



New Jersey  
Natural Gas

August 28, 2014

*filed*  
*9/4/14*

**VIA ELECTRONIC MAIL AND FEDERAL EXPRESS**

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

REC'D  
2014 AUG 29 PM 1 51  
CASE MANAGEMENT

Re: In the Matter of the Petition of  
New Jersey Natural Gas Company  
for the Annual Review and Revision  
of Its Basic Gas Supply Service (BGSS) and  
Conservation Incentive Program (CIP) Factors  
for F/Y 2015  
Docket Nos. GR14060537 and GX01050304

Dear Secretary Izzo:

Please accept this letter as notification that New Jersey Natural Gas Company (the "Company" or "NJNG") intends to implement a decrease to its Periodic Basic Gas Supply Service ("BGSS") factor effective October 1, 2014. Pursuant to the terms of an Order in BPU Docket No. GX01050304, dated January 6, 2003, approving the BGSS Pricing Mechanism and the Stipulation adopted within that order, the Company can implement a rate reduction with five days notice to the Staff of the New Jersey Board of Public Utilities ("BPU") and the New Jersey Division of Rate Counsel. Accordingly, this letter and the attachments hereto constitute the required notice.

*CC MG*

On June 2, 2014, NJNG filed a petition seeking the review of its BGSS and Conservation Incentive Program ("CIP") factors for the 2015 fiscal year in Docket No. GR14060537, captioned above ("Annual Filing"). Within that filing, the Company requested to maintain the Periodic BGSS price of \$0.5356 per therm inclusive of sales tax that was implemented effective December 1, 2013 and proposed decreases to its CIP rates and its Balancing Charge effective October 1, 2014.

Due to the Company's natural gas supply strategies and recent lower wholesale natural gas prices, NJNG is able to implement a BGSS price decrease for residential and small commercial customers subject to the Periodic BGSS pricing mechanism. Effective October 1, 2014, the current BGSS price of \$0.5356 per therm will decrease to \$0.4804 per therm inclusive of sales taxes. The BGSS price reduction results in a decrease of \$5.52, or approximately 5 percent, for a residential heating sales customer using 100 therms per month. A residential heating customer's total annual bill based on 1,000 therm usage will be reduced by \$55.20. When combined with CIP decrease proposed in the Annual Filing, the annual bill will be reduced by \$102.40, or 9.2 percent. The BGSS decrease and the proposed CIP decreases result in an overall decrease of 7.0 percent to the total monthly 25 therm bill for a residential non-heat sales customer and 8.2 percent to the total onthly 100 therm bill for a General Service - Small ("GSS") sales customer.

NJNG continuously monitors the natural gas markets and will continue to make every effort possible to provide reasonably priced, reliable natural gas supply service to BGSS customers.

**EXHIBITS**

NJNG is providing the following information within this notification:

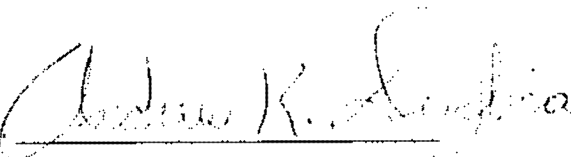
**Exhibit A** demonstrates the impact of the BGSS price reduction on the average residential heating customer using 100 therms a month and also based on an annual consumption of 1000 therms as well as on a residential non-heating customer and GSS customer, and

**Exhibit B** includes the NJNG Tariff pages that will be changed to reflect the impact of the BGSS price decrease in a red-line and clean format.

The costs and recoveries associated with this filing have no net impact on NJNG's base revenues or return on investment, and the BGSS price reduction will not change NJNG's income or rate of return as previously fixed by the Board.

Respectfully submitted,

NEW JERSEY NATURAL GAS COMPANY

By 

Andrew K. Dembia, Esq.  
Regulatory Affairs Counsel

C: Service List (Electronic mail only)  
Encl.

**NEW JERSEY NATURAL GAS COMPANY  
ANNUAL REVIEW AND REVISION OF ITS  
BASIC GAS SUPPLY SERVICE (BGSS) AND  
REVIEW AND REVISION OF ITS CONSERVATION  
INCENTIVE PROGRAM (CIP) FOR F/Y 2015  
DOCKET NO. GR14060537**

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**NEW JERSEY NATURAL GAS COMPANY  
ANNUAL REVIEW AND REVISION OF ITS  
BASIC GAS SUPPLY SERVICE (BGSS) AND  
REVIEW AND REVISION OF ITS CONSERVATION  
INCENTIVE PROGRAM (CIP) FOR F/Y 2015  
DOCKET NO. GR14060537**

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New Jersey Natural Gas Company  
Net Impact of Proposed Rate Changes  
BPU Docket No. GR14060537  
F/Y 2015

	Current			Proposed		
	Residential Non-Heat	Residential Heat	GSS	Residential Non-Heat	Residential Heat	GSS
Pre-tax Periodic BGSS	\$0.5006	\$0.5006	\$0.5006	\$0.4490	\$0.4490	\$0.4490
After-tax Periodic BGSS	\$0.5356	\$0.5356	\$0.5356	\$0.4804	\$0.4804	\$0.4804
Less: Balancing	(\$0.0863)	(\$0.0863)	(\$0.0863)	(\$0.0863)	(\$0.0863)	(\$0.0863)
<b>BGSS Price To Compare</b>	<b>\$0.4493</b>	<b>\$0.4493</b>	<b>\$0.4493</b>	<b>\$0.3941</b>	<b>\$0.3941</b>	<b>\$0.3941</b>

**Impact on Residential Non-Heating Customers**

25 therm bill

Current Prices			
Customer Charge		\$8.25	\$8.25
Delivery		\$0.5471	\$13.68
BGSS		\$0.4493	\$11.23
<b>Total</b>		<b>\$0.9964</b>	<b>\$33.16</b>
Proposed prices- effective 10/1/14			
Customer Charge		\$8.25	\$8.25
Delivery		\$0.5471	\$13.68
BGSS		\$0.3941	\$9.85
<b>Total</b>		<b>\$0.9412</b>	<b>\$31.78</b>
<b>Decrease</b>			<b>(\$1.38)</b>
<b>Decrease as a percent</b>			<b>(4.2%)</b>

**Impact on Residential Heating Customers**

100 therm bill      1000 therm annual bill

Current Prices				
Customer Charge		\$8.25	\$8.25	\$99.00
Delivery		\$0.5662	\$56.62	\$566.20
BGSS		\$0.4493	\$44.93	\$449.30
<b>Total</b>		<b>\$1.0155</b>	<b>\$109.80</b>	<b>\$1,114.50</b>
Proposed prices- effective 10/1/14				
Customer Charge		\$8.25	\$8.25	\$99.00
Delivery		\$0.5662	\$56.62	\$566.20
BGSS		\$0.3941	\$39.41	\$394.10
<b>Total</b>		<b>\$0.9603</b>	<b>\$104.28</b>	<b>\$1,059.30</b>
<b>Decrease</b>			<b>(\$5.52)</b>	<b>(\$55.20)</b>
<b>Decrease as a percent</b>			<b>(5.0%)</b>	<b>(5.0%)</b>

**Impact on Commercial GSS Customers**

100 therm bill

Current Prices			
Customer Charge		\$25.00	\$25.00
Delivery		\$0.5591	\$55.91
BGSS		\$0.4493	\$44.93
<b>Total</b>		<b>\$1.0084</b>	<b>\$125.84</b>
Proposed prices- effective 10/1/14			
Customer Charge		\$25.00	\$25.00
Delivery		\$0.5591	\$55.91
BGSS		\$0.3941	\$39.41
<b>Total</b>		<b>\$0.9532</b>	<b>\$120.32</b>
<b>Decrease</b>			<b>(\$5.52)</b>
<b>Decrease as a percent</b>			<b>(4.4%)</b>

Projected Annual Post-tax BGSS, CIP, and WNC revenue  
BGSS projected annual therms 427,882 (000s)

	Projected Revenue at Current Rates \$million	Projected Revenue at Proposed Rates \$million	Change \$million
BGSS Impact	\$229.17	\$205.55	(\$23.62)
<b>IMPACT</b>	<b>\$229.17</b>	<b>\$205.55</b>	<b>(\$23.62)</b>

NEW JERSEY NATURAL GAS COMPANY

BPU No. 8 - Gas

~~Eightieth~~Seventy-Ninth Revised Sheet No. 155  
Superseding ~~Seventy-Ninth~~Eightieth Revised Sheet No. 155

RIDER "A"

BASIC GAS SUPPLY SERVICE - BGSS(Continued)

PERIODIC BASIC GAS SUPPLY SERVICE (BGSS) CHARGE<sup>1</sup>

<u>CLASS</u>	<u>APPLICATION</u>	<u>CHARGE</u>
RS, GSS, and ED sales customers using less than 5,000 therms annually	Included in the Basic Gas Supply Charge	\$0.53560.4804 per therm

BALANCING CHARGE

<u>CLASS</u>	<u>APPLICATION</u>	<u>CHARGE</u>
RS, GSS, GSL, DGC, ED	Included in the Delivery Charge	\$0.0863 per therm

MONTHLY BASIC GAS SUPPLY SERVICE (BGSS) CHARGE<sup>1</sup>

<u>CLASS</u>	<u>APPLICATION</u>
GSL, FC and ED sales customers using 5,000 therms or greater annually	Included in the Basic Gas Supply Charge

<u>Effective Date</u>	<u>Charge Per Therm</u>
August 1, 2013	\$0.6303
September 1, 2013	\$0.6423
October 1, 2013	\$0.6324
November 1, 2013	\$0.6322
December 1, 2013	\$0.6744
January 1, 2014	\$0.7409
February 1, 2014	\$0.8704
March 1, 2014	\$0.7912
April 1, 2014	\$0.7572
May 1, 2014	\$0.7809
June 1, 2014	\$0.7611
July 1, 2014	\$0.7366
August 1, 2014	\$0.6706

<sup>1</sup> For billing purposes, the Periodic BGSS and Monthly BGSS charges are adjusted for Balancing Charges as presented in the Rate Summaries at the end of this Tariff.

Date of Issue: ~~August~~July 28~~30~~, 2014  
 Issued by: Mark R. Sperduto, Senior Vice President  
 2014  
 Wall, NJ 07719

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

**NEW JERSEY NATURAL GAS COMPANY**

**BPU No. 8 - Gas**

*Twenty-Sixth-Fifth Revised Sheet No. 252*  
*Superseding Twenty-Fifth-Fourth Revised Sheet No. 252*

**SUMMARY OF RESIDENTIAL RATE COMPONENTS**

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

**Date of Issue:** *August 28, 2014*~~December 19, 2013~~  
**Issued by:** *Mark R. Spurduto, Senior Vice President*  
*2014*  
*Wall, NJ 07719*

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

*Filed pursuant to*  
*Order of the Board of Public Utilities entered in*  
*Docket No. GRI1060537*~~*the Board's Secretary letter dated December 18, 2013*~~~~*IM/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. E011140800*



**NEW JERSEY NATURAL GAS COMPANY**

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: August 28, 2014~~December 19, 2013~~  
Issued by: Mark R. Spurduto, Senior Vice President  
2014

Effective for service rendered on  
and after OctoberJanuary 1,

Wall, NJ 07719

Filed pursuant to  
Order of the Board of Public Utilities entered in  
Docket No. GR14060537~~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

**NEW JERSEY NATURAL GAS COMPANY**

**BPU No. 8 - Gas**

*Twenty-Seventh Revised Sheet No. 255  
Superseding Twenty-Sixth 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>
<b><u>Customer Charge</u></b>				
Customer Charge per meter per month		25.00	25.00	
<b><u>Delivery Charge ("DEL") per therm</u></b>				
<i>Transport Rate:</i>				
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		<u>0.0000</u>	<u>0.0000</u>	Rider G
<i>Total Transport Rate</i>	a	<i>0.3880</i>	<i>0.3880</i>	
<i>Balancing Charge</i>	b	<i>0.0863</i>	<i>0.0863</i>	Rider A
<i>Societal Benefits Charge ("SBC"):</i>				
NJ's Clean Energy		0.0422	0.0422	Rider E
RA		0.0300	0.0300	Rider C
USF		<u>0.0126</u>	<u>0.0126</u>	Rider H
<i>Total SBC</i>	c	<i>0.0848</i>	<i>0.0848</i>	
<b>Delivery Charge (DEL)</b>	a+b+c=d	<b><u>0.5591</u></b>	<b><u>0.5591</u></b>	
<b><u>Basic Gas Supply Charge ("BGS")</u></b>				
Periodic BGSS	e	<del>0.53560.4</del> 804	x	Rider A
Less: Balancing	f	<u>0.0863</u>	x	
<b>BGS</b>	e-f=g	<del>0.44930.3</del> <u>941</u>	x	

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

**Date of Issue:** ~~August 28, 2014~~ December 19, 2013  
**Issued by:** Mark R. Sperduto, Senior Vice President  
Wall, NJ 07719

*Effective for service rendered on  
and after October 1, 2014*

*Filed pursuant to  
Order of the Board of Public Utilities entered in  
Docket No. GR14060537 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. EQ11140800*

NEW JERSEY NATURAL GAS COMPANY

Twenty-Sixth Revised Sheet No. 253

BPU No. 8 - Gas

Superseding Twenty-Fifth Revised Sheet No. 253

SUMMARY OF RESIDENTIAL RATE COMPONENTS

Residential Non-Heating Customers

		<u>Bundled</u> <u>Sales</u>	<u>Transport</u> <u>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		0.3163	0.3163	
SUT		<u>0.0221</u>	<u>0.0221</u>	Rider B
After-tax Base Rate		0.3384	0.3384	
CIP		0.0049	0.0049	Rider I
EE		0.0327	0.0327	Rider F
CNGC		<u>0.0000</u>	<u>0.0000</u>	Rider G
<i>Total Transport Rate</i>	a	<u>0.3760</u>	<u>0.3760</u>	
<i>Balancing Charge</i>	b	<u>0.0863</u>	<u>0.0863</u>	Rider A
<i>Societal Benefits Charge ("SBC"):</i>				
NJ's Clean Energy		0.0422	0.0422	Rider E
RA		0.0300	0.0300	Rider C
USF		<u>0.0126</u>	<u>0.0126</u>	Rider H
<i>Total SBC</i>	c	<u>0.0848</u>	<u>0.0848</u>	
<b>Delivery Charge (DEL)</b>	a+b+c=d	<u><b>0.5471</b></u>	<u><b>0.5471</b></u>	
<u>Basic Gas Supply Charge ("BGS")</u>				
Periodic BGSS	e	0.4804	x	Rider A
Less: Balancing	f	<u>0.0863</u>	x	
<b>BGS</b>	e-f=g	<u><b>0.3941</b></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**

*Twenty-Seventh Revised Sheet No. 255*

*BPU No. 8 - Gas*

*Superseding Twenty-Sixth 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>
<b><u>Customer Charge</u></b>				
Customer Charge per meter per month		25.00	25.00	
<b><u>Delivery Charge ("DEL") per therm</u></b>				
<i>Transport Rate:</i>				
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		<u>0.0000</u>	<u>0.0000</u>	Rider G
<i>Total Transport Rate</i>	a	<i>0.3880</i>	<i>0.3880</i>	
<i>Balancing Charge</i>	b	<i>0.0863</i>	<i>0.0863</i>	Rider A
<i>Societal Benefits Charge ("SBC"):</i>				
NJ's Clean Energy		0.0422	0.0422	Rider E
RA		0.0300	0.0300	Rider C
USF		<u>0.0126</u>	<u>0.0126</u>	Rider H
<i>Total SBC</i>	c	<u><i>0.0848</i></u>	<u><i>0.0848</i></u>	
<b>Delivery Charge (DEL)</b>	a+b+c=d	<b><u>0.5591</u></b>	<b><u>0.5591</u></b>	
<b><u>Basic Gas Supply Charge ("BGS")</u></b>				
Periodic BGSS	e	0.4804	x	Rider A
Less: Balancing	f	<u>0.0863</u>	x	
<b>BGS</b>	e-f=g	<b><u>0.3941</u></b>	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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