

June 20, 2014

#### FEDERAL EXPRESS 7703-5400-8483

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

RE:

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

NEW JERSEY NATURAL GAS COMPANY 2014/2015 ANNUAL COMPLIANCE FILING FOR THE UNIVERSAL SERVICE FUND PROGRAM FACTOR WITHIN THE SOCIETAL BENEFITS CHARGE RATE BPU DOCKET NO. ER1406

#### Dear Secretary Izzo:

Please accept for filing in the Universal Service Fund ("USF") proceeding captioned above an original and 10 copies of the 2014/2015 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 1<sup>st</sup> 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 Joint Compliance Filing.

Therefore, NJNG accepts and relies on the 2014/2015 rate calculation template submitted in the Joint Compliance Filing for natural gas, including the requested statewide after-tax USF/Lifeline natural gas recovery rate of \$0.0170 per therm. The USF component is increasing by \$0.0046 per therm and the Lifeline component is decreasing by \$0.0002 per

therm. These rates, resulting in an after-tax increase of \$0.0044 per therm (from the current recovery rate of \$0.0126 per therm), represent an increase of 0.4 percent on the average monthly bill for a residential heating customer, as shown on Exhibit NJNG-A attached hereto. Proposed tariff sheets are attached hereto as Exhibit NJNG-B. A proposed public notice is attached hereto as Exhibit NJNG-C.

In the June 21, 2010 Order in Docket No. EO09090771, the Board granted approval for the Utilities to defer and seek recovery of future administrative costs within certain categories of appropriate costs. In the September 18, 2013 Order in Docket No. ER13060534, the Board approved the disbursement of funds from the USF Trust Account maintained by the New Jersey State Department of Treasury to reimburse the utilities for their USF related administrative costs from July 1, 2012 through July 31, 2013. Attachment A of the Joint Compliance Filing includes NJNG's actual deferred administrative costs from August 1, 2013 through April 30, 2014 and estimated administrative costs for May 2014 through September 2014. Within the Joint Compliance Filing, the Utilities request full recovery of their deferred administrative costs in 2014/2015 USF rates and Lifeline rates in the month following Board approval of such rates from funds disbursed to the Utilities by the USF Trust Account.

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

- 1. Approval of a new statewide after-tax natural gas USF/Lifeline recovery rate of \$0.0170 per therm (an after-tax increase of \$0.0044 per therm to the current statewide natural gas USF/Lifeline rate of \$0.0126 per therm) for natural gas service effective October 1, 2014 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) 938-1073.

Respectfully submitted,

Andrew Dembia, Esq. 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 ER1406\_\_\_\_

#### Service List

## **BPU Staff**

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#### **Division of Law**

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Dept. of Law & Public Safety
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Newark, NJ 07101

# 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 ER1406\_\_\_\_

## Service List

## **Rate Counsel**

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#### JCP&L

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

#### NJ Natural Gas Co.

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

#### **Elizabethtown Gas**

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

# 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 ER1406\_\_\_\_

## Service List

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## PSE&G

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## **Rockland**

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Consolidated Edison Co.of NY
Law Dept.
4 Irving Place
New York, NY 10003

## South Jersey Gas Co.

Ira G. Megdal, Esq Cozen O'Connor 457 Haddonfield Road, Suite 300 Libertyview Cherry Hill, NJ 08002

Renee Farmer South Jersey Gas Company 1 South Jersey Plaza Route 54 Folsom, NJ 08037

#### New Jersey Natural Gas Company Net impact of Proposed Rate Changes BPU Docket Nos. EX00020091 & ER1406\_\_\_\_ USF Year 2014/15

(\$/therm)

				10/1/201	4		
	Component of Current		rrent	Propose	ed	Change	
		Pre-tax	Post-tax	Pre-tax	Post-tax	Pre-tax	Post-tax
USF	Delivery Price	0.0061	0.0065	0.0104	0.0111	0.0043	0.0046
Lifeline	Delivery Price	0.0057	0.0061	<u>0.0055</u>	0.0059	(0.0002)	(0.0002)
NET IMPA	ACT	0.0118	0.0126	0.0159	0.0170	0.0041	0.0044

NET IMPACT	' <u>-</u>				
Impact on Re	esidential Non-Heati	ng Custom	ers ers	25 therm bill	
Current Pric	es			20 (1101111 2111	
	Customer Charge		\$8.25	\$8.25	
	Delivery		\$0.5471	\$13.68	
	BGSS		\$0.4493	\$11.23	
		Total	\$0.9964	\$33.16	
	rices- effective 10/1/1	14			
	Customer Charge		\$8.25	\$8.25	
	Delivery		\$0.5515	\$13.79	
	BGSS	T-4-1	\$0.4493	\$11.23	
		Total	\$1.0008	\$33.27	
1	Increase			\$0.11	
	Increase as a percer	nt		0.33%	
Impact on R	esidential Heating C	ustomers			
				100 therm bill	1000 therm annual bill
Current Pric					
	Customer Charge		\$8.25	\$8.25	\$99.0
	Delivery		\$0.5662	\$56.62	\$566.20
1	BGSS		\$0.4493	\$44.93	\$449.3
		Total	\$1.0155	\$109.80	\$1,114.5
Duama 1					
	rices- effective 10/1/1 Customer Charge	14	\$8.25	\$8.25	\$99.0
	Delivery		\$8.25 \$0.5706	\$8.25 \$57.06	\$570.6
	BGSS		\$0.4493	\$44.93	\$449.3
	БООО	Total	\$1.0199	\$110.24	\$1,118.9
	БООО	Total		\$110.24	\$1,118.90
1	Increase	Total		\$110.24 \$0.44	
 		nt			\$1,118.90 \$4.40 0.39%
Impact on C	Increase Increase as a percer ommercial GSS Cus es Customer Charge	nt	\$1.0199 \$25.00	\$0.44 0.40% 100 therm bill \$25.00	\$4.40
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#### Projected Annual Revenue

Projected SBC annual therms

679,595 (000s)

Projected Annual Revenue \$ million

	Current	Proposed	
	Rates	Rates	Change
Pre-tax	\$8.02	\$10.81	\$2.79
Post-tax	\$8.56	\$11.55	\$2.99

## **EXHIBIT NJNG-B**

## PROPOSED TARIFF SHEETS

Twenty-Second First Revised Sheet No. 51

BPU No. 8 - Gas

Superseding Twenty-FirstTwentieth 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

\$<del>0.5662</del>0.5706

#### **Residential Non-Heating**

Delivery Charge per therm

\$<del>0.5471</del>0.5515

#### 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 19, 20143

Mark R. Sperduto, Senior Vice President

2014

Issued by:

Wall, NJ 07719

Effective for service rendered on and after October January 1,

Filed pursuant to <u>Order of the Board of Public Utilities entered in</u>
<u>Docket No. GR1406</u>

the Board's Secretary letter dated December 18, 2013 I/M/O the Phase Out of the Transitional Energy Facility Assessment

("TEFA") Pursuant to N.J.S.A. 48:2-21.34 (5) and N.J.S.A. 54:30A-102 in

Docket No. E011110800

Nineteenth Eighteenth Revised Sheet No. 54

BPU No. 8 - Gas

Superseding Eighteenth Seventeenth Revised Sheet No. 54

## <u>SERVICE CLASSIFICATION – DGR</u>

## <u>DISTRIBUTED GENERATION SERVICE - RESIDENTIAL</u>

## **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 \$0.39590.4003

May - October \$0.33880.3432

#### 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 19, 20143

Mark R. Sperduto, Senior Vice President

2014

Issued by:

Wall, NJ 07719

Twenty-Second First Revised Sheet No. 56

BPU No. 8 - Gas

Superseding Twenty-Firstieth 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

\$<del>0.5591</del>0.5635

#### 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: <del>December 19</del>, 20143

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Wall, NJ 07719

BPU No. 8 - Gas

Twenty-SecondFirst Revised Sheet No. 59 Superseding Twenty-Firstieth 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

\$<del>0.4938</del>0.4982

#### **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 19, 20143

Issued by: Mark R. Sperduto, Senior Vice President

2014

Wall, NJ 07719

## Superseding Thirteenth Twelfth 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 \$<del>0.2275</del>0.2319

Delivery Charge per therm for Low Load Factor ("LLF") customers \$<del>0.2593</del>0.2637

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:

Load Factor = Total Annual Use Highest Month's Use X 12

Date of Issue: <del>December 19</del>, 2014<del>3</del>

Issued by: Mark R. Sperduto, Senior Vice President

2014

Wall, NJ 07719

# Superseding Twenty-Firstieth 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**

	DGC-Balancing	DGC-FT
Customer Charge:  Customer Charge per meter per month	\$40.00	\$40.00
Demand Charge:  Demand Charge per therm applied to PBQ	\$0.60	\$0.60
<u>Delivery Charge per therm:</u> November - April	\$ <del>0.3056</del> 0.3100	\$ <del>0.2193</del> <u>0.2237</u>
May - October	\$ <del>0.2728</del> <u>0.2772</u>	\$ <del>0.1865</del> <u>0.1909</u>

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

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

#### MINIMUM MONTHLY CHARGE

Date of Issue: December 19, 20143

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2014

Wall, NJ 07719

Twenty-<u>Second</u>First Revised Sheet No. 65 Superseding Twenty-Firstieth Revised Sheet No. 65

BPU No. 8 - Gas

## SERVICE CLASSIFICATION - DGC

## **DISTRIBUTED GENERATION SERVICE - COMMERCIAL**

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

Date of Issue: December 19, 20143

Issued by: 2014

Mark R. Sperduto, Senior Vice President

Wall, NJ 07719

## 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 \$0.33790.3423

**BGSS Charge:** 

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

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: November 26, 20143

Issued by: Mark R. Sperduto, Senior Vice President

1, 20143

Wall, NJ 07719

Effective for service rendered on and after November December

Fourteenth Thirteenth Revised Sheet No. 77

BPU No. 8 - Gas

Superseding Thirteenth Twelfth 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 \$<del>0.1704</del>0.1748

**Customers without Alternate Fuel** 

Delivery Charge per therm \$<del>0.4121</del>0.4165

**BGSS** Charge:

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

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

#### MINIMUM MONTHLY CHARGE

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

Date of Issue: December 19, 20143

Issued by: Mark R. Sperduto, Senior Vice President

2014

Wall, NJ 07719

BPU No. 8 - Gas

Superseding Fourth Third Revised Sheet No. 97

## SERVICE CLASSIFICATIONS - CNG

#### COMPRESSED NATURAL GAS

#### **AVAILABILITY**

This service is available to any customer who would otherwise qualify for service under Service Classifications RS, GSS, GSL, FT, IS, or NGV and who will utilize natural gas for the purpose of fueling natural gas vehicles at Company owned compressed natural gas re-fueling facilities operated by the Customer on its property ("Host Customer").

Availability of this Service Classification is subject to the terms and conditions approved in BPU Docket No. GR11060361.

#### **CONDITIONS PRECEDENT**

The Host Customer must sign an Agreement with the Company. The Host Customer must provide assurance that it will use initially at least twenty (20) percent of the re-fueling facility's capacity. The Host Customer must agree to provide the general public with reasonable access to a re-fueling facility for purposes of fueling the general public's natural gas vehicles.

#### <u>DEFINITION OF TERM USED HEREIN</u>

"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 gas service where Host Customer may purchase gas supply pursuant to the Company's Rider "A" for Basic Gas Supply Service ("BGSS"), from the Company through a contract, or from a Marketer or Broker.

#### **MONTHLY RATES**

#### Customer Charge:

Customer Charge per meter per month

\$50.00

## Delivery Charge:

Delivery Charge per therm

\$<del>0.4864</del>0.4908

(\$<u>0.6135</u>0.6080 per GGE)

**BGSS Charge:** 

Monthly BGSS Charge per therm for Sales Customers

See "Rate Summaries" at the end of

without a gas supply contract

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.

Date of Issue: November 26, 20143

Effective for service rendered on and after October December 1,

*Issued by:* 201<u>4</u>3

Wall, NJ 07719

Mark R. Sperduto, Senior Vice President

# **SERVICE CLASSIFICATIONS - CNG**

#### **COMPRESSED NATURAL GAS**

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

Date of Issue: Issued by: 201<u>4</u>3

November 26, 20143

Mark R. Sperduto, Senior Vice President

Wall, NJ 07719

Effective for service rendered on and after October December 1,

## RIDER "H"

## <u>UNIVERSAL SERVICE FUND – USF</u>

#### **DETERMINATION OF THE USF**

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

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

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

Lifeline \$0.<u>00590061</u> PIPP \$0.01110065

USF Billing Factor \$\(\frac{\\$0.0126}{\}0.0170\)

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: Issued by: 20143

<del>September 20</del>, 2014<del>3</del>

Mark R. Sperduto, Senior Vice President

Wall, NJ 07719

Effective for service rendered on and after November October 1,

## SUMMARY OF RESIDENTIAL RATE COMPONENTS

#### **Residential Heating Customers**

		Bundled Sales	Transport Sales	Reference
Customer Charge				
Customer Charge per meter		8.25	8.25	
per month				
Delivery Charge ("DEL") per therm				
Transport Rate:				
Pre-tax Base Rate		0.3163	0.3163	
SUT		0.0221	<u>0.0221</u>	Rider B
After-tax Base Rate		0.3384	0.3384	
WNC		0.0000	0.0000	Rider D
CIP		0.0240	0.0240	Rider I
EE		0.0327	0.0327	Rider F
CNGC		0.0000	0.0000	Rider G
Total Transport Rate	a	0.3951	0.3951	
Balancing Charge	b	0.0863	0.0863	Rider A
Societal Benefits Charge ("SBC"):				
NJ's Clean Energy		0.0422	0.0422	Rider E
RA		0.0300	0.0300	Rider C
USF		<u>0.0126</u> 0.0	<u>0.0126</u> 0.0170	Rider H
		<u>170</u>		
Total SBC	c	<u>0.08480.0</u> <u>892</u>	<u>0.0848</u> 0.0892	
Delivery Charge (DEL)	a+b+c=d	<u>0.5662</u> 0.5 <u>706</u>	<u>0.5662</u> 0.5706	
Basic Gas Supply Charge ("BGS")				
Periodic BGSS	e	0.5356	X	Rider A
Less: Balancing	f	0.0863	X	
BGS	e-f=g	<u>0.4493</u>	X	

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

Date of Issue: December 19, 20143

Issued by: Mark R. Sperduto, Senior Vice President

2014

Wall, NJ 07719

Twenty-Sixth Fifth Revised Sheet No. 252

BPU No. 8 - Gas

Superseding Twenty-FifthFourth Revised Sheet No. 252

#### SUMMARY OF RESIDENTIAL RATE COMPONENTS

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

Date of Issue: December 19, 20143

Issued by:

Mark R. Sperduto, Senior Vice President

2014

Wall, NJ 07719

# SUMMARY OF RESIDENTIAL RATE COMPONENTS

## **Residential Non-Heating Customers**

		Bundled Sales	Transport Sales	Reference
Customer Charge				
Customer Charge per meter		8.25	8.25	
per month				
Delivery Charge ("DEL") per therm				
Transport Rate:		0.2162	0.2162	
Pre-tax Base Rate SUT		0.3163 0.0221	0.3163 0.0221	Rider B
501		0.0221	0.0221	Rider D
After-tax Base Rate		0.3384	0.3384	
CIP		0.0049	0.0049	Rider I
EE		0.0327	0.0327	Rider F
CNGC		0.0000	0.0000	Rider G
Total Transport Rate	a	0.3760	0.3760	
Balancing Charge	b	0.0863	0.0863	Rider A
Societal Benefits Charge ("SBC"):				
NJ's Clean Energy		0.0422	0.0422	Rider E
RA		0.0300	0.0300	Rider C
USF		0.01260.0 170	<del>0.0126</del> 0.0170	Rider H
Total SBC	c	<u>0.08480.0</u> <u>892</u>	<del>0.0848</del> 0.0892	
Delivery Charge (DEL)	a+b+c=d	<u>0.5471</u> 0.5 <u>515</u>	<u>0.5471</u> 0.5515	
Basic Gas Supply Charge ("BGS")				
Periodic BGSS	e	0.5356	X	Rider A
Less: Balancing	f	0.0863	X	
BGS	e-f=g	<u>0.4493</u>	X	

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

Date of Issue: December 19, 20143

Issued by: Mark R. Sperduto, Senior Vice President

2014

Wall, NJ 07719

BPU No. 8 - Gas

Twenty-Sixth Fifth Revised Sheet No. 253
Superseding Twenty-Fifth Fourth Revised Sheet No. 253

### SUMMARY OF RESIDENTIAL RATE COMPONENTS

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

Date of Issue: December 19, 20143

Issued by: Mark R. Sperduto, Senior Vice President

2014

Wall, NJ 07719

## **SUMMARY OF RESIDENTIAL RATE COMPONENTS**

## **Residential Distributed Generation Service**

		Nov - Apr	May - Oct	Reference
Customer Charge				
Customer Charge per meter		8.25	8.25	
per month				
Delivery Charge ("DEL") per therm				
Transport Rate:				
Pre-tax Base Rate		0.1795	0.1262	
SUT		<u>0.0126</u> 0.0170	0.0088	Rider B
After-tax Base Rate		0.1921	0.1350	
EE		0.0327	0.0327	Rider F
Total Transport Rate	a	0.2248	0.1677	
Balancing Charge	b	0.0863	0.0863	Rider A
Societal Benefits Charge ("SBC"):				
NJ's Clean Energy		0.0422	0.0422	Rider E
RA		0.0300	0.0300	Rider C
USF		<del>0.0126</del> 0.0170	<del>0.0126</del> 0.0170	Rider H
Total SBC	c	<u>0.0848</u> 0.0892	<u>0.0848</u> 0.0892	
Delivery Charge (DEL)	a+b+c=d	<u>0.3959</u> 0.4003	<u>0.3388</u> 0.3432	
Basic Gas Supply Charge ("BGS")				
Periodic BGSS	e	0.5356	0.5356	Rider A
Less: Balancing	f	0.0863	0.0863	
BGS	e-f=g	<u>0.4493</u>	<u>0.4493</u>	

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

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

Date of Issue: December 19, 20143

Issued by: Mark R. Sperduto, Senior Vice President

2014

Wall, NJ 07719

#### **SUMMARY OF FIRM COMMERCIAL RATE COMPONENTS**

## **General Service - Small (GSS)**

		Bundled Sales	Transport Sales	Reference
Customer Charge				
Customer Charge per meter per month		25.00	25.00	
Delivery Charge ("DEL") per therm				
Transport Rate:				
Pre-tax Base Rate		0.2778	0.2778	
SUT		<u>0.0194</u>	<u>0.0194</u>	Rider B
After-tax Base Rate		0.2972	0.2972	
WNC		0.0000	0.0000	Rider D
CIP		0.0581	0.0581	Rider I
EE		0.0327	0.0327	Rider F
CNGC		0.0000	<u>0.0000</u>	Rider G
Total Transport Rate	a	0.3880	0.3880	
Balancing Charge	b	0.0863	0.0863	Rider A
Societal Benefits Charge ("SBC"):				
NJ's Clean Energy		0.0422	0.0422	Rider E
RA		0.0300	0.0300	Rider C
USF		<u>0.0126</u> 0.0 <u>170</u>	<del>0.0126</del> 0.0170	Rider H
Total SBC	С	<u>0.08480.0</u> <u>892</u>	<u>0.0848</u> 0.0892	
Delivery Charge (DEL)	a+b+c=d	<u>0.5591</u> 0.5 <u>635</u>	<u>0.5591</u> 0.5635	
Basic Gas Supply Charge ("BGS")				
Periodic BGSS	e	0.5356	X	Rider A
Less: Balancing	f	<u>0.0863</u>	X	
BGS	e-f=g	<u>0.4493</u>	X	

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

Date of Issue: December 19, 20143

Issued by: Mark R. Sperduto, Senior Vice President

2014

Wall, NJ 07719

Effective for service rendered on and after <u>October<del>January</del></u> 1,

Superseding Twenty-SixthFifth Revised Sheet No. 255

#### SUMMARY OF FIRM COMMERCIAL RATE COMPONENTS

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

Date of Issue: December 19, 20143

Issued by:

Mark R. Sperduto, Senior Vice President

2014

Wall, NJ 07719

## SUMMARY OF FIRM COMMERCIAL RATE COMPONENTS

## **General Service - Large (GSL)**

		Bundled Sales	Transport Sales	Reference
Customer Charge			<del></del>	
Customer Charge per meter per mont	h	40.00	40.00	
Demand Charge				
Demand Charge per month applied	to HMAD	1.50	1.50	
Delivery Charge ("DEL") per therm				
Transport Rate:				
Pre-tax Base Rate		0.2179	0.2179	
SUT		<u>0.0153</u>	<u>0.0153</u>	Rider B
After-tax Base Rate		0.2332	0.2332	
WNC		0.2332	0.2332	Rider D
CIP		0.0568	0.0568	Rider D Rider I
EE		0.0308	0.0308	Rider F
CNGC		0.0327 0.0000	0.0000 0.0000	Rider G
CNOC		<u>0.0000</u>	<u>0.0000</u>	Kidel O
Total Transport Rate	a	0.3227	0.3227	
Balancing Charge	b	0.0863	0.0863	Rider A
Societal Benefits Charge ("SBC"):				
NJ's Clean Energy		0.0422	0.0422	Rider E
RA		0.0300	0.0300	Rider C
USF		<del>0.0126</del> 0.0	<del>0.0126</del> 0.0170	Rider H
		<u>170</u>	<u></u>	
Total SBC	c	<u>0.08480.0</u> <u>892</u>	<del>0.0848</del> 0.0892	
Delivery Charge (DEL)	a+b+c=d	<u>0.4938</u> 0.4 <u>982</u>	<u>0.4938</u> 0.4982	
Basic Gas Supply Charge ("BGS")				
Monthly BGSS	e	0.7611	X	Rider A
Less: Balancing	f	0.0863	X	
BGS	e-f=g	<u>0.6748</u>	X	

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

Date of Issue: May 29, 2014

Issued by: Mark R. Sperduto, Senior Vice President

Wall, NJ 07719

#### SUMMARY OF FIRM COMMERCIAL RATE COMPONENTS

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

Date of Issue: May 29, 2014

Issued by: Mark R. Sperduto, Senior Vice President

Wall, NJ 07719

Superseding Fourteenth Thirteenth Revised Sheet No. 257

## SUMMARY OF FIRM COMMERCIAL RATE COMPONENTS

#### FIRM TRANSPORTATION (FT)

		<u>HLF</u>	<u>LLF</u>	Reference
<u>Customer Charge</u> Customer Charge per meter per month		50.00	50.00	
<u>Demand Charge</u> Demand Charge per therm per month applie	ed to MDO	1.37	1.37	
Delivery Charge ("DEL") per therm	<b>20</b> 10 11 <b>22 Q</b>	1.6	110,	
Transport Rate: Pre-tax Base Rate SUT		0.1028 <u>0.0072</u>	0.1325 0.0093	Rider B
After-tax Base Rate EE		0.1100 <u>0.0327</u>	0.1418 <u>0.0327</u>	Rider F
Total Transport Rate	a	0.1427	0.1745	
Societal Benefits Charge ("SBC"): NJ's Clean Energy RA USF		0.0422 0.0300 <u>0.01260.017</u> <u>0</u>	0.0422 0.0300 <u>0.01260.01</u> 70	Rider E Rider C Rider H
Total SBC	b	<u>0.0848</u> 0.089 <u>2</u>	<u>0.0848</u> 0.08 <u>92</u>	
Delivery Charge (DEL)	a+b=c	<u>0.2275</u> 0.231 <u>9</u>	<u>0.2593</u> 0.26 <u>37</u>	

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

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

Date of Issue: December 19, 20143

Issued by: Mark R. Sperduto, Senior Vice President

2014

Wall, NJ 07719

#### SUMMARY OF FIRM COMMERCIAL RATE COMPONENTS

## **Commercial Distributed Generation Service**

		Nov - Apr	May - Oct	Reference
<u>Customer Charge</u> Customer Charge per meter per month		40.00	40.00	
Demand Charge				
Demand Charge per therm per month applied to PBQ		0.60	0.60	
Delivery Charge ("DEL") per therm				
Transport Rate:				
Pre-tax Base Rate		0.0951	0.0645	
SUT		0.0067	0.0045	Rider B
After-tax Base Rate		0.1018	0.0690	
EE		0.0327	0.0327	Rider F
CNGC		<u>0.0000</u>	<u>0.0000</u>	Rider G
Total Transport Rate	a	0.1345	0.1017	
Societal Benefits Charge ("SBC"):				
NJ's Clean Energy		0.0422	0.0422	Rider E
RA		0.0300	0.0300	Rider C
USF		<u>0.0126</u> 0.0170	<u>0.0126</u> 0.0170	Rider H
Total SBC	c	<u>0.0848</u> 0.0892	<u>0.0848</u> 0.0892	
DGC-FT Delivery Charge (DEL)	a+b=c	0.21930.2237	<del>0.1865</del> <u>0.1909</u>	
Balancing Charge	b	<u>0.0863</u>	<u>0.0863</u>	
DGC-Balancing Delivery Charge (DEL)	a+b+c=d	<u>0.3056</u> 0.3100	<u>0.2728</u> 0.2772	

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

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

Date of Issue: December 19, 20143 Effective for service rendered on

Issued by: Mark R. Sperduto, Senior Vice President and after October January 1, 2014

Wall, NJ 07719

Filed pursuant to <u>-Order of the Board of Public Utilities entered in</u> Docket No. GR1406

Twenty-Second First Revised Sheet No. 258

BPU No. 8 - Gas

Superseding Twenty-FirstTwentieth Revised Sheet No. 258

## SUMMARY OF FIRM COMMERCIAL RATE COMPONENTS

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

Date of Issue: December 19, 20143

Issued by: 2014

Mark R. Sperduto, Senior Vice President

Wall, NJ 07719

## SUMMARY OF FIRM COMMERCIAL RATE COMPONENTS

#### Firm Cogeneration (FC)

Contained Character		<u>Sales</u>	<u>Transport</u>	Reference
<u>Customer Charge</u> Customer Charge per meter per month		49.49	49.49	
Demand Charge				
Demand Charge per therm per month applied to MDQ		1.00	1.00	
Delivery Charge ("DEL") per therm				
Transport Rate: Pre-tax Base Rate		0.1253	0.1252	
SUT		0.1233 0.0088	0.1253 <u>0.0088</u>	Rider B
		0.0000	0.0000	react B
After-tax Base Rate		0.1341	0.1341	
EE		0.0327	0.0327	Rider F
Total Transport Rate	a	0.1668	0.1668	
Balancing Charge	b	0.0863	0.0863	Rider A
Societal Benefits Charge ("SBC"):				
NJ's Clean Energy		0.0422	0.0422	Rider E
RA		0.0300	0.0300	Rider C
USF		<del>0.0126</del> 0.0170	<del>0.0126</del> 0.0170	Rider H
Total SBC	c	<u>0.0848</u> 0.0892	<u>0.0848</u> 0.0892	
Delivery Charge (DEL)	a+b+c=d	<u>0.3379</u> 0.3423	<u>0.3379</u> 0.3423	
Basic Gas Supply Charge ("BGS")				
Monthly BGSS	e	0.7611	X	Rider A
Less: Balancing	f	0.0863	X	
BGS	e-f=g	0.6748	X	

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

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

Date of Issue: May 29, 2014

Issued by: Mark R. Sperduto, Senior Vice President

2014

Wall, NJ 07719

Eighty-Second First Revised Sheet No. 260
Superseding Eighty-First Eightieth Revised Sheet No. 260

## SUMMARY OF INTERRUPTIBLE RATE COMPONENTS

#### **INTERRUPTIBLE SALES AND TRANSPORTATION**

#### With Alternate Fuel

Customer Charge		Bundled Sales	Transport Sales	Reference
Customer Charge per meter per month		575.00	575.00	
Delivery Charge ("DEL") per therm				
Transport Rate:				
Pre-tax Base Rate		0.0494	0.0494	
SUT		<u>0.0035</u>	0.0035	Rider B
After-tax Base Rate		0.0529	0.0529	
EE		0.0327	0.0327	Rider F
Total Transport Rate	a	0.0856	0.0856	
Societal Benefits Charge ("SBC"):				
NJ's Clean Energy		0.0422	0.0422	Rider E
RA		0.0300	0.0300	Rider C
USF		<u>0.0126</u> 0.0 <u>170</u>	<u>0.0126</u> 0.0170	Rider H
Total SBC	b	<u>00848</u>	<u>0.0848</u> 0.0892	
Delivery Charge (DEL)	a+b=c	<u>0.1704</u> 0.1 <u>748</u>	<u>0.1704</u> 0.1748	
Basic Gas Supply Charge ("BGS")				
Monthly BGSS	d	0.7611	X	Rider A
BGS	d	<u>0.7611</u>	X	

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

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

Date of Issue: May 29, 2014

Issued by: Mark R. Sperduto, Senior Vice President

Wall, NJ 07719

## SUMMARY OF INTERRUPTIBLE RATE COMPONENTS

#### **INTERRUPTIBLE SALES AND TRANSPORTATION**

#### **Without Alternate Fuel**

Customer Charge		Bundled Sales	Transport Sales	Reference
Customer Charge per meter per month		575.00	575.00	
Delivery Charge ("DEL") per therm				
Transport Rate:		0.0750	0.0550	
Pre-tax Base Rate		0.2753	0.2753	D
SUT		0.0193	0.0193	Rider B
After-tax Base Rate		0.2946	0.2946	
EE		0.0327	0.0327	Rider F
Total Transport Rate	a	0.3273	0.3273	
Societal Benefits Charge ("SBC"):				
NJ's Clean Energy		0.0422	0.0422	Rider E
RA		0.0300	0.0300	Rider C
USF		0.01260.0 170	<del>0.0126</del> 0.0170	Rider H
Total SBC	b	<u>0.08480.0</u> <u>892</u>	<del>0.0848</del> 0.0892	
Delivery Charge (DEL)	a+b=c	<u>0.4121</u> 0.4 <u>165</u>	<u>0.4121</u> 0.4165	
Basic Gas Supply Charge ("BGS")				
Monthly BGSS	d	0.7611	X	Rider A
BGS	d	<u>0.7611</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: April 29, 2014

Issued by: Mark R. Sperduto, Senior Vice President

Wall, NJ 07719

## SUMMARY OF FIRM COMMERCIAL RATE COMPONENTS

## **Compressed Natural Gas (CNG)**

<u>Customer Charge</u> Customer Charge per meter per month		Bundled Sales 50.00	Transport Sales 50.00	Reference
Delivery Charge ("DEL") per therm				
Transport Rate:				
Pre-tax Base Rate		0.1448	0.1448	
CNG Charge		0.2000	0.2000	D'I D
SUT		0.0241	0.0241	Rider B
After-tax Base Rate		0.3689	0.3689	
EE		0.0327	0.0327	Rider F
Total Transport Rate	a	0.4016	0.4016	
Constant Dought Change ("CDC").				
Societal Benefits Charge ("SBC"): NJ's Clean Energy		0.0422	0.0422	Rider E
RA		0.0422	0.0300	Rider C
USF		<del>0.0126</del> 0.0	<del>0.0126</del> 0.0170	Rider H
		170	0.01200.0170	111001 11
Total SBC	b	<u>0.0848</u> 0.0	<del>0.0848</del> 0.0892	
		<u>892</u>		
Delivery Charge (DEL)	a+b=c	<del>0.4864</del> 0.4	<del>0.4864</del> 0.4908	
benvery charge (bbb)	u10-c	908	<u>0.1001</u> 0.1200	
Basic Gas Supply Charge ("BGS")	1	0.7611	V	D:1 A
Monthly BGSS	d	0.7611	X	Rider A
BGS	d	<u>0.7611</u>	X	

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

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

Date of Issue: May 29, 2014

Issued by: Mark R. Sperduto, Senior Vice President

Wall, NJ 07719

## NEW JERSEY NATURAL GAS COMPANY NOTICE OF FILING AND PUBLIC HEARING

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

IN THE MATTER OF THE PETITION OF NEW JERSEY NATURAL GAS COMPANY 2014/2015 ANNUAL COMPLIANCE FILING FOR THE UNIVERSAL SERVICE FUND PROGRAM FACTOR WITHIN THE SOCIETAL BENEFITS CHARGE RATE BPU DOCKET NO. ER1406

#### TO OUR CUSTOMERS:

PLEASE TAKE NOTICE that, pursuant to the Electric Discount and Energy Competition Act, N.J.S.A. 48:3-49, et seq., the Universal Service Fund ("USF") program was established by the New Jersey Board of Public Utilities (the "Board"), to provide funds to assist qualifying low-income individuals in paying their energy bills. Pursuant to Orders of the Board dated April 30, 2003, July 16, 2003 and June 22, 2005, the State's electric and gas public utilities' Societal Benefits Charge includes recovery of funding for the USF program through uniform statewide rates. The Societal Benefits Charge also includes funding for the Lifeline Program which incorporates funds for the Work First NJ program.

The State of New Jersey's Department of Community Affairs is the Administrator of the USF Program and the New Jersey Department of Human Services is the Administrator of the Lifeline programs and authorizes the disbursement of benefits to eligible customers in the respective programs.

New Jersey Natural Gas Company ("NJNG" or the "Company") made a compliance filing with the Board on June 20, 2014, requesting authority to implement an increase related to the statewide USF/Lifeline program charge, as described below, to be effective on October 1, 2014. The current after-tax USF/Lifeline program charge for natural gas customers is \$0.0126 per therm. The USF component is increasing by \$0.0046 per therm and the Lifeline component is decreasing by \$0.0002 per therm. The proposed after-tax USF/Lifeline program charge will increase to \$0.0044 to recover approximately \$47.1 million for the statewide natural gas USF program and \$24.9 million for the Lifeline programs. The above request will not result in any profit to the Company. The revenues received under the proposed USF charge are designed to permit the Company to recover only its costs for the USF and Lifeline program. Actual program costs will be reconciled with the revenues received through the USF program charge in the next annual filing scheduled to be made no later than July 1, 2015. A copy of the filing is available at www.njng.com/regulatory.

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

Universal Service/Lifeline Fund Components of Societal Benefits Charge				
	Present	Present	Proposed	Proposed
		(Incl. Sales and		(Incl. Sales and Use
		Use Tax)		Tax)
USF- per therm	\$0.0061	\$0.0065	\$0.0104	\$0.0111
Lifeline- per therm	\$0.0057	\$0.0061	\$0.0055	\$0.0059
Total USF/Lifeline	\$0.00118	\$0.0126	\$0.0159	\$0.0170

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

		Rates		Increase	
			Proposed		
	Therm	Bill as of	Bill as of		
Customer Type	Level	June 1, 2014	October 1, 2014	Amount	Percent
Residential Heat Sales	100	\$109.80	\$110.24	\$0.44	0.40%
Residential Non-Heat Sales	25	\$33.16	\$33.27	\$0.11	0.33%
General Service Small	100	\$125.84	\$126.28	\$0.44	0.35%
General Service Large	1200	\$1,617.82	\$1,623.10	\$5.28	0.33%

Based on this filing, a typical residential natural gas customer using 100 therms per month would see an increase in their monthly bill from \$109.80 to \$110.24, or \$0.44 or approximately 0.40 percent.

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

Copies of the Company's June 20, 2014 filing can be reviewed either at the NJNG Customer Service Centers listed on the Company Web site, www.njng.com, or at the New Jersey Board of Public Utilities, 7<sup>th</sup> Floor, 44 South Clinton Avenue P.O. Box 350 Trenton, NJ 08625-0350.

**PLEASE TAKE NOTICE** that the following date, time and location for public hearings have been scheduled on the above filing so that members of the public may present their views:

, 2014 at 4:30 and 5:30 P.M.	, 2014 at 4:30 and 5:30 P.M.
Rockaway Township Municipal Building	Freehold Township Municipal Building
Conference Room	Conference Room
65 Mt. Hope Road	One Municipal Plaza, Schanck Road
Rockaway Township, New Jersey 07866-1698	Freehold, New Jersey 07728-3099

The public is invited to attend and interested persons will be permitted to testify and/or make a statement of their views on the proposed rate changes. In order to encourage full participation in this opportunity for public comment, please submit any requests for needed accommodations, including interpreter, listening devices or mobility assistance, 48 hours prior to this hearing. Regardless of whether they attend the hearing, members of the public may submit written comments concerning the petition to the BPU by addressing them to: Kristi Izzo, Secretary, New Jersey Board of Public Utilities, 44 South Clinton Avenue, 9<sup>th</sup> Floor, P.O. Box 350 Trenton, NJ 08625-0350.