i>0.0886</i>	Rider A
<i>Societal Benefits Charge ("SBC"):</i>				
NJ's Clean Energy		0.0203	0.0203	Rider E
RA		0.0324	0.0324	Rider C
USF		0.0194 0.0180	0.0194 0.0180	Rider H
<i>Total SBC</i>	c	0.0724 0.0707	0.0724 0.0707	
Delivery Charge (DEL)	a+b+c=d	0.2862 0.2848	0.2534 0.2520	

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

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

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NEW JERSEY NATURAL GAS COMPANY

BPU No. 8 - Gas

Thirty-~~Ninth~~~~Eighth~~ Revised Sheet No. 259
Superseding Thirty-~~Eighth~~~~Seventh~~ Revised Sheet No. 259

SUMMARY OF FIRM COMMERCIAL RATE COMPONENTS

Firm Cogeneration (FC)

		<u>Sales</u>	<u>Transport</u>	<u>Reference</u>
<u>Customer Charge</u>				
Customer Charge per meter per month		49.49	49.49	
<u>Demand Charge</u>				
Demand Charge per therm per month applied to MDQ		1.00	1.00	
<u>Delivery Charge ("DEL") per therm</u>				
<i>Transport Rate:</i>				
Pre-tax Base Rate		0.1253	0.1253	
SUT		<u>0.0088</u>	<u>0.0088</u>	Rider B
After-tax Base Rate		0.1341	0.1341	
EE		<u>0.0127</u>	<u>0.0127</u>	Rider F
<i>Total Transport Rate</i>	a	<i>0.1468</i>	<i>0.1468</i>	
<i>Balancing Charge</i>	b	<i>0.0886</i>	<i>0.0886</i>	Rider A
<i>Societal Benefits Charge ("SBC"):</i>				
NJ's Clean Energy		0.0203	0.0203	Rider E
RA		0.0324	0.0324	Rider C
USF		0.0194 0.0180	0.0194 0.0180	Rider H
<i>Total SBC</i>	c	0.0721 0.0707	0.0721 0.0707	
Delivery Charge (DEL)	a+b+c=d	0.3075 0.3061	0.3075 0.3061	
<u>Basic Gas Supply Charge ("BGS")</u>				
Monthly BGSS	e	0.7133	X	Rider A
Less: Balancing	f	<u>0.0886</u>	X	
BGS	e-f=g	<u>0.6247</u>	X	

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

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

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NEW JERSEY NATURAL GAS COMPANY

BPU No. 8 - Gas

Thirty-~~Seventh~~~~Sixth~~ Revised Sheet No. 260
Superseding Thirty-~~Sixth~~~~Fifth~~ Revised Sheet No. 260

SUMMARY OF INTERRUPTIBLE RATE COMPONENTS

INTERRUPTIBLE SALES AND TRANSPORTATION

With Alternate Fuel

		<u>Bundled Sales</u>	<u>Transport Sales</u>	<u>Reference</u>
<u>Customer Charge</u>				
Customer Charge per meter per month		575.00	575.00	
<u>Delivery Charge ("DEL") per therm</u>				
<i>Transport Rate:</i>				
Pre-tax Base Rate		0.0494	0.0494	
TEFA		0.0021	0.0021	Rider B
SUT		<u>0.0036</u>	<u>0.0036</u>	Rider B
After-tax Base Rate		0.0551	0.0551	
EE		<u>0.0127</u>	<u>0.0127</u>	Rider F
Total Transport Rate	a	0.0678	0.0678	
<i>Societal Benefits Charge ("SBC"):</i>				
NJ's Clean Energy		0.0203	0.0203	Rider E
RA		0.0324	0.0324	Rider C
USF		<u>0.01940.0</u> <u>180</u>	<u>0.01940.0180</u>	Rider H
Total SBC	b	<u>0.07210.0</u> <u>707</u>	<u>0.07210.0707</u>	
Delivery Charge (DEL)	a+b=c	<u>0.13990.1</u> <u>385</u>	<u>0.13990.1385</u>	
<u>Basic Gas Supply Charge ("BGS")</u>				
Monthly BGSS	d	0.7133	X	Rider A
BGS	d	<u>0.7133</u>	X	

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

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

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NEW JERSEY NATURAL GAS COMPANY

BPU No. 8 - Gas

Thirty-~~Seventh~~~~Sixth~~ Revised Sheet No. 261
Superseding Thirty-~~Sixth~~~~Fifth~~ Revised Sheet No. 261

SUMMARY OF INTERRUPTIBLE RATE COMPONENTS

INTERRUPTIBLE SALES AND TRANSPORTATION

Without Alternate Fuel

		<u>Bundled Sales</u>	<u>Transport Sales</u>	<u>Reference</u>
<u>Customer Charge</u>				
Customer Charge per meter per month		575.00	575.00	
<u>Delivery Charge ("DEL") per therm</u>				
<i>Transport Rate:</i>				
Pre-tax Base Rate		0.2753	0.2753	
TEFA		0.0021	0.0021	Rider B
SUT		<u>0.01940.0</u> <u>180</u>	<u>0.01940.0180</u>	Rider B
After-tax Base Rate		0.2968	0.2968	
EE		<u>0.0127</u>	<u>0.0127</u>	Rider F
<i>Total Transport Rate</i>	a	0.3095	0.3095	
<i>Societal Benefits Charge ("SBC"):</i>				
NJ's Clean Energy		0.0203	0.0203	Rider E
RA		0.0324	0.0324	Rider C
USF		<u>0.01940.0</u> <u>180</u>	<u>0.01940.0180</u>	Rider H
<i>Total SBC</i>	b	<u>0.07210.0</u> <u>707</u>	<u>0.07210.0707</u>	
Delivery Charge (DEL)	a+b=c	<u>0.38160.3</u> <u>802</u>	<u>0.38160.3802</u>	
<u>Basic Gas Supply Charge ("BGS")</u>				
Monthly BGSS	d	0.7133	X	Rider A
BGS	d	<u>0.7133</u>	X	

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

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

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